

Scris de James Osborne
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James Osborne, Head of CSR Communications at the consultancy firm Lundquist, talks in an interview for CSR Romania about the CSR communication and about the changes that will take place in the near future from this perspective.

At Lundquist, you approach corporate social responsibility (CSR) in a different way, developing its online communication. What are the daily challenges you face in making companies understand the importance of communicating CSR in the online sphere?

Lundquist is a communications consultancy so we focus mainly on communications issues around CSR – online communications, reporting, social media, reputation and so on. Clearly there are many, many companies that haven't yet adopted a CSR agenda or aren't explicitly organizing their business management around consideration for social and environmental impacts. So a first barrier is a lack of action on CSR by company executives and smaller business owners – but this seems to be changing quite rapidly.

If we talk specifically about online communication of CSR at the kind of companies Lundquist works with – mostly big, publicly listed companies and multinationals – the main problem is a failure to understand the strategic importance of the internet in this field.

Many companies are run by an older generation of managers who still work on an outdated model of corporate communications that focuses on select, small groups: financial analysts, newspaper, TV and magazine journalists, national and European institutions and so on. Communication with these groups derives for the most part from mandatory disclosure for the capital markets in the form of reports and press releases. The corporate website is therefore considered secondary – both in terms of budget and priorities.

But CSR communications is different because the audience is much larger and more diverse. Companies need to break out of this reporting mentality and reach out to a wide range of stakeholders on an ongoing basis. The internet is ideal for this but requires a different approach: more honest and transparent, rigorous but also open to dialogue, and humble. It's a struggle to make some companies understand this shift and change engrained habits.

□ I know that you work with companies from different countries such as UK, Italy, Switzerland and Austria. Is there a cultural difference in the way you should approach CSR in each of these countries?

I think the concept of CSR is fairly uniform across western Europe, so there shouldn't be a huge difference in approach. In fact, with reporting standards such as the GRI's G3 guidelines and the trans-national nature of financial markets, we've already moved towards a global concept of CSR. In the surveys we do of CSR experts and professionals, we've don't see big differences across western European and north American responses.

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When it comes to communications, I think there will be much more difference between one sector and another and one company and another, because of the different nature of their stakeholders. A multinational pharmaceuticals company should have a profoundly different approach to a local utility company, even though they are both located in the same city. In addition, many big companies now operate in both developed and emerging markets, where the agendas are quite different.

□ CSR Online Awards is a research project developed by Lundquist that measures the effectiveness of online CSR communication. What makes a company outstanding from this point of view?

Our research project uses a protocol of 77 criteria, drawn up on the basis of surveys of CSR experts, to assess the effectiveness of a corporate website. It covers content, of course, including environmental, social and governance information; the user experience, that is how easy it is to navigate and how engaging and interactive the content is; and ongoing engagement in the form of news, resources and dialogue.

So it's easy to say that companies are outstanding if they perform well in as many of these areas as possible. But we've also tried to identify six cross-cutting aspects – or pillars – of online CSR communications. We think websites must be complete with a full range of information, integrated into the wider corporate communications agenda, open to debate, dialogue and feedback from a wide audience, user friendly, engaging with multimedia content, and finally concrete, containing hard fact and evidence to support any claims to being a responsible or sustainable company. It's tough to be outstanding on all of these fronts.

I have noticed that banks in particular are reluctant to communicate their CSR programs online. What are the risks and what are the rewards of online CSR communication for banks?

The reputation of the banking sector is in tatters as a result of the financial crisis – in many cases rightly so. Many people perceive banks as distant and opaque businesses run by extraordinarily well-paid individuals who fail to support local economies.

So the risk in communications – especially considering what I said before about a reporting-driven communications culture – is to propagate the image of banks as remote and insincere institutions. People are suspicious whenever banks proclaim they are “responsible” and so long, dense reports full of technical language isn't going to win people over.

Banks must learn to be a bit more humble and transparent and reach out to their most important stakeholder group: their customers. They have to take a clear and concrete message to them. The reward is to regain trust, which in turn brings loyalty.

What percentage of their CSR budget do you think companies should invest in their online communication?

It's hard to give any figures because each case is different. But what I'd say about

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communications budgets is that all companies must have a keen sense of return on investment. In many cases, an incredible amount of time and money is spent producing and printing enormous CSR reports that very few people read. Usually they are conceived based on the needs of only a handful of people – mostly sustainability rating analysts and other “technical” users. But a proper online communications strategy that is part and parcel of a proactive stakeholder engagement process and supported by senior management can have much stronger returns and a wide range of benefits.

How do you think online CSR communication will look like in, let’s say, 5 years from now on?

Disclosure of non-financial information will become mandatory – or virtually mandatory – for publicly listed companies in many countries. So we’ll see an explosion in reporting based on the model I outlined earlier. In other words, we’ll see a lot of PDFs as companies scramble to comply.

But, at the same time, the companies that have already been producing reports for a number of years are evolving and learning how to approach the internet better. We’ll see a continued uptake of web-based reporting – where the CSR report ceases to be a printed document of some kind but lives permanently online. At the same time, companies will abandon the constraints of traditional corporate communications and reporting by turning to social media, where the boundaries between corporate communications, branding and marketing blur.

The other big trend that will shape the future of CSR communications is integrated reporting. As more companies seek to produce a single annual report containing both financial and so-called non-financial information, the definition of CSR will break down. It’s already becoming impossible to talk about climate change or water without talking about core business decisions, investments, product development and so on. Not to mention risk management and corporate governance. So it’ll be much harder to identify CSR as a discrete communications concept in the future.

James Osborne is Head of CSR Communications at the consultancy firm Lundquist. James has over 15 years of experience in journalism and communication and had been working for Lundquist for more than 3 years. His activity at Lundquist covers online communications, financial and non-financial reporting, corporate reputation, writing for the web and copy editing.

*Interview by Rebeca Pop, Forum for International Communications
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