Amicus Corporate Social Responsibility Guide

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■ WHAT IS CORPORATE SOCIAL RESPONSIBILITY?

The term corporate social responsibility has become a common phrase in recent times and is used when talking about business ethics or behaviour.

The idea behind corporate social responsibility (CSR) is to encourage employers to take into account the interests of other stakeholders, not only shareholders but communities, consumers and employees and to go beyond solely economic decisions to consider a more socially aware approach to their business operations.

CSR has many facets to it. The external issues, which it could be argued, are the prime focus of attention for employers, cover issues like: community involvement; sponsorship; mentoring/secondment and increasingly environmental issues and sustainable development.

While the external work being carried out by business under the CSR banner is welcomed, Amicus believes that the internal agenda which relates to employee relations issues should be given a stronger focus by employers.

There is evidence to support the premise that the benefits of positive dialogue on CSR can be worthwhile for both employees and employers, these include: increased productivity, lower turnover of staff, reduced stress, reduction in absenteeism and increased loyalty through being perceived as a valued member of the organisation.

The Amicus Good Work, an Agenda for Better Jobs report supports this. It states that "fulfilling employment has a major part to play in the quality of our lives, the effectiveness of our organisations and the economic performance of the nation".

There is therefore scope to develop the CSR agenda which will bring advantage to the employee but may also bring benefits to the organisation and the wider economy.

Nevertheless, CSR can only have a major impact if it becomes an integral part of a company's business strategy, not just an external add-on. Unfortunately, a significant number of companies view CSR as just one aspect of their Public Relations strategy.

Companies with poor records on employment issues frequently parade their CSR credentials in annual social reports, and this has led to scepticism about CSR in the trade union movement.

But as trade unionists we shouldn't turn our backs on CSR. We can use it as a lever to improve employee engagement, and challenge companies who claim to be socially responsible to invest in positive employment relations. CSR should be on the collective bargaining agenda of every unionised company. And our key message to companies must be:

If a company is not carrying out all the facets of CSR, it is not doing it properly.

Understanding the link between treating employees with dignity and respect and competitive advantage is the key to promoting the CSR agenda within the workplace. Significant evidence exists which supports this view.

■ REGULATION -V- VOLUNTARISM?

CSR is first and foremost a voluntary initiative and as such it has limitations. While the Government has shown its commitment to the principles of CSR by appointing a Minister for CSR and by publishing an annual CSR Report, its agenda is very much supporting the voluntary arrangements favoured by the business community, while emphasising, but not legislating for, compliance.

The voluntary nature of CSR has been one of the most talked about and controversial areas within the CSR debate. There are two distinctive views: employer organisations, business leaders and government are reluctant to adopt regulation which would make CSR mandatory. On the other hand, trade unions, voluntary groups and NGO's can see the limitations of taking a voluntary approach without some level of regulatory framework.

IS A VOLUNTARY APPROACH TO CSR ENOUGH?

Voluntary initiatives may be sufficient to improve best practice at the top end, however there will always be much that companies can and should do over and above current legal compliance.

This is why we see a clear role for legislation in building a sound base of minimum standards that apply to all, and in providing incentives for companies to pursue a responsible route. Amicus will continue to campaign for increases in the minimum legal standards that apply to all businesses, and support European initiatives which enhance UK workers' rights, such as the Information and Consultation Directive.

HOW DO YOU PROGRESS THE CSR AGENDA IN YOUR WORKPLACE?

There is no one size fits all CSR policy and this is an advantage as the CSR agenda can be tailored to the employee/organisations needs.

However contained within the CSR agenda there are a number of rights which are encompassed within UK employment legislation. These include information and consultation and work-life balance initiatives, including flexible working and health and safety. Other aspects rely on organisations to adopt a positive attitude to employee engagement and to recognise that treating employees fairly and with respect reaps rewards.

The best way for companies to promote the CSR agenda is to build positive employment relationships through discussion with their trade unions. Through trade unions, companies can inform and consult their staff, engage them in workplace and wider strategic discussions, promote equal opportunities, improve health and safety standards, enhance life-long learning opportunities - and much more besides.

As a starting point in the workplace the following can be considered:

- The introduction of a CSR Strategy Committee could be introduced in the organisation including trade union representation.
- A full assessment of the CSR agenda in the organisation to be conducted to identify gaps.

- CSR policies and initiatives negotiated through existing collective bargaining procedures.
- Where there is a clearly defined CSR strategy which includes employee engagement, all staff should be made aware of this.

Once a CSR Forum is established it may be necessary to take issues forward through detailed discussion and in this instance:

- CSR working groups could be introduced to deal with specific strategic issues.

Case Study

The insurance company Legal and General have embraced the CSR agenda and have set up a CSR Committee which oversees the work of various 'sub' committees. The sub committees are tasked with identifying issues and tackling problems that arise within the CSR agenda. These committees include Health and Safety; Environment; Community and Charity; Ethics; and Equality and Diversity.

Amicus is represented on all of these committees and a senior Amicus Representative sits on the high level CSR Committee, which is chaired by the Chief Executive of L&G.

One example of the type of work the committees are involved with is an employee volunteering policy. This initiative was raised by Amicus within the sub committees and is now being piloted within L&G. This project will allow all employees paid time off for volunteering in local community projects.

This 'Partnership in Action' approach within L&G gives Amicus leverage to pursue member's interests and issues within the structures of the organisation.

■ WHAT BENEFITS CAN CSR BRING?

While the term CSR may be new, many of the ideas that lie behind it are core trade union campaigning issues. Issues like;

- individual and collective employment rights
- information and consultation
- equality
- worklife balance
- training and development
- health and safety

Individual and collective employment rights

CSR only becomes meaningful if corporate democracy is at its core. Despite the UK being an advanced democratic state, it has some of the most restrictive employment legislation in the developed world.

Trade unionists have a key role to play in ensuring that basic rights are observed for all workers and improvements introduced in the UK employment legislation.

Corporate restructuring

The incorporation of CSR into the restructuring process is vital and companies which embrace CSR must make a positive commitment to job security. Employers should also recognise that investment in employee training to give workers the skills they need to respond to the changing working environment is value added, and should use redundancies only as a last resort.

Outsourcing

Outsourcing is an increasingly significant issue for employees in many sectors of the economy. It could be argued that those companies who choose to outsource or offshore work to low wage economies do not place CSR high on their agenda.

Amicus has been instrumental in campaigning on the issue of outsourcing and offshoring in order to protect the job security of employees in the UK and to contribute towards the economic growth of communities at home and abroad.

Equality and diversity

Equality of opportunity is also central to responsible employment practices, and while much of the equality agenda is covered by employment law there is much to do on this issue and is very much a core concern within the CSR agenda.

Work-Life Balance

Work-life balance is about giving greater opportunity for individuals, both women and men, to obtain employment and develop their careers whilst fulfilling domestic and personal ambitions in their everyday lives. Good work-life balance policies should enhance job design and bring about more flexibility at work to support business and personal objectives. Work flexibility, in accordance with both individuals' and the company's needs and objectives, will create the best conditions for good results and career development that goes hand in hand with the individual's personal life.

Family-friendly policies

Statutory rights covering maternity and paternity pay and leave, adoption pay and leave, and the right for parents to request flexible working all exist and Amicus has already successfully negotiated provisions above and beyond the statutory minimum in a number of sectors. Our aim is to gain provisions that exceed the minimum in all the areas where we have recognition.

Equal Pay

Despite more than 30 years of the Equal Pay Act pay discrimination still exists. Amicus has been instrumental in campaigning for equal pay audits to address the pay gap in many workplaces. However, one of the main causes of the pay gap is due to the clustering of women in lower graded jobs and this is a particular issue for part-time workers. Amicus continues to raise the issue of equal pay with employers and the CSR agenda is one of the ways to introduce this issue as a strategic part of a company's business plan.

Training, learning and development

In terms of competitive advantage the skills agenda is perhaps the pivotal issue within the CSR agenda. Companies must provide and maintain an adequate level of skills and knowledge to all workers which will maintain a suitable level of employability and access to transferable skills.

This should be enhanced by the introduction of union learning representatives to facilitate the delivery of skills and qualifications which would broaden further the opportunities for life long learning. Policies and practices to achieve this should include access to all technologies including internet and intranet and other data enabled systems with paid time off to carry out training.

Training programmes should focus on job related expertise for professional development together with acknowledgement of personal development opportunities which may also enhance individual effectiveness.

A partnership between employers, employees and trade unions to deliver learning opportunities should be part of any CSR strategy.

■ COMMUNITY AND ENVIRONMENTAL INITIATIVES

Business is increasingly involved in community and charity work and it is this area of the CSR agenda which is often most widely publicised by employers. Workplace initiatives such as 'greening the workplace', energy conservation, recycling and community engagement, including mentoring schemes, are all increasingly important initiatives which are supported by most stakeholder groups.

However, cynics may argue that this is more about company PR and less about moral obligation, which may be true. However there is evidence that supports the view that people want to work for companies who are seen as acting ethically and consumers want to purchase from companies who have ethical policies.

Amicus welcomes these initiatives by employers which help to embed an ethical culture throughout the business. This ensures that the business is perceived positively by employees, consumers and the wider community and it therefore becomes important for the organisation to maintain its ethical credentials.

■ REPORTING ON CSR

It is essential for the legitimacy of CSR that rigorous reporting and auditing is put in place in order to combat any criticism that CSR is merely a Public Relations exercise. This is good for business and good for stakeholders.

Whilst external verification and comparison of companies' CSR practice is important, ultimately trade unions are best-placed to monitor companies' behaviour, particularly on the many employment relations aspects of CSR cited here. This is of course what trade unions have always done, long before the term CSR was coined. However, the information produced within social reports should provide us with sufficient information for both engaging productively with companies over their employment impact and in promoting good practice in the workplace.

Amicus believes that what is required is social auditing that is not tainted by scandal; a system that is open to independent scrutiny, where meaningful and comparable information can be shared with all stakeholders and which is credible. This would ensure rigorous assessment of the organisation's procedures and practices took place from the outset with all stakeholders being able to contribute to the agenda. Amicus also believes that transparent and credible CSR can only come through legislation.

The recent introduction of a Business Review as part of the Directors Report in the company accounts, does mean companies must provide information on some aspects of their environmental and social matters. However, it falls far short of the more thorough Operating and Financial Review which was supported across the board, but repealed at the last minute by Government. The Business Review is far less robust in that it removes the statutory reporting standards and allows companies to decide what information to include in their social reports. All in all a far weaker reporting mechanism than was anticipated.

■ IS CSR ALL A WASTE OF TIME?

CSR requires employers to think differently about their businesses and to adopt a 'social model' using new ideas and innovative employment practices to get the best from its people. What Amicus wants to see is innovative employment policies and practices which promote better jobs, safer and employee-friendly workplaces, work-life balance and gender mainstreaming including addressing discriminatory practices. This would be a good starting point.

Amicus would argue that CSR is far from irrelevant in business today. In fact many employers are recognising the benefits of upholding a CSR agenda within their business, with increasing research which provides evidence of the positive impact a CSR agenda can have on the bottom line.

A report by the Labour Research Department published in June 2006 concluded that there tend not to be formal methods of consultation with employees or their reps to gain employee or trade union input into the CSR strategy.

However on a more positive note the survey does accept that examples of good practice do exist where employee involvement in CSR strategies are in place and are further helping to develop this area within the organisation.

The report concludes that where a clearly defined social responsibility strategy has yet to be developed, there are opportunities to engage with companies for more involvement in CSR as the strategy is being developed. This opportunity should be seized.

However CSR is not a substitute for collective bargaining (or trade unions) and the CSR agenda should be pursued through existing workplace channels. Looking long term, Amicus would wish to see the myriad of issues that could be defined within the CSR become mainstreamed to form part of any modern progressive company's collective negotiations agenda.

Therefore now is the time to start engaging with employers on this issue. It is up to the trade union movement to ensure the principles behind CSR are kept on the negotiating agenda and to encourage compliance by building on the successes and benefits CSR can bring to employees and ultimately to the organisation.

Checklist

- The introduction of a CSR Committee including trade union representation at all levels;
- CSR working or sub groups could be introduced to deal with specific strategic issues;
- A full assessment of the CSR agenda should be carried out in the organisation to identify areas for improvement;
- Where there is a clearly defined CSR strategy which includes employee engagement, all staff should be made aware of this;
- CSR practices should be audited by an external independent body.

■ USEFUL WEBSITES:

European Commission social agenda for modernising Europe's social model

http://ec.europa.eu/employment_social/index_en.html

CSR Academy is a business support initiative of the DTI

http://www.csracademy.org.uk/

Corporate Responsibility Coalition represents charities and campaigning organisations

http://www.corporate-responsibility.org/

European business network for CSR

http://www.csreurope.org/

UK Government CSR website

http://www.csr.gov.uk/

Business in the Community

www.bitc.org.uk