

growing corporate social responsibility in the fm community



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Corporate Social Responsibility (CSR) and Facility Management (FM) in Europe



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6 CSR Trends to Watch In 2017

BY MIKE CRIPPEN

Corporate social responsibility (CSR) is often defined as a self-governing business approach that creates long-term consumer and employee value by implementing a strategy aimed toward preserving the natural environment and taking into consideration every dimension of how a business operates in its social, cultural and economic environment. Today's facility managers play a vital role in CSR objectives and can expect to be asked to provide information for CSR assessments and reporting.

Many CSR issues are heavily weighted to supply chain, financial performance and purchasing. Categories may include:

- reducing operating, construction and environmental waste;
- conducting ethical sourcing;
- reducing greenhouse gas emissions;
- reducing water use and waste;
- improving workplace safety;
- developing sustainable operations, packaging and products; and
- increasing transportation efficiencies.

But CSR is also what organizations are giving back to the world and their culture, beyond the products and services they offer. It's about the way corporations interact with society and their workforce.

Corporate culture is probably the most important aspect about a company. You learn a great deal about an organization by what they choose to embrace and what they deem important. The quality of any workforce is built upon how their employees are treated. Anyone can create a mission statement. It's only when those words are embraced by the greater organization, rather than just being used as a marketing strategy, that everyone benefits.

Organizations that live what they believe have the most appeal and authentic connections to consumers, employees and business peers. Building a culture that's real and something you can define is one of the primary tasks of any successful organization.

FACILITY MANAGER CSR STEWARDSHIP

So how do facility managers fit into this equation? From the advent of Archie B. Carroll's CSR pyramid¹ in 1991 to today's global standards, facility management is at the heart of each category. Carroll identifies four types of social responsibility associated with CSR:

Economic

Legal

Ethical

Philanthropic



The C-suite, public relations and legal departments are often cited as the driving force in CSR strategy.² What's missing in countless studies is the role of the FM and their part in achieving CSR objectives and forging new levels of awareness and results. Facility managers have a direct role in creating and preserving spaces that are evocative of the corporate culture. They are responsible for spaces where people who populate that culture live, motivating and inspiring them to do things reflective of that culture. Facility professionals create the environment where success is possible.

A strong culture can be branded through evidence of a consciously maintained and sustainable facility, which in turn promotes productivity and creativity for employees, better learning and instruction in educational facilities, and the creation of customer loyalty. The more a company's leadership can put ideas and messages into words — not just for clients, but in our own spaces — the more we reinforce the belief in those ideals. Given the nature of their experience and proximity to the line items in most CSR reports, facility managers are and should remain included as part of a company's CSR leadership team.

ADDRESSING THE CRITICS

Critics of CSR claim it interferes with profitability. They argue that it's nothing more than greenwashing corporations in an attempt to redirect attention from a company's indiscretions toward cheap public relations

distractions. Since CSR reporting is self-regulated, critics believe companies will only disclose what will satiate economic pressure, client demands, public perception and legislative requirements.³

While CSR reporting is not controversy-free, it is gaining traction as a standard business practice on a global scale. Beginning this year, CSR reports are required for large scale enterprises in Europe.⁴ Groups such as the International Organization for Standardization (ISO) are providing guidance and structure. The ISO's website features ISO 26000, a social responsibility guide for businesses and organizations, which includes downloadable communication tools and training.⁵ The Global Reporting Initiative states they are creating sustainability standards for thousands of companies in more than 90 countries, with resources available online and an international calendar of events.⁶ While the United Nations and other public sector organizations use the triple bottom line system as their way to measure social, environmental/ ecological and financial factors.⁷

LEADING BY EXAMPLE

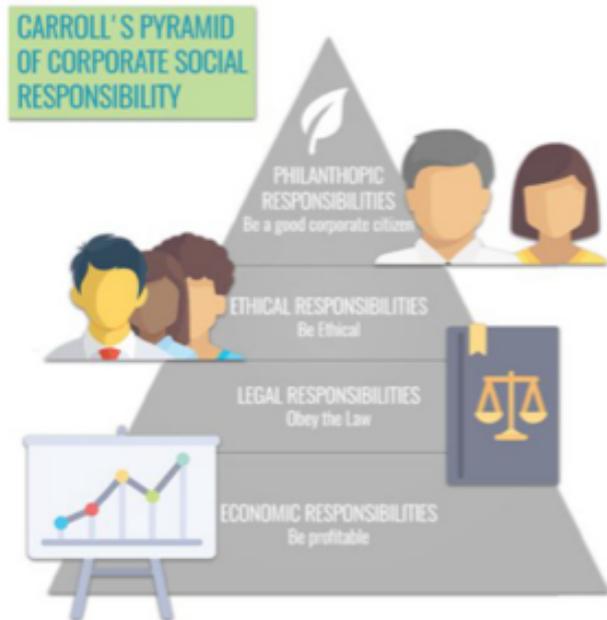
When company culture and CSR are coming from a place of truth, it becomes a way of surrounding your people with a set of ideas that speaks to what they believe. There are companies that exemplify CSR on all levels, including facility management.

Enter Patagonia. Patagonia's mission statement is "Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis." These are not just words on paper or a public relations effort. Rather, the statement fuels their business, which has been rooted in social and environmental responsibility since its founding in 1973.

Patagonia's corporate offices, service centers, stores, textile mills, factories and farms strive to reflect the company culture and CSR mission. Solar panels line the parking lot at their corporate headquarters, contributing 10 to 15 percent of the power.⁸ When the company doubled the size of their Reno, Nevada, USA location, they report recycling and/or salvaging at least 75 percent of overall construction and building waste.⁹ They were one of the first companies in the United States to offer onsite child care and a farmer's market. And to be transparent about their supply chain, Patagonia went beyond the standard CSR reporting structure in creating The Footprint Chronicles[®].

Transparency is evident when the company meets their CSR goals, but they're also truthful when falling short. In

FIGURE 1 Courtesy of Harry Konstantinos, Studio Venture





an interview with Bloomberg, Patagonia's director of environmental strategy, Jill Dunman said, "If you're not talking about what's wrong, you're not telling the whole story." She continued, "If we put it out there, it turns a confrontation into a conversation."

Their methodology is working. In 2016, 550 Patagonia employees were surveyed by Great Places to Work; they scored 92 percent as a great work environment, and 97 percent said they feel good about the ways Patagonia contributes to the community.¹⁰ The company is also profitable — very profitable. They've seen an exponential increase in growth since social responsibility-minded Rose Marcario became CFO in 2008 then CEO in 2014.

MAKING SUSTAINABILITY WORK

Paul Hendricks, Patagonia's brand responsibility metrics analyst, told Transworld Business, "The greenest thing you can do is to buy quality goods and keep them in use for a long time."⁸

Hendricks was referring to Patagonia's products and repair programs, but the statement holds true for designing, building, decorating and maintaining facilities as well. Choosing the appropriate substrate or product for a facility can influence the long-term impact on budget, aesthetics, productivity and the environment. Although most facility managers don't have the luxury of choosing what makes up their facility (typically inheriting the plumbing, HVAC system and other components in their spaces), they work wonders preserving investments, increasing real estate-related cost-savings, reducing energy costs, and extending the life of assets by maintaining them and keeping them out of landfills.

VENDOR-PARTNER ROLES

It's a vendor-partner service provider's responsibility to meet the needs of their customer's CSR mission. A vendor can stay true to what their own corporate culture demands while still recognizing what's important to the customer and tailoring a client-specific plan to meet those needs. Taking an adaptive approach, from language and nomenclature to preferred business attire, reflects your willingness to work together and achieve results.

The reality is ethics build trust. Companies must choose how to provide services and conduct themselves. When vendors and suppliers compete for business, it's an opportunity to highlight the value an ethical company brings to the table: legally, philanthropically and economically.

When companies look the same on paper, facility managers should be diligent and ask questions to find out what separates them. You'll never find a definition of ethics or social responsibility in a price. Whether decisions are being made by the facility manager or a third-party firm, it is important to take a closer look to partner with companies that align with your businesses ethics, values and culture.

Relationships are driven by expectations. A good service provider will always ask what is important to you, then offer value and resources. From pricing to performance, track record, attention to detail, and compliance to the work environment, vendor-partners can help a company's CSR goal by building value specifically around what the client needs.

THE FUTURE OF CSR

CSR is becoming more mainstream as forward-thinking companies embed sustainability into the core of their business operations to create shared value for business and society.¹¹ The Reputation Institute, a status-management consulting firm, annually gauges the way people feel about large companies, brands, countries and institutions. Its latest survey, based on 240,000 respondents in 15 countries, sheds light on which companies are seen by consumers as the most socially responsible — and Managing Partner Fernando Prado says that CSR ranking is largely about perception.¹²

Some companies may find it more difficult to communicate their CSR activity than to tout their products; building a strong reputation for social responsibility can be challenging. However, long-term relationships are forged when partners or consumers see the world in the same way, and in a competitive market, a CSR track record can make all the difference. **FMJ**



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