



Is doing good, good for business?

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Abstract

This study explores whether “doing good” is actually good for business, and examines how and when that impact is measured. Several research methods have been used to gather data to support this work: a literature review, expert interviews, case studies and subject matter interviews; all of these were conducted in Toronto. This study confirms that doing good is good for business and that doing good is measurable, while noting that the ways in which impact is measured may be outdated and lacking effectiveness. Corporations will likely increase and further be able to strategize their purpose-based efforts if they can better understand how much doing good affects their bottom lines. With correct research investment in order to prevent unintended consequences there is tremendous potential to do even more good. Findings have potential directly and indirectly to affect a spectrum of stakeholder groups including business owners, corporate leadership, employees and society. This study includes observations and recommendations to help more businesses do more good by using technology creatively to allow for accurate measurement and clearer insights, to tie CSR success directly to both the overall corporate strategy and to executive compensation to help ensure overall success.

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Is doing good, good for business?

Abbreviations

CFP - Corporate Financial Performance
CR - Corporate Responsibility
CS - Corporate Sustainability
CSR - Corporate Social Responsibility
CSP - Corporate Social Performance
CSV - Creating Shared Value
DWxDG – Doing Well by Doing Good
ESG - Environmental, Social, Governance
NPS - Net Promoter Score

Introduction

This Major Research Project (MRP) is an exploration of whether doing good is good for a company's bottom line and is an examination of what that means. When a company makes an effort to be a good corporate social citizen, does this effort translate into helping that company make more money? In order to be a good corporate citizen (and be seen as "doing good") a company must be involved in environmental, social and governance practices, contribute to society through being socially responsible and have a supply chain that is also held to the same ethical standards as the parent company. The company must also be seen as acting as though it has a "conscience".

This MRP shows that companies are being held to a new level of social accountability (conscience included). Customers want to understand exactly how the products they are buying are being produced (Uzialko, 2017). This MRP examines the ways in which companies are currently, and have previously, been doing good, and the opportunities that doing good can bring about. It also explores whether a company can qualify and quantify the impact of doing good.

This project was initially put together by conducting a literature review and by giving an overview of the problem space, and then by interviewing business leaders and subject matter experts in a variety of capacities from executive to business owner; next, this project looks at case studies on four different companies who are

using Corporate Social Responsibility (CSR) in different ways. Finally, based on the readings and analysis of the cases, a system map was put together outlining potential and probable connections between doing good and doing well. Insights, findings, conclusions, and recommended areas for future research conclude the project.

By unpacking the question, “Is doing good, good for business?” we enter into the territory that so many businesses have been trying to understand for years: whether a company makes more profits because it is doing good things in the community or whether it would still make similar profits if it was not doing those things. This is difficult to measure since the companies I looked at have been doing good in their communities in official and unofficial capacities as part of every day business for decades. The general consensus amongst some companies, specifically Canadian Tire’s Jumpstart Program, Patagonia and Starbucks, is that doing good is something that is core to their business, has been so for a minimum of 15 years (if not longer) and is part of their overall corporate DNA.

0.1 Project Evolution

I started my MRP exploration by examining CSV (Creating Shared Value). My working title was: Harnessing influence: Incorporating humanitarian values in business to create more shared value more often. After spending many months with the topic and the research, I came to the conclusion that the original angle was quite naïve. I had been very taken with Michael Porter and Mark Kramer’s Harvard Business Review article, “Creating Shared Value” and built my proposal around that. As I began my literature review, I could see that the academic research was not supporting CSV in the way that I had thought it would. I began interviewing and was not as satisfied with the results as I had hoped to be. Interviewees had either not heard of CSV or they were not interested. I was not gaining any new or interesting insights to help further my research. Eventually, I shifted my focus to look at Corporate Social Responsibility and the tricky matter of measuring its outcomes.

The main question I am trying to answer in this project is, “Can businesses do well by doing good?”

0.2 Major research questions

This project is about trying to understand a company’s capacity to make a social impact by investing in external projects; this project is also about showing whether this investment can ultimately influence the company’s bottom line and possibly create unexpected opportunities.

The questions I am looking at are the following:

1. Does doing good for society help improve profits and share-prices in the long run?
2. How is the impact of the CSR investment measured?
3. Can you measure the intrinsic qualities of doing good?

0.3 Assumptions and biases

I came into this project with the assumption that people naturally care about their communities and that consumers would reward companies who are generous and active in their local communities with long-term customer loyalty. Because of my own personal biases, I also assumed that customers and employees care deeply about how companies do business, treat their employees, source their products and treat the environment. I needed to learn whether companies and their employees did indeed care, or was it me projecting my own bias on the topic.

0.4 Overview of the problem space

Economist Yanis Varoufakis argues that after the economic downturn in 2007, the continued rapid growth of the global economy (or globalization) can no longer be seen as a sustainable financial model for the world economy (Varoufakis, 2018). This is compounded by the fact that globalization has also come to represent dubious labour practices, ultra-low prices and disposable consumer goods. As a result, we are now seeing the growing power and influence of the end customer (Mainwaring, 2011). In return for loyalty, the customer expects that a brand be responsible for all aspects of its supply chain -- from the people it employs to how the products and services it sells are created. It is clear that some companies are embracing this new way of conducting business more readily than others.

Additionally it is clear that “Profit with Purpose” is becoming more widely practiced (Hanna, 2016) especially in companies mentioned in *Firms of Endearment* (Sisoda & Wolf, 2003) in which the authors discuss how world-class companies profit from purpose. Companies like Starbucks, Salesforce and Patagonia are leading the way in doing business by using profit with purpose as their touchstone. Times have changed from when companies could simply make a charitable donation to help defer taxes and mitigate corporate misdeeds. Strategic CSR is increasingly an integral part of doing business that not only helps end recipients but also plays a growing part in a company’s success (Bhattacharya, Sen 2004). Developing a theory of change can help firms be strategic in how a company is able to bring about change and to measure the impact (Brest, 2010).

With the current growing shift in population demographics, millennials are doing better financially than the baby-boomers did at their age, and this has given them unprecedented purchase power (The Economist, 2017). Additionally, the demand for brands to (metaphorically) have a social conscience continues to translate into a

shift in how companies do business (Craig, 2018). Using the concept of Brand Conscience therefore can become both an offensive and defensive strategy, which works with other brand-building and brand-maintenance activities, within existing brand communities (Wilson & Morgan, 2011). Additionally, many companies are starting to understand that the need to address the world's most pressing problems (for example, climate change, poverty or access to healthcare) are "preconditions to their success" (Korngold, 2014). There is tremendous potential and opportunity for big businesses to help solve some of the world's biggest problems (Korngold, 2014 & Porter & Kramer, 2011).

The idea of a business having a greater purpose and a greater responsibility to society continues to gain popularity (Schiller, 2016). Michael Porter and Mark Kramer's idea of Creating Shared Value (CSV), in which the purpose of the corporation is redefined as both creating shared value, as well as profit. According to Porter, "this will drive the next wave of innovation and productivity growth in the global economy". Subsequently, corporations could then be responsible for solving the world's biggest problems. However CSV does not address all of the less noble things that those same corporations are doing in their supply chains. From emission controls to efforts to improve equality, some multinational companies are investing deeply in certain causes and solutions, but they need to clean up the way they do business before their participation can be seen as truly authentic (Karnani, 2007). Additionally, firms need to consider the fact that whatever the solutions put forward, there needs to be enough research and consideration taken on in order to prevent causing any unintentional consequences from the work that they are doing.

In this data-driven world, how do we know that the investments and efforts that companies make to be good corporate citizens, (and indeed, have a "conscience") actually pays off? What proof do we have that doing good helps the bottom line? Not every company has a clearly articulated theory of change that they are working towards.

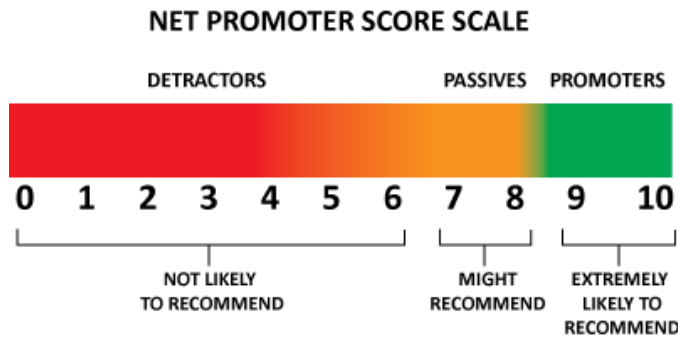
This project will show there are many ways in which doing good is being measured: Net Promoter Scores (see Figure 1), employee satisfaction survey results, and brand awareness measurements are some of the ways it is being measured. However, there are many other areas where it is not being measured. Additionally, it is evident that, to date, it has proven difficult to quantitatively link these efforts to increased share price and market value (Rochlin, S., Bliss, R., Jordan, S. & Kiser C., 2015). This will be looked at further in the following chapters, and my research points to the potential for future research in this area.

Figure 1

What is a Net Promoter Score?

Frederick F. Reichheld first put a Net Promoter Score (NPS) forward in an article in Harvard Business Review in 2003. It continues to be a very popular tool in use today. Reichheld's research showed that first, by asking: "How likely are you to recommend [company X] to a friend or colleague?" and then by using a scale of 1-10

where if a 9 or 10 is selected, it means the user is extremely likely to recommend that company or product. By voting a 7 or 8, it means the user is passive (therefore they only might recommend them), and if the user selects 0-6 they would be seen as detractors, (meaning not at all likely to recommend). Reichheld saw that these 3



logical clusters: detractors, passives and promoters, “provided the simplest, most intuitive, and best predictor of customer behavior”. Furthermore, positive NPS numbers correlated with a company’s average growth rate (Reichheld, 2003)

Figure 1 Net Promoter Score Scale – created by K. Payne

By talking to professionals whose job it is to distribute the funds among the charitable arms of major Canadian companies, it is clear that what a company does in terms of giving back matters to the people that work there. Corporate employees care deeply about what the businesses they support with their time and loyalty are doing within their local communities and beyond.

In the case of Canadian Tire’s JumpStart Charities, they can track the money that flows in and out of the organization, right down to the postal code of where it has been sent. It is important to note that internally, they are not able to accurately link the impact those efforts are making towards the bottom line. However, the insights and system diagrams that came out of analyzing the interviews and case studies do, in fact show the linkages and impacts that the CSR efforts have on the bottom line.

0.2 What this study demonstrates

Strategic support for CSR

This major research paper demonstrates, through research, a literature review, case studies, interviews, system diagrams and analysis that in order for a company to do good in the most authentic way possible, the efforts must be supported by a company’s corporate strategy. A theory of change should be in place, and there should be long-term goals and outcomes to aim for (Brest, 2010). It should come from a strategic leadership mindset (Koehn, 2014) but it can also come from the “bottom-up” by way of grassroots employee involvement (Nord & Fuller, 2009). An example where this is working in both directions can be seen at Patagonia where both the CEO and the owner not only lead the strategy and help define the culture but also, when employees propose a new idea, for example, giving away all of its

2016 Black Friday sales to grassroots environmental organizations, leadership approves it quickly and step out of the way to allow it to happen (Beer, 2018).

The following quote speaks to the strong and passionate examples of leadership that I saw in the case studies I performed on Patagonia, Starbucks and Canadian Tire's JumpStart Charities specifically. I am looking at this quote through the lens of what it looks like to have a leader with the vision that doing good is an integral part of the long-term strategy for what corporate success means.

The leader is everything.
He or she will hold the vision. She/he will have to eliminate obstacles to act on the vision and She/he will have to execute against the vision, all the time relentlessly talking about what they're doing, why they're doing it, why a social footprint of a particular kind is so important and communicating that to a variety of folks- not just analysts and employees but all the different communities and constituencies that a particular business touches... It has to come from the person who holds the reins and holds not just the strategy, but the culture and the ethics of the company. (Koehn, 2014).

Koehn's colleague Michael Porter agrees: "By elevating social issues to the strategic level, priority and importance is given equally as it is to other business objectives. So success in addressing social issues can be addressed in as meaningful way as the other burning issues." (Porter, 2013)

Measurement

This paper also demonstrates that measuring the impact of social investments is not happening effectively. Firms do not always have a long-term plan (or theory of change) in mind for the impacts and changes they want to bring about. Traditional measurement methods have been used to measure quantitative impacts and are being adapted to try to gain some insights. However, social investments and CSR are not concrete variables so therefore they are impossible to measure (van Beurden, Gossling 2008 & Matten interview). According to Dr. Dirk Matten, "In some ways, measuring the social impact of corporations is the Holy Grail at the moment."

As management consultant Peter Drucker once said, "If you can't measure it, you can't improve it". Evolving the methods of measurement will bring about validity of CSR work. If firms are able to say definitively that they know the impact that a certain investment can have on both the community and the firms profits, imagine the possibility this could have. Consider the potential impact if we could qualitatively say that \$X investment will yield Y% profit. Right now firms have to be creative in how they measure in order to prove how CSR efforts are impacting brand reputation. Firms could then concentrate their efforts on creating impact and less on proving that it actually works.

Doing good can certainly have an element of altruism, but this on its own is not sustainable as a long-term business model. In order to be effective at doing the most good and being impactful over time, participants need to see the results of their actions (van Beurden, Gossling 2008).

From user testing a new product and observing how people are able to interact with it, to sending out a simple survey and asking people what they think, it is evident that there is work to be done with how this area is currently being measured and whether, in fact, it is being measured at all. Despite the extensive academic work that has already been done in this field, according to economist Dr. Dirk Matten, Professor of Policy and Hewlett-Packard Chair in Corporate Social Responsibility at the Schulich School of Business, “this question of measurement and validation is still completely wide open.”

CSR as a system

Finally, this paper demonstrates through a system diagram, the effects of a CSR investment on a system. When a CSR investment is made that could involve (but is not limited to) a monetary investment or a policy change, this results directly in a feedback loop where CSR acts as a catalyst to make an initial impact or work toward achieving a particular goal. As a result of this impact, value is created and once value has been created, opportunities result. Additionally, firms must always consider possible unintended consequences.

Doing well by doing good

1.1 Defining what “doing good” means.

The practices of CS, CR and CSR can all be understood more clearly by looking at the following framework (Figure 2). This shows how Sustainability overarches Responsibility and then encompasses the elements of CSR in terms of a Venn diagram (with social, economic and environmental elements). This also helps illustrate the fact that sustainability is part of the larger picture and in order to be sustainable, social, environmental and economic responsibility must be at the core. (van Marrewijk, 2002)

For the purpose of this study, and based on the research and analysis that I have conducted and what I have learned from the people I have spoken with, I put forward the following normative definition of what it means to be a company doing and being good:

- Being involved in extensive ESG (Environmental, Social and Governance) practices;
- Contributing to society (i.e. being socially responsible) in a meaningful and genuine way Giving efforts must be congruent with the nature of the business;
- Requiring that all suppliers and distributors are also held to the same ethical standards as the parent company and are equally conscious of being and doing good;
- Acting as though it has a conscience- thinks through actions and their repercussions including unintended consequences;

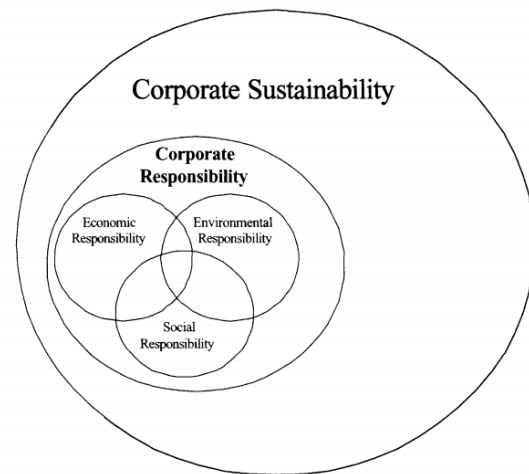


Figure 2
General model of CS/CR and its dimensions
Source: van Merrewijk, 2002.

What it does not mean:

- A guaranteed way of making more money;
- A way to correct misdeeds or mitigate harm
- That products need to be more expensive or of poor quality

1.2 But is doing good, good for business?

The short answer is YES and this paper seeks to provide detailed information to uphold this position. Research shows that with proper design and sufficient investment, a company's CR assets can support returns related to:

- Share price and market value
- Human resources
- Sales and revenue
- Risk and license to operate
- Reputation and brand

(Rochlin, Bliss, Jordan & Kiser, 2015).

However there are conflicting viewpoints on this: "... the failure to find strong empirical support for the relationship between socially responsible behavior and financial performance has been troubling. This lack of clear-cut empirical relationship between social responsibility and the bottom line is perceived by some executives and students as evidence that it is irrelevant for successful corporate performance..." (Burke & Logsdon, 1996)

Another way to look at these efforts is in terms of purpose-driven growth, or profit with purpose. This means growing a business with the mindset of improving the world around it, as well as growing profits and market share. According to Phillip Haid, CEO of advertising agency Public Inc. that specializes in profit with purpose advertising, he asks clients to tell him "what is the change that you want to see?" Haid works with clients to come up with their own theory of change, a key differentiator in CSR practices (Brest, 2010). And Haid says very clearly, "As a business, there is nothing wrong with making money *and* generating social impact."

According to a 2015 report launched by Verizon and the Campbell Soup Company, conducted by IO Sustainability, a research and advisory services firm and the Lewis Institute for Social Innovation at Babson College, to enhance the potential for CR to deliver value, companies will benefit from adopting the following framework:

1. **Fit:** Make CR commitments that fit your company's core attributes and your shareholders' expectations.
2. **Commit:** Make a genuine commitment to address CR issues.
3. **Manage:** Think of, develop, and manage your portfolio of CR practices as a valuable intangible asset.
4. **Connect:** Build key stakeholder awareness, trust, engagement, and affinity.

(Rochlin, Bliss, Jordan & Kiser, 2015 & Scott 2015).

According to this report, companies that make a strong commitment to CR have the

potential to see returns on their investments - from an increase in market value up to 4-6% to an increase in revenue by up to 20%. Evidence shows that from 2009-2012, with an investment of \$1, a CR leader was able to grow to \$1.13, an average performer grew to \$1.07 and a laggard was able to stay at par. Additionally, findings show that effective philanthropy correlates with superior financial market valuations.

The findings of this particular report show that well-designed and well-managed CR campaigns help drive results in many ways, including market value and acting as a sort of insurance limiting share price volatility (Rochlin, Bliss, Jordan & Kiser, 2015 & Scott 2015). Furthermore, by embracing the above four steps (fit, commit, manage and connect) as tactics for generating value for Corporate Responsibility firms can enhance their potential to deliver more value.

1.3 Research methods

I conducted five semi-structured interviews (six interviewees) with a diverse group of professionals ranging from academia to advertising and business. Interviewees for the case studies included four senior executives working in different capacities in corporate settings. Interviews for context and insight included a respected well-published CSR academic and a successful advertising agency owner who specializes in creating profit with purpose campaigns. I was able to send follow-up emails for further clarification, when necessary.

I systematically went over each interview transcript looking for important themes, categories or concepts. I read them again and developed a coding system for repeated and overarching concepts, looked for recurring themes throughout the different transcripts, these themes were values, measurement, impact and feelings. And I kept track of relevant quotes to help frame the contexts of the interviews.

I also conducted an extensive literature review in which I explored popular cultural periodicals on the power of doing well; biographies from business owners that I believe are leaders in this area (Starbucks, Patagonia, Whole Foods) and business strategy texts as well as many studies, reports and academic articles on CSR, CSV, and the worth of values.

1.4 Case Studies

I conducted four case studies on Canadian Tire Jumpstart Charities, Patagonia, Starbucks and Sun Life Financial. In each study I state the respective mission statements, list the net profits, outline the company back-story, describe what they are doing to do good and show whether or not they are doing well. I then offer a critique on what I think the company can do to improve. Also included is an overview table to allow for side-by-side comparisons.

1.5 Findings and Insights

The results of the literature review showed that there is still much conflict in the academic world about the measurability of CSR efforts. While the concept known as “theory of change” is an accepted term in academic circles (meaning a comprehensive description and illustration of how and why a desired change is expected to happen in a particular context- theoryofchange.org) there was not much evidence of this term and its use in my conversations or research (unless I specifically used the phrase as a search term).

The popular periodical review showed that the demand for finding a way to accurately measure these efforts is very high. By interviewing experts, I saw that specific measurement is currently very traditional (i.e. uses marketing-based techniques and metrics) and in many cases is not happening at all.

When looking at all of the themes, clusters and categories I was able to organize the relationships and interconnections into a system diagram. When speaking with interview subjects it became clear that when giving efforts are intrinsically linked to all areas of the business, including suppliers, it becomes part of the corporate DNA. This means that the bottom line is always being affected by CSR investments as its positive effects can be seen playing out throughout the system. It also became clear that with the many ways in which businesses can qualitatively measure so much of customer behavior and appetite, coupled with the considerable academic attention that this debate continues to receive, this area is ripe for some sort of innovation.

Overview of Problem Space

In this chapter I present an overview of the problem space. Through a literature review (2.1), I first build the case for doing and being good and then discuss why values matter so much to employees and consumers. Next I look at why and how social impact and authenticity matters. Finally, using examples from well-known companies, I examine how strategic CSR can be used to offset harm, what exactly the worth of values is, why we should be paying attention to this and acknowledging that unintended consequences can arise without proper research and consideration.

Next, section 2.2 looks at different business initiatives to help give further context. 2.3 looks at changes in attitudes towards CSR and sustainability, and lastly, in order to get an understanding of some other forms of measurement, 2.4 reviews several Top 100 lists of businesses and how these lists are created using private measurement and proprietary formulas.

2.1 Literature Review

Building the case for doing good and being good

More and more companies are talking about wanting to do and be good. Growing evidence shows that people buy with their consciences and consequently their values. CSR activities are being adopted because companies and corporations realize that consumers are willing to reward socially responsible corporations with their business (Yoon, Gürhan-Canli & Schwarz, 2006). A sign of this new socially responsible direction in corporate culture can be seen in the lead article “Put Your Values to Work” from *Fast Company*’s May 2017 issue, when the author asks rhetorically whether values can matter more than dollars (Safian, 2017). Evidently, companies are starting to align their commercial activities with larger social and cultural values. Not just because it makes them look good, but also because their employees and their customers have started insisting on it (Yoon, 2006). Leadership is under tremendous pressure from consumers to do the right things for the right reasons.

One of the main questions of this study is the following: Does doing good for society help improve profits and share prices in the long run? According to Phillip Haid, CEO of the Profit with Purpose advertising agency Public Inc. that answer would be YES. “As a business there is nothing wrong with making money and generating social impact. When you put [the two parts] together you generate more profits and more

community impact...” (Haid interview, 2017)

During the course of conducting this literature review I have seen that values, authenticity, social impact, and generally giving back, all matter to both employees of their respective companies as well as to customers (potential or current) (Turker, 2009 & Edmans, 2012). A natural by-product of exhibiting these values can be seen reflected in workplace happiness and tenure in places such as Starbucks and Salesforce. This leads to increased purchases where companies like Patagonia are rewarded year over year for the way they do business with increased sales and overall business growth.

Archie Carroll’s Pyramid of Corporate Social Responsibility shows the foundational underpinnings of the components of effective CSR. According to Carroll, in order to be accepted as legitimate, CSR has to address the entire spectrum of obligations business has to society, including the most fundamental—economic. (1991)

Since this article was published, business and society have both become much more specific in defining what each term means and what their expected outcomes are.

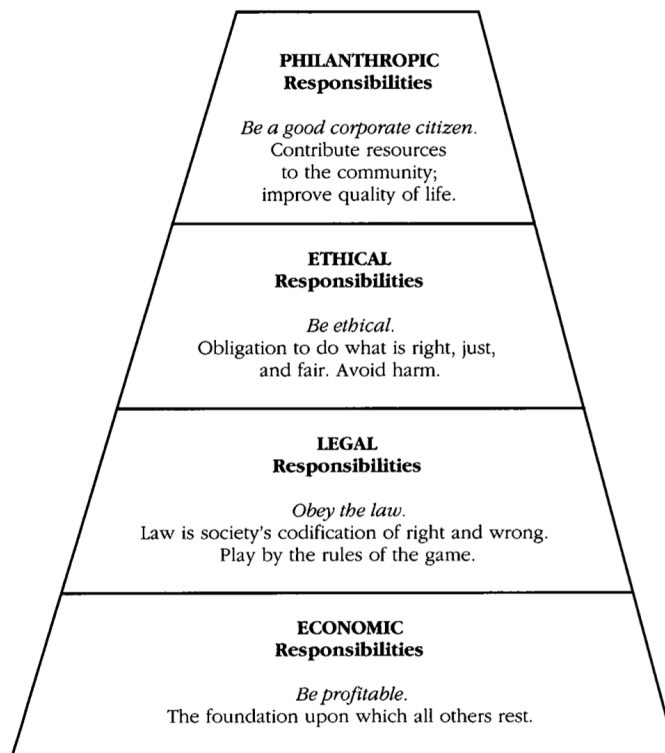


Figure 3. Carroll’s Pyramid of Corporate Social Responsibility (Carroll, 1991)

What I see missing in this diagram is specific consideration of three things: employee well being, the environment and ethical sourcing in the supply chain. More considerations could also be layered in, from BCorp involvement to investment in social innovation.

Carroll also suggests that for CSR to be widely accepted, it should be framed so that the entire range of business responsibilities (economic, legal, ethical and philanthropic) are represented (1991). For businesses whose CSR programs are not intrinsically linked to their core business responsibilities, this purposeful way of framing CSR will likely always have to be considered. Contrasting examples can be

seen when comparing a company like Sun Life Financial (an insurance company) to Patagonia, an outdoor clothing manufacturer. Sun Life's commitment to type 2 diabetes prevention and its alignment with this particular cause is congruent with the idea of prevention and insurance; although supporting diabetes prevention is not part of Sun Life's core business. Contrast this with Patagonia and its commitment to using organic cotton and supporting cotton farmers. Using sustainably produced and sourced products is part of its overall commitment to being environmentally responsible, so CSR in this capacity is part of doing business.

When considering why any company is engaging in a CSR activity unrelated to its core business, consumers really do question why companies engage in that particular type of CSR and are generally wary of the sincerity of a company's CSR motives (Bhattacharya, Sen 2004).

Values matter

Marc Benioff, CEO of Salesforce, directly connects his company's financial success to Salesforce's corporate values. He is confident that doing good helps the bottom line. Benioff has very clear goals for his company: to do well and do good: "There's all this incredible energy in your company and you can unleash it for good... all you have to do is open the door." Potential employees come to Salesforce because of the quality of the product and Benioff believes that one of the reasons they are staying is because they see the impact that doing good has in the communities they serve (Safian, 2017).

Research published in The Case Foundation's Millennial Impact Report shows that within a month of the study, 46% of millennials volunteered for an organization they cared about. Millennials seem to have their own personal causes of choice. To truly attract (and keep) senior millennials, CSR needs to be present and active in every level of the company. It cannot be just lip service. Millennials recognize that CSR is more than just altruism on a grand scale but that it attracts a strong workforce that, in turn, bolsters initiatives and brings in new employees (Xu, 2017).

Finally, in the 2013 Nielsen survey on Customers who Care, half of all respondents said, "they would be willing to reward companies that give back to society by paying more for their goods and services—up [5 points] from 45 percent in 2011" (Nielsen, 2013)

Social impact matters

Social impact is becoming something that companies are monitoring in more strategic ways. Starbucks, for example, has a social impact agenda. From hiring veterans and military spouses to opening stores in underserved areas, their agenda has become increasingly targeted in term of social purpose and because of this,

sometimes can become controversial when some policies are seen as a reaction to politics. For example, with the restrictive travel and refugee-acceptance policies US President Trump announced in 2017, Starbucks partnered with trusted agencies around the world and pledged that by 2022 they would hire 10,000 refugees in their stores worldwide. Starbucks CEO Kevin Johnson says, “It is possible for a publicly traded company to drive an agenda that is not only about shareholder value but is about social impact that helps the people and the communities that we serve... This is the core for our reason for being—to leverage our scale for good”(Valby, 2017).

Starbucks owner and former CEO Howard Schultz acknowledges when he returned as CEO in 2008, that, “More than ever before, people wanted the goods they brought into their lives to be created, packaged, transported – and discarded – with respect for the environment as well as for all of the people associated with the products.” (Schultz, 2011) At the end of his tenure, during which unchecked growth, diluted and inauthentic offerings were reined in and social initiatives were publicly embraced, share prices were up from \$7B to \$20B (Schultz, 2011).

What Starbucks was doing was hardly new to publicly traded businesses. Harvard professor Michael Porter said during his 2013 TED talk, “Business benefits from solving social problems” (Porter, 2013).

At the G8 Innovation Conference in 2013 Richard Branson, CEO of the Virgin Group and owner of almost 100 companies, contributed to the narrative: “Businesses can be a force for good and shouldn’t think of themselves as just worrying about the bottom line profit. If we get every business leader in the world to adopt a problem or two, with help from the government, we can get on top of most problems in the world” (Branson, 2013). In this context, Branson’s phrasing may sound simplistic, but Kramer and Porter propose a similar solution using their model of CSV in which companies set out to solve a social problem with a business model.

That same year, Branson and others, like Nobel Prize winner Muhammad Yunus, Unilever CEO Paul Polman and Arianna Huffington, formed a global group of business leaders called the B Team (based on the B Corp name, see Table 1). This not-for-profit initiative was created to “catalyse a better way of doing business, for the well being of people and the planet” (bteam.org). It involves high profile business leaders like Unilever’s Paul Polman and the above group whose influence is being used to bring about change in the way business has traditionally been done. However, it is not clear whether B Team and B Corp are fully aligned (neither mentions the other on their respective websites). While both organizations are very passionate I think that better alignment or even integration would strengthen the movement as a whole.

Another example that embodies doing well by doing good is Toronto’s Public Inc. This is a thriving social impact agency and innovation lab that designs and helps direct social change programs, campaigns and businesses. It too is a certified B Corporation that references many of the above companies as examples to look to. It

says that they help companies create a world where social impact builds the bottom line (publicinc.com).

Patagonia founder Yvon Chouinard began the 1% for the Planet initiative, where member businesses promise to give at least 1% of their annual sales or individual members give at least 1% of their annual salary or net worth to accelerate smart environmental giving (1percentfortheplanet.org).

In Salesforce, philanthropy is regarded by Marc Benioff as an integral part of the culture. His team "...developed what they call a 1-1-1 model, which refers to giving away 1% of Salesforce's products, 1% of its employees' time, and 1% of its resources (An initial 1% equity grant anchors the foundation's funding)".

Is 1% an appropriate amount to promise or just a bare minimum? For companies to pledge that amount, it holds them accountable no matter what their earnings. For individuals, giving 1% of their income (onepercentcollective.org) is affordable. The donations are certainly impactful for recipients, but why only 1%? India is the first country to have CSR legislation, mandating that companies give 2% of their net profits to charitable causes. (thankyou.co) It will be interesting to see whether the pledged percentages rise over time.

The creativity and dedication that many firms have shown in the many unique ways of addressing some of the world's greatest problems is remarkable. The above examples show many prominent business leaders and countries are exercising what is becoming known as "Conscious Capitalism." In the book by the same name, John Mackey (founder and co-CEO of Whole Foods) says in the Conscious Capitalism Credo: "... it is a way of thinking about capitalism and business that better reflects where we are in the human journey, the state of our world today, and the innate potential of business to have a positive impact on the world" (Mackey & Sisoda, 2014). Mackey says that lawful free enterprise helps to maximize societal prosperity and establish conditions that promote human happiness and well being – not just for the rich, but for the larger society, including the poor (Mackey & Sisoda, 2014).

Authenticity really matters

Authenticity in terms of doing good has to be genuine. Companies must be seen as genuinely committed to doing good. Authenticity is a subjective evaluation of genuineness ascribed to a brand by consumers (Napoli et al, 2016). Brands are called out immediately when they do something deemed inauthentic. "When consumers become suspicious and infer that the company's true motive for the CSR activity is only to improve its image, CSR activities are not only inefficient but may actually backfire" (Yoon, Gürhan-Canli, Schwarz, 2006).

An example of company being inauthentic can be seen by looking at a PepsiCo commercial for their product Pepsi. It shows a model giving a can of the pop to a

police officer in the middle of a political demonstration, after which, the protesters cheer and tensions magically dissolve. PepsiCo was called out immediately as trivializing social justice movements. They pulled the ad and apologized, saying that they were "...trying to project a global message of unity, peace and understanding. Clearly we missed the mark and we apologize. We did not intend to make light of any serious issue." (D'Addario, 2017)

Another example can be seen in 2016 when Volkswagen admitted that 11 million cars worldwide had a "defeat device" that could detect when it was being given an emissions test and thus give out less emissions. In reality the cars gave off nitrogen oxide pollutants up to 40 times above what is allowed in the US. This overtly inauthentic (and of course, fraudulent) behaviour from a brand promising low-emission cars and delivering the opposite is difficult to recover from (Hotten, 2015).

Patagonia constantly strives to be authentic. Owner Yvon Chouinard believes that if the company was to become a publicly held corporation or even partnership it would put shackles on how Patagonia operates and restrict what they do with their profits. In short, he says, going public would put them on a "growth/suicide track". Patagonia's intent is to remain a closely held private company so it can continue to focus on its bottom line: doing good (Chouinard, 2005).

Starbucks is another company that strives for authenticity with its multifaceted commitment to the communities it serves. Its CSR efforts have come in many forms, from reactive to proactive. Between 2000 and 2005, the company and its individual partners committed more than \$47M to local communities around the world to support efforts such as youth and literacy programs in the United States and Jumpstart in Canada. It improved education opportunities in rural China and provided aid for the victims of disasters like the September 11 terrorist attacks, the 2004 South Asian tsunami, and Hurricane Katrina in 2005 (Schultz, 2011).

Strategic CSR to offset harm

Firms that engage in controversial activities can use strategic CSR activities to enhance the firm's value and appearance. In the article "Doing Well While Doing Bad? CSR in Controversial Industry Sectors", the authors have labeled this practice the value-enhancement hypothesis. Under the value-enhancement hypothesis, they predict a positive relation between CSR engagement and firm values for firms in controversial industries (Cai, Jo & Pan, 2012).

Even when a company is known to be producing a product deemed controversial, managers use CSR strategically in their business strategy, integrated with core business objectives to both enhance their firm's value as well as social and environmental value (Cai, Jo & Pan, 2012). The authors show specific industries known to have negative societal and/or environmental impacts such as tobacco

because it is known to cause cancer or oil because of the negative impacts from production to consumption to illustrate their points.

When a firm examines each step of its value chain, it can try to understand the consequences of its actions and then strategically choose which social issues to address (Cai, Jo, Pan, 2012 p470). Companies from questionable industries like oil (Shell and BP) have had success with these types of efforts by investing heavily in environmental and social causes. These efforts have been accepted as authentic to the public, so the CSR investments have paid off. In equally questionable companies (Exxon and Monsanto) similar investments have not appeared authentic, and therefore, the public is suspicious and question the company's underlying motives (Yoon, Gürhan-Canli & Schwarz, 2006).

CSR efforts by firms in controversial industries positively affect the firm's success. As Cai et al suggest, on average, the top management of US firms in controversial industries manage their firms morally or strategically and could be seen as socially responsible, although their products might be detrimental to the environment, humans and/or society (Cai, Jo & Pan, 2012). Some of these firms are doing very good things in terms of internal management and CSR that affect both their employees and society. CSR activities can be used to help companies improve their image and at the same time can make a real difference by contributing to worthy social causes, but the efforts can backfire if the consumer doubts the company's motives (Yoon, Gürhan-Canli & Schwarz, 2006).

It is important to note that the authors of the articles that I read do not go so far as to call these efforts greenwashing. The companies that they studied are not being deceptive in what they are doing. Examples of greenwashing include, a major greenhouse gas emitter that say they are helping prevent global warming or a chemical manufacturer that makes a pesticide so lethal it has been banned in many places, yet says they are helping feed the poor (Laufer, 2003). Being "bad" but trying to help is very different from using CSR as a form of deception and trying to confuse, front or posture. (Laufer, 2003).

Greenwashing is defined as the intersection of two different firm behaviours: poor environmental performance and positive communication about environmental performance (Delmas & Burbano, 2011). It happens when companies deliberately lie or mislead the public about environmental or social efforts. It is an extreme cover-up that happens in many industries, whether they are deemed controversial or not. In order to be certain that companies are being as socially responsible as they say they are, third-party verification is recommended to ensure the integrity of the reporting (Laufer, 2003).

Unchecked greenwashing could erode the consumer market for potential green practices and services in the future, and it could also erode the potential of the capital markets working towards socially responsible investing (Delmas & Burbano,

2011). Consumer product firms likely face greater levels of consumer pressure to appear to be environmentally friendly than service firms or firms in non-consumer products industries.

When a firm is honest about what it is doing, the repercussions can work in its favour, for example Patagonia traces the impact of its products through each step of the entire supply chain in its Footprint Chronicles. Chouinard says, “We put the bad things up front and admit our shortcomings”. In the year after they first did this, sales increased \$270M from the year before. Authenticity pays off.

The Worth of Values

In an article called “The Worth of Values”, authors Pieter van Beurden and Tobias Gossling have found that when looking at Corporate Social Performance (CSP) and measuring the corresponding Corporate Financial Performance (CFP), there is a disparity in how they are measured. CSP is a way of making CSR applicable and putting it into practice. The authors say that CSR is not a variable so it is impossible to measure. However, CSP can be translated into measurable variables and they cite successful study results showing that CSP does have a positive impact on CFP. Additionally, it shows a positive relationship between CSP and CFP and confirms the idea that it does not cost a lot to be socially responsible and that firms may even benefit from socially responsible actions (van Beurden & Gossling, 2008).

Bosch-Badia et al explain that the relationship between CSR and CFP has evolved from no or low correlation to a positive correlation, that CSR positively impacts CFP in the long run. And lastly, CSR does create value when focused on primary stakeholders, but it also has an insurance effect when used in a wider context. (Bosch-Badia, Montllor-Serrats & Tarrazon, 2013) Pelozo and Papania have created a framework (Figure 4) that shows that resources and attention focused on issues not of concern to key stakeholders will harm financial performance.

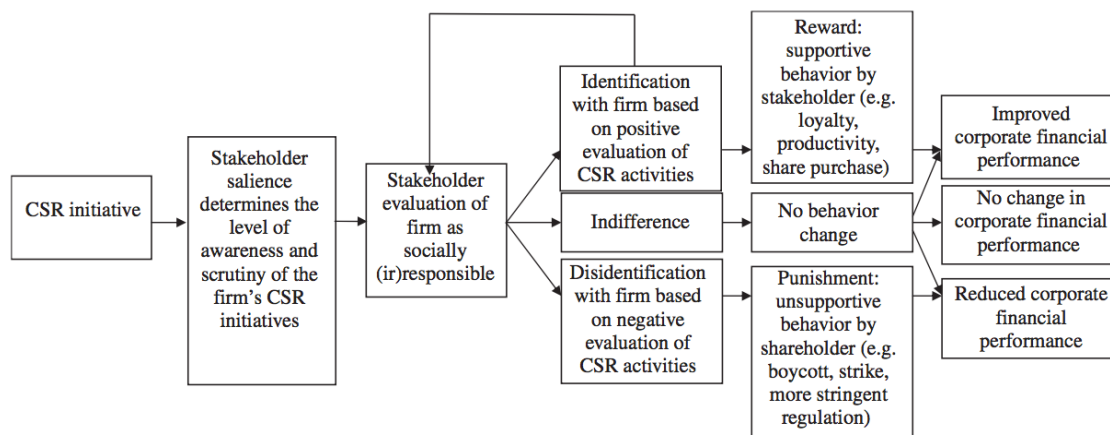


Figure 4: Stakeholder salience and identification framework (Peloza & Papania, 2008)

Because CSR impacts a wide range of stakeholders, it is key to studying a firm's CSR activities from a multi-stakeholder perspective. The authors see this as the missing link from other empirical studies.

Archie Carroll clearly sums it up: "With a performance perspective, it is clear that firms must formulate and implement social goals and programs as well as integrate ethical sensitivity into all decision making, policies, and actions" (Carroll, 1991). Social performance is a crucial part of doing business, firms are committed to doing it and know that it has an impact, but since there is no standard measure of what successful CSR looks like, how it ties back to financial performance is difficult to pin down.

Why we should pay attention to this.

Brian Rashid writes in his Forbes article, "Why More and More Companies Are Doing Social Good" (2017) that the payoff for a company that commits to doing social and community good has the following core benefits:

Doing social good gives the company a sense of purpose.

The vision and direction of the company is clear for all employees when CSR is articulated in terms of what they pledge to give back and how that affects business decisions.

It maintains the brand story.

Giving efforts reinforce brand authenticity and relatability.

It facilitates employee engagement.

Employees funnel energy into the company with renewed effort and long-term commitment.

It builds bonds with the community.

It facilitates relationships with the community in a meaningful, lasting and impactful way.

It connects with target demographics.

The bonds made in the community drive engagement with target demographics enabling growth.

Targeted, authentic community projects can help build mutually beneficial relationships with the people and the communities businesses are trying to reach. It can be used to build goodwill and trust. On the other hand, communities can take advantage of these investments and get grassroots projects funded. If a company helps a community in some way, that community will very often support the

company in return. Additionally, direct interaction with the local customer base can increase awareness of a small business in a positive and inexpensive way.

Despite the obvious nature of these benefits, many companies are not actively seeking to measure the impact of the good work against their bottom line. Additionally, when details of CSR efforts do not get effectively communicated out to the broader company there is a missed opportunity to share in the goodwill that is being created.

If doing good makes business sense, and is smart and profitable, why aren't more businesses doing it in more strategic, purposeful and cohesive ways? One obvious reason is that doing good can be difficult in companies where the status quo has been long established.

Transforming a multinational corporation and the internal culture(s) is a lengthy and difficult process. When Paul Polman joined Unilever as CEO in 2009, he eliminated the CSR department and instructed his 169,000 employees to embed the company's extensive social commitments into their business targets. Evidence is beginning to show that some forward thinking leaders believe that competitive advantage can come from making purpose-based commitments. From leaders like Howard Schultz of Starbucks, Yvon Chouinard of Patagonia or Richard Branson of Virgin Group, it is quite easy to give examples of leadership committed to CSR and doing good. Says Polman, "The question is, 'do you run this [business] for society or not?' ...The real purpose of business has always been to come up with solutions" (Walt, 2017)

Unintended Consequences

No exploration of doing good can ignore the fact that sometimes efforts for doing good create unintended consequences. Unbridled enthusiasm can actually cause great harm when good intentions and enthusiasm take the place of proper research. Ignorance, naiveté and arrogance can also contribute to problems that arise when the idea of doing good takes over from proper due diligence. Firms could prevent many unintended consequences if they took time to thoroughly research the solution they are proposing. It is crucial to research the community and its needs and the ecosystems that the solution is intended for. These unintended consequences, no matter how unwittingly they come about, can have a devastating affect on both the community and the groups that the businesses are trying to help. For example, raising the minimum wage, can have unintended consequences on the people the raise was intended to help. In order to be able to afford the increased wages businesses often take away breaks or decrease benefits in order to be able to afford the pay increase.

2.2 Different Business Models or Initiatives

Consider a few different initiatives put forth by academics and business people in the last 50 years or so: There is the traditional model of CSR (Corporate Social Responsibility), which is tied to the mitigation of harm and dates back to being officially tracked in the 1960s. The running of the business is separated from giving back to the community in terms of environmental footprint, community investment and employee treatment. Next there is the CSV (Creating Shared Value) initiative that was formally introduced by Porter and Kramer in 2011 in which companies set out to solve a social problem with a business model. The Social Entrepreneurs initiative (the term is not new but came into wider popularity in the early 2000s) identifies “a stable but inherently unjust system, develop[s] an equilibrium-shifting solution and forge[s] a new and stable system that unleashes new value for society” (Martin, R. L., & Osberg, S. R. 2015). There is Profit with Purpose where businesses commit to purpose-based causes to help both society and their bottom line. With triple bottom line accounting, firms commit to measuring success in a different way and being held accountable for doing well in regards to people, planet and profits. Finally, registering for a BCorp certification which is a private certification (founded in 2006) from the non-profit BLab that “encourages and supports for-profit companies to do well by meeting the highest standards of verified social and environmental performance, public transparency, and legal accountability, and at the same time, aspiring to use the power of markets to solve social and environmental problems” (B Corporation).

The evolution of initiatives happens slowly. It takes time to embrace and it takes time for new ways to contribute and to continue to evolve.

Table1: Outline of 6 Popular Business Models or Initiatives

Type	Definition	Details
CSR	Business commits to investing in social efforts to create value both internally and externally (Matten interview, 2017)	Sustainability and CSR definitions and efforts can overlap. In order to be consistent, the term CSR is used when referring to all variations of CSR including sustainability research. Additionally, CSR can be seen as a business’s contribution to sustainable development. (Weber 2008)
CSV	A management strategy involving solving a social problem with a business model (Porter & Kramer, 2011)	Reimagining value chains looked at through the perspective of shared value will offer major new ways to innovate and unleash new and untapped economic value that most businesses have missed (Porter & Kramer, 2011)

Social Entrepreneurship	Businesses are started to specifically solve a social problem (Martin & Osberg, 2015)	This model identifies a stable but unfair or corrupt situation that excludes a portion of society. It then develops and creates an equilibrium shifting solution and ultimately forges a new stable equilibrium that brings new value for society. (Martin & Osberg, 2015)
Profit with Purpose	Businesses who commit to purpose-based causes (Haid interview, 2017)	“It is not about profit margins or sales targets. It is about looking at how a business is at in the present day and where it wants to be in the future. Once you see the trajectory, a strategy can be put in place to help achieve these goals.” (Haid interview, 2017)
Triple Bottom Line	Financial interests coincide with social and environmental interests. (Savitz, 2006)	An evaluation framework where People, Planet and Profits are considered and measured with equal weight. This framework helps firms to evaluate their performance in a broader perspective to create greater business value (Savitz, 2006).
B Corp	A designation symbolizing using business as a force for good. (bcorporation.net)	B Corps are for-profit companies certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency.

2.3 Changes in attitudes towards CSR and sustainability

In the McKinsey report, “Profits with Purpose: How organizing for sustainability can benefit the bottom line,” sustainability is defined as a term used to describe the business programs, products, and practices built around environmental and social considerations. These investments are often seen as luxury investments or as public relations devices (McKinsey, 2014). The authors, however, think that this view is pessimistic and increasingly unjustified. In fact, they are seeing a growing body of evidence indicating that sustainability initiatives can help to create profits and drive business opportunities (McKinsey, 2014). The report shows that attitudes are changing.

To understand the role that sustainability initiatives play in business, McKinsey looked at academic studies, investor strategies, and public data on resource efficiency. McKinsey also surveyed and interviewed companies with successful sustainability programs. McKinsey concluded that sustainability programs are connected to good financial performance and they play a role in creating that performance.

Further data captured from the McKinsey report shows the top reason that respondents gave for their companies' failure to capture the full value of sustainability is the lack of extrinsic incentives to do so. According to the UN Global Compact, only 1 in 12 companies links executive remuneration to sustainability performance; 1 in 7 rewards suppliers for good sustainability performance. Among the executives they surveyed, 38 percent named lack of financial incentives for poor results, 37 percent named short-term earnings pressure for poor results and approximately one-third said the lack of key performance indicators and not enough people being held accountable were problems.

This report sheds light on the potential power of embracing sustainability: Becoming a leader of sustainability can pay off, but it is not easy. "It's a perception issue," one executive told McKinsey. "We need to show that it makes good business sense to get over the hurdle" (McKinsey, 2014).

2.4 Top 100 lists and private measurement

To understand how different organizations are measuring the qualitative nature of public opinion, I looked at various reports and lists, such as Nielsen's report on Customers Who Care, McKinsey's report on Profits with Purpose and Cohn & Wolfe's Authentic 100 study (based in part on other lists including BrandZ's and Forbes's 100 most valuable brands and Reputation Institute's Global RepTrak 100 most reputable companies). The results of the majority of these reports are based on product performance only. Additionally, sometimes, the beautifully designed glossy reports, written by consultants, can be distracting and overly influential when compared to the more serious (and less glossy) academic reports. It took extra care to dig into the marketing language that was meant to imply academic rigour, but did not, in fact, demonstrate it, as the academic articles did.

Looking beyond merely measuring successful product performance, companies listed on the "Best Companies to Work For in America" list generate 2.3-3.8% higher stock returns than those who do not make this list (Edmans, 2012). Examining this sort of list helps to understand the relationship between less tangible things like job satisfaction (in working for one of these "Best Companies") results in stronger corporate performance. Edmans found that high levels of job satisfaction generate long-run stock returns and stronger corporate performance. Additionally he shows that CSR efforts positively relate to a firm's reputation as employers, creating a virtuous cycle of positive return.

Fortune Magazine puts out a yearly "Change the World List" where companies that have \$1B or more in revenue are evaluated on their measurable contribution to societal impact, the scale of business results and the degree of innovation relative to the industry. Corporate Knights ("The Magazine for Clean Capitalism") puts out several reports every year including, The Global 100 (an index of the Global 100 most sustainable corporations in the world); Best 50 (a report on the Best 50

Corporate Citizens in Canada) and Top 30 under 30 Sustainability Leaders to name a few.

Through emails exchanged with a rep from Cohn and Wolfe (an international communications agency) that listed Tim Hortons as Canada's top most reputable brand (with Google Canada and Canadian Tire coming in second and third), I was able to glean some insight as to how at least one consultancy compiled their Authentic 100 list. In addition to the previously mentioned studies and lists used to help identify and create the list of brands, I was told that they distributed surveys in 15 countries and ranked responses, put the survey data through a proprietary formula and weighted the averages.

2.5 Measuring output vs. outcome

The most widely advocated set of approaches to social performance measurement involves an assessment of impacts or results, which are broadly labeled as "impact evaluation" and "outcome measurements." These look at things such as whether the program reduces poverty, increases health outcomes or places trainees in permanent jobs (thereby increasing lifetime earning potential) (Ebrahim & Rangan, 2014).

Phillip Haid, of the impact agency Public Inc. focuses on creating outcomes and does not even mention the outputs. For their work, the outcomes are what matter. He asks clients what the issue is that they want to create value for (not the charity/cause/partner). He challenges clients to take on an impact/outcomes mindset.

The United Way of America was an early adopter of asking member agencies to report on both output and outcome. Results from a survey of 391 agencies indicate that outcome measurement is useful for communicating results and identifying effective practices (84-88%) and helping to improve service delivery of programs (76%). However, they also indicate that having to provide outcome metrics has led measurement to take priority over the core work that they do (46%), has overloaded record keeping capacities (55%) and there are uncertainties how to make changes in the program based on these identified results (42%) (Ebrahim & Rangan, 2014).

The question arises whether traditional measurement makes sense for all sectors. Output is relatively simple to report on: services provided, supplies delivered and number of people reached. Outcomes however are the tricky part to measure as the tracking spans over a longer time period. How can we know if the above outputs lead to sustained improvements to the lives of the people that were helped? Ebrahim and Rangan suggest that every organization should report and measure activities and outputs as these are relatively straightforward measures, however outcomes and impacts need to be considered carefully (2014).

2.6 Conclusion

In this chapter I presented an overview of the problem space, of what CSR is and how to measure its worth. Through a literature review I built the case for why doing and being good is so important to doing business. I discussed why values matter, that social impact matters and authenticity really matters. I then discussed how strategic CSR can be used to offset harm and what is the worth of values. I concluded the literature review with a discussion of the reasons why we should pay attention to what is happening in this space and how doing good without proper research and consideration can lead to unintended consequences.

In the following sections I presented six different business initiatives to help give further context, then looked at changes in attitudes towards CSR and sustainability. Finally, in order to get an understanding of some forms of private and proprietary measurement, I presented several Top 100 lists and looked at how they were compiled.

Research Methods

3.1 Methodological approach (Administration of the Project)

Consent

Informed consent was obtained prior to all interviews with all interviewees.

Method

I systematically went over each interview transcript looking for important themes, categories or concepts. I read them again and developed a coding system for repeated and overarching concepts, looked for recurring themes throughout the different transcripts and kept track of relevant quotes to help frame the contexts of the interviews. (Lofgren, 2013 & Ladner 2014)

Data Management and Confidentiality

Interviewees were asked in the consent forms whether they agree to being quoted (4 of 6 interviewees agreed to be attributed, all agreed to be named). I also got permission from each interviewee to record our conversations for note-taking purposes.

These interview transcripts have been transcribed (by me) and are also stored, along with the recordings on my laptop and external hard drive. Once this project has been completed and approved the recordings and transcripts will be deleted and any printouts will be shredded.

Design

The design of the research for this MRP was created using a combination of semi-structured interviews, observations and a literature review.

Screening and Recruitment Rationale

Starting in the fall of 2017, I began approaching influential people I thought would help clarify some of the ideas and assumptions I was having in the area of CSV. In terms of screening for interview subjects, I looked for a balance of academic and corporate interviewees; male and female voices and viewpoints ranging from internal program leaders (corporate) and external program creators (agency). I also

took advantage of some opportunities, aspirations and connections that I had at the time.

Data Analysis

The purpose of the interviews was to gain an in-depth understanding of CSR practices and to learn about different perspectives regarding what it means to do good and how business leaders measure it. Speaking with an academic and advertising executive complemented the conversations I had with business executives. These conversations with people from different industries enabled me to construct close to a 360-degree point of view.

Conclusion

The semi-structured approach that I took with the questions meant that after asking a set of four standard questions to each participant to lay the groundwork and get an understanding of one another, I was able to dig deeper into some of the things that each person said. This meant that the follow-up interview questions were tailored to each interviewee depending on their business and their role in the business, but all within a similar vein.

3.2 Interviews

The following 6 interviewees offered perspectives from a diverse group of professions ranging from academia to advertising and business. I conducted expert interviews with a respected well-published CSR academic and a successful advertising agency owner who specializes in creating profit with purpose campaigns. I next held semi-structured interviews with four senior executives working in different capacities in corporate settings who are each passionate in their own way about what they are doing.

Table 2: Interviewees, affiliations and dates interviewed

Type	Name and title	Company	Date
Expert Semi-structured	Phillip Haid Co-founder and CEO,	Public Inc., a profit with purpose advertising agency and B Corp	November 2, 2017, email follow-up February 9, 2018
Expert Semi-structured	Dr. Dirk Matten Professor and Hewlett-	Schulich School of Business, York University	November 6, 2017, January 29, 2018

	Packard Chair in Corporate Social Responsibility Director, Centre of Excellence in Responsible Business Associate Dean of Research		
Semi-structured	Chris Denys Senior Vice President of Possibilities, Digital Health Solutions	Sun Life Financial	October 11, 2017
Semi-structured	Lisa Ritchie Senior Vice President, Chief Marketing Officer	Sun Life Financial	November 6, 2017 Follow-up March 20, 2018
Semi-structured	Scott Fraser President	Canadian Tire/ Jumpstart Charities	December 20, 2017 Follow-up March 19, 2018
Semi-structured	Marco di Buono, Associate Vice President, Operations & Programs	Canadian Tire/ Jumpstart Charities	December 20, 2017

Those who were asked for an interview but declined, or did not respond:

- Michael Porter (economist, researcher, author, advisor, speaker and teacher at Harvard Business School)
- Roger Martin (former Dean of Rotman School of Business, current Chair of the Michael Lee-Chin Family Institute for Corporate Citizenship (sustainability strategies for business leaders))
- Tim Hortons Charities (internal contact)
- The Body Shop Canada (internal contact)
- Kevin Johnson, Chief Executive Officer, Starbucks
- Howard Schultz, Owner, Chairman, Starbucks
- Mesh Gelman Senior Vice President of Starbucks, Siren Ideas

- Jessica Mills, Senior Director of Business Development, Starbucks (SFI alumni)

3.3 About using Case Studies as a choice of research method

According to Robson and Gibbs, a case study is a “strategy for doing research, which involves an empirical investigation of a particular contemporary phenomenon within its real life context, using multiple sources of evidence” (Robson, 1993 & Gibbs, 2012). The “particular contemporary phenomenon and context” that I am looking at is CSR investments and whether they can ultimately influence a company’s bottom line and possibly create unexpected opportunities through effective measurement. The “multiple sources of evidence” I used for these four case studies were a combination of qualitative research methods including interviews (when available), observations, and reading as much about each firm as I could including articles, websites, memoirs and annual reports.

3.4 Limitations

Corporate interviewees were all limited by their ability to speak 100 per cent candidly as there will always be private details they cannot share with someone who is putting together a public-facing document. This was the main reason why my Tim Hortons contact ultimately declined to speak with me. I was told that, “We have run into a bit of a sensitivity with the interview. Basically some of the info [you] would be seeking is not something we share publically.” Many measurements are just not shared externally. Also, I realized that when interviewing senior leaders who have had media training, many of their responses sounded like rehearsed sound bites, with pre-planned talking points.

The number of people who declined to be interviewed influenced what case studies I determined I would write. They also made the writing of some of them more of a document-based exercise, rather than one informed by interviews. Ultimately the people who agreed to be interviewed represented a diverse and interesting cross-section of sectors and capacities and provided a useful set of opinions and observations.

Case Studies

In this chapter I present case studies for Canadian Tire Jumpstart Charities, Patagonia, Starbucks and Sun Life Financial. In each study I state the respective mission statements, list the net profits, outline the company backstory, describe

what they are doing to do good both internally and externally and show how they are doing well. Also included is a table to allow for side-by-side comparisons.

By comparing these four very different companies and contrasting how they each choose to give back and by looking at what activities and programs they engage in, I hope to gain a better understanding of what it means to do good. Additionally I am interested in how these acts of doing good actually play out for these firms' bottom lines, that is whether they can say that their CSR efforts help them to do well.

Table 3 Case Study business comparison table

Name	# of years in business	# of employees	# of locations	Stock price	Financial details 2016	CSR work
Canadian Tire	96 years Founded 1922	58,000	1,702 locations: 500 Canadian Tire stores, 91 PartSource stores, 433 FGL Sports stores (various banners), 382 Mark's stores, and 296 gas stations	CTC \$149.89 (Q2 2017)	Revenue \$12.681B Net income \$747.5M Total assets \$15.303B Owner's daughter is majority shareholder	CSR Commitment in: <ul style="list-style-type: none"> Ethical Sourcing Global Sourcing Team Business Social Compliance Initiative Cotton Connect Factory Worker Safety Canadian Tire Jumpstart Charities
Jumpstart (run as a separate entity with its own board)	18 years Formed 2005	32	1 @ National head office + multiple disbursement provincial arms	n/a	2016 fundraising performance: \$22.6 million	CSR Commitment in: <ul style="list-style-type: none"> Jumpstart month Employees for Jumpstart Canadian Tire Family of Companies impact Play Finds a Way
Patagonia	45 years Founded 1973	1,000	32 US 74 international 106 (2017)	Privately held	Revenue \$800M (No further published financial data available) Owner's net worth \$1B	CSR Commitment in: <ul style="list-style-type: none"> Working with factories to ensure fair labour practices, safe working conditions and environmental responsibility Working with mills to ensure quality, traceability, environmental health and safety, and social responsibility. Protecting Migrant Workers Fair Trade Certified <p>Plus: Gives 1% of sales to grassroots environmental organizations and</p>

						have doubled contributions to those organizations over the past five years.
Starbucks	47 years Founded 1971	238,000 (2016)	26,696 (2017)	SBUX \$58.13 (Dec 19, 2017)	Revenue US\$21B Net income US\$2.81B Total assets \$14.31 B Owner's net worth \$2.8B	CSR Commitment in: <ul style="list-style-type: none"> • Community • Environment • Ethical Sourcing • Diversity Plus, for employees: <ul style="list-style-type: none"> • Stock ownership • Comprehensive health insurance to both part-time and full-time employees • Free college tuition programs • Innovative hiring practices that focused on people from underserved groups, including veterans and refugees
Sun Life	153 years Founded 1853	30,000 (2015)	4,613 (2016)	THI \$23.16	Revenue \$28.573B Net income \$2,335M Total Assets \$903B	CSR Commitment in: <ul style="list-style-type: none"> • Health (partnering with multiple diabetes related causes) • Arts + Culture (helping more Canadians access the arts) Program examples: <ul style="list-style-type: none"> • Instrument Lending Library • Toronto Museum passes available at libraries • Diabetes awareness • Raptors Sponsorship and Dunk for Diabetes Campaign

Conceptual Framework

I created the following conceptual framework to help structure what parts of the businesses to explore and clearly plan how to structure my case studies. The framework was created after getting a clearer understanding of what goes into conducting a case study research project explained by Dr. Graeme Gibson from the University of Huddersfield, UK.

Gibson outlines that in a framework such as this, it is important to display all the features of the case studies, and show the relationships between the features. By making the diagram my assumptions became explicit, and clear about being selective in choosing the things I want to look at. The diagram also includes my personal orientation and the questions that I want this work to help answer. I will next explain what each label on the diagram means and why it is there.

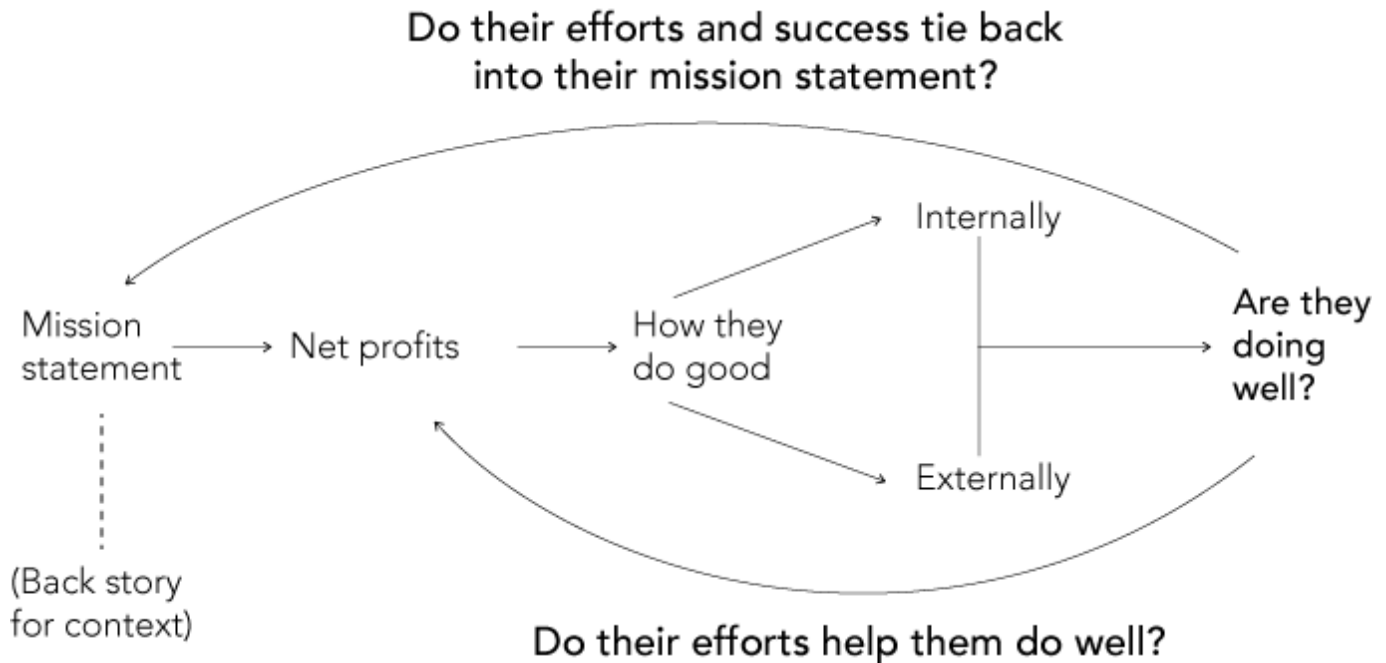


Figure 5. Conceptual framework.

Mission Statement

In order to make sense of each firm’s choices, efforts and motivations, I examined their respective mission statements. From these we get a general idea of the core motivation and aspirations of each company.

Net profits

Net profits for all companies are very high, and each had shown growth over the past five years. However, there is a gap (in terms of what I was able to discover based on what numbers are publicly available) between a firm’s net profits and how much they spend on doing good.

How they do good, internally and externally

I was interested in learning whether these companies were doing good internally and externally. I was also interested in knowing how much they are spending on those efforts, and how much those investments affect the bottom line.

Are they doing well?

This is similar to Net Profits (quantitative list) but is more conceptual and qualitative in nature. The companies seem to all be in good financial health.

Do their efforts and success tie back to their mission statement?

Research shows that each of these companies are living up to their mission statements.

Do their efforts help them do well?

Being able to tie the CSR investments directly to corporate success is what continues to be tricky. Each company has specific things that they track and measure, but ultimately they do not know equivocally that their giving efforts help them do well.

4.1 CANADIAN TIRE JUMPSTART CHARITIES

Mission statement:

To enrich the lives of kids in need through sports and physical activity.

Net profits:

Canadian Tire Revenue \$12.681 B (2016)
Canadian Tire Net income \$747.5 M (2016)
Canadian Tire Total assets \$15.303 B (2016)

Owner's net worth:

Martha G. Billes (the original owner's daughter) is controlling shareholder of Canadian Tire, and sits on the JumpStart board of directors.

Total Jumpstart revenue: \$22.6 M (2016)

Dollars disbursed: \$ 20,312,195 (2016)

Number of kids helped: 220,992 (2016)

Backstory

In 1922 the Billes brothers invested \$1800 in Leaside's Hamilton Tire and Garage Ltd. In 1927, they incorporated the business as the Canadian Tire Corporation and eventually landed at 639 Yonge Street where there is still a store today. As the company grew, so did their focus on helping the communities that they were serving. In 1992, Canadian Tire Corporation created the Child Protection Foundation and, in 1999, that turned into the Foundation for Families where families in need were given help such as food, shelter, clothing and essential goods.

In 2005, Canadian Tire Jumpstart Charities was launched in order to address an issue of national concern -- the inactivity of kids. Jumpstart is national in scope, but

extremely local in focus. Jumpstart helps families in financial need with the costs for registration, equipment and/or transportation so kids can participate in organized sports and physical activities.

How they do good

100% of all customer donations made to Jumpstart stays within the community in which the donation was made. Canadian Tire Corporation funds 100% of Jumpstart's general and administrative costs.

Internal good

Canadian Tire Corporation, while technically separate from JumpStart is passionate about supporting this charity that they helped to create by paying for the operating costs and the salaries for the 32 JumpStart employees. Canadian Tire Corporation is clear internally about communicating the value of giving, and employees are encouraged to give back through volunteerism and fundraising.

- Employees are given time off to volunteer for both JumpStart activities and many other charitable activities. Currently there is no targeted number of volunteer hours for employees to take.
- Each department within Canadian Tire Corporation is encouraged to raise money. For example, to help support Lace-Up for JumpStart, different teams planned different events like a pancake breakfast, bake sale, or a St. Patrick's Day party.
- There is an annual recognition dinner for internal volunteerism
- Internal investments that Canadian Tire make in its staff include profit sharing, helping fund education and encouraging employees to take advantage of internal opportunities, allowing for movement between various departments easily.

External good:

- **Jumpstart month:** This is an externally targeted fundraising campaign involving 1700 stores. It is intended to build awareness for JumpStart at store level, for staff to have some fun and raise money. This is the month that Canadian Tire takes on as a company to target fundraising. They also aim to build awareness from an externally. JumpStart sends out kits to each store to generate enthusiasm and assist with fundraising efforts with customers. For Canadian Tire stores this happens in June and in Marks it happens all year.
- **Employees for JumpStart:** Every year employees donate online, take part in team competitions and partake in fundraising challenges. The company matches the funds raised and in 2016, the total funds exceeded \$1.3 million.
- **The Canadian Tire Family of Companies impact:** Combined, this group of companies helped to contribute 88% of Jumpstart's donation revenue during 2016

- **Play Finds a Way:** Canadian Tire Corporation pledged an additional \$50 M over the next 5 years, to enable Jumpstart to expand its mandate into helping remove barriers for kids with disabilities. (Jumpstart.canadiantire.ca, 2018)



Figure 6. In store promotion and donation table during JumpStart Month. Image source: JumpStart



Figure 7. Jumpstart advertisement. Image source: JumpStart

Are they doing well?

In 2016, Jumpstart helped kids take part in 80 different sports and physical activities and since 2005, more than 1.3 million Canadian kids have had the chance to be active and involved with their support. To date they have disbursed more than \$127M.

As the funder of Jump Start, Canadian Tire Corporation is also doing well. In a report summarizing their profits for the first half of 2017 it was shown that Class A shares of Canadian Tire jumped 5.73 per cent to \$149.89 on the TSE. Profit increased to \$195.2M or \$2.82 a share in the quarter that ended July 1 from \$179.4M or \$2.47 a share a year earlier. Additionally, revenue rose to \$3.41B from \$3.35B. It is not possible to tie Canadian Tire's financial success to the investments made in Jump Start. Those numbers are not available.

Critique

Historically, at the Canadian Tire corporate level, strategic planning has not included goals for JumpStart outputs or outcomes as a part of their overall scorecards. The reason for this is because of the personal commitment to the charity from president and CEO Stephen Wetmore. A change in leadership could change everything for this group if priorities are shifted away from supporting and protecting JumpStart.

Each banner (Sportchek, Marks, Canadian Tire, Petroleum and Real estate) has a fundraising target but it looks like leaders are not held to personal JumpStart outputs or outcomes. "Over time," di Bueno says, "What you will see is a more formal introduction of the charity within leader's business plans beyond just the fundraising targets." Sheer enthusiasm and desire to support the charity is

interesting and important but may not last in the long run if the charity's goals are not officially made part of the strategic plan, and if ways to measure impact and success (outcomes) are not put in place.

4.2 PATAGONIA

Mission statement:

Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.

In his book *Let My People Go Surfing*, Patagonia founder, Yvon Chouinard, proudly states that Patagonia's mission statement says nothing about making a profit. Chouinard goes on to state that his family considers their bottom line to be, "the amount of good that the business has accomplished over the year." He has also said that Patagonia will never be completely socially responsible and that they will never make a totally sustainable non-damaging product. But they are committed to trying. (Chouinard, 2009)

Profits

Revenue \$800M (2016 estimate)

(This is a privately held company so there is not as much financial information as available as for the other companies)

Yvon Chouinard's Net worth \$1B

Backstory

Yvon Chouinard started Patagonia in 1973. He was a rock climber and saw an opportunity to make climbing equipment that did not damage the mountain rock face. He designed and forged metal climbing equipment himself and sold it out of the back of his truck. Eventually, he began importing and selling rugby shirts for climbers. He also designed sturdy and functional climbing shorts and the business grew from there.

How they do good

Patagonia advertising has stated that businesses are not responsible to their customers, their shareholders or their employees; businesses are responsible to their resource base: "Without a healthy environment there are no shareholders, no employees, no customers and no business" (Chouinard, 2009).

The company pledges at least 1% of sales or 10% of pre-tax profits—whichever is more—to grassroots environmental organizations and they have doubled their contributions to those organizations over the past five years. Their efforts are divided into 2 sections: corporate responsibility and environmental and social responsibility. They do all of the things listed and much more.

Internal and supply chain good

- **Working with factories:** engages in a range of due diligence activities to promote and sustain fair labour practices, safe working conditions and environmental responsibility in their finished-goods factories.
- **Working with Mills that:** make high-quality materials while reducing their environmental and social impact
- **California SB 657 disclosure statement:** an act that requires all retail sellers and manufacturers doing business in California to disclose their efforts to eradicate slavery and human trafficking from their direct supply for tangible goods offered for sale. Patagonia fully complies with this act and shares their entire disclosure statement on their website
- **Protecting migrant workers:** Patagonia has teamed up with Verité—a global, independent, nonprofit organization that conducts research, advocacy, consulting, trainings and assessments with a vision that people worldwide work under safe, fair and legal conditions—to develop new Migrant Worker Employment Standards. Patagonia also began to educate their suppliers about the issue so they could institute changes in their supply chain.
- **Fair trade certified:** More than 15,700 workers have benefitted from the premiums Patagonia has paid through the Fair Trade Certified™ program.

External good

Environmental and Social Responsibility efforts include:

- **Dubbing themselves The Activist Company:** Patagonia passionately supports grassroots organizations such as Action Works, Worn Wear, employee activism, corporate sponsorships, environmental campaigns
- **Environmental impact:** focuses on reducing their impact on the environment. This means auditing the materials and methods they use to make their products, taking responsibility for the entire lifecycle of their products and examining how they use resources at their buildings and facilities.
- **Supply chain transparency outlined in The Footprint Chronicles:** Textile mills, farms and factories are shown on a world map with details about what and how supply chain products are made, gender representation and languages spoken.

(Patagonia.com/corporate-responsibility, 2018)

Are they doing well?

Patagonia is a privately held company and therefore is not obliged to release financial statements. Even though they do not share standard financial facts and figures they do publish an annual booklet that describes what the company has done in the past fiscal year in terms of supply chain and sourcing strategies. According to CEO Rose Marcario, being privately held allows for much more flexibility regarding earnings goals. This is reflected in the array of environmental and social initiative

outputs showcased in the booklet. Some examples where they quantify some of their social and environmental work they are doing can be seen in the 984 environmental groups that received a grant this year, 95% (by weight) of waste-stream materials recycled at the Reno Service Centre, 26,000 workers who earn a Fair Trade premium for their labour and 14,955 volunteer hours worked through Patagonia's environmental internship program (Leone, 2010 & patagonia.com/enviro-initiatives-book).

Despite talking about not making profits a priority, Chouinard recognizes that a company needs to be profitable in order to stay in business. Furthermore, in order for a company to accomplish all of its other goals, Chouinard considers that the profits Patagonia does bring in, is a vote of confidence meaning their consumers approve of what they are doing (Chouinard, 2009).

As outlined in Chapter 2.1, authenticity is a key factor in a company doing well. Authenticity can certainly be seen at Patagonia. According to three different apparel analysts and a former employee, Patagonia does well while doing good because the company's environmental efforts are genuine. (Sirtori-Cortina, 2017)

Marcario says that the metrics or outcomes that they look at are definitely different from what other companies focus on. They look at outputs like the recycled content of their fabrics, CSR metrics with regard to standards in factories, and the percentage of their product line that is recycled through the Common Threads and Worn Wear programs (an in-store clothing repair and donation program). They also measure the outcomes of their environmental grants and donations. Regular retail metrics are also tracked like sales figures, working capital, and profitability for their sales channels (Leone, 2010).

During the economic downturn of 2008, Chouinard spoke on a panel of surf industry leaders. He talked about the fact that Patagonia used only organic cotton and had cleaned up their entire supply chain. A CEO of one of the largest surf companies told him that they had briefly manufactured a few T-shirts and hats using organic cotton, but when the recession hit they had to stop. When Chouinard asked how their sales were, the CEO said they were down 20%. Chouinard said Patagonia's sales were up 30% that year. According to Chouinard, the result is that surf company and others in the surfing industry, "are barely hanging on now because they didn't understand that their young customers have changed." (Chouinard, 2009)

Paradoxically, because of the image that Patagonia has created for itself, consumers want to support them, which means buying more products. They are, "...selling stuff in part by looking like they're not trying too hard to sell stuff, which helps them sell more stuff - and fills the world with more and more stuff." (Meltzer, 2017)

Patagonia addresses this paradox in their advertising shown here. The result, however, is just the opposite of perhaps the intended consequence. Customers like the message so much that they want to be part of the story, so they actually do end up buying more.



Figure 8
 Above image source: Patagonia.com, from November 28, 2011, Cyber Monday advertisement encouraging shoppers not to buy anything.

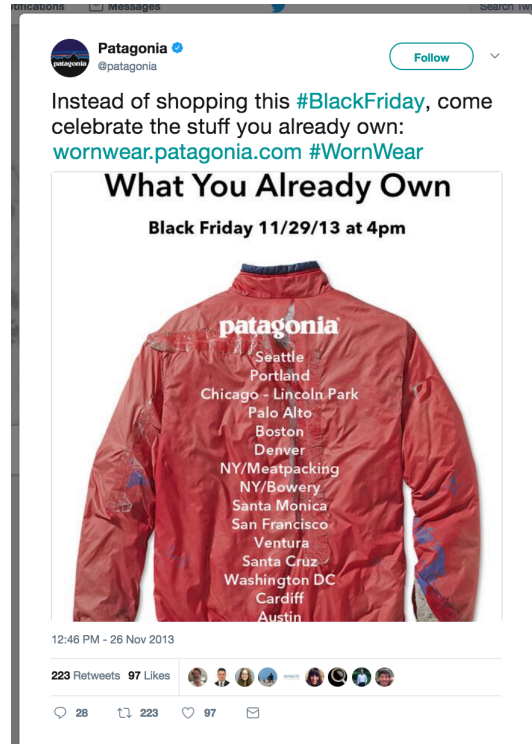


Figure 9
 Image source shown right: from Patagonia’s Twitter feed, November 26, 2013.

Rose Marcario joined Patagonia as CFO in 2008 and quickly began transforming the company's infrastructure to improve its operations and financial performance. Since that time the company has doubled its scale of operations and tripled its profits, with about \$600 million in revenues in 2013. Marcario says, “I didn’t think it was possible to blend a social and environmental mission with profit targets, but now I am a total convert”. Since becoming CEO in 2014, Marcario has built on what she calls an already “amazing brand and amazing company culture and great products” and updated it for the 21st century. (Leone, 2010 & PR Newswire 2014)

Critique

Is it reverse psychology or irony to say “Don’t Buy This Jacket” or does Patagonia really not want you to buy the jacket? We likely will not ever know. Whatever the intent, the ad worked to boost sales and generated a lot of media attention.

In hindsight the choice of including a private company made making accurate comparisons to public companies difficult and ultimately less accurate. It is not possible to examine all aspects of a business when it is not obliged to share outputs and outcomes.

4.3 STARBUCKS

Mission statement:

“Our mission: to inspire and nurture the human spirit – one person, one cup and one neighbourhood at a time.”

Starbucks owner and former CEO Howard Shultz on Starbucks: “What I stand for is not just to make money, it’s to preserve the integrity of what we have built for 39 years, and to look in the mirror and feel like [we’ve] done something that has meaning, relevancy, and most importantly, that people are going to respect.” (Schultz, 2011)

Profits in 2016:

Revenue \$ 21B

Net Income \$2.81B

Total assets \$14.31B

Howard Schultz’s net worth \$2.8B (2018)

Backstory

Howard Schultz bought Starbucks in 1988 for \$3.2M and immediately focused on expanding. He had been Marketing Director for the original Starbucks from 1982-85 and had left to start his own coffee business called Il Giornale. When he bought out Starbucks, he merged the two businesses, and kept the Starbucks name and logo. In 1992 Starbucks went public.

How they do good

“We’ve always believed that businesses can - and should - have a positive impact on the communities they serve.” (Starbucks website)

In addition to doing all it can to add to shareholder value, Starbucks also wants to be seen doing the kinds of things they think are, “skewed towards being a humane organization” (Schultz, 2017, 7:42).

Internal good

Schultz is an extremely passionate leader. When the chairman of the board wanted him to cut healthcare, Schultz disagreed. He pointed out that it cost \$300M to provide healthcare for employees and that commitment to the employees is at the heart of what matters most to Starbucks: “I can cut \$300 million out of a lot of things, but do you want to just kill the company, and kill the trust people have in what this company stands for? There’s no way we can cut health care.” (Schultz, 2015)

As part of its core values Starbucks offers its staff:

- Stock ownership

- Comprehensive health insurance for any partners working at least 20 hours a week (part-time or full-time employees)
- Free college tuition programs
- Innovative hiring practices that focused on people from underserved groups, including veterans and refugees

(Mohn, 2017)

External good

As part of its CSR work in the community and in the environment, plus its commitment to ethical sourcing and diversity, Starbucks supports the following initiatives in Canada:

- **Opportunity Youth:** 10% of all store new hires are Opportunity Youth (also known as disconnected youth 16-24 who are neither in school, nor working).
- **Youth Work Placement Program:** supports some of Canada's most vulnerable young people—homeless, just out of foster care or recovering from addiction; these young people may have little or no high school education, may be unable to afford the rising costs of education, or may suffer from mental illness.
- **Community and leadership grants:** Supports community service and youth leadership grants
- **Starbucks Foundation:** created to further the commitment to community. It supports programs that contribute to Starbucks' communities in meaningful ways.
- **Ethos Water Fund:** Every time customers purchase a bottle of Ethos® Water, they help provide clean water to children in developing countries.

(Source: Starbucks.ca/sustainability, 2018)

Are they doing well?

They are doing extremely well, now... (steady earnings growth, year over year) but when Schultz returned as CEO of Starbucks in January 2008, they were not in very good financial shape at all- net earnings were down 53 percent to \$316 million from the year before). Shultz admitted that as chairman he should have been more aware of the slipping financial situation, but he had just not been paying close enough attention. To start his new tenure and tackle this financial situation head on, Shultz planned a conference.

The conference began with national representatives from the coffee chains being asked to put in hours of community service to help the victims of Hurricane Katrina. Because of this unusual beginning, the conference was transformational from the outset. Schultz maintains that this conference was instrumental in turning around the company, and that starting the conference with volunteering, reminded everyone about Starbucks core values.



Figure 10
Close-up of Community Service T-shirt
Image source from Starbucks.com newsroom

Schultz maintains that, “There is great need to achieve the fragile balance between profit, social impact, and a moral obligation” to do everything possible “to enhance the lives of our employees and the communities we serve.” (Mohn 2017)

At the annual DealBook conference in fall 2017, Schultz said that for social impact goals to be attainable, “sound business practices [are] essential. The price of admission to have a social impact agenda is to have financial performance.” He went on to say that Starbucks “is a performance driven organization through the lens of humanity” (Mohn, 2017)

By the time Schultz stepped down in late 2016, shares had grown from \$7.2B to more than \$20B (Schultz, 2011).

Critique

When conducting a case study for a project of this type, it is important to have at least one conversation with someone who works at the company (I had hoped to talk to someone, but that fell through).

Is it simply the fact that Schultz just happens to be a great leader that is the reason his company has succeeded? The company suffered great losses after he left in 2000 and saw great growth when he returned again in 2008. This is possibly one part of why Starbucks continues to succeed. The Great Man leadership theory, despite its lack of scientific rigor, remains fully relevant in business today (Spector, 2015). It is still common today to bring in charismatic leaders to turn companies around and save the day. Schultz is clearly a gifted leader who has had much continued success throughout his career.

From what I can tell, Starbucks is measuring its outputs in terms of all the causes it supports and its commitment to employees, but I could not see how or where long-term outcomes were being measured.

4.4 SUN LIFE FINANCIAL

Mission statement:

To help customers achieve lifetime financial security and helping individuals lead healthier lives.

Profits in 2016:

Revenue \$ 28.573B

Net income \$3.445B

Total assets \$903B AUM (Assets Under Management)

Backstory

Sun Life was founded in 1865, originally as The Sun Insurance Company of Montreal by Irish immigrant Mathew Hamilton Gault. It has continued to expand over its 153-year history into US, Asia and India. In 2016 Sun Life ranked number 277 on the Forbes Global 2000 list as well as on the Fortune 500 list.

How they do good

About five years ago, Sun Life was trying to expand its brand beyond just a financial company that had historically been philanthropy focused, lacking any concrete CSR strategy and move into the health and wellness space. They chose to align themselves with Diabetes Canada as a cause that made sense for both the brand (insurance and prevention in the face of soaring cases of diabetes world-wide coupled with the rising cost of diabetes-related medicine) and because it was a “corporate whitespace” in that there was no major corporate sponsor involved with this disease. In 2017, Sun Life donated \$24M towards diabetes prevention and awareness.

Historically Sun Life’s philanthropic giving model had been very traditional (the same person had been in the role for 38 years). It was about giving for the sake of giving. There were no key performance indicators (KPIs), no metrics around the efforts, and it was not integrated with overall business objectives or outcome goals. Now, five years after a change in leadership, all their CSR efforts are grounded in external strategy. They look at the impact to the community and efforts are aligned to the overall marketing KPIs and how their work impacts brand awareness to continue to improve the impression of the brand.

Internal Good

- **United Way month** Employees are encouraged to participate in a month of donating through bake sales, online silent auctions and personal donations. Participation in 2017 went from 18% to 26% (the CEO led the regional efforts so Sun Life as an organization really got behind him).

- **Volunteer program** is under consideration where employees would be given days off to volunteer. They are aware that programs like this is important for employee retention and attraction.
- **Dollars for Doers** – Sun Life donates to the causes where employees are volunteering in the community. They donate \$20 per hour up to \$500 per year to the cause (I was told there are efforts in place to better communicate this opportunity to employees. Not everyone knows about it to take advantage of it).
- **Revolution Ride** – Senior Executives pedal a stationary bike in support of the Juvenile Diabetes Research Foundation
- **Walk for Diabetes** - 2500-3000 employees participate in this (for the past 4 years.
- **Teams for health-** Sun Life pays registration fees for walks or runs up to \$100 per person, per event.

External Good

Health and Wellness

- Partnership with Diabetes Canada with a \$24M commitment for 2018.
- Partnership with JDRF (Juvenile Diabetes Research Foundation)
- Partnership with Toronto's University Health Network that includes the Sun Life Financial Banting and Best Diabetes Clinics, the Sun Life Financial Chair in Diabetes and the Sun Life Financial Professorship, Wellness and Diabetes Education
- Partnership helping support diabetes awareness with Right to Play International
- Partnership helping support diabetes awareness with Indigenous Youth
- Raptors Sponsorship in conjunction with the Dunk for Diabetes Campaign

Arts and Culture

- Instrument Lending Library in Canadian cities
- Music sponsorship through the Sarah McLachlan school of music in BC and Alberta
- Toronto International Film Festival Sponsorship called Reel Magic (access to the arts, 1000 desirable film festival tickets distributed through United Way)
- Museum passes provided in TO and Calgary distributed through the public library system

Are they doing well?

CEO Dean Connor was named Canada's outstanding CEO of the year for 2017. The honouree is selected by a group of 20 Canadian business leaders and the award is based on his or her vision and leadership, corporate performance, global competitiveness, innovation, and social responsibility (ceoaward.ca). This recognition of Connor's success is indicative of the fact that the company is, in fact doing extremely well financially, and that Connor is well respected among his peers.

The difficulty of tying the outputs of the CSR activities back to the business' financial success is just as tricky for Sun Life to show as it is for JumpStart. The CSR work is intended to improve brand recognition and brand trust at the community level. This means that when a local financial advisor mentions Sun Life as an investment option, the name is already familiar to potential customers because of the grassroots outreach. Long-term outcomes of the work are not currently being tracked, but the CSR team believes that Sun Life's continues success and growth is a testament to this work. They admit there is more work to do, but feel that they are headed in the right direction.

As a financial institution, here are some examples of success at Sun Life Financial:

- **Asia market success:** In the last five years in the Asia market Sun Life has tripled its net income from \$100M to \$300M
- **Sales:** Sales have grown in individual insurance in double digits in the last five years. (Immigration has in part driven this.)
- **New business:** It has launched a mutual fund business called Sun Life Global Investments, and in 7 years it has grown from \$0 to \$20B in AUM*. (This is one of fastest mutual fund companies ever started.)
- **Growth:** Sun Life Investment Management has grown from \$0 to \$4B of AUM* in 4 years.
- **Investments:** Sun Life has made investments in growth markets, specifically in digital, AI and blockchain.
- **Measures of success:** Connor sees NPS (Net Promoter Scores) and sales going up, long-term client engagement and client referrals increasing.

(Connor, 2017, 6:36)

*AUM (assets under management) is the total market value of assets that an investment company or financial institution manages on behalf of investors.



Figures 11, 12 From the Dunk for Diabetes press conference, with Sun Life Financial CMO Lisa Ritchie, and representatives from MLSE, The Boys and Girls Club of Canada and Raptors players and The Raptor (team mascot). Fall 2017, photo credit, Kelly Payne.

Critique

The Raptors' partnership is the most visible and expensive sponsorship investment Sun Life has made in recent years. However, it does little if anything to bring awareness to the hundreds of regional Sun Life offices all over the country as it is very Toronto-centric, seasonal and aimed at one sports team that plays all of its away games in the US.

Sun Life is still in a transition phase from pure philanthropy to a more strategy-oriented giving model. They have a lot of work to do before their CSR outputs can be seen as truly integrated and embodied by all areas of the business. There are still clearly defined silos in place that keep the CSR team separate from other lines of business. The cultural shift is happening, but five years after a change in CSR leadership, there is still work to do in terms of doing good throughout the business. Additionally, being able to tie efforts to long-term outcomes is a long way off.

4.5 Observations and conclusions

Overview

The case studies included here can be divided into 2 groups. One half of the study subjects (Starbucks and Patagonia) are American-based, privately owned, international brands. Both owners of these companies have written memoirs and have been interviewed countless times. There are many recordings, studies and articles that showcase their beliefs but I did not speak with anyone from either company.

In contrast, the other two study subjects (Canadian Tire Jumpstart Charities and Sun Life Financial) are publically held Canadian companies, with arguably limited international recognition. There are no sole owners to drive social agendas as with the above two cases (although in Canadian Tire's case there is a majority shareholder). Also, I was able to interview executives, in person, from both companies. Lastly, because these are heavily corporate companies, there is a more limited and finely curated corporate viewpoint shared with the public.

Personal orientation

What was not ideal was not being able to interview someone from each firm to allow the comparisons and contrasts to be equal. Another consideration to mention is the fact that I worked for eight months within earshot of the Sun Life CSR team which meant that I had my own personal observations to lend to the Sun Life case study, where I did not have that kind of insight for any of the other cases.

Problems with validity

As mentioned previously, the challenge in finding CSR numbers in terms of actual output (as opposed to the described efforts) made it difficult to contrast and compare how much investment is actually being made in doing good. Outcome data from the many programs was even more elusive.

It is important to note that I may have my own unsubstantiated observations possibly creating an influence on how I have put together these case studies. Having worked at Sun Life, with the privilege of hearing the sponsorship and philanthropy work happening first hand, I was conscious (and curious) how the rest of the company might feel if the infectious enthusiasm was spread more widely. After reading the biographies of Schultz and Chouinard I was very positively influenced by their efforts and ethics, but I did not speak with either of them so the view I got of them was highly curated (however authentic it may have been). And with Jumpstart, without actually observing the fact that the staff was as passionate as the interviewees said they were, a certain amount of faith had to come from my part as to the validity of the interviewees' responses.

Within the group of cases that I studied there were some deliberate contrasting elements (Canadian vs. American, private vs. public) and each had different conditions in play to help give a broader set of contexts than I would get had I just conducted one case study. (Yin, 2009)

Helping to answer the Major Research Questions

As this project is about trying to understand a company's capacity to make a social impact by investing in different types of projects and causes, the case studies were designed to help answer this question. Some ways in which I could see that these outputs are being measured is the number of people helped, amount of money or grants disbursed or number of hours volunteered, to name a few. These efforts are all relatively straightforward to track. It is following through to measure the impact or outcomes that is quite difficult.

While the companies that I looked at listed and described the CSR work that they were doing, it was not possible to find the exact amounts of money invested in CSR efforts. Financial output numbers were missing; outcome and impact metrics were also missing. One possible answer for this is that these are internal measurements not shared publicly.

This project is also about showing whether these CSR investments can ultimately influence the company's bottom line and possibly create unexpected opportunities. Again, there are no actual output measurements to prove this; however, as we will look at in Chapter 5, the impact of a CSR investment does create value and new

opportunities to drive growth. The long-term impact and outcomes are not being measured or tracked.

The third question is about measuring the intrinsic qualities of doing good both internally and externally, and this, in fact, can be measured. Employee satisfaction surveys, employee tenure, NPS scores, brand awareness are all actual measurements that are effective and can easily be calculated.

Conclusion

Within each of these four cases there are examples of employee commitment, passionate leadership, determination and clear-minded vision to do good as well as serve corporate shareholders or constituents. Each of the leaders I either researched or met with knows what he or she wants their company to represent. Based on my research I found that each leader has done what he or she believes is right to maintain that vision.

Findings and Insights

5.1 Interview findings

The five interviews (six interviewees) covered perspectives from a diverse group of professionals ranging from academia to advertising and business. Interviewees included a respected well-published CSR academic, a successful advertising agency owner who specializes in creating profit with purpose campaigns and four senior executives working in different capacities in corporate settings who are each passionate in their own way about what they are doing.

For analyzing and coding the transcripts, I followed the process outlined by Dr. Kent Lofgren from Umeå University in Sweden. He suggests quickly reading through the transcripts as a whole, and then making notes about first impressions. Then he says to re-read the transcripts again very carefully and label relevant pieces such as words, phrases, sentences or sections. He says these labels can be about actions, activities or whatever else is relevant. From this activity, I pulled out the four most relevant and common themes or labels: **values, measurement, impact** and **feelings**. I then arranged all of the corresponding coded data under the label where it made the most sense. I then looked for clusters and began to make sense of the work. I made a few loose diagrams and began to find connections. After doing some further research, I realized that these themes were all interconnected and were actually part of a system.

Systems analyst Donella Meadows describes a system as “an interconnected set of elements that is coherently organized in a way that achieves something.” (Meadows, 2008) The following diagram shows the interconnectedness of the themes, how they are organized and the cause and effect that they have on one another, and the resulting achievements or outcomes.

Results

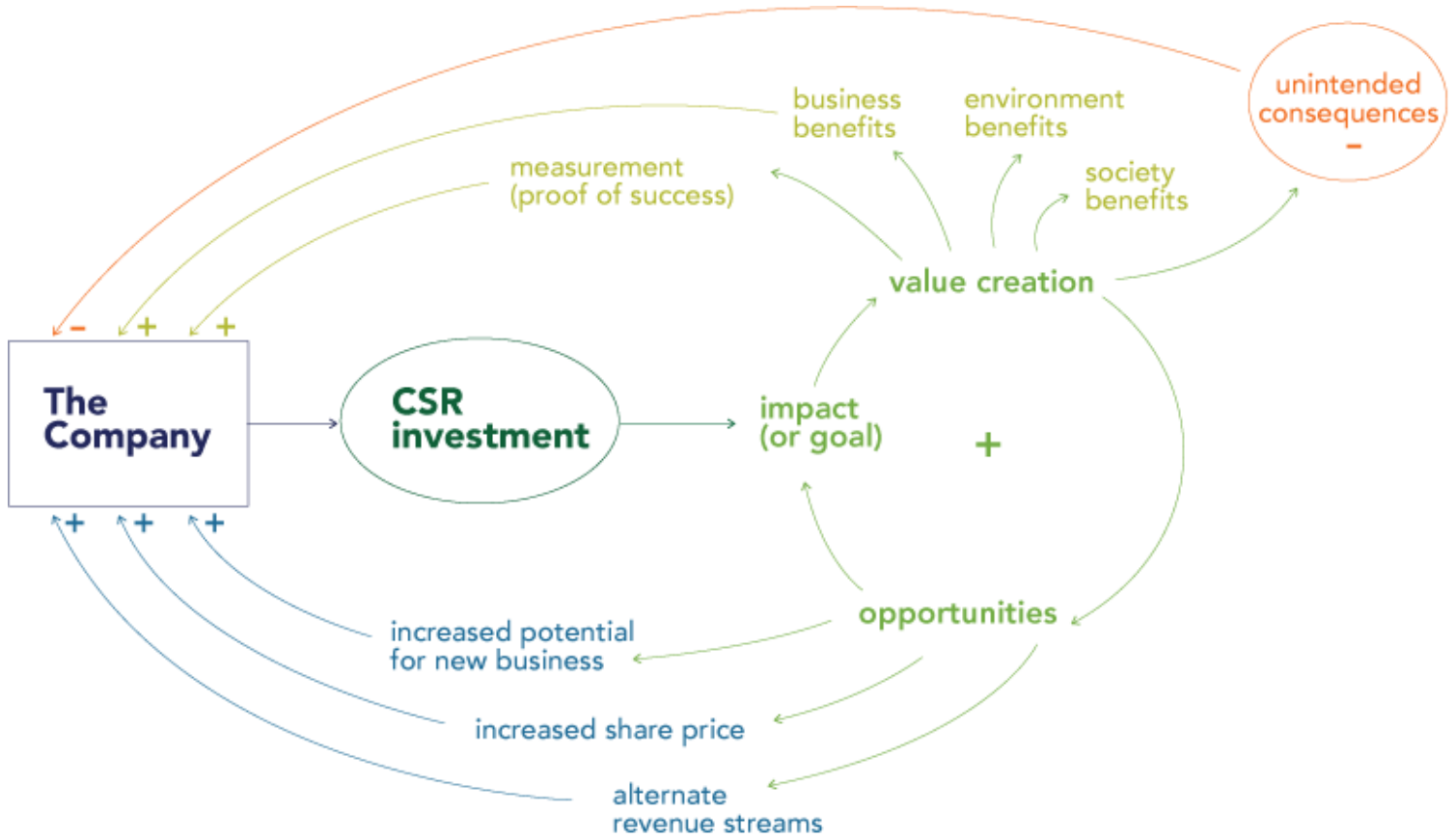


Figure 13.
The Effects of a CSR investment on a System

CSR Investment

Starting from the action of making a CSR investment that could be (but is not limited to) monetary or involve a policy change results directly in a feedback loop where CSR acts as a catalyst to make an initial impact or work toward achieving a particular goal or output. As a result of this impact, value is created and once value has been created, opportunities result that feed back into the goals.

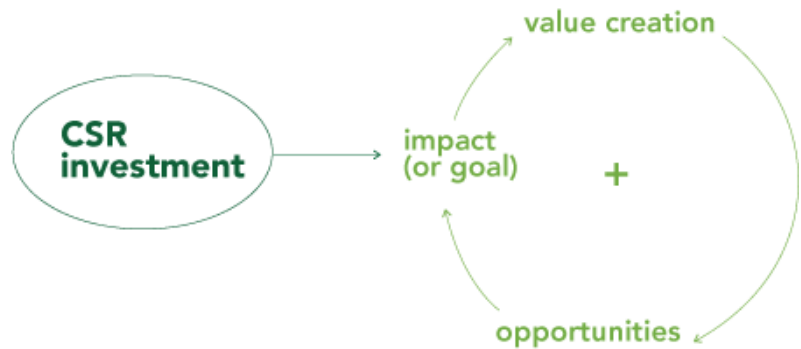


Figure 14.
Initial CSR investment entering the system

Value Creation

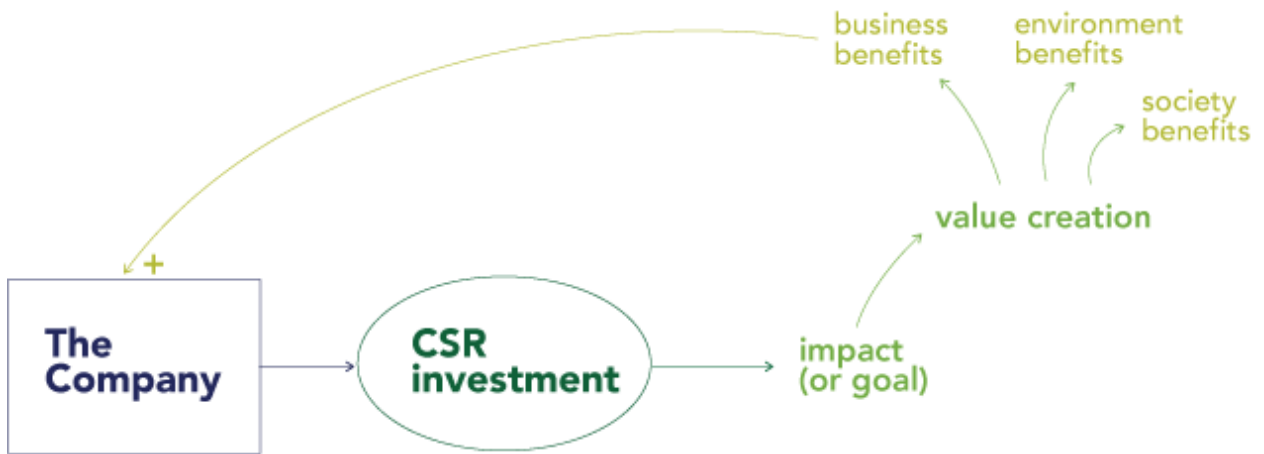


Figure 15. The effect of a CSR investment in creating value for the firm

The results of the impact of a CSR investment can be seen when value is created in one or all of the following ways: increased benefits to society, and the increased benefits to the environment, and increased benefits that flow back into the business. Formally addressing all three in terms of being accountable to people, the planet as well as profits is what is known as the triple bottom line.

When choosing a concrete goal (or theory of change) to work towards (for example, decreasing youth homelessness 25% in five years or committing to organic cotton in a supply chain), it is possible to create value or profit with purpose by being strategic and authentic about the goals and expected outcomes. (Haid interview)

Unintended Consequences

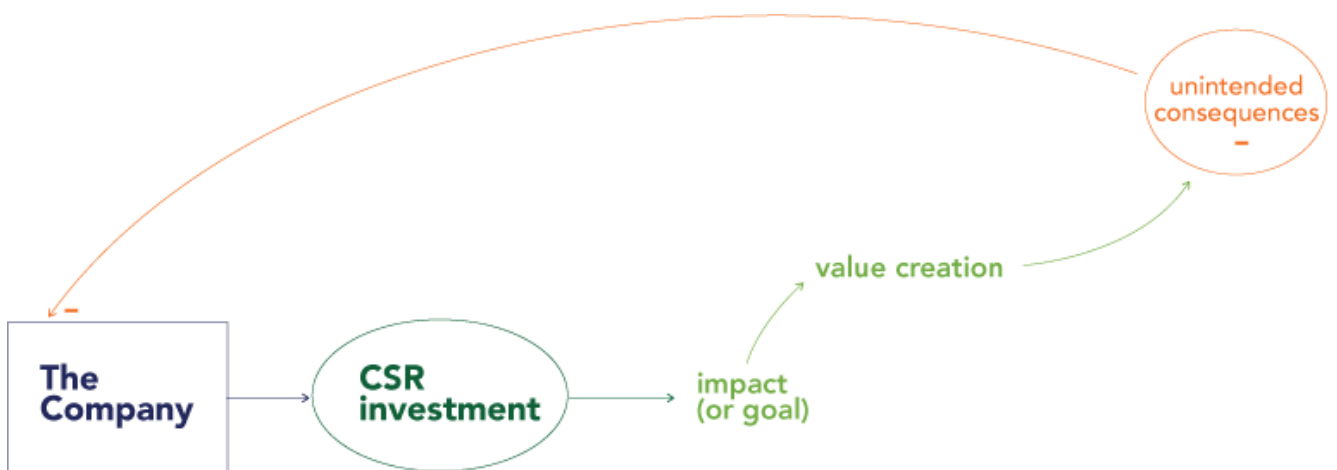


Figure 16. Value creation for the company may have unintended consequences for other parties

Not all good is good for everyone. There are times when making a CSR investment creates negative impacts that had never been considered. There are examples of companies who have tried to do well by doing good and have not only missed the mark, but created negative outcomes. TOMS shoes is one well-documented recent example where a company used a one to one (buy one, give one) model that unintentionally negatively affected people in the very countries they were trying to help. The unintended consequences will likely have a negative influence on the company until they address how their efforts are causing problems.

Another example of the negative impacts of doing good can be seen by looking at how used-clothing donations imported to sub-Saharan Africa significantly contributed to the decline of the textile industry. This affected not only a loss of jobs in the country but textile producers cite these imports as being one of the key barriers for growth (Frazer, 2008).

The Importance of Measurement

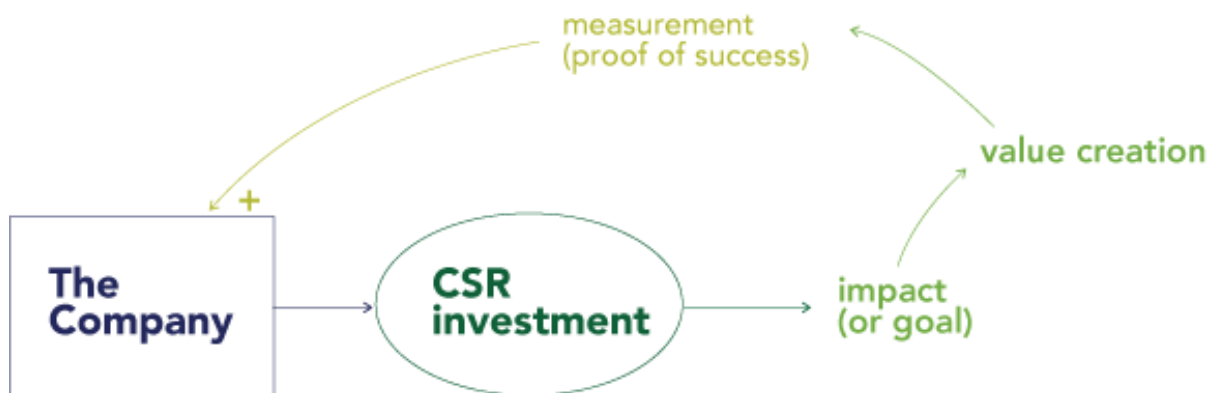


Figure 17. Measuring the value that has been created

CSR leaders need to report measurement information back to the business so key decision makers can see the impact of the investments. Effective measurement of the success of a CSR campaign in terms of outputs and (if possible) outcomes is crucial to proving the success of the investment. It is necessary to show shareholders and upper management that the efforts in this area are actually making an impact. When measurement can tell a compelling success story, the value flows back into the company.

However a lot of CSR impact is “tricky” to actually measure (di Buono interview, 2017), and in fact, most businesses would continue to do their CSR work regardless of the outcomes.

According to Dr. Dirk Matten, “In some ways, measuring the social impact of corporations is the Holy Grail at the moment. [Companies are] struggling because the metrics are not financial the way they are used to, and they therefore, have to adapt to qualitative and other measures that account for social impact.” (Matten interview, 2017)

Opportunities



Figure 18. Positive by-products or opportunities stemming from the original CSR investment.

Finally, an offshoot from the opportunities that occur with CSR investment is increased potential for new business, alternate revenue streams and ultimately an increased valuation (for public companies, higher share price), from which many associated benefits flow directly back into the company.

An example of this can be seen in Patagonia’s new used clothing site called Worn Wear. It was originally intended as a way to keep Patagonia gear in use a while longer, and to make gear more accessible to people looking for a lower price point. With \$1M worth of clothing sold in its first 6 months, it has grown into a “re-commerce” business with great potential (Beer, 2018). The title of Beer’s Fast Company article nicely sums up the potential opportunity CSR brings to a company: “How Patagonia Grows Every Time It Amplifies Its Social Mission.”

5.2 Insights

The results of illustrating the impact of CSR investments as a part of a system is threefold: first, it shows clearly that like most systems, this system is dynamic and has forces that play into and come out of the act of making an investment. Second, it shows that this investment has universal positive effects on other parts of the system. My research did not uncover any negative outcomes of CSR investments as long as these investments were made in an authentic way that was congruent with the business (Cai, Jo & Pan, 2011). However, it may be possible that I had a confirmation bias and did not look hard enough for negative outcomes.

Doing good needs to be linked (intrinsically or extrinsically) to every part of the business for the overall impact to be felt. Finally, this system map illustrates how these investments may even contribute to new lines of business or alternate revenue streams. In the following sections I will explain these insights further.

1. When depicted as a system, we see that the business, and the connection it has with a CSR investment is dynamic and has forces that play into and come out of the act of making an investment (see Figure 11)

The interconnectedness of how these elements come together tells a compelling story. The act of setting out to make an impact or working towards a goal by making some type of CSR investment, whether it is monetary, strategic or even through volunteering for a cause will have an influence on the business as a whole. As the impact of the investment is felt in the value that is created and the opportunities that arise, the positive outcomes that result will flow back to the company.

2. CSR investments can create positive returns throughout the system.

In this system, assuming that the business is acting in a genuine way and that the connection to the business in the chosen CSR investments companies is clear, (Ritchie & Haid interviews, 2017), the efforts will make sense to investors and most importantly appear genuine and resonate with customers.

Possible value that could be created directly feeds back to the business in terms of increased revenue and share price, increased brand awareness, employee satisfaction and retention. The environment and society can be seen as benefitting as well

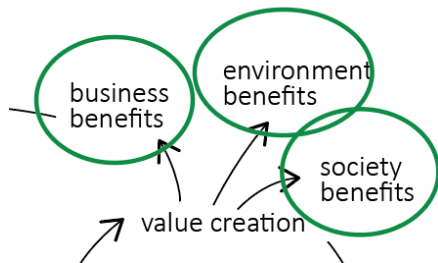


Figure 19. Positive returns in value creation

Possible opportunities that a CSR investment might bring about include: increased share price, alternate revenue streams and increased potential for new business.

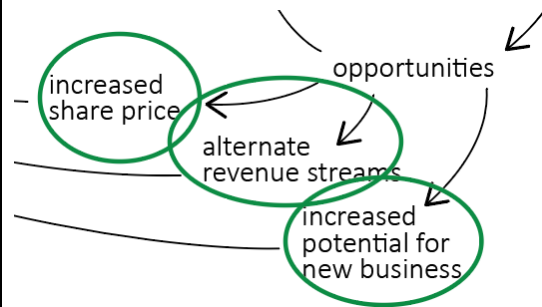


Figure 20. Positive returns through opportunities

3. Unintended consequences might undo all the good a company is trying to achieve.

Without proper consideration of all the lives your solution has the potential to affect, you do both the people you are trying to help and your company a great disservice. Sufficient research, consultation and follow-up with the communities you are attempting to serve must take place in order to help understand how best to help. It can be great arrogance to assume how to help a group of people without first laying proper groundwork.

This can be seen in the story shared by a former member of the non-profit Engineers without Borders. David Damberger was working in Africa to help fix a gravity fed water system commissioned by the Canadian Government. 81 out of 113 taps were not working because no one had considered how to maintain the infrastructure (parts were expensive and difficult to acquire and special training was needed to install the parts). Additionally they were told that, ten years earlier, and not 30 feet away, the American government had also built a very similar gravity-fed system that had also broken down. No one took the time to understand the actual long-term needs of the beneficiaries, or took a closer look at what was happening on the ground level (Damberger, 2011).

4. CSR investments may increase the bottom line in unexpected ways.

CSR investments such as those that Patagonia makes are creative and numerous. For example in 2017 they gave out 984 grants to environmental groups including many in Ontario. Starbucks is providing 100M trees to farmers by 2025. Canadian Tire has pledged \$50M over 5 years to get kids with disabilities included in Jumpstart's

commitment to getting kids in need involved in physical activity. While these efforts are in keeping with the mission of each business, when you test-run each investment through the system diagram, we can see the overall positive effects that each investment has overall on each respective businesses.

Throughout this project I have sought to learn how CSR investments increase a business' bottom line. What I have learned is that CSR investments do indeed increase the bottom line but not only in the ways one would expect. There is no definitive way of measuring the impact because so many qualitative factors are in play. Rather than being able to say equivocally that a business can make X% more profits because of \$Y in CSR investment, instead I learned that companies are able to track other more measureable elements: employee acquisition, retention and satisfaction; NPS ratings and brand awareness numbers; propensity to buy. These elements all play into an overall picture of what success looks like (di Buono & Ritchie interviews, 2017).

In addition to using the above measures, Profit with Purpose advertising CEO Phillip Haid says that his firm combines both standard business measures with social measures to “tell a more unique, robust and ‘profit with purpose’ story”. The list below shows those social measures alongside the business ones.

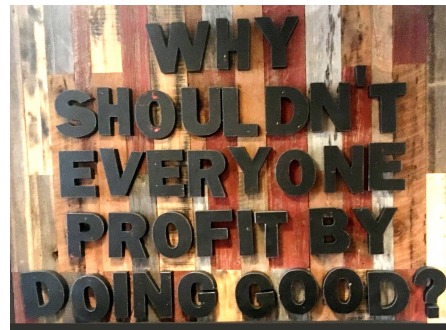


Figure 21. Sign in Public Inc.'s lobby

Business measures

- Sale of products/units sold increase
- Increased customer engagement
- Overall increase in sales from the same period in previous years
- Acquisition of customer
- Brand consideration
- Retention of customer
- Survey results

Community impact measures

- Total number of people engaged
- Actions taken (petitions, attend a workshop)
- Meetings with key decision-makers
- Organizations funded
- Lessons learned from specific engagements
- Views of videos/ads (to get a sense of reach)
- Social media mentions, posts and shares
- Stories generated (bloggers and traditional media)

(Haid email, 2018)

Having a way to measure social efforts may not matter to the frontline people doing the good (di Buono interview, 2017), but measuring it is important proof of the overall impact (Haid interview, 2017).

5.3 Overall findings and insights

Measurement of how investments affect a company's bottom line was a key topic explored in the interviews and case studies that I conducted. I asked interview subjects about what they knew about their social measurement practices. In a discussion on how JumpStart charities impact Canadian Tire's bottom line, Marco di Buono, AVP, Operations and Programs said that the charity (JumpStart) would be sure to get "teased apart as one of the enablers [for Canadian Tire doing well]...but how much are you going to be able to say it directly contributes to the bottom line? I don't think you are ever going to be able to get to that point." We agreed that when CSR efforts are seen as intrinsically linked to all areas of the business, including the suppliers, CSR becomes part of the corporate DNA. This means that the bottom line is always being affected by CSR investments as its positive effects can be seen playing out throughout the system.

The many ways in which businesses can qualitatively measure so much of customer behavior and appetite, coupled with the considerable academic attention that this debate continues to receive, indicates that opportunity is ripe for an innovation. Perhaps an algorithm might be devised to accurately perform that intricate "teasing apart" of profit and purpose. This idea and others will be expanded in the following chapter.

Implications and building on this study

6.1 Implications

As previously stated, this project is about trying to understand a company's capacity to make a social impact by investing in external projects. This project is also about showing whether a CSR investment can ultimately influence the company's bottom line and possibly create unexpected opportunities.

The three major questions I explored are listed here, along with the results and implications of my findings:

1. Does doing good for society help improve profits and share-prices in the long run?

Throughout this paper I have discussed many alternate ways to qualitatively measure the impact or outcomes of a CSR investment. These alternate ways are as follows: tracking employee acquisition, retention and satisfaction, tracking NPS ratings and brand awareness numbers and tracking customer propensity to buy. These examples work to paint an overall picture of CSR efforts leading to successful brand awareness. However we still are not able to say definitively that an investment of a certain dollar amount in CSR will improve profits and share prices by a certain percentage or amount to a certain type of outcome.

Many of the articles I read on CSR asked a similar question: though CSR may be good for society, does it pay? The answer is YES. Research shows that with proper strategic attention to the intended theory of change and sufficient investment, a company's CSR investments can support returns related to share price and market value, employee retention and acquisition, sales and revenue and finally, reputation and brand (Rochlin, Bliss, Jordan & Kiser, 2015 & Brest, 2010). We also know that CSR does create value when it is focused on primary stakeholders, but it also has an insurance effect when used in a wider context (Bosch-Badia, Montllor-Serrats & Tarrazon, 2013).

It must be said that there are still conflicting viewpoints on whether CSR investments truly pay off. With diligent measurement and clear communication of all the types of value and opportunities, CSR managers will be able to accurately report how CSR investments actually are improving business success.

2. How is the impact of the CSR investment measured?

The impact is being measured in a variety of ways. I found that Net Promoter Scores, employee satisfaction survey results, propensity to buy results, and brand awareness and authenticity levels were some usual measurements that companies

use. Proprietary measurement tools are also being used but these are less common. My research shows that measurement tools are quite traditional and that these marketing-based techniques and metrics have been used for more than 30 years. Companies have to adapt and be open to new methods of measurement that can account for social impact (Matten interview, 2017).

Different companies measure different things that impact their specific goals. From the number of people helped to the amount of money or grants disbursed, these numbers and amounts are all relatively straightforward to track. It is the following through to measure the impact where the challenge lies.

I found that some companies do not actively seek to measure the impact of the good work against their bottom line. I also found that details of CSR efforts might not get effectively communicated out to the broader company. In both cases there is a missed opportunity to share in the goodwill that is being created.

3. Can the intrinsic qualities of doing good be measured?

The short answer to this question is YES. Even though there is no quantitative measurement for what it means to do good, if we look for an answer using a humanitarian lens, we can see that the money saved by proactively investing in doing good for employees, helping in the community and improving the environment is incalculable. You cannot put a price tag on the importance of investing in the people and places that allow your business to succeed.

One very compelling measurement example is employee attrition, retention and acquisition. The cost of losing an employee and the time delay in replacing him or her creates not only a loss of productivity, but has a dollar figure attached to it. Employee retention is a key cost-saver. Attrition is expensive and the cost to companies to replace that person is great. In a 2008 study, costs associated with this started at \$12,000 USD per employee (Tracey & Hinkin, 2008) and it was significantly higher for upper level staff. When a company is doing good things in terms of CSR, employees stay motivated, are more productive and want to stay working there longer. (Weber, 2008)

Throughout my research it has become clear that when giving efforts are intrinsically linked to all areas of the business, including employees and suppliers, it becomes part of the corporate DNA. Once the linkages are clear throughout the business, policies can be put in place to promote the inherent qualities of doing good and use qualitative measures to measure the impact.

6.2 Opportunities

Three ideas have stood out for me as actionable opportunities for companies to either implement or invest in.

1. Creatively use technology to enhance measurement techniques

The same measurement practices have been used for more than 30 years and while there are private, proprietary tools that can be leveraged, there are opportunities within the technology sector to design a better way to measure impact. We have access to an unprecedented amount of data and increasingly sophisticated and powerful technology. There is tremendous potential to utilize emerging technology, including AI (artificial intelligence) to more effectively and intelligently track and monitor what we are already measuring and gain deeper insights. By examining how we might disrupt traditional methods of measurement we might come up with an innovative and accurate method for measurement. This area is ripe for innovation and disruption.

2. Put a value on CSR goals by tying outcomes to compensation

Tying financial compensation directly to metrics related to social performance is an idea that is gaining in popularity. Bryan Hong of Ivey Business School has done much research that shows this will work. He sees that incentives for CSR are effective tools to be used in compensation plans for management. If a firm provides financial incentives for social performance goals similar to the incentives for standard performance goals, managers are very likely to work just as hard to achieve the social goals as they would to achieve the more traditional ones (Hong, 2017). Imagine if senior executives had social impact on their bonus scorecard how much more care and attention this space would receive. Putting a value on CSR goals makes a big difference. It also makes sense that managers would be more likely to pay more attention to improving the performance metrics of the projects and efforts that they are compensated for (Hong, Li & Minor, 2015 & Hong, 2017).

Hong goes on to say that with this type of compensation both stakeholders who want to see improved social performance, and shareholders who are still concerned about their return on financial investment, can equally reach their goals (Hong, 2017).

3. Include CSR efforts in the bigger-picture corporate strategy

If we broaden the above opportunity and bring Social Impact goals to the bigger picture corporate strategy, there is further incentive and expectation to focus attention on the outcomes. When Social Impact is tied to overall corporate success, opportunities increase to both do good and do well (see Figure 13, System Map of The Effects of a CSR investment on a System).

6.3 Building on this study and recommended future research

This project uncovered some possible areas for future research. A particularly interesting idea is tying CSR efforts to employee compensation. With the extra attention on it, CSR results could be even more successful. Conducting another set of case studies based on a formal theory of change model would also be interesting and helpful as the intent for impact could be more strategic and the results might be more measurable. Another idea is to conduct a futures study that would look at what might happen if the current model of CSR somehow went away, either through economic downturn or policy change. By choosing different models to use for measurement and comparison there might be an opportunity for measurement to be more accurate and finally making an effort to better utilize emerging technology including AI.

Choose different models to use for measurement and comparison

Look at redefining the relationship between CSR, CSP and CFP (Corporate Social Responsibility and Performance and Corporate Financial Performance). This might make measuring both more effective and more possible to do in a more direct way.

According to van Beurden and Gossling, Social Responsibility (CSR) is not a variable – that is, how does one measure “responsibility”? However, Social Performance (CSP) can be turned into something that can be measured, and thus helps link CSR more accurately back to the business. Financial Performance (CFP) is traditionally what is tracked the most carefully and research shows that the relationship between CSR and CFP has evolved from no or low connection to having a positive connection and that CSR positively impacts CFP in the long run (Bosch-Badia, Montllor-Serrats & Tarrazon, 2013). With that, I see potential in finding a way to align these three measures.

Theory of Change

Further research might look at developing a formal theory of change plan for corporate social responsibility working with one or more of the case study subjects. By developing metrics for measurement further research might help prove that CSR investment is key to business success.

What might happen if CSR goes away?

What might happen if companies decide not to invest in CSR efforts anymore? During times of economic downturn, if there were to be no budget for CSR investments how might this affect a company’s success? It is a valid concern and possibly a cautionary tale. Big names like Harvard’s Michael Porter and Unilever’s

Paul Polman understand that big business has the potential to solve the world's most pressing social problems, so if their efforts stop, where does that leave us? I envision this particular topic to be appropriate for a futures project that could make use of scenarios.

6.4 Conclusion

In this study, CSR investments have been shown to contribute positively in many ways to both the company that is making the investment and to the parties (society, the environment) that benefit from the investment. Through a literature review, case studies, interviews and system diagrams it is clear that doing good is indeed good for business. Accurately measuring the impact, outputs and outcomes and tying the CSR investment to increases in a company's bottom line continues to be a challenge.

By creatively using technology to enhance measurement techniques and possibly tying social impact outcomes to compensation, there are opportunities to put new measures, incentives and behavioural influences in place. Being able to prove that CSR investments help earn companies more money will ultimately strengthen the argument for investing further in this space. In the long term this will help strengthen the case for getting businesses involved in helping solve some of our world's most pressing social problems.

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Case study corporate websites:

Canadian Tire JumpStart Charities

History: <https://corp.canadiantire.ca/English/about-us/default.aspx>

About JumpStart: <http://jumpstart.canadiantire.ca>

2016 Annual report:

http://canadiantire.scene7.com/is/content/CanadianTire/CTJS_AnnualReport2016_enpdf

Patagonia

CSR: <http://www.patagonia.com/corporate-responsibility.html>

Environmental + Social Initiatives Booklet 2017 (in lieu of an Annual Report):

<http://www.patagonia.com/enviro-initiatives-book.html>

Starbucks

CSR: <https://www.starbucks.ca/responsibility>

2016 Annual report:

https://s22.q4cdn.com/869488222/files/doc_financials/annual/2016/FY16-Annual-Report-on-Form-10-K.pdf

Sun Life Financial

History:

http://cdn.sunlife.com/static/global/files/about_us/History/page_History_of_SLF.pdf

2016 Sustainability report:

http://www.sunlife.com/static/Global/In%20the%20community/Sustainability/SLF_Sustainability%20Report_EN_2016.pdf

2016 Annual report:

<http://www.sunlife.com/Global/Investors/Financial+results+and+reports/Annual+reports>

Appendices

Appendix A: Interview Questions for Phase 1 (CSV focus)

Asked in person to Chris Denys, Lisa Ritchie and Phillip Haid

1. Could you please describe what it is you do within your organization?
2. Are you aware of the economic term “Shared Value”?
(we need to establish a mutual understanding of the term, the meaning and business impact)
 - If they know it I will ask them to outline their understanding of this term.
 - If they don't, I will tell them.
3. Are you aware of any examples of shared value happening in companies that you follow? Companies like Starbucks, Walmart or Nestle?
 - If they are aware I will ask them to tell me what they know
 - If they are not I will relay to them the a shared value story from Starbucks. Conversation should flow from here.
4. Are you aware of any examples that have happened or are happening in your own workplace or situation you are privy to?
5. Are you aware of any examples where shared value could have been a viable solution but another route was chosen?
6. Can you think of any areas in your current business setting where shared value might be integrated?
7. Do you think senior management would embrace this sort of directive if it meant an initial investment for future gain?
8. Do you think that shared value can be a grassroots project coming from within a business, or must it come from the top?
9. (for Phillip Haid) What are some of your favourite examples of shared value that you see? Any Canadian examples?

Appendix B: Interview questions for Phase 2 (CSR)

With Scott Fraser, Marco do Buono

My research topic is about the power of doing good. Specifically I am looking at companies that do good and how doing good impacts their business success.

I am comparing CSR and Philanthropy efforts that are performed separately from daily business vs. social impact efforts that are integrated throughout the business strategy and see where Canadian Tire's efforts are located. I am not going to be making judgments at all. I am interested in painting a picture of the corporate giving/advocacy landscape and whether doing good helps companies to do well, and how that is measured.

1. I am very interested in hearing about the Jumpstart model. How is it different from how other charities operate?
2. Please help me understand how/whether your colleagues are expected integrate this program (or other philanthropy/sponsorship/CSR efforts) throughout their lines of business. Is it part of the national strategic plan coming from Head Office?
3. How do you measure the success of Jumpstart? What criteria do you use?
4. What is Jumpstart's impact on CT's bottom line?

