

Goodman
School of Business

Goodman
Group

Brock University

Welcome to Business Breathers

The event will begin at 11:00am EDT

Taking businesses, careers and ideas to the next level

Corporate Social Responsibility in the era of Black Lives Matter

Dr. Gervan Fearon
President and Vice-Chancellor

Topics Covered

- Board Governance

- Social Movements & Black Lives Matter

- Corporate Social Responsibility

Board Governance



Source: Creator: Rawpixel | Credit: Getty Images/iStockphoto
Copyright: Rawpixel Ltd

Corporate Directors Responsibility

Duty of Care

- Duty of board directors to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances

Fiduciary Duty

- Duty to act in good faith and honestly in the best interest of the corporation as well as to treat stakeholders, including those affected by the action/decisions of the corporation, with equitably and fairly.
- Duty of confidentiality

Duty of Loyalty

- Duty to act in the best interest of the corporation
- Duty to declare conflict of interest where duty of loyalty might be impaired

Business Judgment

Source: Institute of Corporate Directors, OSLER (2014): Directors' Responsibilities in Canada, October 2014.

Directors Responsibilities

Interest of Shareholders

Right to a share of the profit and/or loss of the corporation

Interest of Stakeholders

Interest in the success and/or failure of the corporation

Corporate Social Responsibility

Corporate Social Responsibility (CSR)

Defined by the Government of Canada as the voluntary activities undertaken by a company, over and above legal requirements, to operate in an economically, socially and environmentally sustainable manner.

Interest of Stakeholders

- Interest in the success and/or failure of the corporation

Corporate Social Responsibility

- Interest of Stakeholders with respect to social/societal matters
- Stakeholder engagement and management

Social Contract or Social License

Sources: (Government of Canada, <https://www.international.gc.ca/trade-agreements-accords-commerciaux/topics-domaines/other-autre/csr-rse.aspx?lang=eng>)

Freeman, R. Edward; Dmytriyev, Sergiy (2017): Corporate Social Responsibility and Stakeholder Theory: Learning From Each Other. Emerging Issues in Management, 2: 7-15

Stakeholders Influence

Scope of Interest and Social Contract

- Policy, Laws, Regulations, Program, Initiatives
- Litigation, implementation effectiveness and costs
- Consumers, investors, creditors
- Employees and suppliers

Implications

- Stakeholder Social Contract may impact Shareholder Interest
- Interest of Shareholders
 - Right to a share of the profit and/or loss of the corporation
 - Right to vote on slate of directors

Social Movements



People march during a rally in solidarity with Wet'suwet'en hereditary chiefs opposed to the Costal GasLink pipeline in Ottawa on Feb. 24, 2020. JUSTIN TANG/THE CANADIAN PRESS

Social Movement

- Individual coalescing into group to achieve shared goods or services (e.g., group/club/public goods)
- Establishment of blocking or supporting collision
- Stakeholders and shareholders in relation to their interest and their exercise of influence

Social Movements

Civil Rights Movement

- Non-discriminatory laws in voting, lending practices, housing, employment

Environmental Movement

- Policy, Laws, Regulations, Program, Initiatives
- Litigation, implementation effectiveness and costs
- Consumers, investors, creditors
- Employees and suppliers

Black Lives Matter



Sources: Protests in Hollywood area of Los Angeles on June 2, 2020.

Kyle Grillot | AFP | Getty Images

Black Lives Matter

Moments in History



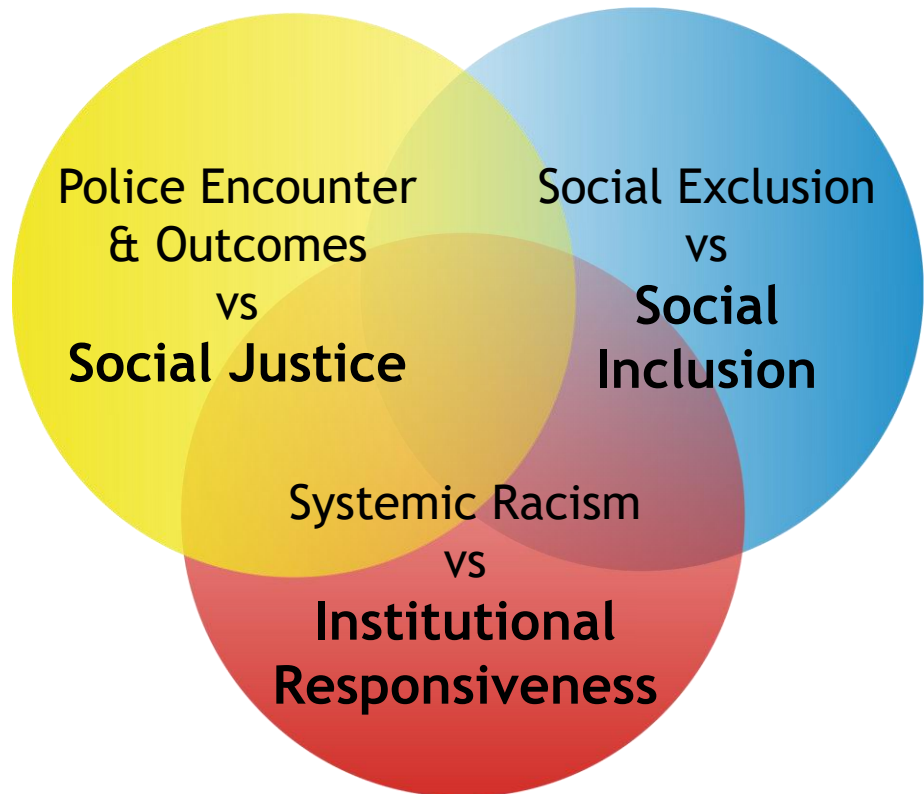
Taking a Stand in Baton Rouge image taken by Jonathan Bachman for Reuters of Ieshia Evans, a nurse, at a Black Lives Matter protest in Louisiana, U.S. on July 9, 2016.

Black Lives Matter

Catalysts behind a Movement

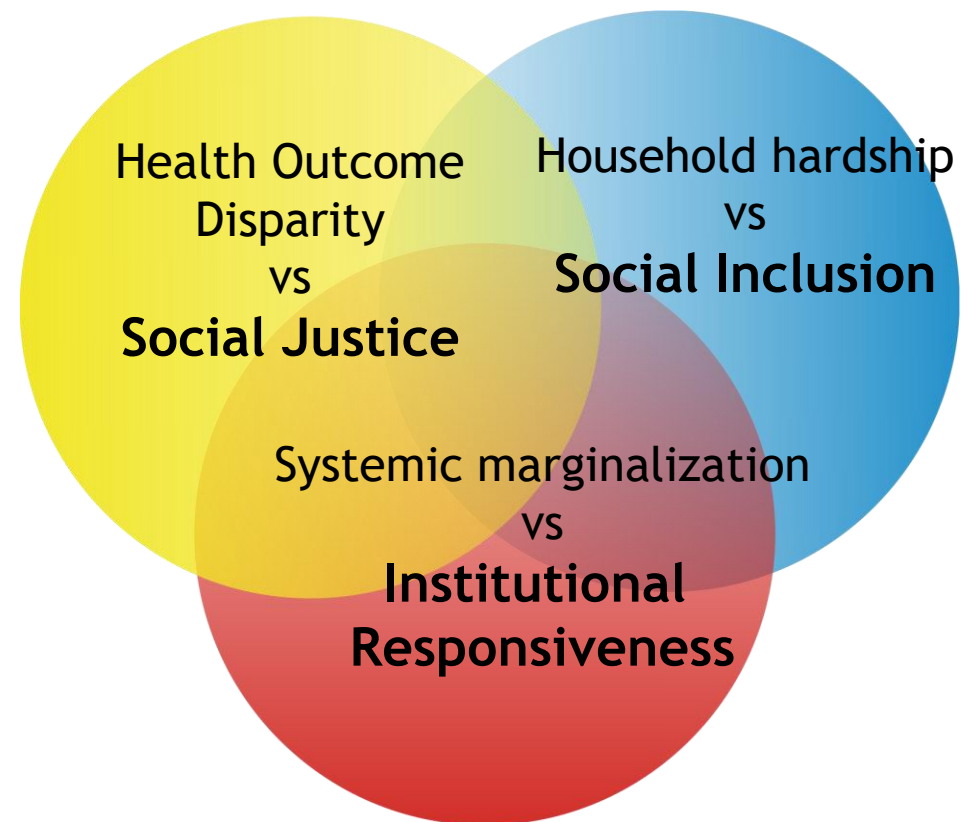
❖ George Floyd

- Trayvon Martin - shot by George Zimmerman
- Jordan Davis shot by Michael Dunn
- and others



COVID-19

- Essential Workers
- Wage discrimination and Occupational Segregation
- Housing, Poverty and Transportation



Action in Support of Corporate Social Responsibility

- Board and Senior Management Composition, Governance and Inclusion
- Shareholder and Stakeholder Matrix
- Equity and Inclusion Policy
- Community Outreach and Engagement Initiatives
- Human Resources and Professional Development Initiatives
- Recognizing intersectionality - BIPOC
- Recognizing Global Competitiveness and Interrelationship
- Voicing Social and Societal Expectation in Policing and Community Engagement
- Critical analysis of business, social and political engagement

Corporate Social Responsibility and Hiring Practices

Questions at time of hiring:

1. What is your current wage?
2. What is your current position?



Educational Attainment

Table 2
Percentage of individuals with a bachelor level or above among the population aged 25 to 59 years, Canada, 2016

| | Black women | Women in the rest of the population | Black men | Men in the rest of the population |
|---|-------------|-------------------------------------|-----------|-----------------------------------|
| | percent | | | |
| Total population | 27.5 | 32.7 | 27.7 | 26.7 |
| Immigrants | 25.4 | 42.8 | 29.8 | 42.3 |
| Non-immigrants | 31.4 | 28.6 | 18.4 | 21.1 |
| Source: Statistics Canada, Census of Population, 2016. | | | | |

Source: Canada's Black population: Education, labour and resilience, Statistics Canada, February 25, 2020

Earnings Gap

Return on equivalent education investment and experience -Black vs General Population

- Average Black worker earned \$9,800 compared with other Canadians with same level of education, skill, work experience, and linguistic background.
 - Wage discrimination
 - Occupational segregation
- Annualized income loss to the Black community estimated at \$1.5 billion each year.

Source: Fearon, Gervan and Wald, Steven (2011): The Earnings Gap between Black and White Workers in Canada from the 2006 Census, Relations Industrielles / Industrial Relations, 66(3): 324 – 348.

Statement on Past Wage and Position Questions

In announcing the law, Chair and Commissioner of the NYC Commission on Human Rights Carmelyn P. Malalis said in a statement:

“Women and people of color deserve to be paid what they’re worth, not held back by their current or previous salary. Today’s law will enable job seekers to negotiate a fair salary based on their skills and will help break the cycle of income inequality that has been so prevalent in the workforce for so long.”

Corporate Social Responsibility

A Balancing Act

- Between shareholder interest and stakeholder interest
- Between corporate strategy and corporate culture
- Between maintaining tradition and recognizing social movement

Critical Analysis



Ultimately, what you now do in the response to Black Lives Matters will represent your balance in the presence of an emergent social movement and social change.

Thank you for joining us.

Join us Wednesday August 12 for
“Entrepreneurial Leadership: Thrive not
just survive crises”
with Associate Professor, Dr. Chen

Goodman
School of Business

Goodman
Group

Brock University