

CSAE Members Lead the Way

(CSAE is the Canadian Society of Association Executives)

Author: Coro Strandberg, Principal, Strandberg Consulting, www.corostrandberg.com

Integrating Sustainability into their Organizations

What do Forest Products Association of Canada, Canadian Association of Petroleum Producers, Mining Association of Canada, Retail Council of Canada, Canadian Chemical Producers Association, Canadian Bankers Association and Prospectors and Developers Association of Canada all have in common? Firstly, they are all members of CSAE and secondly, they are all helping their members move forward on sustainability and "corporate social responsibility" (CSR) matters. The Federal Government funded a study conducted in 2007 by the author and Five Winds International of seven industry associations and their role in advancing member sustainability / CSR performance; this was followed up by an independent study of the Mining Association of Canada to benchmark their results against their industry peers. All were progressing along a path to help their members understand sustainability and CSR issues, and the business imperative for taking social and environmental factors into account in organizational decisions along with traditional financial factors.

CSR/Sustainability Defined

There are many different definitions of Corporate Social Responsibility and Sustainability. Each organization typically goes through a process of defining what CSR and sustainability means to them. Key components of any CSR or sustainability definition include the balanced integration of social and environmental factors into business or organizational decision-making, typically with the long-term or future generations in mind, and often engaging stakeholders in the process.

You might find this hard to believe, given the resource and chemical intensive nature of a number of these associations, but indeed there was considerable best practice afoot - all in evidence two years ago, which will have only advanced since then. Indeed, industry and professional associations might be among the leaders in promoting sustainability and corporate social responsibility to their members, towards their aims of contributing to a strong society for Canadians and of advancing their members' business opportunities.

CSR and Sustainability? Why bother?

What many thought was a management fad a decade ago has evolved to become a common fixture in the business landscape in the past five years. More and more companies are adopting CSR or sustainability programs, endeavouring to embed CSR into the way they do business. Increasingly governments are following suit, with municipalities, school districts and universities in BC going carbon-neutral and provinces and territories such as BC and Yukon showing the way. Leading companies are rattling their supply chains looking for greater social and environmental performance. Wal-Mart, for example, is demanding its over 60,000 suppliers improve their environmental and social practices and this is having a dramatic affect on the marketplace. Universities are starting to train students in sustainability management and employees, whether babyboomers or millenials, are demanding more meaningful work (the current recession aside). In order to attract high quality talent, the ability to demonstrate alignment with social and environmental values becomes increasingly important. Whole industries and professions are hoping to brand themselves in Canada and globally as sustainability leaders to distinguish themselves in the marketplace and forestall regulation. Certainly those who do not step up to the plate may languish, and miss out on opportunities to innovate and secure their markets Business is waking up to the realities of scarce resources and the need to foster strong community relations - these trends are powerful and global. No one can afford to be left behind.

The strongest rationale for taking such a leadership role amongst the associations studied was to help build a social license to operate and better communicate to the public the role the industry was taking to promote sustainability and CSR (both broad terms that speak to the integration of social and environmental factors in business decision-making). Based on the promising practices of the industry associations, the federal government funded a further study to assess the interest of associations to learn more about the role they can play to help their members move forward on these issues. A series of webinars were held with different sector groups, 26 overall, last year. Here is a sample of what they said:

"This type of discussion is very valuable; I appreciate the opportunity to learn about what other associations are doing to advance sustainability amongst their members."

"My members are asking for help in how to measure their sustainability progress."

"Developing metrics to measure sustainability performance is a key role for associations."

They were pleased to have the cross-sector opportunity to hear how other associations are moving forward on this issue and called for more of this type of training and benchmarking. This article is one outcome of their recommendations.

What was it they learned from the benchmarking project? What were the leading practices that could be replicated by other associations, whether trade, professional, occupational, philanthropic or common interest? There is a gold mine of activity underway, much of which is summarized in a "Sustainability / CSR Roadmap for Associations" following this article.

Notable mentions include the following:

- Seven associations had adopted formal board mandates to promote sustainability to their members
- Seven had board committees which provided oversight on the association's progress in meeting its sustainability plans and objectives
- Most had assigned sustainability / CSR to a manager, with responsibility for developing the association's sustainability program, committing resources and budgets to ensure the program's successful implementation
- They all commented that there was high uptake by their members in their sustainability programming
- A number of them had formal or informal processes to engage their stakeholders in the development of their approach - a few even used independent facilitators to foster neutrality and build common ground with their stakeholders
- Most had annual sustainability award programs to recognize and celebrate sustainability progress amongst their members
- Half had "mandated" performance requirements for their members in which members were obliged to participate in key CSR requirements, such as endorsing a set of principles, ensuring their operations were sustainable under one of three certification schemes, and reporting their environmental performance to the association which in turn released a public report on the industry's environmental footprint
- Four of the associations roll up the sustainability performance of their members and report publicly on the progress their members are making towards sustainability
- Most recently, at least one of the associations (FPAC) has committed the sector to be the first "carbon-neutral" sector in Canada (October 2007), achieving carbon-neutrality by 2015 without the purchase of carbon offset credits. The program is a partnership with WWF Canada, a leading global environmental organization.

The webinar discussions were revealing because they also identified some of the constraints associations were feeling in moving along this path. Typically their smaller members were challenged to build out a sustainability program, as they lacked the resources for implementation. Key to any successful program is the clear articulation of the sustainability "business case" - the financial and societal drivers which motivate organizations to consider CSR and social and environmental factors in business plans and decisions. For any CSR program to be successful, the association, working through its membership fora, needs to develop the value proposition for member participation and engagement; if members cannot perceive the benefit to their organizations, no amount of cajoling will be successful on this front.

One area debated in the consultations was whether or not the association should have targets in key sustainability areas (such as FPAC, the association whose members are committed to carbon neutrality). All agreed on the value of common metrics and key performance indicators for their sectors, though there was less support for setting sector-wide targets. However, one area of unanimity is the need to check in on member satisfaction in advancing on the sustainability plan. What member association hasn't learned this lesson no matter the task?

Typically associations developed their programs in response to member champions who were leading on sustainability performance in their sector and feared that sector underperformance on social and environmental management could be a liability, or conversely that a strong sustainable industry brand could be a competitive differentiator in global markets. Many leading members also realized that the collective development of tools, resources and metrics can be a cost-effective solution to going it alone.

A surprising areas of weakness in the member associations under study, was that few of them had good practices in managing their own operations. It is a mantra in sustainability circles that one should get their own house in order before conducting outreach programs to move others on a similar path. This need not be a tall order, and indeed, can be very rewarding. As the Burnaby Board of Trade found in implementing its own environmental program: "sustainability pays". Their initiatives have generated considerable annual ongoing cost-savings for the organization. Today they are championing the creation of CSR and environmental member committees to help their members "see the light" and the benefits that such programs can achieve. It is important to "walk the talk" before "talking the walk".

Indeed, evidence of a business case is one of the critical success factors for implementation of a sustainability program, along with strong leadership and member engagement, as with any association initiative. Key challenges are not unfamiliar to associations, either:

- limited capacity of smaller members
- change in staff and management amongst members often reduces member commitment and slows progress
- lack of awareness of the business benefits can impede uptake
- limited resources and mandates of the association restricts implementation
- lack of senior level support or buy-in on the part of members are limiting factors

No matter where your organization is on the sustainability path (and no doubt most of you are already on your way), the roadmap developed through the benchmarking projects can be a helpful guide to building out a CSR or sustainability program amongst your members. It is a difficult task to both lead and follow your members, but most associations are trying to find the balance. Use the roadmap that follows this article to discuss with your board of directors and leading members how you, too, can help advance Canadian society and the business interests of your members.

The Business Case for CSR / Sustainability

The following are common components of the business case for CSR / Sustainability whether a for-profit or not-for-profit organization. These are all key considerations in times of economic restraint.

- Attract and retain good employees: employees increasingly want to work for organizations that are aligned with their values
- Reduce operating costs: most environmental initiatives result in cost savings in material and resource use, even for simple things like reducing paper and using less toner
- Grow market share: associations that can demonstrate value by providing resources and support to help members grow their own organizations can attract and retain members

See Industry Canada website for a roadmap to support small and medium-sized organizations in developing an on-site sustainability or environmental program: <http://www.ic.gc.ca/eic/site/sd-dd.nsf/eng/home> This can be a valuable resource for associations and their smaller members.