

Corporate Social Responsibility and Safety and Health at Work

By Gerard I.J.M. Zwetsloot, TNO Work & Employment¹

Preface

This presentation is based on a project carried in 2003 out for the European Agency for Safety and Health at Work in Bilbao, as one of the activities of its Topic Centre Research. In the research project an overview was made of (intern)national initiatives to promote CSR, and also eleven company cases are presented as inspiring examples from six different EU countries (not from Spain). Company cases and initiatives are analysed, and conclusions are formulated. Finally, a set of specific recommendations for the three most important stakeholder groups at company level is given: for managers, employees and safety and health professionals. The publication will become available soon.

In my presentation I will give an overview of the European situation, and not go into the details of the company cases.

Introduction to CSR

According to the European Commission, CSR is the integration by companies of social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.² In 2001, the European Commission launched a European debate with the publication of the Green Paper on CSR, later followed by the European White Paper. The European Agency for Safety and Health at Work subsequently organised a European seminar on CSR and work health. Both initiatives showed clearly that CSR is a strategically important development for European businesses and policy makers, and also made it clear that safety and health at work is one of the items that is an integral part of the CSR concept.

It is important to note also that the concept of social responsibility means going beyond the fulfilment of legal requirements by investing 'more' in human capital, the environment and relations with stakeholders.

CSR is also about managing change at company level in a socially responsible manner. This happens when a company seeks to set the trade-offs between the requirements and the needs of the various stakeholders into a balance, which is acceptable to all parties. If companies succeed in managing change in a socially responsible manner, this will have a positive impact at the macro-economic level.

CSR is obviously a inspiring, challenging and strategically important development, not only in Europe. The most important motives for CSR are: creating new opportunities (market enlargement, better company reputation) and better control of business risks for the continuity of the organization. The increasing attention for CSR is also fed by recent financial/accountancy scandals and the growing demands for integrity and transparency of companies.

¹ Professor dr Gerard I.J.M. Zwetsloot is senior consultant and researcher at TNO Work and Employment (TNO Arbeid) in the Netherlands. Gerard Zwetsloot is also professor at the Erasmus centre for Sustainability and Management of Erasmus university Rotterdam. TNO Work and Employment, P.O. Box 718, NL2130 AS Hoofddorp, The Netherlands. E-mail: G.Zwetsloot@arbeid.tno.nl

² Green paper "Promoting a European Framework for Corporate Social Responsibility" 2001

Safety and Health at Work and the Triple P performance

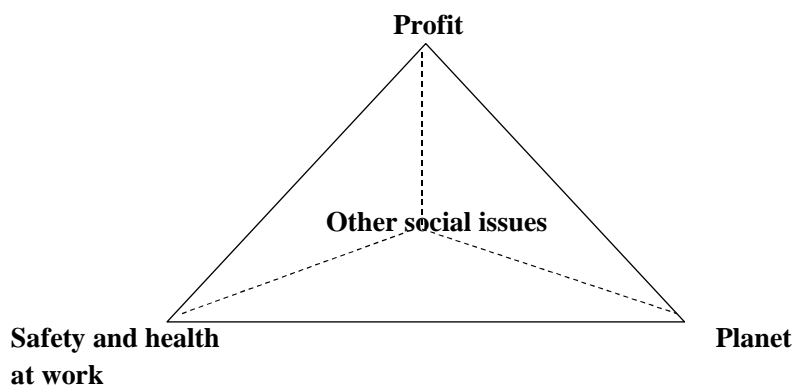
There can be no doubt that safe and sound working conditions, and good worker health belong to the social responsibilities of companies, and can be regarded as an integral part of CSR.

Often three aspects of the social dimension of Corporate Social Responsibility are distinguished:

- Internal aspects: Human Resource Management, Health and Safety at Work (OSH), business ethics, adaptation of change, and organizational learning; this requires participation of workers or their representatives;
- External local: local corporate citizenship; this requires co-operation with business partners, local authorities and local NGO's;
- External worldwide: human rights, global environmental concerns, safety and health in supply companies, corporate citizenship worldwide; communication with consumers, investors, globally operating NGO's, etc.

The social, environmental and profit dimensions can be represented as a triangle and is often called the Triple P performance: People (social dimension), Planet (ecological dimension) and Profit (economic dimension). It seems useful for the analysis of the relationships of OSH with CSR, to distinguish between Safety and Health at Work as a social item, and the other social items at stake. This is illustrated in the next figure.

CSR and Safety and Health



This may clarify that OSH issues, in a CSR perspective, may become closer related with other issues important for companies. Most relevant in this respect are:

- OSH and public safety and health issues (including product safety)

- OSH and Human Resource issues
- OSH and the balance between work and life
- OSH and other fundamental rights at work
- OSH along the supply chain
- OSH and environmental issues
- OSH and profitability and productivity

European and International Initiatives to promote CSR

In our publication an overview is given of international CSR initiatives, as well as a selection of national CSR initiatives. They are relevant to (international /national policies) to stimulate good safety and health at work: they change the context of safety and health at work at company level. This is followed-up by a selection of innovative safety and health initiatives that go beyond traditional Occupational Safety and Health, and have an implicit or explicit relationship with CSR. Many initiatives to promote CSR, the focus is on “new” items (e.g. child labour, ecological sustainability), on ethical issues (e.g. corporate justice, integrity) and *not* on OSH which is seen as a dominantly regulated area. All initiatives are categorised in the following types:

1. Initiatives to raise awareness, awards & ethical initiatives.
2. Exchange of knowledge: Best Practices, networks, pilot projects, guidelines.
3. Standardization and certification.
4. Reporting -external- and communication.
5. Innovative Partnerships NGO’s -Public – Private.
6. Ethical trade initiatives (Fair trade).
7. Involvement financial sector / financial incentives.

Some of these categories (e.g. external reporting and communication, innovative partnerships, ethical initiatives, involvement of the financial sector) are relatively new for the safety and health community; in this way, CSR can help the safety and health community to explore new strategies. The first four types are in principle well-known with respect to promoting OSH, but usually *the style* in CSR initiatives is more inspiring and value driven than is usually the case in OSH.

The nature of relationship between CSR and OSH varies widely among these initiatives. Some initiatives refer explicitly to OSH items, but others focus only on new social items that have no tradition in companies, or on totally voluntary aspects (e.g. hazardous child labour in the operation of suppliers in developing countries). Voluntary private initiatives are dominant for promoting CSR, while OSH initiatives are often dominated by legal regulation and governmental actions.

When we take a second look at OSH initiatives it is certainly not always the case that OSH initiatives contribute to CSR as whole. Many valuable OSH initiatives do not address the ecological and the economic dimension of CSR, are not impacting business processes or stakeholder relationships and have therefore limited relevance for the development of CSR as they only influence the OSH domain. They have a value in its own, but from a CSR perspective, they are rather isolated.

Another striking finding is the broadening of the policy arena. There can be no doubt that the social partners and governments are the main agents in safety and health policies. The arena is much broader in CSR: civil society becomes involved, and mass media as well as Non Governmental Organisations (NGOs) are therefore playing a substantial role.

It goes without saying that the above-mentioned developments will impact on the safety and health community. New opportunities and threats arise from CSR, and the safety and health community has to assess also its own strengths and weaknesses in this turbulent development. Rather than giving the answers, we are now in a stage that it is important to raise the right questions, and to stimulate debates among all parties concerned in Safety and Health at Work, but also between OSH stakeholders, and other stakeholders involved in the CSR developments.

Company cases

In our publication eleven company cases are presented as inspiring examples from six EU countries. The implications are presented in chapter five. The cases show that CSR is a development in a broad variety of industrial sectors, that is relevant for large companies as well as for Small and Medium Sized Enterprises (SMEs). The case descriptions were delivered by the partners of the Topic Centre Research from the respective countries, using a common format. Though the case descriptions are not a *representative* selection, jointly they give a good impression of the broad variety of CSR approaches that is presently being used in European businesses.

The top managers of the company manage the implementation of CSR, using a range of methods and tools in the implementation process. The impression is that these CSR practising companies are often social innovative. The implementation of CSR is usually a learning process for the organisation, as blue prints are not available or not attractive in unique companies. Overall, CSR is very much an issue driven by enlightened self-interest of companies, not by legal obligations.

In many cases, CSR activities are triggered by a positive vision and a *positively defined concept*. Sustainability, social acceptance, servant leadership, development of new business, the creation of new markets, inspiring and attractive products and services, a happy company, health promotion, the enjoyment of stakeholders, and being the employer of choice, are examples of such positive concepts or aims. To work with positive aims and visions is not yet very common in the area of health and safety at work, where risk reduction and control is the dominant paradigm.

Most companies described have the vision that CSR is closely linked with their core business (the selection of cases may have influenced this finding). Ethical motives are important for many of these companies; for others CSR has become essential as way to reduce their business risks and to guarantee their “societal license to operate” in the future.

CSR sometimes blurs the distinction between the impacts of products and services on the one hand, and of the production processes on the other, and take into consideration the impacts on all stakeholders. While traditionally safety and health at work focuses (or is limited to) the impacts of the production processes on the workers.

Several CSR companies have become an employer of choice. In these companies, employees recognise the extra value of CSR for them: it contributes to the meaning of their work. They can be proud to work for this company, as well as on the company's products. As a result the employee can identify him or herself with the company, and the relationship between the company and the employee becomes a long-term relationship.

It turns out that communication with external and internal stakeholders, and the associated processes of transparency and reporting are vital for CSR practising companies. CSR requires a good balance between communication with and involvement of external *and* internal stakeholders. The existing experience of the OSH community in internal communication and participation seems very relevant in this respect for the further development in CSR. Some companies practice openness and honesty in external communication to a remarkably high degree.

The CSR practising companies have a clear interest in safety and health at work: poor health and safety may spoil their image, and may therefore be a direct threat to the value of the CSR effort and the continuity of their businesses. Furthermore they are often involved in social accountability, taking responsibility for the impact of their business activities via suppliers, also in developing countries (including health and safety at work in suppliers in other parts of the world).

The case study clarify a number of challenges relevant for the future of safety and health at work, and for its relationship with CSR.

- How can Health and Safety at Work become more important for civil society, and get more attention from NGOs and in the mass media?
- Can external stakeholders play a positive role in stimulating safety and health at work? How is the social dialogue on safety and health influenced by the broader external stakeholder dialogues of CSR practising companies?
- What innovative strategies, methods and tools regularly used in CSR activities (e.g. ethical considerations, codes of conduct, innovative partnerships, unconventional methods for management development, etc.) can be used for improvement of safety and health at work?

CSR changes the context of Safety and Health at Work

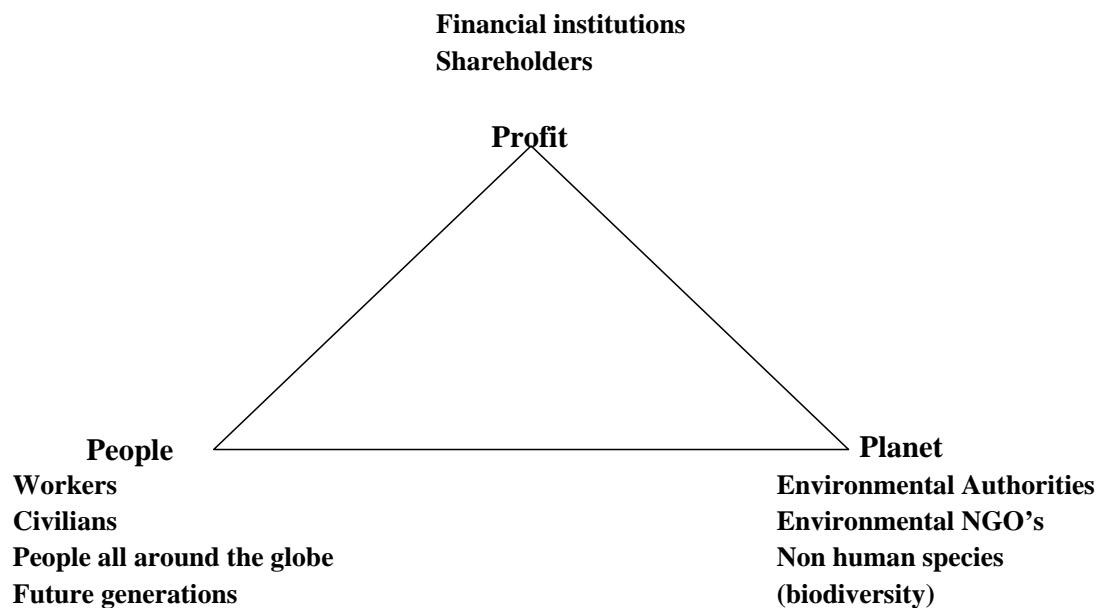
CSR initiatives have already generated a broad and generally positive response among industrial leaders, but also by international organisations such as the International Labour Organisation (ILO), United Nations Environment Programme (UNEP), United Nations Development Programme (UNDP) and the World Health Organisation (WHO). Finally by the involvement of many Non Governmental Organisations (NGOs) and the media attention, CSR has increasingly become a public issue.

CSR is therefore rapidly changing the context of safety and health at work. This is expected to have future implications for OSH strategies on European, national and company level. The new CSR developments imply both great opportunities to strengthen OSH, but also imply serious threats. CSR creates many opportunities for synergy with OSH, and also may create new inspiration for innovative OSH initiatives.

Civil society comes into play

A way to clarify the changes in the context of OSH is to focus on the stakeholders involved in CSR. This is illustrated in the next figure.

CSR and main stakeholders



Important stakeholders for the profit aspects are financial institutions (e.g. banks, insurers, pension funds), investors and shareholders, and inside the company, top managers.

For the planet aspects, environmentally focused non-governmental organisations are important, as well as environmental authorities, local authorities and land owners. One could even state that nature- so non-human species - are a kind of stakeholders, especially with reference to the conservation of nature and biodiversity.

Finally, for the people aspects, besides workers, we see civilians, and civil organisations (NGOs), people around the globe and even future generations as new stakeholders that are normally not involved in OSH items.

Traditionally, the main stakeholders in OSH are the partners in the well-known tripartite structures: governments, and employers and unions as representatives of the business community. Due to CSR, the civil society comes into play. Especially NGO's will become increasingly important, while mass media also become important agents too.

Changing roles of social partners

The social partners and the governmental authorities responsible for OSH, will remain vital players for safety and health at work, of course. But the tripartite structures will be confronted with a new arena and much broader discussions as well. Moreover, the traditional agents will be addressed by the civil society in other roles: employers are not only employers, but on the same time they are also entrepreneurs, and (hopefully) responsible civilians. Workers are at the same time consumers, civilians, and sometimes also neighbours of the company.

Safety and Health professionals may become involved in external stakeholders dialogues in the role of company representative, and may have to unlearn the habit of automatically referring to legal obligations; instead they can also link their activities to sound business principles, ethical considerations and “good citizenship”.

Conclusions

CSR is a hot topic today, and includes safety and health at work. CSR implies that OSH becomes related to a much broader field: the planet and profit dimension, but also external aspects of the social dimension (locally and globally). The arena in which decisions becomes more complex due to new agents (NGO's and mass media), and more complex roles for employers organisations and trade unions.

One may therefore conclude that the wind of change is blowing hard in the direction of safety and health at work. The changes imply both opportunities and threats for safety and health at work, but also underline the necessity of revitalising safety and health as a voluntary activity that can be inspiring and vital for companies, their CEO's and their workers.

Recommendations

In the present situation, debates are needed within the OSH community, to raise awareness on the opportunities and threats, due to the CSR development. Furthermore, debates between the OSH and CSR communities are urgently needed, as it are all to often two distinct worlds (especially at policy level).

CSR initiatives can inspire innovative approaches in safety and health, that are voluntary, and value and ethically driven. The seven categories of CSR initiatives can be used as starting point to develop more CSR compatible OSH initiatives.

Managers, employees and safety and health professionals, each have a role to play in this development.

The European and national long-term strategies should anticipate on synergy between OSH and CSR also in safety and health strategies.