



Beyond Good Company

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Next Generation Corporate Citizenship

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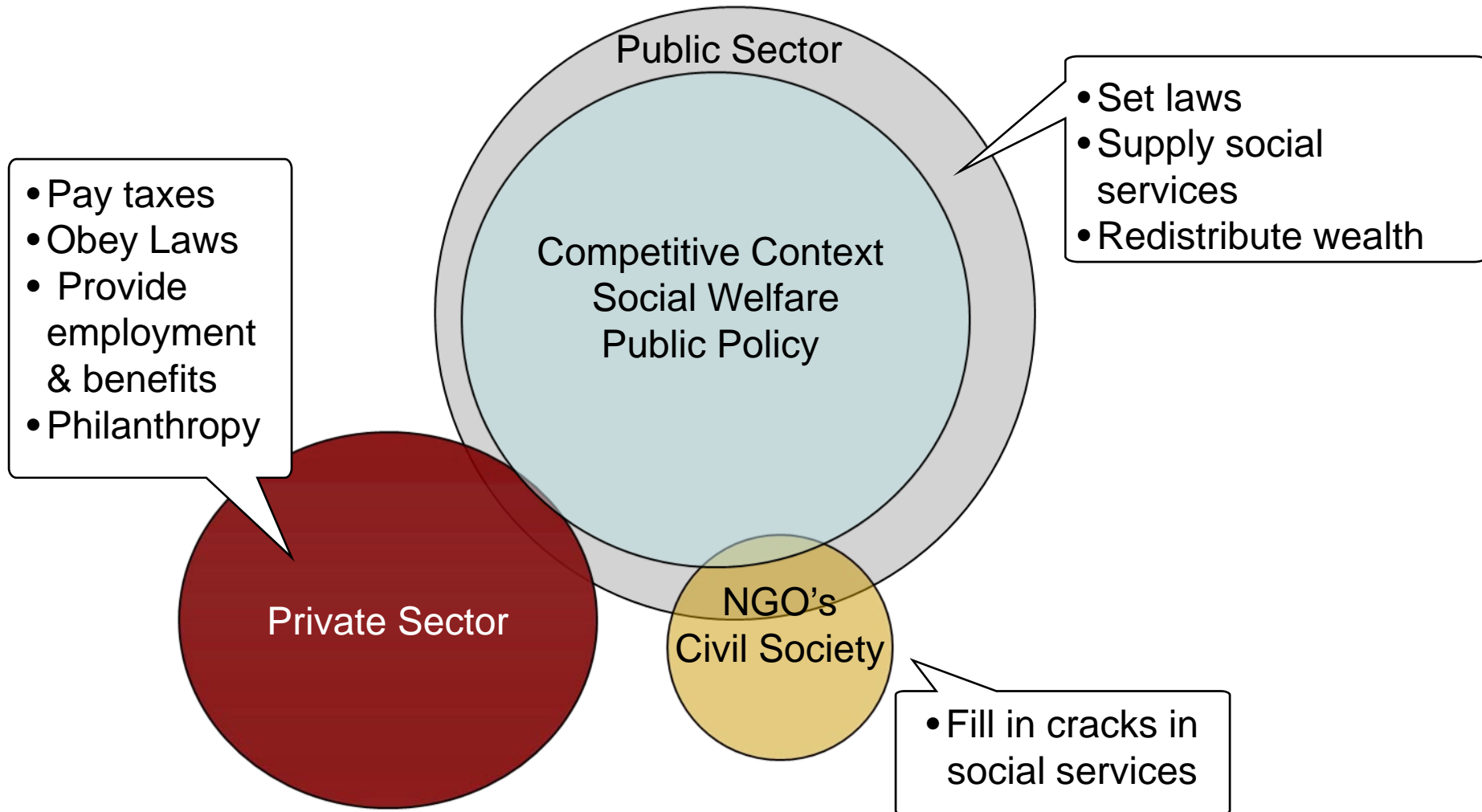
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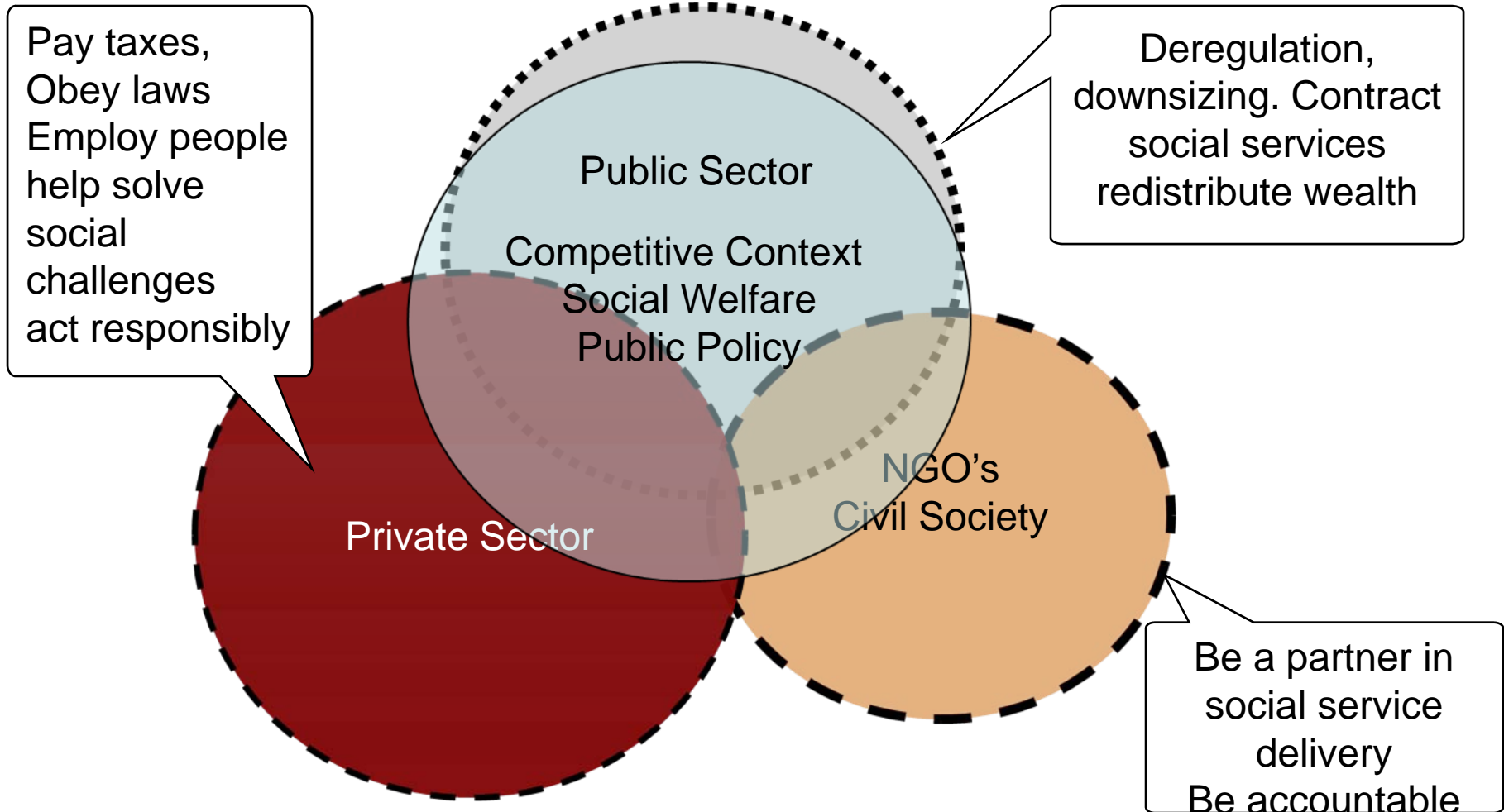
Social Contract: Late 20th Century





New Social Contract

Business and NGOs as Central Players





BOSTON COLLEGE
CARROLL SCHOOL OF MANAGEMENT

Center for Corporate Citizenship

Stages of Corporate Citizenship

Philip Mirvis & Brad Googins



Stages of Corporate Citizenship

	Stage 1: Compliant	Stage 2: Engaged	Stage 3: Innovative	Stage 4: Integrated	Stage 5: Transforming
Citizenship Concept	Jobs, Profits & Taxes	Philanthropy, Environmental Protection	Stakeholder Management	Sustainability or Triple Bottom Line	Change the Game: Business in Society
Strategic Intent	Legal Compliance	Reputation	Business case	Value Proposition	Market Creation or Social Change
Leadership	Lip Service, Out of Touch	Supporter, In the Loop	Steward, On Top of It	Champion, In Front of It	Visionary, Ahead of the Pack
Structure	Marginal: Staff driven	Functional Ownership	Cross-Functional Coordination	Organizational Alignment	Mainstream: Business Driven
Issues Management	Defensive	Reactive, Policies	Responsive, Programs	Pro-Active, Systems	Defining
Stakeholder Relationships	Unilateral	Interactive	Mutual Influence	Partnership Alliance	Multi-Organizations
Transparency	Flank Protection	Public Relations	Public Reporting	Assurance	Full Exposure

Stage 1



	Elementary
Concept	Jobs Profits Taxes
Strategy	Legal Compliance
Leadership	Lip Service Out of Touch
Structure	Marginal Staff-Driven
Issues Mgmt	Defensive
Stakeholder Relationships	Unilateral
Transparency	Flank Protection

“A CEO’s primary social responsibility is to assure the financial success of the company. Only a healthy, winning company has the resources and capability to do the right thing”.

Jack Welch
Former CEO,
General Electric

Stage 2



	Engaged
Concept	Philanthropy Protect Environment
Strategy	License to Operate
Leadership	Supporter In the Loop
Organization Structure	Functional Ownership
Issues Mgmt	Reactive, Policies
Stakeholder Relationships	Interactive
Transparency	Public Relations



20/6/95 - Greenpeace activists hang banner on the Brent Spar to celebrate Shell's decision to halt the deep sea dumping of the platform
 Copyright Greenpeace /Thompson

Shell Oil: Mid-1990's Brent Spar Incident:

Fell short of society's changed expectations, and as a result:

- Defined a New set of Business Principles (Concept and Leadership)
- New level of engagement with NGOs (Stakeholder Relations)
- Defined new environmental policies (Issues management)
- Began process of internal assessment and reporting (Transparency)



How Responsibility Can Shift



“The Only Lifeline Was The Wal-Mart”

Oct. 3, 2005 - *“An operation that could teach FEMA a thing or two”*



Wal-Mart Aid Outpaced Some Federal Efforts

Sept. 9, 2005 - *“Wal-Mart was able to get essential supplies to rural parishes in Louisiana before FEMA or the Red Cross arrived.*



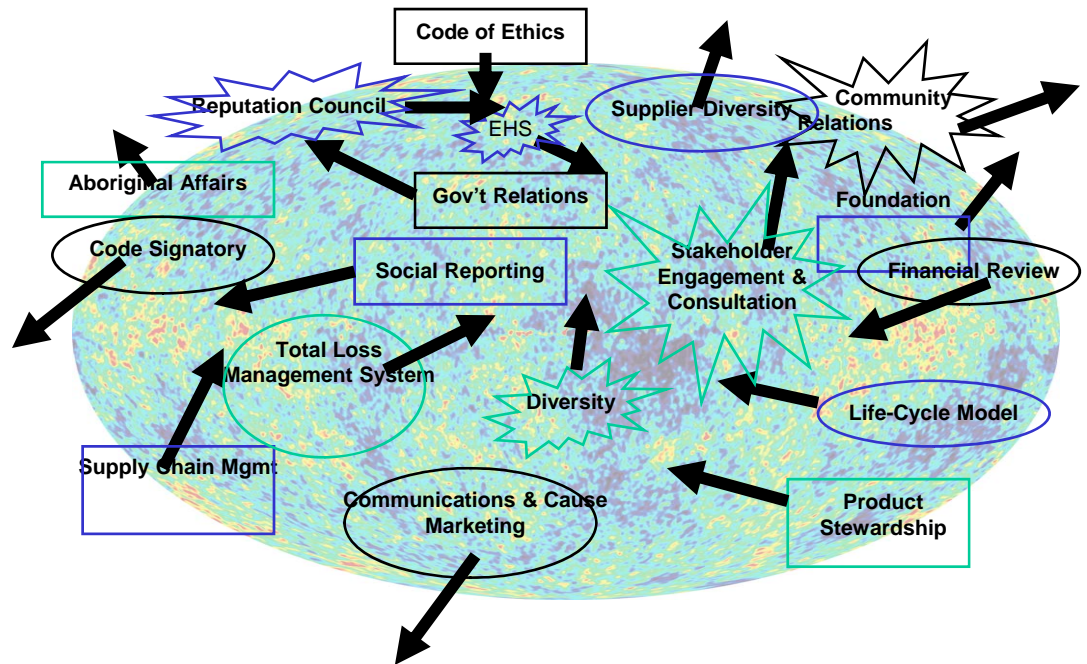
What Can Wal-Mart Teach FEMA About Disaster Response? *Many Major Companies Provided Disaster Relief Faster Than Government Agencies*

Sept. 29, 2005 – *“But the effort was not organized by any government agency. It was happening at Wal-Mart's company headquarters...”*



Stage 3 Innovative

	Innovative
Concept	Stakeholder Management
Strategy	Business Case
Leadership	Steward On Top if it
Organization Structure	Cross Functional
Issues Mgmt	Responsive Programs
Stakeholder Relationships	Mutual Influence
Transparency	Public Reporting





Stage 4 Integrated

	Integrated
Concept	Sustainability Triple Bottom Line
Strategy	Value Proposition
Leadership	Champion In Front of it
Organization Structure	Organization Alignment
Issues Mgmt	Pro-active Systems
Stakeholder Relationships	Partnership Alliance
Transparency	Assurance



GE is going to make a business out of being green.(1)

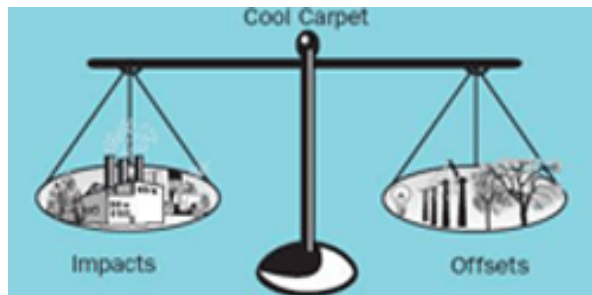
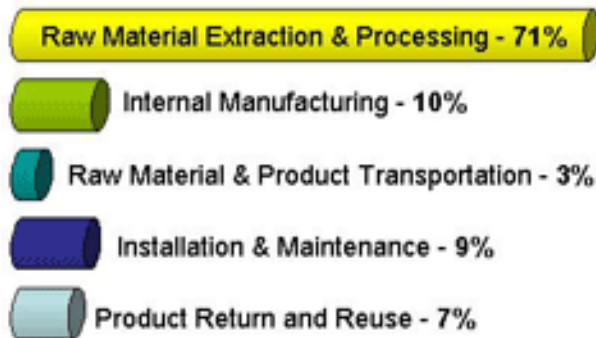
Source: 1. Forbes, August 15, 2005



Interface -- Sustainability

Interface

Life Cycle Emissions of Carpet



“Cool Carpet” Product

- Calculate total emissions from carpet life cycle, secure/retire necessary certified Emission Reduction Credits (ERCs) to neutralize impacts.
- Process is third party certified (US: Climate Neutral Network. EUR: Climate Care)
- Since 2003, retired 250,000 metric tonnes of CO₂ emissions (equates to 58,000 cars taken off road/year, or over 28 million gallons of gas not consumed).

"Interface is developing real solutions for tackling climate change. Where else can you purchase carpet and improve the climate at the same time?"

Sue Hall Climate Neutral Network

Starbucks: Incorporating Sustainability Into the Supply Chain



CHALLENGE:

How can Starbucks enhance the environment and produce high quality coffee beans?

1

Mid-1990s: Coffee identified as a major commodity affecting biodiversity and conservation



2

February 1998:
3 year partnership with farmers in Chiapas region of Mexico: pilot sourcing program



3

August 2000:
Extension of partnership with CI and scope of responsible sourcing



4

Nov. 2001,
launch of CAFÉ and 2 year pilot phase

C.A.F.E. Practices

Stage 5 Transforming



	Transforming
Concept	Change the Game
Strategy	Market Creation Social Change
Leadership	Visionary Leading Pack
Organization Structure	Mainstream Business Driven
Issues Mgmt	Defining
Stakeholder Relationships	Multi Organization
Transparency	Full Disclosure



Dove Pro-Age Products



New Product Offerings

Consistent focus on “new definition of beauty”



- *“...to instill a new attitude in the anti-aging category, from negative and fear-driven to affirmative and hope-driven...”*
- *“...encourage more women to see the potential that lies in their skin and hair...and themselves.”*

Dove Campaign for Real Beauty



fat?

fit?

Does true beauty only squeeze into size 8? Join the beauty debate.

campaignforrealbeauty.co.uk  Dove



flawed?

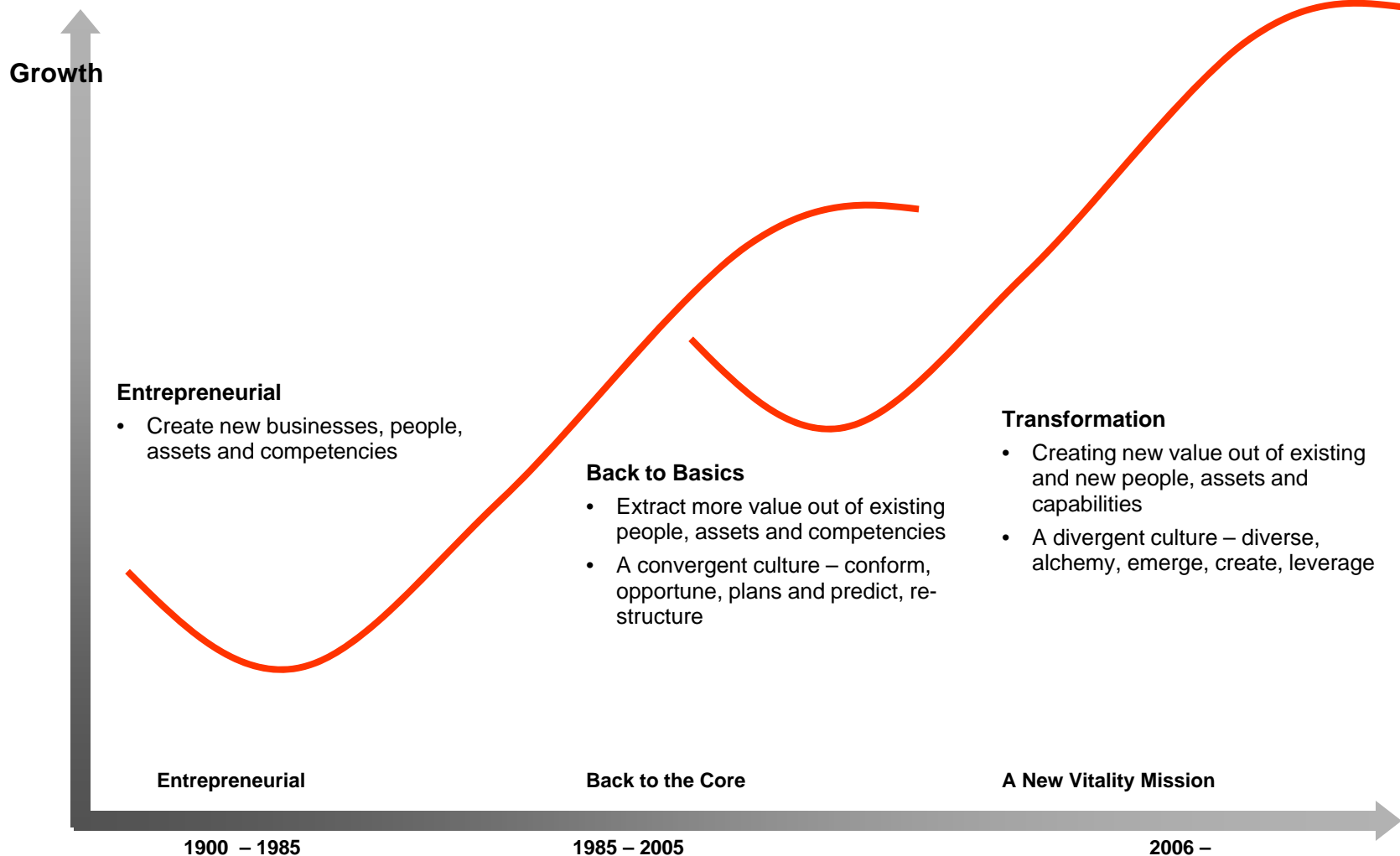
flawless?

Is beautiful skin only ever spotless? Join the beauty debate.

campaignforrealbeauty.co.uk  Dove

- Starting point for societal change
- Catalyst for widening the definition and discussion of beauty.
- Established the Dove Self-Esteem Fund to raise awareness of the link between beauty and body-related self-esteem.
- *uniquely ME!*, partnership with Girl Scouts to build self-confidence in girls 8-14
- Comprehensive survey of women between 15 and 64 in ten countries to explore self-esteem and the impact of beauty ideals on both women's and girls' lives.

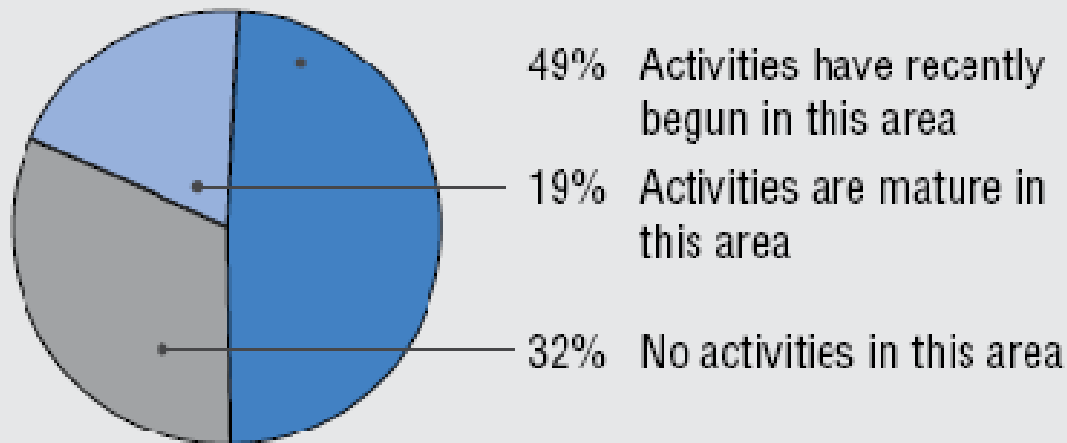
What does the Vitality Mission mean for Unilever?





CSR as Market Opportunity

FIGURE 1.
Focusing CSR to create new revenue streams.
(Percent responses)



Source: IBM Institute for Business Value.

Development of Corporate Citizenship – ‘Triggers’



5 Stages of
Development

Transformation

Integration

Innovation

Engagement

*Development
"Triggers"*

Compliance

