



Companies should aim for social relevance, not responsibility

By [Denise Lee Yohn](#) on November 30th, 2012 | [Comments \(0\)](#)

Corporate social responsibility, it seems, is the new black. CSR may not sound sexy, but it's become quite fashionable for companies to take on initiatives that take responsibility for their effects on the environment and social welfare.

People expect companies to play an active role in societal causes. According to Edelman, a global public relations firm, **87% of consumers** believe business should place at least equal emphasis on social interests as business interests. And with more scandals involving accounting methods, oils spills, executive compensation and sexual harassment in recent years, business ethics are increasingly on consumers' radar. People want only to do business with respectable companies.

In my work with Fortune 1000 companies in a range of industries, I see business leaders trying to meet these expectations in one of three ways. The first group tries to respond to all of the charitable solicitations they get, but they question if their generosity really makes a difference or if they're simply being used as some sort of corporate Santa Claus.

The second group features leaders who decide to cherry-pick a few efforts but struggle with deciding which because they all seem like good causes. When they finally do pick some, they worry about disappointing the rest — and they often don't commit, preferring to change programs to spread the wealth.

Then, there are businesses that get socially involved through a pet cause or personal bias — for example, a close relative of the CEO has breast cancer so the company supports the Race for the Cure. These leaders use their company's charitable efforts to express their personal preferences. This is not necessarily wrong, but they're not considering what's really right for the business.

In fact, all of these approaches mean that leaders miss an opportunity to build their brands through social efforts. Social initiatives can express a brand identity and strengthen a brand's competitive position as much as running a marketing campaign or introducing a product — if not more. But doing so requires thinking about and doing things differently.

It requires a shift away from “giving back” and a move toward creating shared value. The term “giving back” has become so common today that I don't think we realize that it can have a negative connotation. Giving back suggests that we've taken something that needs to be paid back to balance out our karma. But if companies actually create value for everyone involved with their business, there's no need to take with one hand and give with the other.

Creating shared value involves designing and running businesses differently. The opportunity is to seek out relevance to create value for internal stakeholders (employees and investors) and external ones (suppliers, agencies, strategic alliances, industry influencers and customers) to share.

When viewed and pursued through the lens of relevance, social efforts are no longer an obligation, something we must do because it's expected; they're an opportunity to do good for everyone involved. Decision-making about social initiatives is no longer an exercise in determining which responsibilities to fulfill, but rather involves evaluating different ways to achieve greater relevance with all stakeholders. Businesses create shared value when they start with efforts that establish industry relevance and build upward to achieve relevance with their community, target audience, brand positioning, and, ultimately, to social values relevance.

In fact, progressive companies are designing their businesses or processes to create value for themselves and others within their operations. Some have reconceived their products to address social issues; others have transformed their supply chains. Rather than simply supporting external programs, companies themselves are becoming a force for positive social change.

Instead of trying to check off boxes on an endless list of responsibilities, businesses should explore and engage their societal and cultural relevance to benefit all stakeholders and create shared value among them.

Denise Lee Yohn has been inspiring and teaching companies how to operationalize their brands to expand their businesses for more than 20 years. World-class brands and leading retailers including Sony, Frito-Lay, Burger King and Nautica have called on Yohn, a brand-building expert, speaker and writer.

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