

DeBoskey: Corporate social responsibility resonates with employees, consumers, executives

In 2013, contributions to U.S. nonprofits grew to more than \$335 billion — approximately 2 percent of the nation's gross domestic product. Of that sum, only 5 percent came from corporations. There are solid business reasons why this number should be larger.

New studies demonstrate that corporate social responsibility helps not only the world, but also a company's bottom line. Committed, authentic corporate citizens embrace strategic environmental, social and governance practices as an integrated element of business.

A recent report by Nielsen, "Doing Well by Doing Good," is based on a global survey of 30,000 consumers in 60 countries. Nielsen found:

- More than two-thirds of consumers (67 percent) prefer to work for socially responsible companies.
- More than half (55 percent) will pay extra for products and services from companies committed to making a positive social and environmental impact — an increase from 50 percent in 2012 and 45 percent in 2011. The majority of these consumers belong to the desirable millennial demographic.
- More than half (52 percent) intentionally made at least one purchase in the last six months from a socially responsible company. These buyers check product packaging to ensure sustainable impact.
- Almost half (49 percent) volunteer with and/or donate to organizations engaged in social and environmental programs.

Point of purchase

Although North American consumers are less likely to pay for socially responsible products than their global counterparts, the number is steadily growing. Forty-two percent of North American consumers are willing to pay extra, compared with 55 percent of global consumers. However, the survey shows a North American increase of 7 percent since 2011. This lower number may reflect lagging North American attitudes acknowledging the gravity of global climate change and environmental degradation.

"At the moment of truth — in a store, online and elsewhere — consumers are making a choice and a choice that is heavily influenced by brands with a social purpose," says Amy Fenton, Nielsen's global leader of public development and sustainability. "This behavior is on the rise, and we are seeing it manifest into positive impact in our communities as well as share growth for brands."

Businesses are responding.

In recognition of these significant employee and consumer priorities, savvy businesses are responding. Boston College's Center for Corporate Citizenship's "2014 State of Corporate Citizenship Report," which will be published in full later this year, recently examined the attitudes and commitments toward corporate citizenship of 750 corporate executives in companies headquartered in the U.S., Canada and Western Europe. The report reaches several important conclusions, including:

- The majority of executives, across all business types and industries, confirm that corporate citizenship helps them achieve strategic business goals, ultimately improving performance.

- For the first time in over a decade, the majority of executives expect resources devoted to every corporate citizenship dimension to increase over the next three years. Most expect to increase resources specifically for corporate philanthropy (59 percent), employee volunteerism (63 percent) and community investment (58 percent).

"More successful"

"Firms with longer durations of investment in environmental, social and governance programs are more successful in achieving important business priorities and solving social problems that affect their operating contexts," the center's executive director, Katherine Smith, said.

"On average, the percent of executives reporting success in achieving important business goals such as reducing waste, attracting and retaining employees, and improving reputation more than doubled if they had invested in corporate citizenship programs supporting those goals for four years or longer," she said.

With the business imperative for corporate social responsibility growing and the majority of executives expecting more future resources dedicated to such activities, there is reason for optimism that corporate giving will grow as the economy continues to gain strength.

Business stakeholders — including shareholders, investors, lenders, employees, community leaders, suppliers and customers — must help ensure that businesses do their part to address community and global issues, ultimately enhancing the triple bottom line of "people, planet and profit."

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Nonprofit of the month by Bruce DeBoskey

Energy Outreach Colorado — EnergyOutreach.org

Energy Outreach Colorado annually helps about 115,000 limited-income Coloradans across the state to pay their energy bills. Founded in 1989 to ensure that Coloradans don't have to go without heat or do without other necessities to afford home energy, Energy Outreach Colorado distributes millions of dollars each year to provide heating-bill assistance, emergency furnace repair, and energy-efficiency improvements for affordable housing and nonprofit facilities.

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