

Leadership And Performance Measures Fall Short As CSR Departments Dissolve Into Mainstream

Contributed by Echo Research
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Corporate leaders are challenged to step up to greater commitments on sustainability, and to ensure they have performance measures for behaviour directly linked to responsibility and trust if they are to succeed.

With sustainability driving trust and innovation, companies are making it core to their strategies and activities, so having stand-alone CSR (corporate social responsibility) departments looks like a fast-declining trend. Â

This is according to global reputation auditors Echo Research, in their latest report, "A World in Trust - Leadership and Corporate Responsibility" with the International Business Leaders Forum (IBLF).Â Â

Based on interviews with 55 corporate leaders and analysis of the latest thinking and insights from business sources around the world, the study finds the excessive focus on short-term results and bonus culture is damaging trust in companies.

"We've been tracking Corporate Social Responsibility (CSR) since 2000, and have seen it move from PR-driven 'greenwash', through to it becoming critical to the organisation's success in driving innovation and change in order to be trusted and valued in the long run.Â While much has been accomplished in a relatively short time, especially among the leaders we spoke to, there is still a long and difficult road ahead as internal structures and systems need to be changed to focus on better alignment with society's interests," said Sandra Macleod, Echo's Group Chief Executive.

"For trust to flourish among sceptical customers, corporate responsibility must be 'built-in' rather than 'bolted-on'", according to IBLF's Acting Chief Executive, Graham Baxter, who advocates a stakeholder-centric model to deliver material benefit to business. Â

IBLF's model for success starts with clarity of goals and mainstreaming through all operations to embrace engagement, partnership, and full accountability.

"This is not a route map for the half-hearted, nor is it a PR exercise.Â Our leaders spoke of their commitment, focus, determination, and drive to address the business challenges and opportunities with stakeholders and partners in a completely new way in order to be successful and truly fit for the future.Â These leaders recognise a certain amount of progress to date, the importance of authentic communications, problems they've encountered and the long route ahead, but ultimately they feel that they can be a force for good when they make sustainability strategic", Sandra Macleod concluded.Â Â

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