

How to do CSR right and build stakeholder trust

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Corporate social responsibility effectively builds stakeholder trust -- if done the right way.

Trust-building CSR is not a discrete effort or an activity done off to the side from the rest of your business. Social responsibility must be at the core of your business purpose and operations.

In this video, I explain how to use CSR to build trust and feature three innovative expressions of trust-building CSR. As you learn about these examples, ask yourself if you can make CSR a way of operating your business in the areas of:

- Employee well-being
- Customer data privacy
- Supplier ecosystems

(This is the third in a series about how companies can increase trust. Check out the other videos in the series: "[Be Consistent To Inspire Trust](#)" and "[Overcome the Trust Crisis with Brand Authenticity](#)".)

To book Denise Lee Yohn to speak to your organization, see her [website](#) and [YouTube channel](#).

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Transcript

We've come to the last in a three-part series about how companies can regain people's trust. And today we're looking at how corporate social responsibility, or CSR, can be a means to building trust -- if it's done the right way.

CSR is about the expectation that companies act in a manner that benefits society. And it has become quite fashionable these days. Ninety percent of companies on the S&P 500 index [published CSR reports in 2019](#). But in order to make a good CSR report, you have to actually do CSR in a meaningful way. And that means, making social responsibility a way of operating your business.

You need to shift from doing CSR as a campaign or program like an employee volunteer day or an incremental effort like giving a portion of your proceeds to charity – and start being responsible in how you design and run your business. You must make responsibility core to your business purpose and operations.

Doing this requires thinking about WHO you are responsible to. You're responsible to all stakeholders of your business -- not only shareholders or only customers, but also employees, suppliers, communities, and society at large.

We also need to clarify *what* social responsibility means. It's not just about "giving back;" it's about creating sustained social value from the start – meaning, designing your company to create value that benefits people in the long term.

With these points in mind, here are three expressions of trust-building CSR that you may not have thought of.

First, employee well-being. Responsible companies truly care about their employees and help them be successful. These days, that means caring for their mental health.

For example, Starbucks has been a leader in offering benefits that empower its employees, including college tuition reimbursement and stock options. During the pandemic, Starbucks realized that its employees needed mental health care benefits as well. So, it started covering the costs of sessions with a mental health therapist and giving unlimited access to self-care apps.

Another way to be socially responsible is in customer data privacy. Companies are seeking more and more data from customers but not always considering customer expectations and the obligation to be responsible in using that data.

So Mastercard has undertaken what it calls a Data Responsibility Imperative, a framework for collecting and managing data responsibly. It's based on four core promises that Mastercard makes to people: "You own your data, you control it, you should benefit from the use of it, and we protect it." Mastercard implements these principles in the AI machine learning and algorithms it develops to process and analyze data as well as its work on vaccine passports.

A third CSR opportunity is supplier ecosystems, that is creating collaborative supply chains. The example here is from L'Oreal, the cosmetics company, which has created an innovation ecosystem with its packaging suppliers. It hosts an annual event called Cherry Pack where L'Oreal shares with suppliers customer insights, company goals, and innovation priorities. And then it invites the suppliers to develop and present new packaging solutions that align with them.

The forum not only accelerates the development of new products that improve the customer experience; it also improves efficiency while reducing waste of products, time, and resources for L'Oreal and its suppliers. And most importantly it creates a trust-based forum among all parties.

And that brings us back to the point of CSR -- trust. If you seek to operate responsibly, trust is both the starting point and the end result of your stakeholder relationships.