

CSR drives Australian business agenda

Corporate Social Responsibility (CSR) is now considered essential for Australian Privately Held Businesses to remain competitive, according to latest results released by the Grant Thornton International Business Report. The report revealed that recruitment, public attitudes and cost management are the leading drivers for the implementation of more ethical practices in these businesses.

Australian Privately Held Businesses are responding to market demands by placing a heavy emphasis on CSR initiatives. Pressure from employees seems to be the reason as businesses ranked staff retention as the number one driver for their CSR initiatives.

“Staff retention has become imperative to businesses operating in an economic climate that is facing a potential skills shortage. To retain skilled staff, employers have come to understand that employees expect good CSR initiatives. This can be seen through the emergence over the past year of more family-friendly businesses as Australian business owners are allowing employees more flexibility in their working lives.

“Although the report indicated staff retention as a motivator has dropped 22 points since 2008, we expect this figure to significantly increase in 2013 as businesses and our economy continues to emerge from the global financial crisis. Business owners are now switching their focus from survival mode to ensuring they have the high quality people needed to grow their business,” said Bill Shew, Director of Privately Held Business at Grant Thornton Australia.

The second key driver of corporate responsibility for Privately Held Australian Businesses (51 points) was public perception. While closely linked to attracting and retaining key staff, public perception of their businesses as a “responsible corporate citizen” is clearly very important to many business owners.

“Public perceptions can have a deep impact on the kinds of opportunities that are presented to Australian privately held businesses. Many customers and suppliers are now demanding that those they do business with have a reputation as an ethical member of the community,” said Bill.

Closely following both of these externally focussed drivers, at 49 points, was the more internally focussed cost management. “Cost management remains a key driver of CSR initiatives as many businesses are realising that moving toward more ethical practices can help them control costs. Although we are now operating in a strengthened economy, Australian Privately Held businesses still highly value the importance of cost control,” said Bill.

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The International Business Report

Grant Thornton International started a major annual report of the attitudes and expectations of small and medium-sized businesses in 1992 called the European Business Survey (EBS). In 2003 the research project was widened to an international perspective covering medium-sized businesses and renamed the International Business Owners Survey (IBOS).

In 2007, the report's name was changed from IBOS to the International Business Report (IBR). The IBR report draws upon 17 years of trend data for original EBS participants and 7 years for original IBOS countries. The 17 year trend data is available for: France, Germany, Greece, Ireland, Italy, Netherlands, Spain, Sweden and the United Kingdom, while the 7 year trend data is available for Australia, Canada, Hong Kong, India, Japan, Mexico, Russia, Singapore, South Africa and the United States.

The research was conducted by Experian Business Strategies Limited.

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