

Stanford SOCIAL INNOVATION^{Review}

Canada Supplement
A New Model for CSR
By Valerie Chort & Hamoon Ekhtiari

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A New Model for CSR

BY VALERIE CHORT & HAMOON EKHTIARI

The private sector has come a long way with regard to corporate social responsibility (CSR) since Milton Friedman's infamous declaration in *The New York Times* in 1970 that "The social responsibility of a business is to increase its profits." That said, many corporations still default to surface-level actions when it comes to CSR. They pay lip service, donate funds at arm's length to one cause or another, or relegate most CSR activities to a small task-force. That's not enough. What's needed is an exponential increase in the number of businesses that commit to closing the "say-do" gaps between their brand narrative and core business operations. More companies need to broaden their approach to CSR, with the goal of achieving both business outcomes and system-level social change.

This is the journey on which RBC—Canada's largest bank—has chosen to embark. When the bank announced RBC Future Launch—a commitment to invest \$500 million to help young people prepare for the future of work by 2025—its senior leaders, working with the global innovation company Audacious Futures, began asking how they might reimagine corporate philanthropy and build a model for CSR globally in the process. What follows is a summary-level look at the five areas that we believe must be reimaged for a large corporation to begin to truly move the needle on societal issues.

1. PURPOSE

We invested considerable effort in selecting an issue that supported our purpose of helping clients thrive and communities prosper. We recognize that Canadian youth are set up to fail in the new economy. But prosperity for all Canadians is directly linked to our ability to prepare these young people to succeed. Moreover, RBC depends on young people on both sides of our business. We need young talent with the skills and capabilities to help us reimagine and grow our business, and we depend heavily on young people as clients and their reliance on our products and services for the lifecycle of their financial needs. When young people succeed, we all succeed.

VALERIE CHORT is vice president of corporate citizenship at RBC. HAMOON EKHTIARI is the founder & CEO of Audacious Futures, a global innovation engine for executives and high-net-worth individuals interested in reimagining the future and bringing bold ideas to life.

2. OPPORTUNITY ASSESSMENT

As we began applying a systems change lens to RBC Future Launch, one of the first things we realized was that focusing on program areas (practical work experience, career development, and 21st-century skills) could be highly counterproductive in achieving our ultimate goal. Insights from the 15 cross-Canada Youth Forums we held showed us that young people don't think in terms of those three areas. They think in terms of the stages of the journey they must go through, from getting the education and skills they need, to discovering their passions and purpose, to finding a job that will serve them well (and hopefully that they love). We're now segmenting our target audiences accordingly, identifying key stages in a young person's journey, and encouraging our community partners to focus on solutions that provide end-to-end, customized supports.

3. LEVERS FOR CHANGE

Donations and grants alone are insufficient to achieve systems change. We have come to understand that what's needed is a more-than-money approach, and access to flexible funding.

The value we bring is often what "money can't buy": our employees' energy and skills, our capabilities as one of the country's largest employers, our research depth, our marketing and communications teams' creative capabilities, the reach of our branches and regional teams, and the technical capabilities of our digital, technology and innovation teams. Our new approach involves tangible, practical tools for employees to engage, an investment in shaping the narrative around important public issues, and regionally customized implementation plans that fit the needs of the various markets where we operate.

Additionally, we expanded our approach to funding beyond donations so that we could invest the right type of support (grants, sponsorship, fellowships, loans, equity) in the best solutions, regardless of whether they came from charitable organizations, social enterprises, businesses, or individuals.

4. GOVERNANCE

Citizenship efforts are too often viewed as the full-time job of a relatively small corporate citizenship team, with the rest of the organization

participating in sporadic activities. To change that paradigm at RBC, we have begun developing a model that includes dedicated resourcing for citizenship engagement across all major business (customer-facing) units and all functional ones (HR, procurement, etc.) to drive ownership and participation across the organization.

As we began to engage more internal stakeholders, we realized that the resources necessary to bring the strategy for RBC Future Launch to life were spread across the organization, managed by 10 directors, five vice presidents, and three senior or executive vice presidents. So we set out to create a "one team, one dream" model, whereby one senior leader is ultimately accountable for integrated decision making while managing the stakeholder relationships across the many business units that are essential for the strategy's long-term success.

5. MEASUREMENT

Traditionally, most of our measurement efforts were customized for each funded program and primarily focused on input and output numbers such as dollars spent, number of participants, and number of organizations supported. That approach, however, made it difficult to measure the impact of our programs on participants.

To address that problem, we developed a new Impact Measurement Framework (IMF) that measures the social economic, environmental, employee, business, and brand impact of our initiatives and investments. The IMF provides a consistent way of measuring our initiatives and investments across our portfolio and a more meaningful view of our holistic impact. To ensure that the IMF is aligned with other commonly accepted frameworks, we drew on global reporting guidance, including the Sustainable Development Goals. Applied to RBC Future Launch, our IMF includes beneficiary-level metrics to capture the sustained change in preparedness for the future of work achieved through education, skills, and training, and will be used with every young person who participates in a program supported by RBC Future Launch, regardless of its content, location, or duration. The IMF also includes portfolio-level metrics such as an efficacy rate (to help us monitor the effectiveness of program delivery costs per outcome/impact produced).

We believe that RBC's mind-set shift and emerging approach has great potential—particularly for purpose-led organizations. Purpose instills strategic clarity, channels innovation, drives transformation, unites people, and builds bridges. Making CSR core to your organization's purpose will lead to transformational change and social impact. ❌