

A Culture of Integrity with CSR

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Corporate social responsibility (CSR) is not new to most Filipino companies. Helping out comes naturally to most of us and gives us a warm, happy feeling. Given the chance, we would like to reach out to people who are in need, especially when we have the time and the extra resources to do so.

CSR, though, has evolved beyond mere giving as we have come to define it. It has gained new dimensions, grown in importance, and is now a requisite for business. It is no longer about voluntary giving, but rather, about aligning one's business goals with a social purpose.

In short, CSR is the combination of a profit motive combined with enlightened self-interest that creates trust with one's stakeholders.

Trust, of course, is very valuable. When stakeholders trust our business, we gain credibility and enhance our reputation. Customers do not hesitate to pay for our businesses or services. Suppliers are willing to do business with us and people are willing to work for us. Investors do not hesitate to buy shares in our company.

Just think: after BP or Enron damaged the trust of their stakeholders, would you know of anyone willing to do business or work with them?

To illustrate the importance of building trust, consider the findings of the 2011 Edelman Trust Barometer: When a company is distrusted, 57% will believe negative information about it after hearing this one or two times, while 15% will believe positive information after hearing this once or twice. The reverse is true for companies that are trusted, with 51% believing positive information they hear about the company after hearing this once or twice, and just 25% believing negative information they hear about it.

What does it take to nurture people's trust in your company?

The 2011 Edelman Trust Barometer showed that trust-building requires that companies live up to the highest ideals of transparency and professionalism. Among others, trusted companies offer high-quality services; have transparent and honest business practices; treat their employees well; and are good corporate citizens.

Not surprisingly, the Trust Barometer showed that "the most trusted businesses are those that align profit and purpose for social benefit."

What are the implications of these? Clearly, businesses have to adapt to the changing nature of trust. Trust has a new architecture, defined by three important pillars: transparency, engagement, and profit with a purpose.

Recognizing all these, the Management Association of the Philippines (MAP) is taking the lead in helping Filipino companies align their businesses with their CSR programs. This would not only benefit Filipino companies and their stakeholders, but would also help MAP achieve its goal of "MAPping a Culture of Integrity" that the Philippines so desperately wants.

Toward this, MAP is encouraging its members to sign the Integrity Initiative, spearheaded by the Asian Institute of Management, the Makati Business Club, and the European Chamber of Commerce of the Philippines.

The initiative seeks to ensure ethical business practices and create an overall certifying body for businesses, with cooperation from government offices tasked with eliminating corruption.

It represents the transparency pillar of the new paradigm of trust.

At the same time, MAP is encouraging its members to take part in a CSR survey being undertaken by the League of Corporate Foundations (LCF), while pushing for greater synergy between its governance and CSR work.

These are very essential in understanding how Filipino companies can make the new CSR paradigm work for them.

Over the next few months, MAP hopes to create more CSR believers by continuously highlighting the direct benefit of CSR on the bottom line.

Moving forward, MAP will continue to teach and share ways for Filipino companies to understand and embrace the real meaning of CSR, and hopes to learn from them in the process.

Amidst the challenges that Filipino businesses face, CSR is a good guidepost to help build the culture of integrity that we

need for our country to flourish.

The author is the chair of CSR Committee of the MAP.

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