

CR and PR: Unhappy Bedfellows or Match Made in Heaven?

We have seen an usually high spate of attacks on communications professionals, particularly regarding corporate responsibility (CR). The constant references to BP's poor CR and PR, the Guardian's criticism of communications companies cleaning up Rwanda's image and accusations in the Observer that companies are just paying lip service to communicating with their staff have all hit hard at our industry. The cherry on this caustic cake is an Ethical Corporation blog where we are told that morals are not an issue for most of the PR industry.

So do we deserve this vitriol? The link between PR and CR has been controversial for many years, not helped by a number of environmental reports which were light on substance but heavy on puff. Too many companies thought they could get away with brochures sinking under pics of sheep, fields and sunflowers.

Reporting progress

But that was light years away and CR management and reporting has matured into a highly complex management tool and, in the best firms, is firmly embedded across the whole company. Reports have developed from scanty, loose environmental statements into complex documents.

Now they report on an organisation's strategies towards the three Ps - people, planet and profit - and measure, record and articulate its impacts on its communities, employees, shareholders, suppliers and other stakeholders.

More companies than ever are reporting these days and there are many tools to help them. Most of these acknowledge the integral role of communications. Forum for the Future has, for example, recently launched a useful toolkit, "Better Decisions, Real Value"¹, to help companies find the business case for sustainability. One of the best known internationally, however, is the Global Reporting Initiative (GRI) framework for sustainability reporting.

¹ Forum for the Future toolkit: <http://www.forumforthefuture.org/projects/better-decisions-real-value>

“The GRI process is fairly simple,” says Julie Fitzsimmins, director of Lodestar Marketing Limited, GRI’s UK training partner. “The bit that’s difficult is what we are measuring but then you don’t have to measure everything,” she adds.

Measurement, a key requirement of any CR programme, has improved by leaps and bounds. Companies monitor and manage their performance much more efficiently and collect more rigorous and high quality data. This in turn makes for more effective communication with their stakeholders.

What’s more, it is accepted that we all have an impact on the world we live in and, though may not always get it right, trying is better than ignoring. This has resulted in companies getting brownie points for transparency when reporting their impacts.

ROI?

But do CR programmes show a return on investment? Many companies believe so. Where once CR was no more than a just an add-on, it is now embedded in the business agenda of most boardrooms.

Chief executive officer of France Orange, Stéphane Richard, is on record saying CR is “indispensable to the company’s profitability and continuation.” He goes further: “In a context of increased competition when a growing number of markets are reaching maturity, this requirement will stimulate our innovation and our capacity to differentiate ourselves.”

And indeed this is borne out by research. A Legal and General / Business in the Community (BITC) survey² showed that companies, which consistently manage and measure their corporate responsibility, outperform their FTSE 350 peers on total shareholder return (TSR) in seven out of the last eight

² The Value of Responsible Business:
http://www.bitc.org.uk/ft_responsible_business_supplement/the_value_of.html

years. Further, the TSR of these companies recovered more quickly in 2009 compared with that of their FTSE350 and FTSE All-Share peers.

Acting responsibly can be good for the bottom line. When Marks and Spencer switched to selling only Fairtrade, its coffee sales rose by 27 per cent. And nowhere is the bottom line win seen more quickly than in energy efficiency. Little wonder then that the government has chosen this as its first step and appointed M&S and three other retail giants to help it achieve a 10 per cent cut in energy across all departments.

Everywhere there is a feeling that CR has come of age. It is recognised as profit creation, not expenditure. Even in these straightened times many business leaders believe that integrating corporate responsibility into the commercial business model must be part of responsible leadership³.

The role of communications

What then is the role of communications in all this? We are now increasingly sceptical about large companies. We no longer measure them by their size or their profits. CR values have moved to the foreground. How companies deal with ethical issues, whether they treat their employees fairly and their impact on the environment and community are all most likely to affect our view of a company. Vague claims, not grounded in reality or backed by effective management, just don't cut it.

Different companies organise CR differently. Some appoint CR directors or managers; others drive it through their PR departments. In any event, a strategy needs to be developed; data must be gathered; performance has to be monitored. However it is achieved, an effective CR programme will need more than one skill set but one thing is sure: communications will play a pivotal role in the programme.

³ BITC poll February 2010:
http://www.bitc.org.uk/media_centre/bitc_news_press_releases/summit_release_2010.html

Julie Fitzsimmins cites M&S' Plan A as an example of good communications. "They found a nice way of talking about it which resonated with the mood of the time. That is where creativity and effective communication has a great role to play."

Whether you are explaining your emissions to the local community group, or engaging your employees in sustainability issues, or entering into a dialogue with your suppliers, you will need to do so with skill, professionalism and creativity.

"Communications companies have a very important part to play," says Dwayne Baraka, corporate responsibility projects manager at BITC. "Their expertise has enabled companies to understand the full communications spectrum and how to drive their company values into their brand image. Some of the best reports that we see are a reflection of the innovation and high quality communication that the better comms companies have brought to market."

And it is not only in the realm of reporting that comms companies have a vital role. Real stakeholder involvement is essential if companies are to build legitimacy, a positive reputation and lasting stakeholder relationships through CR programmes.

At its best, communication has the power to inspire and to bring about positive change. It will continue to be irreplaceable in our journey towards a sustainable future.

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