

REPORT

Corporate Social Responsibility: Innovation and Business Skills Australia

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1. Executive Summary

Why would Westpac Bank send more than 450 staff to work with an Indigenous development organisation in Cape York?¹

Why is BHP Billiton supporting the development of an anti-malarial drug for children?²

Why does Fosters support Indigenous children's health programs?³

Why do countless small businesses provide resources to local schools, sports clubs and charities?

Why has NAB gone carbon neutral when it is not legally required to do so?⁴

Corporate Social Responsibility (CSR) in many guises has been adopted by a wide variety of Australian businesses. In Australia and internationally there is increasing community and government attention to climate change, sustainability and ethical corporate behaviour. Building workforce capability in this area will be important for advancing the capacity of Australian businesses to link wealth creation with social and environmental values.

IBSA commissioned this applied research project to alert those responsible for workforce development, including education and training providers, to the implications of the increasing importance of CSR. The project used a two-phase process to gather information on current and potential future CSR practice. Rather than relying on the cases and lessons of the past, understanding future scenarios is essential for educators in preparing the workforce of tomorrow.

By establishing and assessing plausible future events and their potential impact for CSR practice, this research has generated a number of recommendations for educators. These are:

1. Use stakeholder-based approaches
2. Identify context-specific requirements
3. Be aware of 'systems'
4. Use practice as learning
5. Focus on learning for the future
6. Apply global resources locally
7. Avoid the 'reporting trap'

2. Background

Over the last decade the theory and practice of Corporate Social Responsibility (CSR) has developed globally from a left-field concept to mainstream practice across business sectors. Its defining terms, benefits and characteristics have developed to link commercial, social and environmental sustainability. Global financial institutions such as Dow Jones (DJ Sustainability Index) or the Financial Times (FTSE4Good) assert that companies have a mandate to include such initiatives as part of company business. Corporate Responsibility and Sustainability are promoted globally via the United Nations Environment Program (UNEP), under which the Global Reporting Initiative (GRI) has been building CSR reporting frameworks for a decade. A new International Standard, ISO26000, has now been signed off, and there are numerous other specialist or regional indices.

NGOs such as CSR Europe, CSR China, Business for Social Responsibility (USA) and AccountAbility (UK) are burgeoning. An international Corporate Responsibility Officer Association (CROA) is developing out of New York, demonstrating a newly emerging profession. The Global Financial Crisis (GFC) and environmental disasters such as the Gulf Oil spill have highlighted the issue of responsible business practice.

Across the global economy, though in different degrees, larger stockholder companies – banks, miners, consultancies or manufacturers – have adopted CSR and Sustainability programs in various models. Medium and smaller companies are commonly supporting local communities, perhaps not calling it CSR but nevertheless making a major contribution.

In Australia, leading companies have instituted corporate environmental, social and governance practices well beyond those legally required. The Australian Government has had two inquiries – one at Senate and one at Treasury level – each positive about CSR measures as part of a company's role in society. The Australian Stock Exchange has issued Good Governance Guidelines. Charities and NGOs regularly seek and receive sponsorship, grants and volunteers from companies. Greener buildings are the preference for corporate headquarters. Popular support for a price on carbon and the need to balance social, economic and environmental issues has been central to recent political affairs.

Modern society depends on businesses to create the wealth that supports living standards. Equally, businesses depend on access to natural resources, a stable social environment, creative staff, receptive markets and good regulatory regimes. CSR puts into practice the 'social contract' between business and society that enables this relationship to continue in a socially complex and resource constrained world.

But how does an individual business decide to bring CSR into its practice? What do they need to know? Are they already doing it? What works for small vs. larger companies? What are the benefits, or costs? Will it affect competitiveness? What skills are needed? And if CSR is to become part of business practice, what are the implications for the education and training of business owners, managers and staff? These are the issues this paper addresses.

3. Purpose

IBSA commissioned this applied research project as part of its role in identifying the workforce development needs of key Australian industries. The purpose of the project was to identify both broad and specific aspects of CSR as it might be practised in Australian businesses in the future. This paper details the research process, findings and recommendations for advancing the capacity of Australian businesses to link wealth creation with social and environmental values.

Based on this research, a companion resource has been developed to help trainers and educators build workforce capacity for CSR.

It is not the purpose of this paper or the companion resource to prescribe curriculum, but to inform those who develop and conduct workforce development programs on current, and potential future, CSR practice.

4. Methodology

The applied research project used an innovative approach to allow IBSA to consider current CSR practices and issues and to anticipate future needs. The systemic approach used for the project methodology was provided by the Sustainability Learning Institute. IBSA acknowledges that simple extrapolation from the past and present of CSR will not predict its future with any certainty.

To address this dilemma, the project adopted a two-phase model:

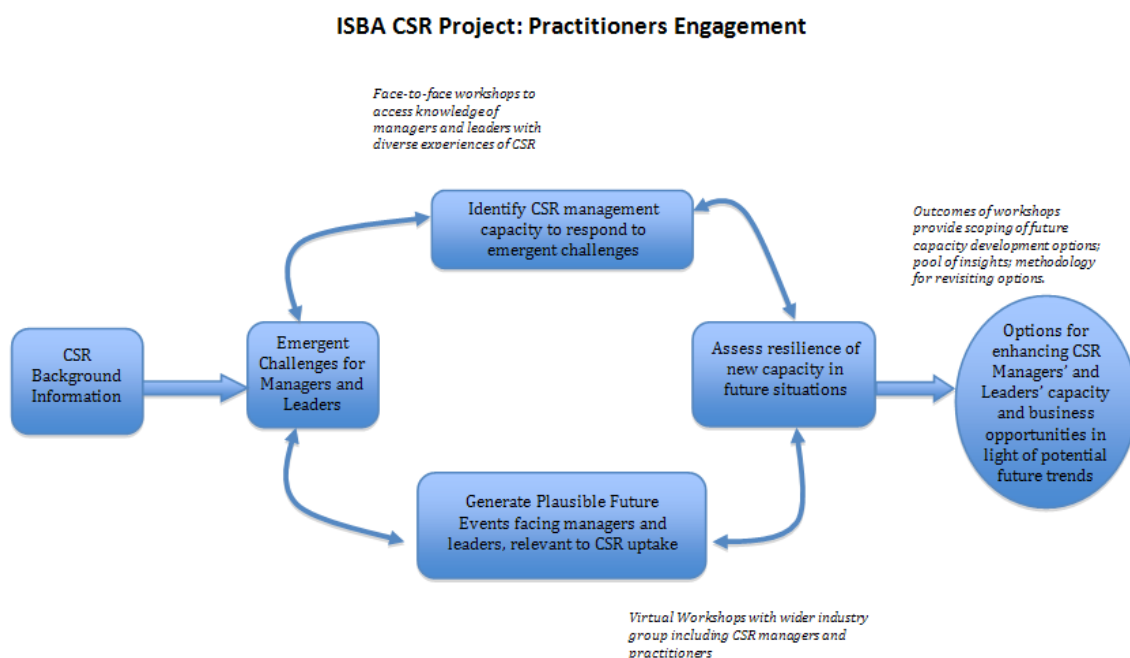
- Phase 1 – exploration of the current state of CSR
- Phase 2 – exploration of the plausible futures for CSR

The systemic method used to predict future scenarios for CSR can assist educators to prepare the workforce of tomorrow for the challenges it will meet, rather than rely solely on the cases and lessons of the past – which will, in varying degrees, become outdated. The project pursued two main lines of inquiry:

Face-to-face workshops: participants discussed the meaning and manifestation of CSR in business settings, including identification of good models and practices – and future implications.

Virtual workshops: participants established and assessed plausible future events/scenarios and determined the probability and likely impact of each event. The virtual workshops involved a series of online sessions using the 'WindTunneling'⁵ platform devised by SLI in concert with GreenMBA personnel.

These two converging approaches are described in more detail in Appendix 1. As Figure 1 shows, the two streams of input were prepared in light of the current CSR 'body of knowledge'. Face-to-face workshops provided input to the Virtual Workshop, but also created a body of rich information which can be extended in future projects; effectively a live database of considerations around the issue of CSR into the future. The Virtual Workshop has similarly created a legacy of inputs which can be drawn on, added to and interrogated at later dates.



5. Outcomes

5.1 Face-to-face workshops

Outputs of the face-to-face workshops were clustered under eight statements about how CSR may transform in the future. These eight “Transformation Statements” each include a:

- 1) theme for potential transformation in the sector
- 2) statement of how such a development might happen
- 3) statement as to why this transformation is important

The statements are written as predictions and can be viewed as potential steps in the growth of CSR in Australia.

Those with responsibility for training or workforce development are encouraged to note which shifts in CSR are emerging so that they can modify their programs to build capacity as workforce skill requirements change.

Note: in reporting workshop outcomes, as far as is possible the original ‘voice’ of participants has been used.

The eight Transformation Statements are:

1. Fostering CSR as a 21st Century Societal Value
2. Government Intervention.
3. Leadership for CSR
4. Achieving Cooperation through Networking CSR programs and practitioners
5. Systems and Processes for CSR
6. Explanation of CSR
7. Capacity building
8. Culture of CSR

1. Fostering CSR as a 21st Century Societal Value

The core value of CSR is expressed through partnerships that incorporate interdependent relationships supporting the viability and sustainability of both. The development of this value, which demonstrates the responsibility of business to stakeholders and shareholders, and the responsibility of community to businesses that support prosperity, will be the basis for the CSR learning of the 21st century.

Fostering CSR needs to start where a relationship – no matter how minor – already exists (perhaps a ‘greening’ issue). The best CSR activities will give strong focus to young and future generations and businesses that are seeking to build such relationships. Ideas for fostering can be researched across all philosophies/cultures, current and historical. The underlying emphasis will be building relationships of people to people, not things to things, so that the stories shared will bring together the experiences of all the human senses and integrate the dynamic relationship between social, economic and environmental dimensions of society. In time, forces resisting or exploiting the mutual responsibility value will need to be penalised.

CSR is much more than dollars; it is a web of interdependent behaviours that are essential for society as it seeks to moderate the earlier excesses of the industrial revolution and re-establish sustainability as the primary principle for growth and development.

Comment:

Weaving ‘mutual responsibility’ as a business ethic into the education of upcoming business owners and managers can help embed CSR in the central beliefs and practices of the next generation of Australian enterprises. Certainly the ‘win-lose’ days of ‘the business of business is business’ left many intangibles and externalities for Government to pick up. New business models are wider in scope and wiser in application.

2. Government Intervention

Government will provide a foundation for CSR and support the evolution of a framework with education, standards and targets across the economic, social and environmental spheres.

Government will implement a national framework (eg: "National Sustainable Economy") with a strategy, standards and targets for CSR, incorporating the social and environmental (eg: a carbon price). The framework will include both NGOs and Business. The National Framework will be instigated by legislation and administered by a dedicated Minister. The legislation will cover penalties for non-compliance; education/standards and incentives that will encourage and reward compliance; mandated corporate governance standards for CEOs and the integration of CSR/Sustainability principles and practice at all education and training levels (schools, TAFE, universities, business, trade associations). Government business will set an example for others (eg: sustainable procurement). The National Framework will remove the confusion and limited adoption of CSR and provide leadership, clarity and reward to all of the players.

Comment:

There have been two inquiries at national level into Government support for broad CSR uptake and no action beyond funding programs at St James and the RIAA. On the other hand, there will soon be a price placed on carbon so the global warming issue will, to that extent, be addressed. This offers educators in both technical and business education an opportunity to cover the essentials of sustainability in business practice, with carbon costs leading to other issues of resource and waste minimisation. All of these have cost and process implications, as well as longer term strategic issues. Access to water, for example, will be a continuing issue for industry in Australia.

3. Leadership for CSR

Business takes up the opportunity to lead change and set the agenda for an embedded approach to CSR across the Triple Bottom Line, including disclosure with incentives and rewards. Business associations will initiate a collaborative approach across governments, businesses and trade associations to:

- Demystify the purpose and practice of CSR through offering education programs using a simpler CSR terminology
- Identify champions, case studies, KPIs and incentives that improve CSR
- Support trade associations to run seminars and include CSR principles in their code of behaviour
- Promote disclosure of costs/benefits and identifiable outcomes from CSR projects
- Distribute CSR information across communities and workplaces
- Encourage companies without CSR programs to engage with single issues as a 'taster' for CSR

This initiative will provide recognisable leadership to companies and enhance credibility of CSR programs.

Comment:

Leadership in CSR has come more from certain individual companies and non-profit organisations than from business associations. On the whole, these tend to respond to members' interests with lobbying campaigns or some technical/professional education, rather than taking a thought leadership role. Nonetheless, business associations can offer a potential leadership role in CSR, and educationalists may find an emerging practice improvement role in this regard. The growth of the GRI and the advent of ISO 14000 series and 26000 CSR offer avenues to negotiate educational pathways to better CSR practice.

4. Achieving Cooperation through Networking CSR programs and practitioners

Networks of CSR programs and practitioners will grow to give a higher profile to both successes and blockages experienced at all scales of society, with the intention of creating an acceptance of such activities, as an ethical imperative of business and its host communities.

Starting from networks that already exist between businesses and between business and their host communities, build a platform for sharing and publishing achievements and disappointments of programs that incorporate intentional CSR values and behaviours. The sharing to embrace goals of transparency and celebration of efforts made whether successful or not. The emergent network will take on the responsibility of being a conduit of CSR into both formal and informal learning activities, lobbying for the creation or amendment of CSR empowering legislation and informing the wider community.

Engaging in CSR requires supportive organisations that will enable well-intentioned businesses, governments and communities to have a competent and reliable source of reference about collaborative efforts to achieve mutual and planet sustainability.

Comment:

There are inter-business networks that promote change in areas relevant to CSR. Green Building Council or Environment Business Australia are examples. There is also a number of non-profits encouraging and assisting businesses, ranging from the philanthropic to the strategic, including offering coursework on CSR processes. And there is a wider group of consultancies, from the Big Four to one-person businesses, keen to assist business in this regard. Finally, many universities have established units and coursework in the CSR/Sustainability field. This space is very crowded and the best role an educator can play may well be to provide business owners and managers with an overview of the CSR/Sustainability field and an awareness of these options, their role and offerings.

5. Systems and Processes for CSR

CSR will become more integrated in all business levels through education about effective systems and processes. The initial target group will be innovators and entrepreneurs.

CSR supporters will actively push businesses and government to demonstrate the tools and techniques they apply to gain CSR benefits. This will be achieved through targeted lobbying to gain greater public accessibility to know-how, and to share tools and approaches.

CSR-effective systems and processes need public advocacy to become mainstream characteristics of Australian business and government activities.

Comment:

It is important that CSR become integrated into business processes and one of the main drivers will be integrated reporting, where annual reports will include social and environmental impacts as well as financial data. The ASX Good Governance Guidelines are a step in this direction. However, for organisations with real investment in CSR, the integration of such processes into internal practices will benefit from education about how this may be done. Curriculum development in this regard will be a valuable addition to business education.

6. Explanation of CSR

CSR will be explained to companies in ways that are meaningful to wider business purposes.

CSR will be promoted to achieve its embedding in a national strategy and delivery plan. Stories about CSR – with examples – and linking CSR to better management of risk and business success will lead the promotion. Stories using appropriate language in a practice context will focus on return on investment and net benefits. Business leadership will benefit from linking practical process explanations to understanding relevant standards. Business associations and government involvement in promotion will be essential.

Meeting this challenge will enable CSR to be interpreted as normal practice for all scopes of business, when reasons for adapting it are presented and when best practice systems and processes are being sought.

Comment:

A national CSR Education program was mooted in the two government inquiries into CSR, mentioned previously. In its absence, there remains an opportunity for an appropriate curriculum to be developed on a national basis, which could be available to RTOs. The work done by St James Ethics Centre on Small-Medium Enterprises' needs in this area is backed by the work of universities and private organisations (ACCSR in Melbourne, for example). The integration of CSR into standard business practice will need to be made available nationally with a basic curriculum appropriate to the wide range of business sectors and sizes across the country. Such a national effort needs Federal backing.

7. Capacity building

The introduction of coherent education and training in CSR that incorporates both a broad understanding of CSR and specific competencies will overcome a know-how barrier to CSR implementation.

A national awareness and education program will provide business managers with the background and broad principals of CSR including benefits and standards. A more specific set of competencies for boards, business management and staff across and specific sectors will then be developed at a national level. Material that already exists in state-based systems will be used as a starting point. The program will be rolled out nationally, complementing the new national standards and international standards such as GRI or ISO. Legislation and implementation of standards with competencies linked will be advocated from MBA to TAFE to informal learning levels. Curriculum development and trainer-training will be the initial activities.

This multi-level competency-building approach linked to standards will enable CSR to grow in companies as part of normal practice.

Comment:

As noted above, such national initiatives will need to come from the bodies that support national curriculum in other areas. IBSA has taken a lead in this regard and it may fall to state or national bodies to follow through. Alternately, individual VET providers may find it appropriate to develop coursework and seek accreditation. One issue will be that some aspects of CSR/Sustainability are more open for inclusion in current coursework – eg: installing solar panels is a new green skill which contributes to the environmental performance of an entity, but is not a whole-of-CSR field. Comprehensive models can be derived from such broad agendas as the GRI, and will need breaking down to module-level and translating into relevant local terms. Above all, the content of a potential CSR program is a different matter to how it might be implemented in an organisation. Both will need to be attended to, and there is no standard model for either. As this is a new space for educators, it may well be that the evolution of effective approaches takes some time.

8. Culture of CSR

CSR will become a norm of business culture when social pressures combine with regulations to institutionalise CSR as part of effective business thinking and practice.

A combination of business education and regulatory reform initiated by community advocacy will drive cultural change across business sectors. Regulations and standards for behaviour and reporting will be reinforced by public and business education, media and curriculum revision. Exemplars or scandals in the media will confirm the changing norms. Social responsibility standards, local and international, will provide a baseline level with early adopters outperforming these standards. This 'pincer' phenomenon will gradually institutionalise CSR as a norm of business practice so it is not a cost disadvantage for would-be adopters, but is done by all companies – just as other cultural change initiatives such as workers' compensation and occupational health and safety have become norms of Australian business. The culture of enterprise will move from just dollar profit to more wealth creation including social and environmental capital.

Comment:

The Global Financial Crisis, climate change and debates about an emissions trading scheme have put the role of business in society on the table for many business leaders. The plethora of non-government organisations, rating agencies, the work of charities and the changing roles of private and public capital have also opened up discussion about the social and environmental role of businesses. More deeply, the west is seeing a growing questionmark over the role of consumerism, income disparities, the impossibility of endless growth and the emerging economies. A growing CSR culture is part of this. Standards that were acceptable a generation ago – in OH&S, gender relations, business ethics, charity and volunteering – are no longer seen as appropriate. Such culture change takes time, and education is part of the change. Educators have an opportunity to design and deliver curriculum for the future, moving beyond reinforcing past or even present business cultural norms.

5.2 Virtual Workshop

The CSR directions, generated in the face-to-face workshops were rationalised by the project team to combine common themes and then became the input to the Virtual Workshop. The question then became: how resilient are these directions and what backup or insurance might be available if circumstances change radically? Virtual workshop outputs can therefore be divided into two sections:

- Insights into the Resilience of CSR directions in the face of potential futures
- Insights into how CSR directions can be defended against adverse events – insurance

Resilience

In a fast changing world, any strategy can be quickly outdated. However, a matrix of resilience can be developed by relating the potential impacts from plausible events to a range of potential directions. This process can generate group assessments of the potential for given directions to be maintained in the face of future risks.

The implications for education and training from the plausible future events considered through the Virtual Workshop are outlined below.

Implications for education and training from plausible future events

<p>1 Community Advocates Drive Culture Change for CSR</p>	<p>Community groups committed to Corporate Social Responsibility becoming the norm for Australian business will initiate a combination of business education and regulatory reform to drive cultural change across business sectors. Regulations and standards for behaviour and reporting will be introduced through public and business education. Current social responsibility standards, both local and international, will provide baseline levels, with early adopters encouraged to outperform these standards. This approach will gradually institutionalise CSR as a norm of business practice so it is not seen as a cost disadvantage for adopters</p> <p><i>As community groups continue to advocate for CSR and broad sustainability, more companies will need to understand both how to respond to such pressures and how to introduce a CSR agenda that is appropriate for them. Importantly, the increasing transparency enabled by the internet will increase the capacity of companies to report, and decrease their capacity to not respond. Smaller companies may have a more local perspective and deal more with local communities face-to-face. Underneath this shift in behaviour is a slow shift in values and cultural norms towards the value of more sustainable practice and social benefits in addition to profitability. Educationalists will find it advantageous to anticipate this in their general coursework and may extend to specific coursework on CSR and on community liaison within mainstream courses, as a mandatory component – not just an 'add on'. Also importantly, every company is different, so a diagnostic component is needed to education rather than a 'one size fits all' approach.</i></p>
<p>2 Government Intervention to Instigate CSR principles</p>	<p>Government will implement a national framework (eg: a National Sustainable Economy) with a strategy, standards and targets for CSR, incorporating social and environmental measures (eg: a carbon price). The framework will include both NGOs and business. The National Framework will be instigated by legislation and administered by a dedicated Minister. The legislation will cover penalties for non-compliance; incentives to encourage and reward compliance; mandated corporate governance standards; and the integration of CSR/sustainability principles and practice at all education and training levels (schools, TAFE, Universities, Business, Trade Associations).</p> <p><i>While the probability of such a move by the Federal Government is low, its impact would be very high. Incumbent on such an initiative would be an education program, based on a national skills framework, which builds the capacity of Australian businesses to rise to the challenge. A national standard – AS8000 – already exists, but it has not been substantially adopted, suggesting a more formalised national framework and/or mandatory measure would need to be funded. For educators, the question then becomes what standards to teach to and these would need to be clarified.</i></p>

<p>3 Business Associations Lead CSR collaboration</p>	<p>Business Associations will initiate and oversee a collaborative approach across governments, businesses and trade associations to: demystify the purpose and practice of CSR through offering education programs using a simpler CSR terminology; identify champions, case studies, KPIs and incentives that improve CSR; support trade associations to run seminars and include CSR principles in their code of behaviours; promote disclosure of costs/benefits and identifiable outcomes from CSR projects; and distribute CSR information across communities and workplaces.</p> <p><i>Business Associations, unfortunately, do not generally have a history of taking leadership in the social and environmental changes impacting their industry, but tend to react to protect members' status quo. However, there may be opportunities for particular educational or training entities to work with an association in improving members' positions in this regard. If so, the general lessons drawn elsewhere in this document can be applied in light of the particularities of the industry. Educating an industry to seek commercial advantage in the new situation is preferable to giving them generic information, especially with small business. Using examples, case stories and stressing the link to reduced costs and new business opportunities will be essential. An exploratory method can seek opportunities not just for incremental change but 'game-changing' transformations. Small groups in supply chain relationships can work together as they are less constrained by competitive advantage.</i></p>
<p>4 Practitioners Enhance Adoption of CSR through Networking</p>	<p>CSR practitioners will grow networks of businesses prepared to publicise both successes and blockages experienced at all levels of society when implementing CSR principles. The intention is to create an acceptance of CSR as an ethical imperative of business. The Networks will take on the responsibility of being a conduit of CSR into both formal and informal learning activities, lobbying for the creation or amendment of CSR empowering legislation and the informing of the wider community.</p> <p><i>Partnerships with CSR practitioner networks will give educationalists many advantages: peer knowledge, up to date advice, reality checks, links and further advice, and case studies. Much of this will be about practical skills for implementation processes, but the difficulties of introducing CSR in organisational contexts will also be manifest. Using such networks at the start of a curriculum development process will be more advantageous than bringing in guest speakers at a late date or in an uncoordinated fashion.</i></p>
<p>5 Education Takes on Socially Responsible Business Practices</p>	<p>Educational institutions, supported by government and private finance, will conduct discussions with business, community and employee associations to develop curricula for CSR. The curricula will be based on the systems and processes that have proved successful in recent years. Education programs based on the curricula will be offered at all levels of learning with the initial emphasis on trade and professional development courses.</p> <p><i>The current pattern of CSR/sustainability related courses is one addition to mainstream coursework or specialist coursework at the tertiary level – and an emerging 'Greentech' body at the technical training level. The tertiary work tends to be 'about' CSR, albeit with practical assignments, rather than 'for' CSR in the sense of 'how-to' coursework. Other organisations in the private or non-profit sectors offer more hands-on courses. The challenge for educators is to both integrate CSR/ sustainability into coursework and to stress the practical rather than the theoretical. Secondly, addressing individuals in the system but not the parties to a system (eg: board, senior team, departments, suppliers, workers, customers ...) can create dysfunctional cultural dissonance. For University practitioners this is doubly problematic, as their educational paradigm is one of 'individuals studying' rather than one of 'groups doing'. California's 'GreenMBA' is remarkable both in that it breaks this nexus and that it is yet an anomaly. Educators and trainers are to be encouraged to work together, to operate at the level of the system not just the individual, to mix the practical and theoretical and to maintain tight links to industry figures grappling with real issues.</i></p>
<p>6 National Commission Resources CSR Activities</p>	<p>A national awareness and education program conducted by a government sponsored CSR Commission will provide business managers with the background and broad principles of CSR, including benefits and standards. The Commission will develop specific sets of competencies for boards, business managers and line staff in various sectors. Material that already exists in state-based systems will be used as a starting point. The program will be rolled out nationally complementing international standards such as those in GRI or ISO protocols.</p> <p><i>Were such a program to eventuate, it would give a green light to educationalists. However, the pressing issues of carbon (ETS) and water (Murray-Darling) are at the forefront of political issues and CSR is not. Some measures to better manage the financial sector will emerge from the GFC, but there are no evident moves afoot to introduce wider CSR programs. Rather, they will be likely to come from the adoption of international standards in integrated accounting and reporting. Nonetheless, educationalists will be well advised to support any such moves should they arise, as they will result in increased need for CSR knowledge and skills.</i></p>

Virtual Workshop participant insights into these issues are included in Appendix 2. These insights provide an early alert as to the potentially most valuable directions for a future-oriented CSR education initiative. Naturally, these insights will themselves become out-dated, so it is advisable for educators to continually update and revise their educational priorities.

Insurance

In a similar process to the above, participant insights were sought on how possible new circumstances might impact on evolving CSR practices. Implications for education and training are identified below.

CSR and Insurance

<p>1 Carbon tax launched</p>	<p>After a decade of talk, the Carbon Tax agreement reached between the Greens and the Government has passed through Parliament. The line in the agreement that allowed it to happen was the commitment to transparency in the collection and expenditure of the Tax. Whilst highlighting the lack of trust between politicians, the new agreement will be watched by governments around the world as a potential universal model.</p> <p><i>The advent of a carbon tax or price offers educators leverage in the CSR field by providing a public and mandated core issue. Why are we costing carbon? What other impacts are now externalised but may be next? Would not the wise firm begin to insure against these by reducing usage? Water and energy, land use, waste, chemicals? All of these are costs to the firm and to the environment and green groups have them in their sights. The REACH standards in the EU are a good example – high chemical standards and if you want to sell in the EU you need to adhere to them. Anticipatory education will be of value in this now escalating process of costing environmental impacts. A second issue arises from the transparency and accountability. A carbon tax or price raises a need to count it and cost it. Thus, we lead into integrated reporting of financial and non-financial performance, as is now under discussion in international accounting circles, and in Australia. The wise firm would anticipate having to soon move its systems to such reporting, and will find there are hidden costs to be revealed and saved. Again, mainstream business education can help awareness and preparedness in this regard.</i></p>
<p>2 People ask: what is the role of business in society?</p>	<p>"From the student to the mother, from the worker to the volunteer, people across the country are asking – what's going on? No, they weren't listening to Marvin Gaye songs; they were questioning the role of business in society. What are their responsibilities? Does the company have a duty to more than shareholders for how it runs its business? However, what if you are a shareholder – do you take the money and run or accept perhaps a lower return for decisions made to limit the impact on people or the environment? Pressure is mounting ..."</p> <p><i>Does education lead or follow value shifts in society? Since the Enlightenment, western society has valued education as an opening of minds and a vehicle of progress. The forward-looking educationist will mesh CSR issues in coursework that considers the ethics, role and goals of wealth creation. Trainers will assist trainees to reflect on the implications of their technical prowess. The integration of CSR into company practice will require parallel integration in business education, and the latter can help drive the former. Student demand will, in many cases, drive educational change as each wave of students brings with it contemporary concerns and challenges to older values. Anticipating such change, learning methodology may also shift from case studies of past business scenarios to 'thought experiments' of future dilemmas and cases of change. The role of the educator in this era of transformation will also change to one of 'facilitator' to reflect the high level of autonomy and reflectivity warranted by such CSR-oriented change in business culture. The GreenMBA www.greenmba.com at Dominican University of California offers an example of transformational learning processes, while some universities and colleges in Australia are heading down different paths towards the same goal: a workforce that enacts changing social values towards environmentally sustainable and socially beneficial wealth creation.</i></p>
<p>3 Buyers looking for genuine 'green' products</p>	<p>Sales figures are showing that customers are seeking out, and are prepared to pay more for, products exhibiting genuine 'green' production. Companies are responding by changing their practices to ensure that they meet the high expectations of customers. The government is assisting consumers by increasing the penalties for companies presenting fraudulent green credentials.</p> <p><i>'Greenwash' is a growing marketing tool and it reminds us that CSR/Sustainability needs to be as hard-headed as the business practices it seeks to modify. Coursework needs to address the issue of credibility and ethics and to confront perceptions of it as a soft greenie option. For this reason alone, green and ethical business practice needs to be embedded in all coursework – not offered as an option or an extra. Skepticism can be fostered in coursework via assignments that assess claims vs. reality, life-cycle assessment, or marketing inputs and impacts vs. social/environmental inputs and impacts. At the same time, CSR models need to support, not undermine, businesses in order to be themselves sustainable, so one role of the educator is to assist students to discover how this might come about, since there is no clear rule on ROI in this field.</i></p>

<p>3 Fire and Floods - Climate Change has arrived</p>	<p>Extreme weather events across Australia and the world have created an 'every person for themselves' culture. Where communities struggle to access basic services such as potable water, electricity, roads, food, etc., altruism has been the victim of climate change. Governments are battling to meet the demand on services, and the private sector is crumbling, politicians are at a loss as to what policies to adopt to fix this 'wicked' state of affairs.</p> <p><i>CSR education has two roles in regard to the anticipated rise in critical climate events: prevention and recovery (matching mitigation and adaptation in response to underlying climate change). In the case of the first, it falls to educators and trainers to enable new business owners, managers and employees to understand both mandatory and strategic measures they will be faced with. In the case of the second, many businesses will face threats in operations, markets, resources, property or product. Some may face opportunities for new products or services. All will need at least to include climate change in their strategic considerations and risk management. At a deeper level, increasingly turbulent times warrant business processes that are flexible and robust.</i></p>
<p>4 Corporate Social Responsibility Reporting Frameworks</p>	<p>"Mandatory integrated reporting requirements have been legislated and cover all company reports, both public and private. Further, ratios of spending on CSR projects to business turnover have been recommended for an implementation period of 3 years. To encourage company participation, compliant companies will be listed annually. National standards will be set by ASIC and Standards Australia after a trial period." – Potential future ASIC announcement.</p> <p><i>On the one hand, two Australian Federal inquiries into CSR have rejected mandatory reporting. On the other hand, both the technology and pressure for greater transparency is growing. Tighter controls and greater accountability for banks is already well advanced. Work on international accounting standards, integrated reporting and sustainability indices is also proceeding apace, as are emissions and carbon accounting. Business can expect public accountability to grow rather than reduce. Educators have a central role in preparing administrators for this upcoming expansion, and in enabling businesses to convert obligation to advantage. Some professional bodies, (eg: in Accounting) are already working on this issue. Professional education in the business schools will need to anticipate increased demand for skills in reporting and auditing social/environmental impacts. As businesses increasingly count the cost of waste or overused resources, technical staff will be called on to revise processes to gain increased efficiencies. Packaging, waste, supply chains and logistics will be more rigorously appraised. The best insurance a business can buy in this regard is to lift the capacity of its people and systems to count what matters and reduce exposure. Educators and trainers will find a growing need in this field.</i></p>

Virtual Workshop participant insights into these issues are included in Appendix 3.

6. Conclusions

Findings from this applied research project – drawn from the current CSR environment and from participant insights into future possibilities – enable a number of core conclusions.

Community and government pressure for CSR will continue

Community pressure will manifest in protests at environmental, health or social impositions of company operations, scepticism from 'greenwash' and the growing agreement that climate change needs to be addressed. Legitimacy will be provided by specific measures of government (controls on banks; an ETS), by exemplar businesses, and by the growing number of NGOs promoting social and environmental causes, and socially responsible investment. At a deeper level there is a growing movement questioning the tenets of endless economic growth and the nature of 'wealth' on an overpopulated and finite planet. Companies will come under continuing pressure to address such issues.

The acceptance of the stimulus program bailouts of the GFC and the demand for action on carbon suggest that the level of intervention sought from government is high in some areas. While national initiatives on CSR are not on the agenda for the present, they may emerge and would create significantly greater demand for capacity building. Educators will need to be alert to such a potential rise in demand.

The nature and identity of CSR will change

CSR will likely shift its identity as it diversifies and becomes more institutionalised. Already, it is moving towards both 'Sustainability' and 'Responsible Business Practice.' As circumstances of its application shift, the opportunity will exist for educators to re-structure their services to meet both the changed environment (via drivers, demand) and content needs (across the ESG spectrum). An example will be CSR as a source of innovation, leading to new business and/or greater efficiencies.

Currently, CSR practitioners tend to be 'position focused' devoting much of their work time to shaping and implementing CSR activities for their own employer. Many are in lower-power positions (Communications, PR, and HR) and this can make it difficult for them to gain the attention of internal or external stakeholders, or to engage across organisations. A cultural change as to the value of this role, as per the USA 'CRO' initiative, will assist a sustainable CSR culture throughout Australian business practices, and educative initiatives may benefit from bearing this in mind.

Uptake of CSR practices will become more widespread

The work underway to develop company reporting models that combine financial and non-financial data will continue and this will eventually lead to a new global model of integrated company reporting. While this will only affect large stockholder companies directly, it will have impacts on smaller companies, on company culture and on supply chain involvement. New accounting methods will need to be developed and taught, and will likely become embedded in standard business accounting practices.

A continuing extension of CSR principles to SMEs will create new needs for appropriate capacity building. The constraints include the sheer number, variety and locations of SMEs, their limits on resources, and their capacity to undertake coursework or innovation programs. While the SME sector represents a huge slice of the national social, economic and environmental turnover, each business is only a small contributor, so the impetus for change is not as large as for big companies. Aggregation (by sector or region), appropriateness and commercial benefits will be important considerations for educators.

The potential for existing business institutions to promote CSR and capacity building remains a resource to be applied. Moving them to the position of thought leadership rather than reacting to members' expressed demands will require some culture change. Partnerships between educational institutions and industry associations are likely to emerge as the ideal approach.

The availability of frameworks and resources will increase

The ready availability of creditable frameworks, such as GRI, ISO26000, AA1000, and the data demands of investors and customers, provide good stimulus to action, but can distort the CSR intent of companies. For many companies, the need to report is the stimulus to develop more practices upon which to report. As the saying goes, what gets measured gets done, so there is potential for goal displacement and a report-driven 'cookie cutter' approach to CSR implementation.

It can also be expected that the generation of tools, expertise, organisational links and educational models will escalate. International companies will also bring in more good practice examples. While this suggests a wider selection of options, it can create confusion. The multiplicity of demands on major companies for various CSR related data is already a logistical issue. Some rationalising of this situation can be expected as the new paradigm progresses into normal business practice.

7. Recommendations for workforce development

The conclusions identified above suggest a number of directions for those involved in workforce development. All capacity-building exercises must address the specific needs of the workplace or business environment, and CSR is no exception. It is not possible to make specific recommendations about the content of CSR education because requirements will be dependent on context. The recommendations below focus how capacity building in CSR can be approached and how educators can help their clients to achieve CSR and sustainability goals.

Recommendation 1: Use stakeholder-based approaches

CSR educators should apply stakeholder-based approaches to the development of materials and programs. A 'systemic' or 'participatory design' approach will better appreciate the real-time needs of participants. This demands cross-unit and cross-levels participation by staff, and by suppliers and customers of a company. Companies have also benefited from dialogue with their harshest critics. Globally respected reporting and planning frameworks can be used as prompt sheets for planning, though not to the detriment of context and organisation-specific issues.

Recommendation 2: Identify context-specific requirements

Educators will benefit from scanning the client's environment to discover which, if any, of the contextual factors identified in this paper – or others – are present, and work with the client group to address them. Legal, political, economic, environmental and other factors will have a role to play. Wider or more specific factors may also apply, and the array of influences will vary with context, company and time. As companies progress in a CSR program, second, third and later years generate changing needs.

Recommendation 3: Be aware of 'systems'

Educators should think in terms of organisational systems (some within larger systems and some encompassing smaller systems) and be aware that changes in one aspect may have impacts elsewhere. While stakeholder participation will aid this, so will addressing curriculum to systemic issues rather than the perceived needs of particular units in an organisation, which can feed a 'silo' approach.

Recommendation 4: Use practice as learning

Course developers in contexts where education is 'for' rather than 'about' CSR can begin with expressed practical needs rather than theoretical assumptions about what issues are important. Practical approaches will allow the construction of coursework which will address the CSR drivers present in each context. Education 'about' CSR will draw on more traditional resources but nonetheless will benefit from practical and applied insights towards future applications.

Recommendation 5: Focus on learning for the future

Coursework and applied educational initiatives will be more effective in the long term if they stress the future practical needs of CSR managers, as best as they can be understood using findings and resources identified in this paper. The many organisations created to promote CSR and Sustainability practice globally provide a growing body of evidence as to emerging issues in population, climate, biodiversity, food security, water, energy and other natural and human issues. CSR is fundamentally about innovation, so the future context is imperative.

Recommendation 6: Apply global resources locally

The development of such measures as the GRI, ISO26000 or various tools for SMEs is a continuing global endeavour. Local application and industry-specific initiatives are part of this movement. The educator will need to work with clients to understand the pluses and minuses of a range of resources and apply the ones most suited. Education and training then becomes about how the chosen framework might be applied, modified if need be, and used for both planning and reporting.

Recommendation 7: Avoid the 'reporting trap'

Effective CSR practitioners will need to address complex situations with a view to designing innovative CSR programs for their employers. To this end, practitioners will need methodological knowledge and skills to explore complex and uncertain business systems and the environments in which they operate. Reporting frameworks can be used as planning templates, but educators should avoid creating a CSR curriculum which is only shaped by the various reporting requirements currently operating or in the process of development.

Appendix 1: Workshop methodology

Face-to-face Workshops

Workshops were conducted in 7 locations – Parramatta, Sydney, Melbourne (2), Adelaide, Bendigo and Orange. Each was a half day intensive and participatory exercise, as outlined in Figure 2 below.

In each case, the participants were drawn from businesses and organisations with interests or issues about CSR. They were located in areas which provided a cross section of urban and regional issues and although not large – a total of 35 participants – provided insights of varied interests.

Participants were first invited to join in mapped conversations, so that their interchange would generate new data, from which emergent issues were discerned and logged. These were then clustered into like groups, and commonalities observed.

One of the most important steps was for participants to write statements on how CSR might move ahead, to be effective in the future. This 'rich data' of transformative ideas remains as a basis for further exploration, and a select set was later used, with some amalgamation, for testing in the Virtual Workshop.

The next stage was for participants to write a short outline of options for acting on each issue – ie: to articulate potential future CSR developments. These were grouped by the project team, and also remain a resource for future use. A selection was made on the basis of complementarities and evident feasibility, and these were forwarded to the Virtual Workshop for further assessment.

The 'systemic' component of this process is that it uncovers the less visible issues and underlying themes. Secondly, it is based on interaction and so reveals insights that emerge when people jointly look at an issue from cross-silo contexts.

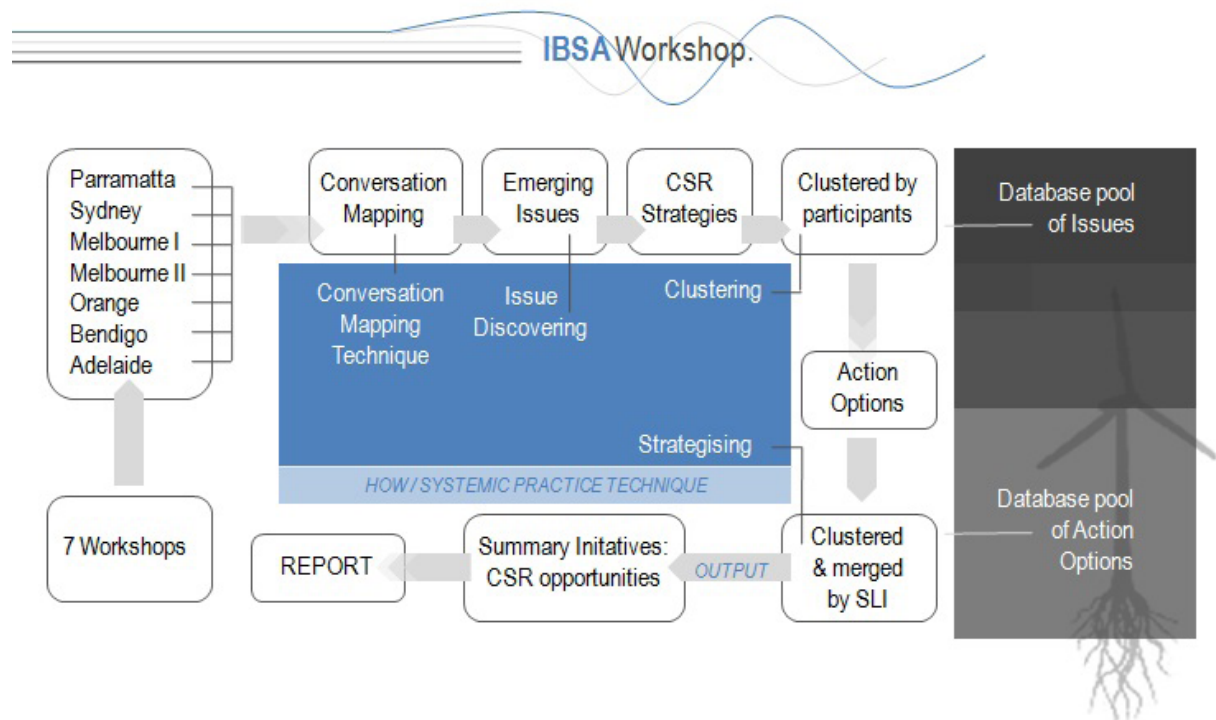


Figure 2 Face-to-face workshops process

The face-to-face workshops have also left a legacy: the documentation is stored and can be revisited. In a different context, at a different time, and with more input, further insights will emerge. IBSA is thus in possession of a 2010 database of CSR insights which can be made available for further application and use.

Virtual Workshop

The virtual workshop is an innovative systemic tool only available in 2010, and in which SLI has had a major developmental role. The core tool is the WindTunnel[®] software derived from systemic workshop techniques developed by SLI Chairman Bruce McKenzie. Developed in concert with Future Insight Maps, whose personnel are involved with the GreenMBA, it offers online participants the opportunity to join in a rolling conversation about the core topic. The participants in the virtual workshop were asked to:

- individually contribute plausible futures which could impact on the uptake and success of CSR
- jointly score these on their probability and impact
- make observations on the impacts of a purposive selection of the more impactful scenarios on select CSR directions arising from the face-to-face workshops
- jointly assess the resilience of potential directions across the scenarios
- assess what 'insurance' measures might be available.

These steps are summarised in Figure 3 below.

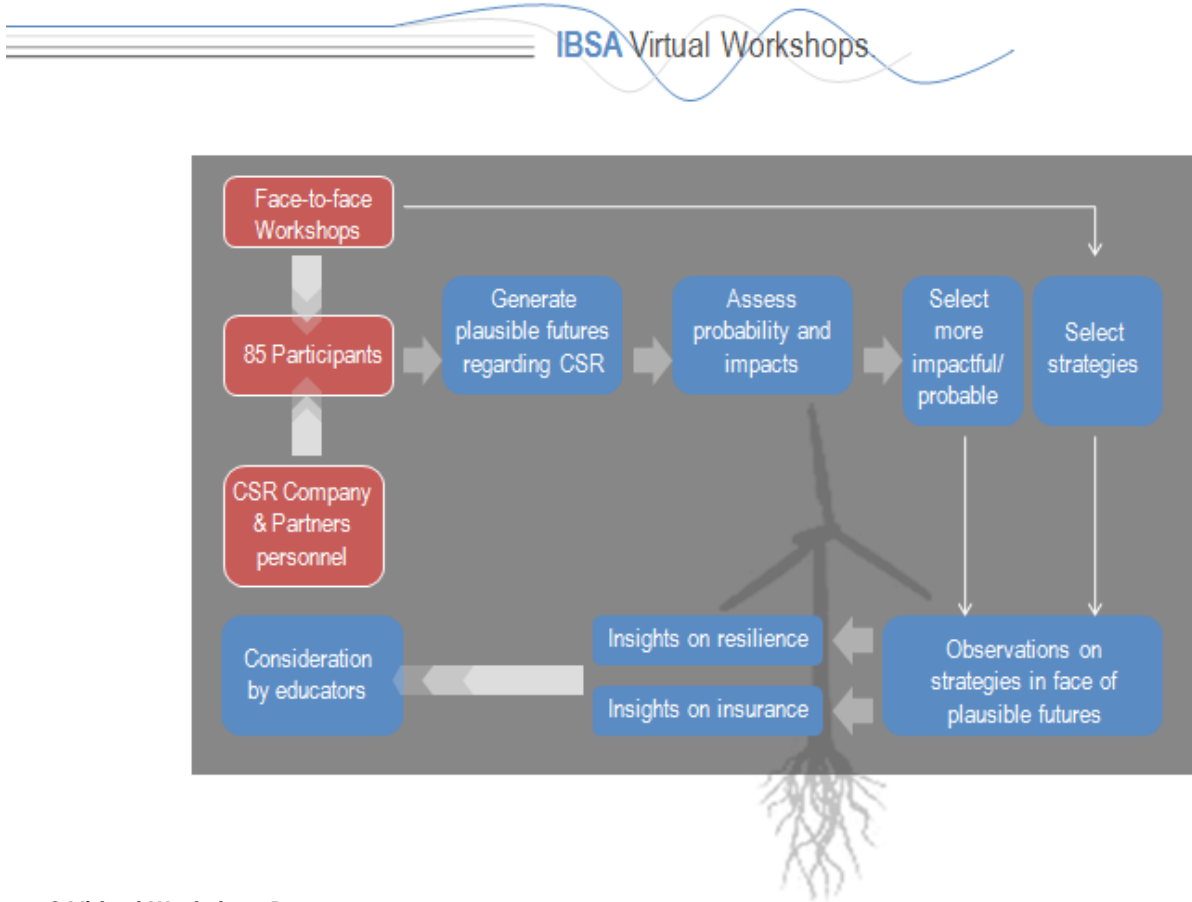


Figure 3 Virtual Workshop Process

Appendix 2: Workshop insights on Resilience

<p>1 Community Advocates Drive Culture Change for CSR</p>	<p>Community groups committed to Corporate Social Responsibility, becoming the norm for Australian business, will initiate a combination of business education and regulatory reform to drive cultural change across business sectors. Regulations and standards for behaviour and reporting will be introduced through public and business education. Current social responsibility standards, both local and international, will provide baseline levels with early adopters encouraged to outperform these standards. This approach will gradually institutionalise CSR as a norm of business practice so it is not seen as a cost disadvantage for adopters</p>
<p>Participants Insights</p>	
<p>1 2 3 4 5 6 7 8</p>	<p>Shareholders and employees both have a responsibility to effect positive change as CSR requirements may not provide the return the business requires for continued growth.</p> <p>In a global market, reporting of CSR needs a global relativity such that conformance to domestic legislation does not inhibit international competitiveness.</p> <p>CSR risks falling to a low priority when businesses find themselves in survival mode. Cultural change in the broader community is vital to maintaining CSR during tough times.</p> <p>Community support will be necessary to provide the stimulus for businesses to absorb the cost of CSR until such time as a critical mass of businesses achieve nominal CSR levels and the cost of CSR is no longer a competitive disadvantage.</p> <p>A regulatory body will be required to manage and enforce mandatory reporting. It will be necessary to include standards advocated by community groups.</p> <p>Community consultation is mandatory for developing a basis of reporting, as it will be the community which responds to business activities/achievements with their support, or with avoidance of any business based on reported results.</p> <p>Opportunities will arise for private RTOs to provide education for businesses on the implementation of reporting, and training opportunities for practitioners to work with business to implement CSR fundamentals.</p> <p>Consumers are becoming increasingly aware of 'real' sustainability and morally aware of long term impacts of business activities. Businesses which actively pursue a CSR philosophy will attract favourable benefits and increased market share.</p>
<p><i>Commentary: Implications for Education and Training</i></p>	<p><i>As community groups continue to advocate for CSR and broad sustainability, more companies will need to understand both how to respond to such pressures and how to introduce a CSR agenda that is appropriate for them. Importantly, the increasing transparency enabled by the internet will increase the capacity of companies to report, and decrease their capacity to not respond. Smaller companies may have a more local perspective and deal more with local communities face-to-face. Underneath this shift in behaviour is a slow shift in values and cultural norms towards the value of more sustainable practice and social benefits in addition to profitability. Educationalists will find it advantageous to anticipate this in their general coursework, and may extend to specific coursework on CSR and on community liaison within mainstream courses, as a mandatory component not just an 'add on'. Also, importantly, every company is different – so a diagnostic component is needed to education rather than a 'one size fits all' approach.</i></p>

2 Government Intervention to Instigate CSR principles	Government will implement a national framework (eg: a National Sustainable Economy) with a strategy, standards and targets for CSR, incorporating social and environmental measures (eg: a carbon price). The framework will include both NGOs and business. The National Framework will be instigated by legislation, and administered by a dedicated Minister. The legislation will cover penalties for non-compliance; incentives to encourage and reward compliance; mandated corporate governance standards; and the integration of CSR/sustainability principles and practice at all education and training levels (schools, TAFE, Universities, Business, Trade Associations).
Participants Insights	
	<ol style="list-style-type: none"> 1 The actual method used to build the national framework, including its structure and development process needs to ensure different perspectives are incorporated. 2 An impetus for the strategy may require growing community demand for a framework. The need for Governments to act in commissioning the framework is more likely to result from voter pressure in marginal seats than business needs or demands. 3 There will be a need to fund the roll-out of this strategy; taxes raised from the 'carbon price' present a potential funding stream. 4 Implementation of a CSR framework would be a large scale project that will require training, marketing, etc. Without being adequately developed and sold, the legislative framework would be at significant risk of failure. 5 There is doubt whether the Government has the capability of implementing and managing a national CSR framework. Such a strategy will require resources the Government has not shown it has at this stage. 6 The framework provides clarity and structure for the 'green/socially responsible' markets providing a greater confidence for organisations to enter these market segments. It can ensure consumer protection by being able to assess the legitimacy of CSR claims (analogous to Certified Organic labelling). 7 The framework creates an environment/pathway for CSR to become a standard required for business discipline in fields like finance, HR, marketing, IT, etc. The issue of whether CSR is to be included as part of a business will not arise, as it will be a core function of all business. 8 The framework discourages business from starting/growing/maintaining operations in Australia due to increased costs associated with complying with the framework. Such enterprises argue it is easier and cheaper to operate in countries with less strict legislation or CSR framework. 9 The framework's adoption would stimulate economic activity by creating market opportunities for education products in all business and industry sectors.
Commentary: Implications for Education and Training	<p><i>While the probability of such a move by the Federal Government is low, its impact would be very high. Incumbent on such an initiative would be an education program, based on a national skills framework, which built the capacity of Australian businesses to rise to the challenge. There already exists a national standard – AS8000 – but it has not been substantially adopted, suggesting a more formalised national framework would need funded and/or mandatory measures. For educators, the question then becomes what standards to teach to and these would need to be clarified.</i></p>

<p>3 Business Associations Lead CSR collaboration</p>	<p>Business Associations will initiate and oversee a collaborative approach across governments, businesses and trade associations to: demystify the purpose and practice of CSR through offering education programs using a simpler CSR terminology; identify champions, case studies, KPIs and incentives that improve CSR; support trade associations to run seminars and include CSR principles in their code of behaviours; promote disclosure of costs/benefits and identifiable outcomes from CSR projects; and distribute CSR information across communities and workplaces.</p>
<p>Participants Insights</p>	
<p>1 2 3 4 5 6 7 8 9</p>	<p>Business associations will have a significant role to play in enabling the business community to understand CSR. They can do this through education and advocacy that is credible, accessible, understandable and relevant.</p> <p>Business associations can provide leadership on how smarter thinking can lead to longer term resilience so that serial catastrophes (physical, environmental, financial, natural disasters) are better managed.</p> <p>The further adoption of a CSR industry similar to OHS, Workcover, Quality, etc will lead to the emergence of new jobs and careers.</p> <p>A CSR reporting framework will guide business associations regarding content and future activity.</p> <p>CSR uptake by business will be partly driven by incentives and tax minimisation schemes.</p> <p>Governments will find that dealing in partnership with businesses exhibiting good CSR practices produces better outcomes and generates greater community support than just running advertising.</p> <p>CSR is more than a carbon tax and should a carbon tax be introduced there is likely to be significant damage to business balance sheets which in turn will inhibit their ability to lead in CSR (and other areas). CSR will develop separately, but with some reference to carbon.</p> <p>Community discourse about the role of business and the nature of wealth is rising, as are changes in the values held by individuals and groups. Responsible investment and a shareholder voice for example will drive businesses and their associations to move towards greater discussion of what wealth really is.</p> <p>Business associations are doomed because they will be unable to meet growing expectations of consumers.</p>
<p><i>Commentary: Implications for Education and Training</i></p>	<p><i>Business Associations, unfortunately, generally do not have a history of taking leadership in the social and environmental changes impacting their industry, but tend to react to protect members' status quo. However, there may be opportunities for particular educational or training entities to work with an association in improving members' positions in this regard. If so, the general lessons drawn elsewhere in this document can be applied in light of the particularities of the industry. Educating an industry to seek commercial advantage in the new situation is preferable to giving them generic or factual information, especially with small business. Using examples, case stories, and stressing the link to reduced costs and new business opportunities will be essential. An exploratory method can seek opportunities not just for incremental change but 'game-changing' transformations. Small groups in supply chain relationships can work together, less constrained by competitive advantage.</i></p>

<p>4 Practitioners Enhance Adoption of CSR through Networking</p>	<p>CSR practitioners will grow networks of businesses prepared to publicise both successes and blockages experienced at all scales of society when implementing CSR principles. The intention is to create an acceptance of CSR through networking, as an ethical imperative of business. The Networks will take on the responsibility of being a conduit of CSR into both formal and informal learning activities, lobbying for the creation or amendment of CSR empowering legislation and the informing of the wider community.</p>
<p>Participants Insights</p>	
	<ol style="list-style-type: none"> 1 CSR networks can produce many positive outcomes including: organisational efficiency by sharing best practice; focus on 'green' elements; climate focus on mitigation issues; advocate for best 'green' products; establish a web site; exercise political influence; develop/advocate for training programs. 2 Producers of green products are strong supporters of CSR. There may be a correlation between levels of acceptance of CSR and consumer demand for green products. 3 CSR networks should advocate for/create education and training programs. 4 Legislation/mandatory reporting will give impetus to the advancement of CSR. 5 The introduction of a carbon tax would force government and business to collaborate leading to greater awareness of CSR issues.
<p><i>Commentary: Implications for Education and Training</i></p>	<p><i>Partnerships with CSR practitioner networks will give educationalists many advantages: peer knowledge, up to date advice, reality checks, links and further advice, and case stories. Much of this will be about practical skills for implementation processes, but the difficulties of introducing CSR in organisational contexts will also be manifest. Using such networks at the start of a curriculum development process will be more advantageous than bringing in guest speakers at a late date or in an uncoordinated fashion.</i></p>

5 Education Takes on Socially Responsible Business Practices	Educational institutions, supported by government and private finance, will conduct discussions with business, community and employee associations to develop curricula for CSR. The curricula will be based on the systems and processes that have proved successful in recent years. Education programs based on the curricula will be offered at all levels of learning with the initial emphasis on trade and professional development courses.
Participants Insights	
1	Without both government financial commitment and business valuing graduate knowledge, courses will quickly peter out from lack of enrolments. Further, if courses become biased towards 'green' or any other single populous issue rather than broad CSR principles, the pool of potential students will be too small to sustain courses.
2	For CSR to be a fully-fledged aspect of business, mandatory training in CSR will have to be included in both trade and professional courses offered by many institutions.
3	Significant events that highlight the need for ethical behaviour that affect broad sections of the community will have to occur before demand for CSR training reaches a critical mass. That is, catastrophic events from unethical behaviour or proactive legislation requiring business adherence to CSR principles.
4	There are increasing expectations for a CSR education process but the expectation has a low profile and will not be driven by business until the profile is much higher.
5	CSR education programs could distort market forces through failing to focus on 'real' business circumstances – especially in times of crisis management events. This situation will be aggravated if teachers with little business experience are in charge of courses.
6	Business endorsement will depend on courses being taught by staff with credible business experience as well as CSR knowledge. Further, the content will need to be flexible to cope with changing business circumstances within the broad intentions of the CSR agenda.
7	Training courses will receive support from organisations wanting to quickly enhance their CSR image, those seeking employment in businesses with a strong CSR perspective and those specialists (marketing, strategy) wanting to keep abreast with community ethical expectations of business.
8	Standards being expected in various sectors are not necessarily consistent with diverse influences such as cultural, national, and academic discipline preferences being added to unique industry perspectives. Any course will have to acknowledge these differences while establishing a process that meets any reporting requirements on business.
<i>Commentary: Implications for Education and Training</i>	<i>The current pattern of CSR/sustainability related courses is one of additions to mainstream coursework or specialist coursework at the tertiary level, and an emerging 'Greentech' body at the technical training level. The tertiary work tends to be 'about' CSR – albeit with practical assignments, rather than 'for' CSR in the sense of 'how-to' coursework. Other organisations in the private or non-profit sectors offer more hands-on courses. The challenge for educators is to both integrate CSR/sustainability into coursework and to stress the practical rather than the theoretical. Secondly, addressing individuals in the system, but not the parties to a system (eg: board, senior team, departments, suppliers, workers, customers...) can create dysfunctional cultural dissonance. For University practitioners, this is doubly problematic as their educational paradigm is one of 'individuals studying' rather than one of 'groups doing'. California's 'GreenMBA' is remarkable both in that it breaks this nexus and that it is yet an anomaly. Educators and trainers are to be encouraged to work together, to operate at the level of the system not just the individual, to mix the practical and theoretical and to maintain tight links to industry figures grappling with real issues.</i>

6 National Commission Resources CSR Activities	A national awareness and education program conducted by a government sponsored CSR Commission will provide business managers with the background and broad principles of CSR, including benefits and standards. The Commission will develop specific sets of competencies for boards, business managers and line staff in various sectors. Material that already exists in state-based systems will be used as a starting point. The program will be rolled out nationally complementing international standards such as those in GRI or ISO protocols.
Participants Insights	
1	The expansion and broader acceptance of CSR practices by business is dependent on 'good' economic times. In 'bad' times, resources are directed towards survival strategies.
2	There is strong support for this concept across all workshop contributions – ie: that such a commission would provide strong leadership as an educative and regulatory body.
<i>Commentary: Implications for Education and Training</i>	<i>Were such a program to eventuate, it would give a green light to educationalists. However, the pressing issues of carbon (ETS) and water (Murray-Darling) are at the forefront of political issues and CSR is not. Some measures to better manage the financial sector will emerge from the GFC, but there are no evident moves afoot to introduce wider CSR programs. Rather, they will likely come from the adoption of international standards in integrated accounting and reporting. Nonetheless, educationalists will be well advised to support any such moves should they arise, as they will result in increased need for CSR knowledge and skills.</i>

Appendix 3: Workshop insights on Insurance

Table 2.2 CSR and Insurance	
1 Carbon tax launched	After a decade of talk, the Carbon Tax agreement reached between the Greens and the Government has passed through Parliament. The line in the agreement that allowed it to happen was the commitment to transparency in the collection and expenditure of the Tax. Whilst highlighting the lack of trust between politicians, the new agreement will be watched by governments around the world as a potential universal model.
Participants Insights	
1	If a political group like the Greens is prepared to adopt CSR language in their advocating of a carbon tax or other sustainability issues, it will assist CSR practitioners and educators to gain greater understanding and recognition of their work. Alignment with the current CT debate is essential as is picking up the public's call for transparency in the carbon debate.
2	Curriculum material used in CSR training must be continually updated to incorporate and feature CSR issues undergoing public debate and scrutiny. In this way, CSR training can respond to the challenge that it needs to be immediately relevant to graduates in the workplace and not just a general interest background subject.
3	Major issues in the public/political domain such as 'carbon taxing' that raise questions about businesses' ethical and social responsibilities are fertile opportunities for CSR education programs to establish their importance and worth for enhancing business vitality and sustainability.
4	Existing networks of CSR practitioners and educators have an excellent chance to demonstrate their worth to business by sharing information on Carbon Tax response and management techniques that enhance the Corporate Social Responsibility profile. Networks would need to be proactive (before Carbon Tax is law) to get maximum leverage.
5	Opportunity should be taken to attach a holistic outline of CSR to all training programs designed to assist company auditing, assessing and reporting on single issue events like Carbon Tax. That is equipping people to answer the question: Why are we addressing this issue and not just the nuts and bolts or what the law requires?
6	On one hand, high profile issues like the implementation of a Carbon Tax can be utilised as indicators of a fundamental change in the business environment towards a 'green' social responsibility culture and a significant opening for CSR training. On the other hand, the hype and 'spin' around the single issue is so intense it diverts attention away from the bigger picture, which makes attention to a holistic approach to CSR training more difficult.
7	CSR will come under strong attack if it becomes too closely linked to single issue factors like 'carbon tax' from those who oppose any attempt to use social issues to distort market forces. This opposition would be escalated further if it can be demonstrated a particular political ideology (say, Greens) is backing the move, since such ideologies are blind or at best naive to economic performance and thus dangerous to business. Such opposition could lead some industries like Mining and Power Generation to withdraw support for any form of CSR.
8	CSR educators need to be part of the Government's advisory team on structuring the carbon pricing process to ensure the concept of CSR is foundational and articulated in the Government's rhetoric to both the public and business community.
9	The Carbon Tax debate will divert attention from CSR unless the CT debate can be broadened by CSR 'experts' to show how CT is a manifestation of the wide lack of CSR in Australian business. Getting an appreciation of the bigger CSR picture will facilitate a better quality of debate, and thus outcomes, when single issues like CT arise from time-to-time.
<i>Commentary: Implications for Education and Training</i>	<i>The advent of a carbon tax or price offers educators leverage in the CSR field, by providing a public and mandated core issue. Why are we costing carbon? What other impacts are now externalised but may be next? Would not the wise firm begin to insure against these by reducing usage? Water and energy, land use, waste, chemicals? All of these are costs to the firm and to the environment and green groups have them in their sights. The REACH standards in the EU are a good example – high chemical standards and if you want to sell in the EU you need to adhere to them. Anticipatory education will be of value in this now escalating process of costing environmental impacts. A second issue arises from the transparency and accountability. A carbon tax or price raises a need to count it and cost it. Thus, we lead into integrated reporting of financial and non-financial performance, as is now under discussion in international accounting circles, and in Australia. The wise firm would anticipate having to soon move its systems to such reporting, and will find there are hidden costs to be revealed and saved. Again, mainstream business education can help awareness and preparedness in this regard.</i>

<p>2 People ask: what is the role of business in society?</p>	<p>"From the student to the mother, from the worker to the volunteer, people across the country are asking – what's going on? No, they weren't listening to Marvin Gaye songs; they were questioning the role of business in society. What are their responsibilities? Does the company have a duty to more than shareholders for how it runs its business? However, what if you are a shareholder? Do you take the money and run or accept perhaps a lower return for decisions made to limit the impact on people or the environment? Pressure is mounting ..."</p>
<p>Participants Insights</p>	
	<ol style="list-style-type: none"> 1 The community's current perception of CSR is not one of a strong connection to fostering more ethical and sustainable business practices. The two are not connected with CSR which is more about a 'feel good' experience, making it an unlikely leader for changing business culture. 2 Opponents to CSR will seek to dissuade even the most active campaigner from change by focusing on the individual's personal loss of resources through business passing on higher costs. The message being that it's the public, not business, that loses out from meddling in the market processes. 3 The absence of a collaborative program between business and academics to shape CSR courses so they are realistic (in business terms) while being sensitive to ethical and ecological goals will undermine CSR credibility, if and when it is called to train change agents. 4 The 'tipping' point for a changed business culture will occur when a critical mass of businesses decide they will act in all their dealings according to CSR principles. Other activities may encourage the change but only business can cause the change. 5 Public debate on the role and function of business in the 21st century is the only way change will be catalysed. However, the leadership to sustain and inform such a debate is not apparent in Australia. What voices there are pursue separate and often mutually exclusive paths. 6 The final battle for CSR as an accepted core of business practice will be fought between shareholders who must allow the company to put the common good ahead of shareholder dividends. Moves by consumers to shift their dealings to companies shaping their business from CSR principles may catalyse the battle. 7 If a serious challenge to exploitative business practices is mounted successfully, the current educational programs will not be able to meet demand – which may cause the movement for change to stall.
<p><i>Commentary: Implications for Education and Training</i></p>	<p><i>Does education lead or follow value shifts in society? Since the Enlightenment, western society has valued education as an opening of minds and a vehicle of progress. The forward-looking educationist will mesh CSR issues in coursework that considers the ethics, role and goals of wealth creation. Trainers will assist trainees to reflect on the implications of their technical prowess. The integration of CSR into company practice will require parallel integration in business education, and the latter can help drive the former. Student demand will in many cases drive educational change, as each wave of students brings with it contemporary concerns and challenges to older values. Anticipating such change, learning methodology may also shift from case studies of past business scenarios to 'thought experiments' of future dilemmas and cases of change. The role of the educator in this era of transformation will also change to one of 'facilitator' to reflect the high level of autonomy and reflectivity warranted by such CSR-oriented change in business culture. The GreenMBA www.greenmba.com at Dominican University of California offers an example of transformational learning processes, while some universities and colleges in Australia are heading down different paths towards the same goal: a workforce that enacts changing social values towards environmentally sustainable and socially beneficial wealth creation.</i></p>

3 Buyers looking for genuine 'green' products.	Sales figures are showing that customers are seeking out and are prepared to pay more for products exhibiting genuine 'green' production. Companies are responding by changing their practices to ensure that they meet the high expectations of customers. The government is assisting consumers by increasing the penalties for companies presenting fraudulent green credentials.
Participants Insights	
<ol style="list-style-type: none"> 1 2 3 	<p>There is a significant opportunity for CSR under this scenario, if the CSR community is able to 'own' 'green'. The challenge therefore would be to tighten the link and show how CSR practices are genuinely green (in the sustainability sense) and that the CSR community is the moral and legitimate authority on 'green'.</p> <p>Voter support for 'green' will improve the Government's appetite to legislate the principles and practices of CSR if they appreciate the concept of sustainability as husbanding business as well as the planet. However, this opportunity will only be available if the CSR community is itself moral and credible.</p> <p>CSR education programs need to facilitate the study of the functions CSR may have in many different scenarios like these, so that practitioners are able to respond to unexpected and unplanned for circumstances.</p>
<p><i>Commentary: Implications for Education and Training</i></p>	<p><i>'Greenwash' is a growing marketing tool and it reminds us that CSR/Sustainability needs to be as hard headed as the business practices it seeks to modify. Coursework needs to address the issue of credibility and ethics, while perceptions of it are as a soft greenie option. For this reason alone, green and ethical business practice needs to be embedded in all coursework, not offered as an option or an extra. Skepticism can be fostered in coursework via assignments that assess claims vs. reality, life-cycle assessment, or marketing inputs and impacts vs. social/environmental inputs and impacts. At the same time, CSR models need to support, not undermine, businesses in order to be themselves sustainable – so one role of the educator is to assist students to discover how this might come about, since there is no clear rule on ROI in this field.</i></p>

<p>3 Fire and Floods – Climate Change has arrived</p>	<p>Extreme weather events across Australia and the world have created an 'every person for themselves' culture. Where communities struggle to access basic services such as potable water, electricity, roads, food, etc., altruism has been the victim of climate change. Governments are battling to meet the demand on services, and the private sector is crumbling, politicians are at a loss to what policies to adopt to fix this 'wicked' state of affairs.</p>
<p>Participants Insights</p>	
<p>1 2 3 4 5 6</p>	<p>Extreme events create a narrowing of focus towards survival strategies. Whether those strategies incorporate CSR principles will depend on the quality of 'crisis management' preparation education. Have learning activities about 'rescue' plans incorporated moral mitigation responsibilities around the causes of the crisis.</p> <p>Catastrophes initiate questioning of current practice creating an opportunity for a CSR network to promote other ways of operating as post-catastrophe rehabilitation planning proceeds.</p> <p>Climate crises will be so severe that resources for CSR will not be available. Neither will the mental focus and energy, as the crises reduce people to self-interested survival behaviours. Planning for CSR needs to accommodate the human instinct for survival at any cost during crises.</p> <p>A National Commission could play a valuable advisory role in crisis in advocating and enunciating the 'moral' value of incorporating CSR, no matter what the profitability of a business may be. Government can do much by supporting a National Commission in this role.</p> <p>Crisis management requires the adoption of specific and often very narrow goals to enable recovery – this will require an enterprise to be able to also select among CSR principles ones that are foundational to the business and which can aid recovery. Ways of selecting between CSR principles or activities needs to be included in crisis management educational programs.</p> <p>CSR education should not assume that the business landscape is predictable or stable but include information of how, even in crisis management, CSR has a contribution that adds value to any operation.</p>
<p><i>Commentary: Implications for Education and Training</i></p>	<p><i>CSR education has two roles in regard to the anticipated rise in critical climate events: prevention and recovery (matching mitigation and adaptation in response to underlying climate change). In the case of the first, it falls to educators and trainers to enable new business owners, managers and employees to understand both mandatory and strategic measures they will be faced with. In the case of the second, many businesses will face threats in operations, markets, resources, property or product. Some may face opportunities for new products or services. All will need at least to include climate change in their strategic considerations and risk management. At a deeper level, increasingly turbulent time warrant business processes that are flexible, alert to weak signals, robust.</i></p>

4 Corporate Social Responsibility Reporting Frameworks	"Mandatory integrated reporting requirements have been legislated and cover all company reports, both public and private. Further, ratios of spending on CSR projects to business turnover have been recommended for an implementation period of 3 years. To encourage company participation, compliant companies will be listed annually. National standards will be set by ASIC and Standards Australia after a trial period." – Potential future ASIC announcement.
Participants Insights	
1	Mandatory reporting implies everyone knows what has to be reported and why. Such questions are extremely contentious and with the arguments about business confidentiality, such legislation would falter on the detail or be tied up in the courts. An initiative to mandate CSR reporting is dependent on a credible, recognised and widely understood reporting framework.
2	The roles of educator and regulator will need to be separated or CSR's value will be lost in a sea of red tape.
3	Heightened demand for CSR courses could ignite academic turf wars leading to confusion of standards. This confusion may be further fuelled by an absence of internationally recognised standards that training institutions can build on.
4	Mandatory reporting will provide a new window on business and as such many opportunities will arise to develop innovative CSR programs. However, it is doubtful that current practitioners are sufficiently diverse or entrepreneurial to respond to these opportunities leaving a very narrow Best Practice profile.
5	Demand for trained reporting administrators will see a weakening in broader CSR training, depriving Australia of innovative thinking about CSR principles adding value to business.
6	Demand for training places outstrips local capacity to offer places, which leads to a host of international training agencies operating in the field who do not necessarily offer courses shaped by Australian business needs.
<i>Commentary: Implications for Education and Training</i>	<i>On the one hand, two Australian Federal inquiries into CSR have rejected mandatory reporting. On the other hand, both the technology and pressure for greater transparency is growing. Tighter controls and greater accountability for banks is already well advanced. Work on international accounting standards, integrated reporting and sustainability indices is also proceeding apace, as are emissions and carbon accounting. Business can expect public accountability to grow rather than reduce. Educators have a central role in preparing administrators for this upcoming expansion, and in enabling businesses to convert obligation to advantage. Some professional bodies (eg: in Accounting) are already working on this issue. Professional education in the business schools will need to anticipate increased demand for skills in reporting and auditing social/environmental impacts. As businesses increasingly count the cost of waste or overused resources, technical staff will be called on to revise processes to gain increased efficiencies. Packaging, waste, supply chains and logistics will be more rigorously appraised. The best insurance a business can buy in this regard is to lift the capacity of its people and systems to count what matters and reduce exposure. Educators and trainers will find a growing need in this field.</i>

Endnotes

- 1 <http://www.westpac.com.au/about-westpac/sustainability-and-community/social-and-community/cape-york/>
- 2 <http://www.bhpbilliton.com/bbContentRepository/docs/sustainabilitySummaryReport2009.pdf>
- 3 <http://www.fostersgroup.com/community/community-partners.aspx/>
- 4 <http://www.nabgroup.com/0,,102041,00.html/>
- 5 <http://www.windtunneling.com//>

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