



Are Social Goals Relevant to Business?

Kirvil Skinnarland

Board member, Sustainable Seattle; consultant, Trilogy LLC

The concept of sustainability is grounded in a systems perspective of the world. From this world view, economic, environmental and social concerns interact in fundamental ways, many of which are not well understood because the linkages and feedback loops are so complex.

Businesses exist within societies, and societal values expressed formally (through laws and regulations) and informally (through values and culture) affect all aspects of a company's operations. To date, most companies have spent more time understanding the environmental aspect of societal values, in part because these values are formalized in laws and regulations, and also because of increasing shareholder and stakeholder expectations for environmental stewardship through company operations.

The social aspects of sustainable development have been a growing area of attention for businesses but this area is less understood than the environmental elements of the 'triple bottom line'. Initially, the focus of stakeholder concerns and company efforts was on worker health and safety issues and employment practices in overseas manufacturing facilities. In addition, many companies express their corporate social responsibility objectives through programs such as providing grants to local organizations or supporting employee volunteer activities in local charities.

The connections between corporate practice and the social aspects of sustainability are profound. Some insight into what is material to corporations in this sphere can be gained from the large and growing field of community indicator programs.

The community indicators movement began in the late 1980's. The Jacksonville Community Council and Sustainable Seattle, both non-governmental organizations, are largely credited with pioneering the work in this field. Community indicator programs grew out of a desire for community residents and leaders to gather information in a manner that would provide answers to questions such as, 'How are we doing as a community? Are we headed in the right direction? Will our community be livable in 50 years? Does our local economy provide sufficient living wage jobs for our residents?'

An indicator is a quantitative measure that describes an economic, environmental or social condition. Examples include high school graduation rates, percent of children living in poverty, energy use per capita, etc. Indicators are small pieces of information that are used to provide insight into the health and well-being of the community at large. Their usefulness is not as a point-in-time measurement, but rather to show a trend over time and progress toward a goal that a community has chosen for itself. For example, is the percentage of students graduating from high school increasing or declining? A comprehensive set of environmental, social and economic indicators that is tracked over time provides a very useful tool for understanding changes in a community - where one has been, where one is now and what issues need attention if one is to achieve the community's goals.

Most community indicator programs, especially those sponsored (or co-sponsored) by non-governmental organizations, involve a broad cross-section of residents and community leaders in discussions about goals and decisions about the set of indicators to be tracked. Thus, the indicators selected for monitoring reflect the goals, priorities and concerns of a community's residents and leaders. From a business perspective, a community's set of indicators can provide an excellent source of information about what issues and concerns are material in that particular community.



Are Social Goals Relevant to Business? (Continued)

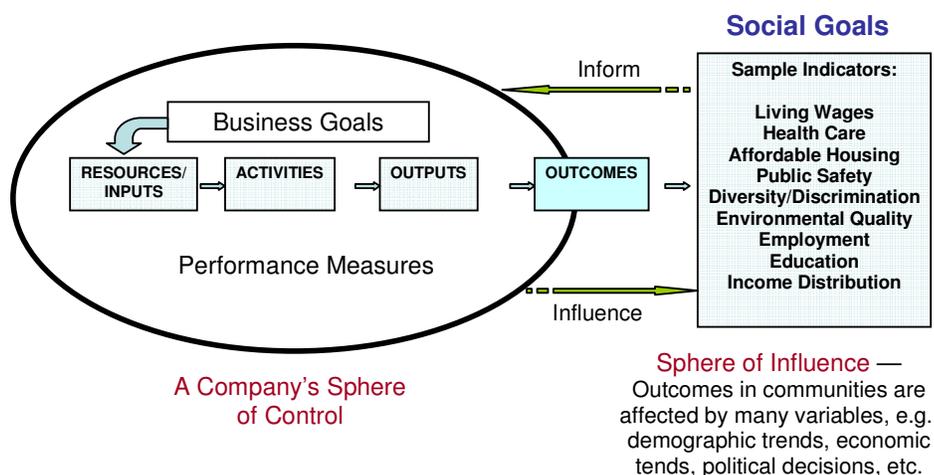
Here are examples of indicators from four different communities in the U.S. and Canada.

Boston, MA www.bostonfoundation.org	Percentage of residents without health insurance Median home price vs. median household income Income disparities between top and bottom fifths of population Unemployment by race and ethnicity
Spartanburg County, SC www.spcf.org	Wages by sector Median family income Rate of home ownership Amount of charitable giving
King County, WA www.communitiescount.org	Amount of affordable housing Income distribution Involvement in community organization
Calgary, AB www.sustainablecalgary.org	Income equity: gap between rich and poor Housing affordability Transit usage for work trips Food bank usage

These outcomes, measured at the community level, can be linked to local business policies and practices in areas such as: executive compensation; compensation for less skilled and entry level work; family leave policies; company policies regarding employee volunteerism; health care policies; policies regarding employee parking and transportation; policies regarding employee diversity and discrimination, etc.

The graphic, *Aligning Business Goals with Social Goals of Communities*, illustrates how internal company goals and programs are linked to outcomes measured at the scale of the entire community. While the social and economic health of communities is affected by many diverse factors, the policies and practices of businesses are material to outcomes in the communities in which they operate.

Aligning Business Goals with Social Goals of Communities



Local indicators programs provide excellent forums for businesses to engage with local communities.