Introduction

JCC Theme Issue: Australasian Perspectives on Corporate Citizenship

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In the last few years there has been a marked increase in interest in issues of corporate citizenship in Australasia and Asia. Some large companies in the region, BP, Rio Tinto, BHP, Shell, Placer Dome, Bristol-Myers Squibb, for example, have taken very decisive moves in developing corporate citizenship programmes and policies. Furthermore, some NGOs, such as World Vision, the World Wide Fund for Nature and the Earthwatch Institute, have recognised the need to become aware of the changing relationships between the corporate world and NGOs because of corporate citizenship debates—moves that were clearly seen at the Second National Conference on Corporate Citizenship held in Melbourne in November 2000 dedicated to business—community partnerships (see Birch 2000c). Also, at some levels of government, federal, state and local, interest, though not necessarily reflected in policy change, has been high. The Business Council of Australia, the Australian Institute of Company Directors and the Australian Prime Minister's Business Community Partnership have all become involved, in one way or another, with some of the issues. Research is growing on a number of fronts with an increasing number of players getting involved: academic, business, government, NGOs and consultancies (see e.g. King 2000a, 2000b; Centre for Corporate Public Affairs 2000; Business Council of Australia 2001; Armstrong et al. 2001; Birch 2001a, 2001b).

But there remains considerable confusion about what exactly constitutes corporate citizenship. For many, especially as expressed in the mainstream media in Australia, corporate citizenship is generally defined as corporate philanthropy: a means of a company 'earning' its licence to operate in a community by virtue of its 'good deeds'.

However, at the First National Conference on Corporate Citizenship in Melbourne in November 1998, organised by the then newly established Corporate Citizenship Research Unit at Deakin University, other definitions emerged. These definitions were more closely linked to sustainability, long-term corporate-community involvement and the powerful concept of the triple bottom line, where the financial, social and environmental bottom lines come together to more strategically define corporate responsibilities beyond the single economic bottom line (see Birch 1999).

What emerged from that conference, apart from the clearly developing interest in all sectors in Australia in the need to engage more fully with corporate citizen-
ship—however defined—was to assess, as much as possible, not so much what individual companies were actually doing in terms of their corporate—community activity, but whether those companies were thinking strategically and long-term about corporate citizenship issues, and, if they were, whether this thinking was being translated into a business case-driven philosophy of corporate cultural change.

A very valuable survey of 115 companies in Australia was commissioned by the Prime Minister’s Business Community Partnership and conducted by the Centre for Corporate Public Affairs in 1999/2000, in association with the Business Council of Australia. This survey answered many of the questions about the ‘what’ of corporate—community involvement—sponsorship, cause-related marketing, business—community partnerships, matched giving schemes, volunteering, pro bono work, and so on—activities that, for the most part, have little, or no, effect on long-term corporate culture (see Centre for Corporate Public Affairs 2000). But what was also clearly needed was a much more defined understanding of the level of strategic thinking in the business world in Australia about corporate citizenship and its place in the proactive development of long-term core business, and not simply as a reactive, short-term, ‘feel-good’ add-on, or marketing/branding device.

Mark Glazebrook, of the Corporate Citizenship Research Unit, carried out a comprehensive study of the annual reports, CEO statements and company publications of the top 500 companies in Australia issued between 1995 and 1999. He found that only 37 of these companies (7% of the 500) actually viewed corporate citizenship as ‘central to the strategic direction of their business’, as demonstrated through their vision statements, business objectives and overall performance measures for company directors (Glazebrook 1999: 122). Of these 37 companies, 15 had only taken this step in 1999. It was clear from this study that individual companies interpreted corporate citizenship in different ways, with eight priority areas ranked as follows (Glazebrook 2000: 7):

- Governance
- Ethics
- Sponsorship
- Stakeholders
- Partnerships
- Product stewardship
- Environmental responsibility
- Social responsibility

Valuable though this analysis was, and still is, annual reports and vision statements, in many cases, tend to be aspirational in the more intangible areas of triple-bottom-line and corporate citizenship/responsibility issues, and may not always reflect reality.

In a follow-up study of the top 200 corporations in Australia (see Birch and Batten 2001), the Corporate Citizenship Research Unit at Deakin University explored three main issues:

- The extent to which a company understands the main terms used within corporate citizenship
- The extent to which a company has incorporated the main terms and themes of corporate citizenship into its corporate culture and core business
- The extent to which a company has developed strategic thinking and practices with respect to strategic corporate citizenship and its involvement with the community

The study found that:

- Corporate citizenship is seen by most companies in Australia as being generally synonymous with corporate community activity, and is not perceived as being embedded in the mainstream core business policies and practices of a company, or the way in which the company is organised and run.
Corporate citizenship is generally seen as a short-term community involvement, and a more favoured term for describing this activity was 'corporate social responsibility'.

Corporate citizenship tended not to be mainstreamed with environmental issues in most company cultures and, overall, environmental issues played a much more marginal role in a company's understanding of corporate citizenship than did community involvement, of one sort or another. This signals that there is little ownership of these issues embedded at all levels.

Corporate citizenship, for the most part, was seen to be a top-down process, from the board, the CEO or management, with only a marginal perception that individuals within a company could drive the agenda.

Overall, the agenda of corporate citizenship was seen to be one that always had to answer to the financial bottom line. There was little sense of the mainstreaming of a triple-bottom-line philosophy within companies, despite there being a generally wide acceptance of the need to include social (generally understood rather narrowly as community activities) and environmental issues on a company's agenda—but generally not if this threatened the financial bottom line.

While there is clearly a general commitment to corporate citizenship as expressed in short-term corporate community investment and involvement, this is not, at the moment in corporate Australia, generally managed in a disciplined, transparent and accountable way. The level of public availability of company policies and procedures for community investment, for example, is not high, and the level of published accounts and evaluations very low.

Clearly, these results demonstrate the commitment of corporate Australia, so far, to an understanding of corporate citizenship as community-oriented involvement, investment and activity, but with significant aspirations towards more long-term corporate citizenship connected to core business and long-term corporate culture. The difficulty facing business in Australia right now is not whether or not they should be involved in community-oriented corporate citizenship, or even, for the most part, whether they should be looking for deeper corporate citizenship roots in their core business activities and strategic thinking.

It is how to demonstrate that commitment through actions that make business sense, can be argued through a business case and can be evaluated and measured within the context of growing business in sustainable ways in the future. Significant links have yet to be made by corporate Australia to connect the financial, social and environmental bottom lines, and to inform not only core business, at every level, but to determine how a company is organised and run.

What we need to put in place is the vocabulary, indicators and measures that will allow business to do that.

The launch of *The Journal of Corporate Citizenship* is a significant move in this direction, bringing together leading scholars and players in corporate citizenship. This special issue, devoted to Australasian perspectives, is timely in a debate in the region that is gaining momentum every day. Contributors to this issue are leading scholars in the field in Australia, New Zealand and India, and, in the case of Leon Davis, a significant figure in the business community, both in the region and worldwide. These papers cover some of the major issues of corporate social responsibility, stakeholder engagement, corporate governance, corporate social and environmental reporting, corporate community involvement and triple-bottom-line reporting, developed with some very wide-ranging theoretical approaches. This augurs well for the building of strong, conceptual and intellectual foundations on which to build everyday corporate citizenship that will be
sustainable for business, government and civil society, both within and beyond Australasia.

References


Birch, D., and J. Batten (2001) Corporate Citizenship in Australia (Melbourne: Corporate Citizenship Research Unit, Deakin University, available from Carolyn Edmonds, cecdie@deakin.edu.au, A$35.00).


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