

# Research Outlook

## Corporate Social Responsibility and EHS

Sustainability efforts are often seen as separate from EHS management systems, but more organizations have begun to view sustainability in the larger context of corporate citizenship. These efforts include numerous elements, such as improving the safety and health of workers and community members while also minimizing environmental impact. Recent research has provided justification for seeing occupational safety and health as a critical piece of corporate social responsibility (CSR) and demonstrating a link between good CSR and business success.

Corporate social responsibility has many definitions, but it is usually comprised of three fundamental principles: (1) CSR encompasses economic, ecological, and social aspects of corporate governance; (2) CSR is voluntary; and (3) CSR goes beyond mere compliance, that is, companies engaging in CSR invest in human capital, the environment, and relations with stakeholders (Buchner, 2012). From these principles, it is easy to see how enhancing occupational safety and health, improving working conditions, developing environmental protection programs, and voluntarily committing to human rights not only make sense from an internal standpoint, but also serve to improve relationships with external stakeholders.

Several researchers have made the case that occupational safety and health is an integral piece of CSR. Bauman and Skikta (2012) argue that CSR increases the sense of corporate morality, which can build workers' sense of belonging to the organization because they see themselves as sharing values with their employer. CSR actions such as providing job security and safe working conditions facilitates trust between workers and employer,

encouraging workers to engage in safety behaviors voluntarily, rather than out of compulsion (Bauman & Skikta, 2012). This finding is in keeping with the Campbell Institute white paper on EHS leadership, which found that trust in leadership is correlated with safety citizenship behavior (SCB), or voluntary safety behaviors that go beyond compliance.

Montero et al. (2009) state that "CSR allows business to deeply commit itself to workplace health, safety and welfare" (1441) and that CSR acts as a stimulating agent for EHS in multiple ways. Having a corporate safety and health agenda may be sufficient for some companies, but placing EHS within the broader context of corporate social responsibility can serve as a bigger "push" for better EHS policies to improve company reputation and encourage compliance with international guidelines. A CSR approach to safety and health principles also embeds EHS into company culture and can lead to seeing EHS as something more than a mere economic consideration.

Overall it appears that not only is workplace safety and health a critical piece of corporate social responsibility, but that EHS, CSR, and sustainability just make good business sense. In general, researchers have found that workplace health promotion has several benefits to business outcomes – less absenteeism, less legal costs, more motivated employees, higher productivity, more quality, better company image, and better production costs (Bunn et al., 2001; De Greef & Van Den Broek, 2004; Guthrie et al. 2010; Holmqvist, 2009). For example, Campbell Charter Member companies have prevented over 126,000 injuries and illnesses in the past five years, resulting in \$1.11 billion saved through training, wellness programs, and

reductions in workers compensation claims (Campbell Institute, 2013). Increasingly, corporate executives are taking an interest in EHS that goes beyond mere liability or compliance; commitment to EHS stems from a sense of duty and pride in business efficiency and performance. Smallman and John (2001) see this as the final stage of maturity in incorporating EHS in companies – acknowledgment that good management of workplace safety and health gives a company a competitive edge.

Sustainability is quickly becoming an investment for companies to increase the long-term viability of the business and make it more profitable. Instead of being solely about eco-risk management, such as reducing carbon emissions, sustainability has evolved to be a leading indicator of innovation and business performance. Studies have shown that companies investing in sustainable practices have outperformed the general stock market by 25% since 2005 (Hill & Seabrook, 2013). This may be due in large part to the favorable company reputation and enhanced brand image that can follow the adoption of sustainable practices, particularly among multi-national corporations (Rondinelli & Berry, 2000). Campbell companies reported saving \$11.01 billion through programs targeting environmental sustainability, which is money that gets reinvested into business operations (Campbell Institute, 2013). The cause and effect of sustainable practices and good business outcomes can quickly become a virtuous cycle, as “most companies operate proactively when they see the business benefits derived from a responsible environmental image” (Rondinelli & Berry, 2000:82).

Sowden and Sinha (2005) firmly believe that EHS should not be regarded as separate from a corporate social responsibility program, but as a key part of a CSR strategy. They argue that there should be more studies to show that businesses need to go beyond compliance to be

considered socially responsible. Also, there should be more public awareness of how CSR, EHS, and business performance are linked. Workers should hold their employers accountable for good corporate citizenship concerning EHS, and third-party groups should educate employees on how good EHS practices can improve their working conditions and work performance.

The Campbell Institute envisions itself as contributing to the literature demonstrating the link between corporate social responsibility and positive business outcomes, with occupational safety and health as an integral factor in an organization’s overall CSR strategy. The Institute could investigate the best practices for integrating sustainability and EHS management systems into a holistic corporate citizenship approach, perhaps through case studies and in-depth interviews with key decision makers of CSR, EHS, and sustainability strategies.

Zwetsloot and Starren (2004) put forth several research questions that could drive the direction of a future Campbell Institute study:

- How can EHS avoid becoming just an operational aspect of CSR? In other words, how can EHS professionals be involved in the strategic decisions made by CSR policy makers and executive management?
- What strategies typically used in CSR activities (e.g. innovative partnerships, ethical guidelines) can be used to improve health and safety in the workplace?
- How can the information and experiences gained through EHS policies be used to develop CSR policy at the company, national, and international level?

The Campbell Institute welcomes comments and ideas about your organization’s CSR strategy. Would you like to engage in discussion on the topic of CSR and EHS? Share your thoughts on the Newslines or by joining the Campbell Institute’s LinkedIn group.

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