

# Elaine Cohen: If I could change one thing about HR...

Michael Carty 14 September 2010



I'm extremely proud to present today's thought-provoking guest post, which comes from Elaine Cohen. Elaine is a CSR consultant, Sustainability Reporter and HR professional, based in Israel. She can be found on Twitter, and blogs regularly at blogs at www.csr-reporting.blogspot.com and www.csrforhr.com. She is also the author of the book CSR for HR: A necessary partnership for advancing responsible business practices.

Elaine Cohen: If I could change one thing about HR...

...I would get HR to wake up to Corporate Social Responsibility (CSR)! It is time. The CSR movement has been steadily developing and becoming a mainstream approach to doing business. Though there are still some who maintain that the sole purpose of business is to make a profit, the larger body of thought and practice demands that business today should be not only profitable but also socially and environmentally responsible. If you are an HR Manager or HR consultant, and these words do not resonate with you, or you really have no idea what CSR actually means,

then this post is for you.

### What is CSR?

Corporate Social Responsibility (CSR) is a business approach that goes beyond the letter of the law, accepting accountability for a company's impacts on people, society and the environment. Every business has an impact – small or large, local or global, private or public. By employing people, serving customers, erecting buildings, inhabiting offices, using transportation, manufacturing products, defining and developing a product range – each business has an impact on those around them. In determining the appropriate business strategy to deliver growth and profit bottom line, CSR thinking demands consideration of two additional bottom lines: society and environment.

For example, most have heard of the challenges of climate change and the urgent need to reduce carbon emissions into the atmosphere. By erecting a new manufacturing plant in accordance with "green" principles and using, say, renewable energy sources such as solar power, the plant will both be more cost-efficient through the long term and have a much lower negative impact on climate change, avoiding use of carbon-intensive fossil fuels. By investing in employee health and well-being, beyond the minimum requirements of law, a business will reap the benefits of improved employee motivation and productivity whilst contributing to a healthier and more vital society. By investing in community development activities, a business will make reputation gains which will serve its long term ability to attract and retain investors and customers, whilst strengthening the fabric of the local community from which it also draws resources.

CSR is based on fundamental elements of good governance, ethical conduct and compliance with the law, whilst going beyond compliance with the law to generate additional opportunities to mitigate business risk, enhance business reputation and take advantage of new business developments. In adopting a CSR strategy, businesses can contribute

not only to the sustainability of the planet, but also to their own sustainability as businesses. This approach is changing the way businesses develop strategy, take decisions, execute processes, engage with employees, consumers, external pressure groups and communities and respond to the diverse expectations of all these groups in this fast-moving, transparent age of business. This requires not only a strategy of CSR but also a culture of CSR.

#### Establishing and embedding a CSR-enabled culture

The fundamental ability to deliver a strong CSR-aligned business strategy lies with a company's leadership and is embodied in its values, culture, capabilities and communications. This means embedding a CSR-enabled culture in all parts of the organization. Business leaders need to ensure that employees, the group which most influences its business results, and which is most directly influenced by the employment practices of the business, understands, engages with and proactively advances the CSR agenda.

The HR function is a critical partner in making this happen. Arguably, the HR function is **the key partner** in making this happen. It is my proposal that the HR function has a **responsibility** to be proactive in leading the way in establishing a CSR-enabled culture within any business.

And yet, this is not happening. HR Managers are preoccupied with their traditional roles of Organizational Development, Recruitment, Training and Compensation, and are failing to see the opportunities that CSR brings for them as professionals, for their organizations and for global sustainability. HR professionals are just emerging from the transactional nature of their roles into the business-partnership transformation mindset, and have not yet understood that the business focus has moved on to a level that requires CSR thinking and practice. For HR professionals to become true and valued business partners, a fundamental understanding of CSR and its interface with their function is essential. They need to move from a certain preoccupation with their own position and achieve a higher level of responsiveness to these new challenges. HR professionals must wake up to CSR and start learning how to drive a more inclusive and responsive culture that help a business do more than just make money. Once they do, they will materially affect business results in a more positive way, and reap personal and professional benefits, and create even stronger legitimacy for the HR function.

#### HR & CSR: What should HR managers be doing differently?

So what should HR Managers be doing differently? Here are a few examples:

- Advancing diversity: At Intel, for example, seeing diversity is a way of life. Use HR processes in talent attraction, recruiting, training and development and communications to create an inclusive culture where the entire workforce can be a potential contributor to greater innovation, improved customer relationships, reduced workplace conflict and enjoy higher motivation, productivity and workplace loyalty. This means more than just accepting the principle of equal opportunity. It means designing HR processes which actively seek out candidates from diverse backgrounds, proactively train managers to hire with an inclusive mindset, purposefully create a workplace which respects the needs of different employees, especially those representing minority groups, and sensitively promote diversity and inclusion in all internal communications.
- Going green: How many HR Managers drive environmental programs in the business? With one of the most serious business challenges of the day being the need to reduce carbon emissions, waste, use of materials, etc, businesses need to be committed and creative about the way they do things. This happens best when the entire workforce is engaged. HR support for the creation and processes of employee-driven Green Teams in the business to change employee practices related to electricity usage, use of paper for printing, recycling, waste reduction and more delivers benefits of reduced operating costs, improved environmental impact of the business, and employees who derive satisfaction from adding meaning to their work and becoming ambassadors for a more sustainable planet.
- Employee well-being: Investment in employee well-being delivers big returns. In a recent study by Unilever, employee well-being programs covering managing stress and improving nutrition and exercise delivered a return of \$6.59 on every \$1.64 invested. HR plans and processes which go beyond the minimum requirements of law to help employees manage their own wellbeing deliver better results in terms of reduced absenteeism, reduced health care costs, higher productivity and longer job tenure. If HR does not drive this, no one else in the business will.
- **Human rights:** There are over 200 million children illegally employed in businesses around the world. There are over 12 million people in forced labor. There are millions of employees who are not able to enjoy the basic

right of freedom of association. This could not happen if the HR voice carried weight in the Executive Suite. Upholding basic human rights should be a core part of the HR policies of any business. HR managers need to help identify the human rights risks in their businesses and in their supply chains and ensure robust HR policies and practices to ensure these rights are not abused. Aside from the threat of legal action against businesses which breach international labor conventions, investors, customers and consumers increasingly refuse to do business with companies who breach these frameworks, even. Creating awareness for human rights, creating a workplace which upholds human rights in all parts of the world and creating an open culture in which human rights issues can be openly addressed requires application and skill on the part of HR Managers. Doing it well protects and advances the business, employees, and communities.

#### CSR: An opportunity and a professional responsibility for HR managers

These are but a few of the thousands of concrete examples I could provide to demonstrate how the combination of HR and CSR mindsets, policies and practices supports better business results over time, improved employee satisfaction and motivation, and ultimately, a better, stronger, more influential HR function in the business. How could this not be both an **opportunity** but also a professional **responsibility** for HR Managers? For more examples and practical tools for making the transition, I recommend reading my book: CSR for HR: A necessary partnership for advancing responsible business practices or take a look at my blog.

It is time for HR to wake up to CSR !!

If I could change one thing about HR...: Read all the posts in this series

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# 12 Responses to Elaine Cohen: If I could change one thing about HR...

Doug Shaw 14 September 2010 at 9:03 am #

Interesting article thanks, and it's not just HR that needs to wake up to this. Effective CSR is about good business, and that matters – to everyone!

I previously ran a CSR department from within the sales function of a global company. Yes we got a few raised eyebrows to start but once we got some great industry collaboration going around security, recycling, supply chain, we got the traction and the results I think we deserved. So I think HR has a part to play, but I think CSR has the potential for more vitality when run at the front line, by the front line.

REPLY

### Elaine Cohen 14 September 2010 at 9:20 am #

Hello Doug, thank you for your comments. I fully agree with you. CSR should be driven by the business leaders. My point is that there is much that HR can and should do even when the business leaders are not in the driving seat on CSR, because even as a standalone, it make sense for HR and for the business. The other point is that, I believe, many business leaders just don't know what they can expect from the HR function or how to manage it effectively. They are not always clear where effective HR can add business value, or enable an embedded CSR

approach. The more HR can help them "get" this, the greater the win-win all round. Many thanks, elaine

REPLY

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Jatinder Vijh 14 September 2010 at 3:30 pm #

Indeed very interesting take on CSR from HR's perspective.

My two cents are:

- 1. HR can take the whole concept of Corporate Social Responsibility to the new orbit of Personal Social Responsibility.
- To avoid CSR becoming just another PR tactic, it is of paramount importance to align CSR with the business goals. Certainly, CSR makes good business sense.
  Jatinder Vijh

India

REPLY

Elaine Cohen 14 September 2010 at 6:18 pm #

Hi Jatinder, Many thanks for your comments. I fully agree with you on the Personal Social Responsibility angle, and of course on alignment with business goals. I hope we will see more HR professionals tuning into these concepts. Warm regards, elaine

REPLY



Jonathan Cattell 16 September 2010 at 10:31 am #

Hi all.

Thanks to Elaine and Jatinder for your comments. The CSR contributions certainly stimulate debate and they are valid points.

If I could change one thing about HR though, it would be to align CSR with CIIR – Corporate Internal Inspiration Responsibility. It is clear that those in Corporate HR need a wealth of processes and procedures to follow. But achieving CSR and other objectives becomes so much easier and more natural when the ENERGY – not just the thinking and behaviour – of a Corporation's people is fully aligned behind CSR and other initiatives. In companies like Fifteen, Monsoon and White Stuff, their people live and breathe their companies' values and commitments. These businesses are more successful as a result. It's not just lip service – they demonstrate these values in the way they work and lead each other every day. Once the energy of the way we work is fully aligned with externally-stated values, the energy we normally save only for our passions in life naturally flows into our companies' values and the performance we deliver. The improvement impact of this on discretionary effort, results and revenue is stark. In short, when we want our businesses to have a positive impact in the world, a powerful first step is to inspire the very people who lead inside these businesses. And it's easier than some businesses think!

Jonathan

REPLY

Laura Heathcock 21 September 2010 at 10:34 am #

Some excellent points have been made in response to your thought-provoking blog Elaine. As someone whose role is to help organisations build levels of well-being and demonstrate the business benefits, I am pleased to say that I think the message is getting out there, and strongly second that HR have a crucial role to play in kick starting and maintaining momentum around it (and the other areas you highlight).

REPLY

Elaine Cohen 22 September 2010 at 1:50 pm #

thank you Johnathan and Laura for reading and commenting. You both make very valid points. Johnathan, I couldnt agree with you more. Laura, I am glad you are seeing change in the right direction. I hope it is building momentum.

warm regards, elaine

REPLY

Jatinder Vijh 22 September 2010 at 2:52 pm #

Jonathan I fully agree with your views on "to inspire the very people who lead inside these businesses". Once the leaders are inspired, people down the line should not only believe in it but also get involved in the CSR initiative. CSR must be felt through out the organization and reflected in the actions at every level. At times, commitment to CSR remains limited to the Boardroom and the result is that the initiative remains but a publicity gimmick.

Jatinder Vijh

REPLY

John Friedman 22 September 2010 at 3:47 pm #

Another fundamental reason for empowering employees and engaging them in sustainability programs is the same reason local employees are the best at dealing with customers, communities, regulators, etc.

Employees are closest to the community of stakeholders because they are community stakeholders with the unique perspective of knowing the needs of both the community and the company.

Empowering employees is critical because they can help define how the program is implemented by identifying local issues, opinion leaders, and opportunities. But an even more valuable role is that they are closest to, and therefore able to identify, the impediments whether they be cultural, religious or rooted in the existing official and unofficial power structures.

In his book Moral Capitalism Steven Young, global executive director of the Caux Roundtable stresses the critical importance of developing programs that are mindful and respectful of the local indigenous cultures that may be ill equipped to "fight back" against a more technologically advanced one.

Employees at the local level not only represent and offer insight into the local culture, but they often can serve as "ambassadors" – helping the company to understand what the community needs and wants (and what it does not want) and helping to explain the benevolent intention of the company to the community.

REPLY

Elaine Cohen 24 September 2010 at 7:54 am #



Thanks John! you make some great points! I didnt read Moral Capitalism but maybe I should . elaine



**Helen** 24 September 2010 at 4:02 pm #

interesting article, corporate social responsibility is always an interesting subject and one that more companies should look at, a lot of the larger companies now have specific departments dedicated to CSR but then also encourage staff involvement for a better overall view of csr – I think it works really well.

REPLY



Dawn Passaro 28 September 2010 at 4:07 pm #

Elaine,

I am very interested in this topic, I would like to thank you for your take on what HR should change. I fully agree with your ideas, and also agree with John's comment about the importance of "developing programs that are mindful and respectful of the local indigenous cultures that may be ill equipped to "fight back" against a more technologically advanced one". What an amazing world we could build if we could spearhead an effort to reform corporate corruption from the inside. I am currently writing a book on this topic.

Have you read "The Cluetrain Manifesto", by Rick Levine, Christopher Locke et al http://www.cluetrain.com/? It was published in 2000, and it basically states that CSR will be necessary, due to the social changes brought about by the internet.

This blog post is just another example of the truth of that Manifesto.

Best,

Dawn Passaro

REPLY

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