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A core value that helps the bottom line

By Perri Petricca and Sherry Penney | May 30, 2009

WITH THE slowed economy, major law firms across the country are now paying first-year associates not to work at their firms, but, rather, to pursue full-time work for a nonprofit for a year. This sophisticated, coordinated Corporate Social Responsibility strategy to recruit and retain talent while making a philanthropic contribution to the community makes good business sense.

In the past, businesses large and small would engage in philanthropy based upon a sense of responsibility to their community. Today, with greater competition for customers and for talent both nationally and internationally, Corporate Social Responsibility is proving to be a powerful tool not only for community engagement but for bottom-line success.

A new report by the Massachusetts Business Roundtable, in collaboration with the Emerging Leaders Program at the University of Massachusetts at Boston, documents significant shifts in corporate philanthropy, and concludes that Corporate Social Responsibility has emerged as a critical strategy for employers looking to recruit and retain talent. The report finds that "as more and more companies try to differentiate themselves from their competitors, they must treat Corporate Social Responsibility as far more than charity. CSR must be a core component of their business model."

The report recommends five key findings of best practices:

Create and maintain a clear link to the company's mission and secure executive endorsement.

Corporate leaders emphasize that Corporate Social Responsibility is central to their corporate cultures. Philanthropic decisions are inextricable from the companies' business decisions, and these decisions flow from the top down and from the bottom up.

Engage employees at all levels as decision makers and leaders.

Corporate philanthropy and volunteer programs are opportunities for employees from throughout the company to become engaged citizens, both with their communities and with each other. Well-designed programs provide mechanisms for garnering input from employees and give employees choices as to how they might contribute.

Leverage employees' skills and their ability to make positive contributions to the community.

Deploying their skills to benefit a community can give employees confidence as well as help the community see the corporation in a new light.

Provide opportunities for employees to develop new skills.

Social responsibility programs provide valuable opportunities for employees to become engaged

in new ways. When employees take on new roles outside the corporation, they are learning new skills, and their coworkers can recognize strengths that might not be obvious in the workplace. CSR can help make a company a workplace of choice.

Encourage teamwork through group volunteer programs.

Group volunteer programs allow team members to work with each other in new ways. Employees can gain a better understanding of their coworkers and appreciate talents that may not be apparent within the work environment.

In addition, the report suggests components of corporate citizenship that can help maximize the impact of a company's social responsibility efforts, including: forming meaningful partnerships with nonprofits; using core competencies - donating skills as well as money; working with nonprofits on issues that align with business objectives; and learning from mission-driven organizations.

Even in a down economy, businesses want to attract and retain top young professionals. Corporate philanthropy can be a way to get them here and keep them. Even when every budget item is being scrutinized, it's important for companies to remember long-term goals and keep social responsibility as part of their strategic mix.

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