

# Corporate Social Responsibility: We All Win

Daniel Marzantowicz (BCom), Communications and Marketing Assistant, Edmonton YMCA

All organizations, including health and wellness centres, are responsible to the larger community. Social responsibility can take many forms—it may be as simple as donating a part of sales to charities or as involved as starting a corporate policy to promote volunteerism. A well planned, executed, and controlled social responsibility initiative benefits both community and organization. Health and wellness centres also stand to benefit from being socially responsible.

## Social Responsibility

### 1. Then and Now

In his essay “The Social Responsibility of Business Is to Increase Profits,” Nobel Laureate Milton Friedman said that a business’ only social responsibility was “to use its resources and engage in activities designed to increase profits so long as it stays within the rules of the game” (Friedman, 1970). Today, many would disagree with such a profit-oriented statement. At the very least, an organization is responsible to its stakeholders, who include customers and employees as well as stockholders. Companies whose products are unsafe will not be profitable for long.

The Tylenol case is a good example of social responsibility. In the 1980s, after reports that Tylenol bottles were laced with cyanide, Johnson & Johnson recalled 31 million bottles (worth more than \$100 million) to protect the public and the brand’s reputation. Today, Tylenol remains one of the best selling brands (Cutlip, Center, & Broom, 1994).

Business has now accepted a wider view of social responsibility: ethical organizations consider the external costs of daily operations to the wider society. An external cost, such as pollution from a company’s factory, can harm innocent community members. In addition to government sanctions against the company, a socially irresponsible company can lose the loyalty of its customers, since consumers are becoming increasingly concerned both about their environment and public welfare. Employees also want to know that they work for an ethical company (Colvin, 2001).

### 2. Promoting Community Well-Being

A socially responsible organization also believes that the well-being of its community affects the success of its operations (Business in the Community, 2001). For example, IBM’s Reinventing Education program trains public school teachers (IBM, 2001).

This type of initiative can influence the health and well-being of the larger community, since well educated people are more likely to:

- work full-time in rewarding jobs;
- suffer from fewer economic hardships;
- report a greater sense of control over their lives;

**“Health and wellness centres can educate the public about fitness and promote a more active culture, while at the same time improving their own financial performance.”**

—Daniel Marzantowicz, Edmonton YMCA

- exercise;
- get health check-ups;
- drink moderately;
- not smoke (Frankish, Milligan, & Reid, 1998).

These factors and lifestyle behaviours are all associated with good health and enhanced well-being (Frankish et al., 1998). IBM understands that if the people within a community are healthy and skilled, it will have a larger pool from which to hire. Moreover, if people have jobs, consumer spending increases.

Cause-related marketing is another way organizations can contribute to community well-being by donating a portion of revenues to non-profit causes. For example, Ben & Jerry’s Ice Cream donates 7.5% of its pre-tax profits to charities (Kryhul, 2000).

### 3. The Organization’s Bottom Line

Good corporate citizenship can result in concrete benefits, e.g.,

- more effective recruitment;
- higher employee and customer retention;
- enhanced company reputation and brand image;
- higher financial returns (Verschoor, 2001).

Shared Vision, a New York technology consulting firm, gives its employees one paid week off each year to volunteer for a charity, a policy that helps the company to attract and retain talented people. Giving employees an opportunity to volunteer is both a job “perk” and can increase job satisfaction. Furthermore, a satisfied employee is more likely to stay with the organization (Koss-Feder, 2000).

An organization’s position on social responsibility can also be the “tie breaker” in consumer purchases, especially if a company aligns itself with a cause that its customers believe in (Mastromartino, 1993). As Angela Kryhul (2000) puts it, “More than ever, consumers want to feel good about the products they buy.” According to the Canadian Centre for Philanthropy (Imagine: A New Spirit of Community, 2000), corporate charitable donations in Canada have more than doubled over the past decade. But, to influence purchase decisions, an organization must publicize its social responsibility work through advertising and other public relations initiatives. (Of course, financial performance does not depend entirely on good corporate citizenship—other important factors include sound marketing and financial planning.)

### Social Auditing to Ensure Success

Careful planning, implementation, and monitoring using a social audit can help ensure that a social responsibility initiative benefits both the organization and its community. For an effective social audit, an organization needs to carry out the following steps (Berkowitz, Crane, Kerin, Hartley, & Rudelius, 1995).

(continued on page 4)

*Recognize* the rationale for implementing a social responsibility plan and the social goals your organization wants to promote. Society now expects more community involvement from organizations—research can help identify the needs of that community.

*Identify* causes that are consistent with the organization's mission, values, goals, and strategies. The entire organization is more likely to support a social responsibility plan for a consistent cause. Support from senior management is especially important, since they control resources and have the most influence.

*Determine* organizational objectives for a social responsibility plan. Objectives should be SMART: specific, measurable, achievable, realistic, and time-bound (like marketing and advertising objectives).

*Specify* the type and amount of resources needed to achieve set social responsibility objectives. For example, if your company wants to implement a volunteerism plan, support employees by offering time off for volunteering.

*Evaluate* how social responsibility efforts perform relative to their objectives. You should also decide whether to change your efforts and assess the appropriateness of future involvement.

### **Social Responsibility and Health and Wellness**

According to *Canada's Physical Activity Guide to Healthy Active Living* (Health Canada, 1998), physical activity reduces the risk of premature death, coronary heart disease, obesity, high blood pressure, adult-onset diabetes, osteoporosis, stroke, depression, and cancer. Other benefits of physical activity include better health, improved fitness, better posture and balance, weight control, stronger muscles and bones, and relaxation and reduced stress. Yet, despite these benefits, 64% of Canadians are still not active enough to benefit their health through physical activity (Canadian Fitness and Lifestyle Research Institute, 2001).

Health and wellness centres can educate the public about fitness and promote a more active culture (and at the same time improve their own bottom line).

Some health club representatives speak at workplaces and in schools to promote proper nutrition and the benefits of regular physical activity (while also educating the audience about their own clubs). Health clubs can also hold group classes at local community recreation halls. To induce parents to work out regularly, health and wellness centres like the YMCA offer high-quality child care for parents and after-school programs that incorporate values of caring, honesty, respect, and responsibility.

Socioeconomic disparity marginalizes many of our fellow citizens, limiting their access to essential goods and depriving them of any meaningful role in social life (Lessard, 1997). In response, the YMCA offers membership assistance and outreach programs to people in need, giving them an opportunity to benefit from physical activity, regardless of income level. The YMCA also provides many social programs through its Enterprise Centre, offering an alternative education program, employment services, and an entrepreneurial program, as well as its Family Ties program that helps families get off social assistance.

Health and wellness organizations' corporate policies can encourage employees to volunteer. CIBC (and its 7,000 employees) helped to raise more than \$10 million for breast cancer research, education, diagnosis, and treatment (CIBC, 2001). Employees could also mentor youth, increasing young people's enthusiasm about physical activity.

### **Summing Up**

A properly implemented social responsibility initiative can lead to many benefits for both the organization and community. Health and wellness centres are uniquely positioned to positively affect the well-being and health of their communities, while also improving their own bottom lines. Volunteering, donations, and sponsorship are some of the ways that health and wellness centres can positively affect their communities.

Social responsibility no longer involves only the company, as Friedman suggested in 1970. Rather, social responsibility is mutual—organizations affect society and society's well-being can influence organizations' success.

*References available on request or from the Alberta Centre for Active Living web site at [www.centre4activeliving.ca](http://www.centre4activeliving.ca).*

## **Ideas for Action in the Community**

- **Establish safe, well lighted walking, jogging, and bicycle paths.**
- **Provide areas to secure bicycles near workplaces, shopping areas, and other public or private buildings.**
- **Convert downtown centres into pedestrian malls. Arrange for shopping malls or school gymnasiums to open early for walkers.**
- **Secure access to and adequate lighting for outdoor playing fields, university or school track fields, parks, tennis courts, and other community resource areas to allow evening use by community residents.**
- **Make public stairwells accessible, ventilated, well lighted, safe, and clean.**
- **Establish police precincts at inner-city community recreation facilities, and security escort services from program locations to parking lots or garages.**
- **Develop parks or playgrounds in vacant lots or accessible rooftops, or convert surplus public lands into park and recreation facilities.**
- **Establish playgrounds for children and adults. Develop walking paths around children's playgrounds to foster activity among the adults who accompany the children.**
- **Provide transportation, child-care services, or other services that overcome barriers to participation. Advocate for inclusion of major community exercise or athletic facilities on public transportation routes.**
- **Map out neighbourhood walking paths and install distance markers to help people judge distances.**
- **Combine physical activity and environmental projects, such as cleaning up beaches, along park trails, or along roads.**
- **Build fitness and walking paths that are convenient to all community residents.**

**Adapted and reprinted from the US Department of Health and Human Services (1999).**

*References available on request or from the Alberta Centre for Active Living web site at [www.centre4activeliving.ca](http://www.centre4activeliving.ca).*