



The View from the Boardroom

- CEO Study on Corporate Social Responsibility in Trinidad and Tobago



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UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) TRINIDAD AND TOBAGO

UNDP is the UN's global development network, an organization advocating change and connecting countries to knowledge, experience and resources to help people build a better life. UNDP is on the ground in 166 countries, working with them on their own solutions to global and national development challenges. For UNDP, the local business community has become a true partner in development and has played a considerable role in national efforts of reducing poverty, fostering social cohesion and safeguarding the environment. Such private sector activities have become better known as Corporate Social Responsibility (CSR) and seek to utilise important synergy effects between business acumen, social outreach and civic engagement. In 2008, UNDP published a CSR Mapping Report and since then has been working with the private sector on several initiatives to deliver innovative solutions towards the achievement of the nation's development goals. This publication undertakes an As-Is diagnostic regarding the thinking about CSR and sustainability issues on the part of senior corporate decision-makers.

UNITED NATIONS VOLUNTEERS PROGRAMME (UNV) TRINIDAD AND TOBAGO

The United Nations Volunteers (UNV) programme is the UN organization that contributes to peace and development through volunteerism worldwide. Volunteerism is a powerful means of engaging people in tackling development challenges, and it can transform the pace and nature of development. Volunteerism benefits both society at large and the individual volunteer by strengthening trust, solidarity and reciprocity among citizens, and by purposefully creating opportunities for participation. UNV contributes to peace and development by advocating for recognition of volunteers, working with partners to integrate volunteerism into development programming, and mobilizing an increasing number and diversity of volunteers, including experienced UNV volunteers, throughout the world. UNV embraces volunteerism as universal and inclusive, and recognizes volunteerism in its diversity, as well as the values that sustain it: Free Will, Commitment, Engagement and Solidarity. In Trinidad and Tobago, UNV has focused specifically on corporate volunteering as a pro-active and skills-based approach of CSR that goes beyond traditional forms of philanthropy and charitable giving.



'The View from the Boardroom' CEO Study on Corporate Social Responsibility in Trinidad and Tobago

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Foreword

Over the past years, the United Nations Development Programme (UNDP) as an international development agency has been most vocal in its advocacy of the concept of Corporate Social Responsibility (CSR) in Trinidad and Tobago. Our position on the issue has been always based on our firm conviction that the Private Sector has a key role to play in matters of national development and that partnering with companies and business associations should form an integral part of UNDP's approach towards social development and poverty reduction. While government facilitation of CSR and its support for corporate sustainability within the local business community is an important element of mainstreaming CSR across sectors and industries – the signing of a joint project for the development of a national CSR Policy between the UNDP and the Ministry of Trade and Industry (MTI) in February 2012 illustrates the importance that the Government of Trinidad and Tobago assigns to its direct involvement - the extent to which companies have become involved in social and community development as well as environmental conservation depends crucially on the level of buy-in that CEOs and senior managers exhibit for the implementation of CSR activities within their own companies.

This report is the latest publication in a series of knowledge products through which UNDP has analysed and documented important developments in the area of CSR and sustainable management within the national stakeholder community over the past five years. While UNDP jointly with the then South Trinidad Chamber of Industry and Commerce (STCIC) provided a pioneering situation analysis on CSR in Trinidad and Tobago with its 2008 CSR Mapping Report, subsequent publications such as the 'Roadmap to Corporate Volunteering – 6 Steps Towards an Employee Volunteer Programme' focused on specific facets of the sustainability theme. The opinions, viewpoints and personal experiences of CEOs will crucially inform their decision-making with respect to budgetary allocations, integration of sustainability issues into overall business strategy and to the utilization of CSR-specific criteria within the context of individual performance appraisals to name but a few. The survey and



the interviews conducted among senior managers show that while some progress has been made since the publication of the 2008 Mapping Report, the need for a stronger alignment of CSR with core business processes remains the most formidable challenge for companies in Trinidad and Tobago. The continuously strong focus on charitable giving and philanthropic engagement makes the lasting "reconciliation of the strict profit motive and a motive that might be viewed as more altruistic and being done to satisfy society" as described in the words of bpTT President Norman Christie more difficult. Other findings suggest a promising change in attitudes and point at new avenues for partnering and implementation. The fact that an overwhelming majority of CEOs welcomes the involvement of the government in CSR is an encouraging sign that new forms of public-private partnerships may be coming to fruition in the foreseeable future.

At UNDP, we hope that this report will provide useful information about the level of CSR 'sensitization' in T&T boardrooms and generate food for thought and discussion on the broad range of issues that form the basis for the concept of modern sustainability. Particularly with the newly gained momentum on the part of the government seeking to utilise CSR to increase the attractiveness of Trinidad and Tobago as an investment destination, an insight into the thought process of senior businessmen and businesswomen on questions of sustainable management can only improve the quality of both discourse and conceptual solutions surrounding CSR. This report will make an important contribution to the ongoing process of developing a national CSR policy enhancing its research base and filling a significant knowledge gap about the thinking of senior managers with regard to business ethics, sustainable entrepreneurial practice and corporate social investment.

A handwritten signature in blue ink, appearing to read 'Marcia de Castro'.

Dr. Marcia de Castro
UN Resident Coordinator and UNDP Resident Representative
UNDP Trinidad and Tobago, Curaçao, Suriname, Aruba and
Sint Maarten

Preface

Four years after the publication of the ground-breaking UNDP/STCIC CSR Mapping Report, the 'strategic challenge' of integrating sustainability criteria into corporate identity and to embed social and environmental commitments of companies into their value chains remains the most significant developmental issue in the promotion of Corporate Social Responsibility (CSR) in Trinidad and Tobago. This report seeks to shed some light on the extent of progress made over the past few years, contrasts local attitudes and approaches with those in other countries and understands senior managers – CEOs, Managing Directors and company owners – to be among the most important internal driving forces for mainstreaming CSR in any market environment. More than 55 corporate leaders from small, medium and large enterprises were interviewed for this study and the comprehensive character of these conversations is reflected in the broad range of issues that formed part of the discussions. CEOs shared their thoughts on industry-specific issues and challenges, talked about the preparedness of their staff to get engaged in community projects and provided information on the implementation of global CSR mandates to name but a few.

It is the positioning of CEOs towards important CSR-related issues such as the role of government in developing regulatory standards for sustainability or the partnering of corporations with nonprofit organizations that helps to drive the discussion among stakeholders and provides some indication as to the direction that the development of CSR is taking. This report has confirmed once again that Trinidad and Tobago's business leaders are broadly in support of CSR as an integral part of their business proposition but the study also reminds us that the view of CSR as being primarily a challenge of reputation management continues to dominate the discourse among stakeholders. The continuously strong charitable and public-relations character of CSR points at an approach towards sustainability that focuses on external expectations and on the way a company, its operations and its financial 'generosity' are being perceived by other actors in society rather than as a social commitment and 'philosophy' that is driven by the notion of 'corporate

citizenship' complete with obligations and rights and based on the idea of a social contract.

The Private Sector is a key stakeholder in the global effort to eradicate poverty, support social development through economic growth and build social capital through strategic community investment. For UNDP Trinidad and Tobago, CSR is one way of mobilizing such enormous potential for the achievement of the Millennium Development Goals (MDGs) and a medium to explore common ground and to identify shared interests between international development agencies and Corporate T&T. The multifaceted nature of CSR enables companies to become engaged in social and environmental causes on different levels utilizing different delivery vehicles to reach the greatest number of audiences in the most effective way. In particular, the area of corporate volunteering has gained in popularity among business owners in Trinidad and Tobago in recent years and employees of various companies both national and multinational have become a permanent feature of community development making regular contributions towards MDG realization through their 'sweat equity'.

What is clear is that further research, regular surveys and continuous opinion polling among corporate leaders is needed to highlight future developments, measure progress and sharpen our understanding of CSR in Trinidad and Tobago. A refined appreciation of sustainability issues will also assist stakeholders in determining possible entry points for additional advocacy initiatives and intensified private sector engagement. This report is an attempt to maintain the momentum that underlies the national discussion on CSR and to strategically broaden the discourse about its constituent elements by shifting the conversational focus firmly towards the members of the boardroom to get a sense of their thinking about the role of companies in society.



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Participating CEOs



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Republic Bank



Emile Elias
NH International
(Caribbean)



Eugene Tiah
Phoenix Park Gas
Processors



Charles Percy
Methanex Trinidad



Brian Awang
EximBank



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Ian Chinapoo

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Dave AQUI

Jusamco

Rikhi Rampersad

Deloitte & Touche

Eric Kipps

JARIC

Ron Milford

Unipet

Indu Sharma

GDF Suez

James Wilkins

Fluor Trinidad

Dennis Evans

Citibank

Stanley Temprow

BONSAL Caribbean

Ali Khan

Hilton Trinidad

James Smith

McCann Erickson

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Acronyms

ATM	Automated Teller Machine
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
FCB	First Citizens Bank Limited
MDGs	Millennium Development Goals
MLSME	Ministry of Labour and Small and Micro Enterprises
MTI	Ministry of Trade and Industry
NCC	National Carnival Committee
NGO	Non-governmental Organization
SERVOL	Service Volunteered for ALL
SME	Small and Medium Size Enterprises
STCIC	South Trinidad Chamber of Industry and Commerce
TTMA	Trinidad and Tobago Manufacturers Association
UN	United Nations
UNV	United Nations Volunteers Programme
UNDP	United Nations Development Programme



Executive Summary

Over the past thirty years, Corporate Social Responsibility (CSR) has become an established feature in boardrooms across the world. Trinidad and Tobago has not remained unaffected by such developments and the Private Sector's contribution to social development and environmental programmes has profoundly changed the developmental landscape between Port of Spain and Sangre Grande, Arima and San Fernando, Point Fortin and Tunapuna. Similar to its role in increasing the corporate appeal of CSR in other parts of the world, particularly the larger consumer markets in North America and Europe, the boardroom also played a crucial role in driving progress, sensitizing publics and mobilizing workforces in support of the cause of sustainability in the English-speaking Caribbean's strongest economy. Securing buy-in of senior managers, company owners, chairpersons and CEOs for corporate social outreach activities are crucial pre-requisites for the development of durable corporate structures that would facilitate the implementation of CSR programmes. Without the backing of senior management for their companies' involvement in CSR-related issues such as social impact investment, employee volunteerism, charitable giving, civil society partnerships and support for codified standards of corporate ethics, Trinidad and Tobago's Private Sector would have been unlikely to broaden its approach towards defining its relationship with wider society.

The extent to which CSR was practised by T&T-based companies was first captured in 2008 when the UNDP in partnership with the then South Trinidad Chamber of Industry and Commerce (STCIC) produced a mapping report that painted the following picture of CSR in Trinidad and Tobago:

- Focus on Philanthropy, Charitable Giving and Public Relations
- Existing programs not aligned with national development goals
- Limited involvement of government in the practice of CSR
- Limited collaboration with Civil Society
- Little evidence of strategic planning
- Limited awareness of the business benefits of CSR

Four years later, the findings of the CSR Mapping Report provided the backdrop for this CEO report presenting a benchmarking tool that facilitates comparative analysis and helps to capture progress as well as regress and stagnation of mainstreaming sustainability in Trinidad and Tobago. In particular, the question about the strategic nature of CSR and its closer and more programmatic alignment with a company's commercial operations featured prominently in both reports documenting the extent to which the business community had moved away from the practice of financial hand-outs towards more direct involvement in internal and external forms of CSR. The results of this survey can be summarised as follows:

Strategy

- **Little evidence for a substantive shift towards more strategic forms of CSR:** While CSR has undoubtedly become a more familiar feature within the local business community with a high level of acceptance of the idea and concept behind the practice, the commitments made by senior managers towards corporate social engagement remain largely philanthropic in nature. More than two-thirds of all respondents name charitable giving and events sponsorship as the areas that their CSR outreach was most reflected in.
- **Continuously strong focus on public relations and reputation management as main drivers of CSR:** A further indication of the unchanged philanthropic nature of CSR in Trinidad and Tobago is the fact that an overwhelming 96.8% of all CEOs interviewed for the report named brand, trustworthiness and reputation as being among the most important drivers for their CSR activities. Only 11.4% mentioned increased competitiveness as a motivating factor for their social engagement.
- **Strategic planning still remains an underdeveloped tool of managing CSR embraced by only half of all CEOs:** A mere 51.4% of all CEOs interviewed for the report used a CSR Strategy in their corporate operations. This suggests a rather modest level of integrating CSR activities into the business planning framework. Such relatively weak readiness for strategic planning somewhat contradicts the assertion made by 82.4% of all respondents that CSR was “critical for the future success of the business”.
- **The link between CSR and bottom line performance remains subject to speculation and guess-work rather than being examined through empirical research:** 94.3% of all CEOs went on record as saying that their companies have never investigated the nexus between CSR and the financial and market performance of their businesses. The apparent lack of interest in measuring the economic impact of CSR makes the evidence-based allocation of resources for corporate social investment difficult and throws the strategic nature of CSR further into question.
- **Reporting on CSR activities has not experienced any significant improvement:** Only 50% of all CEOs interviewed confirmed that their companies reported on their sustainability management. This suggests a widespread lack of disclosure and a rather unsatisfactory level of transparency and accountability as share- and stakeholders are being left without information regarding compliance with international standards of sustainability and ethical behaviour.
- **Most CEOs do not provide financial incentives to manage performance of their senior managers in the area of CSR:** Only 14.3% of all CEOs acknowledged the strategic importance of CSR and the relevance of sustainability issues for their company’s commercial success by linking the remuneration of senior managers with their CSR performance. In other words, raising one’s company’s public profile as a socially responsible corporate citizen by deepening its societal commitment through successful management does not ‘pay off’.
- **Promoting CSR through supply chain management is popular in theory but carried out in practice by only half of all companies:** The majority of CEOs (97.1%) have stressed the importance of suppliers and contractors for the promotion of CSR saying that the latter should be practised through the entire supply chain. However, being asked if their companies are *actively* seeking to implement sustainability criteria through their supply chain, the number of ‘doers’ significantly decreased and only 53.1% of all CEOs replied in the affirmative.



Drivers

- There is broad acceptance by CEOs of government involvement in CSR:** Two-thirds of all CEOs (75.8%) embrace the idea of government intervention driving CSR. This suggests a certain change in the traditionally dominant view of the business community that CSR should be based on the voluntary commitment of companies given that government intervention can lead to both incentivisation and the imposition of legally binding regulatory frameworks. Acceptance of government involvement includes the development of a national CSR policy, something that 88.6% of respondents would welcome.
- CEOs are keenly aware that often their CSR commitments and their societal outreach makes them corporate actors that effectively deliver social services previously provided by government:** Business leaders are mindful of their role as private sector entities involved in social development when assisting the government with the delivery of basic services to vulnerable groups in society. 68.6% of CEOs think it to be a correct assertion that they are 'doing the government's job' by getting engaged in CSR.
- In the eyes of CEOs, consumer attitudes in Trinidad and Tobago are, compared to other countries, less effective in bringing about a stronger compliance of businesses with ethical principles:** Only 48.6% of CEOs think that a company's social reputation is an increasingly important factor in influencing consumers' purchasing decisions. Such cautious attitude towards the potential pressure generated by consumers is also reflected in the 85.3% of all CEOs who believe that social and environmental concerns would influence consumer behaviour to a lesser extent than in other markets. And only 11.4% of respondents named consumers to be among the main drivers for CSR.
- CEOs believe that the workforce is an essential driver for CSR that would prompt them as senior corporate decision-makers to become active in the field of sustainability:** The focus of CEOs and company owners is firmly on their employees when being asked to identify the most important factors underlying their 'boardroom' decision-making on CSR. 71.4% of all interviewees mentioned the area of employee engagement – comprising internal CSR and corporate volunteering – as a top consideration in the way their decisions on CSR activities are being made.

Civil Society

- The voluntary and non-governmental sector remains relatively weak in its attractiveness as a partner for private companies in the implementation of CSR programmes:** Only 37.1% of all respondents mentioned Civil Society as a key driver for CSR in Trinidad and Tobago. Interviews with CEOs have shown that corporate support for NGOs exists but that limitations in the organizational capacity of nonprofit organizations and their often significant overhead costs has led to a situation in which only a few NGOs have become regular partners for private businesses.

Corporate Volunteering

- The personal commitment and previous involvement of CEOs in activities of corporate volunteerism does not necessarily translate into a greater degree of 'professionalization' of volunteer management:** The majority of CEOs have previously volunteered as private individuals (85.7%) as well as in their role as employees before joining the 'boardroom' (91.2%). This level of personal involvement would suggest that the majority of companies in Trinidad and Tobago had established a formal corporate volunteer programme as a consequence. However, only 37.1% of all CEOs said that their companies operated an official employee volunteer scheme.

Definitional Questions – CSR and Sustainability

There are as many definitions of the concept CSR as there are authors and analysts. Approaches towards explaining and defining the idea of corporate societal commitment underwent multiple adjustments and changes throughout past decades and the advent of conservationist principles and environmental concerns broadened the thinking about the Private Sector's commitment to the public realm. Originating in North America and being dominated by U.S.-based authors and practitioners, CSR in its early forms was described as the "obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society".¹ And other authors have only intensified the focus on issues of social development when they assert that "in its broadest sense, corporate social responsibility represents a concern with the needs and goals of society which goes beyond the merely economic. Insofar as the business system as it exists today can only survive in an effectively functioning free society, the corporate social responsibility movement represents a broad concern with business's role in supporting and improving the social order."² More recent definitions refer directly to a company's stakeholders whose interests should be a determining factor for corporate behaviour well beyond mere bottom line considerations. For example, the World Business Council for Social Development has defined the concept

as "the continuous commitment by business to behave ethically and contribute to sustainable development while improving the quality of life of the workforce and their families as well as of the local community and society at large". Many definitions of CSR are emphasising almost exclusively the voluntary commitment of corporations as free agents and do not include anything mandatory that may result from legislative and other regulatory frameworks. The historical evolution of CSR and the myriad of definitions seem to confirm legendary corporate responsibility theorist Dow Votaw's view that "the term [social responsibility] is a brilliant one; it means something, but not always the same thing, to everybody. To some it conveys the idea of legal responsibility or liability; to others, it means socially responsible behaviour in an ethical sense [...] many simply equate it with a charitable contribution".³ The obvious terminological shortcoming of the label 'CSR' is its narrow focus on the socio-economic dimension of corporate outreach addressing pressing societal concerns. The equally and interconnected issue of environmental protection with its dominant topical framework of climate change is not adequately reflected in the choice of CSR as the name for company engagement in the non-market specific environment. Instead, the often cited model of the 'Triple Bottom Line' appears to fill the conceptual gap more adequately including the environmental performance as well as the social

¹ Howard R. Bowen, 'Social Responsibilities of the Businessman', New York, Harper & Row 1953, quoted in: Archie B. Carroll, 'Corporate Social Responsibility – Evolution of a Definitional Construct', *Business and Society*, Vol.38, No.3, p.270.

² Richard Eells and Clarence Walton, 'Conceptual Foundations of Business', quoted in *ibid*, p.278.

³ Dow Votaw, 'Genius Becomes Rare', *California Management Review*, Spring 1973, Vol.15, p.16.

involvement of corporate entities in its structure. Additional conceptual approaches have gained in popularity in later years such as Corporate Citizenship, Corporate Social Performance (CSP) and Social Impact Investment but are largely dealing with similar aspects of the same thematic portfolio even though they clearly go beyond the basic notion of enlightened self-interest.

Increasingly, companies have adopted the label of 'sustainability' for the entirety of their non-commercial obligations, activities and commitments. Sustainability refers more broadly to the various elements that ensure the long-term viability of businesses such as issues of anti-corruption, human rights, labour relations, environmental protection and business ethics as part of supply chain management as well as support for social development in fenceline communities. At the same time, the definition of corporate sustainability makes more specific reference to the area of human development and finds its origin in the 1987 Report of the World Commission on Environment and Development ('Brundtland Report') which links the goal of poverty eradication and the urgency of addressing global underdevelopment to the need for large-scale and long-term economic growth in order to "meet the needs and aspirations of the present without compromising the ability to meet those of the future"⁴. While this survey continues to use the term 'CSR' in its analysis of senior managers' attitudes and thinking on issues of public concern and societal involvement of companies, it includes the environmental dimension of such concerns and is therefore guided by the question about the full extent of corporate impact on society. With that it positions itself in close proximity to the 2011 CSR policy of the European Commission in which CSR is defined as "the responsibility of enterprises for their impacts on society"⁵. In examining CSR among CEOs in Trinidad and Tobago, this report looks at the role of business within the framework of national development and seeks to integrate issues of community development, environmental conservation, human rights, working, industrial relations, consumer interest and corporate governance into its definition of corporate responsibility thereby roughly reflecting the principles of the U.N. Global Compact.⁶



⁴ <http://www.un-documents.net/wced-ocf.htm>

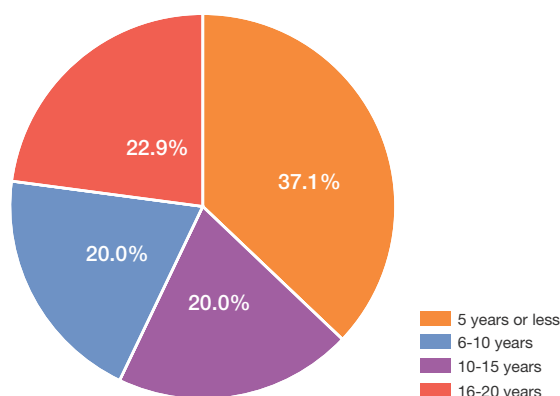
⁵ http://ec.europa.eu/enterprise/policies/sustainable-business/files/csr/new-csr/act_en.pdf

⁶ In October 2012, the Trinidad and Tobago Bureau of Standards (TTBS) officially adopted the ISO 26000 non-certifiable CSR standard as the guidance framework for sustainability issues for the local market place. In its own definitional approach, the ISO 26000 describes "the essential characteristic of social responsibility" as "the willingness of an organization to incorporate social and environmental considerations in its decision-making and be accountable for the impacts of its decisions and activities on society and the environment."

Methodology

The CEO report on Corporate Social Responsibility in Trinidad and Tobago was conducted over a six month period between April and September 2011. The target sample included 50 CEOs with questionnaires and interview requests sent out to a total of 142 companies. This meant that in order to achieve the target sample, over-sampling of more than 100% was necessary. A total of 53 CEOs participated in the survey and interviews. The majority of CEOs – 62.9% - were in their senior position for more than six years and only 37% had served for five or less years at the time of the interview.

Since when do you lead the company as CEO?



The companies selected for this study represent a comprehensive blend of eight industrial sectors. They are:

1. Consumer Goods and Services
2. Infrastructure and Transportation
3. Banking and Insurance
4. Energy
5. Professional Services
6. Electronics
7. Chemicals

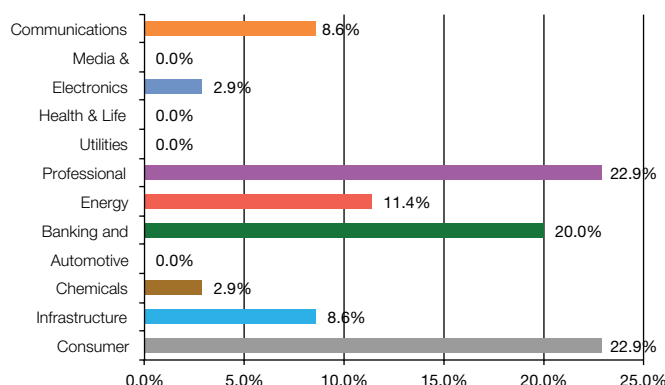
The participating companies were chosen from among both Small and Medium Enterprises (SMEs) as well as from the group of larger national and multinational companies. Despite its predominant focus on private companies, four CEOs represented companies that are either wholly or partially owned by the state. This decision was made in recognition of their importance for the national economy. The study used the categorisation of the Trinidad and Tobago Ministry of Labour and Small and Micro Enterprises (MLSME) to determine company size. This local template was chosen in order to reflect the specific structure of the local Private Sector which, based on total numbers of employees, is dominated by SMEs.

Micro Enterprises	Small Enterprises	Medium Enterprises	Large Enterprises
Owner/Manager 1-5 employees	Owner/Manager 6-25 employees	Owner/Manager 26-50 employees	Owner/Manager 51+ employees
Assets: < \$250,000	Assets: > \$250,000 – < \$1,500,000	Assets: > \$1,500,000 - < \$5,000,000	Assets: > \$5,000,000
Sales: < \$250,000 < \$ 5,000,000	Sales: > \$250,000 –	Sales: > \$5,000,000 - < \$10,000,000	Sales: > \$10,000,000

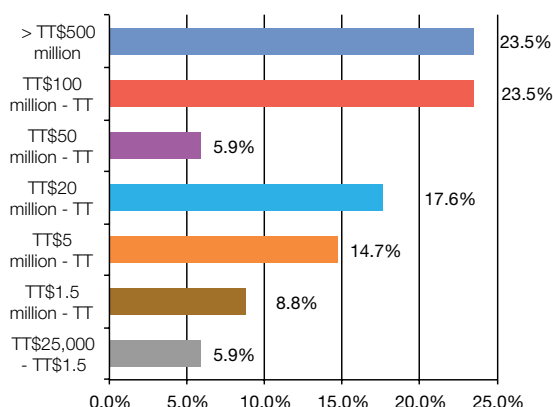
The methodology used to conduct the study was a combination of qualitative and quantitative analysis based on a) 53 face-to-face interviews with CEOs, Deputy CEOs and Managing Directors b) a questionnaire comprising 37 questions. This questionnaire included a sections regarding company data, and dealt with a broad range of sustainability aspects such as charitable giving, CSR and human resource management, drivers for CSR and corporate volunteering to name but a few.

Based on the classification of the MLSME, 62.9% of all CEOs participating in the survey led companies in the ‘large’ segment followed by 22.9% of small companies and 14.3% of medium size companies. Almost half of all CEOs presided over companies with more than TT\$100 million annual revenues (of which 23.5% had a revenue earning capacity of more than TT\$500 million) followed by 17.6% with revenue between TT\$20 and TT\$50 million and 14.7% with revenues falling within the TT\$5 to TT\$20 million bracket.

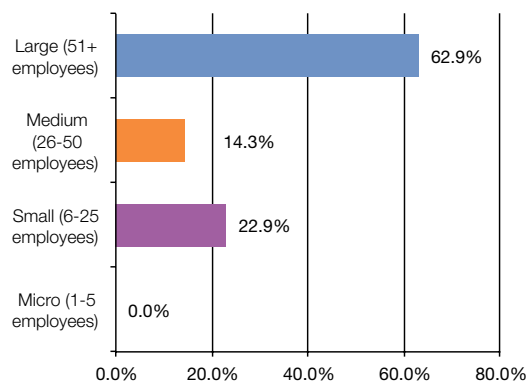
In which sector does your company operate?



Approximate Annual Revenues (Trinidad and Tobago)



In which of the following categories does your company fall?





“Corporate Responsibility is twofold: On the one hand, companies should be concerned with enriching the environment within which they exist. And by that I mean that from a moral point of view it is obligatory to fertilise the soil in which your tree is growing. On the other hand, it seems to make sense to be concerned about people that are supporting your enterprise, so that it would be foolish not to be aware or concerned about those persons on whom you depend.”

Gregory Aboud, President

Downtown Owner’s and Merchants Association (DOMA)

CSR in Trinidad and Tobago – Strategic Evolution or Preserving the Status Quo?

CHAPTER 1

In 2008, a pioneering study on the practice of CSR in Trinidad and Tobago published jointly by the United Nations Development Programme (UNDP) and the STCIC (now Energy Chamber) found that in their social commitments the majority of T&T-based companies focused predominantly on the philanthropic modality of Charitable Giving, something that suggested a strong emphasis on reputation management through public relations and a ‘hand-out’ mentality underlying local CSR efforts. At the same time, the research produced only scarce evidence of any strategic integration of CSR principles and considerations into companies’ business processes and into their overall planning framework. The authors of the study concluded that “many programmes and projects are funded on an ad hoc basis resulting in a lack of sustainability and alignment with the companies’ business plans.”⁷

Such findings were not confined to Trinidad and Tobago’s Private Sector but characterised other Caribbean markets as well.⁸ Arguably, CSR has become an increasingly familiar feature of companies competing in the local market place. CEOs across sectors and industries representing multinational, larger national as well as Small and Medium Size Enterprises (SMEs) have embraced the notion that in today’s corporate world, sustainable business practices and a commitment to the public common good have become a permanent behavioural reality. The launch of the ISO 26000 by the Trinidad and Tobago Bureau of Standards (TTBS) in October 2011 is a case in point for illustrating such growing conviction and signaled the readiness of the local market environment to adopt internationally recognised standards of corporate responsibility. Every single CEO interviewed for this report

acknowledged that businesses have a responsibility for contributing towards social wellbeing and environmental sustainability. Seeking to transcend the strict separation between the moral dimension of wealth creation and the commercial interest in profit maximisation, Norman Christie, President of bpTT uses the concept of Sustainability to explain his reasoning behind the integration of CSR into his managerial decision-making process: “I like the idea of long-term thinking. Truly realising what long-term means promotes a reconciliation of the strict profit motive and a motive that might be viewed as more altruistic and being done to satisfy society. The point that I hold is that the two motives can converge if a person thinks about the long-term. When I define ‘sustainable’ I define it actually in a way that causes the convergence of the long-term survivability of a company or enterprise and people and the planet.”

⁷ Mapping Corporate Social Responsibility in Trinidad and Tobago – Private Sector and Sustainable Development, UNDP/STCIC Mapping Project 2007, p.

⁸ The Jamaica Employers’ Federation highlighted a similar focus of its member companies on philanthropy and charitable giving in its report ‘Corporate Social Responsibility in Jamaica 2007’. See also Fabio Balboni, Wayne Charles-Soverall, Brigette McDonald Levy, ‘New Perspectives on Corporate Social Responsibility in the Caribbean’, Caribbean Development Review, No.1, p.27.

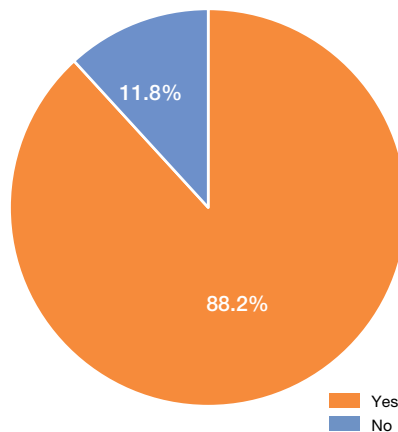
“I usually explain to people that making money is different from creating wealth. I am always interested in the larger picture and if I promote goodness in a society so that I empower the people, I provide training, I provide jobs, I provide the purchasing power, then the profitability of my business will increase exponentially. I will have created significant and long-term wealth.”

Brian Awang, CEO
Exim Bank

This survey clearly demonstrates that the overwhelming majority of senior managers have generally embraced the idea of corporate commitments towards more than the bottom line. In other words, CSR has become the established ‘thing to do’ for most companies included in this report. The thinking in the boardroom both in Trinidad and Tobago and abroad has clearly evolved since the concept of CSR was first introduced to the North American and, by extension global business community in the 1970s. Little sympathies are lost these days on corporate philosophies that accept only the responsibility to shareholders’ commercial expectations as a guiding principle and only a few company leaders would subscribe to U.S. economist Milton Friedman’s famously conservative view that “there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.”⁹

For many CEOs, the social commitment of their companies is a direct reflection of their organizational identity and corporate *raison d’être*. It is an approach that comes closest to the often cited concept of ‘Good Corporate Citizenship’ asking about a commercial entity’s location within modern society rather than merely charting out its competitive position within the marketplace. David Dulal-Whiteway, Managing Director of Republic Bank describes his organization’s efforts to define its corporate identity within the context of it being socially embedded. “A couple of years ago, through the work of our strategic planning committee we came up with the whole concept of what the purpose of the bank in the society is. Our new purpose has been more along the lines of a concept of building successful societies. Building successful societies is not only about giving a loan to a businessman or a consumer. It is also about taking initiatives in certain areas where we think there are weaknesses and working through those because as those areas are getting strengthened we think we are also doing better.” For senior managers, the question of forging symbiotic relationships with workforces, fenceline communities and civil society partners has become increasingly important in their quest to demonstrate the sustainable and ethically sound way in which their companies make profits.

Over the past five years, did your company operate a social or environmental outreach programme and has it engaged in external CSR activities?

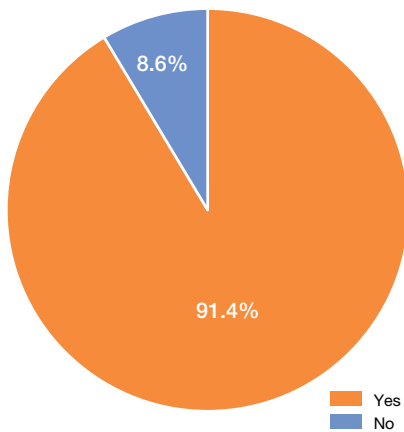


The fact that CSR has not only become a well-established corporate ‘ingredient’ for decision-makers in boardrooms across Trinidad and Tobago but is also seen as an essential pre-requisite for commercial success is reflected in the 82.4% of CEOs interviewed for this study who described the management of CSR issues as being *critical* for the future performance of their

⁹ Milton Friedman, *Capitalism and Freedom*, quoted in ‘The Social Responsibility of Business is to Increase Profits’, New York Times Magazine, September 13, 1970.

companies. Even more CEOs – 91.4% - described CSR as central to the long-term economic success of a company rather than being peripheral in its relevance for business operations. This may be interpreted as an indication for the growing conviction by senior managers and business owners that an active engagement in CSR activities has a considerable potential for creating significant business value by opening new markets, tapping into new segments of consumers and developing new product lines. Or it may be seen as an illustration of the belief that contributing towards the building of social capital in communities across the country creates and maintains the conditions for corporate success by safeguarding investments, developing the local workforce and

Is CSR central to the long-term economic success of a company rather than being a marginal concept on the periphery of business operations?



providing social infrastructure. Dave Ramkissoon, CEO of the EIL Group of Companies, points out the nexus between social performance and commercial value when he says that “when we look at CSR, the word that comes to mind is connectivity, connecting to the whole picture, identifying how it plays an integral part in defining what success really is

“I am on the board of the United Way and one of the things that you quickly realize is that you need to get to the CEO level to basically drive down the process. If there is CEO buy-in the staff would usually follow suit.”

Dennis Evans, Managing Director
Citibank Trinidad and Tobago

as an entrepreneur and as a business entity. To become successful without CSR is a misnomer. CSR creates an opportunity to multiply value and wealth, not only directly in your business but in the wider community.” Of course, the ‘critical’ nature of CSR as perceived by CEOs may also be due to a growing awareness on the part of the general public and a more enlightened consumer ‘mindset’ that companies will observe international human rights standards, operate in an environmentally conscious manner and aid their fenceline communities that in turn raises an expectation that compliance with such behavioural principles will ultimately have a positive impact on the bottom line.

While there are good reasons to tread carefully with quick assertions about an easily measurable causal nexus between the degree of a company’s CSR commitments and its commercial performance, it is undoubtedly the case that “there are circumstances and increasingly so, under which corporate responsibility is in the best economic interests of a particular company.”¹⁰ Such general belief in the profit-specific relevance of ‘doing the right thing’ has become widespread among members of the business community in Trinidad and Tobago thus providing some of the necessary elements for making the business case for CSR

“I think as corporate citizens we have a distinct responsibility to make sure that the environment in which we operate is wholesome, we treat everybody fairly and if we do that there is the possibility of sustainability. Other than that it all implodes and nobody wins.”

Wainright Iton, CEO
Trinidad and Tobago Stock Exchange

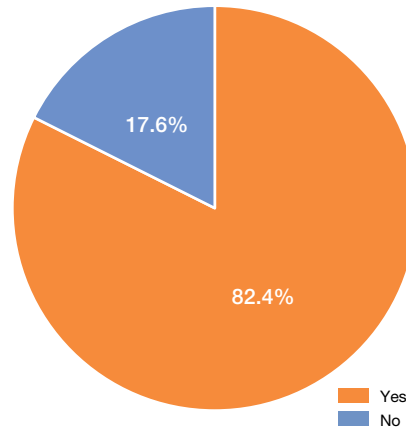
¹⁰ N. Craig Smith, ‘Consumers as Drivers of Corporate Responsibility’, *Centre for Marketing Working Paper*, London Business School, March 2007, p.3.

“As part of our business model ‘each one teach one’ our staff is engaged in outreach programmes where you go and teach people about financial literacy, so it’s also capacity building, it’s also to provide people with information in terms of starting their own business. It is business-related, it is part of what we do and it is therefore a little different from the giving of donations and charity.”

Edwin H. Gooding, CEO
Eastern Credit Union

rather than embracing sustainable practices on moral grounds only.

Do you believe that the management of CSR issue will be critical for the future success of your business?



However, despite the broad acceptance of CSR among senior managers in Trinidad and Tobago and their declared commitment to the public common good, the question remains if since the publication of the 2008 STCIC/UNDP CSR Mapping Report, the decidedly philanthropic character of companies’ social outreach and environmental engagement has changed towards the adoption of a more *strategic* focus in order to generate truly sustainable synergy effects on improving the country’s societal fabric. After all, it is one thing to express one’s belief in the relevance of CSR for the bottom line and to agree with the need for more strategic CSR but quite another to subsequently act upon such expressed convictions. The former belongs to the realm of *perceptions* and *attitudes* and may suffer from what is known as social desirability bias, the latter pertains to actual *behaviour*. A shift towards strategic CSR would mark an important milestone in the transformative process of replacing

the prioritisation of short-term commercial profits and the strong emphasis on shareholder value through a more holistic management approach in favour of establishing ethical legitimacy in the eyes of the general public. After all, it has been rightly pointed out that “while it is an accepted practice for companies to use philanthropy as a means of improving their branding and positioning, it does not necessarily amount to an effective CSR which is about a company’s long-term footprint on society”.¹¹ In particular, the strategic alignment of CSR activities and core business processes and the targeted utilization of what Dan O’Brien has called ‘socially anchored competencies’ of firms constitutes an area that has the potential to directly contribute towards the company’s competitive advantage.¹²

The quantitative results of the CEO survey suggest that the idea of what might be called ‘corporate benevolence’ through the practice of financial ‘gap filling’ and donations still prevails with 96.8% of all respondents naming the area of Charitable Giving as the activity that their CSR commitment was reflected in most often. This was followed by 83.9% of CEOs active in the area of sponsorship of campaigns and other public events and 61.3% engaging in employee volunteering for the purpose of community development. The strong focus on donations and charitable activities deflects from the possibility of forging more tangible and sustainable development partnerships and suggests that the local market and wider society still suffer countless missed opportunities for a more substantial and proactive involvement of commercially operating entities in societal affairs. On the other hand, the active role of

¹¹ Sookram, Ron and Surendra, Arjoon, ‘Corporate Social Responsibility in the Caribbean Community – Lessons from Trinidad and Tobago’, *Advances in Management*, Vol.3, No.12, December 2010, p.19.

¹² Dan O’Brien, *Integrating Corporate Social Responsibility with Competitive Strategy*, The Centre for Corporate Citizenship at Boston College, p.3.

“Being successful doesn’t just mean to be able to build a skyscraper or that you are able to show that you have hundreds of millions of dollars in profit. It also can be the company’s ability to affect the people around it whether they are employees, whether they are the communities around them or whether they are particular groups that the company wants to affiliate itself with.”

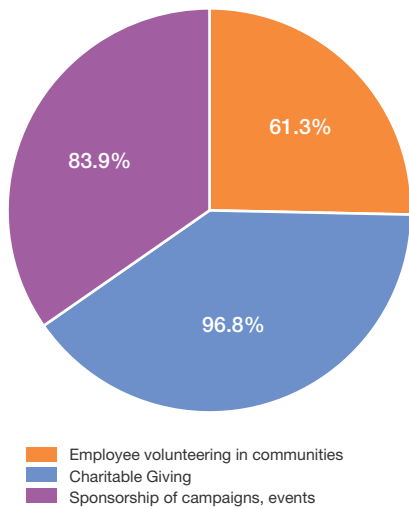
John Soo Ping, CEO
AON

employee volunteers in companies’ CSR portfolios as documented in the more than 60% of survey participants responding positively is an encouraging sign that corporate social engagement in Trinidad and Tobago has clearly become more pro-active, less reliant on financial donations and increasingly employee-focused. At the same time, reading such findings against the results of the 2009/2010 UNV Survey on Corporate Volunteerism which found only one-third of all companies surveyed to be operating a *formal* volunteer programme, suggests that corporate

volunteer activities remain largely unstructured, organised on an ad-hoc basis and without a long-term perspective that would underline their conceptualisation.¹³

Defining the business case for CSR, 71.4% of all CEOs mentioned *Brand, Trustworthiness and Reputation* as their most important consideration in the way they determined expectations about the effect that CSR would have on their companies’ commercial performance. Such strong focus on image, public perception and external appearance, however, does not suggest a shift towards more strategic configurations of CSR but rather an approach towards corporate responsibility that continues to equate company engagement in the social arena with the work of corporate communication departments. Such approach seeks to primarily ensure high visibility of a company’s corporate profile in the public and consumer sphere through activities and interventions that can be easily integrated in a company’s public relations portfolio. This type of CSR as reputation management has focused traditionally on acts of charitable giving and philanthropic engagements with only few signs of aligning CSR activities with core business processes.

If yes, was this commitment reflected in:



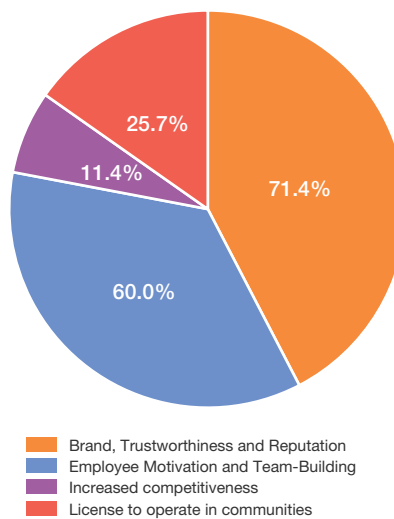
¹³ 'Corporate Volunteerism - Developing a Business Culture of Caring in Trinidad and Tobago', UNDP Trinidad and Tobago, Suriname, Aruba, Curacao and Sint Maarten 2011.

“CSR affects your corporate image. To the extent that your corporate image that is out there is positive then one would expect there to be some type of benefit from the sales perspective through support from the communities. It is therefore a good business decision as it creates a positive corporate image and that should lead to more people supporting your company.”

Errol Le Blanc, CEO
Unicomer

Secondly, in overseeing their respective CSR programmes and budgets, 60% of all CEOs mentioned the criteria of *Employee Motivation and Team-Building* in defining the business case for sustainability action. This result reflects positively on the progress seemingly made in the area of *internal CSR* and in raising awareness about the business benefits of different forms of employee engagement such as corporate volunteerism. Rather than seeing investment in employee recognition, fair labour practices and

What are the most important considerations for how you define the Business case for CSR?



voluntary participation of staff in community development activities as a financial burden on the company, an increasing number of managers have come to appreciate CSR as a way to strengthen competitiveness, reduce operational costs and increase productivity as a result of improvements in staff motivation and solidified team structures. Thirdly another important filter through which CEOs assess the value that CSR can add to the commercial success and market of the criterion of obtaining a *License to Operate in Communities*. Such emphasis on the

importance of securing social access to local communities highlights the ‘environment gatekeeper’ and ‘peacemaker’ function that corporate involvement in the development of fenceline communities has for many industries and business types. Recognising the license to operate as a main element of the CSR business case can be seen as an acknowledgement by local businesses of the crucial importance of communal buy-in as it relates to approving and accepting their presence and operations on the ground. As one executive has put it: “It is this concern about the operating environment, and a firm’s license to operate which provides much of the impetus for many corporations [...] to undertake a broader role in societal affairs.”¹⁴

Securing community support for commercial operations has the potential to help boardrooms, particularly those of multinational companies and their local subsidiaries to reduce the costs associated with possible delays in production and extraction caused by social activism, various forms of civil unrest and community resistance against corporate investment and time-consuming legal battles. As such, it increasingly seen as a tool for risk mitigation. And finally, 11.4% of all CEOs interviewed for this report mentioned *Increased Competitiveness* as an important feature of the CSR business case. Such firm-level competitiveness gains through CSR may be achieved in the realms of costs savings as well as through value creation in the fields of human resources, customer relations, innovation and risk and reputation management.¹⁵ The relatively low number of CEOs whose thinking about the commercial relevance of CSR is guided by considerations of gaining a competitive advantage

¹⁴ Dr. Gary Dirks, ‘CSR – A View from BP’, Speech delivered at the CSR Forum, held at the School of Economics and Management, Tsinghua University, China, April 2004.

¹⁵ See European Competitiveness Report 2008, pp. 107-116.

“If, instead, corporations were to analyse their prospects for social responsibility using the same frameworks that guide their core business choices, they would discover that CSR can be much more than a cost, a constraint, or a charitable deed – it can be a source of opportunity, innovation and competitive advantage.”

Michael Porter and Mark Kramer

through the integration of social and environmental principles into their operational frameworks seems to point at a persistent belief that sustainable practices are not providing a *hard* tool for succeeding in the marketplace but merely a *soft* instrument with a positive effect only on corporate reputation and community relations. Among those CEOs in Trinidad and Tobago that recognise the connection between CSR and competitiveness, some associated such conviction with a fundamental shift in how stakeholders treated with the concept of corporate responsibility. Ali Khan, Managing Director of the Hilton Trinidad, explained: “I have seen major changes over the past seven years. CSR almost became something of a fashion. Sustainability became your competitive advantage, how you

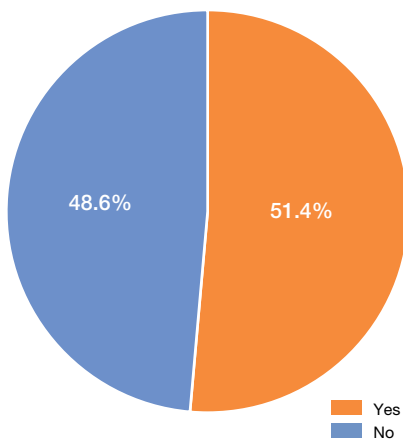
were responsibly behaving towards the environment, towards the workers, your vendors, your suppliers and how you were able to show that you have what it takes to be responsible towards good causes.”

While philanthropic approaches in the practice of CSR in Trinidad and Tobago continue to play a dominant role, more than half of all CEOs in this survey said that their company utilised a CSR strategy in its operations (51.4%). Among the elements that strategic planning frameworks for CSR would traditionally entail are nonprofit partnerships, sponsorships and financial donations, reporting requirements, corporate governance, community investment and employee engagement. This result does not suggest much improvement over the past few years in terms of a stronger alignment of core business processes with CSR activities (‘Strategic CSR’) when read against the 2008 CSR Mapping Report which found that 30% of all companies had not focused on such an alignment while 70% were in fact operating within some sort of *strategic* sustainability framework.

Furthermore, having a CSR strategy does not necessarily mean alignment of business and sustainability portfolio as these strategies may and often do exist in isolation without being interconnected. One of the reasons for the problem of misalignment

of CSR and business and for the persistently strong emphasis on cash grants, material donations and their public relations effects can be found in the phenomenon of ‘distributive overstretch’ which means that a company seeks to support a myriad of social causes with an only limited CSR budget. This approach of ‘handing out to all and sundry’ is often based on an eclectic choice of causes and beneficiaries without paying sufficient attention to the company’s competitive competencies when seeking to satisfy expectations of a maximum number of aid recipients. In such a scenario, no strategic choices for corporate social investment are being made and no prioritisation of allocated resources is taking place. The ability to document, highlight and ultimately measure the economic impact of CSR and thereby illustrate the relevance of social engagement for the bottom line determines the conceptual solidity of the business case. Arguably one of the most challenging aspects of CSR that very few companies in Trinidad and Tobago have tried to investigate is to establish a causal nexus between their social investment and their financial performance. According to the survey, the overwhelming majority of CEOs – 94.3% - have never undertaken company-internal analyses of the often claimed link between CSR and the company’s competitive performance in the market.

Does your company have a CSR strategy?

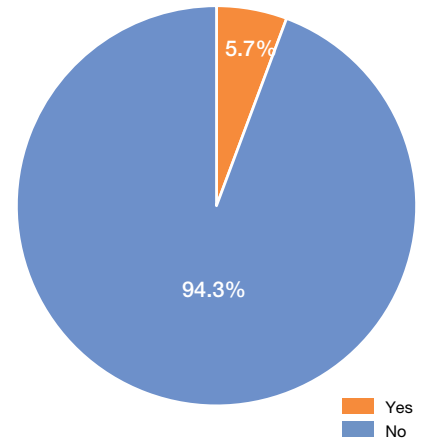


Case Study

We started our journey with that home by entering into a tripartite relationship with the state and the church. What we brought to the table was an ability to do things so we first encouraged just to give, give some money. But when we looked at the state of affairs there more than money was required. The state of the facility was just totally unacceptable, it was a decrepit facility, it shouldn't have been housing children and the administration of the facility required improvement. We therefore acquired the land, we demolished the old buildings and rebuilt the entire facility into a modern facility. We project managed, we made sure that capital was spent efficiently, we project managed large plant facilities so that was a core competency that we brought to the table. And then we encouraged an employee to be an active board member and set out to look at what was good governance for the home to make sure it was properly governed and that there were controls. Then we partnered with the Church to make sure that they were providing the care givers, that there was appropriate training, appropriate development etc. We lobbied the government for subventions to make sure that they were doing their part. We became a prod to the government and used our corporate levers to get them to do what they needed to do. We have a clear vision of where we want to get to when we partner and what our end state is and then we set up our activities in a methodical and well planned way to get to that end state."

Eugen Tiah, CEO
Phoenix Gas Park Processors Ltd.

Have you ever undertaken company-internal analysis regarding the link between CSR and financial and market performance?



Theoretically, increasing profits through socially responsible action could take different forms. For example, corporate volunteer programmes could lead to improved staff morale which in turn would cause an increase in productivity levels. Another example of a causal chain leading to financial gains would lie in the area of ethically produced and traded products with its impact on consumer behaviour and consumer choice. The latter is often informed by the adherence of corporations to ethical norms and standards in the sourcing of its raw materials and the manufacturing and distribution of its goods. If and when such consumer attitudes – ethical consumerism - translate effectively into actual purchasing decisions and therefore constitute a behavioural reality, the company will commercially benefit through increased sales.

Reporting on corporate sustainability activities is another important feature of strategic CSR. In their 2008 STCIC/ UNDP CSR Mapping Report, the authors concluded that “apart from large companies from the Energy

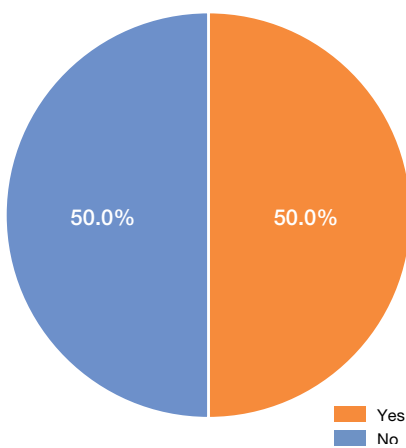
and Related Industries sector and Finance and Real Estate sectors, there is generally a lack of disclosure as it pertains to reporting and accounting for social and environmental programmes and other CSR-related activities.¹⁶ As far as reporting on their social and environmental output in addition to their economic performance is concerned – something that is sometimes labelled ‘Triple Bottom Line Reporting’ or ‘Integrated Reporting’¹⁷ - only 50% of all CEOs interviewed in Trinidad and Tobago confirmed the use of such reporting tools. The findings of another recent study specifically examining the levels of corporate governance disclosure confirm such ‘modest’ reporting profile.¹⁸ Reporting on CSR activities and performance serves a number of purposes. It provides vital information on a company’s annual sustainability record to workforce, investors, customers, government officials, civil society while increasing transparency and accountability. Regular and comprehensive reporting on key

CSR criteria helps to demonstrate that the principles of ethical business practices and responsible management are seen by managers as more than just corporate ‘lip service’ and that companies deliver on their commitments as initially set out in their business and communication plans and as conveyed to the general public in advertisements and marketing campaigns. As such, reporting is an important instrument to assure stakeholding individuals and organisations about a company’s determination to adhere to national and international standards, norms and rules and to build trust around its corporate image and identity. The absence of regular sustainability reporting from the Private Sector suggests that CEOs have still not fully grasped or accepted the strategic value and bottom-line relevance of CSR. In many other markets both emerging and Western-industrial, international reporting frameworks and documentation guidelines such as the UN Global Compact’s Communication on Progress process, the Global Reporting Initiative, the AccountAbility 1000 Standard, the FTSE4 Good Index and the Social Accountability SA 8000 Standard have become widely used and accepted aids for presenting facts and supplying information regarding companies’ sustainability performance. Disclosure within such frameworks goes significantly beyond a mere listing of projects instead containing data regarding strategy, management systems and performance indicators as well as with respect to stakeholder expectations. They seek to highlight and measure the impact that a company’s social and environmental investment has made in communities and the information contained in such reports is often quality-controlled and verified through third party assurance.

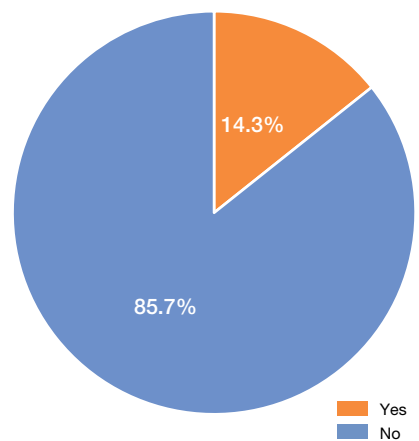
The relatively weak state of CSR reporting in Trinidad and Tobago with only half of all CEOs interviewed confirming any kind of disclosure means that the corporate governance remains a significant challenge in the country’s boardrooms.

Even less common in Trinidad and Tobago boardrooms is the practice of acknowledging the strategic importance of CSR issues, principles and objectives by including a link between individual performance with regards to social and environmental indicators and the remuneration of managers including that of CEOs into a company’s overall business strategy. If understood as a contribution to corporate value creation and to the long-term survivability of a company in the marketplace, managerial performance in the environmental and social realm should arguably determine levels of executive remuneration as much as bottom-line delivery.

Is your company reporting on its CSR activities?



Is the remuneration of your senior managers linked to CSR performance?



Asked about the link between their companies’ remuneration policies and the CSR-relevant performance of their senior managers, only 14.3% of all CEOs confirmed such a connection.

¹⁶ See CSR Mapping Report, p.viii.

¹⁷ See for example the Connected Reporting Framework of the Prince of Wales’ Accounting for Sustainability project www.accountingforsustainability.org.

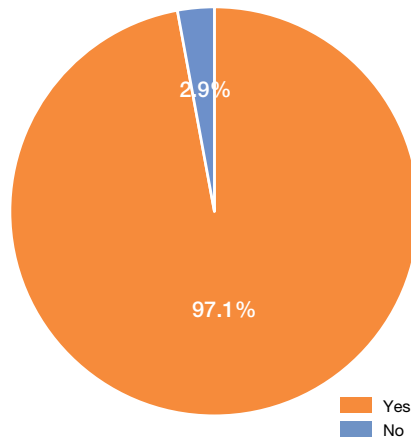
¹⁸ Using the Experts on International Standards of Accounting and Reporting (ISAR) as a basis for its investigation and sampling a total of 31 large companies listed on the Trinidad and Tobago Stock Exchange, the report finds that “the average enterprise from the Trinidad and Tobago sample to be disclosing less than half of the items in the ISAR benchmark”. It stresses that “while the sample has relatively high rates of disclosure for a few topics [...] with most companies exceeding the relatively few disclosure requirements of Trinidad and Tobago rules, the overall level of disclosure remains low compared to other emerging markets”, in: ‘Corporate Governance Disclosure in Trinidad and Tobago – A Case Study by Syntegra Change Architects of Trinidad and Tobago’, p.5; Paper presented to the United Nations Conference on Trade and Development, Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, produced under the overall direction of Dr. Axel Kravatzky

“We have a fairly rigorous pre-qualification process. We certainly do a lot in ensuring that our goods suppliers and our service providers meet certain standards or otherwise they won’t do business with us. We have clearly defined business ethics, we have declarations that suppliers have to make, we do investigations on our own depending on the contractor or service provider that we are dealing with.”

Eugen Tiah, CEO
Phoenix Park Gas Processors Ltd.

For some industries such as the financial services sector, an important aspect of CSR-driven compensation is the area of risk management and its implications for potentially damaging effects on corporate reputation. The development of CSR-specific key

Should CSR be practised throughout the entire supply chain?

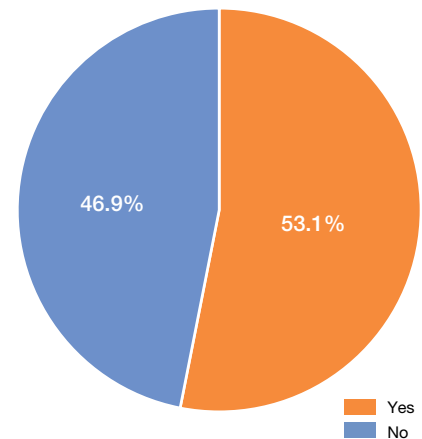


performance indicators (KPIs) in this area could serve as an example for other industries to integrate CSR targets into individual performance assessments, something that requires the setting of measurable targets. Companies that practise strategic CSR are perceptible to the dynamics, demands and pressures generated throughout the entire supply chain. In the words of Berry Ferdinand, Managing Director of Bewil & Company Ltd, his own business ethics was crucially informed by a change of thinking and entrepreneurial practise on the part of his supply chain environment and his business partners: “We were involved in the representation of companies that demanded that we took note of all the CSR-specific requirements in the marketplace. The whole landscape in terms of supplying services changed and our business partners demanded that we pay a little more attention

to things like staff welfare or that we pay attention to the environment. So gradually we learned that to stay in business you needed to fall in line and you also needed to be concerned about a little bit more than just profits”.

97.1% of all CEOs interviewed went on record as saying that CSR should be practised throughout the entire supply chain. The latter enables business owners, managers and boards to set social and environmental standards for external actors demanding that suppliers are in compliance with regulatory frameworks, good business practices and internationally agreed industrial relations regimes. At the same time, supply chains provide interest groups and activist movements with an entry point for scrutinising especially globally operating businesses and their professed sustainability commitments thus contributing towards corporate accountability. Critics would argue that in the past, such scrutiny has engendered “negative public sentiments and invariably resentments towards [...] global brands following ‘irresponsible’ behaviour along their supply chain”¹⁹ and that companies cannot necessarily be held responsible

Is your company seeking to implement sustainability criteria throughout its supply chain?



¹⁹ Kenneth Ameshi, Onyeka Kingsley Osuji, Paul Nnodim, ‘Corporate Social Responsibility in Supply Chains of Global Brands: A Boundaryless Responsibility? Clarifications, Exceptions and Implications, in: *Journal of Business Ethics*, Vol. 81, No.1, p.226.

“Our suppliers partner with us to help bring services to our clients and we are certainly looking for people and companies that have compatible sustainability cultures. For example, in Trinidad and Tobago, we give preference to local suppliers to create local jobs and drive local economic development. We have also partnered with some of our suppliers in the past for fundraising events and community outreach. We have supported schools, churches, orphanages and others because Fluor takes its community responsibility very seriously and because it is the right thing to do.”

James Wilkins, Country General Manager
Trinidad and Tobago, Fluor Daniel South America Ltd.

for the behaviour of their suppliers. However, most CSR advocates would agree that supply chain management provides an effective promotional instrument for those corporations that have embraced the idea of strategic sustainability management.

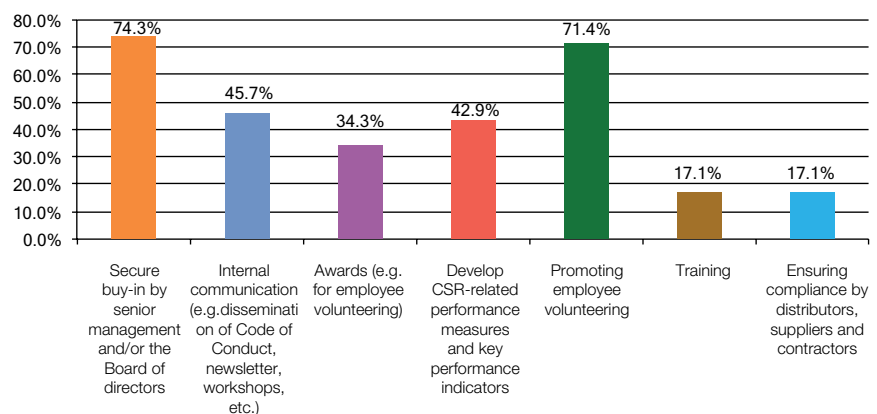
Nevertheless, when pressed beyond the normative statement of how companies *should* treat with the issue and instead being asked if they are *concretely* seeking to implement sustainability criteria through their supply chains, only slightly more than half of all CEOs (53.1%) confirmed such intentions. While still revealing more about the attitudes, plans and perceptions of CEOs, this result suggests that in terms of actual practice the acceptance of and interest in supply chain management approaches is a lot less pronounced. This interpretation finds additional substantiation in the survey when CEOs are being asked to name the three most effective approaches of integrating CSR within their individual corporate frameworks.²⁰ Here, only 17.1% mentioned supply chain management as being among the top three modalities trailing awards (34.3%), the development of

performance measures and indicators (42.9%), internal communication (45.7%) and the promotion of employee volunteering (71.4%) as the approaches chosen.

Joel Pemberton, Managing Director of energy firm Ten Degrees North Ltd. points out: “Companies may have hundreds of contractors but only a couple of dozen key contractors.

We have implemented CSR through the supply chain with some of these few key contractors, not with all. We get to spend a lot of time with their management teams, get to understand their business and to get our business culture into that organisation, the way we think and how we do business. But its very time consuming”.

Which three (3) of the following approaches are the most effective in integratig CSR within your company?



²⁰ Interviewees were being given the opportunity to provide three responses.



EMA Youth Ambassadors

The EMA commits to a sustainable future by investing in Trinidad and Tobago's youth through various education programmes. One such programme is the EMA Youth Ambassadors, the youth volunteer arm of the EMA.

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“Every little thing we do as corporate beings affects somebody”

Sharon Christopher, Deputy CEO, First Citizens Bank
on Corporate Ethics, Risk Management and Morality in Business

Q: What is your take on Corporate Social Responsibility (CSR) and by that I include environmental concerns as well?

SC: Corporations exist in a space and you are under an obligation in that space to benefit those around you. We can't just be in the business of making money because if you make money and you give nothing back then it is worthless and the organisation will not be sustainable. We say that First Citizens is the only truly local financial institution in Trinidad and Tobago which was born from the people, by the people. What is the obligation that First Citizens owes to the society within which it exists? We talk about the issue of corporate governance. Why is that important? Asking those questions has helped us over the years because we have seen that when you run organisations in an unethical manner it affects not only the organisation but the entire society. You have not lived up to your duty and you create destruction. We are not in this space to do that; we are in this space to make it better for those who exist now and for those who will come afterwards. So we look at things such as our ethics and our environment. When we lend to customers for example, are we going to lend to a major corporate customer if we understand that the way in which they do their business is polluting the environment and, furthermore, they are not paying attention to those actions? And it's not just about whether the Environmental Management Authority (EMA) will come down on them. It has to do too with the question of whether these are people that we want to be involved with because they are destroying the space that is ours.

Then of course there is the whole question of sponsorships. Even when we do sponsorships we don't just give money randomly; we determine the areas that we are going to support. The youth. Why? Because this is our future. We look at things like sports. Why? Because we feel that through sports we create a kind of discipline for the society. We look now at women's issues. Again why? Because we recognise the contribution of women to our society. How can we create an environment in which women can live up to their highest potential? All of this feeds back into our brand because we say that this is how we want our organisation to be known. It is just like an individual saying 'I want to be known as somebody who gives back and is leaving something better for those who come behind me'. We also support the community activities like Eid-ul-Fitr, Divali

Interview

and other cultural festivals because it is very important for people to be part of where they come from. When we talk about all of that, it's our CSR, that is what it means to be a good citizen.

Take for example the earthquake in Haiti in 2010. Now, we don't have branches in Haiti and then there's the context of 2008, 2009 and 2010 being very difficult years for the financial services sector. But there you have a country in the Caribbean destroyed by an earthquake. We gave US\$1 million to build a primary school and we didn't just hand the money to the government; we gave the money to the Inter-American Development Bank (IADB) and we said this is what the school must look like. The school must be built in accordance with earthquake and hurricane codes; there must be an area where the children are able to plant so they can grow their own food. It's not about giving money. It's about what you are creating for those who are here now and what you are leaving for those who are coming behind... CSR is about understanding that if you exist in a space you need to give back to that space.

Q: Do you think it is also a question of size and the dimension that your business has so that the bigger ones are under a bigger obligation and responsibility than the smaller ones?

No. First Citizens might be able to give a million dollars to Haiti and a smaller company might not be able to do that. But it doesn't have to do with the quantity of the money. It has to do with your focus. I can sit in my church and say that I want to write a cheque for over \$5000 as a donation. Somebody else might say 'I can't even write a cheque for five dollars, but what I can do is give half a day of my time to come and sit in the office to talk to people who are in crisis'.

Q: Would you then agree that the concept of the Triple Bottom Line—social and environmental performance of a company in addition to its commercial performance—defines businesses in today's market place or should define them?

SC: In Trinidad, we had the Unemployment Relief Program (URP) workers and they used to line up in front of the treasury building to collect their salaries. The government decided to start paying these people through the banking system and all the banks except us felt that they didn't want these people in their banking hall. Now we said you can bank them by giving them ATM cards and allowing all of their payments to be made directly into their bank accounts. Because many

of them are not financially literate we will show them how to use the ATM machine so they can access their money in that way. We told our staff that we are embarking on this initiative. Don't get me wrong: we weren't saying that it was an initiative that wouldn't make money, but we weren't making a lot of money on this deal. The reason we were doing it, and we explained that to our staff, was that it was very important to understand that these people are citizens too and we must do everything we can to assist others.

What happened out of that exercise? We are talking about thousands of people coming to bank and, of course, we had to open up on Saturdays and Sundays and all the staff came because they were serving a purpose. And then they saw people's reactions when they came in to use the ATM machine. This is something that we take for granted but to a lot of people to come in and do something like that was completely new. But it goes back to the point made earlier that when you talk about the sustainability of your business and when you talk about profitability, you have to talk about things like purpose. We understand that more and more, especially from this younger generation that says, 'You know what, we are in a business. We don't mind working and we will work but we have to know what we are working for and we have to work on something that makes us feel good'. So if anybody running an organisation now wants to run it in ways that are unethical and ways that don't allow people to feel that they have something to contribute to some greater cause, your organisation is not going to be sustainable. I have lived that and I have seen the truth of that. More and more organisations will have to realise that.

Q: You touched already on the question of corporate ethics. Particularly in the wake of the 2008 financial crisis, the issue of corporate governance has become something of a 'hot topic'. Looking at Trinidad and Tobago and its boardrooms, were there changes in this marketplace in response to mistakes made in this area of corporate governance? Did the market react?

SC: There have been changes because a lot of companies in Trinidad and Tobago have a global reach: either they themselves have businesses outside the country or they must deal with people and business partners from abroad. As Europe and the U.S. become more rigid about corporate governance it drives the process. Maybe ten years ago nobody was really interested in who your directors were, what exactly their level of qualification was. Now what you find happening is that when they come to do due diligence on you, the corporate governance aspects of your business such as how is the organisation run, what kind of board you have in place, what kind of procedures you have, whether you have a code of ethics, how is it rolled out to your staff, how much ethics training do you do... all those things are now huge and organisations are being forced into doing them. In Trinidad and Tobago there is a real need to drive proper governance in both government and corporate life. But people have to connect the dots. You have to go to them and tell them why it is important. And government could be the driver behind bringing in the resources to do that kind of training because it is very expensive. We do corporate governance training for our board where we use an external facilitator and it's costly. But if government started through the state sector first where the companies are huge, that would change the dynamics.

Q: When you talked about education and sports as the topical areas that you identified and when you are saying that you have not just randomly taken a number of issues and causes but you have your reasons for why you are supporting those causes, does the bank in its selection process also take into consideration broader development frameworks such as government policies or even the UN's Millennium Development Goals (MDGs)?

No we really don't. We sit and we look at society and then determine the kinds of needs and where we would be most effective. For example, at one stage poverty eradication was a huge thing but we decided that this was not something that we could get involved in. But we looked at the youth

and realised that this is an important area and we wanted to get involved in that. There are always a number of issues and you have to choose where you are going to focus. I suppose the reason we are not getting tied to a specific government plan in our CSR activities is because the plans keep shifting once the government changes, which is ridiculous because you don't have to throw out everything each time.

Q: Looking at social and environmental indicators with you being part of the financial services industry, would it be accurate to say that CSR and sustainability thinking are also important tools for the Bank in terms of its risk management? How do you personally and organisationally reconcile the moral dimension, the human face of corporate being and your business considerations?

If you are talking about risk management and if you are talking about the environment you need to acknowledge that risk has not only to do with credit risk; you have reputational risk as well. If we have a customer who, for example, is polluting the environment in a certain way or we start understanding that there are things going on with this customer that are ethically just not acceptable, such as the way they are operating in villages, then we are not going to deal with that customer. And people would say its morality. But the fact is it's not only morality. It has to do with your own business because if people know that those are the customers that you are dealing with, it is going to affect you negatively. You know in Trinidad and Tobago we have a saying 'if you lie down with puppy you must get fleas'? It means you become a part of whatever's being done by those with whom you associate. We have people who bank with us who are telling us that they bank with us because they like what we are doing in the field of corporate ethics. So it's just not as simple as saying that I will look the other way if a customer is operating unethically because I have such large business with him. I think all organisations will start to move away from that because there is the growing understanding that we are impacted by those with whom we associate and at the end of the day it is going to affect your bottom line.

We are in the business of making money but there is also the question of how you are making it. Just this week as we sat around the boardroom table, the senior managers group was talking about a certain product and one of the managers was saying that there are certain things that you could do to really leverage this for us. But somebody else around the table said we are not going down that road. We are not doing it, because it's unethical. The discussion was if we do this and it ever becomes known that we were involved in something like this we are going to be dead in the water, we are going to start losing customers. And it wasn't something illegal. There is no law that says we couldn't do it, but we have ethics. Ethics is doing what is right even though there may be no law stopping you from doing otherwise.

Q: What is your view on the role of government in CSR, perhaps as regulator, enabler and facilitator?

I don't know about regulator but the government can certainly be a facilitator and enabler. And in countries like ours where the government is the largest employer and the government manages the largest number of corporations, it is very important for the executive to drive certain behaviours from the top. CSR is not how much money I give the National Carnival Committee (NCC) to run Carnival or how much money I give to a steel band. If you look at the sponsorship side, it's not only about handing out the money. It's about saying that when I look at this steel band as a sponsor, I realise that they are taking young kids out of one of the most depressed areas and I can see that they are mentoring those kids; therefore that's where I am going to place my support. If government starts to push that kind of thing, just because of its size... its critical mass, it will send a certain kind of signal and encourage a certain kind of behaviour. In the area of sponsorship I think that government can help by providing certain incentives to people. If you talk about governance and you have all these state enterprises that are being run without any adherence to governance, then what value does that create? It is not about having another governance seminar every Saturday. It's not just a word.

Q: Do you have an official volunteer programme?

No, we don't have a volunteer programme as such. What we do have is that at the end of every year, every branch and unit is required to have what we call a 'corporate wish'. It means that you go into your community and you determine some activity that needs to be done, whether it is rebuilding a library for schools in the Beetham, whether it is a single mother with differently-able kids who you are seeking to assist, whether it is a father whose wife has died and whose only daughter needs a wheelchair. So they are going out to do things: re-painting a school, helping to rebuild a house. Sometimes we have activities around our 'Care' programme which stands for 'Citizens in Action to Restore the Environment' where employees would go out and undertake different activities with respect to the environment. We take photographs of what happened and we put it together in a magazine so people feel good about what they have been doing but we also, as we say in Trinidad, 'big them up' for doing it. In the performance appraisal for our managers, you are actually scored for your involvement in community activities. As a result, people want to be able to say at a managerial level that these were the things that they were involved in. Even outside of the formal programme and official activities of First Citizens, the managers will look for causes where they can say that they were involved, for example in Rotary or SERVOL or mentoring. You can get marks for those activities and it's no longer just your financial targets but it's also what we call the 'below-the-line' targets.

Q: Have you changed your views on CSR over the years?

I have not changed my views; I have only become more entrenched in them. No man is an island. If you are sitting there and you are doing your little thing inside of your little space and it would affect nobody else, that would be fine; but it's just not like that. Every single thing we do as human beings, every little thing we do as corporate beings, affects somebody. And every day you get up you must ask yourself 'What is my purpose on this earth for the short time that I am here? Is my purpose to destroy or is it to make a positive difference?' We might call it CSR now but at the end of the day it is what is required of us as people in this space. That is all.

C.S.R. INITIATIVES



Bankers Association
Of Trinidad & Tobago

The Bankers Association of Trinidad and Tobago, commonly referred to as **BATT**, was formed fourteen (14) years ago. Today the Association's membership has grown to include all eight (8) commercial banks within Trinidad and Tobago. The primary objective of BATT is to bring together all the banks in the form of an association, with a view to addressing, from a common platform, all matters of relevance to the banks and the industry. These issues ranged from legal and regulatory, to economic and industry related matters. BATT also saw it as necessary for the Banks to come together as an Association to lend their expertise in matters of national interest and provide guidance and assistance to its various stakeholders.

As an extension of this national support and stabilizing force provided by the Banks, as a collective the Banks have been instrumental in engaging in activities to develop our people and communities with our many Corporate Social Responsibility initiatives. We have all taken a keen interest in youth entrepreneurship, the SME industry and education, with heavy involvements with Junior Achievement, Youth Mentorship programmes and Partnerships with the different educational institutions. We support the arts and culture, sports and overall country development. In 2010 the banks came together and gave contributions to the Flood Relief effort. Our projects and programmes are too many to name but one thing is for certain, the positive impact is widespread and the beneficiaries range from all age groups, from the individual to entire communities, from the Small to Medium Enterprise to the Multi-Nationals. More importantly the issues addressed are also widespread from health to education, from business development and the capital markets to savings and financing. All in all, a strong banking sector exists which maintains economic stability and sustainable development.

Bankers Association of Trinidad and Tobago, #16 Gray Street, St. Clair, Trinidad W.I

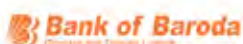
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“As far as government involvement is concerned, taxation and legislation can be useful tools to promote the involvement of people in CSR. Particularly taxation is one way in which incentives can be given for more people to put money into social services and poverty alleviation, information and education for disadvantaged people and so on.”

Emile Elias, CEO
NH International (Caribbean Ltd.)

Government, Consumers and Employees – The Drivers of CSR

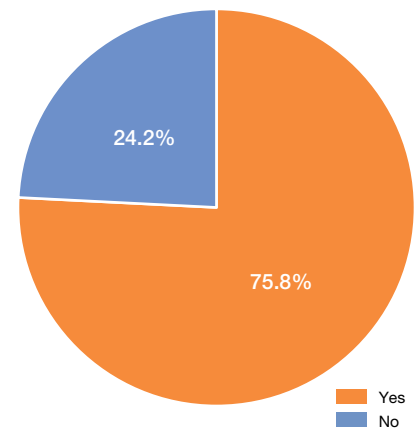
CHAPTER 2

Senior managers recognise the important role that national governments can play in the development and promotion of enabling frameworks for CSR. 51.5% of all CEOs interviewed for this survey mentioned governments as the second most important stakeholder group driving CSR within the local business community and raising the profile of corporate sustainability in Trinidad and Tobago. While this figure represents just about half of all respondents, a remarkable 75.8% of CEOs would even welcome government *intervention* thus embracing the idea of a significantly stronger and more intrusive configuration for public involvement in regulatory affairs. This suggests a rather radical shift away from the traditionally skeptical attitude of members of the business community with respect to government involvement in the sustainability-relevant aspects of the markets. It also seems to point at a change in the widespread conviction of entrepreneurs and business owners that companies should be able to *voluntarily* determine the level of their social and environmental commitment.

Generally, the way by which governments can drive corporate responsibility rests on both voluntary and mandatory approaches and encompasses roles as enabler, exemplar, enforcer and partner.²¹ While voluntary buy-in for the idea and concept of CSR appears to be the least confrontational and has therefore often been the preferred mode of action for managers, the establishment of binding legislative frameworks allows for compatibility with international norms, creates a level playing field for competition and determines governmental expectations for corporate behaviour. In the words of the authors of a recent study on the role of governments in CSR, “voluntary initiatives – which by definition are not legally binding – should never be a substitute for effective regulation, but can be a powerful complement.”²² While Willard P. Harris, Managing Director of COLFIRE makes more generally the point that “the government is a

facilitator”, Govind Maharaj, CEO of Eastern Commercial Lands Ltd. prefers a more balanced approach when he says that “a bit of moral suasion, a bit of government intervention and a bit of partnering with government is required”. In Trinidad and Tobago, the government itself seems to increasingly realise the value that its involvement

Would you welcome government intervention as a driver for CSR?



²¹ See UNDP Report Caribbean Regional Conference ‘Corporate Social Responsibility – Creating value through Public-Private Partnership’, UNDP Trinidad and Tobago, p.12.

²² The Role of Governments in Promoting Corporate Responsibility and Private Sector Engagement in Development, United Nations Global Compact and Bertelsmann Stiftung, p.17.

“I would like to see the state’s role more in moral suasion than in regulation in that if you don’t participate we can make you feel bad but we won’t make you feel that you are obligated to. Your peer pressure, your community push, your colleagues in the industry, what that will do is to woo you if you are resistant to playing your part. But I don’t think mit should be involved in regulation. It should be obligatory in the social conscience and less in rules and laws.”

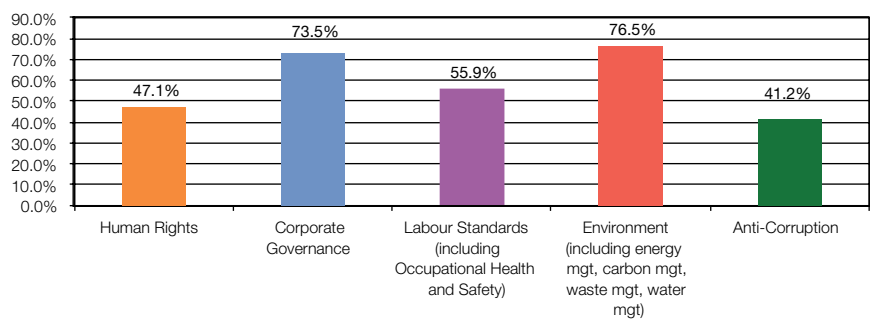
Ingrid Lashley, CEO
Trinidad and Tobago Mortgage Finance (TTMF)

in sustainable policy-making and in the establishment of framework conditions for inclusive bottom-of-the-pyramid models of CSR has. Addressing the issue of developing a national CSR policy, Minister of Trade and Industry Steven Cadiz at a workshop organised by the Trinidad and Tobago Chamber of Industry and Commerce (TTCIC) in October 2011 stressed the external dimension of a well-developed domestic corporate responsibility landscape when he reminded the audience that CSR “is key for strategically positioning and branding Trinidad and Tobago as a dynamic and modern hub for conducting competitive business and attracting greater investments. I want to assure you, the business owners present today, that when the national CSR policy is completed and implemented, it will help all our firms regardless of scale or size in the system, manage the complex set of relationships that exist and develop strategies to integrate CSR principles in their day to day operations.”²³

This statement stands in stark contrast to the findings of the 2008 Mapping Report which concluded that “there are few fiscal incentives for companies to undertake CSR related initiatives and there is no set framework to coordinate CSR initiatives at the national level.”²⁴ It however is very much in line with the thinking in boardrooms across both islands given that 88.6% of all CEOs would welcome the development of a national CSR Policy as a standard-setting framework for the Private sector.

The heightened awareness of political decision-makers about CSR and the seemingly greater openness towards government involvement by senior managers may open up new opportunities for Public-Private Partnerships giving more adequate recognition to the fact that in the post-welfare state scenario of shrinking state expenditures and concerns over unsustainable levels of public debt, all societal actors including the Private

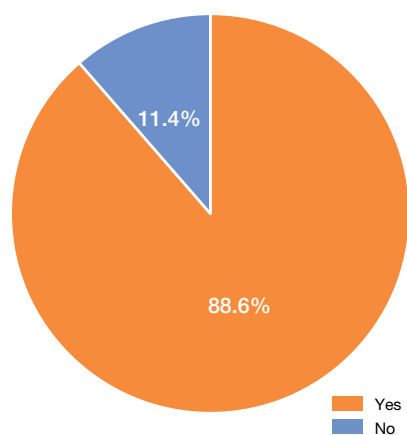
In your opinion, which stakeholders are the most important drivers for CSR?



²³ Minister of Trade and Industry Steven Cadiz, Speech at the Breakfast Seminar ‘CSR and Government: By Stander, Follower or Leader?’, Trinidad and Tobago Chamber of Industry and Commerce (TTCIC), 4th October 2011.

²⁴ UNDP/STCIC Mapping Report, p.54.

Would you welcome the development of a national CSR Policy as a standard-setting framework for the Private Sector?



Sector need to play a more active role in honouring their obligations as signatories to the social contract. Govind Maharaj, CEO of the TruValu supermarket chain operator Eastern Commercial Lands Ltd. points out that “people are at different levels of how they see CSR so to get everybody to comply and to head in the same direction at the same speed is going to be difficult.” Nevertheless, the prospect of forging social partnerships across sectoral lines seems to be an idea that is increasingly embraced by greater number of companies in Trinidad and Tobago. Furthermore, becoming a protagonist of CSR itself and intervening through policy initiatives and other forms of ‘soft’ regulations would give the government an opportunity to spearhead national efforts of ‘greening’ the economy in line with its own policy objectives and responding to the evident environmental vulnerabilities of the country. Reflecting on the role of government in CSR in what he calls ‘Third Generation Corporate Citizenship’, Simon Zadek remarks that “the issue is not merely whether there are things that the government

can and should do to encourage corporate citizenship. Rather the challenge is whether the government can find ways to raise the strategic significance of corporate citizenship in addressing social and environmental challenges, both to business as an imperative and as an enabler of more effective government policy, both nationally and on the global stage.”²⁵

As traditional dividing lines between issues, responsibilities, portfolios and public versus private ‘turfs’ are becoming increasingly blurred, CEOs are keenly aware of their changing role in society and of the way in which political decision-makers and members of the public are viewing their contribution to the social and environmental development of the country. This is reflected in the 75.8% of all CEOs that have expressed their belief that companies are increasingly expected to take over parts of social service delivery previously reserved for governments. In other words, the role of government is being re-defined as a result of the growing strains on public resources and its dependence on the social engagement of private capital suggests the emergence of a new division of labour between companies and the state with the latter to provide the regulatory framework for the former to deliver social goods and services in particular areas.

In many countries, an important driver for the CSR business case is consumers. Businesses, many CSR practitioners argue, have been prompted into changing their corporate behaviour as well as the nature of their production processes and manufacturing conditions because of the pressure generated through ‘ethical consumerism’. The latter contains both a positive (‘reward’) and negative (‘punishment’)

Rationale for Public Sector Involvement in CSR

The defensive justification for public sector actors in middle- and low-income countries relates to minimizing the potentially adverse effects of CSR on local communities, environments and markets when it is imposed through international supply chains and investment.

The proactive justification for public sector actors to engage with CSR is provided by the opportunity to increase the domestic public benefits of CSR practices in economic, social and environmental terms.

Adopted from ‘CSR and Developing Countries – What Scope for Government Action’, UN Department of Economic and Social Affairs, Sustainable Development Innovation Briefs, Issue 1, February 2007

²⁵ Simon Zadek, Third Generation Corporate Citizenship – Public Policy and Business in Society, The Foreign Policy Centre and AccountAbility 2001, p.14.

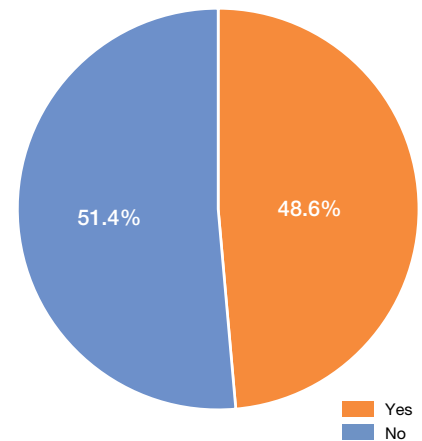
“Business and earning money through business impacts heavily on ethics. I think the government also plays a role in that they can create the environment to motivate the business community to behave in a certain way. I personally looked at the Global Compact and decided let’s make this part of our corporate strategy. But most business people haven’t reached that point, they need to be educated, they need to be informed and for them, you have to create that kind of enabling environment that doesn’t tolerate corruption, that forbids polluting the environment, that doesn’t tolerate unfair labour practices and inspires them to make a contribution because it is in their interest and in the country’s interest to behave like that. If you leave the private sector alone like that it is like asking a child to write an exam at the university level.”

Dave Ramkissoon
CEO EIL Group of Companies

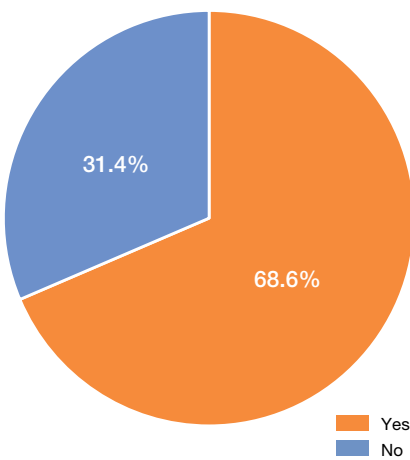
and Tobago than in other countries.

The skepticism of CEOs about the ‘driving qualities’ of consumers in Trinidad and Tobago with regards to CSR is further reflected in the fact that only 48.6% of them believe that consumers’ purchasing decisions are increasingly determined by a company’s social reputation while 51.4% did not think that such social prestige featured prominently in the decision-making process of individuals.

Would you agree with the assertion that consumer’s purchasing decisions in Trinidad and Tobago are increasingly determined by a company’s social reputation?



Do you think it is true that companies are increasingly expected to take over parts of social service delivery previously reserved for governments?

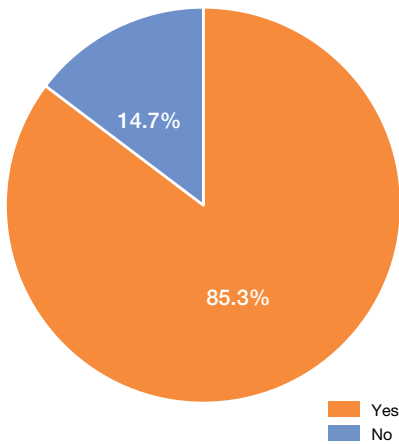


dimension with consumers’ desires, preferences, expectations and rejections leading to a range of behavioural and attitude-specific consequences from purchasing goods that have a perceivably high ethical ‘value’ to boycotting companies whose products and services do not meet the ethical standards of a demanding public. Based on the findings of this survey, such consumer pressure in Trinidad and Tobago seems to be considerably lower and less of a ‘game-changer’ than in foreign markets. While only 11.4% of all CEOs named consumer and customer demand as a driver for them to take action on CSR issues, an overwhelming 85.3% of all respondents agreed with the assertion that social and environmental concerns influenced consumer behaviour to a lesser extent in Trinidad

There is little or no evidence to suggest that Caribbean consumers are prepared to pay a premium on products with ethical attributes and to reward exemplary corporate behaviour and ethical leadership because of their enlightened self-interest. As far as the ‘punishment’ dimension of consumer pressure is concerned, Trinidad and Tobago has never experienced a consumer boycott or any other form of an effective public promotions campaign that used the purchasing power of ‘consumer citizens’ to coerce private businesses to choose or abstain

²⁶ Johannes Brinkmann, Ken Peattie, ‘Consumer Ethics Research: Reframing the Debate about Consumption for Good’, *Electronic Journal of Business Ethics and Organization Studies*, Vol.13, No.1 (2008), p.

Would you say that social and environmental concerns influence consumer behaviour to a lesser extent in Trinidad and Tobago than in other countries?

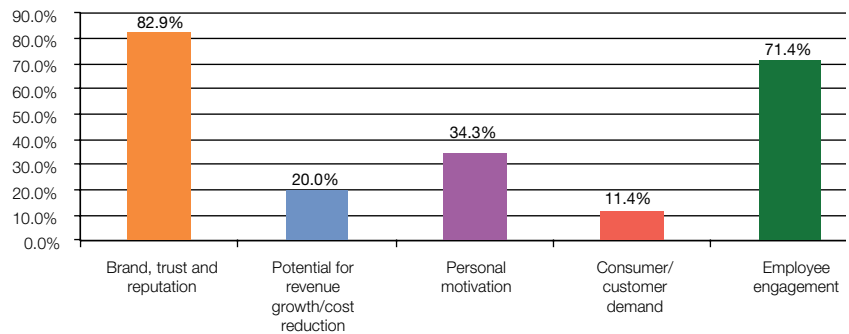


from certain forms of corporate behaviour.²⁶

In addition to government and consumers as external stakeholders, company employees are seen by CEOs as an internal stakeholder group that effectively drives CSR within the Private Sector. Employees can be both direct beneficiaries of good corporate practices as well as executioners of CSR projects such as community development activities and campaigns to raise awareness about environmental sustainability issues. 65.7% of CEOs name employees as the most important drivers for CSR leaving government (51.4%), communities (40%) and Board of Directors (40%) to trail in second, third and fourth place. Even more impressively, 71.4% of CEOs responded to the question of what would be the main driver for them in their professional role to take action on CSR issues by naming employees. Stanley Temprow, Managing Director of Bonsal Caribbean suggests that “CSR is trying to do a better job in getting

your employees satisfied primarily with their jobs and secondarily with their lives. That in the end means that you have happy employees and when you have happy employees you have good production and when you have good production you make money. If they all feel that the company is committed to them, there is so much more you will get in return”. Looking at the drivers of CSR through the individual lenses of senior managers, the findings suggest a strong focus of CEOs on employees in making CSR-related decisions with 71.4% of all respondents naming employee engagement as their main driver for taking action.

What would be the main drivers for you as CEO to take action on CSR issues?



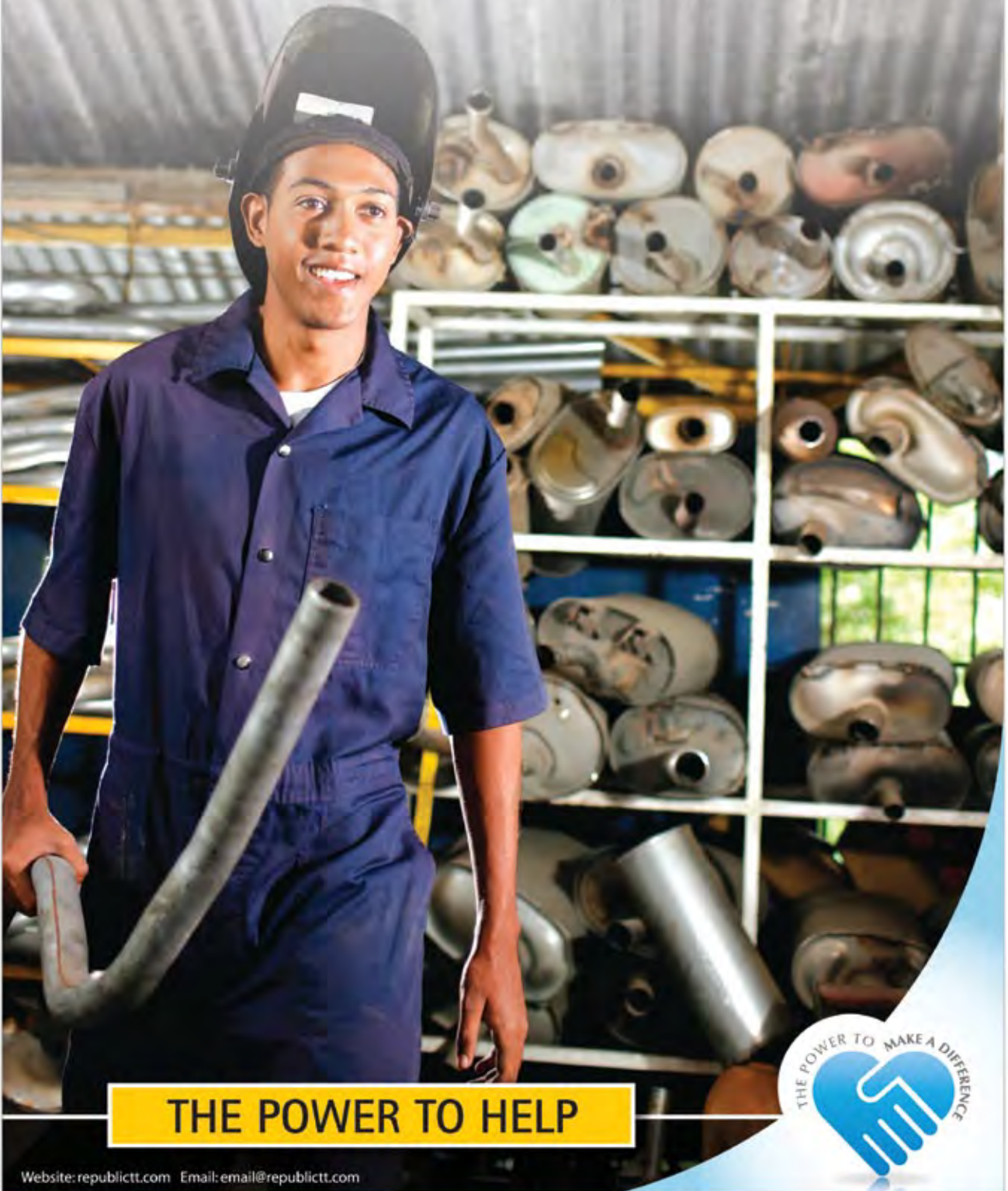
“What we have tried to do within our own organisation is to make a better life for our employees by working with us. So instead of working for us they are working with us, we are working together for this hand in hand. We can’t affect everybody’s quality of life in the country but if we can positively affect the quality of life for our staff, I think we are achieving something.”

John Sabga, Managing Director
Trotters Restaurant



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“The biggest CSR leader in any company needs to be the CEO”

Charles Percy, CEO Methanex Trinidad and Tobago Ltd.

on Sweat Equity, Corporate Volunteerism and the Value of Human Capital

Q: What do you make of the fundamental thought underlying CSR that there is something that in terms of responsible behaviour – internally and externally – goes beyond just the bottom line, goes beyond the core business?

CP: The raw material that all businesses use is “human capital” and therefore they owe something toward the nurturing of that source of human capital to ensure the quality of the resource which comes into their businesses, as well as to ensure its continuous development.

The question is how do businesses influence the society in which they operate so that they leave it the better for their presence. For me, CSR needs to be looked at as human capital development. How do we influence the human capital which is the real engine of any organization? Do we influence it through the school system; do we influence young people who are the leaders of tomorrow in the way we position them to see the future? How do we also influence the sheer fabric of society with the debates and actions which occur within and outside of our organizations? All businesses therefore need to recognize that they do have a moral responsibility for replenishing, renewing and developing the human capital in their immediate environment and sphere of influence. That is where I see all businesses having a stake in social responsibility.

Q: And you would not feel guilty if a critic of CSR would tell you that this is a very selfish way of looking at it? After all, human capital is of crucial relevance for the success of your business and therefore what you are doing on the social front is something that you expect to be beneficial to your commercial operations.

CP: There are four ‘P’s’ in social responsibility from the viewpoint of a corporation: there are the “*pet projects*” which are neither good for business nor society, but may only serve to stroke the ego of some CEO or owner/manager. Then you have “*philanthropy*”, which is just about giving some money that may help a few NGO’s, but really does nothing for the corporation. And then you have “*propaganda*”, which pushes the company’s line for whatever selfish reason and benefits only the company, not society. And finally there is “*partnering*”, which is truly designed to help society as well as the business. Businesses fund

Interview

All levels of business need to recognise that they have a responsibility for the replenishing, the renewing and the development of the human capital stock that they utilise. And therein lies for me social responsibility.

CSR initiatives from the profit they make and this is only sustainable in good as well as lean times, if the 'value proposition' remains credible. Am I therefore selfish in favouring true partnering? Yes, I am, if at the end of day I am satisfied that both society and business truly benefit.

Q: How do your colleagues in the business world react to your very outspoken and very strong stance on the issue of CSR? Do they see this as a distraction from the core business?

CP: When you have lived the journey and seen the transformation and power that is unleashed when an organization is fully engaged, then you know how integral social responsibility is to your business. When I started at Methanex Trinidad Limited as CEO in 2006, our employee engagement survey score was 32 out of a possible 100 and none of the other Methanex Corporation companies were less than 50. Through a disciplined approach over five years, we were able to move from 32 to 74 per cent and now we sit on the top quartile of Methanex Corporation's employee engagement. We now have an engaged workforce that is not just delivering internally, but delivers externally as well. We have won the Energy Chamber's CSR Award for 'Recognizing the Value of People' in 2009 and 2010; and through Methanex's commitment to Responsible Care, we have built a reputation for being an employer of choice and a good corporate citizen.

We have also seen the value of our efforts through our 'Mentoring Our Children' program, which engages young professionals in our organization as mentors for high potential secondary school students who are all from "humble means". It is amazing to see the positive changes in the lives of these children as well as the personal growth of our young professionals. It is so rewarding to see the innovation of our professionals, the engagement of the students, their families and the entire organization and especially the desire by all "to live; to love; to learn and to leave a legacy". We also partner with **Habitat for Humanity** to build and renovate homes for the families of these students in the program, so that they can all learn and live in a comfortable environment. Imagine how powerful it is for an employee here to be part of that experience. When they come back into the company, work means more than earning a salary; it is about developing an individual, a family, a society and a corporation.

Q: If you look around in the Private Sector in Trinidad and Tobago, would you say that the local business community is sufficiently engaged in CSR?

CP: A lot of what is done still feels like philanthropy. How does society sustainably benefit from what you are trying to do? And how does your organization and its people also benefit? If you cannot answer those two questions through **partnering**, then you are not really doing CSR.

As a member of the Chemical Industry Association of Canada, Methanex uses its tagline of 'A Responsible Care Company'. Responsible Care is good business and social responsibility is an extension of it. We are a responsible care company and that covers safety, the environment, people, fence line communities and the wider society, the whole umbrella.

Q: If you look at CSR and corporate volunteerism through the human resource lens, what are for you the tangible benefits that the company derives from mobilising volunteers among its staff?

CP: You have to see how the light bulb goes off in a person when they can make a tangible difference to the life of another human being. Volunteerism gives meaning to employees' performance and workplace interaction because it builds leadership skills, teamwork and a special camaraderie that grows through social interaction. Very importantly, their values are aligned with those of the organization. This synergy makes volunteering easy; it makes devoting their 9/80 days off to community-giving an easy choice.

Q: It seems that you haven't got any problems to mobilise corporate volunteers and that there is an outpouring and an interest and a high degree of motivation. A lot of other companies have expressed frustration over the difficulty of going beyond the 'usual suspects', the handful of employees who always volunteer.

CP: In terms of volunteerism, there will always be the usual suspects but you have to find ways of bringing more people into the limelight. As a CEO, I lead the charge in getting more employees engaged in volunteer efforts. The biggest CSR leader in the corporation has to be the CEO. My presence at every function and weekend sessions goes a long way in showing that I care. Internally, the care given to employees' well-being and health, particularly through an onsite state-of-the-art wellness facility, cafeteria and medical centre, is causing them to reflect on how fortunate they are. Recognition of volunteers by the company and their peers is also motivating more persons in giving back to others who are less fortunate.

Q: What is your view on the nonprofit organizations and their capacity to become partners for businesses?

CP: You cannot partner with every NGO. You can act philanthropically towards NGOs but you cannot enter into true partnerships with too many NGOs because they have to fit the social fabric of your organization. For example, our employees are more inclined to projects which they can identify with and invest sweat equity in – like building and painting houses for students and their families, in conjunction with Habitat for Humanity. They hesitate to help some NGOs because monthly salary deductions feel too impersonal. Therefore, it needs to be an NGO that meets the social psyche of your organization.



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“Our process for supporting NGOs is very rigorous. Every NGO has to develop a project plan for us which we evaluate. We have project officers who go out there and evaluate the ability to actually execute. Once we have identified the terms of actually supporting a specific project each member of our executive management team are allocated projects. So you are talking about people on the most senior level of the organisation who become the project sponsor. We have moved away from small projects to really big projects. Maybe it’s part of our training. The same way we lend money to somebody who has to pay back we use the same kind of process to make sure the money is spent properly.”

David Dulal-Whiteway, CEO
Republic Bank

The Third Sector Revisited – Private Sector and Nonprofit Partnerships

Over the past few years, partnerships between the business community and nonprofit organisations have become an increasingly integrated feature of non-philanthropic forms of CSR and an important configuration of external sustainability activities and their implementation at least in foreign markets. In contrast, four years ago the situation with respect to corporate collaboration with Civil Society Organizations (CSOs) in Trinidad and Tobago was described in the 2008 UNDP CSR Mapping Report as “limited” particularly in the “planning process of sponsored programmes.”²⁷ Partnerships have been defined as “a commitment by a corporation or a group of corporations to work with an organisation from a different economic sector (public and private) and characterized as involving “a commitment of resources – time and effort – by individuals from all partner organisations.”²⁸

While businesses see NGOs as effective drivers for CSR - 37.1% of CEOs expressed this view – NGOs are also legitimizing companies’ efforts to secure a license to operate in local communities. If conceptualised methodologically with expectations on both sides managed in a timely fashion, social partnering can become a rewarding co-production of developmental gains. Many NGOs possess community access and a degree of specialised knowledge that companies do not have available in-house but often depend on in the implementation of their CSR programmes. In turn, companies have the ability to mobilize additional human resources in the form of corporate volunteers, provide vitally important financial support to projects and, through their technical and business skills, may be able to assist nonprofit organisations also in the area of organisational development. Govind Maharaj, CEO of Eastern Commercial Lands Ltd. says about his own NGO experience: “I think the NGOs are doing a good

job given their limited resources both in terms of capacity and funding. We for example work with SERVOL to achieve two purposes. Firstly, to get the people of that organization out into the business world to learn a skill or to become more aware of how a business runs and it also gives us a pool for recruitment. Nonprofit organisations could do a lot better though if their capacity was enhanced and their funding was increased.” While partnerships with the Private Sector have undoubtedly the potential to address the issues of capacity gaps and financial pressure, they also lead to important gains for NGOs in the area of organizational credibility and prestige when teaming up with a well-known corporate entity. While NGOs are able to secure key financial support and enhance and solidify their status within the national development arena, their corporate partners are often able to derive positive spin-off effects in terms of their reputational value and the creation of brand equity through corporate social marketing.²⁹

CHAPTER 3

²⁷ UNDP/STCIC CSR Mapping Report, p.ix.

²⁸ Sandra Waddock, ‘Building Successful Partnerships,’ *Sloan Management Review*, Summer 1988, p.18.

²⁹ See Steve Hoeffler, Kevin Lane Keller, ‘Building Brand Equity Through Corporate Societal Marketing,’ in: *Journal of Public Policy & Marketing*, Vol.21, No.12, Spring 2002, pp. 78-89.

“My wife and I started an organisation a while ago which is located in Laventille and is called K.I.N.D. (Kids in Need of Direction). There we deal with kids who have social problems, emotional problems, learning problems and once you have successfully addressed those issues you are surprised how far they can go. Some of them just graduated from university. It started off with almost no hope, they were outside the system and it just shows if they have the right input and care. Where the organisation is today is way beyond the point where we started it, we have a staff of around twelve people. In terms of the funding, we are running the NGO now for fifteen years in Laventille which is a hot-spot community and we have not received one cent ever from any government ministry and we have virtually given up to secure financial assistance from the government. We receive a lot of funding from foreign donors. We spend a lot of time marketing and fundraising and writing letters and we sometimes feel that we are a marketing organisation when we are a service organisation.”

Daniel Scott, CEO
Anthony P.Scott Ltd.

However, partnerships are not a win-win arrangement by default. In order to achieve targeted outcomes and develop sustainable partnership structures, both companies and nonprofit organisations need to pay considerable attention to the process of partner selection and its strategic context, the design of joint projects and the management of mutual expectations. Selecting the right partner NGO - something that “can be the result of either a planned or an emergent process”³⁰ - is a crucial pre-requisite for successful collaboration between businesses and nonprofits. Finding the

right match for joint activities based on a partnership approach requires alignment of strategic direction, a clear understanding of the shared responsibility on assignments, a recognition that organizational size matters on both sides of the partnership and a thorough grasp of the mutual needs and pay-off expectations. The longevity, regularity and nature of partnership-driven joint initiatives may vary from case to case and a company’s nonprofit ‘portfolio’ may be characterised by some degree of diversity. Eugen Tiah, CEO of Phoenix Park Gas Processors Ltd. points out that “we do partner with traditional NGOs. Sometimes the partnership is an ongoing type of relationship and sometimes it’s of a project nature in that we work over a number of years on a particular project and see that through to completion. But our model is that we will partner with an NGO and we will define what we expect in terms of governance and standards of performance. We define what the deliverables are, we define how they will be delivered and we also define what we will stand for and what we won’t stand for.”

In other cases, focusing on one’s own core business guides companies in their selection process of nonprofit partners. Ingrid Lashley, CEO of Trinidad and Tobago Mortgage Finance Ltd. (TTMF) explains: “Habitat for Humanity is an NGO that we worked with very closely and one that is in line with our business. We try to get people into a home, that is what we do as a business. Mortgage financing is the way we do it but our focus is always to put people in homes. If we therefore have displaced boys we must find a home. If we have homeless people we must find a home. If we have a home that is dilapidated we must contribute to building a

³⁰ Maria May Seitanidi, Andrew Crane, ‘Implementing CSR through partnerships: understanding the selection, design and institutionalisation of nonprofit-business partnerships’, *Journal of Business Ethics*, Vol.5, No.2, Supplement 2, 2009, p.422.

better home. Habitat is involved in all that so they are a natural fit.” This type of congruence has been described by some experts as a ‘cause fit’ which “involves a compatible positioning between the company and the cause that is based on an element of strategic similarity”.³¹

Contrasting with such an approach that seeks to align a company’s core business with its partnership identification and selection process, other corporate actors deal with the issue of nonprofit partnerships in a more ad-hoc, reactive and less formalised way. Michael Aboud, CEO of Amalgamated Security Ltd. explains: “The NGOs that we work with would be the Living Waters community and we would normally respond with whatever they need from us. For example, if they have a fair and they want security or they want us to incorporate some of their people in our mentoring programme then we would facilitate that. We have, however, no formal agreement with any of the NGOs. We see NGOs as the conduits through which we can execute some of our projects. If we are talking to our managers about our social engagement, we would ask them to identify through the NGOs the things that they would like to see happening and to see if we can get involved in that. But it’s not formal. They are important but they are also very focused in what they want to do which is not necessarily what I want to do. If the alignment is not there, the project may never happen through them. So they may come to us with something where we feel that this is something that they can do on their own and they don’t need to be in partnership with us.” And asked about the same aspect of formal and long-term partnership arrangements between the world of profits and

the world of societal development, Norman Christie, President of bpTT elaborates: “Globally, the partnerships between companies and NGOs haven’t really always focused on the notion of sustainability. Somehow the relationship tends to be in itself short-term in focus. So, I believe that an evolution is required. NGOs might be evolving and might be getting better but there are even more possibilities to develop that space so that when we (i.e. companies and NGOs) are talking it is really a conversation about a partnership on long-term sustainable issues.”

Since companies and nonprofits hail from different organizational cultures, the room for misunderstandings, misaligned expectations, attempts at dominating joint activities or the divergence of targets and objectives is considerable. Suspicion, mistrust and apprehension are the likely by-products of partnerships that lack sufficient preparation, information and expectation management. The problem of corporate micro-managing or at least the *perception* of corporate micro-managing as highlighted in the previous case arises predominantly in situations in which the company decides to adopt a programmatic approach instead of pursuing a philanthropic and grant-making model of support for social and environmental causes. Combining the two approaches, Nicolas Galt, President of the TSL Group of companies says about his company’s support for non-governmental organisations: “In so far as NGOs are concerned, our involvement has been largely mentoring, time based and somewhat financial. We use our experience in business and our ability to understand a business proposition to advise young start-ups how to deal with this.

“Managing expectations on both sides of the partnership with regards to the level of organizational commitment, to the output produced and outcomes generated as well as to the resources allocated will determine if volunteer projects become reasons for celebration or a trigger for corporate hang-over.”

Roadmap to Corporate Volunteering
- 6 Steps Towards Developing an Employee Volunteer Programme
UNDP Trinidad and Tobago
2011

³¹ Ida E. Berger, Peggy H. Cunningham, Minette E. Drumwright, ‘Social Alliances: Company/Nonprofit Collaboration’, *California Management Review*, Vol.47, No.1, Fall 2004, p.74.



The United Way –Nonprofit Funding and Charitable Giving

“What interested us when we first got involved with United Way on the upside was the concept of UWTT’s vetting of charitable organisations to ensure that the organisations and environment were bona fide. The downside was the knowledge that a portion of the money being collected would be used for administrative purposes. In short, when we spent a dollar on charitable organizations the full dollar goes there but if we sent it through United Way it’s probably discounted by the administrative costs of the organization. We also realised, on the other side, that there are a number of NGOs in Trinidad and Tobago that are receiving funds from government and from organisations such as ours to support their efforts but in some of these institutions those funds actually disappear into the pockets of persons that are running the show. So United Way appealed to us in that they were vetting these things, it is properly organised and administered and made sure that the money was well spent. There was yet another appealing area of the whole thing and that is that an organisation as small as ours gets inundated every single week with requests for charitable donations and it was somewhat easier for us to subscribe to United Way and to create a standard letter to say to the majority of them that we are already working with United Way and suggests through this medium that they go through the United Way Accreditation Programme. By so doing, they in turn could be certified and accredited for United Way support on a continuing basis.”

Nicolas Galt, President
TCL Group of Companies

Those requests would come through institutions with which we are involved like the Youth Business Trust. On occasion these come directly to us as well." However, not all companies engage in social partnerships with NGOs. Norman Sabga, Chairman of the Ansa McAl Group of Companies says: "Though we may partner with certain NGOs from time to time, we think that we are large enough to do our own thing. That's because of our own capacity, recognition for what we do, recognition for who we are and what we want to do. This has very little to do with the quality of the nonprofit partners but is more about us being able to identify what we want to do. In addition to which working with some of the larger organisations, a substantial amount of what you put into the pot goes into their administration. We think we can do a lot more doing it ourselves." Companies who seek to develop some degree of programmatic input and content for implementation thereby going beyond the frontiers of traditional philanthropy often do so by establishing their own foundations as nonprofit delivery vehicles as is the case with Ansa McAl or the telecommunications provider Digicel. Such corporate-driven nonprofit organisations created for the launch, oversight and management of sustainability initiatives as well as the area of sponsorship and charitable giving enable companies to engage with civil society organisations in supporting roles while also pursuing their own CSR activities and formats. The Ansa McAl Foundation's annual Anthony N. Sabga Caribbean Awards for Excellence are an illustration of the latter.

"We support a steelband group and when you do that you are doing some community development as well as culture in terms of the way we operate with them because we are integral part of their organization. We have representatives that sit on their board. The role that pan plays in the areas that we support in Laventille, it really helps to bring people off the streets."

Errol Le Blanc, CEO
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Capacity-Development for Nonprofit Organizations through Corporate Volunteering

ACCA (Association of Chartered Certified Accountants) is the global body for professional accountants. We support our 147,000 members and 424,000 students in 170 countries, through a network of 83 national offices and centres. ACCA Caribbean is one such national office supporting 22,000 members, students and affiliates in the region.

While CSR is incorporated into the operational strategy of ACCA, at a national and regional level, the Caribbean office sought meaningful ways in which to impact in a positive way on the wider society. The challenge was to find an approach closely related to our core business that would not only have the required impact at a social level but also be sustainable. Organisational capacity building among local NGOs was identified as a possible area within which we could make the most meaningful impact. Many such agencies provide much needed support to those most at risk in local communities, yet are hampered by a lack of access to funding from international organizations because of poor or inadequate financial and administrative record keeping practices. As such, a large number of them are not sustainable in the long term.

The particular challenges faced by NGOs presented an ideal opportunity for a capacity building exercise based the premise of skills based volunteering. One within which the accounting and management skills of ACCA affiliates would be matched with the specific organisational needs of local nonprofit organisations. Such an intervention could bring long term and sustainable benefit to communities by strengthening the capacity of the NGOs that serve them and to ACCA affiliates by providing opportunities to gain important and relevant work experience through volunteer assignments.

The pilot phase of this project was launched in March of 2011 and ran for a 6-month period after which an assessment of its success and the possibility of expansion would be examined. Our decision to partner with the United Nations Volunteer Programme (UNV) Trinidad and Tobago was based on the substantial work they have done and continue to do to raise awareness locally on the area of corporate volunteerism along with their knowledge of the local NGO sector.

In the initial stages, a beneficiary NGO – The Just Because Foundation - was identified because of their seemingly immediate readiness for such an intervention. A thorough assessment of their needs was then conducted the results of which were used to determine the specific skills required from the volunteer as well as the deliverables.

Once the skill set had been determined, we created a resource pool of affiliates who not only matched the skill requirement but were also interested in volunteering. The selected candidate was subsequently presented with a work plan, a monthly reporting structure and stated deliverables which included completed, audit-ready financial accounts for identified periods, an operations manual and a chart of accounts. Monthly review meetings were held and challenges dealt with as they arose.

In conclusion, the project exceeded expectations and provided an excellent template for similar initiatives in the future.

Lesley John, Marketing Manager
ACCA Caribbean

Case Study

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“We agree that in pursuit of its legitimate activities the private sector, including both large and small companies, has a duty to contribute to the evolution of equitable and sustainable communities and societies.”

Johannesburg Declaration on Sustainable Development 2002

Managing Human Capital through CSR – The Business Case for Corporate Volunteering

CHAPTER 4

The field of corporate volunteering and employee engagement has gained increasing popularity among CSR managers and sustainability advocates in recent years. Many corporations in larger markets are placing more and more emphasis on the mobilization of their employees for social outreach activities and environmental conservation programmes and some multinational companies like IBM or pharmaceutical giant Novartis have even gone as far as undertaking project-type development work on a global scale sending their staff into remote corners of the world to utilise their skills outside the domestic corporate framework.³² CEOs in leading manufacturing hubs and large consumer markets have increasingly begun to see employees as their companies' personified social conscience and it is through corporate volunteers that the business community continues to explore new and more pro-active forms of corporate social outreach different from conventional forms of private sector contributions to society such as charitable giving.

The idea of corporate citizenship has widened its appeal in many parts of the global marketplace and many company leaders have begun to realise that the mobilization of staff for volunteer projects could sustainably address social needs while paying a commercial dividend in the medium- to long-term. In the words of CSR scholar Kenn Allen: "Businesses get credit for what they are contributing to the community and for the opportunities for fulfilment and personal development they are offering their workers while there is also acceptance that businesses can fairly expect a 'return on investment' from this commitment."³³

In this win-win situation, the benefits of corporate volunteerism to community life are considerable and it has long been recognised that employee volunteers have the potential to make a significant contribution towards social development on community level and therefore to the achievement

of national development objectives. The principles and guidelines enshrined in the 2002 World Summit on Sustainable Development and in the Millennium Development Goals (MDGs) campaign have been providing universal frameworks for corporate responsibility and, in particular, the activities of corporate volunteers. Little disagreement exists with respect to the business benefits of corporate volunteering. The most tangible gains are usually being made *within* the company thus forming part of what is commonly referred to as 'Internal CSR'. Benefits range from increased level of individual motivation of staff to higher rates of retention, a greater degree of innovative practices, strengthened corporate reputation and improved customer relations. In the words of A. Norman Sabga, Chairman and CEO of the Ansa McAl Group of Companies: "If one of our organisations, for instance Abel adopted an orphanage in Chaguanas,

³² See 'Big-Hearted Blue', *The Economist*, 28th October 2010.

³³ Kenn Allen, 'The social case for corporate volunteering', *Australian Journal on Volunteering*, Vol.8, No.1, 2003, p.58.

“Benefits of Corporate Volunteering

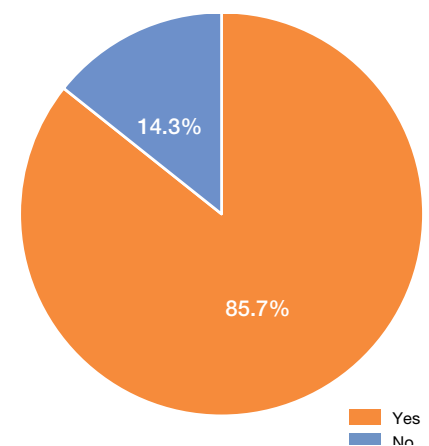
- *Provides creative opportunities for professional development*
- *Deepens relationship with existing strategic partners*
- *Builds brand awareness and enhances the company’s efforts to be seen as a good corporate citizen*
- *Makes a positive difference in the communities in which the company operates*
- *Employees willingly take up the opportunity to volunteer one day every year for charity or to give back to the community.”*

Dennis Evans, CEO
Citibank

getting our people involved in that process brings them together and creates a bond in terms of a family. Therefore, you are doing good but you are also building an organization. So there is a benefit to us as well. Yes, it makes us and our employees feel that we are giving back but it also builds a strong bond amongst our people. Working together, playing together, being conscientious together in terms of society and the environment builds a better team.” Wayne Dass, CEO of credit rating agency CariCRIS, shares a similar belief: “Sometimes the business benefits of corporate volunteering are not direct, they come back in an indirect way. When you start to get into volunteering, you go beyond yourself and I think that develops in you a certain mindset, a certain caring about things beyond yourself. I think that then feeds back into the organization. When you have a person like that coming back into the organization, these persons, the way they operate, the things they say, the comments that they will make in a team meeting will spread to other people too. It strengthens team work, it widens their network of contacts, it makes them realize that business does not exist in isolation but that there is a wider world outside there that one can tap into and bring the benefits of that experience back into the organization.” And of course, there is the important aspect of companies benefiting from greater levels of loyalty, dedication and commitment of their employees resulting from the fact that often CSR programmes and an employer’s attention to the principles of ethical behaviour are positively perceived by the workforce as making a positive difference in the lives of citizens in need. In other words, corporate image impacts on individual commitment.

The personal attitude of CEOs towards the very idea of civic engagement and the personal volunteer history of senior managers are important indicators for the level of acceptance, understanding and support that members of the boardroom are prepared to extend to volunteer initiatives within their own companies. 85.7% of all CEOs interviewed for this report went on record as saying that they had previously volunteered as private individuals in support of public projects. Such personal involvement would have sensitized managers to the public need for volunteer assistance, to the social and infrastructural challenges experienced by many communities and to the value of civic engagement for building more stable and inclusive societies (the latter an obvious pre-condition for successful business operations). Arguably, CEOs who have been exposed to voluntary action as private individuals are more likely to lead efforts of integrating the principles of an individual as well as organisational social and environmental commitment into their corporate culture.

Have you ever volunteered as a private individual in support of a public project?

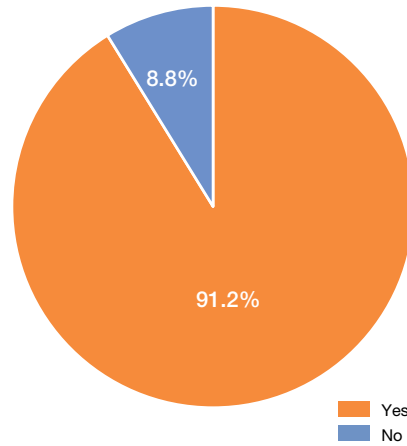


Even more CEOs responded in the affirmative when it came to their personal volunteer engagement in the corporate realm *before* they became CEOs. 91.2% had been corporate volunteers while still being members of the general workforce before arriving in their senior positions.

At first sight, this high level of personal involvement of CEOs in volunteer activities suggests that such commitment must have led to the emergence of sustainable levels of corporate volunteerism documented in a high number of volunteer programmes in the Private Sector. However, the evidence shows that company volunteering remains an activity that takes place largely outside of programmatic frameworks and with little or no connection to core business activities. In response to the question about the existence of an official volunteer programme within their companies, only 37.1% of all CEOs were able to confirm that their ‘corporate culture of caring’ entailed operating a stand-alone volunteer programme with 62.9% answering ‘no’. This figure presents a slight increase from the 24.7% of companies that had confirmed the existence of such a programme in the 2010 UNV Survey on Corporate Volunteering in Trinidad and Tobago.

The considerable personal involvement of CEOs in volunteer activities either privately or in the corporate realm thus does not equate to a greater degree of ‘professionalisation’ of volunteer management or to the adoption of a more programmatic approach towards employee engagement. In other words, the individual exposure of CEOs to volunteerism does not translate into the creation of fully-fledged corporate volunteer programmes on an organisational

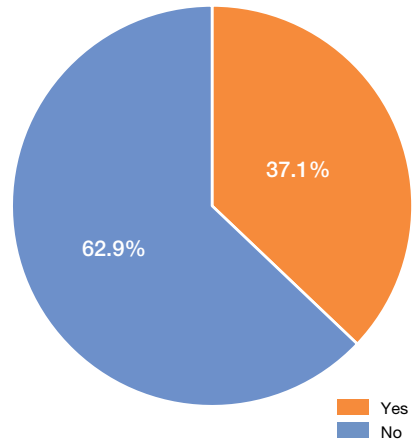
Have you ever volunteered in your role as an employee before you came CEO?



level. Many corporate volunteer initiatives remain ‘one-off’ and ‘ad-hoc’ activities in nature with staff contributions that do not necessarily require specialised technical skills such as beach-cleanings or the painting of orphanages, homes for the elderly etc. As Noel Pemberton, CEO of energy company Ten Degrees North Ltd. says: “It’s done very informally. I may not even know about it. It’s done but there is no structured programme. It’s more internal than external. It’s not formalized but I know it is happening.”

CEOs may well buy-in to the argument about the social value of employee volunteering but may not necessarily see the business benefits in such activities or realise their importance for the development of a distinct corporate culture. This may explain why the majority of companies have still not filled the gap of establishing a programmatic framework for volunteering, something that would require a considerable level of resource allocation and the development of strategies, governance structures, training programmes and project management portfolios. Within the

Does your company operate a corporate volunteer programme?



one-third of companies that operate an official corporate volunteer programme, 64.3% of CEOs were involved in their development and implementation.

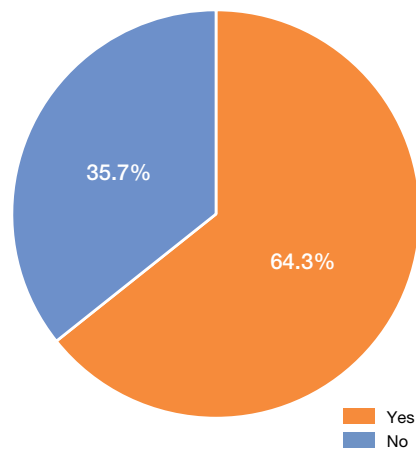
Some CEOs have stressed that even though senior management may see the value of employee volunteering, any more structured efforts to establish volunteer management processes within the company are likely to encounter certain challenges. Daniel Scott, CEO of Anthony P. Scott, explains: “Most people want to do something. But there are two problems. One is that they don’t know what to do and secondly, once you do it regularly, it tends to fall apart. Once the sacrifice needs to be made in terms of time for example, it seems to a lot of people that it is cheaper to pay for others to help than to volunteer themselves.” Other CEOs in expressing concern with regards to developing an official volunteer programme within their company are more focused on the aspect of industrial relations as a possible stumbling block for corporately driven volunteer activities. Robert Lazzari of Agostini Insurance

“To say that we have a formal volunteer programme in place now that would recognize people for volunteering, no. But if somebody is doing something extraordinary and their name is submitted to the CSR Committee recognition will be given to them. It’s a very informal arrangement that we have right now. But we would not prevent any staff member who has come to us with a project that will require him to invest time from work, we would not deny that. We would support it in as many ways as we can.”

Michael Aboud, CEO
Amalgamated Security Ltd.

Brokers Ltd. is frank in the description of his worries: “I don’t think I would want to go too far with my staff in terms of volunteering because invariably the unions will use that against you when you negotiate with them. They will say our staff did that (i.e. the volunteering) for the company and for your positive image when they

If so, were you involved in its development and implementation?



went and painted that school this year and they will say you really should give us 16 percent of a pay rise even though we agreed on a 15 percent settlement prior. Or they would come and be telling you that having had staff volunteering over the weekend, we really should pay them overtime because the employees would have been representing Agostini and not themselves. So I rather encourage my staff to volunteer in the sense that if you live in a community with a school or something similar that needs help then go and help.”

At the same time, even skeptical CEOs are inclined to revisit the issue of corporate volunteering in the future. Robert Lazzari again: “Maybe it’s a selfish and a silly way. Maybe I can do more within this company to promote and encourage my staff to get more involved in social things. The only time this happens is when the Cancer Society has a walk and I am giving a cheque to this organization and I am buying jerseys for everybody and I say let’s put together a team of fifty colleagues to walk around the savannah. My staff loves that. But to say that I really have my staff so motivated and aware that I can say let’s do something social because we work with SERVOL, I haven’t got to that level and I know that that’s an area that I should probably spend a bit more time on.”

While the development of skills as a tangible ‘take away’ of corporate volunteering is being increasingly recognised by foreign managers and CSR practitioners, CEOs in Trinidad and Tobago have retained some scepticism as to the skill-building effect of staff volunteerism. Says Jason Freakley, Managing Director of Scrip J Printing Ltd.: “I have never thought of employees as developing skills on these projects. I would have more thought of what kind of skills do they have already that they can contribute to these projects. And what I would have seen is more of a positive contribution by the organisation and its staff with them being happy to do those things and that sense of well-being and contribution I would have thought would come of it. I never thought of them getting additional skills out of it.”

“When new employees are coming in, they become part of our social events club. As members of this club, they are automatically involved in the annual activities. We don’t have a structured approach towards volunteering though. When we have something coming up we send out a memo.”

Eric Kipps, CEO
Jaric Ltd.



“And if you don’t care about young people the level of investment will be reduced because if you are a society that is plagued with crime, if you have a society that is plagued with dishonesty then investors don’t want to come and invest here. If I want to expand my business and I am looking for a business partner, you think you want to come and invest in an environment where his employees could be robbed or murdered? What I am saying is let us help our communities to help themselves to become better citizens and we will build our business through that. You can’t run a business just for now. Take care of your community and they will take care of you.”

Ron Milford, CEO
Unipet

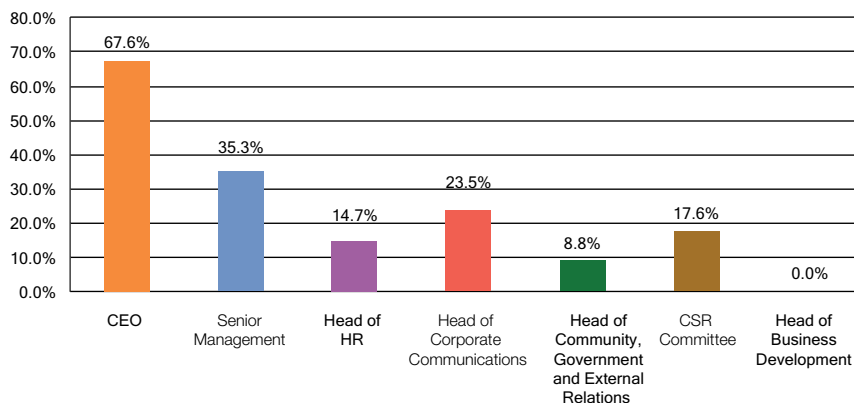
Outlook – The Road Ahead

Rather than just being the personal pet project and an expression of enlightened self-interest on the part of a few selected entrepreneurs, CSR has the potential to become an effective tool in the hands of corporate competitors, investment promoters, government officials and development specialists. Especially after the turbulences of the international financial crisis in 2008, investment capital is increasingly gravitating towards ‘safe havens’ making a well but not over-regulated environment in terms of sustainable management principles the destination of choice. In this context, the development of structures, guidelines, policies and principles needs to be as collective and inclusive a stakeholder effort as possible. Private sector and public sector, members of the business community (particularly CEOs) and governmental decision-makers need to pool their resources and jointly spearhead new developments for the greater institutionalization of CSR. The

recently signed UNDP/MTI project for the development of a national CSR policy is an important step in the right direction. This initiative could either help to prepare an even more substantial piece of legislation or simply serve as an enabling operational framework that will provide incentives to initiate behavioural change and establish standards of good corporate citizenship. The good news emerging from this report is that CEOs are overwhelmingly in favour of government participation in the promotion and development of CSR.

CEOs are the ‘chief architects’ of corporate strategy. In going forward, they now need to engage more actively in the greater integration of CSR into company strategy and to lead efforts among stakeholders to push ahead with the transition from philanthropic support for small-scale social development initiatives, sporting events and musical performances towards a closer alignment of

Who in your company initiates, develops and manages the CSR activities and projects including corporate volunteerism?



sustainable management practices with core business processes, key competencies and target audiences. CEOs are crucial for the success of their companies' CSR programmes. In their majority, they have already stepped up their involvement in sustainability activities and have shouldered responsibility for initiating, developing and managing CSR projects.

It is the CEO who sets the tone from the top on questions of corporate culture and identity, strategic direction and social positioning and it will be the CEO who needs to drive the essential shift from CSR as an issue of reputation management to CSR as an issue of strategic management. Greater sensitization of senior managers is required and major CSR stakeholders such as Trinidad and Tobago Chamber of Industry and Commerce (TTCIC), Energy Chamber, Arthur Lok Jack Graduate School of Business and Trinidad and Tobago Manufacturers Association (TTMA) need to specifically engage members of the boardroom on issues of knowledge transfer, Best Practice research and the participation in peer exchange platforms such as workshops, symposia and conferences.

While in this survey, the majority of CEOs asserted that CSR was 'critical' for the commercial success of their companies, the reality continues to throw doubts on the level of conviction that underpins such expressed beliefs. The list of items on the 'still-to-do-list' is substantial. The 'public relations element' remains a fundamental feature of companies' CSR practice in Trinidad and Tobago and the incorporation of sustainable approaches into strategic planning processes continues to be weak. Managerial performance is often not

linked to the implementation of CSR activities and the area of supply chain management has still not sufficiently absorbed sustainability criteria into its operational matrix. In addition, CEOs have a crucial role to play in ensuring that the company reports regularly on its corporate responsibility portfolio either as a section integrated into the annual report or in a stand-alone fashion via the publication of a sustainability report.

Understanding commercial success and social progress as two sides of the same coin remains a challenge in Trinidad and Tobago. Michael Porter has sought to reconcile these two dimensions in a conceptual framework that places the idea of multi-layered value creation at the heart of corporate operations in the social realm. "The solution lies in the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges" he writes and goes on to say that "businesses must reconnect company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do but at the center."³⁴ It is precisely such a shift that the local Private Sector in Trinidad and Tobago still needs to undergo and CEOs are crucial to initiate such change.

While structures and an enabling environment are important facilitating factors for CSR, individual leadership matters equally both inside the company and outside. Particularly in the area of alliance building and inter-sectoral partnerships, CEOs should become more directly involved in determining the overall direction of their companies and – on an

executive level - get involved in the process of identifying nonprofit and voluntary sector organizations that promise lasting synergy effects in the implementation of social outreach programmes and projects. Yet again, the low profile of senior managers and company owners with regards to questions of partnering finds its expression in the fact that only one-third of all interviewees regarded civil society as a key driver in their decision-making process. Arguably, the capacity limitations of civil society organizations to engage Private Sector partners in social and environmental initiatives are considerable but CEOs should lead corporate efforts to find innovative ways to address precisely those shortcomings through assistance in the area of organizational development. The recently concluded corporate volunteer project implemented by the Association of Certified Chartered Accountants (ACCA) in partnership with the United Nations Volunteer Programme (UNV) and in support of the Diego Martin-based Just Because Foundation (JBF) has demonstrated the value of strengthening the NGO sector's organizational capacity and in doing so, to improve the level of service delivery through nonprofit providers. CEOs have an important lead role to play in this regard and should be part of the process of partnership building from as early as possible a stage on.

One dimension that this report has not specifically addressed is the issue of CSR among Small and Medium Enterprises (SMEs). Based on the findings of the 2008 Mapping Report, SME's posed a considerably greater challenge to the community of CSR advocates than large national and multinational companies. Not only did experience demonstrate the need for making a convincing business

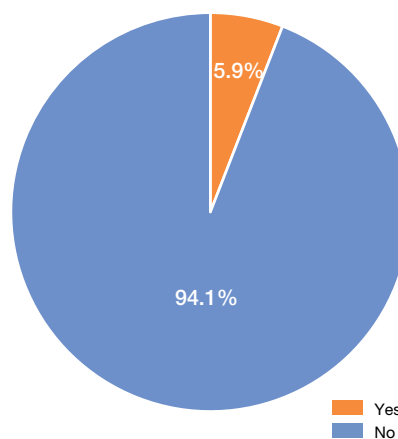
³⁴ Michael E. Porter, Mark R. Kramer, 'Creating Shared Value', January 2011, *Harvard Business Review*, <http://hbr.org/2011/01/the-big-idea-creating-shared-value>; also in Michael E. Porter, Mark R. Kramer, 'Strategy and Society – The Link Between Competitive Advantage and Corporate Social Responsibility', *Harvard Business Review*, December 2006, pp.78-92.

case for the social involvement of SMEs to company owners in this still family-business-dominated sector. It also highlighted the question of SMEs' internal capacity-related limitations for the implementation of programmatic CSR activities. Even more important in smaller corporate environments, the CEO's personal involvement and his/her knowledge of and backing for sustainability programmes provide the operational basis for anything that happens within the company. The success of future advocacy efforts among SMEs in Trinidad and Tobago crucially depends on the ability of CSR-promoting organizations to secure buy-in for the idea of social outreach and environmental engagement from senior business leaders and members of the entrepreneurial class.

Finally, corporate volunteering remains one of the most promising sub-fields of CSR both globally as well as in the local context of Trinidad and Tobago's Private Sector. As in the aforementioned areas of CSR, CEO leadership is crucial for the mobilization of employee volunteers and the sustainability of volunteer programme. CEOs should be personally involved in the process of programme development as well as project execution providing financial support, contributing personal ideas and suggestions and mobilizing and motivating employees by way of leading by example. Once CEOs fully understand the business value that voluntary employee engagement can generate, their interest in developing the company's social engagement portfolio will be significantly heightened. In other words, the question is if T&T-based CEOs believe that instead of feeling that they have an "obligation to give back" as close to 60% of their U.S.-based counterparts

reported in a 2005 survey,³⁵ corporate volunteering in their view presents a value proposition that goes beyond the confines of public relations and reputational management but rather impacts positively on the bottom line through its spin-off effects in core business areas e.g. human resource management.

Are you a member of the UN Global Compact?



CEOs should also lead their companies towards a stronger level of participation in international CSR initiatives. Despite the fact that in October 2010, the TTMA became the official secretariat for Trinidad and Tobago's local network of the UN Global Compact, the world's probably most recognised sustainability campaign, only 5.9% of all CEOs interviewed for this survey declared membership in this UN-backed CSR initiative. Being embedded in regional and international structures and initiatives while operating in national markets would enable CEOs to follow developments in other countries, adopt a comparative perspective with regards to workable solutions and benefit from the assistance of a global network of Global Compact participants.

The importance of discovering one's own employees as a major driving force for CSR and the need for acknowledging the importance of securing workforce buy-in for sustainable action was already recognised in the 2008 UNDP/STCIC CSR Mapping Report when it stated that "the commitment of the employees [...] must be ensured by the use of appropriate means (e.g. ethics training, discussion of management decisions which involve ethical rationale, mentorship and promotion of employee volunteerism within their communities).³⁶ In future, CEOs must be shouldering more responsibility for individually leading the mobilization and recruitment drive for corporate volunteers. One recent study concluded that "companies should tap into the enthusiasm, not only to increase engagement levels among staff, but also to gain access to new ideas and approaches at every level of the business."³⁷ In 'harvesting' the creative potential of their staff members, CEOs must reach beyond the confines of the boardroom and successfully rally employees around social causes that transcend narrow bottom line thinking. Investing even more strongly into the promotion of sustainable business solutions, ethical corporate practices and social engagement can only benefit all stakeholders involved in the marketplace T&T and will help the business community to fully realise the potential of its symbiotic relationship with the social environment. This may lead to more business leaders agreeing with Norman Sabga's philosophy as Chairman and CEO of the Ansa McAl Group of Companies to engage in CSR namely to "give back to society something that we have benefited from in terms of being a profitable vibrant organization."

³⁵ Can Corporate Volunteering Support the bottom Line? – The Challenge. The Opportunity. The Case for Investment, LBG Associates, September 2005, p.6.

³⁶ UNDP/STCIC Mapping Report, *ibid*, p.60.

³⁷ Corporate Sustainability – A Progress Report, In co-operation with the Economist Intelligence Unit, 2011, p.

Fuelling the Flame for **Autism Awareness**

NP's relationship with the Autistic Society of Trinidad and Tobago (ASTT) is an intervention towards greater public interest and acceptance of this developmental condition.

Early Warning Signs of Autism

At 6 months

- Rarely makes eye contact when interacting with others

At 9 months

- No reciprocal sharing of sounds, smiles or other facial expressions
- No response to peek-a-boo games

At 12 months

- No reciprocal gestures (pointing, showing, reaching or waving)
- Repetitive body motions such as rocking or hand flapping
- No response when name is called

At 16 months

- Few words

At 24 months

- No two-word meaningful phrases
- Avoids or ignores other children when they approach
- Any loss of words, babbling or social skills

For further information, call the ASTT at 663-8397 or email: autismtt@excite.com

Together we can help educate, inspire and unite those families affected by Autism.



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MONITORING AND RESPONSE

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•Places, Events and Things

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•Management •Procurement of Supplies

EXECUTIVE SERVICES

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•Risk Assessments •Event Planning

SPECIAL OPERATIONS

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•Medical patients transportation •Emergency Services
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(all programs are internationally recognized with certification)
•First Aid •Defensive Driving •OSHA •ISPS •Security
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(personnel and objects)

IT SYSTEMS SECURITY AND NETWORK PROTECTION

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•With Last Mile Connectivity

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