Deeds without words

The desire to be socially responsible calls strongly to most of corporate Australia, but many are reluctant to trumpet their efforts for fear of consumer cynicism. By Simon Lloyd

Corporate Australia has tried hard in the past few years to engage more actively with the general community and to become more closely involved with charitable and other not-for-profit causes. But the average consumer still thinks big business has little or no social conscience.

The findings of a recent survey into consumer attitudes to the corporate sector would exasperate any executive committed to a socially responsible corporate agenda. But it seems that the less Australians say they trust the ethics of big companies, the more innovative these companies have become with their community involvement strategies.

In the 2006 Grey Worldwide/Sweeney Research Eye on Australia survey into consumer attitudes, almost 90% of respondents thought big business should do more to help the community and 70% said being a responsible business meant more than making a profit.

Many companies are socially responsible in innovative ways, but Australian consumers are clearly a long way from being satisfied that companies are pulling their weight. But consumers are getting behind companies and brands that are evidently performing a constructive community role.

Experts in corporate social responsibility agree that the "chairman's cheque book" approach — corporate philanthropy comprised of no more than monetary donations to charity — has all but disappeared. Financial assistance has evolved into community programs that often actively involve a company's employees, from the chief executive down. "Partnership" is one of the most commonly heard words in any discussion about companies and the community.

A specialist consultant in community engagement, Hailey Cavill, says corporate social responsibility is almost unrecognisable now compared with a decade ago. "Community programs are now a lot more innovative and complex than they were 10 years ago, when corporate social responsibility involved little more than money to set up a foundation or to sponsor a charity.

"Now companies want partnerships with not-for-profit organisations, partnerships that might include a sponsorship marketing element, getting staff involved, and the company providing particular areas of its own expertise. Much of this has come from shareholders and consumers putting greater pressure on companies to be more socially responsible," Cavill says.

She says the complexity of community programs is growing. "It's gone beyond just 'doing the right thing'. Take staff engagement for example. Every brief I get now has an element of staff involvement. But that in itself has become a challenge because a lot of companies want charities to in effect run their staff motivation efforts, but most charities don't have the resources to do that.

"Then you have different levels of employees wanting to volunteer for different things, so you might get senior staff wanting to be mentors and junior staff happy to rattle a tin for fundraising. That all takes a lot of resources and management," Cavill says.

One company that has a community program based largely on staff involvement is Unilever Australia, which began a remedial child literacy program in 2004. All 2000 Unilever employees can become directly involved in the initiative if they wish. Unilever's corporate relations director, Nick Goddard, says the program has been so successful that the ANZ Banking Group, Amcor, BHP Billiton and Rio Tinto have joined the 'Reading for Life' initiative, which aims to improve literacy for 10,000 children by 2010.

Goddard says: "This gives employees a really strong opportunity to invest in the community, so it's not just the company writing a cheque. It is saying we're going to make a difference." But he adds that it is a two-way street. "One of the underlying philosophies is that if a program is good for the community, it also has to be good for our business. We're not just doing the right..."
thing to feel good, but also to help our business.”

Arguably the toughest problem in corporate social responsibility has to do with communication. Are companies doing enough to tell their stakeholders and the wider community about what they are doing? According to the Eye on Australia survey, the answer is no. Asked if big business was doing good things in the community, 80% of respondents said they did not hear much about it. Even company shareholders — 75% of respondents — said they were not aware of big business’s activities in the community. (This statistic alone should concern companies spending considerable sums on their annual reports, which almost always contain information about corporate social programs.) But a lack of communication can be just as counter-productive as too much communication.

Why? Because even if companies publish plenty of information about what they are doing in the community, consumers are so cynical they refuse to believe such activities are motivated by altruism.

In the Eye on Australia survey, 82% of consumers said companies “give to charity but only do it to look good.” A common response was: “It is just another type of marketing.” Almost 90% said that when it came to contributing to the community, companies only did what they had to “in order to meet legal obligations”.

Companies are acutely aware of this, and many deliberately avoid having the spotlight on their community activities. Goddard of Unilever says: “We take a conscious view we don’t want to promote what we do in the community. It should be expected [from] a company you invite into your kitchen, bathroom or laundry [via Unilever’s household brands]. It should be expected at the same time that companies like ours are investing in the community, helping people get more out of life, both with our products and with the things we do in the community. There are a lot of companies like us, but there are also a lot who like to blow their trumpet, and we don’t see any benefit in that approach.”

Six years ago, the online recruitment company Seek.com.au took a new approach to the concept of volunteering by providing free web advertising space to not-for-profit organisations that were looking for volunteers. Seek’s marketing director, Tony Balfour, says the free advertising program has boosted volunteering in Australia by making it easier for people who want to give their time.

At any time, there can be 10,000 to 20,000 ads for volunteers on the Seek web site, worth the equivalent of $1 million. Balfour stresses that the company never publicises the initiative. He says: “The founders wanted to give back to the community with a bias towards innovation, and not something we could do just by signing a cheque. A lot more people want to volunteer than actually do, but they just don’t know how to go about it. We have two million visitors to our site every month so we have the audience, and it’s relatively easy to direct them to the volunteer section of the site.

“If we can make it easy for people to sign up and choose their volunteering time, we’ll get more and more responses because people’s excuses start to run out. But we don’t want to make a big thing of this by wanting to tell the world. We fall into the same camp as some of the organisations we are helping, which is that we just want to do it rather than saying ‘Look at what we’re spending money on.’”

Ron Curry, the commercial director in Australia for the computer games company Atari, echoes this view. Last year, Atari formed a partnership with a new children’s charity, Create. Curry says: “We wanted to get involved with something positive, where we could actually do something at the front end and make a difference, but also we wanted a cause the whole company could be involved with.”

Atari is establishing new programs, including online resources, to “empower” children in care, according to Curry, but the company has no intention of making a loud noise about it. Atari’s target audience is the mid-teens to mid-20s age group, which, as Curry acknowledges, is the most cynical about the motives behind corporate philanthropy.