

Reaping the rewards of good corporate citizenship: Advice on how to generate lasting brand value from sustainability

March 15 2023, by Benjamin Kessler



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Whether they like it or not, companies are increasingly judged by their impact on society and the planet, as well as their performance for

customers and shareholders. Corporate social responsibility (CSR), therefore, is rapidly becoming a make-or-break element of branding.

That means socially conscious companies must walk a fine line. Too much emphasis on perception management can prompt embarrassing and legally perilous allegations of greenwashing. But downplaying CSR activities, in what has come to be known as "greenhushing", may foster the false impression that the company doesn't care—and harm the brand.

Russell Abratt, professor of marketing at George Mason University School of Business, has developed a sequential framework to guide managers through these complexities. His recently published paper, co-authored by Nicola Kleyn of Erasmus University, uses research and real-life examples to demystify the process of becoming a "conscientious corporate brand" or CCB.

A CCB, according to the paper's definition, is a company that stakeholders perceive as promoting social and [environmental sustainability](#) through ethical leadership and co-creation.

Abratt explains the framework started with the realization that "at the end of the day, in order to promise something good, these firms must have a conscience... And my co-author said we've got to help companies in some way because if firms are going to operate with a conscience, how do they do it? We've got to be more specific."

A conscience can't be faked; it has to come from within. Similarly, the transition from an ordinary company to a CCB has to proceed from the inside out. Abratt's framework describes a three-part transformation at the organizational core. First and foremost, companies must appoint ethical leaders, i.e. leaders who are genuinely committed to doing the right thing for their fellow human beings and the planet.

The ethical leadership team should then issue a statement of organizational purpose that clarifies the company's conscience while rallying the troops. For example, BlackRock's website states "Our purpose is to help more and more people experience financial well-being." From there, the organization should pursue ethicalization, i.e. concrete changes to [corporate culture](#) such as introducing a [code of conduct](#) that meets stakeholder expectations for conscientious companies.

Once this internal transformation is complete (or close enough), companies should work closely with stakeholders—employees, suppliers, communities in which they do business, etc.—to assess their current social and environmental impact and draw up a game plan for improvement.

CSR and sustainability activities should cover the entire value chain. Abratt recommends that senior leaders remember "it's not only us that have to be socially responsible and ethical. That's also got to be our suppliers. We've got to look back and make sure there's no child labor involved in manufacturing of clothing or whatever the case may be".

Even at the risk of making some top managers uncomfortable, the dialogue with stakeholders must be a two-way street. Citing stakeholder theory research, Abratt's paper states that "co-creation is a dynamic process that involves communication, internalization, contestation, and elucidation."

After the CSR/sustainability plan has been fully implemented, companies should communicate about the results. Obviously, leaders will want to claim credit in the public eye and reap the rewards of positive brand perception in the marketplace. But research shows the most important audience of all may be their own employees. Well-executed internal communications campaigns can enhance cultural cohesion, loyalty, and engagement among employees, in addition to giving

companies an edge in the competition for top talent.

As far as his own messaging is concerned, Abratt hopes his conscience-centered framework will reach business leaders whose erroneous idea of doing good for the world is "let's donate something to charity because people are watching us. It's not because it comes from within, it comes because we better do it."

Currently, Abratt is preparing further research studies to determine whether his CCB framework matches up with what matters for consumers. He hopes to conduct questionnaire-based experiments in the United States and other countries—including developing economies—over the coming months. For Abratt, this work marks something like a culmination of 35 years of research whose central themes could not be more timely.

"I'm a brand researcher, but I'm also a marketing ethics researcher," he says. "And the two are coming together very nicely now."

The study is published in the *Journal of Business & Industrial Marketing*.

More information: Russell Abratt et al, The conscientious corporate brand: definition, operationalization and application in a B2B context, *Journal of Business & Industrial Marketing* (2023). [DOI: 10.1108/JBIM-10-2021-0468](https://doi.org/10.1108/JBIM-10-2021-0468)

Provided by George Mason University

Citation: Reaping the rewards of good corporate citizenship: Advice on how to generate lasting brand value from sustainability (2023, March 15) retrieved 28 April 2024 from <https://phys.org/news/2023-03-reaping-rewards-good-corporate-citizenship.html>

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