

CSR is with us



The winter edition of the RGBB News asked a question, "Anyone seen any hedgehogs in Riyadh recently?" (Page 40 - And Finally)

Well yes, in fact I have one living in my backyard.

His name is "Hoggy" which took a lot of creative thinking and he has been with us for a couple of years now. He was originally gracing the pitch of a local professional football team but a decline in footballing skills meant he had to move on! He appears quite happy in our garden and provides endless hours of amusement for our cat Leo. After watching the National Geographic Channel, Leo feels he has to stalk and attack any wildebeest, bird or hedgehog foolish enough to enter our garden. So each evening, several times, he shimmies, shallies and bounds towards Hoggy set for the Kill. Needless to say Hoggy, although more long legged and quicker than his UK cousins, adopts the ball of spikes defense which stops Leo from any actual contact with him. Leo however puffs out his chest and swaggers away feeling his duty as a feline has been done. He is oblivious of our cat Tico's look of contempt at his foolishness. Both Tico and myself wonder how long this nightly routine shall continue, but like many aspects of Riyadh nightlife who knows?

One thing almost certain though is that the advent of "Corporate Social Responsibility" is with us. Whether it shall be voluntary as demonstrated by Mc Donald's or imposed by authorities, it will certainly add a new dimension to the long list of items managers must consider. So to the list of risks that companies face, in addition to Corporate Strategy, Financial, Legal, Supply Chain, the Operating Environment and Human Resources, we must add Social Responsibility. This will include stakeholders concerns about the company ethics, does it deal with unethical supplies or contractors, does it violate Human Rights or engage in corrupt practices or bribery.

Any company which does not contemplate these issues faces the potential of adverse publicity, action by activists and comments by stakeholders. The consequences of BP-AMOCO's debacle in Columbia highlighted the effects of bad publicity and poor reputation resulting in a drop in market value.

There is a move to formalise Corporate Social Responsibility, which broadly can be split into:

Triple Bottom Line

This entails considering social responsibility along with Financial and other measures in an evaluation of a company's performance.

The Global Compact

This resulted from a meeting in 1999 of the World Economic Forum where Kofi Annan set out nine principles, as follows:

Human rights

1. Support and respect the protection of international human rights within their sphere of influence.
2. Ensure their own corporations are not involved in human rights abuses (implicitly or explicitly)

Labour

3. Recognise the right of labour to collective bargaining and freedom of association
4. Eliminate forced and compulsory labour
5. Abolish child labour
6. Eliminate discrimination in terms of employment and Occupation

Environment

7. Take a precautionary approach to environmental challenges
8. Promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally friendly technologies

In my view, these principles will gain more and more significance and will promote more awareness amongst both manager and the public. A topical issue is that of child labour in developing countries. Relatively few years ago this would not have played a role in sourcing items from developing countries. Similarly the care for our environment now plays a role in corporate actions. Indeed new U.K. legislation places an onus on car manufactures to accept back their old vehicles for proper environmental disposal.

So Mc Donald's decision on hedgehog friendly containers is not a fanciful whim but a step in their ever evolving business model to meet stakeholder expectations.

The question which Leo asks is:

"Has anyone seen a Wildebeest in Riyadh recently?"