

BSBSUS601

**LEAD
CORPORATE
SOCIAL
RESPONSIBILITY**

BSBSUS601

Lead corporate social responsibility

Release 1

Learner Guide

Aspire Version 1.1



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CONTENTS

Before you begin

vii

Topic 1 | Identify context for corporate social responsibility 1

| | | |
|----|--|----|
| 1A | Determine drivers for corporate social responsibility..... | 2 |
| 1B | Identify benefits of and barriers to corporate social responsibility..... | 10 |
| 1C | Analyse factors affecting corporate social responsibility..... | 17 |
| 1D | Identify opportunities for socially responsible practices..... | 24 |
| | Summary..... | 32 |
| | Learning Checkpoint 1: Identify context for corporate social responsibility..... | 33 |

Topic 2 | Establish corporate social responsibility policy 39

| | | |
|----|--|----|
| 2A | Engage with stakeholders for corporate social responsibility..... | 40 |
| 2B | Develop change management provisions..... | 49 |
| 2C | Incorporate social responsibility strategy into organisation..... | 59 |
| 2D | Prepare and distribute documentation regarding strategy..... | 68 |
| | Summary..... | 72 |
| | Learning Checkpoint 2: Establish corporate social responsibility policy..... | 74 |

Topic 3 | Monitor and evaluate corporate social responsibility 79

| | | |
|----|--|-----|
| 3A | Review corporate social responsibility integration..... | 80 |
| 3B | Evaluate against organisational sustainability objectives..... | 87 |
| 3C | Recommend improvements to policy and practices..... | 94 |
| | Summary..... | 100 |
| | Learning Checkpoint 3: Monitor and evaluate corporate social responsibility..... | 101 |

Before you begin

This Learner Guide is based on the unit of competency *BSBSUS601 Lead corporate social responsibility*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at:

www.training.gov.au.

How to work through this Learner Guide

This Learner Guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the Learner Guide you need to read, and which Practice Tasks and Learning Checkpoints you need to complete. The features of this Learner Guide are detailed in the following table.

| Feature of the Learner Guide | How you can use each feature |
|------------------------------|--|
| Learning content | Read each topic in this Learner Guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake. |
| Examples | These highlight key learning points and provide realistic examples of workplace situations. |
| Practice Tasks | Practice Tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete. |
| Summaries | Key learning points are provided at the end of each topic. |
| Learning Checkpoints | There is a Learning Checkpoint at the end of each topic. Your trainer will tell you which Learning Checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt. |

Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table provides definitions for each foundation skill.

| Foundation skill area | Foundation skill description |
|-------------------------|--|
| Numeracy | <ul style="list-style-type: none"> Interprets, analyses and presents numeric and financial information |
| Oral communication | <ul style="list-style-type: none"> Uses specialised vocabulary and features appropriate to context to discuss and confirm requirements |
| Reading | <ul style="list-style-type: none"> Sources, analyses and interprets textual information in the context of complex organisational strategy and compliance requirements |
| Writing | <ul style="list-style-type: none"> Prepares reports and workplace documentation that communicate strategy and related information to suit audience and context |
| Teamwork | <ul style="list-style-type: none"> Uses inclusive and collaborative techniques to cooperate and consult with others to identify options to support policy objectives |
| Planning and organising | <ul style="list-style-type: none"> Develops plans to implement organisation-wide strategies Monitors processes, evaluates performance against agreed benchmarks and recommends improvements to ensure compliance with organisation, statutory and legal requirements |
| Problem solving | <ul style="list-style-type: none"> Recognises, understands and applies legislation, regulation and organisational policies and procedures relevant to strategy |

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

| Topic | Key outcome | Rate your confidence in each section |
|---|---|--|
| Topic 1: Identify context for corporate social responsibility | 1A Determine drivers for corporate social responsibility | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 1B Identify benefits of and barriers to corporate social responsibility | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 1C Analyse factors affecting corporate social responsibility | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 1D Identify opportunities for socially responsible practices | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| Topic 2: Establish corporate social responsibility policy | 2A Engage with stakeholders for corporate social responsibility | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 2B Develop change management provisions | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 2C Incorporate social responsibility strategy into organisation | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 2D Prepare and distribute documentation regarding strategy | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |

| Topic | Key outcome | Rate your confidence in each section |
|---|--|--|
| Topic 3: Monitor and evaluate corporate social responsibility | 3A Review corporate social responsibility integration | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 3B Evaluate against organisational sustainability objectives | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |
| | 3C Recommend improvements to policy and practices | <input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident |



Topic 1 | Identify context for corporate social responsibility

- 1A Determine drivers for corporate social responsibility
- 1B Identify benefits of and barriers to corporate social responsibility
- 1C Analyse factors affecting corporate social responsibility
- 1D Identify opportunities for socially responsible practices

1A Determine drivers for corporate social responsibility

Corporate social responsibility (CSR) promotes ethical and sustainable practices within an organisation. The drivers for embracing CSR are many and careful evaluation of both qualitative and quantitative data is an essential first step.

Corporate social responsibility is a business concept that promotes ethically oriented practices within an organisation and recognises that organisations have responsibilities that extend beyond profitable performance. Strategies to support CSR can be multi-dimensional and delivered in ways that encompass engagement within the local community. They include environmental sustainability practices, ethical labour policies and philanthropy.

Originally CSR was a self-regulating practice driven by a corporation's recognition of its effect on its community and environment, its ability to make a difference and a marketing point of difference. However, in more recent times, it has been mandated by legislation and regulation.

An organisation seeking to introduce or enhance its corporate social responsibility should first establish the drivers for such an approach. Drivers are many and varied according to the nature of the industry in which the organisation operates, the inclinations and expectations of its customer base, regulatory requirements and the operational benefits presented by a CSR approach.

Corporate social responsibility actions can be broadly grouped into four categories.

| | |
|------------------------|---|
| Philanthropical | <p>Donations or aid given to community groups or organisations; most commonly within the geographic or wider community in which the organisation operates, e.g.</p> <ul style="list-style-type: none"> • Pharmacological companies donating products to developing countries • Local companies donating goods/services to sporting or community groups • Charitable foundations. |
| Environmental | <p>This may include:</p> <ul style="list-style-type: none"> • Sourcing or using products/services that are more environmentally friendly • Adopting environmentally friendly practices, e.g. capturing and using rainwater or rehabilitating farmland • Using environmentally sustainable practices in operations, e.g. using electric vehicles, using food ingredients sourced locally. |

| | |
|-----------------|--|
| Social | Socially responsible initiatives include: <ul style="list-style-type: none"> ▪ Paid volunteer leave ▪ Family-friendly practices such as paid parental leave ▪ Encouraging diversity in the workforce ▪ Ethical labour practices, e.g. not using child labour, observing legislated pay rates and conditions. |
| Economic | Economic CSR seeks to find a balance between social, environmental and philanthropical responsibility in order to sustain the business and, at the same time, promote the interests of society. |

Align corporate image to operational behaviours

Corporate social responsibility outlines how a business will support the community; its actions must support stated CSR goals.

In recent decades, consumer sentiments have evolved. Previously, consumers wanted the products they bought to be reliable, produced to a high quality, and cheap. These demands are still important in the minds of consumers, but so is a company's commitment to improving the society it trades in. Many consumers want those reliable, quality and cheap products to be produced by a company that can demonstrate its ability to be a positive corporate citizen.

However, many consumers are aware of a perceived gap between an organisation's stated social responsibility goals and its actual performance in this area. Recently, many high-profile examples have emerged of businesses falling short of their social responsibility expectations and operating in a manner that is harmful to others. Consequently, an organisation must ensure its operating procedures align to its image as a socially responsible business.

When an organisation's failure to achieve its social responsibility outcomes is revealed to the public, this information can be instantly shared across social media and a public relations crisis may result. All organisations need to actively align their business practices to their stated social responsibility goals.

This can be achieved using the following methods.

| Strategies to align CSR aims with operations |
|---|
| <ul style="list-style-type: none"> ▪ Consult with relevant government bodies (such as environmental or health and human services departments) to ensure your operations are in line with responsibility expectations ▪ Build CSR strategies into operational plans to ensure they are implemented ▪ Establish specific KPI and business objectives based on the achievement of CSR outcomes ▪ Create a role within the company with the primary responsibility of ensuring social responsibility outcomes are monitored, achieved and reviewed ▪ Hire external auditors to assess how effectively your business is in achieving its CSR aims |

Drivers of corporate social responsibility

Any CSR actions should firstly seek to explore the qualitative and quantitative factors driving change.

When planning to focus on corporate social responsibility, it is important to firstly define what is driving such action within the organisation. By identifying the drivers, both qualifiable and quantifiable, CSR leaders can then develop a strategy in response.

Drivers of corporate social responsibility can be defined as being quantifiable and qualifiable, as defined below.

| Qualifiable | Quantifiable |
|--|--|
| <p>Information which is qualifiable is that which is not able to be counted and is categorised as a type or description, e.g.</p> <ul style="list-style-type: none"> ▪ Name ▪ Gender ▪ Country of birth ▪ Tea or coffee preference | <p>Information which is quantifiable is that which is represented by a numerical value, e.g.</p> <ul style="list-style-type: none"> ▪ Number of trees ▪ Percentage of attendees ▪ Sales data ▪ How often a phone rings |

It should be noted that drivers may encompass elements of both qualifiable and quantifiable data. For example, an organisation that seeks to replace printed brochures with electronic documents may explore both the potential print savings and also the consumer sentiment associated with the more environmentally friendly approach.

Qualifiable drivers of corporate social responsibility

Qualifiable drivers of CSR are those that can be categorised rather than expressed numerically.

Qualifiable drivers of CSR are those measures that cannot easily be measured or evaluated numerically; for example, legislated requirements or customer and employee expectations.

When seeking to determine qualifiable drivers, organisations may need to undertake research and consult widely with their customers, employees and other stakeholders to explore prevailing sentiment and values. For example, a food service organisation may survey their customers to determine whether environmentally sustainable practices (such as using recyclable packaging, donating excess food to foodbanks or locally sourcing ingredients) are seen as important. It should be noted, however, that CSR initiatives need not be primarily driven by consumer sentiment. An organisation may choose to take a more holistic and altruistic approach to CSR, outside of any perceived market positioning element.

Examples of qualifiable drivers of CSR and methods by which they may be determined are outlined below.

| | Description | Evaluation methods |
|-----------------------------|--|--|
| Consumer expectation | Shifting consumer expectations show that consumers are increasingly looking to support companies that demonstrate responsible corporate behaviour in one or more areas. Evaluation in this area should explore the nature of expectations (i.e. What aspects of CSR are important and to what extent does this impact customer choice?). | Consumer expectation evaluation methods may include: <ul style="list-style-type: none"> • Consumer surveys • Social listening, i.e. monitoring social media discussion • Focus groups |
| Lobby action | The actions of vocal or lobbying groups in support of a particular action. Typically, the actions of lobbyists seek to drive CSR actions through educating consumers as to perceived failings in this area, e.g. lobbyists highlighting sweat shop manufacturing practices of clothing retailers. | Evaluation methods are often tied to consumer sentiment so similar evaluation methods apply: <ul style="list-style-type: none"> • Consumer surveys • Social listening, i.e. monitoring social media discussion • Focus groups Additionally, monitoring media coverage about shifting perceptions may be useful. |

| | Description | Evaluation methods |
|-----------------------------|---|--|
| Legislated actions | Government-imposed CSR is a strong driver for change. Requirements to manage waste sustainably, prevent waste water from contaminating rivers, and non-discriminatory hiring practices are all examples of CSR being enacted through legislation. | Monitoring of relevant government websites and publications can help ensure you are aware of legislated CSR requirements. |
| Employee expectation | Corporate CSR is increasingly seen as desirable by employees. As with consumer expectation, evaluation should focus on the elements of CSR that are seen as desirable to employees and the extent to which they impact the organisation. | Employee expectation evaluation methods may include: <ul style="list-style-type: none"> Employee meetings Staff surveys Response to calls for submissions |

Quantifiable drivers of corporate social responsibility

Quantifiable drivers of CSR are those that can be measured or expressed as a number.

Drivers in this area may include sales figures, website traffic, responses to binary (yes/no) questions or measurable actions. As an example, a company may wish to test its customers' interest in a philanthropic partnership with a charity or community organisation. One way in which this can be done is to add a donation button to an online sale page and test the percentage of customers who choose to add a donation to their purchase.

Examples of quantifiable drivers of CSR and methods by which they may be determined are outlined below.

| | Description | Evaluation methods |
|-------------------------------------|--|---|
| Sales | Falling sales figures or market share of particular products may be linked to negative consumer sentiment regarding your CSR (or lack thereof), or increased promotion of CSR from your competitors. | Evaluation methods may include: <ul style="list-style-type: none"> Comparing sales figures over a period of time Comparing market share against competitors |
| Website/social media traffic | Falling website or social media traffic may also be linked to negative sentiment regarding your organisation's social responsibilities. | Evaluation methods may include: <ul style="list-style-type: none"> Comparing website traffic/ social media engagement figures over a period of time Analysing similar figures from your competitors |

| | Description | Evaluation methods |
|--------------------------------------|---|---|
| Employee retention/engagement | Employee turnover figures may also be linked to CSR. Working conditions or benefits that do not reflect contemporary employee expectations may lead to higher employee turnover and/or increased absenteeism. | Evaluation methods may include: <ul style="list-style-type: none"> Analysing HR/payroll statistics Discussing with HR/senior management Benchmarking against others within your industry |
| Operational data | This may include spending on activities that could be replaced by more socially responsible activities. For example, a company sending out paper-based statements may save money and leverage the environmental benefit of switching to emailed statements. | Evaluation methods may include: <ul style="list-style-type: none"> Analysing current spending Identifying potential savings |

Organisational goals and objectives as drivers for corporate social responsibility

An organisation's values, goals and objectives may highlight a commitment to CSR. Management commitment and profitability are also important considerations and promoters of CSR actions.

The level to which an organisation's leaders are committed to CSR and their willingness to promote change to embrace CSR, will determine how strongly CSR is embedded within the organisation.

Your organisation's values and ethos as published via its website, promotional materials and strategic documentation may show that the organisation has a stated commitment to actions related to CSR. In this instance, your role as a CSR leader may be more closely aligned to identifying and implementing actions that support that commitment.

In addition to overt signalling of CSR values, most organisations are committed to their own financial sustainability. As such, evaluation of how profitability and CSR goals may align is important. The opportunity to promote social responsibility while simultaneously improving profitability makes a compelling business case.

Any specific initiative or action should always include exploration of management's commitment to, and support of, the pathway identified. This may be achieved through one-on-one discussions, submissions to the management team or board, or evaluation of corporate strategy documents.

Organisations with social responsibility as their primary goal

Some organisations cite contributing positively to the community as their main objective.

Generally speaking, corporate social responsibility is an auxiliary challenge for most business organisations. They will embed principles within business operations, design objectives to meet aspects of CSR but, ultimately, the organisation's primary objective is to acquire profit through maximising efficient business operations.

However, some organisations are driven by an intrinsic desire to contribute solutions to social challenges. These are often ones with the status of 'not-for-profit'. For instance, by providing low-cost renewable energy to people on low incomes, an organisation would be providing basic human rights in an environmentally friendly way. If a 'not-for-profit' business makes any profit, it re-invests it in the business in order to, for example, buy supplies or increase its research and development.

Reasons for the existence of organisations with social responsibility as primary driver

- There is a gap in the market to provide a service that 'for-profit' companies are not meeting
- Often, these organisations can gain public grants or government funding
- The owner of the organisation has an ethical commitment to an aspect of social responsibility
- The organisation operates in a geographical area where social concerns require such a business in order to meet community demands

Example

Operational figures as drivers for change

Gold Crest Dairy Cooperative is a leading supplier of milk and dairy products across the country. It operates a fleet of more than 150 tankers, each travelling on average 70,000km per year.

Gold Crest's new Managing Director has been appointed to address the organisation's falling profits and market share.

Initial investigation of operational figures has shown that Gold Crest is spending an alarming amount on petrol each year. After researching government environmental websites, the director was shocked to discover the full environmental impact of the amount of fuel used and the total quantity of carbon projected into the atmosphere from the company's trucks. In addition, analysis of sales figures has shown that Gold Crest has been losing market share to smaller, regionally-based competitors, who offer similar products at a lower cost.

The Managing Director is committed to exploring ways in which the company can address its massive fuel overheads while at the same time running a more environmentally friendly fleet.

Practice Task 1

Question 1

Which of the following are examples of quantifiable data? Tick all that apply.

- The number of employees who live in Sydney
- The country of birth of customers
- The percentage of sales that are made online
- Whether employees are aged 35 or older
- How important the use of recycled plastics is to end users

Question 2

Which of the following statements are correct? Select yes or no for each one.

- a) Qualifiable data is that which cannot be expressed numerically >> Yes >> No
- b) Some elements of corporate social responsibility are underpinned by legislated requirements >> Yes >> No
- c) Employee expectations rarely impact CSR initiatives >> Yes >> No
- d) Declining sales figures may indicate shifting customer expectations >> Yes >> No
- e) Analysing website traffic to identify changes is an example a quantifiable driver >> Yes >> No
- f) An organisation cannot be focused on both CSR and profitability >> Yes >> No

1B Identify benefits of and barriers to corporate social responsibility

Benefits and barriers to the adoption of a CSR strategy should be identified at the commencement of a CSR implementation project. Both benefits and barriers may be considered in terms of internal and external or a combination of both.

Benefits of CSR can be categorised as internal financial benefits for the business or external benefits to be experienced by the wider community. Barriers are operational or legislative factors that may inhibit a business from achieving its goal. Some barriers are minor; others require extensive planning to overcome. Once factors driving the introduction of CSR have been identified, it is important to then examine how a CSR focus can benefit the organisation and what barriers exist to adopting such a focus. Both benefits and barriers should be explored and identified during the planning stages of a CSR implementation project.

Organisational benefits of corporate social responsibility

The potential organisational benefits of a CSR strategy are wide ranging and multi-faceted. Organisations can benefit financially as well as culturally.

The organisational benefits of adopting a CSR strategy are extensive. The extent to which benefits will apply and to what degree will depend on the size and nature of your organisation, the strategy adopted and the industry in which you operate.

Organisational benefits may be broadly grouped into two categories. Firstly, financial benefits that can be measured in financial documents such as balance sheets and profit and loss statements. Secondly, more wide-ranging cultural benefits to the business that support the creation of a respectful and engaged work environment.

Neither one of these benefit types should be prioritised to the exclusion of the other. In practice, creating a positive workplace environment will provide financial benefits to the organisation. If employees are feeling safe and respected, they will work to a higher standard and this increased productivity will flow through to financial improvement in financial documents.

Organisational benefits of corporate social responsibility

These may include:

- Improved financial outcome for the organisation achieved through increased sales and reduced business costs
- Higher public visibility and improved business perception
- Increased staff loyalty and retention and higher quality candidates for roles
- Increased access to finance and equity
- Decreased regulatory burden associated with proactive adherence to regulatory/licensing requirements

Wider societal benefits of corporate social responsibility

As well as improving an organisation's operations, its CSR practices can also benefit the wider community.

Decades ago, businesses started cataloguing the consequences of their activities. They referred to them as 'externalities' and included harmful by-products such as pollution, an increase in crime, gentrification and loss of community spaces.

The shift towards businesses incorporating principles of CSR has turned these externalities into positives. All businesses and organisations impact their communities and society in some way; this is unavoidable. Effectively implementing CSR principles ensures that more of these consequences will benefit the community in a positive, rather than a negative, way.

These benefits are described below. Businesses do not need to totally re-organise their operations to achieve these benefits but a firm commitment to fulfil basic CSR principles can result in a cleaner, healthier and more vibrant organisational community. An organisation that creates goodwill within the community will have a good reputation among local consumers.

External benefits of corporate social responsibility

External benefits are those that impact an organisation's community or environment. These may include:

- Improved community facilities/activities through sponsorship and donations
- Environmental impacts such as reduced water usage or emissions reductions
- Improved employment opportunities for marginalised or disadvantaged groups
- Increased community engagement of individuals achieved through work-life benefits offered by an organisation
- Economic benefits achieved through fair trade or local purchasing policies

Identify barriers to corporate social responsibility

Barriers to achieving CSR outcomes can be grouped into five areas, most of which are linked to an organisation's commitment to CSR.

Just as with benefits, the barriers to CSR are wide ranging and vary by business, industry and CSR strategy adopted. Therefore, identification of barriers should always be undertaken with an eye to the degree to which the organisation is bound to the CSR process. Barriers can be broadly grouped into five areas as follows.

1. Lack of organisational vision or commitment
2. Regulatory requirements
3. Cost of implementation seen as too high
4. Lack of ways in which to measure outcomes
5. Lack of resources

Identification of barriers requires evaluation of internal systems, commitment to processes and above all, a high level of commitment to the strategy. What may be seen as a significant barrier may still be overcome if the organisation is committed to the pathway. Conversely, what may appear to be lesser barriers may prove insurmountable if the organisation and its management is not committed to the extent required to address the barriers.

Examples of barriers are outlined below.

| | |
|---|---|
| Lack of organisational vision | <ul style="list-style-type: none"> ▪ Senior management not willing to make necessary structural/ procedural policy changes to reflect CSR measures ▪ Senior management only supportive of measures to a limited extent ▪ Buy-in to initiatives not filtering through to all levels of organisation ▪ Short-term profit focus outweighing long-term strategic gain |
| Regulatory requirements/ standards | <ul style="list-style-type: none"> ▪ Regulations not supporting proposed changes, e.g. legal requirement to send paper-based notices ▪ Low-level regulation resulting in costs associated with CSR and making competitiveness in market difficult, i.e. competing with organisations that adhere to minimal regulatory requirements (e.g. imported low-cost goods versus local manufacture) ▪ Regulatory requirement to package or manage goods in a certain manner resulting in high environmental cost |
| Cost of implementation | <ul style="list-style-type: none"> ▪ Senior management not willing to make necessary structural/ procedural policy changes to reflect CSR measures ▪ Unacceptable risk associated with implementation, e.g. staff dissatisfaction, changes to operational methods ▪ Reluctance to bear short-term costs associated with implementation of CSR measures, e.g. retooling manufacturing processes |

| | |
|---------------------------------------|--|
| Lack of measurement techniques | <ul style="list-style-type: none"> ▪ Perceived lack of ways to measure customer sentiment/loyalty/acquisition linked to CSR ▪ Difficulty of measuring environmental/community-based differences associated with CSR ▪ Employee sentiment/engagement/retention not changing due to other impacting factors |
| Lack of resources | <ul style="list-style-type: none"> ▪ Organisation not having the knowledge/skills/frameworks for successful implementation ▪ Management not willing to invest time/capital/human resources in implementation ▪ Lack of complete implementation strategy |

Overcome barriers to corporate social responsibility

These barriers to achieving CSR outcomes can be minimised through effective management and organisational commitment.

Implementing effective CSR practices can be challenging. Some barriers can be overcome easily, others require more extensive planning. However, the benefits of successfully contributing to the social aspects of the outcomes generally exceed the costs and planning hours that go into implementing them.

Many organisations perform a cost/benefit analysis before implementing a CSR strategy. This involves the business assessing whether the financial benefits of a strategy exceed the cost to implement it. If the cost exceeds the potential benefit of the initiative, it will be abandoned or significantly altered. A weakness of cost/benefit analyses is that the formula only considers financial impact as relevant; in particular, financial cost to the business. The benefits of CSR cannot be solely measured economically; therefore, performing cost/benefit analyses to determine how to overcome barriers (although useful) is limited in what it measures. Below are some possible solutions to overcoming the barriers previously identified.

| | |
|--|---|
| Lack of organisational vision | <ul style="list-style-type: none"> ▪ Hiring a consultant to provide a vision ▪ Producing a vision or mission statement based on CSR principles ▪ Consulting with employees to determine what CSR objectives they want to see implemented |
| Regulatory requirements/standards | <ul style="list-style-type: none"> ▪ Seeking advice from government organisations about how to implement CSR initiatives ▪ Researching existing online information on government websites about CSR strategies ▪ Sourcing up-to-date regulatory guides from relevant government department |

| | |
|---------------------------------------|---|
| Cost of implementation | <ul style="list-style-type: none"> Performing a cost/benefit analysis to determine feasibility Seeking alternative and cheaper suppliers Finding savings elsewhere in the organisation to fund CSR strategy |
| Lack of measurement techniques | <ul style="list-style-type: none"> Enrolling key staff in relevant training to provide them with the necessary skills to measure outcomes Consulting with government bodies about appropriate measurement techniques Performing case studies on businesses that successfully implement CSR |
| Lack of resources | <ul style="list-style-type: none"> Producing a detailed CSR operation plan that clarifies exactly what resources are required Studying best practice models to determine if alternative resources can be used |

Example

Local manufacturing barriers

Sheep's Clothing Knits is an Australian-based manufacturer of handknitted clothing. The company prides itself on its Australian materials and manufacturing processes. Due to this commitment to local production, the retail price of the products is significantly higher than those of its competitors who, while also using pure Australian wool, manufacture their items in countries with much lower labour costs. Management has identified that not sourcing from local suppliers will cause many of these local businesses to have to close. Jobs in rural areas will be lost and not easily recovered. The 'snowball' effect will be severe with massive loss of purchasing ability in the community and residents unable to support themselves.

The company has looked at numerous options for reducing the cost of its products, including using lower quality yarns and foreign manufacturers for part of its manufacturing process. While both these options would yield a lower cost per item, they would also conflict with Sheep's Clothing's commitment to supporting Australian jobs and growers.

While the cost/benefit analysis showed that the costs of using overseas manufacturing would result in increased profit margins for the company, management decided the impact on the community was too severe. Most of their customers were local and had supported the company for decades. They decided to support the cohesion of the community by retaining manufacturing in Australia and keeping these jobs in the local community.

Practice Task 2

Question 1

Draw a line to match each barrier to corporate social responsibility to its correct example.

- | | |
|---------------------------------|--|
| » Lack of organisational vision | » Risk to customer satisfaction seen as too high |
| » Regulatory requirements | » Inability to link family-friendly work practices to bottom line |
| » Cost of implementation | » Offshore manufacturing where lower environmental standards apply |
| » Lack of outcome measures | » Budget to implement appropriate training not provided |
| » Lack of resources | » Focus on short-term profits |

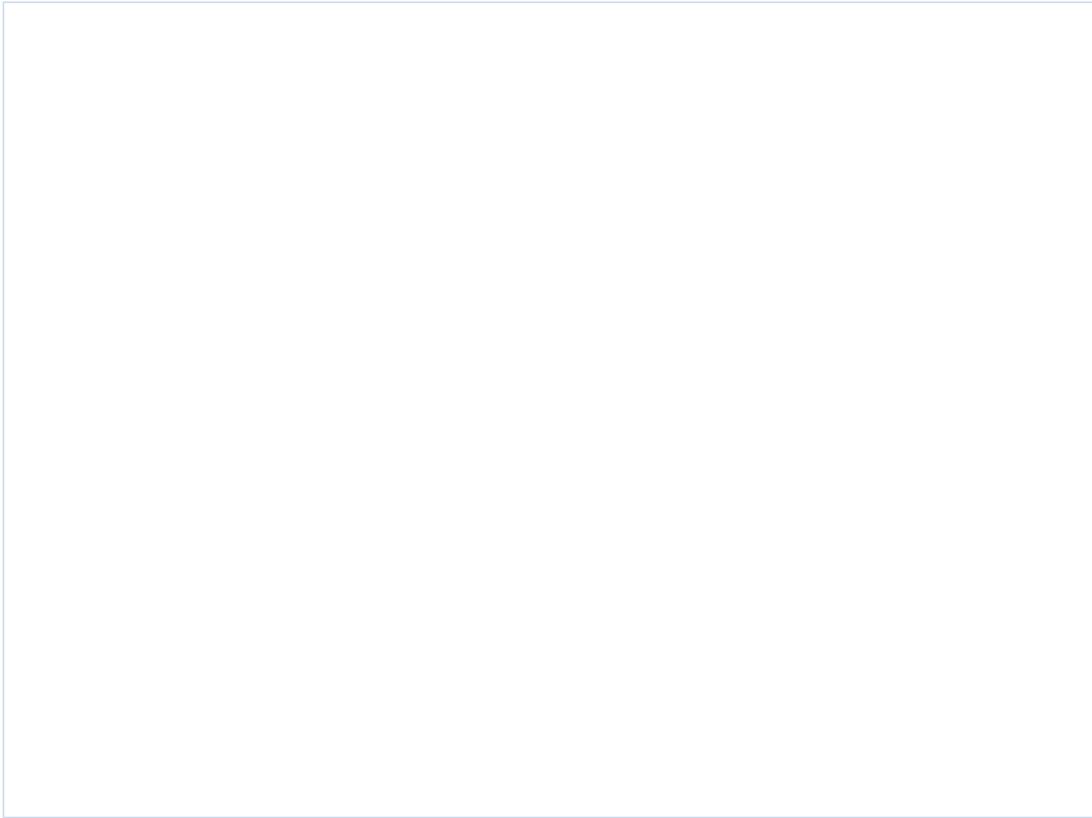
Question 2

Which of the following may be seen as benefits of corporate social responsibility? Tick all that apply.

- Improved brand recognition and perception
- Ability to streamline processes therefore reducing labour costs
- Reduced environmental impact
- Globalisation offering benefits of overseas product sourcing
- Increased engagement in local community
- Increased perspective and understanding brought about by a diverse workforce

Question 3

List two strategies an organisation can use to overcome a lack of organisational vision when trying to implement an effective CSR strategy.



1C Analyse factors affecting corporate social responsibility

When preparing to adopt a CSR focus it is important to evaluate the legal and regulatory requirements pertaining to your organisation. Likewise, analysis of existing policies to determine if they align with a CSR focus is an important step.

In Australia, many aspects of what may be seen as corporate responsibility are mandated by government regulation. This includes practices that affect the environment, human rights and financial regulation. These mandatory standards define minimum practices but your organisation's view of corporate responsibility may go beyond them and seek to act on areas that are not defined by regulation.

For example, your organisation may need to consider whether its policies and procedures are conducive to promoting work-life balance, such as working from home and offering flexible working arrangements.

Analyse corporate legislative requirements related to corporate social responsibility

Knowing what legislative requirements apply to your CSR initiatives and how to comply with them is a crucial aspect of implementing CSR strategies.

Corporate social responsibility initiatives can be both voluntary and mandated by a government or local council. For example, a business may choose to engage with the local community by ensuring all suppliers are locally sourced; but this is not a law. Alternatively, a business must follow certain government regulations concerning waste disposal that supports clean environmental policies. To meet compliance with relevant legislative standards, an organisation should ask the following questions.

Analyse legislation, regulation, standards and policies

- **What legislation, regulations and standards apply to your organisation and industry?** There are federal, state and local government laws that may apply to your CSR initiative. While these laws are likely to comply with international laws and standards, you should be aware of what these international standards are.
- **What reporting or compliance obligations does your organisation have?** Many of these requirements gauge compliance through self-reporting. Your business must have a process in place and those tasked with reporting know the correct procedure.
- **Is exceeding mandated minimums seen as feasible or desirable to your organisation?** Legislative requirements only outline a minimum level of compliance. Your organisation may choose to exceed that and provide tangible benefits to external and internal stakeholders.
- **Does your business have adequate resources to meet requirements?** For example, some CSR environmental initiatives involve a recycling program for used work materials. This may involve the use of a baler to bundle cardboard, and the delivery of used printer cartridges to e-waste centres. This sounds like a positive CSR initiative but your organisation needs baling technology and appointed employees and cars to facilitate the effective delivery of this initiative.

Analysing relevant legislation involves understanding their compliance standards. This can be a complicated process. In some cases, penalties will apply to a business that is judged as non-compliant. To support your analysis and understanding of legislative requirements you can do the following:

- Employ a compliance officer whose role is to know the relevant requirements and how to comply with them.
- Be willing to seek clarification from government bodies if you're unsure of a requirement.
- Maintain records of your CSR processes, including supplier receipts, observations, performance data and resources usage.

Legislation, regulations and standards affecting corporate social responsibility

A number of regulatory instruments exist that define minimum standards for what organisations may consider socially responsible behaviours.

While there are no specific legislated requirements for corporate social responsibility as a whole, a number of pieces of legislation, regulations and standards exist that effectively make acting ethically and responsibly a legal requirement. Examples of those are outlined below.

Environmental responsibility

The *Environment Protection and Biodiversity Conservation Act 1999* and various state and local laws legislate protection for Australia's flora, fauna, ecology and heritage sites. Relevant key provisions include:

- Approvals for developments or actions that may affect protected sites, flora or fauna
- Regulations governing industry, emissions and waste
- Compliance and incident reporting requirements.

Specific industries (e.g. mining) have their own codes of conduct, standards and regulations to which they must adhere. *The National Greenhouse and Energy Reporting Act 2007* established a framework for reporting company information about greenhouse gas emissions, energy production and energy consumption. The Act is intended to inform the Australian public about the sustainability policies of companies. Companies have reporting obligations to the government as part of this scheme.

Human rights

Human rights are protected in a number of ways including:

- The Australian Human Rights Commission promotes human rights in Australia, including social justice for Aboriginal and Torres Strait Islander peoples, the rights of children, the elderly, asylum seekers, refugees and the LGBTI community.
- The *Disability Discrimination Act 1992* includes provisions that make it illegal to discriminate against someone on the basis of their disability with respect to employment and right to service.
- The *Age Discrimination Act 2004* protects individuals from age-based discrimination in employment and the provision of goods and services.

Financial reporting

A number of legal requirements determine how and to what extent financial performance is to be reported:

- The Australian Securities and Investments Commission (ASIC) regulates corporate, financial markets and financial services under the *Corporation Act 2001*. Provisions under the Act include how, what and when financial performance is to be disclosed.
- A number of Commonwealth and State Acts define tax collection, reporting and payment requirements for corporations. These include the *Income Tax Assessment Act 1997*, *Fringe Benefits Tax Assessment Act 1986* and *A New Tax System (Goods and Services Tax) Act 1999*.

Employment rights

Employment rights and working conditions are detailed under a range of legislative instruments.

- The *Child Employment Act 2003* determines the ages and conditions under which children can work.
- The *Work Health and Safety Act 2011* and each state's regulations define organisations' responsibilities regarding the provision of safe work places.
- The *Fair Work Act 2009* defines the rights and responsibilities of workers and employers, including minimum entitlements to annual and other leave, rates of pay, grievance and termination procedures.

Global standards

In addition to Australian regulations, a number of international bodies seek to define CSR standards.

A number of worldwide principles have been developed to define corporate social responsibilities. Usually, Australian federal, state and local laws will comply with international standards. However, knowing how to incorporate international standards that rise above compliance can add value to your CSR program and provide your business with a competitive advantage. Reading these standards can provide you with ideas about innovative ways to incorporate CSR initiatives into your organisation's operations. Below are some examples of global standards.

UN Guiding Principles on Business and Human Rights

This document provides an outline of principles that businesses of all sizes should follow to preserve the human rights of all those they impact. The Principles explain that governments should establish laws that prevent business enterprises from encroaching on human rights. They also assert that businesses should provide compensation when they impose on others' rights. The full text can be found at: aspirelr.link/ohchr-guiding-principles

World Business Council for Sustainable Development Vision to Action, International Business Leaders Forum

This Council comprises 200 business executives. Together, they offer policy and guidance across a range of sectors including food production, climate change, water management and urbanisation. The Council provides informational hubs and toolkits so that business can develop and meet their CSP initiatives with the most relevant information. Their informational hubs can be found at: aspirelr.link/wbcasd

ISO 26000 and SA8000

These are optional international guidelines that provide guidance on how businesses can effectively implement CSR initiatives. ISO2600 provides guidance on social responsibility, including human rights, sustainability and fair operating practices. This standard was last revised in 2017. Further information can be found at: aspirelr.link/iso-standard-social-responsibility

SA8000 is a leading social certification program. It outlines required compliance in key CSR areas including child labour, unionisation, forced and compulsory labour, and health and safety. Further information can be found at: aspirelr.link/sai-sa8000-standard

International Labour Organization Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy

The ILO is a UN agency that represents the interests of employees within business organisations. Their concern is respect for the rights and dignity of workers and this declaration offers guidance to businesses on how to enshrine these rights in work conditions, training, social policy and industrial relations. The full text can be found at: aspirelr.link/ilo-wcms

Organisational policies affecting corporate social responsibility

Analysis of your existing policies and procedures to determine how they align with your organisation's pursuit of CSR is an important step in the strategy process.

Your organisation may have existing policies and procedures that either support or hinder the promotion of CSR. When planning a CSR strategy you should analyse these existing policies and procedures to understand their potential impact and/or identify where change may be required.

As an example, a hospital may have existing supplier agreements with an importer of medical consumables based on the importer's ability to provide products at the lowest price point. Should this hospital wish to adopt a CSR strategy that focuses on supporting local manufacturing, they may need to review their existing price point-based supply policy.

Other policies that may affect CSR are outlined below.

Policies impacting CSR strategies

- Existing **employment policies** that detail work hours, work location (office/home), travel requirements, dress codes etc. may need to be reviewed in order to support a CSR focus on employee wellbeing.
- **Supply policies** that detail relationships based on price may need to be reviewed in order to focus on supply from organisations with a similar CSR focus, e.g. local organisations and/or ones with environmentally friendly practices.
- **Product delivery policies** that detail unsustainable practices may need to be reviewed in order to eliminate paper-based delivery of printed products, airfreight or use of fossil fuel-powered vehicles.
- **Hiring policies** may need modification to support hiring employees from marginalised or diverse backgrounds.
- **Social media policies** may need to be modified to ensure they require socially inclusive content on organisational social media platforms, and to provide guidance on how social media can be used by employees in the workplace.
- **Disability discrimination policies** must ensure that employees, customers and suppliers with differing levels of ability can access the workplace and have equal access to all employee benefits.
- **Environmental policies** must determine the standards for recycling management, appliance usage, resource management and energy usage. These policies should be based on the principle of preserving environmental sustainability.
- **Workplace behaviour policies** must promote dignity for all people regardless of their gender, sexuality or cultural background; and establish clear conduct expectations.

Example

CSR organisational policy

The Australian Broadcasting Corporation (ABC) has a Corporate Social Responsibility (CSR) Policy that establishes the areas of CSR to be implemented in its workplace. These principles are embedded in the ABCs policies and procedures. The full text is available at: aspirelr.link/abc-csr

Practice Task 3

Question 1

Which of the following points should be considered when evaluating regulations, legislation standards and policies? Tick all that apply.

- The legislation, regulations and standards that apply to your organisation and industry
- Whether it is possible to avoid complying with legislated requirements
- Whether existing policies and procedures hinder progress towards CSR initiatives
- How changes to policy will impact the organisation
- Whether moving activities offshore will allow your organisation to avoid Australian legislated requirements

Question 2

Which of the following statements are correct? Select yes or no for each one.

- | | | |
|--|-------|------|
| a) Employees use of their private social media accounts while at work is not subject to CSR policies. | » Yes | » No |
| b) Organisations may choose to subscribe to international CSR standards. | » Yes | » No |
| c) Existing policies may impede an organisation's ability to adopt CSR practices. | » Yes | » No |
| d) State and Commonwealth environment protection acts define parameters in which organisations must operate in order to protect flora, fauna and heritage sites. | » Yes | » No |
| e) The Fair Work Act defines workers' minimum rights to annual, personal and long-service leave. | » Yes | » No |
| f) Organisations that adopt SA8000 certification experience improved standards for employees and business, including greater market access and increased productivity. | » Yes | » No |

1D Identify opportunities for socially responsible practices

To retain a competitive advantage and fulfil ethical purposes, businesses must establish processes to determine areas of CSR they can improve on.

Successful businesses establish processes to review every aspect of their operations: marketing, human resources, production, supply chains, customer service. These review will identify strengths and weaknesses of each aspect of the business and enable improvements to be made.

The same processes should be applied to CSR practices. Ways to do this include:

- A PESTLE analysis
- A SWOT analysis
- A synergistic review processes
- A review according to CSR trends
- Consultation with stakeholders.

Identify opportunities via a PESTLE analysis

Identification of opportunities for CSR can be driven through the use of a PESTLE analysis.

Many organisations use a PESTLE analysis to provide a broad analysis of opportunities and to create a shared understanding of corporate vision. This is achieved by analysing the landscape in which the organisation operates, taking into account how other organisations may be leading the CSR agenda. A PESTLE analysis 'looks outward' at the macroeconomic, and the wider social and political factors that can have an impact on a business. This information is categorised into discreet categories. A detailed PESTLE analysis will provide an organisation with broad areas it can use to analyse its existing CSR initiatives and develop improvements.

| PESTLE Analysis (Analysis of external factors affecting a business) | |
|--|--|
| Political | Examines the current political, legislative and regulatory landscape and factors affecting CSR, e.g. <ul style="list-style-type: none"> ▪ Political party policy and actions by lobby groups ▪ Existing and proposed legislation |

| PESTLE Analysis (Analysis of external factors affecting a business) | |
|--|---|
| Economic | Examines factors such as interest rates, consumer confidence and exchange rates and how these affect CSR, e.g. <ul style="list-style-type: none"> ▪ Dollar fluctuations may provide opportunity to adopt a local purchasing policy |
| Social | Examines demographics, values, culture and lifestyles and how they may be changing lives and communities, e.g. <ul style="list-style-type: none"> ▪ What is important and valued by the community in which the organisation operates? ▪ How can proposed CSR initiatives support and align with community values? |
| Technological | Explores technological trends and opportunities and how they affect the organisation's CSR, e.g. <ul style="list-style-type: none"> ▪ Increased use of email/online communication to replace printed documentation ▪ Increased use of social media to communicate with audiences |
| Legal | Explores the legislative and regulatory landscape to identify areas of CSR that are underpinned or mandated by legislation, e.g. <ul style="list-style-type: none"> ▪ Unfair dismissal laws ▪ Safety standards ▪ Privacy requirements |
| Environmental | Explores environmental forces impacting the business and natural resources used by the organisation, e.g. <ul style="list-style-type: none"> ▪ Effects of climate, weather or geographical location. ▪ Preparedness for future environmental targets. |

Identify opportunities via a SWOT analysis

A SWOT analysis can be used to identify the strengths, weaknesses, threats to a business and opportunities for improvement.

This analytical tool can be applied to all areas of a business's operations, including its performance in areas of CSR. It differs from the PESTLE analysis in its scope, a SWOT analysis being less focused on macroeconomic and political issues. The strengths and weaknesses are largely based on existing operations and CSR performance rather than a sweeping analysis that would feature in a PESTLE framework. Generally speaking, SWOT analyses are more suited for small- and medium-sized businesses looking for opportunities to improve their CSR practices.

Strengths are areas of high performance in CSR practices. Weaknesses are areas of CSR where the organisation is performing below expectations. Threats are areas of CSR performance that can imperil the continued operation of the business. These usually include risks to employee safety or workplace issues that can cause staff to look for alternative employment. When these three areas have been identified, opportunities for improvement can be identified.

| SWOT Analysis (Examines four areas within the business environment. In a CSR sense it can be used to identify and evaluate proposed CSR initiatives.) | |
|---|---|
| Strengths | Examines the advantages your business has over your competitors, and identifies other factors that support introduction of CSR, e.g. <ul style="list-style-type: none"> ▪ Stable, supportive workforce ▪ Positive reputation within the industry/community |
| Weaknesses | Examines the areas where your business may be weak or where your competitors are stronger, e.g. <ul style="list-style-type: none"> ▪ Lack of brand awareness or visibility within your industry/community ▪ Poor sales figures meaning immediate turnaround is required |
| Opportunities | Examines the potential opportunities for adopting CSR practices, e.g. <ul style="list-style-type: none"> ▪ Type of CSR initiative that will best benefit organisation ▪ CSR initiative lacking within industry/local area |
| Threats | Examines the potential cost of not taking action or poorly selecting/executing CSR opportunities, e.g. <ul style="list-style-type: none"> ▪ Failure to act quickly meaning another organisation takes the initiative ▪ Poorly selecting a CSR initiative that does not reflect drivers/needs/preferences of customers, industry and community |

Identify opportunities via a synergistic approach

Examination of your organisation's key documents can be a useful tool in identifying potential CSR improvement.

Synergy is created when all aspects of business are working towards a shared end goal. A business performance cannot be maximised if the different departments within a business are not working towards the same plan. A synergistic approach to identifying opportunities for CSR improvement involves a systematic review of key organisational documents. These documents should share similar CSR goals and strategies to achieve

these goals. Finding discrepancies in these documents can provide opportunities to properly align the different parts of the business and help it move towards a shared approach to CSR. Below are examples of key organisational documents and descriptions of CSR information they may include.

| Mission and values statements |
|---|
| These documents outline what ethics and values underpin the operations of the business. They provide a summary of what social responsibility commitments the business wants to preserve and the ideals it wishes to promote. Often mission and values statements contain information about how the business aims to promote sustainability or support inclusion. |
| Business objectives |
| Business objectives are the goals of the business. These goals are often expressed in financial or performance terms. Organisations should ensure these objectives can be achieved while preserving social responsibility ideals. A review of objectives can lead to the creation of business objectives specifically for the advancement of CSR outcomes. |
| Operations plans |
| Operations plans are documents that outline how business objectives are to be achieved. They outline the specific contributions of each department and employee in order to achieve objectives. These plans should be analysed to ensure they preserve CSR outcomes; areas where they do not should be evaluated and altered. |
| Policies and procedures |
| Policies and procedures are documents that describe the rules and processes that employees have to follow in performing their day-to-day work tasks. A careful analysis of these policies and procedures can reveal areas where CSR has been overlooked. For example, the focus on completing tasks effectively within policy and procedure documents can undermine an organisation's commitment to workplace safety and work-life balance initiatives. |

Identify opportunities via education and training

Tertiary education providers allow people to study advanced methods of implementing CSR policies.

CSR is a growing academic field and many education providers offer training in the theories underpinning CSR principles and how to implement them within a workplace.

This training can focus on specific aspects of CSR, such as environmental sustainability, creating work-life balance or employee engagement. Alternatively, it can be very broad-based and provide training in a wide range of CSR principles.

The types of training are also varied. Master of Business Administration courses and Business/Commerce degrees usually offer electives in aspects of CSR that you can complete as part of a wider qualification. Specific courses and units can be researched via this link: aspirelr.link/good-universities-guide or by visiting the websites of specific institutions. These courses require a multi-year time investment. Some education institutes provide short courses that vary between several weeks or just one day. Such training will not be extensive but can help you generate ideas to improve CSR within your workplace. Below are some tips when evaluating training options.

What to consider when searching for CSR training

- What level of training are you looking for? Extensive training may require a certificate or diploma level qualification.
- What study options suit you? Will you have time to attend an institution in your own time, either after work or on weekends? Is the training offered online, providing you with greater flexibility?
- Will your workplace support you with your study? Will they pay for your training or contribute to it? Will they allow you time away from your responsibilities to meet training commitments?
- Will the training provide you with tangible benefits? Do you need training in a specific aspect of CSR or will broad-based training meet your needs?

Use best practice in corporate social responsibility

More companies are seeking to adopt best practice in CSR.

Best practice involves identifying the industry leaders in implementing CSR policies and adapting them to your organisation. Best practice policies have been used effectively in many organisations in a wide variety of industries and have demonstrated benefits to their local communities. Often, the programs are documented, disseminated publicly and tested for application to other businesses.

It is important to consider the context of your organisation and the industry in which it operates. Emerging and existing approaches will have greater relevance in some organisations than in others.

There are a number of ways that you can ensure you remain abreast of best practices and new approaches within your industry. These include:

- Subscribing to industry publications that detail CSR initiatives
- Attending industry networking or professional development events and seeking information from experts of CSR initiatives
- Following thought leaders or best practitioners on social media and gathering documentation about CSR policy implementation.

Emerging trends in corporate social responsibility

Corporate social responsibility is a rapidly evolving area of business operations; an effective manager identifies areas of improvement via monitoring of trends.

The business world is constantly changing. Consumer demands are forever evolving, and businesses are searching for ways to adapt to them. Similarly, CSR objectives are changing, as are the methods used by organisations to achieve them. CSR is not a static term, and an organisation must be willing to adapt to a changing understanding of the term. Below are some emerging trends in the field of CSR which many modern organisations have embraced to varying degrees.

| | |
|---|--|
| Corporate activism | Traditionally, CSR has been embedded in organisational documents and explored as an internal program. Recently, many organisations have embraced the idea of using their organisation to promote progressive social change. They have participated in political and social movements and argue for specific social and political change. |
| Carbon neutrality and green technology | As consumers have altered their buying habits to meet the challenge of climate change, organisations have investigated ways to reduce their environmental impact. They have exceeded minimum CSR requirements by seeking to go completely carbon-neutral, which means they are not emitting pollution into the atmosphere. |
| Local engagement | This aspect of CSR involves an organisation acting as a citizen that actively participates in the local community rather than just being a trader within the community. Employees are encouraged to volunteer at local community centres. The organisation provides representation at local community events and makes financial and logistical donations to clubs and groups. |
| Diversity and inclusion | Modern organisations who value their commitment to CSR seek to create a workforce that is comprised of a wide range of people from a variety of gender identities, sexual orientations and cultural backgrounds. Hiring and promotion policies are reviewed to ensure no bias exists. |
| Ethical supply chains | Businesses that have a strong commitment to CSR will want to source their suppliers from similarly ethical businesses. Organisations will review the CSR policies of those they trade with. For example, a socially responsible organisation will not trade with a company that violates minimum wage laws. |

Example

A synergistic approach to identifying improvement areas

A food wholesaling company reviewed key organisational documents to identify strategies to effectively implement CSR policies. The owner of the organisation consulted with key managers and suppliers and reviewed the following documents of the organisation:

- mission statement
- objective list
- operational plan
- policies and procedures.

After careful review of these documents the following practices have been included in them to more effectively implement CSR policies.

| | |
|--------------------------------|---|
| Mission statement | The current mission statement states: 'To provide the tastiest food at the lowest price'. This mission statement will be amended to state: 'To provide healthy and tasty food at sustainable prices'. The change to include 'healthy' food demonstrates a commitment to societal health and the change to 'sustainable prices' demonstrates a commitment to pay reasonable fees to suppliers. |
| Objective list | Currently, all business objectives are based on financial performance. An objective will be added to meet targets based on selling higher percentages of healthy, fresh food. |
| Operational plan | The operational plan will include finding suppliers who sell fresher foods that contain less fat and sugar, and increasing the number of deliveries to prevent this fresh food from spoiling. |
| Policies and procedures | Policies and procedures will be introduced to monitor the amount of fresh food that is sold. Marketing procedures will be adapted so that this fresh food is mentioned in promotional materials and social media advertising. |

Practice Task 4

Question 1

Which of the following statements are correct? Select yes or no for each one.

- | | | |
|---|-------|------|
| a) An organisation's values and mission statement can help narrow the focus of CSR initiatives. | » Yes | » No |
| b) A PESTLE analysis explores internal factors affecting an organisation. | » Yes | » No |
| c) Consultation with stakeholders should follow the initial identification of CSR opportunities. | » Yes | » No |
| d) Identification of initiatives should include determining the type and scope of CSR initiative proposed. | » Yes | » No |
| e) Using PESTLE and SWOT analyses will determine the most appropriate CSR initiative for your organisation. | » Yes | » No |

Question 2

Which of the following are examples of emerging trends in CSR? Tick all that apply

- A global food company sourcing raw ingredients from Australian suppliers
- A company offering an internship program for indigenous university students
- A fuel company increasing its fleet of petrol operated delivery trucks
- A corporate organisation using green technology to reduce its carbon footprint
- A clothing company detailing the manufacturing arrangements it has with foreign suppliers

Summary

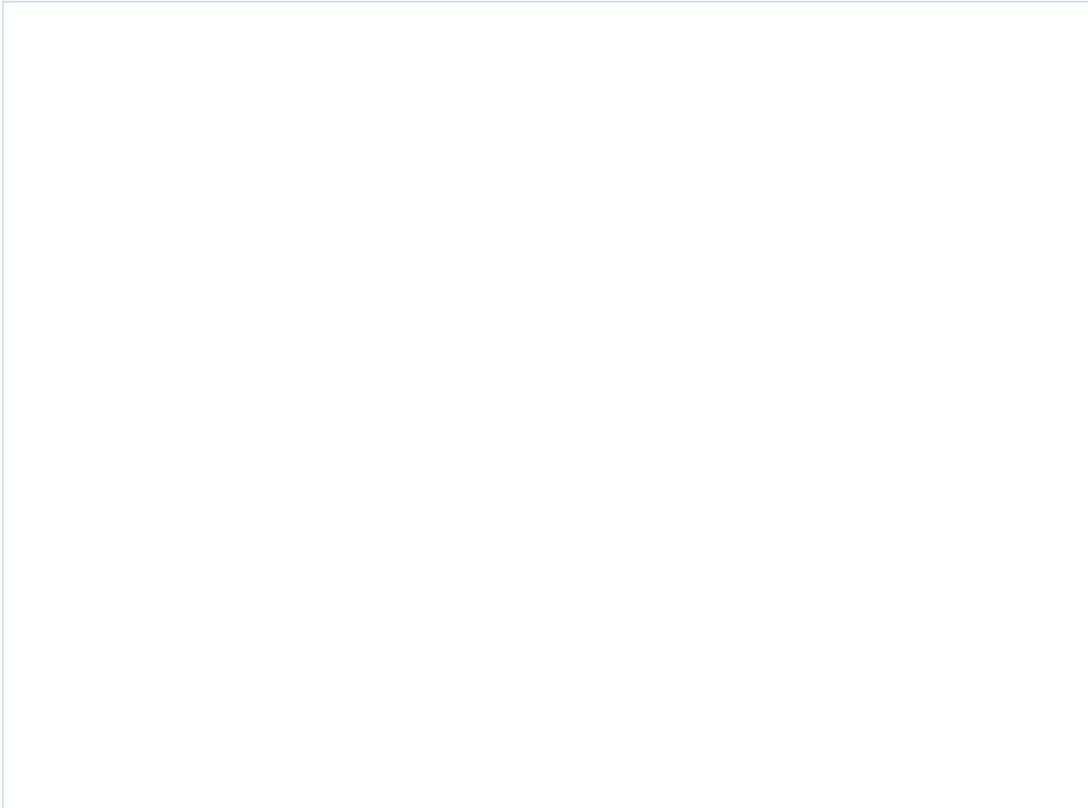
- Corporate social responsibility (CSR) promotes ethical and sustainable practices within an organisation. The drivers for embracing CSR may be considered either qualitative (that which is expressed as a label or opinion) or quantitative (that which is expressed numerically).
- Corporate social responsibility can be loosely grouped into four categories: (i) philanthropic such as sponsorship or donations; (ii) environmental – adopting practices and resources that do not harm the environment; (iii) social – promoting benefits to employees and the wider community, (iv) economic – seeking to find a balance between the other three categories.
- An organisation's existing goals and objectives may also drive CSR. Stated values and ethics may necessitate the need to change practices and procedures in order to reflect these values. Alternatively, it may be that corporate goals, such as attractive financial performance, are best served by CSR.
- Preparation for CSR initiatives should include evaluation of the benefits of, and barriers to, CSR. Different CSR strategies bring different benefits and evaluation of the proposed benefits of a strategy under consideration is essential. Likewise, exploration of the barriers that may exist, both internally and externally is important.
- Legal and regulatory requirements and global standards are an important consideration because they may both promote and hinder CSR adoption. While what may be considered socially responsible is underpinned by regulation in some instances (for example, equal opportunity provisions), some regulations may in fact not align with CSR best practice (for example, the legal requirement to send some documentation by mail.)
- Your organisation's existing policies and procedures may not support proposed CSR actions. Careful analysis of existing practices should form part of the initial CSR strategic phase. This should include analysing if and how they should be changed and any resultant effects.
- Tools such as PESTLE and SWOT analyses can be useful for identifying and narrowing CSR opportunities. These tools formalise the process of examining the internal and external environment and can help to create a shared understanding from which to then evaluate opportunities.
- An organisation's missions and values are another useful source of potential CSR opportunities. These statements detail what is core to the beliefs and operations of an organisation and usually describe who an organisation services, and how. This can then help to identify what CSR initiatives may align with these core beliefs.
- Emerging CSR trends include embracing political activism, fostering diversity, inclusion in staffing policies and reducing environmental impact.
- Consulting with stakeholders, such as employees, customers and local community groups, can help identify areas of CSR policy improvement.

Learning Checkpoint 1

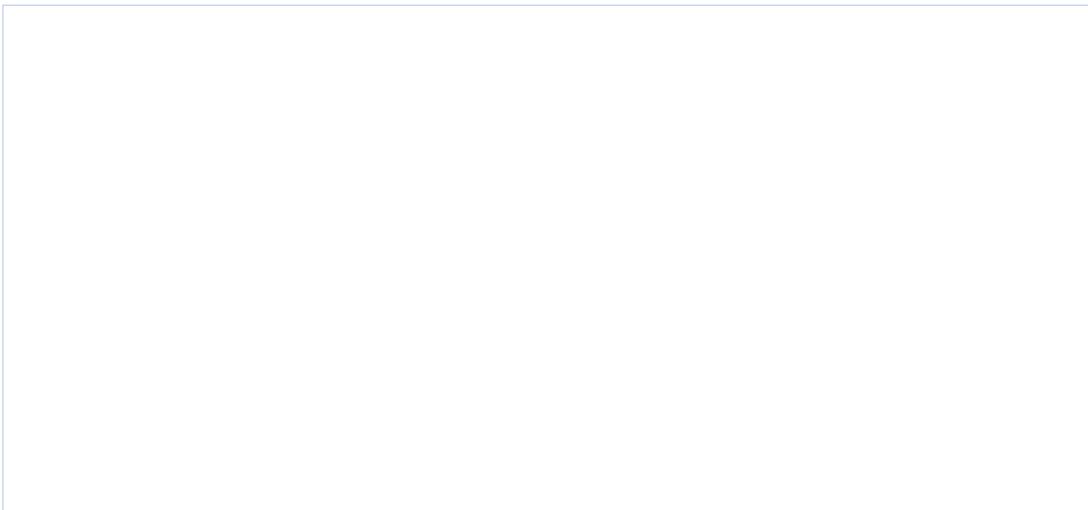
Identify context for corporate social responsibility

Part A

1. List two examples of both quantifiable and qualifiable drivers of corporate social responsibility.



2. Describe how an organisation's goals, objectives and values can drive corporate responsibility.



3. List **three** examples each of organisational and societal benefits of corporate social responsibility.

4. Which of the following statements are correct? Select yes or no for each one.
- | | | |
|--|-------|------|
| a) The inability to quantify outcomes is a common barrier to the implementation of CSR initiatives. | » Yes | » No |
| b) Successful CSR initiatives include an organisational understanding and commitment to the actions required for its introduction. | » Yes | » No |
| c) Regulatory compliance may not always support CSR initiatives. | » Yes | » No |
| d) The cost of implementation is not a valid barrier to CSR. | » Yes | » No |
| e) The introduction of CSR requires minimal resources. | » Yes | » No |
| f) A policy of importing low-cost goods that do not meet Australian standards is an example of corporate social responsibility. | » Yes | » No |

5. Name and provide an example of a legislative/regulatory requirement that may impact the following areas of corporate social responsibility:
- Environmental responsibility
 - Human rights
 - Financial accountability
 - Employment rights

6. Draw a line to match each example of emerging CSR trends to its correct example.

- | | |
|---------------------------|---|
| » Diversity and inclusion | » Publicly supporting a political movement via a statement on your organisation's social media page |
| » Acting locally | » Ensuring all packaging is sourced from recycled materials |
| » Corporate activism | » Engaging in community within the area of operation |
| » Green technology | » Installing gender-neutral facilities and signage |

Part B

Read the following case study and then answer the questions that follow.

Case study

FirstStop Office Supplies has supplied wholesale office equipment and stationery to a large regional city and surrounding areas for over 30 years. The organisation is locally owned and operated and has a network of loyal, long-term customers. While they recognise they are not the cheapest option, they are known for their reliability, expert advice and prompt delivery.

FirstStop has been considering adopting corporate social responsibility measures to increase its visibility within the local community following the announcement that the leading national supplier will soon be opening a warehouse in the region.

As part of the planning process, the FirstStop management team has decided to analyse its current position using a SWOT analysis and referring to the core values of the organisation to see what ideas best align with those values. It is hoped that this process will lead to the production of a shortlist of ideas that can then be evaluated in greater detail.

The FirstStop mission statement states: 'Providing informed advice and speedy service to the people of Newtown and district'. The company's website states that FirstStop's values are 'reliability, ethical service and supporting the success of the local business community'.

1. Complete a brief SWOT analysis for FirstStop, including at least one point for each quadrant (strength, weakness, opportunity, threat).

2. Which of the following CSR opportunities could be seen as aligning with the mission and values of the organisation? Tick all that apply.
 - Providing school stationery packages to underprivileged children within the region
 - Supporting water treatment programs in Africa
 - Sponsoring a business community breakfast
 - Donating a percentage of sales to the local football league
 - Donating a percentage of sales to a panda habitat preservation group in China

3. Discuss three barriers FirstStop might face in adopting a CSR initiative when faced with a newly arrived, much larger competitor.





Topic 2 | Establish corporate social responsibility policy

- 2A Engage with stakeholders for corporate social responsibility
- 2B Develop change management provisions
- 2C Incorporate social responsibility strategy into organisation
- 2D Prepare and distribute documentation regarding strategy

2A Engage with stakeholders for corporate social responsibility

Effective implementation of corporate social responsibility (CSR) policies requires an organisation to consult widely with stakeholders

A bedrock principle of CSR is engaging widely with others before implementing policies in the workplace, particularly with those who will be affected. Gaining support for policies, or at least explaining why these policies are being incorporated, demonstrates the brand of respect for others that is espoused by CSR. Also, it makes excellent business sense; ensuring your employees and stakeholders know about the policy and their role in implementing it increases the likelihood of the policy achieving its stated objectives.

Engaging with stakeholders to determine how to manage CSR should be done as a part of a systematic process that includes the following steps.

- Defining stakeholders
- Identifying relevant stakeholders and stakeholder groups relevant to CSR management
- Developing engagement activities to facilitate consultation with those groups
- Identifying communication strategies to consult more effectively
- Managing international stakeholders
- Using effective negotiation processes to implement CSR policies

Identify stakeholders

Identification of stakeholders includes those affected and making assumptions as to how the CSR actions will impact them.

An important first step in establishing a CSR policy is to identify stakeholders to the policy and consider how the policy may affect them. Stakeholders can be defined as persons or organisations that are impacted by the CSR policy. They usually include employees, customers and the beneficiaries of the CSR action.

Internal stakeholders are people from inside the business with an interest in CSR policies; for example, employees, managers and owners. External stakeholders are people from outside the business who are impacted by your organisation's CSR policies. Examples include customers, suppliers and local community groups.

Different stakeholders and stakeholder groups will be affected in different ways and to varying degrees, so it is essential to explore the impacts (or degree of impact) on them as part of the identification and consultation process.

Strategies for identifying stakeholders

- Review policies and procedure documents to see which roles are identified.
- Read operations plans. These documents will explain the various roles within an organisation and who you will need to contact when implementing CSR policies.
- Review previous documented CSR policies, if they are available.
- Create a flow chart of how you plan to implement the CSR policy and identify all the impacted stakeholders at each step of the process.

Relevant stakeholder groups

Your CSR policy will impact a number of different stakeholder groups. Understanding who those stakeholders are (and any subsets within stakeholder groups) allows you to effectively engage with them regarding a proposed strategy.

The impact on stakeholders of a CSR strategy will vary according to the nature of the CSR policy and how it is to be enacted. Different groups will be impacted in different ways and managers must consider how to minimise any negative effects.

| Stakeholders | Potential impact of a CSR policy |
|--|--|
| Employees <ul style="list-style-type: none"> ▪ Seniority (junior staff or management) ▪ Different workplace locations ▪ Different employment conditions (salaried employees, contractors) ▪ Diverse employee groups | <ul style="list-style-type: none"> ▪ How the proposed policy impacts their working conditions and/or employment security ▪ Whether the proposed policy applies to them (e.g. paid parental leave) ▪ CSR will improve their work-life balance ▪ CSR will create a more harmonious workplace atmosphere ▪ CSR will offer employees more opportunities to contribute to organisational decision-making |
| Customers <ul style="list-style-type: none"> ▪ Demographics (age, gender, ethnicity) ▪ Location of customer group ▪ Customers defined by product purchase or value of purchase history ▪ Purchase or engagement method (in store, online, face-to-face) | <ul style="list-style-type: none"> ▪ CSR will offer them products that are safer and healthier to use ▪ Products may increase in price ▪ More respectful relationships will be fostered between the business and its customers ▪ Customers are more likely to purchase or engage with an organisation as a result of the policy |

| Stakeholders | Potential impact of a CSR policy |
|--|--|
| Suppliers/business partners <ul style="list-style-type: none"> Product suppliers Service suppliers Referral partners Business networks | <ul style="list-style-type: none"> The policy may positively or negatively impact their own profitability CSR may force suppliers to adjust their own business practices to continue the commercial relationship The policy may prompt a supplier to develop their CSR policies The policy may or may not support their own CSR policy |
| Regulatory and legislative bodies <ul style="list-style-type: none"> Different bodies, e.g. EPA, Fair Work Commission Federal, state, local government | <ul style="list-style-type: none"> Whether the policy has regulatory or legislative impact and/or compliance requirements |
| Community groups <ul style="list-style-type: none"> Local sporting teams Community centres Business strips and shopping centres Youth groups and senior centres | <ul style="list-style-type: none"> CSR can create relationships between the organisation and community group The CSR initiative may have a negative impact (e.g. donated funds putting government funding at risk) CSR policies may increase community awareness of the community group and support wider engagement |

Choose suitable engagement activities

After identifying the various stakeholders to your proposed CSR strategy, selecting an appropriate engagement forum should follow to ensure objectives and policies meet stakeholder needs.

Once the stakeholders to a proposed CSR have been defined and the potential impacts considered, the next step is to engage with each stakeholder group to explore and quantify how the proposed CSR will impact them, and then to develop objectives and policies that reflect their specific needs.

Consulting with stakeholders involves discussing their needs and objectives and considering how your commitment to CSR can help them achieve these objectives. This process not only promotes engagement in the CSR process but can also be instrumental in generating ideas and options for implementing the proposed CSR initiative. The views and perspective offered by wide-ranging consultation can yield previously unconsidered ideas and provide new possibilities for engagement and interaction with key stakeholders.

Below are some possible consultation methods you can use.

| | |
|---|--|
| <p>Face-to-face consultation</p> | <p>This method is often used for determining the needs of individual customers or a representative of groups of customers. One-on-one consultation may include:</p> <ul style="list-style-type: none"> ▪ Consultation at a customer's point of interaction with your organisation, e.g. online survey at point of sale ▪ Telephone discussion with a representative of an organisation who may refer their customers to your business, e.g. an accountant referring customers to your financial planning organisation ▪ Email exchange with a manager from a regulatory body to determine how proposed changes may affect regulatory requirements <p>Pros: Very specific information can be collected. Easy to customise and ask follow-up questions.</p> <p>Cons: Face-to-face consultation can be time-consuming, especially where consultation with a number of people is preferred.</p> |
| <p>Surveys</p> | <p>Surveys are often used to collect information from large numbers of people. Survey questions are often structured numerically where those completing the survey are asked to provide a rating (e.g. on a scale of 1 to 10).</p> <p>Pros: By using a standard scale throughout it is easy to determine preferences and the extent to which opinions and values are held.</p> <p>Cons: Surveys may not reveal underlying reasoning behind opinions expressed; nor do they offer the opportunity to ask follow-up questions.</p> |
| <p>Focus groups</p> | <p>Focus groups, particularly groups of 8–15 people are an efficient way to consult with representatives of stakeholder groups, explore opinions and identify needs.</p> <p>Pros: Easy to ask exploratory and follow-up questions.</p> <p>Cons: Need to gather people at one time. Not everyone may be comfortable expressing opinions in a semi-public forum.</p> |
| <p>Social media</p> | <p>Social media allows organisations the opportunity to interact with members of the public such as customers, potential CSR beneficiaries and the local community. Content can 'test the water' to determine proposed CSR and social listening techniques can be used to monitor existing sentiment regarding the organisation and/or CSR topics.</p> <p>Pros: Easy to use.</p> <p>Cons: Can be difficult to establish legitimacy of information provided.</p> |

Effective communication strategies to use when consulting

Consultation processes require the use of a wide variety of communication strategies when consulting with diverse stakeholders.

The methods for consultation will largely be driven by the nature of the stakeholder with which you are engaging. These methods were outlined in the previous section; whichever method you choose, you will need to follow some effective communication principles during consultative sessions. These consultative principles will allow you to develop a respectful relationship with the stakeholder while also extracting valuable information that will support the implementation of your organisation's CSR policies. These communication strategies are outlined below.

Document all aspects of the consultation

- Prior to the consultation, produce a written plan of what you plan to discuss.
- Document the responses you gather in the consultation. With permission, you can record the consultation.
- Keep digital records of the consultation so they can be shared when required.

Consulting with stakeholders who are non-English speakers

- As with all consultations, tailor your communication level to your audience. Prior to the consultation, ascertain the level of the stakeholders' English language skills rather than assuming their level.
- If necessary, source a colleague who can provide assistance with translation.
- Avoid jargon or slang. These terms can have different meanings in other languages.
- If there are language barriers, ensure your consultation area is quiet and without distractions. Remain patient.
- Come to the consultation with some visual prompts of key issues you'd like to discuss. This helps to bridge the language gap.

Access and equity

- Ensure your consultation venue can be accessed comfortably by all stakeholders, particularly those who live with a physical disability.
- Provide all stakeholders with an opportunity to express their views, not just other managers.
- Provide specific details of when and where the consultation will occur well in advance to give stakeholders the opportunity to re-arrange their schedule.

Technology issues

- Have contingency plans designed for situations when technology does not support your consultative endeavours. For instance, prepare printouts in case your PowerPoint presentation does not work.
- When available, have the contact details of technology support ready so you can immediately request assistance when required
- Don't rely excessively on technology. It is a support; it does not do the consulting for you. When delivering an online presentation, discuss what it is in it. Don't ask your stakeholders to read off the screen.

Generating ideas and discussion

- Use visual prompts such as images, video clips, graphs and slides. These can engage many of your stakeholders more effectively than verbal engagement.
- Ask open-ended questions that encourage a considered and detailed response from your stakeholders, rather than closed yes/no questions.
- Consulting is as much about listening as speaking. Always give the respondent more time to answer the question than the time it took you to ask it; never interrupt and ask clarifying questions to demonstrate you are engaged.

Consult with international stakeholders about corporate social responsibility

Consultation processes with stakeholders in foreign countries presents a new set of challenges in effective communication.

Modern businesses can have stakeholders all over the world, from a variety of cultures and speaking a variety of languages. Consulting with them about CSR can present a unique set of logistical challenges that have to be managed appropriately. You are entirely reliant on technology, there may be time barriers to overcome, and you cannot communicate with the relative ease of face-to-face interactions. For example, if you're explaining a concept to an employee, you may perceive from their facial expressions that they do not understand it. Awareness of their lack of understanding is inherently more difficult without the face-to-face interaction. Below are some strategies you should use.

- Don't assume your stakeholders have a deep knowledge of CSR concepts. This also applies to Australian stakeholders. Always have a succinct description of what CSR means if called on to explain it.
- Have at least two technological communication methods available. If your video conferencing call drops out, have phone contact details on hand to resume with a voice call.
- Be willing to adjust your consultation time to suit your stakeholders, even if it means you have to consult at irregular hours of the day or night.
- Provide written documentation to those you are consulting with (via email or shared folders). This can minimise communication or time barriers.
- Research local laws prior to implementing any policies in foreign countries. Where possible, discuss them with an organisational representative familiar with the laws of the country.

Negotiation processes

Negotiation may be required to develop the actions, policies and procedures that support the implementation of a CSR procedure. The use of effective negotiation skills is key to the success of this process.

This process of policy development may require that you negotiate with stakeholders to arrive at objectives and policy that meet the needs of stakeholders and the organisation. Often, this requirement for negotiation results from initial assumptions about stakeholder needs and preferences proving to be inaccurate or incomplete. For this reason, initial assumptions should be considered as starting points for discussion with stakeholders.

Negotiation is an important part of the CSR policy development process. Once agreement to explore a CSR strategy has been agreed with relevant stakeholders, more detailed discussion and negotiation may follow to develop specific procedures and actions to be incorporated into your policy.

Negotiation usually occurs between one or more representatives of a stakeholder group and representatives from your organisation. For example, consultation with one of your organisation's suppliers regarding a proposed change to your organisation's purchasing policy to focus on Australian-made products may require negotiation on a number of fronts.

- Minimum purchase quantities
- Order lead times
- Pricing

Each of these aspects may require input and discussion with different people within your own and your supplier's organisation. Likewise, when negotiating with a CSR beneficiary group, the needs of subsets within that group may be represented by different individuals.

The effective use of negotiation skills is important to achieving an outcome that meets the needs of all concerned.

Principles of effective negotiation

- Be clear on what you are trying to accomplish
- Determine what you can and cannot compromise on and to what extent
- Seek to understand the needs and position of those with whom you're negotiating
- Look for a win-win outcome that addresses all needs (even if not fully)
- Be trustworthy – don't make offers you cannot honour
- Be polite and respectful at all times

Example

Negotiating a win-win outcome

Green Grass Turf is a supplier of commercial grass-cutting equipment and turf-management products for sports ovals and public open-space facilities. Green Grass is in the early stages of developing a corporate social responsibility initiative that sees Green Grass partner with local football and cricket leagues across Victoria. Green Grass's idea is that it will provide product and equipment to clubs that are experiencing financial hardship so they can maintain their playing surfaces. Green Grass sees that supporting the viability of struggling sporting clubs ensures their business has a customer base into the future.

Green Grass representatives meet with representatives of a number of leagues to discuss their plans. The league representatives, although supportive and appreciative of the offer, feel that only offering product and equipment to clubs experiencing financial difficulty is problematic. It will require the league to determine which clubs are considered most deserving and could also lead to clubs misrepresenting their financial positions.

Negotiations are held via face-to-face meetings between Green Grass and league representatives as well as email exchanges between Green Grass Managing Director, Ed Stearns, and various league representatives. After a number of weeks of lengthy discussions, an outcome that helps Green Grass achieve its objectives and addresses the concerns of cricket and football leagues is reached. It is a compromise that satisfies all parties.

Practice Task 5

Question 1

Which of the following statements are correct? Select yes or no for each one.

- | | | |
|---|-------|------|
| a) Stakeholder identification includes evaluation of how proposed actions may affect them. | » Yes | » No |
| b) All subsets within stakeholder groups will be affected in the same way. | » Yes | » No |
| c) The degree to which CSR policy impacts stakeholders will vary. | » Yes | » No |
| d) An organisation should consult widely, accounting for the diversity of stakeholders. | » Yes | » No |
| e) Beneficiaries of CSR require minimal consultation as they will be grateful for any support received. | » Yes | » No |

Question 2

Which of the following statements are principles of effective negotiation? Tick all that apply.

- Be clear on your objectives
- Be unwavering, it's up to them to accommodate your needs
- Fixate on your needs and position
- Be trustworthy and honest
- Look for a win-win outcome

Question 3

Draw a line to match each consultation method to its correct definition.

- | | |
|---------------------------|---|
| » Face-to-face meeting | » Meeting with small group of people to discuss predetermined topics |
| » Focus groups | » Asking a number of questions with defined responses, e.g. yes or no, ranking 1-10 |
| » Survey | » Listening to general public sentiment on a particular topic |
| » Social media monitoring | » Meeting with small group of people to discuss predetermined topics |

2B Develop change management provisions

Organisations that adopt CSR policy changes will have to effectively manage the implementation of these changes.

Any changes made to the operations of a business can cause disruption to work patterns, stress to staff and confusion for customers. In some cases, changes to existing operations have exceeded the positives produced by CSR policies. In one example, a business organisation introduced a CSR policy based on improving the work–life balance of employees by offering flexible work schedules. While it achieved the CSR goal, employees became increasingly confused about shift hours. There were unexplained absences and understaffing issues. Eventually, this flowed through to customer service, and customers perceived the organisation had become disjointed.

The organisation instituted a positive CSR policy but failed to create the necessary provisions to implement it seamlessly. Provisions are organised preparations that must be completed prior to introducing CSR policies and procedures. An effective manager understands how to identify what provisions will be required and the resources required. Any change to a business's operations or workflow has to be managed carefully and CSR policies are no exception. Below are some provisions an organisation should complete prior to introducing CSR policies.

- Develop a process to identify necessary provisions
- Establish a change management theoretical approach
- Identify an end goal
- Develop the right leadership style
- Use consultation
- Prioritise provisions
- List resources and capabilities

Processes to develop change management provisions

The findings and learnings from stakeholder consultation need to be reviewed to determine the processes that will drive changes required to implement the CSR strategy.

Change management consists of three major stages: identification of change requirements and opportunities, change management planning, and implementation of change in the organisation. Within these three stages, the number and nature of steps will vary according to the changes required to implement the CSR, and the organisation's and manager's preferred approach. The steps in each stage are outlined below.

| Identification of requirements and opportunities |
|---|
| <ul style="list-style-type: none"> ▪ Identify the internal and external drivers for change (as established in Topic 1). ▪ Identify the organisational requirements needed to make the changes required to implement CSR. ▪ Prioritise the identified change needs. |
| Development of change management strategy and plan |
| <ul style="list-style-type: none"> ▪ Analyse costs and risks and barriers to change. ▪ Develop change management plan. ▪ Assign resources to changes required to drive CSR implementation. |
| Implementation and evaluation of change |
| <ul style="list-style-type: none"> ▪ Activate changes required to implement the CSR strategy. ▪ Communicate the reason for change, and the plan, to relevant stakeholders so as to manage resistance. This is particularly relevant for employees because they will feel the change most keenly. ▪ Implement change interventions and activities to ensure change becomes embedded. ▪ Monitor the plan and evaluate the change. |

Identify gaps between current and desired state

Identifying the gap between desired and actual performance provides the basis for determining change management requirements.

A gap analysis is a three-step process that compares the current state or situation against the desired state or situation. When used as part of a change management strategy, a gap analysis helps to identify what changes are required in order to implement the CSR strategy. Once these gaps have been identified, an organisation can then determine how it will modify its policies and procedures to pursue its strategy.

A gap analysis can be used in conjunction with ‘best practice’ analysis. An organisation identifies an example of change management that is uniformly successful and assesses current performance relative to that benchmark.

| | |
|--|--|
| Identify CSR strategy implementation requirements | <ul style="list-style-type: none"> ▪ Internal policies and overarching objectives ▪ Specific tasks and operating procedures ▪ External organisational relationships, e.g. with suppliers ▪ Communication processes |
|--|--|

| | |
|-----------------------------------|--|
| What is the current state? | <ul style="list-style-type: none"> Do current policies and procedures meet implementation requirements? Do current external relationships support implementation of CSR? Do current communication processes and key messages need modification to reflect CSR strategy? |
| Identify gap | <ul style="list-style-type: none"> What is the gap between the goal and the current state? What steps are required to bridge the gap? Can it be achieved at once or will multiple steps be required? |

Establish a change management theoretical approach

Theories of change management have been developed that can be incorporated into your organisational approach

Using theoretical approaches is a successful strategy when planning for the introduction of CSR initiatives. These theories have been developed by trained experts in the academic field of change management within business organisations and the models have been tested in numerous settings.

Your organisation can choose the most appropriate of these theories or adapt parts of them to suit your particular circumstances. The more intricate plans require greater human and physical resources so they are suited to larger organisations that are introducing more complex CSR policies. A key aspect of change management is convincing others of your clear vision; having a guiding theoretical approach will support you in this endeavour. Below are summaries of these theoretical approaches.

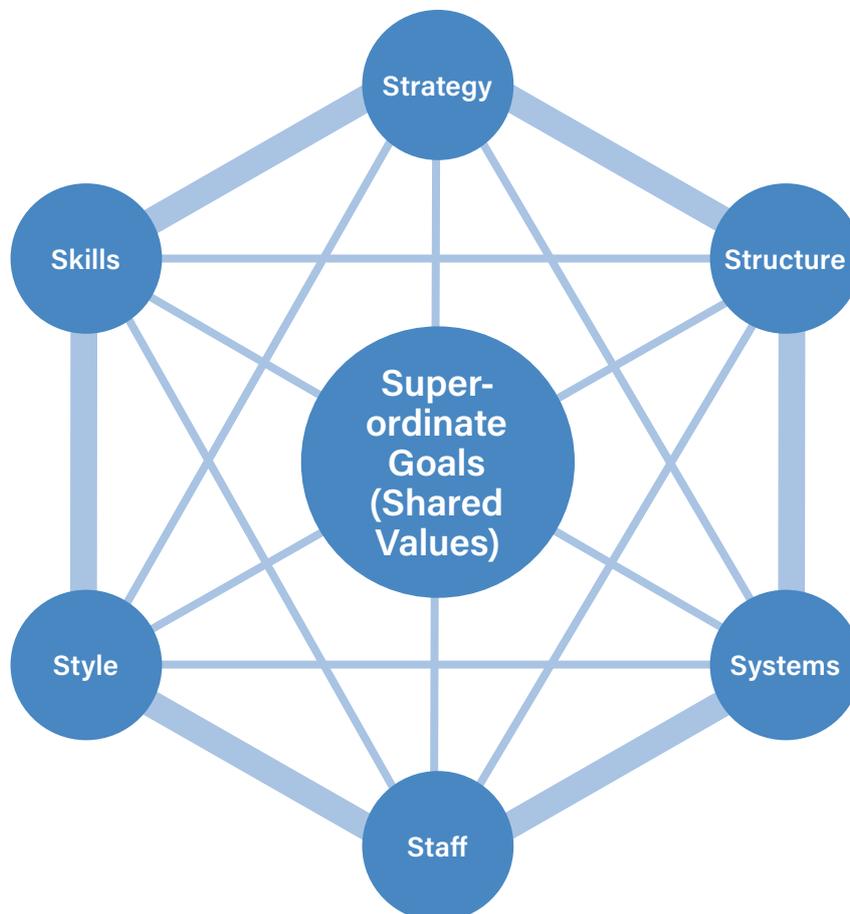
Kotter's change management theory

Dr John Kotter is a management consultant and business theorist who has outlined an eight-step change management model. He has proved that it can be adapted to business organisations.

1. Create a sense of urgency among employees about bringing in the change.
2. Build a coalition of competent support staff with skills to introduce the change.
3. Outline a vision of what the change will look like at the end of the process.
4. Generate enough excitement to compel others to join in the change.
5. Remove barriers that will stifle change.
6. Create short-term successes that can be small in scale.
7. Keep pushing the change through.
8. Embed the change in sustainable habits.

McKinsey 7-S Framework

This model identifies seven elements that need to be part of any change process, and categorises them as either hard or soft elements. The hard elements are easier to identify because they can be found in organisational documentation. The hard elements include strategies such as missions and objectives, structures such as organisational roles and responsibilities, and systems including policies and procedures. The soft elements are more related to the workplace culture that exists in the organisation. These soft elements include the shared values among employees, the skills of employees, the style of work processes and the personalities of staff employed in the organisation. Both types of element are equally important and are interdependent of each other. An effective change manager can identify all these elements and explain how they interact.



ADKAR model

This model is based on the acronym ADKAR and places responsibility on the leader to create the momentum to change.

The leader must be **aware** of the need to change, the reasons why change is required and the types of change currently impacting other organisations within the industry.

The leader must possess the **desire** to support change within the organisation. This requires more than just supporting the change because they hold a responsible role, the leader should believe in the value of the change to the business.

The manager should have the **knowledge** of how to effectively implement the change. This can require the manager to be suitably qualified via training or have previous experience in pushing through CSR change within an organisation.

The change leader needs to have the **ability** to demonstrate the skills required to push the change. These include organisational abilities, technical skills, and motivational skills to generate staff enthusiasm.

Reinforcing the change processes is an essential responsibility of the change leader. They must demand that staff adhere to the changes in procedures.

Lewin's change management model

Kurt Lewin was a German psychologist who developed a three-step change model based on human behaviour; however, it can be adapted to business organisations.

He referred to the initial step as unfreezing or thawing out. He perceived existing structures as 'frozen' with employees being set in their ways. He likened this to frozen food that cannot be moved without leaving the freezer door open to thaw out the contents inside. In business terms, 'unfreezing' can occur via convincing employees of the need to change through effective, direct communication.

The next step is where the actual change occurs. Staff are trained, they get to practise and make mistakes, and they have a supportive management willing to embrace failure and use it for improvement.

The final stage is 're-freezing'. However, it is the new and changed methods that will be frozen into place and embedded into workplace structures, habits and training.

Consultation to develop change management provisions

The processes required to enact change should be developed in line with relevant stakeholders and if required, relevant change management experts.

The change stakeholders are those who are affected by the change and/or are involved in the implementation and management of the change within the organisation. These may be employees, senior management, external specialists and consultants, and may include external stakeholders such as suppliers or business partners.

Consulting with stakeholders to confirm change management provisions is an essential part of successful CSR implementation. It may be necessary to also consult with relevant change specialists on specific elements of the change process or on an ongoing basis throughout the CSR implementation. Likewise, experts, either internal or external to the organisation, may be consulted to provide specific expertise and opinion. Stakeholders can include employees (who may be divided into subsets where change impacts departments differently), customers, clients and suppliers. Below are benefits of consulting with these stakeholders when implementing change.

Gathering of expert advice

- Change management consultants
- Organisational development consultants
- Strategy development specialists
- External subject matter experts, e.g. IT consultant
- Internal subject matter experts, e.g. IT team leader
- Experienced staff members
- Procedural experts

Generating enthusiasm for changes

- Employees will be likely to support changes if they agree with them.
- A manager should communicate the benefits that employees and stakeholders will receive from implemented changes.
- Stakeholders should be encouraged by exploring benefits with those in their work social circle.
- Successes when implementing change should be celebrated to generate stakeholder excitement.

Gaining stakeholder 'buy-in'

- 'Buy-in' happens when stakeholders are willing to support the CSR changes of the organisation.
- 'Buy-in' is required for changes to be introduced successfully.
- Buy-in can be generated by training staff appropriately and ensuring they have a full understanding of the purpose of the change, and how it will be implemented.

Developing an understanding of risks

- Risks can endanger the potential success of an introduced CSR policy.
- Risks can include inadequate stakeholder training, poor communication of change strategies, unwillingness of stakeholders to 'buy in' and safety and legislative risks.
- An effective manager should perform risk analyses that identify potential risks, severity of their impacts and contingency plans to minimise these impacts.

Effective leadership styles when managing change

Leaders drive change in CSR policy and must use an appropriate style when managing the stakeholders within an organisation.

Creating 'buy-in' and enthusiasm for a CSR policy comes from the 'top'; meaning it is usually the management within an organisation that creates the momentum to properly implement the change. A change leader should adopt a coherent set of traits when training stakeholders of CSR changes. This leadership style should be consistently applied in all interactions with stakeholders. Below are descriptions of leadership styles and the organisational situations where they are most effective.

| Leadership style | Description | When should it be used? |
|-------------------------|--|--|
| Democratic | This style incorporates stakeholder feedback in all decision-making processes. Stakeholders are trusted with responsibility to complete aspects of the change process. | This style can be effective in an organisation with experienced and skilful employees who can effectively implement change when entrusted with responsibility. |
| Autocratic | This style is based on a leader who makes decisions and implements change with minimal or no input from stakeholders. This style is also based on punitive action towards stakeholders who aren't successful in completing their tasks. | This style can be effective with inexperienced staff who do not demonstrate initiative and require a manager who makes all decisions and micro-manages implementation of change. |
| Transformational | This style is focused on challenging stakeholders with a growing list of increasingly difficult tasks. A transformational leader might introduce a simple set of tasks; then steadily require completion of more complex tasks from their staff over an extended period. | The transformational style is especially suited to a group of stakeholders who get enthused by performing new tasks, and lose interest in repetitive tasks. This leadership style is useful when managing change as, by its very definition, it involves new and unfamiliar tasks. |
| Bureaucratic | Bureaucratic leadership is reliant on following the processes embedded in the policies and procedures of the organisation. A bureaucratic leader will defer to established processes rather than use initiative when implementing change. | This leadership style is useful for relatively inexperienced managers who are unfamiliar with implementing change processes. Existing processes can provide useful guidance. |

| Leadership style | Description | When should it be used? |
|----------------------|--|---|
| Transactional | Transactional leaders rely on developing incentive programs that reward stakeholders for meeting stated obligations. | This leadership style can be used effectively to manage change with stakeholders who lack enthusiasm for the change. Incentive programs are useful levers to compel stakeholders to complete the required tasks even if they are not enthused by the changes. |

Knowledge of resource capabilities

Managing change requires a leader to have knowledge of available resources required to implement change.

Managing change for the adoption of CSR policies requires effective management of resources. Physical resources include objects, workspaces, materials and equipment that required to implement the change. Human resources are the skills, work habits and staffing requirements a manager needs in order to support the CSR policy changes.

All resources should be documented in a resource plan prior to beginning the implementation of the CSR initiative. Your plan should include the required physical and human resources, the quantity of physical resources needed, and the total hours or level of production required from human resources. An effective manager will include contingencies to use if a resource fails for some reason. For example, a manager should establish a backup plan in case the software they plan to use as part of the change management cannot be purchased. Below are some examples of considerations when planning for the use of human and physical resources.

Considerations for human resources

- Will you require stakeholders to hold particular qualifications?
- Will you need to provide employees with a duty roster?
- How will you retain contact details of relevant stakeholders?
- Will you need to provide ongoing training to internal stakeholders?
- How will you manage performance?

Considerations for physical resources

- Will you need to purchase new resources?
- Which suppliers are reliable?
- Can existing physical resources within the organisation be re-purposed to support your change management?
- Is leasing a more cost-effective option for short-term changes to operations?
- What are the organisational financial procedures to follow when buying or leasing physical resources?

Example

Developing change management provisions

A leading supermarket chain recently introduced a 'Quiet Hour' concept to its stores, where lights and sounds are minimised to make the environment more accessible and friendly to customers who find heightened sensory environments confronting.

In planning to implement this program, the supermarket partnered with a support group for parents of children with Autism Spectrum Disorder to establish what changes were required in stores to best meet the needs of children who find the noise, lights and distractions in a supermarket difficult.

Store managers met with employees to explain the changes and the reasons. Experts were brought in to explain the first-hand benefits for customers on the spectrum. The impact on staff was very positive. Many expressed an enthusiastic response to the changes.

The supermarket chain took the findings from this consultation in-house and worked with representatives across the organisation to develop provisions to implement the concept in its stores. This included working with customer-facing staff, store management and logistics specialists to explore what changes to existing policies and procedures were required in order to meet the 'Quiet Hour' requirements established during consultation. A resource analysis showed that staff needed to be trained in how to adjust the lighting and sound systems in the stores, and physical access keys had to be provided to relevant staff.

Practice Task 6

Question 1

Which of the following statements are correct? Select yes or no for each one.

- | | | |
|---|-------|------|
| a) Only senior management should contribute to the development of change provisions. | » Yes | » No |
| b) Change management consists of three stages. | » Yes | » No |
| c) Employees are a stakeholder group that should be consulted when developing change management provisions. | » Yes | » No |
| d) A gap analysis can be used to highlight changes required to transition from the existing to the desired state. | » Yes | » No |
| e) The ADKAR model places responsibility on employees to create the momentum to affect change. | » Yes | » No |

Question 2

Draw a line to match the step in the change management process to its correct component.

- | | |
|---|---|
| » Prioritise the identified changes needed to implement CSR | » Allocate resources required to make changes |
| » Development of change management provisions | » Communicate changes and monitor implementation |
| » Implementation and evaluation of change | » Identify drivers for CSR and changes required to implement opportunities identified |

2C Incorporate social responsibility strategy into organisation

The systems supporting how and an organisation is run, and policies and procedures underpinning operations will require modification to ensure CSR is embedded throughout the organisation.

Once the change management strategy and its supporting change management provisions have been identified, the next step in the process is to determine how the strategy is to be incorporated into an organisation's systems, procedures and processes.

The overall success of the CSR initiative will be determined by how strongly embedded it is within existing organisational structures. The change leader identifies benefits and barriers, outlines provisions and generates 'buy-in' from stakeholders, but the CSR initiative will need to be collectively embedded by stakeholders and sectors within the organisation. Because staff turnover within organisations is constant, the policies and procedures of how to implement the CSR initiative must be embedded in organisational documentation and processes that future employees will be inducted into. This process is achieved by the following steps:

- Assessing existing suitability of systems, procedures and processes
- Incorporating CSR initiatives into systems, procedures and processes
- Outlining rights and responsibilities within this CSR initiative
- Communicating the CSR initiative to internal and external stakeholders
- Updating social media and marketing content.

Assess existing suitability of workplace systems, policies and procedures

Existing systems, policies and procedures should be reviewed against what is required in order to deliver on the corporate social strategy.

When determining how the CSR strategy will be incorporated into the operations of the organisation, it is essential to firstly analyse whether existing systems, policies and procedures are hindering or promoting the successful implementation of CSR.

As identified earlier, a gap analysis is a useful way of identifying the gaps existing between the current and desired states. This tool can also be used to identify where existing organisational systems, policies and procedures may require modification in order to deliver the CSR strategy. Corporate social responsibility consultants can be contracted to perform a review of existing organisation systems. Organisations can follow an operations plan from another organisation to implement their own CSR strategy successfully. Government websites provide case studies that can be used to compare their benchmarked systems with systems in an organisation.

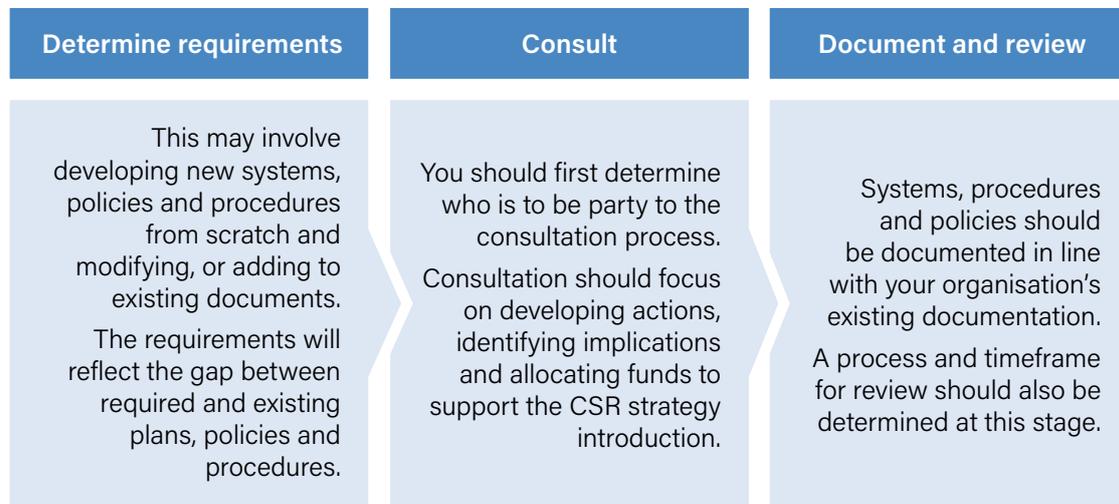
Examples of relevant systems, policies, processes and procedures are outlined below.

| | |
|-------------------------------|---|
| Organisational systems | Organisational systems define, at the broadest level, how an organisation is set up. Most commonly this is described as an organisational chart with its constituent departments and reporting lines. |
| Policies | Policies define the principles and rules under which an organisation operates. For example, requiring employees to serve 12 months before taking annual leave is a workplace policy. Policies often define principles that are then enacted via workplace procedures. |
| Procedures | Procedures detail how tasks are to be performed, e.g. a policy that defines when annual leave can be taken may be supported by a procedure that details how employees are to apply for annual leave. |
| Processes | A series of related tasks that link together to detail how an organisation's output is generated, e.g. in manufacturing, processes will cover: sourcing raw materials, handling, processing, packaging, sales and distribution. |

When drafting new systems, policies, processes and procedures, it is important to establish the people who should be consulted as part of the process. This may include managers, workers directly impacted by policy or procedure, and subject matter experts as required. Depending on the nature of the system, policy or procedure required, these experts may include WHS consultants, HR specialists, legal advisors, union representatives, or peak body representatives.

Analysis of existing systems should also include the organisation's capacity to pay for the initiative. A manager will need to access budgetary information to determine this. If any required costs of the CSR initiative exceed budgetary limits, the manager may need to find alternative suppliers or request that funds from other items be budgeted towards this CSR initiative.

Steps to be followed when developing new organisational processes or modifying existing ones are outlined below.



You should refer to your existing organisational documentation to ensure that new provisions meet relevant organisational requirements, such as document control or review processes, templates or formats to be followed, and approval processes.

Incorporate strategy into systems, procedures and processes

A strategic and structured approach to the incorporation of CSR actions is essential for its adoption at all levels in an organisation.

It is considered that in order for CSR to be truly embedded in an organisation, it must be adopted at all levels and permeate daily activities. As a manager, it is part of your role to ensure your team and the wider organisation is supported to incorporate the CSR strategy into business operations.

In addition to documenting and distributing new and modified system and procedural requirements, it is important to formalise organisational learning processes to ensure everyone understands and applies the actions associated with the strategy in their work practices.

Methods include:

- formal training: presented by managers or trainers
- informal training: such as peer-group meetings, role-modelling
- trial and review: to ensure standards, policies and procedures are being adhered to
- providing opportunities for feedback and improvement: formal or informal.

Rights and responsibilities in the workplace

The rights and responsibilities attached to a CSR strategy should be clearly described to those within and associated with the organisation.

The process of incorporating a CSR strategy into an organisation includes clearly defining the rights and responsibilities of those in the workplace. This includes not only employees but all the organisation's stakeholders, such as customers, suppliers and beneficiaries of the CSR strategy.

Many of these rights and responsibilities will be underpinned by legislation as discussed in Topic 1; for example, Workplace Health and Safety and Human Rights legislation. Others, however, may not be tied to regulatory requirements but they are no less essential to the success of the CSR strategy. This may include factors such as how the CSR strategy is to be promoted, followed and supported internally. As an example, an organisation that has adopted a low waste strategy will need to detail how employees can support these sustainability measures in their day-to-day activities.

The rights and responsibilities of employees are particularly relevant where CSR provisions seek to provide more favourable working conditions or work-life balance. In this instance, it is essential to ensure that the development, roll-out and embedding of new structures, policies, procedures and processes is done in consultation with employees and/or their nominated representatives.

Communicate the CSR initiative to stakeholders

Internal and external stakeholders must be informed about the reasoning for the CSR initiative, the impact on operations, and their roles and responsibilities in embedding it.

Open and direct communication is essential to ensuring CSR initiatives are successful. All of the planning, analysis, research and consultation will be wasted if relevant stakeholders are not informed of why the CSR initiative is being implemented, how operations will be impacted and what their responsibilities are in relation to the initiative. An underpinning concept of CSR is that communication to relevant stakeholders should be ongoing and transparent; therefore, following a CSR principle to implement a CSR policy is a non-negotiable. Open communication will generate more enthusiasm and 'buy-in' from stakeholders, and the depth of instruction will increase the likelihood of the CSR achieving its objectives.

Communicate with internal stakeholders

Internal stakeholders can include employees, managers, owners, directors and investors. These groups will be directly involved with implementing the CSR initiative, so the success of the plan will depend on their knowledge and enthusiasm. Below are some useful communication strategies to use with internal stakeholders. Depending on the circumstances of the CSR initiative and your organisation, you can adapt single methods or a combination of all.

| | |
|---|---|
| Organisational memos | Memorandums are written documents distributed to all employees and managers inside an organisation. They are distributed in hard-copy with the company logo, or via internal email. They can be used to transmit information about CSR policy changes that staff need to be aware of, successes in instituting CSR policies or a summary of benefits of the CSR initiative. Memos should be succinct and not exceed one page in length. |
| Updated operations plan/ policies and procedures | These are organisational documents that detail the day-to-day operations of the organisation. They should be retained in both hard-copy and digital form. Any alteration to them to implement a CSR initiative must be accompanied by a notification to stakeholders that official documents have been updated. You should also provide copies to the updated documents or notify stakeholders of where the updated documents can be accessed. |
| Consultative meetings | Meetings are face-to-face interactions between managers and staff. Meetings are especially useful as they can involve two-way communication. Issues can be immediately clarified to a large group of internal stakeholders. Meetings can also be used if you have to demonstrate how to implement an aspect of the CSR initiative. Often, management will demonstrate manual handling techniques. Meetings are also suitable when informing internal stakeholders who don't have proficient reading skills; they will learn more about the CSR initiative via verbal interaction. |
| Performance reviews | Performance reviews are formal meetings between a manager and an employee. These meetings are usually held annually to assess the work performance of the employee and provide improvement strategies. These reviews can also be used to assess the performance of the employee in any aspect of the CSR initiative they are responsible for, and discuss how they can contribute to the CSR initiative in the future. |

Communicate with external stakeholders

External stakeholders can include customers, suppliers, local community groups, local businesses, and government authorities. These groups have varying degrees of influence on whether the CSR initiative succeeds. Below are some useful communication strategies for dealing with external stakeholders.

| | |
|-----------------------------|---|
| Visual communication | Visual signage includes posters, signs, logos and any visual accompaniment that provides information to external stakeholders. They can be used to promote the CSR initiative within the business. Placing of the signage should be carefully considered; you want maximum exposure of the visual communication to external stakeholders for either marketing purposes (customers) or operations instructions (suppliers, contractors). Ensure that the visual communication looks professional and promotes the positive aspects of the organisational CSR initiative. |
| Email notification | Organisations should maintain a list of email addresses of relevant external stakeholders. Depending on circumstances, you may need to contact external stakeholders about the CSR initiative. It may be an update to operations, or a story of success. Ensure you always send these emails from your staff email account (not your personal account) and attach any necessary documentation. |
| Formal communication | Formal communication is a method often used when interacting with governmental external stakeholders. Examples include formal letters and regulatory forms such as permits and applications. This communication should use paper adorned with the organisational letterhead or logo. It should be signed with a notification of the signatory's role in the organisation. Also, this is the chosen method for placing orders with suppliers. The commercial relationship necessitates formal communication methods to be used. |
| Website updates | Organisational websites are a 'front facing' communication method, meaning they are intended to communicate to external stakeholders, customers in particular. They should include positive updates on CSR policies that don't reveal sensitive organisational information. Images and video can be used. The website should be managed by the marketing manager. |

Communicate with stakeholders via social media

In recent times, social media has emerged as the primary communication medium between organisations and external stakeholders. It includes platforms such as Facebook, Instagram, Twitter and LinkedIn for professional organisations. External stakeholders can access these platforms via their desktop or on mobile devices; their engagement levels are much higher than other forms of communication media. Devising a strategy to communicate your organisation's CSR successes is vital. The sharing functions in social media platforms allow customers to share your social media stories to thousands of potential customers.

Social media should be used to promote the successful elements of CSR initiatives. These can include positive impacts on the local community, endorsements from customers or employees, and information that can help market the organisation in a positive light. No sensitive internal information should be posted on social media.

Below are some strategies to follow when communicating CSR initiatives via social media.

Free social media use and paid advertising

While posting content to your organisation's social media accounts is nominally free, the reach of these posts is usually limited to your existing followers or friends. Platforms offer the option of paying for shared posts allowing a wider pool of users to see the posts.

Use of images and videos

Your primary method of communication on social media should be via images or videos. Long, explanatory paragraphs about your CSR initiative will likely be overlooked. Users are attracted by images and videos so your posts should communicate CSR initiative information via these visual mediums.

Monitoring of content

Unlike traditional advertising, social media is an interactive two-way conversation. You can post content that frames your CSR initiative positively but users may leave negative responses. These comments can be sarcastic, dismissive or abusive. Comments should always be monitored. You usually have the option of deleting negative comments, or at least engaging with the commenter.

Editorial processes

Effective use of social media is taught in marketing training courses. Marketing managers have a deep understanding of how platforms can be leveraged to support organisational marketing efforts. When working in a large organisation, you should consult with a colleague trained in marketing, or hand over the social media marketing of the CSR initiative to them entirely.

Example

Incorporating CSR strategy

A large accounting firm has recently adopted a CSR strategy that focuses on minimal use of paper and maximum use of recycling in its office. The strategy includes provision for all customer communication and lodgement of taxation documentation to be via electronic means. It also sponsors the regeneration of forestation previously cleared for pulp paper.

The managers recognise that in order for this initiative to be successful, staff at all levels of the organisation must be committed to the strategy and understand their role in its successful implementation.

A series of staff training events have been scheduled to follow the introduction of the external and internal communication policy changes, and the development of procedures that support these policies. The training will address how staff can use less paper and explain the new requirements to customers. It will show how the CSR strategy supports both the environment and the business's operating costs. In addition, the CSR strategy policy and procedures are now embedded in the company's induction program and micro credential professional development platform.

The marketing manager will also post a series of videos and images showing the 'paperless office' on the organisation's social media account, and tag various community groups in the post, hoping they will share it.

Practice Task 7

Question 1

Draw a line to match each CSR action to the systems, procedures or processes it would fall under.

- | | |
|--------------|--|
| » Systems | » A series of related tasks that link together to detail how an organisation's CSR output is generated, e.g. sourcing raw materials, handling, processing, packaging, sales and distribution. |
| » Policies | » Details how CSR-related tasks are to be performed, e.g. how employees are to apply for paid parental leave. |
| » Procedures | » Defines the CSR principles and rules under which an organisation operates, e.g. providing 18 weeks of paid parental leave to any employee who has worked 12 consecutive months for the organisation. |
| » Processes | » Identifies the reporting lines and departments responsible for managing CSR. |

Question 2

Which of the following statements are correct? Select yes or no for each one.

- | | | |
|---|-------|------|
| a) Organisational learning activities should support the implementation of a CSR strategy. | » Yes | » No |
| b) As manager, you should ensure your staff are provided with the resources necessary to understand and adopt modified policies and procedures resulting from the introduction of a CSR strategy. | » Yes | » No |
| c) Involving staff in policy and procedure development only slows down the process. | » Yes | » No |
| d) Internal stakeholders should be the sole focus of communication about the CSR initiative. | » Yes | » No |
| e) Social media can be used to showcase positive aspects of the CSR initiative to external stakeholders. | » Yes | » No |

2D Prepare and distribute documentation regarding strategy

Documentation relating to the CSR strategy should be developed to reflect the specific interests and needs of its intended audience.

When preparing documentation relating to your CSR it is important to first consider who the documentation will be distributed to and what information they need to receive.

Your CSR documents will take a number of forms, each having its own set of requirements depending upon who it is to be distributed to and the method of distribution.

Your overarching corporate social strategy should, as a minimum, include the following:

| Introduction |
|---|
| This may take the form of an executive summary that covers the background to the introduction of the strategy and its key themes and inclusions. |
| Nature and aims of the CSR |
| The nature and aims of the CSR should describe what the CSR entails and what it hopes to achieve. Achievements can be altruistic (i.e. supporting others to achieve their goals) and they may also benefit the organisation (i.e. supporting others to achieve their goals and positioning the organisation for ongoing financial success). |
| Who it supports and how |
| The strategy should contain a list of its beneficiaries and state how they will benefit. It may also state how these decisions were arrived at, i.e. through consultation or a collaborative process. |
| Rollout processes and timeframe |
| You may wish to include a summary of how the CSR strategy will be rolled out both internally and externally. This can include a timeline, phases of the strategy and review processes. |

Other documentation relating to the adoption of a CSR strategy may include:

- A marketing plan to build your brand or promote your CSR initiatives and benefits. This plan should include objectives, strategies and performance criteria to measure the success of the strategies.
- Internal documentation such as policies, procedures and processes supporting CSR adoption, safety procedures, risk assessments and organisational charts.
- Agreements between your organisation and beneficiaries detailing the nature of support or benefit to be provided. These can include contracts with suppliers and/or emailed agreements to host or attend events at community centres.

Writing workplace documentation

When documenting CSR information, it is essential to ensure your writing is clear, concise and easily understood by your audience.

Writing business documentation to a professional standard means using correct terminology and ensuring that the complexity of the content fits with the needs of your audience. For example, a strategic report for distribution to senior management or board of directors requires a different writing style to the one used for communicating with customers, even on the same topic. People in your organisation will be familiar with certain terminology, acronyms and industry jargon so it is acceptable to use such language in written communication to them. However, your customers may not be familiar with it and it should be avoided when communicating with them.

Business writing requires that you be concise and to the point. When preparing longer reports, consider including a table of contents and an executive summary or introduction that summarises the main inclusions. This allows busy managers to quickly digest the key points of your document.

Most organisations have established policies when producing written documents.

Considerations for writing workplace documentation

- Organisations can produce **style guides** that outline the formatting, paragraphing, referencing of a document as well as branding.
- Organisations can have **editorial policies** that ensure documents are free of grammar and typographical errors before sharing or publication.
- Organisations have **retention policies** that state how documents are to be stored. Most organisations have shared drives; some prefer hard copies to be retained.

Distributing workplace documentation

Documentation relating to your CSR strategy can be distributed in a number of ways. Consideration of your audience is key to determining the most appropriate method.

When distributing documents relating to your CSR strategy you should consider the audience and the purpose of distribution. Marketing materials designed to gain favourable attention from customers should be published on organisational social media accounts or the website. Internal communication should be distributed via email or intranet because this is more secure than using printed letters or social media posts. Commonly used methods are outlined below.

| | |
|--------------------------|--|
| Printed materials | <p>Printed materials sent via post or letterbox drop are useful where distribution is required to a broad audience. It does not rely on recipients having internet accessibility or computer literacy.</p> <p>This method may be considered inappropriate where sustainability or environmental considerations are key to the CSR. This is due to the environmental cost associated with printing and distributing such materials.</p> |
| Email | <p>Email is an effective way of distributing information within your organisation or to your customer/stakeholder base. However, it does require that you can access, and have permission to use, another individual's email address.</p> |
| Social media | <p>This is an increasingly common way to communicate with customers/stakeholders. However, messages may be truncated so best practice includes posting a summary on social media with a link to view full content on your website.</p> |
| Website | <p>Your organisation's website offers the opportunity to publish lengthy public documentation about your organisation's CSR strategy. Also, analytical tools allow you to evaluate how many people have seen the content, their navigation pathway and the demographics of your audience.</p> |
| Intranet | <p>An intranet is a useful way to distribute and store information for employees. Intranets are increasingly being used as a repository for workplace policies, procedures, strategies and other documentation that can be easily accessed on demand by employees.</p> |

Example

Distributing CSR documentation

Phil is the human resources manager for a wellness retailer that sells skin and health care products and exercise equipment. Recently his store attracted negative attention from some customers who live with disabilities. They complained that they had been unfairly treated by the store's customer representatives.

In response, Phil designed a new customer service policy based on demonstrating respect for all customers regardless of their ability, and extra care for those who need assistance. When distributing this new policy, Phil considered the following issues.

- He wrote the policy on a branded organisational document that features the company logo and slogan.
- He asked a marketing editor to review the document to ensure it contained no errors and could be understood by any audience.
- He converted the document to a PDF so it could not be edited and he emailed it from his work account to all store managers. He included a brief set of instructions about the purpose of the policy and how managers should use it to train their staff. He sent a 'receipt request' so he would receive confirmation that all managers had received the email.
- He asked the marketing manager to post key excerpts of the new policy to the organisation's social media pages to create a favourable image for the store's customers.

Practice Task 8

Question 1

Which of the following should be considered when writing workplace documents? Tick all that apply.

- The audience and their specific needs
- The level to which industry terminology and jargon should be used
- How it can be done in the shortest time
- Organisational style and templates
- How the document will be distributed

Question 2

Which of the following statements are correct? Select yes or no for each one.

- | | | |
|--|-------|------|
| a) A CSR strategy should contain a summary as well as the longer report. | » Yes | » No |
| b) All documents are appropriate to distribute via social media. | » Yes | » No |
| c) All documents should be written clearly and with their audience in mind. | » Yes | » No |
| d) Business documents provide an opportunity for you to be creative with colour and fonts. | » Yes | » No |
| e) Printed materials are always a good choice for public document distribution. | » Yes | » No |

Summary

- Stakeholders to a corporate social responsibility strategy (CSR) can be defined as any person or group affected by the strategy.
 - This may include employees, customers, suppliers and beneficiaries of the CSR strategy such as community groups or organisations.
 - It is important to consult with stakeholder groups and evaluate the impact of the CSR strategy them.
- Engaging with stakeholders to the CSR process allows you to explore and qualify the impact that the strategy will have on them.
 - This consultation process allows you the opportunity to work with stakeholders to explore mutual objectives and how a CSR policy can be developed to meet their specific needs.
- Consultation processes will be determined by the nature of the stakeholder group. Common processes include face-to-face consultation with a group's nominated representative, the use of surveys, focus groups or social media.
- Negotiation processes may be required to explore mutually acceptable outcomes. Successful negotiation relies on planning, focusing on a mutual win, and understanding when and to what extent compromise is required.
- The outcomes of initial planning and consultation will support the development of change management provisions. Change management can be a three-step process of identification of requirements, development of a strategy and plan, followed by implementation and evaluation.

- A gap analysis can be used to identify the changes required in order to implement a CSR plan. By exploring the difference between the ideal and current state, the 'gap' is revealed. It is this gap that your change management processes seek to close.
- Successful implementation of a CSR strategy requires that it be embedded at all levels of an organisation. This may require review of existing systems, policies, procedures and processes, and the development of new ones.
 - A strategic approach to the implementation of these new organisational structures and processes is essential. An organisational learning approach can support the adoption and implementation of such systems.
- A CSR strategy requires the preparation of a number of differing document types, such as a strategic plan, marketing materials, policies, procedures and agreements.
 - When preparing such documents it is important to firstly consider your audience and their needs as well as the distribution method to be used.
- Social media communication can be used effectively to create favourable impressions among external stakeholders. Expertise should be followed when using social media to avoid mistakes that might create reputational damage.
- Organisational policies such as style guides and retention policies should be complied with when distributing and storing CSR documents.

Learning Checkpoint 2

Establish corporate social responsibility policy

Part A

1. List three examples of stakeholders in a corporate social responsibility strategy and describe how each may be impacted by the introduction of such a strategy.

2. Which of the following points should be discussed during consultation with stakeholders? Tick all that apply.

- How they might be impacted by a proposed CSR strategy
- How the CSR strategy can help promote inclusive principles within the community
- How closely they will examine the organisation's CSR actions
- Whether the CSR strategy impact will be positive or negative
- The minimum amount an organisation can invest in CSR and still receive acknowledgement for it
- Ideas and options for CSR actions

3. List four principles of effective negotiation.

4. Describe how a gap analysis can be used to identify change requirements.

5. Describe the three-step process to be followed when developing systems, procedures and processes to support your CSR strategy.

6. Which of the following statements reflect rights and responsibilities attached to a corporate social responsibility strategy? Tick all that apply.

- Relevant legislative requirements such as workplace health and safety
- An individual's right to choose whether they follow CSR provisions relating to their role
- How the CSR strategy impacts how tasks associated with a role are to be performed
- Procedural or reporting responsibilities attached to CSR, such as groups agreeing to quarterly reports
- Employees agreeing to give up their statutory rights to fund a CSR strategy

Part B

Read the following case study and then answer the questions that follow.

Case study

FirstStop Office Supplies has been considering adopting corporate social responsibility measures to increase its visibility in the local community following the announcement that the leading national supplier will soon be opening a warehouse in the region.

The FirstStop team has identified that they should capitalise on the fact that they are a local business that has been operating for over 30 years in a large regional city.

One of the options they have identified that meets with their ethos of reliability, ethical service and supporting local business is to support the local small business incubator with the provision of grants for start-up businesses, particularly small businesses being started by migrant families.

1. List two potential stakeholder groups that FirstStop could consult with to determine the suitability of this proposal.

2. Describe a method FirstStop representatives could use to consult with each of the groups outlined above.

3. Following the consultation process, the FirstStop team has decided to prepare a press release, a formal strategy document to be published on their website, and an internal implementation guide. Describe what this might look like.

4. Which of the following approaches are correct for preparing these documents? Tick all that apply.

- Ensuring the language and structure of each document is suited to its audience
- Keeping the content the same in each, just changing the heading
- Making sure the documents are easily readable and navigable
- Using headings to clearly signpost the document contents
- Not being too fussy about spelling and grammar with the internal document



Topic 3 | Monitor and evaluate corporate social responsibility

- 3A Review corporate social responsibility integration
- 3B Evaluate against organisational sustainability objectives
- 3C Recommend improvements to policy and practices

3A Review corporate social responsibility integration

A review should determine successes and provide information for evaluation against the organisation's sustainability objectives.

Your initial CSR planning and consultation process should include establishing timelines and milestones against which progress will be reviewed and evaluated. Stakeholder groups, as originally identified and consulted, should be party to this review process.

The processes and timeframes surrounding the review process may differ across stakeholder groups, so it is important to consider and agree on these methodologies at the outset. This includes establishing the measures against which success of the program and its implementation will be considered, what success will look like and exploring potential barriers that may arise.

Before entering the review process, you should consider:

- key people required to participate in a review process
- information you will have to gather
- information channels needed to gather this information
- processes to follow when conducting a review.

Stakeholders relevant to conducting a review

An effective review of CSR practices will require you to engage key stakeholders who were involved in the implementation process.

Conducting a review of CSR initiatives requires you to engage with impacted stakeholders. These stakeholders will have a detailed understanding of the CSR strategies because they were involved at various stages of its implementation. Even the most attentive manager will not have a complete understanding of how the CSR strategy was introduced. Many successful managers are often surprised at details they gather from others during the review process.

It's essential to include external stakeholders in the review process. Suppliers will typically service multiple organisations, so their feedback is inherently based on a comparison to other organisations and this can assist with benchmarking. Customers are the target when CSR strategies are promoted; gathering their opinions in a review is essential.

Below is a list of stakeholders you should consult in a review and specific information you should gather from them.

| |
|---|
| Employees: managers, human resources personnel, marketing personnel, supervisors/team leaders |
| <ul style="list-style-type: none"> ▪ Has the CSR strategy met employees' expectations in terms of their anticipated benefit (i.e. perception of employer as a preferred place to work, lifestyle benefits, alignment with personal values)? ▪ Has the strategy resulted in improved employee retention? ▪ Has the integration followed the change management processes identified? ▪ Have employees been supported to adopt the CSR strategy in their day-to-day operations? ▪ Have employees received adequate training in implementing the CSR strategy? |
| Customers: regular customers, dissatisfied customers, first-time customers, internal customers |
| <ul style="list-style-type: none"> ▪ Has the CSR strategy met customers' expectations in terms of benefits to stakeholder groups (e.g. through environmental action)? ▪ Has the CSR changed customers' perception of the organisation (e.g. through its goods and services)? ▪ Have there been changes to sales figures, sales frequency or average cost of sale? ▪ How have customers learned about the CSR strategy? |
| Suppliers/business partners: resource suppliers, cleaning/maintenance suppliers, IT contractors |
| <ul style="list-style-type: none"> ▪ Has the integration of the CSR (as it impacts suppliers) followed the processes identified? ▪ Has the CSR changed supplier perception of the organisation? ▪ Has the CSR strategy impacted operations in any negative ways? ▪ Does the CSR strategy make the supplier more or less likely to continue this commercial relationship? |
| Regulatory and legislative bodies: federal government employees, state government employees, local council employees |
| <ul style="list-style-type: none"> ▪ Has the CSR strategy followed regulatory compliance as planned? ▪ Has there been any unplanned regulatory or legislative compliance or non-compliance? ▪ How can compliance be improved? |
| Community groups: sporting teams, business communities, youth/senior groups, local traders associations |
| <ul style="list-style-type: none"> ▪ Has the CSR strategy met community groups' expectations? ▪ What negative impacts of the CSR strategy can be identified? ▪ What changes should be made to the CSR strategy to improve outcomes? |

Information to gather in a review

You are required to gather specific information relevant to the purpose of your review.

During the review process, you will consult with a wide range of people and gather a lot of information. These conversations and interactions can yield anecdotes and observations that are not particularly relevant to your purpose, which is to analyse reasons why the CSR strategy was a success or failure. In many respects, your role during the review will be to filter out the superfluous information so that you can draw conclusions and suggest improvements.

Below are some examples of information you should seek to gather in a review process. The information is very wide ranging and focuses on all aspects of the CSR policy. Even though you don't need irrelevant information, you should still 'cast your net' far and wide to gather as much information as possible.

A key principle is to gather information that helps you evaluate whether organisational objectives have been achieved.

A review needs to be thorough and investigate the CSR policy from its formation, through planning, to the implementation stages.

Information to gather in a review

- The success of the strategy in achieving planned CSR goals
- The positive and negative aspects of the strategy's implementation
- Issues pertaining to the training and educating of employees
- The impact of barriers on the achievement of CSR objectives
- The impact of support systems in place (review systems, monitoring systems, safety practices)
- Routine processes that could be implemented to support the strategy
- Issues pertaining to inclusivity and diversity in the implementation of the strategy
- Determination of stakeholder satisfaction
- Issues pertaining to financial cost and budgetary implications

Gather relevant information

An effective review will gather information using a wide range of methods designed to elicit detailed and constructive information about the CSR strategy.

It is advisable to use a range of methods to gather useful information. Each of these methods requires some preparation from the manager. You may have to organise resources, or book rooms, or set up software programs. The benefits will be that you can make informed and detailed recommendations to improve your CSR strategies based on the constructive information you gather.

Send out notifications to stakeholders in advance of consultation

You require considered and thoughtful responses from your stakeholders. Asking them questions about the CSR strategy with no notice will probably result in rushed and imprecise responses. A few days in advance of the meeting, you should inform stakeholders of the date, time and location. If you have a set list of questions, send them these prior to the consultation so they can consider their responses.

Gather information via online survey

Various software platforms offer technology for users to design surveys, send them out and collate information received. For example, Microsoft Forms allows you to review stakeholders' opinions and contributions to CSR processes. You can set multiple-choice questions, ratings questions or short-answer questions. Responses are sent to you, and a breakdown of responses is generated automatically.

Gather information via personal interviews

One-on-one interviews with stakeholders are useful when you wish to engage knowledgeable stakeholders. Information they provide is likely to be constructive and will help you to reach informed conclusions. Also, this method of gathering information is useful when seeking feedback from stakeholders who aren't confident about responding in a group setting.

Gather information via group interviews

This format for gathering information can be used when you need to consult with entire work teams or departments about tasks they completed together when implementing the CSR strategy; that is, when there is no time to discuss issues with individual employees. When conducting group interviews, you need to ensure all stakeholders are offered the opportunity to contribute.

Use prompts in the consultation

You will enter a review consultation with a clear idea of the information you need but stakeholder/s might not have similarly clear ideas. They may not have a clear understanding of the CSR strategy or may have forgotten some of the details. It is therefore a good idea to bring in a prompt, such as an excerpt from a policy or an image or video, to help them recall the necessary information.

Document the information that is gathered

A thorough review process will produce reams of information that you can't reliably commit to memory. You will need to document information that you gather. Collect detailed handwritten notes and digitally record these at your earliest convenience. If permission is granted, record interviews so you can use them as a reference when writing up your final recommendations.

Seek multiple types of information

Statistical information is numerical data relevant to the CSR strategy. This might include the number of complaints received from customers about the strategy. Anecdotal information consists of observations from stakeholders about the strategy; for example, an employee may explain customer reactions to the implementation of the CSR strategy. Official documentation is a type of written information; formal customer complaints are an example.

Example

Reviewing the implementation of CSR strategy

Foster Sharks AFL Club is a semi-professional Australian Rules football team sponsored by a sporting goods company. The company and the football club have been working together to promote inclusion of children with learning disabilities in community sport. To this end, they have partnered with a children's disability services provider to provide fun, skills-based football-training sessions for children with learning disabilities.

During the planning phase, Foster Sharks and the sporting goods company met with the disability services provider to discuss plans for the program and ensure that the needs of the children and their parents were supported adequately. It was agreed that the implementation of the program would be reviewed on a monthly basis. Points for discussion were agreed on, including monitoring children's engagement, recognising and managing contingencies and logistics, and whether the program was meeting with the expectations of all parties.

To monitor the children's engagement, the disability service provider will ask the children to fill in a monthly survey about their enjoyment of the training sessions. These survey results will be monitored monthly.

If any of the surveys produce negative results, an individual review will be requested of the respondent to gather more specific information about the weaknesses of the CSR program.

Practice Task 9

Question 1

Which of the following statements are correct? Select yes or no for each one.

- | | | |
|--|-------|------|
| a) Review processes should be established during initial stakeholder consultation. | » Yes | » No |
| b) Determining whether expectations have been met should form part of the review process. | » Yes | » No |
| c) Only internal stakeholders should be part of the review process. | » Yes | » No |
| d) All stakeholders should follow the same review timeframe and process. | » Yes | » No |
| e) Information gathered during a review should feed into evaluation against organisational objectives. | » Yes | » No |

Question 2

List three strategies to consider when gathering information to conduct a review.



3B Evaluate against organisational sustainability objectives

It is essential that the success of any CSR strategy be measured against the organisation's existing sustainability objectives.

Evaluation of the success of your CSR strategy will, in its most simple form, involve evaluating progress towards achieving the sustainability objectives and addressing the drivers for CSR.

The timeline developed in the initial planning stages can also be a useful tool for measurement of progress. If milestones are not reached or key performance indicators (KPIs) not met, the reasons for this need to be identified and solutions to the issues developed.

You need to consider the following information when evaluating the CSR initiative against organisational sustainability objectives:

- Definitions of sustainability objectives and where to locate them
- Evaluation methods
- Using quantifiable and qualifiable information
- How to interpret evaluative information.

Types of sustainability

All organisations will have objectives based on meeting sustainability standards; you will need to know what these standards are in order to conduct your review.

Sustainability is a term that is often used imprecisely. Sustainability should be divided into three categories: financial sustainability, social sustainability and environmental sustainability.

| | |
|---------------------------------|---|
| Financial sustainability | <ul style="list-style-type: none"> • Financial sustainability involves a business structuring its operations and production processes to enable long-lasting viability. • Businesses that rely on short-term commercial relationships are not sustainable; long-lasting businesses will seek a range of suppliers to help service a diverse range of customers. • A financially sustainable business will maintain good relationships with reliable suppliers, cut down on wastage, work towards long-term goals as well as meeting short-term objectives, and have a wide range of customers. |
|---------------------------------|---|

| | |
|-------------------------------------|---|
| Social sustainability | <ul style="list-style-type: none"> ▪ Social sustainability consists of a range of programs designed to create positive impacts from business towards employees and communities while also ensuring a profit is made. ▪ The focus of social sustainability is: respect for human rights and human dignity, fair work–life balance, positive community impacts, safety and wellness, promotion of diversity. |
| Environmental sustainability | <ul style="list-style-type: none"> ▪ Environmental sustainability means that a resource can be used or produced without affecting the ability of future generations to use the same resource, or to enjoy the natural environment from which it came. ▪ In practice, environmental sustainability translates to using fewer resources, re-using or re-purposing existing resources, and maximising the use of green technology because it is more energy efficient. |

Based on the definitions above, there is clearly some overlap between sustainability and CSR. Indeed, most CSR principles are underpinned by sustainability concepts. It shouldn't require too much revision to assess the success of your CSR based on the existing sustainability standards of your organisation. However, in order to be precise in your review, you should know the exact sustainability objectives of your business. You can find them by accessing your organisation's

- relevant policies and procedures
- business or operations plan
- mission plan
- sustainability plan, if one has been produced.

Types of evaluation

Your review should establish evaluation methods when assessing CSR initiatives against organisational sustainability objectives.

Choosing the right evaluative method is key to producing a review that can support your organisation's CSR activities. There are many methods that can be used; knowing which one to choose depends on the circumstances of your organisation. Generally speaking, it is best to use one that targets a weak area in your organisation.

You could use multiple evaluation methods but this is time-consuming and may not produce the best information for your review. A summary of evaluation types and the situations to which they are best suited follows.

| Evaluation type | Description | Example |
|----------------------------|---|---|
| Process evaluation | A form of evaluation that is ongoing throughout the process. It focuses on short-term, limited goals to be achieved throughout the process. It is suitable for CSR programs that are complex and involve multiple steps. It is also suitable for employee groups that need constant feedback. | Weekly checks to ensure recycling processes are being followed by all employees |
| Outcome evaluation | A form of evaluation based on achieving objectives that were established at the beginning of the CSR initiative process. These objectives are usually designated as Key Performance Indicators, which are numerical indicators of whether an objective has been achieved. Outcome evaluation assesses success or failure objectively. It is suited to organisations that have established CSR with objectives that can be evaluated in those 'black and white' terms. | The CSR environmental initiative must reduce annual e-waste by 20% through a program of recycling and repurposing |
| Economic evaluation | A form of evaluation that assesses an initiative based on minimising the cost to implement it and the income it generates for the business. A purely economic evaluation violates the core premise of CSR; however, businesses do consider the economic aspect as a secondary evaluation. This evaluation is especially useful for smaller businesses whose slimmer profit margins necessitate closer economic consideration. | The CSR environmental initiative reduces expenditure on hard waste disposal by 50% |
| Impact evaluation | A form of evaluation that assesses the wider contribution of the CSR program. This evaluation takes the achievement of operational goals and determines how they affect the target of the initiative. | The CSR will reduce the ecological footprint of the organisation on the environment |

Include qualifiable and quantifiable evaluations

Evaluation of CSR effectiveness should include qualifiable and quantifiable analysis of performance at all levels of the organisation.

To evaluate CSR strategy effectiveness, evaluation should examine activity and performance at all levels of an organisation, and at a qualifiable and quantifiable level. Broad, organisation-wide analysis can determine whether organisational drivers for change have been addressed. On the other hand, a narrower department or team focus will help to determine whether the change management provisions and processes have been effective.

| Qualifiable evaluation | Quantifiable evaluation |
|--|--|
| <ul style="list-style-type: none"> Employee sentiment Anecdotal evidence surrounding customer perception Social media commentary Lobbyist commentary | <ul style="list-style-type: none"> Operational cost increase/reduction Sales performance Market share Social media/website traffic Employee retention/absenteeism figures |

An effective review will combine both qualifiable and quantifiable evaluative information. A review that includes only quantifiable information will be incredibly dry and statistical, and lack an analysis of human and social impact. Often, anecdotes are more useful in evaluative terms than a statistic. Alternatively, a review comprised only of anecdotes can lack the objective evidence that quantifiable evaluations provide. Finding a balance will produce a useful and constructive review.

How to analyse evaluation information

Once feedback is gathered, you need to analyse it to determine how it can help improve your performance.

Prior to producing your final recommendations for the review, you will have a large amount of information that you generated from surveys and interviews as well as data from official reports. This information can be overwhelming. You will need to follow a process to arrange the information so you can produce a concise final report.

Below are some guidelines you can follow to synthesise this information.

1. Categorise information

Separate evaluation information into different categories. This helps to make the information more specific. For example, you can separate the information based on the following categories:

- Methods you used to gather the information
- Quantifiable and qualifiable information
- Employees or departments addressed
- Stage of the CSR process that is being evaluated.

For a CSR initiative with multiple sustainability objectives, categorise the information that is related to each objective.

2. Use positive feedback and negative evaluative information

Both are useful. Positive evaluation information can be used to re-enforce positive performance and model effective work practices to all employees. Negative evaluations can be used to produce a report that focuses on employee capabilities, process breakdowns and/or training needs.

3. Look for trends

Trends are evaluations that appear regularly in your gathered information. For example, if lack of training is mentioned by multiple stakeholders when evaluating the success of a CSR strategy, it is a trend and it should be noted as important when analysing your gathered information.

4. Collate your information

When you have large amounts of information to analyse, be prepared to collate it in visual organisers. These are tools you can use to lay out your information so the larger conclusions can be identified. For example, you may have 10 descriptive observations from employees about an environmental CSR initiative. You can rank them from positive to negative on a spreadsheet; this will help you use evaluations to produce an accurate final report.

Example

Reviewing CSR strategy

A large courier company undertook a CSR strategy to address consumer perception that using couriers is both a costly and environmentally unfriendly way to move goods.

The CSR strategy involved transitioning away from having large trucks on the roads in all stages of the delivery process, to using trucks to move goods between delivery hubs and then electric vehicles (even bicycles) to collect goods from the hubs and distribute them to customer/recipient addresses.

Due to the substantial logistics involved in moving to this new operational structure, the company planned for six major monthly reviews over a 36-month period with smaller, project-based milestones to be reviewed on a monthly basis. This process-based evaluation produced regular positive feedback.

At the 12-month review, the company noted an unexpected benefit – its employees became its biggest advocates for the new structure because the use of bicycles proved to be popular for their health and wellbeing benefits. The company gathered these evaluations via personal interviews and group sessions. To follow up, the company gathered more quantifiable evaluations by asking employees to volunteer health data, such as weight and exercise statistics. As a result, the company looked for other ways to support the health and wellbeing of its employees, developed public relations materials to support this new program, and reported less absenteeism and sick leave.

Practice Task 10

Which of the following are evaluation techniques you can use to assess the achievement of sustainability objectives? Tick all that apply.

- Economic evaluations
- Marketing evaluations
- Outcome-based evaluations
- Impact-based evaluations
- Human resources evaluations

Question 5

Describe why a successful CSR strategy should be evaluated at all levels of an organisation.



3C Recommend improvements to policy and practices

After evaluating the CSR strategy you will probably recommend changes to the plan and supporting processes.

The nature of changes required will very much depend on the results of the evaluation process. The changes can be minor in scope, where you recommend improvements focused on parts of the process. Or, if performance within the CSR process led to a critical failure of the strategy, you may recommend a total overhaul of objectives, implementation strategies, resourcing and staffing.

The purpose of the review and evaluation process is for you to make a set of recommendations that will improve the implementation of this, or other, CSR strategy in the future. The inclusion of CSR as part of an organisation's operations will continue, so improving and streamlining the ability to maximise gains from CSR strategy is a vital task.

Determine your recommendations

In order to make effective changes to the CSR strategy project plan, it is first necessary to understand why aspects of the CSR strategy or implementation plan are currently not meeting desired outcomes.

Interpreting the results of the review and evaluation process to determine required changes may involve revisiting some of the earliest steps in the CSR process, such as determining CSR options or identifying the stakeholders to the process. A thorough investigation is preferable to a reactionary response. It should begin by with examining the assumptions and requirements on which the CSR process has been built. Ensuring that sound changes are made is better than knee-jerk responses.

Doing this involves synthesising your review information and evaluations and boiling them down into succinct and actionable recommendations to improve the CSR strategies in your organisation. These determinations need to offer clear improvement strategies that will benefit all stakeholders in the organisation.

Below are some strategies to use.

- Before you began your review, you were probably briefed on its focus. You may have been instructed to review the entire process or just aspects of it, e.g. goals or implementation strategies. Whatever the focus of the brief, this should be followed in the review.
- Make recommendations based on your evaluations. If you allow the evaluations completed after the review to guide your recommendations, they will be more substantive than if you based them on intuition.
- Re-examine all documentation about the CSR implementation process to ensure your recommendations are relevant and thorough.
- Your recommendations will probably focus on a few key areas:
 - Staffing: deciding which staff members should play larger/smaller roles, management roles, and who requires training
 - Resourcing: improvements to equipment and material used, improved inventory management
 - Communication: improvements to how information is conveyed, what information is conveyed and the frequency of communication
 - Objectives: whether the stated goals led to a tangible impact, how goals can be refined to be clearer or more meaningful

Information to include in your recommendations

Your final recommendations should be furnished with supporting information.

Your final recommendations to support your organisation's CSR policies require a detailed explanation. These recommendations will be used by the organisation to establish changes to business operations; they may involve staffing changes, additional training or a radical overhaul of production processes. You will need to convince stakeholders in the organisation that your recommendations have been arrived at via thorough review, informed evaluation strategies and use of evidence. Doing this reflects positively on you as a capable manager with analytical capabilities, and also provides compelling reasoning why these recommendations should be adopted.

The supporting information you should include in your recommendations is detailed below.

A summary of what was achieved

Explain what goals were achieved relative to the stated sustainability standards. Discuss the contributions of staff and other stakeholders. If some goals were not achieved, explain to what extent they were achieved. For example, an objective may have been to reduce waste by 50%. If that target was not reached, discuss what waste reduction percentage was reached.

| | |
|--|---|
| Evidence for recommendations | <p>You need to use verifiable evidence to support your recommendations. You can use quantifiable evidence in the form of statistical data or KPI analysis, or qualifiable evidence such as customer observations, collegial feedback or managerial reports.</p> <p>Your evidence must unambiguously support your recommendations. If you're producing written recommendations, explain the source of your evidence in the report.</p> |
| Acknowledged limitations of the process | <p>All review processes will have some limitations. Following the CSR principle of full transparency, your recommendations need to outline weaknesses of the recommendations. For example, you may have been unable to speak to some external stakeholders due to scheduling conflicts. Or perhaps statistical records to measure an aspect of the CSR initiative were mismanaged. If your brief was to only review a limited scope of the CSR process, this should be acknowledged.</p> |
| Possible alternatives | <p>Once you've conducted a review and led the evaluation process, you are in an informed position to discuss some pathways forward. Your recommendations can outline the positive effects they may have on CSR implementation in the organisation. If your recommendations are speculative, they can outline some possibly negative or ineffective consequences on the business. You should include this discussion if you believe these outcomes are possibilities; it complies with the CSR principle of full honesty and transparency.</p> |

How to present recommendations

Protocols to follow when presenting recommendations should depend on whether you are producing written or verbal recommendations.

When recommending improvements to the CSR policy and practices you should follow the protocols that have been established during the earlier consultation process. For example, if recommendations are to be made to beneficiary groups, then you should follow the process either agreed or established during initial stakeholder consultation. This may include face-to-face meetings with representatives or written submissions. In contrast, if recommendations are to be made to senior management in your organisation, this should follow the communication and submission protocols that exist in your organisation.

Once the method of communication has been decided, you can use the strategies below to ensure your recommendations are communicated effectively.

Tailor communication to your audience

‘Write to your audience’ is an effective communication strategy. It means ‘communicate in a manner that will be understood by your audience’. Your recommendations may need to be delivered to external stakeholders who do not know about the inner workings of the organisation, so you may need to provide more background knowledge. If you need to present these recommendations to individual department managers, adapt your presentation so the information is relevant for their department.

Jargon, terminology and tone

It is best to avoid jargon or slang. Your recommendations need to be precise and supported by evidence; jargon can be imprecise and obscure your meaning. Similarly, slang should be avoided as it detracts from the professional focus of your recommendations. Any terminology you use should be audience-appropriate; in other words, your audience should have a detailed understanding of the terminology used. Your tone should be informative. Your recommendations are intended to support the organisation, so avoid critical tones that focus on individual stakeholders unless this is absolutely necessary.

Images and text

When recommending via visual presentation, images such as pictures, graphs, and charts can be used to support your recommendations. You should find an equal balance between images and text; too much of either can hamper your presentation. Avoid large slabs of text; use paragraphing. Be willing to explain the information featured in your digital presentation; don’t expect your audience to read it all.

Pacing and timing issues

Your recommendations are essential to the management of the CSR policy. However, time is valuable, and spending too much time discussing minor aspects of the recommendations can blunt your overall message. You need to be succinct and direct. When delivering your recommendations verbally, use palm cards to help you stay focused on your topics. If producing written recommendations, set an appropriate length before writing and don’t exceed it.

Technological issues

Always have a contingency plan ready in case a technology failure prevents you from delivering your recommendations. Many managers live by the dictum: 'Always assume technology will fail you'. If you are delivering your recommendations verbally, your PowerPoint presentation might have been deleted, or your device might stop working. When preparing written recommendations, the file may get corrupted, or you may leave it on another device. Always have a back-up plan, whether it's retaining both hard and digital copies, saving to multiple devices, or bringing along back-up devices.

Example

Recommending changes to CSR policies

Polly is a compliance officer and has been asked to complete a review into a CSR improvement strategy at her organisation. The business is a large courier company that implemented a system that replaced end-to-end truck delivery with the use of bicycles to bring items to delivery hubs. The objective was to provide employees with health and wellbeing benefits from the increased physical activity. After consultation and evaluation, Polly determined the policy was a success. She made the following recommendations in written form to the organisation's managers.

1. Staff engagement increased by 27%. The program should be extended by a further 12 months.
2. During consultations, staff mentioned they believed the policy indicated that management cared about their wellbeing and felt they needed to 'repay' the organisation via improved work performance. Nine out of 11 staff members agrees with this statement. The recommendation is that one of these staff anecdotes should be published on the organisation's social media page. The marketing manager should be asked to organise this.
3. During consultation with other employees, staff members who didn't benefit from the program expressed a desire to be involved in a physical fitness CSR initiative. In a survey, this proposal drew a 94% agreement rating. The recommendation is for a program to be established to facilitate this, and Polly would take the lead.

Polly consulted with employees to see if those not directly impacted by the CSR (i.e. administrative staff not involved with delivery) would be interested in adopting health and wellbeing practices in the workplace. Drawing on the success of the use of bicycles, it was agreed that the organisation would introduce facilities and practices that encouraged employees to ride their bicycles to work instead of driving cars.

The organisation drew up plans to build shower facilities and bicycle storage. It proposed a policy that employees would be considered 'at work' from their time of arrival at the office and that the time taken to shower and dress would be considered working time. This proposal was put in a formal proposal to senior management and discussed with employees in a town hall style meeting.

Practice Task 11

Question 1

Which of the following statements are correct? Select yes or no for each one.

- a) Recommendations should not involve revisiting the aims of the CSR strategy. >> Yes >> No
- b) Implementation methods may need to be reviewed if they are not meeting expectations. >> Yes >> No
- c) Recommendations should always be made formally in writing sent via email. >> Yes >> No
- d) Recommendations may require consultation and discussion. >> Yes >> No
- e) The same recommendation detail can be used for all stakeholders. >> Yes >> No

Question 2

Number each step from 1 to 5 in the order you would follow to provide recommendations to improve a CSR strategy.

- Determine what your recommendations will be
- Deliver your recommendations according to organisational protocols
- Gather all relevant information from the review and evaluation process
- Prepare a recommendation report or presentation
- Ensure you have a contingency plan in case of technological failure

Summary

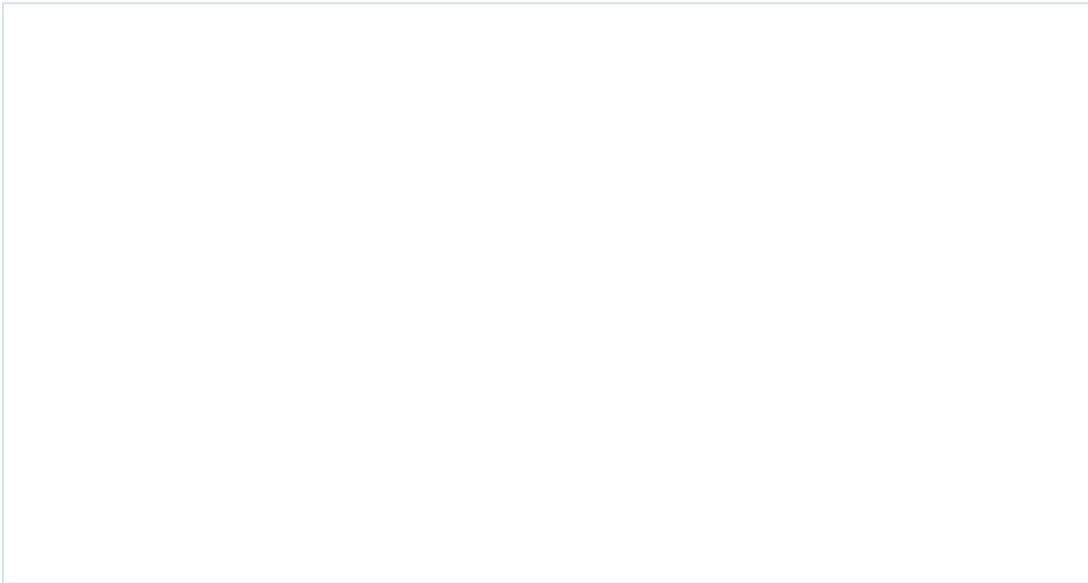
- Your corporate social responsibility (CSR) strategy should be reviewed with relevant stakeholders to determine the success of its implementation and to provide information for evaluation against the organisation's sustainability objectives.
 - The review processes and timeframes should be established as part of the initial consultation process.
- The points for consideration as part of a review process will vary according to the stakeholder group being consulted with.
 - Discussion of anticipated versus actual benefit and expectations is a topic that will most likely apply to all stakeholder groups.
- The feedback gathered via stakeholder review can also be used to inform evaluation of your CSR strategy implementation against your organisational sustainability objectives.
 - When evaluating the implementation of your CSR it is important to ensure evaluation activities permeate all levels of the organisation.
- Evaluation considerations may include evaluation of quantifiable and qualifiable evaluation data to enable statistical- or financial-based analysis as well as and sentiment- and perception-based review.
- Interpretation of evaluation and review processes is required in order to determine recommendations for changes to your CSR strategy and/or its implementation.
 - Required changes may be broad-reaching such as revisiting the methods by which sustainability actions will be pursued, or more detailed such as reviewing organisational procedures.
- Recommendations for improvements should be clear, succinct and include detail as to how the proposed changes meet any deficiencies identified in the review process.
 - When preparing recommendations, it important to tailor the content and the recommendation method to meet the needs of those to whom you are making the recommendation.
- You should select the most appropriate evaluation method relative to your organisation.
- Recommendations should be prepared in a manner that is tailored to your audience. You should use language that can be understood by your audience, and avoid slang and jargon.
- Ensure you use supporting evidence when presenting recommendations.
 - Use qualifiable and quantifiable data that offers clear benefits for the recommendations.
- If you are presenting your recommendations using technology, ensure you have a contingency plan in place in case there is a technological failure.

Learning Checkpoint 3

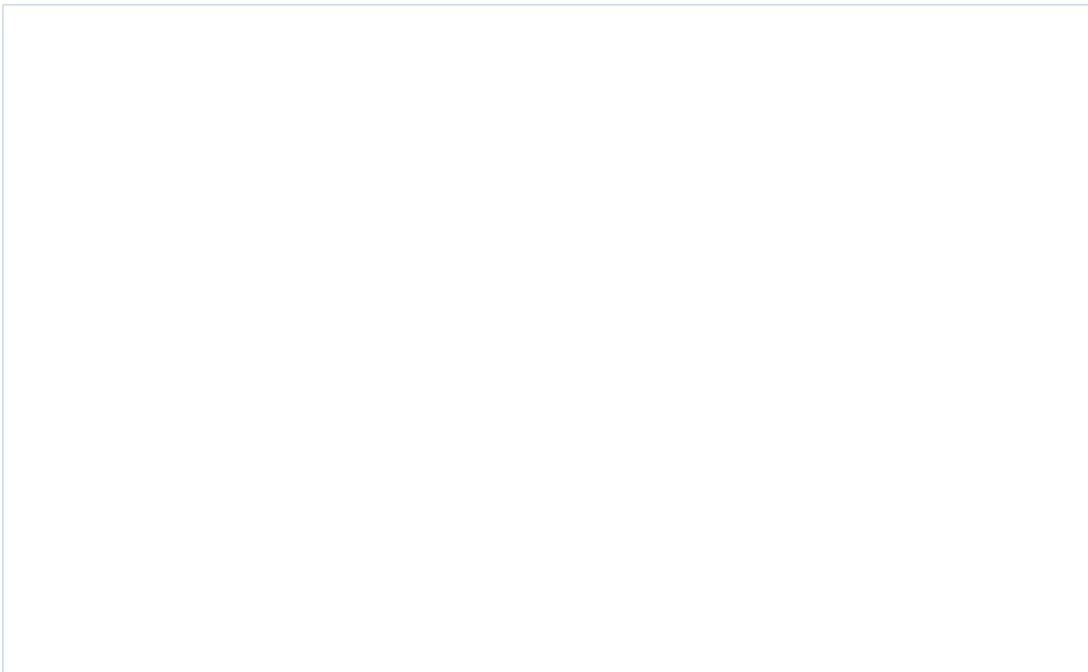
Monitor and evaluate corporate social responsibility

Part A

1. List three points for consideration when evaluating the success of a CSR strategy against the organisation's sustainability objectives.



2. Describe the three major steps in the CSR strategy improvement process.



Part B

Read the following case study and then answer the questions that follow.

Case study

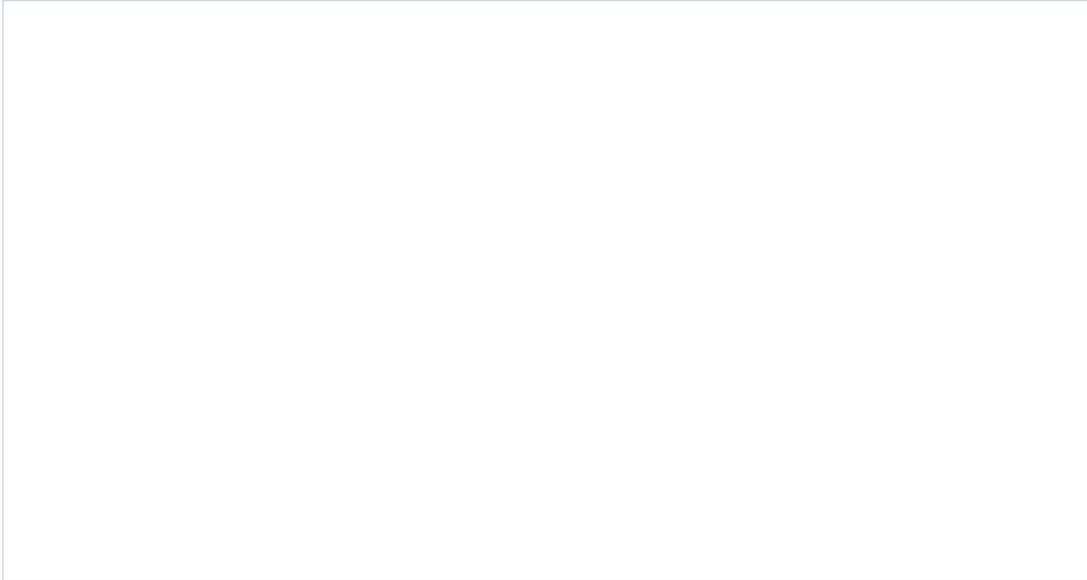
FirstStop Office Supplies' support of the local small business incubator has been up and running for six months now. During that time, they have offered business grants to 15 small businesses worth over \$200,000. There are two objectives of this initiative: firstly, to create a thriving local business community by acting as a model corporate citizen. Secondly, this financial support could build supplier relationships and spur customer demand and commercial transactions; ultimately, this will benefit FirstStop's financial position.

FirstStop manager, Alan, is about to commence a review and evaluation process of the strategy as part of preparation for the company-wide annual strategic review. His brief is to determine if this CSR strategy has achieved its goals.

1. List three stakeholder groups Alan should consult as part of his review. Describe a review process appropriate to each.

2. Once Alan has gathered the required information, suggest an evaluation method he should use to assess each goal.

3. Detail **three** communication strategies Alan should use when preparing his CSR policy recommendation report at the conclusion of the review process.



4. In the last six months, FirstStop Office Supplies has seen a 10% increase in profit, which translates to an additional \$50,000 in sales. If Alan relied on an economic evaluation alone, would his recommendation be for or against this initiative? Explain your response.

