



# Corporate responsibility: communicating it is just good business

By Kellie A. McElhaney

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**W**e live in a world chock full of bad news stories – from corporate malfeasance to 1930's-like recession to the near-pandemic swine flu. The world is starving for good news stories and companies can help with this. It is for all *Just Good Business*.

## Listen to employees

Consider the following story about Wal-Mart, the American big-box retailing giant who also owns ASDA in Europe. After receiving Wal-Mart's internal employee training on sustainability, one employee was sitting in a break room across from 11 vending machines, each with flashing lights and sounds cards playing various product commercials. The emboldened employee wondered if energy could be saved by removing light bulbs and sound cards from these machines that stayed lit 24/7. Did he really need a lighted Coke or Snickers bar on his break from work? His question percolated up to Wal-Mart's corporate headquarters, engineering ran the numbers, and they estimated that his suggestion would save the company more than US\$1 million a year.

This is pure smart corporate strategy. Corporate social responsibility (CSR) should be a part of every business's corporate strategy, as it has become at Wal-Mart.

There is now more and more CSR in the business world. But there is not a lot of effective strategic CSR linked to a company's core business objectives and core competencies designed at the outset to achieve positive financial return, as well as positive social/environmental impact. And, there is even less smart CSR that is well-communicated or told in good-news stories, of which our world is now in deep need.

While many companies across the globe have been doing more work on issues of education, healthcare and the environment, most are not talking about it. The result is that the average consumer, employee, governmental regulator or supplier has no idea of this – which means stakeholders cannot factor the company's CSR efforts into their decision to engage with, work for, nor buy from these companies. And, few feel good about the world in which we live in and the belief that anyone is doing anything to make things better.

## Apply the seven principles

Building CSR communications and stories into a company's brand makes good business sense, and allows the company to increase the impact of their CSR strategy. In order to do this, I propose the following seven principles:

**1. Know thyself:** Link your CSR strategy to your company's core competencies to get committed senior leadership support. This will protect your CSR strategy and enhance its credibility and value. If you're a telecom company whose CEO is focused on growth, and you intend to launch CSR initiatives related to education and youth, demonstrate to your company's leadership how these initiatives can be an entrance strategy for new markets.

**2. Get a good fit:** It's tough to select just one social or environmental cause to champion when every cause is worthy, needed and critical. Your job is simple: pick a social or environmental challenge for which you own part of the solution (or helped to cause it). Leave the other causes and issues for other companies' fit.

**3. Be consistent:** Ensure that your company tells your CSR story consistently and often. Give your CSR strategy a catchy name and define it. This does not mean making up new messaging; rather, embed one CSR story into your already existing communications, marketing, branding, and operations.

**4. Simplify:** The critical mass does not grasp concepts like carbon sequestration, fair trade or living wages. So use simple yet eloquent language, as the pet food manufacturer Pedigree did when launching its CSR partnership with the Society for the Prevention of Cruelty to Animals (SPCA). The campaign, meant to help homeless dogs find loving homes, has a simple catchphrase: "Help Us Help Dogs." Consumers get this.

**5. Work from the inside out:** To employees who are educated about it, CSR is like a drug: give them a little, and they'll want a whole lot more. Start by educating your employees about your CSR strategy. Your employees are not only your biggest (and most efficient) brand ambassadors; eventually, they may come to you with better CSR ideas and strategies, just like Wal-Mart's employee.

**6. Know your customer:** Not every customer segment is as ready for CSR stories as others. A few have proved very ready: women, Millennials (people between the ages of 18 and 24), LGBT (lesbian, gay, bisexual and transgender individuals) and conscious consumers. Start with a laser-sharp focus on communications linked to products and services targeting these segments.

**7. Tell your story:** Stories trump facts ten times out of ten, period. Bottom line: you must communicate your CSR message. By not communicating, not only are you missing an extremely powerful business opportunity, you are sending the message that you're doing nothing in the CSR space. And, if you neglect to spread the word, a company who has been at CSR for a far shorter time, and far less substantively, will race forward, communicate and grab your market share.

## A positive impact

Company leaders have a powerful opportunity to integrate CSR into their brand, which will positively impact consumers, employees, suppliers, retailers, governments, and communities. You can and should brand and communicate your CSR, as uncomfortable as it may feel. Corporate social responsibility can help firms – particularly those in highly commoditized industry segments such as consumer products or banking and financial services – to differentiate their brand and stand out above the noise, when price, quality, and convenience are relatively equal. And, this positive impact creates a competitive advantage for these firms both when markets are up – and when they're down. Lose the fear, embrace the risk (after all, everything in business is risky) and go to it! ■



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**Haas School of Business,  
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Location: Berkeley, California, US  
Number of students: 450 MBA students, 650 undergraduate bachelor's of science in business

- Segment the audience
- CSR is an effective hook particularly for Millennials (ages 18-24 years old) and females
- Talk about your CSR early and often in the recruitment process
- Your CSR messaging should be short, simple, catchy (think Pedigree pet food and "Help Us Help Dogs") and should come from the top all the way throughout your recruiting officers
- Make sure that you have opportunities to engage all employees, once hired, in your CSR
- No one sells your CSR strategy more authentically than other employees who are heavily engaged with it
- Beware the empty sell: nothing is more damaging than using CSR as a recruitment tool when there really isn't any once an employee is hired