

FICCI - Accenture report calls on Businesses to rethink their approach to Corporate Social Responsibility for a Greater Economic and Social Impact

NEW DELHI, 9 December 2014: While the new Companies Act 2013 presents critical opportunities for Indian companies to become more socially responsible and contribute to the country's economic future, a new report from Accenture and the Federation of Indian Chambers and Commerce Industries (FICCI), outlines steps companies can take to overcome the operational challenges and adopt new corporate responsibility (CR) programs (detailed report attached).

According to the report, "Organizing for Success on Corporate Responsibility: The Path to High Performance," the expanding the list of activities that would classify as CSR under the Act are creating a firm ground for corporations to move beyond the by lanes of corporate social responsibility to a wider, well-paved highway of corporate responsibility (CR). The difference between the two is more than the word "social." The report notes that corporate responsibility is about building environmentally friendly, people-sensitive, safe and ethical businesses that are also capable of generating socially responsible profits.

While the report recognises that in the short run, a large section of businesses in India will continue to focus on building their CSR muscle, it highlights that a large section of industry will gradually embrace the CR paradigm, as they bridge capability gaps and gain experience on the way.

To achieve those objectives, the report outlines a framework that provides actionable insights to companies for organizing themselves towards: (a) conceptualizing, designing and delivering CSR; and (b) seamlessly transitioning from CSR to CR. The framework guides companies through all possible requirements and options—from vision and strategy to operating model, capabilities and culture. This study also features case studies of organizations that are already blazing a trail for others to follow. The components of the High Performance CR framework are as follows:

1. CR vision - Companies will need to define a clear, compelling future vision for their corporate responsibility program. The vision must be covering broad areas of impact and must be realistic and achievable.
2. Operating footprint and differentiation strategy - A company's CR operating footprint must identify the areas in which it wants to create differentiated value. The report identifies five "axes", of - geography, area of impact, key beneficiaries, partners and type of value – as those to create value. Based on the analysis of high performers, the report identifies, scale, sustenance and symbiosis as the three dimensions of differentiation companies can drive while creating value across any of the five axes.
3. Distinctive capabilities - To activate their CR operating footprint and execute their differentiation strategy, companies must develop distinctive capabilities. The report identifies four distinctive capabilities such as value co-creation, win-win relationships, collaborative organizational architecture and operational excellence
4. Performance culture - The report advocates for nurturing a performance culture that can allow companies to establish internal systems and processes to unleash passion

and commitment to CSR programs throughout the organization. It highlights institutionalization of CR coaching, investment in recognition and communication around CR initiatives, designing consistent and compassionate CR metrics, as some of the key actions businesses can take towards building respect for CR teams and CR-initiatives at an organizational level.

5. Enabling environment - Lastly, the report provides actions companies can take to strengthen the CR-ecosystem thereby creating an enabling environment for their teams to design and deliver high-impact CR initiatives.

The research is based on a survey with senior executives from 20 companies across consumer products, resources, financial services sectors, as well as civil society, NGOs and intergovernmental organizations.

The report also features several case studies of CR high performers. For this report, CR-High performers are companies who are consistently allocating a sizeable portion of the economic resources to corporate responsibility initiatives across economic cycles during the last three years; have undertaken a range of social environmental and people-centric initiatives toward creating holistic and harmonious change benefiting communities as well as business at large; and have developed a well-defined plan for their future CR actions.

“We need to make everyone understand why we need to do CSR”, said Dr. Kirit Somaiya, Member of Parliament, Lok Sabha (BJP)

“Change in culture will be the key to the success of CSR”, said Prof. Rajeev Gowda, Member of Parliament, Rajya Sabha (INC).

“The critical insights identified in this study can serve as a guide for organizations to evolve their current CSR strategy to align with day to day operations as well as program their resources in a manner that their CR agenda becomes a source of meaningful social impact. A holistic CR agenda should not just focus on making companies commercially and socially viable but also focus on sustainable and scalable initiatives which will work towards inclusive growth.” said Shaifalika Panda, Co-Chairperson, FICCI Young Leaders Forum

“Our framework is designed to help organizations to think through a wide range of potential requirements and options – from their vision and strategy to their operating model, capabilities and culture -- as they prepare themselves to take advantage of current and future opportunities to develop impact generating CR initiatives,” said Sanjay Dawar, Managing Director and Lead, Accenture Strategy, India.

Weblink of the report: <http://ficci.com/spdocument/20515/FICCI-Accenture-Report.pdf>

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