Re-thinking
Corporate Social Responsibility

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Business leaders and opinion formers will shortly be assembling in Bengaluru for the 8th International Conference on Corporate Social Responsibility (CSR). The theme for the forthcoming event is strategy to leverage CSR for competitive advantage, and it will take place against the background of new Indian company legislation and a mandatory requirement that will apply to the companies of many of the attendees.

How will the Companies Act of 2013 impact upon the CSR landscape in India and elsewhere? How will business leaders respond? Are there lessons and implications for directors, policy makers and influencers in other parts of the world? Will corporate boards do just enough to satisfy the mandatory requirement or will the new legislation lead to a fundamental re-think of CSR strategy?

In addition to other requirements, the new legislation in India requires companies with a net worth of more than Rs 500 crore or a turnover of more than 1,000 crore to spend at least 2% of annual net profit on CSR activities. Those who fail to do so will have to give reasons why in their corporate Annual Reports. What might the impact be?

Assessing the Impact of Mandatory Requirements

Those who introduce company legislation are invariably motivated by the best of intentions, but Government intervention and business regulation can sometimes be counter-productive. A minimum or threshold could possibly become a maximum as people avoid doing more than is required. In India's case, will business leaders just focus on the effective use of the 2% of net profit rather than think about how core corporate capabilities could be best used for both business and social benefit?

The intention of the new Act is that companies should preferably spend the 2% on activities near or around areas in which they operate. Such action can help to build relationships with local communities, but should a socially responsible board of a significant entity also consider how the totality of a company's physical, financial and intellectual resources might have a beneficial impact at national or international level?

One could argue that addressing certain social, educational and health issues at local and national level is primarily the responsibility of Government, and that individuals and companies pay taxes to fund appropriate responses. When public resources are constrained, local action by companies to plug gaps might be welcomed, but is there a more strategic issue to address for both business and political leaders?

Responsible Capitalism and the Role of Business

Would business leaders find it easier to attract talented members of generation Z and would members of generation Y be more engaged if corporate aspirations could be turned into causes that would energise others? Might responsible boards that set out to address social issues discover new business and development opportunities?

In some countries there may be a case for re-thinking the involvement of business in areas that have hitherto been the preserve of the public sector. There are a range of possibilities from public officials benefiting from the use of private sector approaches, tools and techniques to privatisation and the contracting out of further activities. Perhaps some bodies should be commissioners rather than direct providers of services

Even with current roles and responsibilities could Government bodies and businesses work together to transform public services and provide more cost-effective and longer-term solutions to challenges that confront many countries? Is there scope for re-thinking the CSR strategies of both companies and public bodies? Could mutually beneficial collaboration

between the two energize both sectors and benefit the public?

Importance of the Public Sector to Business

Public services impact directly upon businesses and their customers and employees. Their quality is an issue for corporate leaders in areas ranging from the education and health of employees to transportation infrastructure, the availability of utilities and the efficient management of the economy.

Public sector organisations in many countries face financial constraints and/or increases in demand that are outstripping available resources. Previous options such as extra funding, bringing in expensive consultants, or recruiting additional and high quality staff to meet the ambitions of policy makers might not be affordable.

At the same time, users, tax payers and voters - and their elected representatives - are often impatient for responses and results. While still calling for improvements and new initiatives, they may not be prepared to wait for multi-year transformation programmes to deliver results, even if these were cost effective and likely to succeed.

As expectations rise and new possibilities emerge, many public sector leaders face the challenge of doing more with less. In my report *Transforming Public Services* I give examples of how public sector leaders can work with the people they have and existing budgets to quickly build higher performance organisations that can achieve multiple objectives and provide clear benefits to various stakeholders. Perhaps by collaborating with socially responsible companies they could achieve even more.

The report identifies one approach 'performance support' which aims to make it easier for people to excel at difficult jobs such as those encountered by staff in demanding 'front line' roles in public services. It does not necessarily require any fundamental restructuring or a 'change of culture' and can be very cost-effective. Corporate experience of practical ways of delivering more with less could increase the impact achieved by available funding in areas such as health and education.

Identifying Areas of Opportunity

In many countries public service managers have been encouraged to become more concerned with the quality of services, efficiency, effectiveness and value for money and to learn from experience in the private sector. While some officials may seek to protect their patch others respond to the challenge

and this creates opportunities for businesses to apply their capabilities and skills to service transformation.

In various countries while initiatives have been launched by Ministers with attendant publicity, much of the implementation has been broad brush and disruptive. Many approaches, initiatives and programmes have been general, expensive and time consuming. By the time they deliver, commissioning organisations can face a very different set of challenges and opportunities, and requirements may have changed.

On occasion the approaches used by companies to improve performance do not create the photo opportunities associated with some public initiatives, and yet a greater focus upon helping people rather than changing the culture or structure within which they work can have a quicker and more significant impact on the relevance and quality of services. For example, better performance support can have a direct impact on work group productivity by helping the people one already has to excel.

Public and Private Service Culture and Values

Within areas of the public sector there are entrenched attitudes and importance is attached to public service values. Various initiatives have been introduced to reform or modernise inherited structures, processes and practices, and build more responsive organisational cultures. Bringing in fresh approaches from the private sector can reduce the time needed to bring about the required changes

Much discussion of corporate culture is from a top-down perspective and assumes the existence of a single and relatively homogenous culture. Yet certain activities can require distinct attitudes and approaches, and a number of different cultures may in place. Public sector bodies may also need to recruit, engage with, and serve people from a wide range of cultural backgrounds. Collaborating companies can introduce much needed diversity as well as new ideas.

In some public service contexts efforts to change a culture may be unnecessary and unjustified in view of the disruption this can cause and the much greater benefits that could be obtained from encouraging private companies to collaborate in the tackling of social problems. When setting out to reduce bureaucracy and encourage more entrepreneurial behaviours public service leaders could benefit from private sector experience of cost-

effective ways of liberating and supporting people in the front line and enabling responsible innovation.

Initiative Overload and Stress

A complicating factor in many areas of the public sector can be the sheer number of different initiatives being implemented whose time-scales may differ. Those who are already under pressure may resist taking on responsibility for additional local projects and give priority to top-down changes relating to new Government policies.

Senior public sector management focus on high cost areas and other priorities such as recent Departmental circulars and Ministerial announcements can sometimes result in cost-effective but lower budget initiatives, that could have significant impact on core services and deliver multiple benefits, being overlooked. Strategic collaboration may require Ministerial and Secretarial support.

Public sector restructuring and policy changes can be so frequent that many managers appear to spend more time on managing change than delivering better services. When projects can last for one or more years senior people may have moved on before results are achieved. Private sector collaboration might result in initiatives that deliver results more quickly than has been the case in the past. In Peterborough businesses and professional firms collaborate with public bodies to build a more sustainable city.

The *Transforming Public Services* report sets out a quicker and less disruptive and stressful way of securing beneficial impacts that is more likely to engage and be perceived as helpful by work groups in direct contact with the public. Many past initiatives have been associated with working people harder, 'command and control' and distrust. The focus has been upon top-down initiatives to increase performance rather than the consequences for the public and staff delivering public services.

Drawbacks of Prevailing Approaches

Opportunity costs can be high when people are distracted with restructuring or re-organisation. The fact that so many public initiatives have to be accompanied by costly internal communications, engagement and management of change programmes suggests their merits may not be immediately apparent to those who are expected to adopt or implement them. Effort devoted to motivating people suggest are incomplete.

The status quo is sometimes supported by vested interests and there are those who stress the complexity of what needs to be done and/or the fact that very few people may comprehend difficult areas. However, what if there were a simpler approach and it were possible to get many more and average people to understand? Socially responsible businesses and public bodies should be setting out to reduce stress.

Business leaders understand the importance of helping those in the front-line to better serve customers. Learning and performance support can make it easier for people to undertake key and stressful front-line jobs. Its implementation involves working with people to identify and address sources of anxiety and pressure.

Leading, Managing and Helping

Should we change the emphasis from managing, motivating and leading people to helping them? Perhaps there should be more emphasis upon following the changing requirements and aspirations of citizens, customers and users and making it easier for them to secure the assistance they need to achieve their objectives. Increasingly private businesses, like some areas of Government, help people to help themselves.

Persistent problems have been approached from a senior management rather than front-line perspective, for example driving change through an organisation rather than helping people to cope. With more of an emphasis upon providing support much of the effort that has been devoted to transformation and change management might have been unnecessary.

Attempting to drive a policy through an organisation, rather than helping people to achieve the outcomes it is seeking to bring about can be a mistaken policy. People need to be helped to be responsible and excel. Strengthening the roles of managers and weakening front-line roles and professionalism can reduce a body's ability to innovate, cope with multiple challenges and deliver better public services.

Socially Responsible Support Tools

Tools of various types are a widespread form of help and/or support. Evidence of the use of tools can often be found at pre-historic settlements and resort to them is not solely the prerogative of our species. Some tools are relatively simple, while others may be quite complex. Their very existence and use can help to raise both ambitions and achievements, for example from wooden hut to medieval cathedral.

Craft workers generally assume the tools of their trade will be

available before accepting a commission to undertake an assignment. Basic building tools have survived the test of time. In other fields tools have rapidly evolved. The surgeon's knife might today be wielded by a "robotic" machine. Socially responsible leaders ensure people are equipped with the tools they need to avoid stress and excel.

Knowledge workers also use tools, approaches and methodologies to help them in their work and these too have changed and evolved over the years. Many professionals would not undertake assignments without the appropriate tools for handling those aspects that might be difficult to undertake without them. Similarly, knowing when to seek help and support, and from whom or where it might be forthcoming, is taken as the mark of an experienced and informed practitioner.

Providing Performance Tools

League tables suggest significant variations in performance. The author's investigations suggest a relatively small proportion of people excel at most of the activities examined, while there is a long tail of barely adequate performance. Leaders are expected to exhort and inspire others, but however much people are motivated they may under-perform if they lack proper tools.

Rhetoric, monetary rewards and other incentives may not compensate for a lack of practical assistance to help people to do what is required. What is often missing are the 'tools of the job', a cost-effective way of capturing and sharing critical success factors and what high performers do differently. Performance support does this and makes relevant help available in an easily accessible form as and when it is required.

Simple WHO checklists covering surgical procedures can significantly reduce complications and inpatient deaths. Support that captures the essence of what high performers do in certain situations can be very effective. When large numbers of people doing complex tasks in a variety of locations have to be simultaneously helped technology enabled solutions can be very cost-effective. This is where CSR initiatives and collaboration can have national and global impact.

CSR and Performance Support

A CSR initiative could focus upon helping people to confront difficult issues or undertake stressful jobs that have a significant impact upon the public and the achievement of policy objectives. Delivery mechanisms need to be appropriate for the situation, whether personal intervention, a simple checklist or

more sophisticated tool.

Performance support enables doctors to help patients increase their understanding of their own health and devise options for improving it and adopting a healthier lifestyle. Healthcare and environmental issues and options can be explained. Tools could also help patients to make more and better decisions about their own lifestyle and care.

Pathway support can help a citizen to understand whom to contact and at what points in a public service process. It should provide the local information required and could include diagnostics to help users to better understand relevant needs, issues and options. Ideally, relevant elements of what has been captured should be made available to those later in the process, for example to enable 'joined up' responses.

Interactive support tools can guide people through complex processes involving a number of organisations. They can make it easier for doctors and patients by only providing information that is relevant to the stage they are at within an end-to-end process from initial assessment, through diagnosis to effective treatment and after care. At each step suggested options may be presented according to what has been captured about a patient's situation and condition.

Supporting Self Care

To illustrate how a company can help people to help themselves in an arena related to its core business, let us consider the case of patients with long-term conditions. If the ability of these people to self-care into older age could be increased it would benefit them and reduce pressure upon healthcare resources. Assisted by Dermal Laboratories a three month feasibility study examined how performance support could help.

The study team selected Psoriasis and set about creating a support environment for people with this condition (approximately 2-3% of the UK population). With the help of Julie Van Onselen, a specialist dermatology nurse, a toolkit was designed by Cotoco, a company specialising in performance support tools, to take users on a journey that starts with improving understanding of their condition, through practical day to day management of it, and culminates in a personalised action plan.

Impact assessment was carried out by Bournemouth University. Although many of the users were not as computer literate as adopters in other fields, and already had some appreciation of their condition, the University's final report states that they

found a significant increase in the index used to measure ability to self care among toolkit users. About a half of the group reported that the information, greater understanding and support it provided had made a difference to how they manage their condition.

Results of Initiatives

The acid test of change or transformation initiatives is whether citizens, clients and customers can see or feel the difference. Socially responsible use of performance support impacts directly upon the behaviours of 'front line' work groups and its implementation can be largely independent of cultures, values and motivations.

People embrace the support provided because it makes it easier for them to do difficult and stressful jobs, while 'blockers' can prevent outputs that breach policies, guidelines and required standards. Applications can increase understanding, boost performance, reduce costs, speed up responses, alleviate stress and ensure compliance. Services like healthcare, which impact upon all our lives, can be transformed. People can be helped to take more informed and responsible decisions.

A key message for CSR teams looking to achieve a more strategic impact is that public and other services can be transformed. Performance support is a proven, quick, focused and cost-effective alternative to general, time consuming and disruptive initiatives and expensive transformation programmes. Capturing and sharing critical success factors for key activities, and what high performers do differently, can enable 24/7 support to be provided to citizens and average performers wherever they may be.

Evolution or Change of CSR Direction

A succession of top-down initiatives have put public sector employees under pressure without achieving the productivity and other improvements needed to address the challenges facing many areas of the public sector. Is a re-think necessary and are their opportunities for socially responsible companies to become more involved in the transformation of public services?

Huge returns on investment have been quickly obtained by early adopters of performance support in the private sector. Could it form the basis of CSR initiatives in collaboration with public bodies that could deliver multiple benefits? Should existing programmes be questioned and reviewed, and an alternative and complementary route to creating a high performance organisation explored?

Many organisations are failing to reap the benefits of providing better support to those who are best placed to deliver a range of policy objectives. Again, socially responsible leaders should consider how they could help people to excel at difficult jobs, for example by ensuring they understand complex areas, have appropriate tools, and are enabled to emulate the approaches of high performers in the areas concerned.

Conclusions

CSR has moved on from well meaning philanthropy and cosmetic initiatives designed to generate images and copy for an annual report. The IOD's international conference in Bengaluru provides an opportunity for its future direction to be discussed. Have business leaders viewed their own focus and style through a social responsibility lens?

Are directors putting enough emphasis upon providing people doing difficult and stressful jobs with better support and helping customers and the public to help themselves? Is there scope for more collaboration with other organizations?

Could CSR and other initiatives help to transform public services and have a global impact? How does one monetise a CSR profile? Using core capabilities to address pressing issues can enable CSR to become a key element of business strategy and further corporate goals and both social and organizational objectives.

CSR projects can enable responsible and sustainable decision making. They can be used as a development opportunity for the staff involved. They can lead to product and brand extension and new arenas for collaboration, utilizing know-how and the licensing of technology. CSR can produce tangible, measurable and significant benefits. It can build mutually rewarding relationships with key stakeholder groups and deliver returns on investment that match or exceed those achieved in other areas. ■

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