Responsibility is the new normal

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Responsibility is rising strongly, and it is becoming the new normal in various areas of society. Responsible business ensures risk management, influences the impressions of customers, personnel and other stakeholders, affects purchase decisions and forms a competitive advantage.

However, it is a multidimensional concept. The concept of the responsibility of companies and various organisations has been outlined in, for example, the international <u>ISO 26000 Social</u> responsibility standard and the <u>UN Agenda 2030</u>, the goals of which Finland is committed to as a state.

In their own responsibility strategies and programmes, today's organisations most often refer to the UN responsibility agenda, not so much to the responsibility standard, which cannot be certified in the same way as ISO 9001 Quality management systems and ISO 14001 Environmental management systems. However, the latter standards are an essential part of responsibility because both of them require companies to engage in continuous development and define long-term objectives.

The <u>Wikipedia</u> defines the social responsibility of organisations as follows: Corporate responsibility or corporate social responsibility means the obligation of <u>companies</u> to act responsibly in their own <u>society</u> and elsewhere in the world. A socially responsible company engages in business regulated by laws, decrees, international agreements and recommendations, framework agreements between the trade union movement and companies, and the company's own procedures.

In practice, the definition means that the operations of a responsible company also take into account aspects the neglect of which does not result in legal responsibility or bankruptcy.

According to the <u>Forbes Online Magazine</u>, the importance of responsibility and sustainability increases during 2020 and becomes a crucial part of the business strategies.

However, social responsibility is not the same as charity, although donations are part of social responsibility. According to the Wikipedia article, donations alone do not make a company responsible; it is rather a question of how the company takes into account the effects of its operation on society and different stakeholders. Minimising the negative environmental effects of business, for example, is regarded as true social responsibility.

Responsibility is an ethical question related to values

Responsibility is about how the operation of the company or organisation takes into account people and the economic and environmental viewpoints. It is also largely about the values of the company/organisation and whether they are implemented in practice. Responsibility is part of the ethics of action. Ethical principles are usually summed up in ethical guidelines in the <u>Code of Conduct</u> document.

It takes a stand on the behaviour of the management and personnel of the organisation, including questions related to governance and financial administration, money laundering, bribery, blackmail and other issues close to the topic.

The respect of human rights, issues concerning child and forced labour, the working environment of employees, anti-discrimination and equality are essential parts of the ethical guidelines of an organisation.

Responsibility requirements also extend to the subcontracting chain. How far they extend is another question entirely. Subcontracting partners should be committed to complying with requirements through agreements, and inspection visits should be done to ensure that the agreements are implemented in practice. Shortcomings should be intervened in. The transparency of the subcontracting chain can be challenging in many fields because the customer or consumer is not necessarily able to clarify the chain of custody.

In clothing stores, I now often ask where and in what working conditions the product was manufactured. I very rarely get a credible answer. Usually the answer is that the salesperson does not know.

From acorns grow oak trees

The significance of environmental issues is emphasised again, spurred on by the climate change discussion. Companies and organisations that act responsibly set themselves short- and long-term goals concerning environmental issues, including the decrease of energy consumption and

emissions, the sorting and handling of raw materials, chemicals and processes used for manufacturing products/services and the handling of waste, to name but a few.

The idea that "from acorns grow oak trees" also works for responsibility. Is waste, such as plastic, metal, glass, bio-waste, paper, cardboard, bottles and paperboard, sorted in kitchens and shared spaces in connection with offices and workspaces at your workplace? Are computers, machines and office lights turned off at the end of the workday? Is energy consumption monitored? Do you sort waste at home? Do you take plastic waste to a recycling point or do you put it in mixed waste?

Are the production processes and spaces clean and in order? A lean operational culture includes many things that support responsibility, such as the 5S principle including sorting, setting in order, cleaning, standardising the work process, commitment and, as the sixth "S", safety.

In the Nordic Countries, we largely act responsibly according to legislative requirements and do our share for the world both home and at work, but this is not enough if the great powers of the world are not committed to the task.

Customer's impression is crucial

International customers, partners and guests are not familiar with the Finnish way of operating, let alone Finnish legislation. You only have to go to the neighbouring Sweden, where customers are by no means aware of how responsibility is implemented in Finnish organisations.

At the moment, responsibility issues come up, for example, in public procurement processes most strongly in the Netherlands and Sweden, where they have already become basic requirements for the procurement process.

If the customer requires that matters related to responsibility be in order for those participating in competitive tendering, they should be in order both in theory and in practice. Significant customers may have experts of many different fields in their procurement organisation assessing the validity of the arguments presented. They may also require an assessment visit to a company that has submitted a tender. In communication, the significance of actions is therefore greater than that of mere words, and communication should be based on actual measures and actions.

Impressions have an enormous significance today. If the customer has an impression that a certain part of a product or service can be harmful to health or the environment, it is challenging

or downright impossible to change that impression if you cannot prove otherwise. Of course, impressions can be formed by inadequate information or the lack of experience or be outdated. Nevertheless, it is not always easy to affect them.

Customers and personnel won't know if you don't tell them!

No one knows how responsibility is implemented in your company or organisation if you do not continuously inform them in different ways, in many languages and using various communication channels and methods. Responsibility communication must be an essential part of the communication and interaction of organisations and, above all, an important part of personnel training.

You should therefore communicate responsibility strategy and its objectives internally and externally, describing particularly the small and large actions taken in your organisation to promote responsibility. The most important thing is that they are real and authentic, support sustainability for their part, possibly mitigate climate change and in some way promote the well-being of people.

Communication or non-communication affects impressions.

Responsibility also brings competitive advantage

Responsibility is becoming the new normal and the new black, extending to different parts of the operation of companies and organisations. Investors pay more and more attention to the responsibility aspect, as described by <u>this article in Hufvudstadsbladet</u>. [In Swedish]

Responsible business becomes a competitive advantage if it is taken into account in the company's strategy, shown in its values and practical operation and actively communicated internally and externally.

The author works as Group Communications Manager at Lappset Group, has explored responsibility issues for ten years and follows the discussion on the topic.