



When building good values makes good business sense

Embrace corporate ethics and you may be surprised what benefits will come. **Julie Macken** talks to a man on a social responsibility mission.

You are at the pub on a Friday night and a friend introduces you to a new acquaintance who asks who you work for. Do you, a) stand tall and announce the name of your employer with pride, or b) mutter quietly into your beer hoping they won't hear your answer?

According to David Grayson, British guru of corporate social responsibility (CSR), this is the moment you discover if your employer or company is socially responsible or not.

Grayson was in Sydney last week to launch his book, *Corporate Social Opportunity* (Greenleaf, 2004), which he co-wrote with Adrian Hodges.

It was in the research phase of writing the book that he discovered the primary reason chief executives wanted to adopt the principles of CSR.

"Business people do not live in fear of consumer boycotts," he said. "They fear being interviewed by bright young recruits who grill them about company culture in relation to the environment, sustainability and ethics.

"They fear not having the right culture to attract and retain the brightest and the best."

But talk is cheap and community

cynicism is high. Convincing the No Logo generation, let alone ethical investors, that a particular company or multinational gives a toss about anything other than profit margins and savings is no easy task.

Grayson has raised the bar even further by arguing that business needs to see community demands for responsible business behaviour as an opportunity rather than an obligation.

"This needs to go beyond risk management because companies need to use their business creativity to think about turning these pressures into new sources of business opportunities," he says. "Like developing new products, new business partnerships, distribute new products.

"There are all kinds of new commercial opportunities that will also improve environmental and social sustainability."

Indeed, Grayson's book is full of real-life examples of companies doing just that. Nevertheless, they remain the exceptions rather than the rule.

Grayson points to the large number of CEOs he has interviewed and worked with.

"When we interviewed CEOs about this the first thing they

wanted to talk about was their personal values. It really impressed me that they were linking all of this back to their own values and how they fit with the company they work in."

Of course, value is a word that has had a big workout of late. Grayson went on to explain that a person or company's values are made obvious in times of pressure.

"Obviously, if they think, 'times are tough, better impress the institutional investors by cutting some jobs', they are demonstrating their lack of values and responsibility," he says.

"Conversely, a company may still need to cut to jobs, but a responsible company would do that through proper consultation and for reasons of substance."

This is why Grayson argues CSR cannot work effectively, let alone creatively if it is just a "bolt-on" to the business strategy.

"Responsible business behaviour must be at the heart of all decisions," he says.

"It must be built into the business purpose and strategy because these issues will not go away and CSR goes to the question of how to run a sustainable business — it's that simple."