Major Companies Group and Youth Oriented Corporate Social Responsibility

July 2015
The Sustainable Business Council (SBC) presented to the Major Companies Group (MCG) on the “Welfare to Work” project in 2014. A survey was proposed to learn more about what MCG members are doing in the youth space and to identify opportunities for collaboration. This survey was conducted in 2015.

Members were asked to describe what they were currently doing in terms of youth orientated Corporate Social Responsibility (CSR), who they were partnering with and what they have learnt through the process.

This report presents the findings. The purpose of this paper is to better understand what is happening in terms of youth orientated CSR, provide commentary around innovation and best practice and identify gaps and opportunities.
Corporate social responsibility, youth and this report

Corporate social responsibility in New Zealand

The corporate social responsibility (CSR) agenda is continually evolving and over the past few years it has been gaining momentum in New Zealand.

An annual survey conducted by the Australian Centre for Corporate Social Responsibility (ACCSR), has been tracking the evolution of CSR in Australia and New Zealand for a number of years. Their recently published report State of CSR in Australia and New Zealand Annual Review 2015 indicates that New Zealand organisations are focusing much of their CSR efforts on environmental management rather than addressing social issues. In contrast, Australian organisations are starting to prioritise global social sustainability issues such as poverty, economic equality and human rights.

The findings of the ACCSR report demonstrate a level of optimism about the future of CSR in New Zealand and Australia. Organisations are starting to move beyond minimising their environmental and social impacts to look for ways to effectively engage with their stakeholders and understand their role in wider society. This is a positive sign and links to the findings outlined in this paper regarding how New Zealand businesses are addressing issues that impact young people in society.

This report

In 2015, MCG and SBC members were surveyed to explore how businesses are engaging in youth orientated CSR programmes. Of the 120 businesses surveyed, 54 provided a response. This report provides the findings from the survey and identifies opportunities and gaps.

The Ministry of Youth Development classify youth as 12-24 years, however the age band for youth was not defined for the survey and as a result a broader definition of youth was considered in the responses.

Many organisations are still grappling with how to implement CSR programmes in a way that adds value to their business and addresses the issues and needs of society.
Snapshot of respondents activities

Overview of activities
Respondents shared details on how they contributed to young people in New Zealand. This was through a range of activities. Most respondents took a combination of the stated approaches. Of the 54 respondents, 10 did not have CSR activities focused on youth.

There are various models to analyse the breadth and depth of how businesses contributed to young people and youth-related issues.

The model below (developed by Harvard Business School) maps the journey from Initiators, Integrators and Innovators. The size of the bubble indicates the amount of activities recorded for each activity (shown in light green).

Providing apprenticeships, work experience and/or participating in school or university career days have been shown differently (shown in blue). While this subset of activities are of clear benefit to young people and often form part of a CSR strategy, they are also aligned to HR recruitment objectives and as a result some respondents may not have disclosed these types of activities as they may not have thought of classifying them as CSR activities. Similarly, there is likely to be more employee volunteering than the data shows as some respondents may have chosen to omit reference to this if they did not feel that it directly related to youth even though it is likely that some forms of volunteering under a generalist programme would benefit youth.

Range of activities:

- Scholarships for students
- HR-related initiatives including career talks and open days, work experience, apprenticeships and internships
- Provision of cash (includes sponsorship and donations)
- Donation of products (in-kind) and services (pro-bono)
- Volunteering time and expertise (including governance roles)
- Creating programmes that are resourced and delivered by business directly to achieve community-based outcomes

Initiator
Organisations at the earliest stages of CSR. Organisations have traditional donor-recipient relationships.

Integrator
Organisations further along their journey. Organisations move to partnership stage – start to exchange resources through specific activities. E.g. pro bono, governance roles.

Innovator
Organisations focused on creating maximum value through CSR for both their organisations and their stakeholders. Partners mobilise and pull resources to create a new set of services, activities and resources unique to social issues.
Focus areas
Through extended national research, the big issues facing youth today were identified to include:

- **Youth Suicide**: New Zealand has one of the highest rates of youth suicide in the OECD.\(^1\)
- **Youth unemployment**: The youth unemployment rate is 2.55 higher than for adults and 13% of youth are not in employment, education or training.\(^2\)
- **Educational inequality**: One in five students leave secondary school without formal qualifications. For Pacific students, it is one in four. For Maori students, it is one in three. A higher proportion are male overall.
- **Teen pregnancy**: New Zealand has one of the highest rates of teen pregnancy in the OECD.\(^4\)
- **Poverty**: Around 25% of children (~270,000) live in poverty. It stifles educational achievement, reduces labour productivity and earnings ability and increases the costs of healthcare and crime.\(^5\)
- **Obesity**: Obesity which leads to ongoing health issues. About a third of children are overweight or obese and this is worse for Maori and Pasifika groups.\(^6\)
- **Bullying, family violence and abuse**: 1 in 4 young people have been bullied.\(^7\) 14% of young people report being physically harmed by adults on purpose.\(^8\)

Respondents shared details on where they are investing their resources. 31.2% of activity was on youth orientated initiatives directly related to their business, namely pipeline development (i.e. future-proofing workforce needs by supporting or providing a pipeline/bridge between study to employment for youth).

CSR is not making a mark on many of the big (and more socially uncomfortable) issues facing youth today, such as teen pregnancy, obesity and family violence – let alone there being a visible collective effort. In some cases, there was evidence of indirect linkages with key issues, for example contributing to wellbeing initiatives can support youth mental wellness and suicide statistics.

Businesses participating in youth focused initiatives were from a wide range of ANZSIC-coded industries. The vast majority fell into Professional, Scientific, Technical, Administrative and Support Services.

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Although there was only one business classified in the Construction industry, their list of partners were second highest. Overall, there was a large scatter in what industries were doing, both in terms of the type of activity and focus area – leaving no easily identifiable trends.

There did not appear to be any sophisticated partnering alignment between businesses to collaborate. This alone shows an enormous opportunity to do a lot more, in particularly by working together and driving innovative leadership in collaboration.

**Key partners**

Across the respondents, 140 different key partners were identified. Note there were differences in how the term “partner” was understood. There were many different types of partners, including charities, schools, tertiary, government and iwi. What was not clear was the nature of those relationships or how these relationships contribute to activities being initiator-based, integrative or innovative.

The most common partners were charities and local schools. The charity supported most by respondents was the Foundation for Youth Development (6). Of the industry training organisations, the Skills Organisation was partnered with the most (3). The University of Auckland also had a multiple mention rate (4). Otherwise, all other partners were mentioned only once or twice.

The question stands, what is “partnership”? A two-way relationship of building value and achieving outcomes or simply a donation of cash?

**Learnings**

In terms of what works in CSR activities, the most highly self-reported learnings included:

- Choosing an activity that aligns with core business
- Taking on a hands-on approach
- Providing long-term and ongoing support
- Working with existing groups/activities or build on existing relationships.

**Other success factors noted included:**

- Choosing the right partners with a robust selection process
- Having adequate time and resource dedicated to driving activity
- Having a shared cause
- Keeping it simple and not trying to do too much
- Being outcome oriented and responsive to needs
- Being evidence-based
- Thinking beyond corporate philanthropy – “it cannot be sustained”
- While it is important to involve the broader family in youth initiatives, it can also be challenging getting them involved.
Recommendations and next steps

The survey is a great starting point. If companies are willing to collaborate, more in-depth sharing of information, especially those investing in similar areas or with similar approaches would be beneficial.

RECOMMENDATIONS…

1. Target the **big, urgent issues** facing youth today – like the way businesses are engaging with youth unemployment. How about the more socially uncomfortable issues? Where are the biggest impacts?

2. **Get together, share learnings, collaborate.** What impacts exist beyond giving money?

3. Consider, are you an **initiator, integrator** or **innovator**? What impact are you capable of?

4. **Measure and evaluate.** What impact are you making?

5. **Commit to an annual survey of MCG & SBC youth CSR initiatives.** Share learnings and track progress through continuous reporting. How can you support a collective impact?

It was encouraging to see that businesses are investing in their communities, whether this is a small or large contribution. Most business appear to be on their own journey in terms of how they gave back – from local donations to creating sophisticated programmes. When considering CSR initiatives, it is important for corporates to think about how they can create value for both themselves and their communities (the notion of shared value). If businesses are serious about making a real difference for youth then we encourage them to be strategic in their approach by fully understanding the issue they want to tackle and partnering with the right organisations.

Respondents were willing to share their learnings, however a great deal more learning could be shared across companies – through a shared platform or facilitated discussions.

In terms of collaboration between companies, a collective impact approach would have the most influence. This approach would require consensus as to what the overall objectives and key issues relating to youth are. The survey identified some initial common areas of interest such as youth unemployment and poverty.

There is a real opportunity for businesses to come together and take a leadership stance to address the key issues facing young people today. Businesses need to decide whether they want to be an initiator, integrator or innovator.

One of the challenges in the youth and not-for-profit sector is that there is not enough evaluation of the impact of programmes. New Zealand has many unproven programmes where the anecdotal feedback is great, but there is no evidence as to long-term outcomes and impact. We encourage businesses to think about this when they choose to invest in the community. After-all, everyone wants to know that what they are investing in truly makes a difference. In other words, businesses should consider funding evaluation alongside funding programme costs. A programme that is evidence-based will also be much more sustainable.
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