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## Chapter 7

# **SOCIAL DIALOGUE AND PUBLIC PARTICIPATION: A NEW ERA OF SUSTAINABLE DEVELOPMENT AND RESPONSIBLE ORGANIZATIONS**

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*The need for organizations in both public and private sectors to behave in a socially responsible way is becoming a generalized requirement of society.*

(International Organization for Standardization/ISO 2008)

If, since the end of the Second World War, companies have been at the heart of the great transformations experienced by industrial society, playing a pivotal role in creating wealth and participating in economic competitiveness, the contract that binds them implicitly with the rest of society is increasingly being questioned. In fact, many groups are asking that they account for their business activities as a whole and demonstrate social responsibility.

The association Business for Social Responsibility (BSR) — a global network of more than 250 companies — contends the following:

*Today's business landscape requires that companies navigate a complex and evolving set of economic, environmental and social challenges and address stakeholder demands for greater trans-*

*parency, accountability and responsibility. These factors affect all aspects of business operations — from supply chain to marketplace and from employee productivity to investor return.*

*To compete successfully, a company needs to develop responsible business policies and practices and make them an integral part of its mission, values, strategy and operations.*

As evidence of the new values that are taking root in the public and social arenas, the very notion of development is being redefined and a new concept has appeared in the public discourse: sustainable development. Moving away from an orientation only geared towards economic growth, it takes into account all human activity — environmental, social, and economic. Placing the human being at the heart of development, sustainable development refers to a global societal project that aims for the social and individual well-being of populations planet-wide. Social responsibility, for its part, concerns the participation of various organizations in this project by incorporating sustainable development values in all of their policies and practices. “It is futile to argue [...] that a business has only one responsibility: economic performance,” states Peter Drucker. “The demand for socially responsible organizations will not go away; rather, it will widen.” (Drucker 1995)

In fact, sustainable development is literally everywhere. Every conference program and forum discussion includes the topic. Over the past 20 years, a growing community has embraced its values. Laws have been enacted. Certifications and standards have been created. National campaigns have worked to build awareness. Its universal values have literally swept the planet, creating a strong wave of sympathy. Any private or public sector organization that has been slow to interpret and respond to the signs is now feeling the heat.

Today's citizens are increasingly well informed and discerning and making their voices heard. More and more, they express criticism about their governments, the governance of society's institutions, and the activities

of corporations. They interpret the world around them from multiple perspectives, based on their different statuses. One is the social status conferred by their current role — consumer, client, taxpayer, voter. Another is occupational status — worker, retiree, student, homemaker, unemployed person. The formal and informal groups to which they belong, based on culture, language, or residential community, constitute multiple forums in which they can exchange information and express opinions. With today's explosion of communication channels and the power of the mouse click and camera phone, we have most definitely entered the "everyone's a journalist" era, to borrow d'Almeida's expression (d'Almeida 2007). Citizens have become major players who increasingly influence corporate agendas and actively participate in the transformation of social values.

As some big organizations play catch-up and scramble to ramp up their sustainability initiatives, it is not surprising to see a proliferation of grassroots and monitoring groups watching them and citizens who are striving to influence them on these issues. Many question the degree and sincerity of the commitment championed by these newly converted organizations. They wonder whether they are looking at true sustainable development projects, green masquerades, or cosmetic fixes. With the spread of "greenwashing," how are citizens reacting to corporate discourse and the attempts to seduce them?

The "passive citizen" and the "loyal consumer" are things of the past. The same can be said of "employee loyalty" as we once knew it — rare is the employee today who remains loyal to a single employer during his or her entire career. The face of the "citizen" is being redrawn.

A survey of 1,502 adults across Canada in July 2008 conducted by Leger Marketing provides interesting information to that effect.

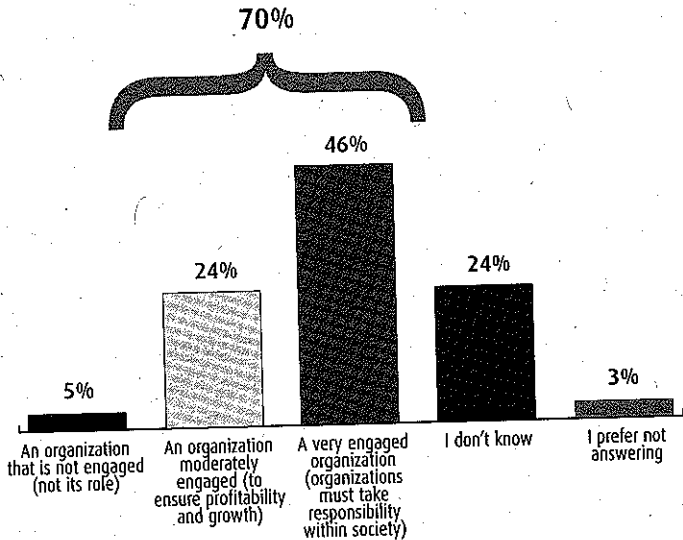
## An Increasingly Selective Workforce

The survey shows that if respondents were able to select their employers based on sustainability values, more than 70% would choose an organization committed to sustainable business. (See Figure 7.1.) And, specifically:

- ▷ Among that group, most (46.3%) would choose an organization that is very committed — they believe organizations should assume their responsibilities within society — whereas a quarter (24%) would choose an organization with a more modest commitment level, one that would ensure the company's profitability and economic growth.
- ▷ Fewer than 3% of respondents believe that sustainability is not the role of organizations and would choose their employer accordingly.

Figure 7.1

### POSSIBILITY OF CHOOSING YOUR EMPLOYER ACCORDING TO YOUR OWN CRITERIA IN TERMS OF SUSTAINABLE BUSINESS?



Note: N = 1,502

Answers to this question varied significantly depending on educational levels and employment sectors.

- ▷ **Education:** The higher the educational level, the greater the expectation for corporate commitment to sustainability. A majority (55.4%) of respondents with a university degree would prefer to be employed by an organization that is very committed to sustainable development.
- ▷ **Employment sector and size of organization:** Private sector employees who work for big organizations feel quite strongly about the issue: 63.3% of those who work for companies with 1,000–5,000 employees and 60% of those who work for companies with 5,000–10,000 employees would reward the more socially responsible organizations. Likewise, more than two-thirds of employees (67.8%) who work for big government organizations would exercise this specific choice.

With today's shortfall in qualified labour, this data impacts a major human resources issue facing Canadian companies. According to the Conference Board of Canada (2004), "the quality of people and their engagement will be critical factors in corporate vitality and survival." The job market will increasingly favour the candidates, and strategies to seduce and retain qualified workers will intensify over the coming years.

## **Global Engagement: A New Dominant Definition for Sustainable Development**

The survey also tested the ability of respondents to recognize the specific values associated with sustainable development.

Interestingly, the most frequently selected response across Canada was: "global engagement aimed at environmental protection, social well-being, and economic progress." In choosing this answer, two out of five respondents (41%) adequately described sustainable business. (See Table 7.1.)

Table 7.1

**RECOGNIZING THE CONCEPT OF SUSTAINABLE DEVELOPMENT**

*In your opinion, "sustainable business" refers specifically to...*

	TOTAL
...global engagement aimed at environmental protection, social well-being, and economic progress.	41%
...environmental protection.	8%
...fair trade products.	7%
...a new trendy concept.	5%
...providing help to developing countries.	1%
None of these choices.	14%
I don't know.	21%
I prefer not answering.	4%

Note: N = 1,502

This percentage jumped significantly for specific occupations, educational levels, employment sectors, and geographic areas:

- ▷ **Occupation and education:** Approximately half of those who occupy a professional position (49.4%) or have a university degree (54.6%) identified global engagement as the most appropriate definition of sustainable business.<sup>7</sup>

- ▷ **Employment sector:** The three-dimensional definition (“global engagement aimed at...”) was also selected by 46.3% of private sector employees and half (50.7%) of government employees.
- ▷ **Geographic area:** Of all the Canadian provinces, Quebec had the strongest answers: More than 55% of Quebecers and 76% of Quebec government employees chose the global engagement definition.

This corroborates the results of another survey of Quebecers conducted during this same period.<sup>8</sup> Respondents were asked to define sustainable development, and, once again, 55% specifically selected the three-dimensional definition. This second survey also confirms that Quebecers with a university diploma are more likely to select this definition (62%).

It is likely that the Government of Quebec’s *Sustainable Development Act*, which became law in April 2006, and the Government Sustainable Development Strategy that followed in January 2008<sup>9</sup> have contributed to a better understanding of the sustainable development concept on the part of Quebecers. It will be interesting to monitor the impact that the new federal *Sustainable Development Act*, which became law in June 2008, will have on Canadians across the country.

## **Fewer Canadians Limit Sustainable Development to Environmental Protection**

Only 8.4% of the survey’s respondents identified “environmental protection” as the defining criterion for sustainability. This probably reflects a decline in an earlier general tendency to equate sustainable development with environmental protection — until recently, these two notions were regularly regarded as synonymous (Tremblay 2007b), no doubt a consequence of the multiple campaigns deployed since the early 1970s in response to planetary environmental problems.



## **Organizations Increasingly Under Employee Scrutiny**

How are the actions of private companies and other big organizations perceived by their own employees?

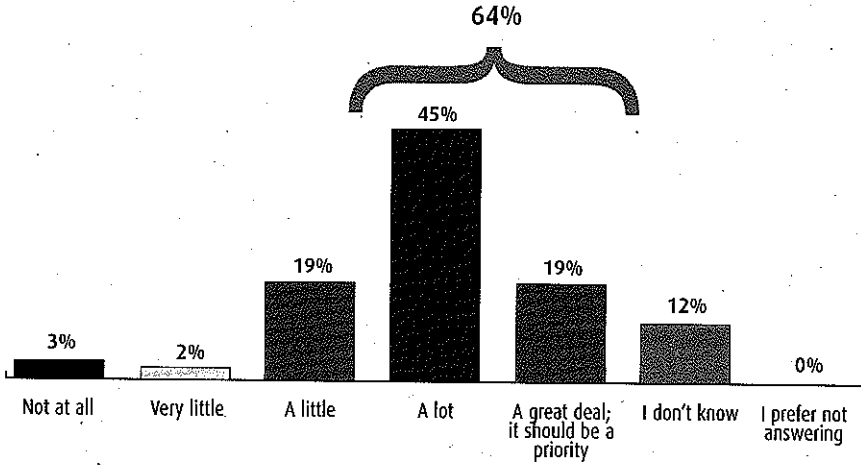
Employees seem to be aware of their employers' sustainable development initiatives. More than half (52.5%) of those who work in the Canadian private sector and nearly two-thirds (63.2%) of those who work for a provincial or federal Crown corporation believe that their employers do pay attention to sustainability. Among that group, most (37.5%) considered the level of their employers' commitment to be "moderate"; 20% evaluated it as "moderately high"; and nearly 25% considered their employers to be "industry leaders" in sustainability.

### ***Employees consider sustainability a priority***

Do employees consider sustainability to be an important issue? Nearly two-thirds (64%) of respondents who work in the private sector expect their employers to show great interest in sustainability, even making it a priority.

Figure 7.2

**IN YOUR OPINION, SHOULD YOUR ORGANIZATION BE INTERESTED IN SUSTAINABILITY?**



.....  
 Respondents from the private sector

Even more significant, employees who work in organizations with 1,000–5,000 employees and in those with over 10,000 employees (all categories combined) provided this response more than 75% of the time.

Respondents who work in private corporations with over 10,000 employees felt even more strongly — nearly 9 employees out of 10 gave this answer. In addition, more than two-thirds of respondents — those with a university degree (67.6%) and those with an annual income above \$80,000 (68.5%) — shared this opinion.

***Employees want their employers to walk the talk***

Private sector employees remain critical regarding their employers' sincere commitment to global sustainability. Most of them (30.2%) believe that when their employers talk about sustainability, they are primarily fo-

cused on business development aimed at economic growth. Another 18% are of the opinion that their employers limit their commitment to making sure the company has a code of conduct and corporate values.

Only 16% of private sector employees believe that their employers interpret sustainability as the development and maintenance of "a global program geared towards protecting the environment, social progress, and economic efficiency."

Table 7.2

**PRIVATE SECTOR EMPLOYEES' BELIEFS ABOUT EMPLOYERS**

*In your opinion, your employer sees its role in sustainable business as...*

	TOTAL
...business development aimed at economic growth.	30%
...a code of ethics and organization values.	19%
...a global program geared towards protecting the environment, social progress, and economic efficiency.	16%
...activities to protect the environment.	10%
...donations and community involvement.	4%
None of these choices.	10%
I don't know.	12%
I prefer not answering.	0%

Perceptions die hard. And the perceptions of employees with respect to their employers' public image are worthy of consideration. With a strong proportion of private sector employees who think their employers should be very interested in sustainability, even making it a priority, and where half of them (47%) are able to adequately define the concept of sustainable development, organizations may want to make sure that they close the gap between corporate messaging and concrete action.

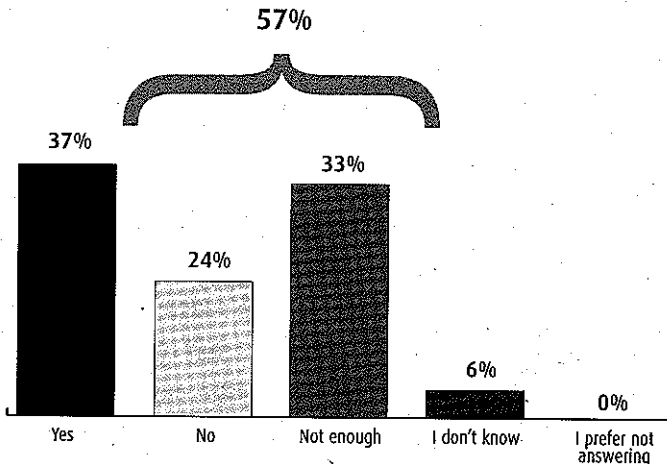
### ***Employee communications need to incorporate sustainability messages***

More than half (57.6%) of private sector employees feel that they are uninformed or poorly informed by their employers regarding their activities in the sustainability arena.

This data speaks to the still relatively limited space occupied by the communications function within Canadian companies with respect to sustainability issues. A recent study (Tremblay 2006) points out that sustainable development and corporate social responsibility are relatively new themes for corporate communications departments across Canada. In 2004, these topics had not yet found their way onto corporate agendas. By 2006, we were beginning to see an increase in corporate communications on this topic, especially in companies with more than 1,000 employees.

Figure 7.3

### **DO YOU CONSIDER YOURSELF WELL INFORMED ABOUT YOUR EMPLOYER'S ACTIVITIES IN THIS REGARD?**



.....  
 Respondents from the private sector

## Participative Values Are Growing

Participative values have grown over the past decade. Citizens feel increasingly concerned and want to be more directly involved in decision making (Inglehart 1990). The survey described on page 180 indicates that 68% of Canadians favour gradual societal change and more direct public participation. In Quebec, more than in the other Canadian provinces, 76% of respondents would like to be directly involved in the process of societal change.

Table 7.3

### THREE TYPES OF ATTITUDES TO SOCIETAL CHANGE

	TOTAL - CANADA	TOTAL - QUEBEC
Society must change gradually through various reforms and with the direct participation of citizens.	68%	76%
The way society is organized must change radically.	20%	13%
Society does not need to change.	3%	2%
I don't know.	5%	6%
I prefer not answering.	4%	3%

Note: N = 1,502

It is important to note that participative values are intrinsic to sustainable development, a concept based on bringing parties together — governments, private enterprise, social agents, and civil society — to create an environment that enables all citizens to reach their full potential and improve their quality of life within a society that maintains adequate economic growth. In order to effectively integrate sustainable development values within a given community or organization, there must exist a common vision with respect to the objectives. And the principle of finding so-

lutions that can be shared by the majority must be embraced (Tremblay 2007a). Indeed, sustainable development proposes new forms of partnership by fostering a more consensual social dialogue, new mechanisms for discussion, and greater public participation (Lafferty and Langhelle 1999).

## Citizens Send Ever-Clearer Messages to Governments

Citizens also have very precise ideas about what priorities their governments should set. Interestingly, sustainable development values,<sup>10</sup> along with education and economic issues, top the list of priorities with survey respondents across Canada.

Table 7.4

### STATEMENTS ABOUT THE ROLE OF GOVERNMENTS

*Governments should...*

	CANADA – TOTAL AGREE	QUEBEC – TOTAL AGREE
...invest more in education.	81%	86%
...meet current needs without compromising the needs of future generations.	79%	83%
...stimulate the economy.	79%	87%
...implement more effective environmental policies.	78%	89%
...try to limit the negative effects of globalization.	69%	74%
...protect and promote cultural diversity.	61%	65%

Note: N = 1,502

There are, however, significant regional differences. For instance, Quebecers would like to see the implementation of effective environmental policies while showing concern for the economic situation and investing in education without compromising future generations. Surprisingly, however, the protection and promotion of cultural diversity obtained the lowest score in Quebec, even though this issue was of prime importance during the UNESCO debates, in which Quebec was an active participant (Lachapelle 2008).

## **The Time for Action Is Now**

Because many organizations have, mistakenly, considered the growing interest in sustainable development to be just the latest management trend or they have simply been slow to decode emerging social values, today these same organizations are facing considerable pressure on several fronts. They are finding it difficult or impossible to compete with industry leaders who enjoy positive capital today because they have already embraced sustainable business practices. Their clients are requiring them to respect the standards of accountability that they have adopted for themselves. As if that were not enough, they must deal with the proliferation of media venues, new legislation, and citizens who, more and more, are demanding "ethical" products.

Sustainable development is, of course, not some fad to be followed while it lasts, nor is it a recipe book with a "green" list from which to pluck a few good ideas. In order to build and maintain true corporate social responsibility, organizations cannot rely on the occasional good deed or a cosmetic quick fix.

Organizations face major challenges today: within their walls, a more selective and mobile workforce who is increasingly critical of corporate

messaging; outside their walls, a growing constituency of well-informed, assertive citizens who are very conscious of their influence on the world. The data collated across Canada confirms this portrait.

Big organizations must demonstrate a strong capacity to adapt to change in their environment and to translate stakeholder expectations into concrete actions: "To paraphrase Darwin, it is not the powerful organizations that will survive in the new millennium, it is those able to adjust and adapt to a changing world," explain Cutlip, Center, and Broom (2000). An extensive 15-year study conducted in the United States, Canada, and Great Britain shows that, in an increasingly complex environment, high-performance organizations build their communications on constant interaction with their different publics, including interest groups:

*An effective organization exists in an environment characterized more by dynamism and even hostility than by stability. [...] activism pushes organizations toward excellence as they try to cope with the expectations of all their strategic constituencies. [...] Excellent public relations departments scan the environment and continuously bring the voices of publics, especially activist publics, into decision making. Then they develop programs to communicate symmetrically with activists and involve them with managers throughout the organization.*

(Grunig, Grunig, and Dozier 2002)

An organization's reputation is increasingly impacted by public trust. Studies show that more and more consumers punish or reward companies for the behaviour and products they condemn or appreciate. In a context where the level of public trust towards big business is very low throughout the world, it has become urgent that certain companies recognize — for the sake of their own viability — that they belong to a social group that is greater than themselves and that they must assume accountability for the social, environmental, and economic impacts created by their activities.



Reputation is a reflection of an organization's actions within the community or with respect to the environment. But it is also based on the quality of the organization's relationship with the new "citizen-consumer." As the political elite and community groups quickly adopted sustainable development values, many corporate citizens began associating the notion of development with the word "sustainable" because they understood that, over and above the quality of their products and services, the ability to stay "top-of-mind" with the consumer also depends on their sense of responsibility and social commitment. Today, the dictates of profit cast a shadow over companies that focus solely on financial results and the shareholder. This is the opinion of the World Business Council for Sustainable Development (WBCSD), an association that includes over 200 multinationals actively involved in sustainable development throughout the world:

*Pursuing sustainable development makes firms more competitive, more resilient and nimble in a fast-changing world and more likely to win and retain customers. It can also help them find and keep some of the best brains on the market. In addition, it can make them more attractive to investors and insurers, while reducing their exposure to regulatory and other liabilities.*

(WBCSD 2009)

In this light, the communication of organizational performance becomes more of an assessment tool, an element of distinction that confers a competitive edge. For marketing and communications specialists, it now becomes imperative to consider sustainable development as an essential component of public policy and ethical corporate behaviour — a factor that is also measured in the attitudes and behaviour of citizens, voters, and consumers.

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