CSR – corporate greenwash?

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CSR – corporate greenwash?

Ian Herbert, deputy director of the Global Sourcing Research Interest Group, wonders whether corporate social responsibility in the back office is all it’s cracked up to be? Corporate social responsibility (CSR) is a growing issue for many organisations, especially those in extractive and heavy industries, but what about the back office?

There are numerous interpretations of CSR. The Business Dictionary defines it as: “A company’s sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship (1) through their waste and pollution reduction processes, (2) by contributing educational and social programmes and (3) by earning adequate returns on the employed resources.”

There is a lot that needs to be done, but for most companies the two main problems are: (1) can we afford it? and (2) where do we start? In the absence of any directives applicable generally or specifically to the business, the usual answer is to be a “bit greener around the edges” through reducing consumption and recycling waste products. The process of implementing CSR, if not necessarily the result, is visible and can readily involve everyone in achieving a common feelgood factor. Effort and results can be translated into targets for office noticeboards that demonstrate continuous improvement. In other words, there is an incremental approach to improvement.

A cop-out?
So far, so good, you might be thinking. But, is this just a cop-out from real social responsibility? What would total CSR look like and how could it be achieved in the back office? And, would you like the outcome?

One way of thinking about the possibilities can be found in the management accountant’s tool chest. Zero-based budgeting (ZBB) is an approach to budgeting in which all activities are re-evaluated each time the budget is formulated. We use the term “philosophy” because the physical outcome may or may not look like what you started with, but the process is to start completely from base #1.

The basic idea is that each functional budget starts with the assumption that the function does not exist and is therefore at zero cost. Increments of cost are compared with increments of benefit until marginal returns arise. Former US president, Jimmy Carter, is credited with being a major proponent of ZBB when as governor for Georgia he applied it to the state police department in the 1970s.

Rather than start with where you are at the present and make some incremental improvements around, say, paper consumption, transport to work and energy usage, consider a world in which the activities of the SSC consume zero resources. If they do still consume resources, then these are totally renewable and the use of any remaining human labour promotes the maximum social and economic opportunities for the world’s citizens.

Now what does “green” look like?

CSR and the business process centre
Taking a ZBB approach, all transactional processes would be essentially automated with actions (inception, amendment and progress enquiries) being instigated digitally by users through self-service desk and mobile technology.

Human interventions would be restricted to control oversight, system exceptions, process improvement and workarounds to cope with specific business contexts. Think Ryanair: if you want a cheap flight you have to book it yourself.

The business process centre (BPC) would be based in the Tropics with a
“Each functional budget starts with the assumption that the function does not exist.”
consistent nine to 12 hours of sunlight a day throughout the year. Electricity for cooling and data operations would come mostly from solar power on top of single-storey buildings.

Workers would be local people who might have not previously had access to good quality white-collar work. These might be socially, economically or geographically marginalised people for whom office work would present an opportunity to develop and grow. For example, there are well-established schemes providing work at a distance to military families, prisoners and remote communities in Nepal and Sri Lanka.1 Senior managers and systems would work virtually from across the world. Teleconferencing would be the norm.

The ERP and data storage would be based in the cloud with the main facilities inside the Arctic Circle, where cooling needs are significantly less and hydro-electricity is usually plentiful. Over time, higher-level roles would also be re-engineered to enable tasks to be automated and made more user-controlled, or relocated as the offshore workforce develops its capabilities. For example, many of those myriad spreadsheets are being replaced by data visualisation packages that allow users to examine and configure the output themselves.

In other words, the back office looks very different!

Is this crazy?
Not really. If your company’s work cannot be largely automated and any remaining bulk human intervention deskilled and offshored, then it’s likely that your systems and/or your training/process controls are deficient.

A few years ago, researchers at Loughborough University conducted some in-depth interviews with workers in an organisation with BPCs in the UK and Spain. The particular interest was how people saw their career anchors in a BPC environment. What struck us was that in the UK centre, workers talked enthusiastically about the corporate objectives to move to paperless working (the company made photocopiers),
recycling initiatives in the office and keeping fit. All very laudable, but some of them also talked about how they could work in the city and live 30-40 miles away in the countryside. The offices were modern and apparently “environmentally friendly”, but the lights were on all day and so was the heating in winter, or the air-conditioning in summer. Workers said they had a pretty good standard of living and were optimistic about their long-term prospects.

With respect

Now, the objective of this article is not to knock those workers, but simply to point out that compared to, say, the scenario of the near zero-carbon BPC bringing opportunities for office jobs to alternative populations, an onshore BPC does not quite tick the CSR box. No matter how many paper cups you recycle.

Your boss might see things differently but, “we like things how they are (and we will try a bit harder – honest)”. Fair enough, but that might be outside your control. You may indeed be fortunate to work in an onshore centre in the mid-latitudes, in a higher income country, but (and this is a big BUT) one day you might find that someone in the corporate HQ who has been charged with reducing the company’s carbon footprint.

And they might see moving the BPC as an easier (cost-effective) means of lowering the company’s overall carbon footprint than by, say, installing a new greener powder-coating plant in a factory. Indeed, the company might also be able to hit the final element of that CSR definition – “education”. Your office is great real estate that could be turned into student accommodation.²
