An investigation into the decision to communicate Corporate Social Responsibility initiatives.

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DECLARATION

I declare that this dissertation is my own account of my research and does not contain work that has been previously submitted for a degree at any institution or for publication without due acknowledgement.

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December, 2007
ABSTRACT

The concern over climate change and the resultant focus on reducing waste, water and energy use has led to new and innovative product, recycling and sustainability solutions within many markets. It has also created a plethora of television programmes, websites, newspaper and magazine articles and increased parliamentary debate which has served to raise public awareness of the issues to be faced. And yet, even given the opportunities provided by the increased coverage of these topics in mainstream media channels, there appears to have been very little increase in communications for companies that produce these products or engage in CSR initiatives. In contrast to the majority of literature regarding Corporate Social Responsibility (CSR) communications, this investigation was concerned with CSR marketing communications rather than CSR reporting. This study is timely given: i) the increased awareness of environmental issues and the resultant focus on reducing waste, water and energy use; ii) the media discourse, public and parliamentary debate regarding climate change and corporate collapses, and; iii) the increased scrutiny of business practices and corporate governance by both regulatory authorities and members of the general public. It would appear that the aforementioned concerns might create an appropriate environment in which corporations that engage in CSR may spruik their initiatives. This investigation aims to explore the reasons behind organisations’ CSR communication decisions in an effort to identify the possible barriers and facilitators to CSR communications. To this end, semi-structured interviews with Marketing and CSR Managers from five large organisations were conducted. Information gathered during the interviews indicated that whilst all of the participating organisations engaged in different and varied methods of CSR communication, only two of the organisations engaged in mass communication (television advertising) of their CSR initiatives. The data collected during these interviews also revealed seven barriers and three facilitators to CSR communications. However, it is important to note that two of those seven barriers (industry practices and timing), were also identified as facilitators to CSR communications. Finally, as is consistent with current knowledge, the third facilitator to CSR communications (integration of CSR within the organisational culture) was found to be important to both the success of CSR programmes and their associated communications.
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CHAPTER ONE: INTRODUCTION

1.0 Corporate Social Responsibility

Businesses that engage in Corporate Social Responsibility (CSR) implement programmes that satisfy the triple bottom line: social, environmental and economic (Dawkins 2004a; Lewis 2003). In other words, CSR programmes benefit society, the environment and fulfill the financial goals of the corporation. There is evidence that CSR corporations are also achieving competitive advantages that include both tangibles, as in the case of resource productivity (Porter and Van der Linde 1995 p.8), and/or intangibles which include brand power or reputation. CSR can serve to improve a corporation’s reputation, but if this is to occur, both CSR and corporate reputation building require effective communications strategies.

Communications are essential to the success of CSR programmes and play an important role in the development of brand power, by firstly creating awareness and then reinforcing the image of the brand and its associated product or service. Mass media communications channels including print (newspaper, magazines and billboards) and broadcast (radio and television) are very effective in raising awareness and establishing interest (Baker et al. 1998). Many CSR companies utilise mass media for the purpose of advertising their core business or products and yet they do not always take these same opportunities to communicate their CSR initiatives. This investigation aims to explore the reasons behind this paradox.

1.1 Background to the Study

The notion of corporate philanthropy has existed for decades with companies supporting charities, local communities and environmental causes. In the past, corporate philanthropy has been viewed mainly as a public relations exercise. However, businesses are beginning to realise there are greater opportunities attached to their philanthropic endeavours (Teissonniere 2005). In the case of commercial entities, “giving” is therefore more strategic than entirely altruistic and is now more likely to come under the heading of Corporate Social Responsibility (CSR) rather than philanthropy (Teissonniere 2005). For example, a mining company may
give generously to a local community, but in return they may also want access to the natural resources to be found in that area. In this way, both corporate objectives and the needs of the local community may be met.

The push towards CSR has come from several directions; corporations themselves, stock market indices and rating systems, governments and consumers. Blumenthal and Bergstrom (2003) argue that CSR has “moved from the organisational periphery to its front and centre” (p.327) as businesses realise the relevance of CSR to the corporation’s reputation and brand. This business trend towards “responsible” activity is reinforced by the creation of the RepuTex Social Responsibility Ratings, the Dow Jones Sustainability Index and the FTSE 4 Good Index which communicate a company’s performance on both financial and non-financial criteria (Hanson et al. 2005; López et al. 2007).

Businesses may also be encouraged by governments who are recognising the importance of CSR and establishing regulatory authorities (Teissonniere 2005). Over the past few years many positions and regulatory bodies have been created by governments in many countries. The following list is just a few of these: Britain has a CSR minister, Global Compact was created by The United Nations, a Green Book which promotes worldwide CSR practices was developed by the European Union and the Australian Federal Government has introduced the Community Business Partnership Scheme.

Finally, the general population is becoming increasingly aware of issues of sustainability which in turn are leading to consumers changing their behaviour and demanding more from companies; businesses becoming more sensitive to the needs of the community, their employees and the environment; and increased coverage and scrutiny from the media (De Oliveira and Gardetti 2006). Van Yoder (2001) argues that easy access to information empowers consumer activist groups who, via the internet, can initiate boycotts almost overnight thereby damaging a company’s reputation and decreasing brand equity. Van Yoder (2001) cites Monsanto as an example of a company that attempted to “force its line of bioengineered agricultural products into world markets” (p.40) it faced intense pressure from
farmers, environmentalists, food retailers and consumers which led to adverse publicity and negatively impacted the company’s share price (Van Yoder 2001).

There appear to be many reasons for corporations to behave responsibly. Consumers expect it, governments, through the implementation of regulatory controls demand it, and corporations realise that responsible behaviour can be “good for business” and are engaging in CSR voluntarily.

1.2 Rationale for this Study

Corporate Social Responsibility (CSR) may have been around for decades but it has recently attracted more attention, primarily due to the debate in parliament, the media and public discourse concerning climate change and the environment, along with the effect of corporate collapses on investors. These discussions are of particular interest to Australian corporations as they operate within a nation that:

- Is rich in natural resources and heavily reliant on the export of those resources as evidenced by the recent resources boom in Western Australia and the government’s determination to consider nuclear and clean coal technology rather than energy alternatives such as solar or wind (Dowling 2007; Hannam 2007).
- Is governed by an administration that was once reluctant to acknowledge that climate change was a direct result of human activity, but is now considering ‘greener’ forms of energy supply and carbon trading schemes (Hannam 2007; Kleinmann 2007).
- Contains a population that expects greater transparency from, and places increasing demands upon, corporations to take responsibility for the environmental and social impacts of their businesses (Van Yoder 2001 p.40).

The concern over climate change and the resultant focus on reducing waste, water and energy use has led to new and innovative product, recycling and sustainability solutions within many markets. It has also created a plethora of television programmes, websites, newspaper and magazine articles and increased parliamentary debate which has served to raise public
awareness of the issues to be faced. And yet, even given the opportunities provided by the increased coverage of these topics in mainstream media channels, there appears to have been very little increase in advertising for companies that produce these products or engage in CSR initiatives.

Many CSR companies utilise mass media for the purpose of advertising their core business or products, however, they rarely use the same mass marketing channels to communicate their CSR initiatives. CSR information and communications are generally relegated to corporate websites. Whilst websites play a part in a company’s integrated marketing communications, they are not a mass marketing communications tool as they do not send the same message to many people at the same time (Belch and Belch 2004). In order for consumers to access CSR information stored on websites, they must firstly be aware that the company engages in CSR activities and secondly make a conscious effort to seek out or locate the CSR information. How does a consumer initially become aware of a corporation’s CSR initiatives?

Marketers commonly use mass media advertising to create awareness. Awareness is the first stage in some of the commonly used response hierarchy models, (DAGMAR, AIDA, and Hierarchy of Effects). In their table outlining the response hierarchy models of advertising effect, Baker et al (1998) cite some of the better known cognitive-affective-conative (CAC) communications models in which it is assumed a consumer “…proceeds from awareness (cognitive) to preference (affective) to action (conative)…” (p.118).

Whilst there is some debate over the assumption that consumers will follow the steps sequentially and that being aware, automatically leads to action or final purchase, these models are still referred to by marketers (Baker et al, 1998). In fact, Colley’s (1961) model DAGMAR (Defining Advertising Goals for Measured Advertising Response) is used extensively by marketers for setting and measuring advertising/marketing communications objectives (Belch and Belch 2004).

The first step in DAGMAR and other hierarchy response models is to make the consumer aware of a brand, good or service of which they were previously unaware and this aim is
achieved through advertising. Mass media communications channels are especially effective in raising awareness and creating interest (Baker et al. 1998). However, advertising is not only used to raise awareness; it can also be used to help reinforce positive attitudes or alter negative attitudes about a brand or product (Belch and Belch 2004).

Companies stand to gain many advantages by mass communicating their CSR initiatives. At the most fundamental level, mass communication serves to raise awareness of a company’s brand and its products as illustrated by the CAC models. Therefore those companies manufacturing environmentally friendly and ethical products should benefit from communications, by gaining greater brand awareness in the market place and potentially increasing sales. Companies that communicate their CSR efforts stand to gain even more. These companies can improve their brand power or reputation, encourage word-of-mouth promotion, increase trust and brand loyalty and make consumers more resilient to negative information about the corporation (Bhattacharya and Sen 2004; Blumenthal and Bergstrom 2003; Dawkins 2004b). More importantly, perhaps, is the fact that the public appear to want such communications (Blumenthal and Bergstrom 2003). Indeed, some would argue that the public not only want to hear about CSR but positively demand the information (Lewis 2003).

In summary it would appear that the advertising of CSR initiatives would be beneficial, especially as: the issue is topical; consumers are likely to be receptive to CSR messages; the opportunity exists; there are competitive advantages to be gained and brand power to be earned. So, it is with some surprise that Dawkins (2004a) found communications is the “…missing link in the practice of corporate responsibility, especially to mass audiences…” (p.2). This notion is supported by Bhattacharya and Sen (2004) who found that “…consumers’ lack of awareness about CSR initiatives is a major limiting factor in their ability to respond to these initiatives…” (p.23). This begs the question: Why are companies not taking this opportunity to advertise their CSR efforts?
1.3 Possible Reasons for not Communicating CSR Initiatives

There are a few reasons why corporations may decide not to communicate their CSR initiatives and they include:

i) Fear of increased scrutiny

Corporations that communicate their CSR initiatives, whether in the form of a non-financial/sustainability report or an advertisement, are making claims that may be scrutinised by the public and/or regulatory authorities which may not serve the interests of the corporation. One well-known example is Nike. In the 1990s, Nike was accused of employing sweatshop labour. The company launched a large media campaign in which they claimed to have addressed their critics’ concerns and improved working conditions in their factories. Marc Kasky alleged Nike’s claims were misleading and sued the company under the unfair competition and false advertising laws. The case went all the way to the Supreme Court in America and was finally settled five years later with Nike agreeing to pay $1.5 million to the Washington, DC-based Fair Labor Association (SustainAbility 2007).

However, the question of exposing the corporation to increased levels of scrutiny by advertising its CSR initiatives may not be as hazardous as choosing not to advertise these initiatives. If, as Westcott (2004) contends, companies are already under increased scrutiny as the realities of resource depletion and the environmental cost of business become apparent to both the public and the regulatory authorities, companies may soon be compelled to disclose their solutions for addressing these concerns. In fact, Bollen (2004) suggests that a good corporate reputation serves to decrease the impact of public scrutiny. It seems, therefore, that a corporation that decides to communicate their CSR initiatives may not be able to avoid scrutiny, but they can minimise the risk associated with making their CSR efforts known by assuring that the claims they make are correct and honest.
ii) Lack of Integration within the Business

A lack of integration between the communications or marketing departments and the CSR department can lead to conflicting business goals. Fan (2005) argues that non-branding decisions that are made at a business level often do not consider ethical issues; they are financially rather than ethically motivated. For example, imagine a clothing manufacturer has decided to develop a new range of organic cotton garments. The procurement team has sourced the organic cotton fabric that is to be cut and sewn into garments. The production team has found a company in China whose quote for the manufacture of the garments is much lower than any of their competitors’ quotes. However, the production team knows that this company is employing “sweatshop” labour to produce the garments for such a low price. How can this clothing company claim to be doing something “good” for the environment if it is achieved at the expense of members of a community? This purely hypothetical example serves to illustrate how a lack of integration between business units can not only potentially damage brand image and corporate reputation, but also make communicating CSR initiatives difficult.

However, the issue of conflicting goals between business units may not be such an issue if CSR were an intrinsic part of the corporation’s culture. Middlemiss (2004) stresses that before CSR activities can be communicated to external stakeholders, CSR must be firstly embedded within the organisation. Castka et al (2004) concur and have developed a framework that incorporates CSR into a single management system, thereby embedding CSR into management processes and enabling a holistic view of the business. A corporation’s commitment to CSR would therefore be displayed at all levels, within all departments during day-to-day operations (Danastas et al, 2006).

Lydenberg (2005) argues that tools such as mission statements and corporate vision statements have been developed to help corporations integrate core values with their business. These tools help to state the company’s aspirational goals, guide corporate culture and incorporate societal values, thereby aligning the business with community concerns. These tools also assist companies in integrating CSR into their management practices and clarifying the ethical
decision-making process for business units. Whilst integrating management systems may require additional time and resources in the implementation stages, a company without a clear and cohesive CSR message runs the risk of being accused of “greenwashing” or having their CSR programmes labeled a “public relations invention” (Castka et al. 2004 p.221)

iii) Business to Business Products and Services

Some mass media channels may not be the best communications medium for business to business suppliers. Business to business suppliers may advertise in trade or industry magazines and use sales representatives, agents and other intermediaries. If CSR is of importance to an organisation and their buyers or suppliers they may use methods such as due diligence checks and ethical procurement policies to guarantee compliance with their “code of ethics” or CSR guidelines. It is likely that these policies would be communicated via a person-to-person approach rather than through a mass communication channel.

iv) Do not use Mass Media Channels

The company may supply goods and services, but do not engage in mass communications of those, and see no reason to do so for their CSR initiatives.

v) Do not wish to be seen to be leveraging CSR for marketing purposes

Corporations may be concerned that advertising their CSR efforts could lead consumers to perceive the corporation as self-serving rather than truly concerned with environmental or social issues. Blumenthal and Bergstrom (2003) maintain that there is “…an unspoken taboo – that one is not supposed to recognise any marketing benefits from good citizenship…” (p.340). However, in a globalised economy, businesses are exposed to increased competition and consumers are faced with more choice and less time in which to make purchase decisions. This means that familiar and trusted brands will stand out from their competitors (Belch and Belch 2004). The brand becomes more important to establish and maintain product
differentiation, as the tangible differences between consumer products becomes less obvious (Fan 2005).

Bhattacharya and Sen’s (2004) research confirms that consumers are not only more likely to purchase products from corporations with good CSR track records but these consumers are also less likely to be influenced by negative publicity concerning that corporation. This “feel good” effect extends to the consumer themselves as they feel good about purchasing “ethical” or “environmentally-friendly” products.

Whilst there are advantages and disadvantages to communicating an organisation’s CSR initiatives, the focus should be on transparency. If businesses are to be subjected to increased scrutiny, then surely communicating their CSR efforts is part of the process in which they are seen to be accountable and transparent in those efforts.

1.4 Research Question and Objectives

The preceding argument led to the following research question to be explored in the current research project.

Why do corporations that engage in CSR appear disinclined to communicate their CSR initiatives?

The following objective is designed to answer the research question:

- To identify the barriers and facilitators to communicating CSR initiatives.

1.5 Benefits of the Study

This research project will be of interest to both an academic and managerial audience for the following reasons. This research will:
i) Address a gap in the field of knowledge/area of research, specifically in the area of marketing communications for CSR initiatives.

ii) Discuss a topical issue. Given the current political, social, and media discourse on the topic of climate change and corporations’ responsibility to decrease their environmental footprint; this area of research will be of interest to both an academic and a managerial audience.

iii) Highlight both the advantages and limitations of engaging in CSR communications thereby allowing a better understanding of the problem.

iv) Highlight the barriers corporations face when implementing a CSR communications programmes which may assist in developing future strategies for managing or avoiding these barriers.

v) Illustrate current opinions of managers who are employed within the field of CSR.

Furthermore, this research is expected to contribute towards building future strategies that can serve to reduce barriers to implementation and success of the organisational initiatives that promote social and environmental well-being.

1.6 Structure of this Dissertation

This chapter introduced the topic under investigation and provided the rationale for the current study. It also outlined the research question and objectives and discussed the benefits and scope of the research project. The following chapter will fully explain and define CSR and then outline the competitive advantages of CSR within the three elements of the triple bottom line. It will then discuss the basis for the research question. Chapter three will outline the methodology and justification for the research approach and the method of primary data collection. Chapter four will present the research findings, while chapter five will discuss the findings in light of the current knowledge on the topic of CSR communications.
Chapter Two: Literature Review

2.0 Introduction

Current political debate and media discourse concerning climate change and the associated costs of environmental degradation, coupled with corporate collapses such as those of Onetel, HIH and Enron, have served to raise public awareness and increased regulatory controls over corporations’ business practices. The corporate response to this increased pressure is the development and implementation of programmes that address environmental and societal concerns. Engagement in “Corporate Social Responsibility” (CSR) allows businesses the opportunity to address stakeholders’ concerns, whilst also achieving competitive advantages.

The success of CSR initiatives and their associated competitive advantages rely, in part, on effective communication to stakeholder groups. This investigation aims to explore both the advantages to be gained and the communications decisions that must be made in order to achieve success within the CSR arena.

The research questions posed to drive this enquiry are:

i) Why do corporations that engage in CSR appear disinclined to communicate their CSR initiatives?

ii) If communications are so essential to the success of CSR programmes, why are companies not actively promoting these initiatives?

In order to address these questions, CSR must firstly be defined. The variety of terms and definitions employed by organisations and authors makes defining CSR more difficult than one may expect. The terms CSR, Corporate Citizenship (CC), Corporate Responsibility (CR) and sustainability are presented next. The similarities in the definitions of these terms are highlighted against the arguments of cultural differences and semantics.

This chapter will then examine the competitive advantages to be gained by corporations that engage in CSR in line with the three elements of the triple bottom line: the environmental,
societal and economic concerns of a corporation. These competitive advantages serve as justification for organisations to engage in CSR and present a strong business case (business sustainability and long-term value for stakeholder groups) for doing so.

Next, the importance of communication to the success of CSR initiatives will be discussed. This section covers non-financial reporting and the associated concepts of transparency and accountability and “cherry picking.” Finally, this chapter will discuss the notion of communication being the “missing link” in CSR practice (Dawkins 2004b) with ‘…consumers’ lack of awareness about CSR initiatives being a major limiting factor in their ability to respond to these initiatives…’ (Bhattacharya and Sen 2004 p.23). For example, Bovis Lend Lease has engaged in CSR initiatives for more than a decade and yet the company does not announce these initiatives in any of their television advertisements for Delfin, their domestic building subsidiary.

2.1 Defining CSR

An inherent problem with Corporate Social Responsibility (CSR) is that the term holds different connotations for different audiences. This may partially explain why there is no single, definitive definition of CSR.

That CSR holds different meanings for different audiences is not however, an insurmountable limitation, as all companies must have the freedom to implement strategies and practices that contribute to the sustainable competitive advantage and profitability of their business. In order to do this, firms must have the flexibility to adapt CSR concepts to their existing business frameworks. This may partially explain why the existing definitions, two of which are provided below, are so broad and non-specific, as to what should be done, how and when it should be implemented and whom it should assist.

Castka, Bamber, Bamber and Sharp (2004) describe CSR as encompassing ‘…traditionally framed concepts such as environmental concerns, public relations,
corporate philanthropy, human resource management and community relations…’ (p.216).

CSR is ‘…the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large…’(World Business Council for Sustainable Development 1999 p.6).

To further complicate the issue of defining CSR is the recent adoption by some authors of the term Corporate Citizenship (CC) rather than that of CSR. Some authors insist the two terms are not interchangeable and others suggest that CC is merely the American terminology for CSR.

Garriga and Mele (2004)(2004) suggest that the term CC is more attractive to business people as it infers that the business is part of the community in which it operates and therefore it belongs in that community. Whilst the term CC may be preferable to CSR within the business community, McIntosh, Thomas, Leipziger and Coleman (2003) argue that this transition to CC is a natural progression from CSR as corporations begin to realise, understand and accept their role within society.

As the role of governments has changed so too have the responsibilities of businesses. Garriga and Mele (2004) view citizenship in a broader context and argue that corporations are gradually replacing governments in many areas. Lucas (2004) supports this argument and cites the removal of restrictions in free trade agreements along with deregulated, global markets as having resulted in a shift in responsibility from government to businesses, families and communities. The Corp Rate Report (2004) also highlights the notion of governments setting the policy and the private sector becoming more and more responsible for the delivery.

The World Economic Forum describes CC as ‘…the contribution a company makes to society and the environment through its core business activities, its social investment and philanthropy
programmes, and its engagement in public policy…’ (World Economic forum 2007). This definition is similar to those supplied earlier in this chapter as defining CSR.

One’s choice of terminology may simply depend on semantics. One may believe that the term CSR is too narrow as it may imply that the corporation is only considering the social implications of its operations, thereby excluding its environmental impact and fiduciary responsibility to its shareholders. Others may believe that corporations can never truly be citizens, thereby negating the term Corporate Citizenship. Other authors such as Dawkins (2004b) and Lewis (2003) use the term Corporate Responsibility which appears to include the corporations’ responsibility to all of the elements of the triple bottom line: economic, environmental and social. Whatever the definition an organisation chooses to use, there are competitive advantages to be gained from the implementation of CSR.

2.2 The Advantages of CSR

Scholars argue that there are advantages to be gained by corporations that choose to engage in Corporate Social Responsibility (CSR) (Elkington et al. 1991; Grayson and Hodges 2004; McIntosh et al. 2003; Porter and Kramer 2002; Teissonniere 2005; Waddock 2004).

Advantages may eventuate through cost saving measures that are also linked to the elements of the triple bottom line. For example:

Environmental

The implementation of more efficient manufacturing processes, a reduction in waste of raw materials or new uses for what was once considered waste.

Social

The development of new opportunities such as the identification of and access to new markets through partnerships with Non Governmental Organisations (NGOs) or the development of product innovations, improvements or extensions.
Economic

Whilst reducing waste and improving systems can improve the bottom line, economic benefits may also be gained from intangibles such as: the effective utilisation of human resources which involves attracting, training, managing and retaining the best employees or improved brand recognition and reputation.

The following sections outline how corporations that engage in CSR can achieve these competitive advantages and “do well by doing good” (Van Yoder 2001 p.38).

2.2 1 Competitive Advantages of CSR in a Social Context

Porter and Kramer (2002) maintain that as companies are heavily dependent on the circumstances of the societies in which they operate, it is in the company’s best interests to improve conditions within that society. The authors argue that improvements to societal conditions can bring economic and social goals into alignment, which in turn improve the quality of the competitive business environment. For instance, companies may pre-empt and prevent a potential skills shortage in the local community through the implementation of training and assistance programmes that address the skills shortage. In this way, the community benefits from the corporation’s philanthropic endeavour and the company avoids a potential resource problem.

There are many ways in which a company can contribute to the society in which it operates. Community initiatives and outreach programmes may see companies employing their core competencies by employees offering their skills to assist community groups with account keeping, business planning, marketing initiatives or other business activities. Conlin et al (2003) believe this “core competency movement” provides the community with proof that organisations are considering their impact on society and addressing the issue with the same level of commitment they apply to their business. This argument is further supported by Porter and Kramer (2002) who insist that social and economic goals are integrally connected rather than conflicting. The benefits and opportunities that may arise from these arrangements
between community groups or NGOs and the corporation are discussed in the following section.

2.2.1 (a) Partnerships

The belief that CSR can lead companies to discover new markets and/or business opportunities is supported by authors (Elkington et al. 1991; Grayson and Hodges 2004; Teissonniere 2005). These authors suggest that forming partnerships with not-for-profit organisations or NGOs and community groups can provide access to unique business opportunities, resources and intellectual property that may not have otherwise been available. For example, greater access to resources was gained by the Body Shop, a corporation that created a unique range of beauty products, developed through partnerships with local communities, whilst maintaining concern for human rights and the environment. Two initiatives established by the Body Shop through its partnership with Amazonian Indian tribes are the sustainable harvesting of Brazil nuts for use in moisturisers and conditioners and the Green Pharmacy project which produces natural remedies from native forest plants (Roddick 2006).

Dawkins’ (2004) findings suggest there is a strong business case in support of partnerships between corporations and NGOs. These findings are based on the Corporate Social Responsibility study conducted by MORI at the request of several companies. The study of British publics’ attitudes regarding corporate responsibility was conducted in 2001 with 2,026 British adults interviewed across 161 sampling points throughout Great Britain. These interviews revealed that the public are ‘…more likely to trust information on a company's behaviour from NGOs…’ (Dawkins 2004b p.4). Danastas and Gadenne (2006) stress that whilst these partnerships are important, if an environment of trust and co-operation is to be created, the company should fully comprehend the position and attitude of the NGO and respond accordingly. This understanding and empathy between the partners can assist in forging a strong alliance which benefits both parties.
Whilst the public may support and even encourage these business-NGO partnerships, there are advantages other than public relations and an improved reputation to be gained. McIntosh et al (2003) believe that partnerships between businesses and NGOs can provide innovative solutions to problems because each party brings a unique set of knowledge and skills to the issue. Partnerships between business, government and environmental organisations or NGOs are beneficial for funding, as well as receiving sound advice “…from some of the best strategic minds in the country…” (Cornell 2007 p.32) These partnerships not only lead to an exchange of ideas and skills as each group educates, trains and assists the other but also draws consumers’ attention to the social issues these initiatives represent (Bhattacharya and Sen 2004).

There are partnerships other than those with NGOs that should also be considered. Partnerships with suppliers and local institutions may also assist businesses in identifying new opportunities and acquiring new skills. Porter and Kramer (2002) argue that rather than relying on vertical integration, businesses today rely on local partnerships with universities, research centres, suppliers and experts who can provide assistance in understanding and complying with local regulations. The authors argue that the success of a company is now closely linked to its relationships with local institutions.

The competitive advantages of engaging with the community and forming partnerships with NGOs and suppliers go beyond that of reputation building. If the only competitive advantage of compliance with societal expectations was that of maintaining a certain level of reputation within that community, businesses may not go further than complying with the most rudimentary levels of regulatory practices such as Environmental Health and Safety standards. However, in this global market, with increased regulatory controls and increased public scrutiny, much more is expected of corporations as outlined in the reports of both the World Business Council for Sustainable Development (WBCSD 1999) and the Corp Rate Report (2005).

The WBCSD (1999) states that businesses have a responsibility to ‘…the workforce and their families as well as the local community and society at large…’ The Corp Rate Report (2004)
outlines an organisation’s responsibilities in this area more specifically, stating that employees should be provided with a workplace ‘...free from discrimination, harassment and health and safety risks....’ This report also stresses that the biggest obligation falls on those companies operating overseas ‘...particularly in countries with a history of human rights abuses...’ (p.25).

For corporations that operate in this environment, engaging in CSR and gaining community support may provide them with a “license to operate” within those communities (BHP 2007). In some cases, community support may be essential to business sustainability. A “license to operate” indicates businesses may not commence or continue operations without the explicit permission of the host society. In some cases, community support may be essential to business sustainability. For example, BHP Billiton’s “license to operate” a billion dollar Natural Gas facility off the coast of Malibu was recently denied by Governor Arnold Schwarzenegger after considering the environmental impact and celebrity outcry over the proposal (Wright 2007).

It appears that companies are not only reliant on the societies in which they operate but must also take some degree of responsibility for improving the conditions of that society. In this way corporations that engage in CSR may achieve competitive advantages or simply the permission and ability to remain in business within their host society. Another important factor to be considered within the society in which a corporation operates is the extent of the organisation’s environmental impact.

2.2.2 Competitive Advantage and the Environment

Without a plan for replenishing, replacing or substituting finite resources and protecting the environment in which a firm operates, there may not always be a place for that firm to operate. The Corp Rate Report (2004) argues that “...environmental degradation results in costs and lost opportunities that reverberate throughout our economy...” (p.30). It would appear that corporations, government and the public at large are beginning to realise that environmental issues are elemental to business sustainability.
Westcott (2004) argues that businesses will come under scrutiny from the public and regulatory agencies as the realities of resource depletion and the environmental cost of business become more apparent. Environmental issues are of particular concern within Australia at present, especially given the state of drought and subsequent water restrictions placed on residents and businesses throughout the nation.

Organisations will be expected to develop strategies that address environmental issues whilst still meeting their fiduciary responsibilities to shareholders. De Oliveira & Gardetti (2006) concur with Middlemiss (2004) and Westcott’s (2004) argument that social and environmental improvements should be considered and included in strategic planning for all businesses operating within natural resources industries. However, it is not just the companies that engage in the extraction of natural resources or manufacturing that need to consider their environmental impact. All companies should consider the natural resources they use as well as the disposal of products and packaging by consumers because these too may lead to competitive advantages for corporations.

Porter and Van der Linde (1995) argue that companies can reduce costs, increase profits and improve product quality whilst reducing their environmental impact. They argue that environmental standards and regulations can lead to innovations that lower product costs or improve its value. These innovations allow companies to employ raw materials, energy and labour more productively and assist in lessening a company’s environmental impact. ‘…Ultimately, this enhanced resource productivity makes companies more competitive, not less…’ as they offset the costs of environmental improvements with improved production and reduced waste (Porter and Van der Linde 1995 p.120).

Porter and van der Linde (1995) also note that Total Quality Management (TQM) is providing companies with ideas for reducing pollution and linking the notion of quality improvement with that of environmental performance. The authors argue that the inefficient use of resources such as the unnecessary waste of raw materials or product defects that may be a result of poor or inefficient production processes and storing materials instead of using Just in Time (JIT) production methods can all contribute to waste and pollution. Resources are also
lost when manufacturers do not use recyclable materials in their products and packaging. An inefficient use of resources equates to costs for the company in the form of environmental clean up expenses, and possible fines for pollution as well as the cost of wasted materials.

As global demand increases, there are competitive advantages for companies that are the first to develop environmentally-friendly or “green” products. Porter and van der Linde (1995) cite the early adoption of recycling standards by German companies as providing them with the ability and expertise to develop products that are ‘…less packaging intensive, lower in cost and sought after in the marketplace…’ (p.127). Companies that are first to market with new or improved products and services have the ability to earn above average returns and the opportunity to gain customer loyalty before competitors are able to respond (Hanson et al. 2005 p.186). Porter and van der Linde (1995) maintain that ‘…how an industry responds to environmental problems may, in fact, be a leading indicator of its overall competitiveness…’ (p.134).

A consequence of companies neglecting their social capital and environmental resources may be an inability to remain financially viable (McIntosh et al. 2003). Environmental and social initiatives can lead to other benefits that provide competitive advantages for companies that engage in CSR. Such benefits may include: the attraction and retention of a committed and skilled workforce, an improved reputation, an increased share price, the attraction of ethical investors and other economic benefits discussed further in the following section.

2.2.3 Competitive Advantage-Economic

Whilst addressing social and environmental concerns can lead to more efficient use of resources and manufacturing and product innovations, which in turn lead to reduced costs, there is also evidence that firms that engage in CSR can achieve similar and even higher profits than those companies that do not engage in CSR. Many authors (Fisman et al. 2005; Grayson and Hodges 2004; Hutton 2004; Teissonniere 2005) claim the business case for CSR is strong as firms with entrenched CSR strategies attain higher levels of performance than firms that do not practice CSR. Hutton (2004) insists that CSR “…lies at the heart of
sustainable, high-performance business operations…” (p.17). ‘…The more a social improvement relates to a company’s business, the more it leads to economic benefits as well...’ (Porter and Van der Linde 1995 p.59).

Companies that utilise resources more efficiently than their competitors can reduce waste and costs, which in turn can lead to improved performance and increased profits. Porter and van der Linde’s (1995) research within the chemical industry as part of a study of national competitiveness found that ‘…the costs of addressing environmental regulations can be minimized, if not eliminated, through innovation that delivers other competitive benefits…’ (p.125). Furthermore, the authors argue that the innovation offsets required low investment levels and short payback times.

CSR may also assist in attracting capital to the business in the form of ethical investors. Lopez et al (2007) suggest that the appearance of sustainability-related indexes such as the Dow Jones Sustainability Index (DJSI) is evidence that both businesses and investors consider sustainability to be an important strategic criterion to the creation of long-term value. The DJSI attempts to illustrate that CSR companies perform as well as those non-CSR practicing organisations listed on other portfolio indexes (McIntosh et al. 2003).

Businesses wishing to be listed on sustainability indexes must disclose and be assessed on certain non-financial performance measures. Non-financial reporting, with its emphasis on intangible assets such as goodwill and reputation, provides a more holistic view of the corporation rather than just its financial status and reveals the non-financial drivers of the company’s success. Non-financial reporting indicates an organisation’s long term sustainability goals and incorporates an organisation’s intangible assets.

Bollen (2004) states intangible assets such as a company’s reputation and employees can create value for a company and are critical to a company’s worth. He also argues that a strong reputation may attract and motivate employees, attract investors and suppliers as well as serve to decrease the impact of competitive attack and public scrutiny. These factors should assist in
the firm’s ability to decrease costs and achieve higher margins, leading to more stable revenues.

It appears that CSR not only improves a company’s reputation but also assists in gaining and improving customer loyalty. Bhattacharya and Sen (2004) explain that an internal consumer response to a firm’s CSR activities may be a sense of attachment which is demonstrated by customer loyalty and positive word-of-mouth communications. The authors add that not only do customers display loyalty to the company that practices CSR, they also display a ‘…resilience to negative information about the company…’ (p.19). These customers’ ability to forgive a company its mistakes is another advantage of investing in CSR and ‘…why companies need to view CSR as a long-term, strategic investment…’ (Bhattacharya and Sen 2004 p.19).

How a company behaves will affect how consumers perceive that company and its brand. Blumenthal and Bergstrom (2003) assert that CSR has become more important to organisations as they realise the value of intangible assets such as branding and reputation. A brand should reflect what the company stands for and “…enhance the perceptions of the organisation…” (Blumenthal and Bergstrom 2003 p.329). Consumers today are faced with an enormous number of choices, available in many product categories and limited time in which to make purchase decisions. A familiar or trusted brand enables consumers to simplify their product selection and purchase decisions (Belch and Belch 2004). This favourable image of a brand or brand equity is an intangible asset that assists in creating greater volumes of sales or achieving higher margins than competitors’ brand offerings (Belch and Belch 2004).

Whilst there are many advantages to be gained by organisations that engage in CSR initiatives, these initiatives must be effectively communicated to stakeholder groups before the organisation can reap the rewards of their efforts. In order to communicate effectively the organisation must identify the different stakeholder groups, tailor messages and select different channels of communications to meet the requirements of those stakeholder groups. Communications are essential in raising awareness of a company’s CSR efforts and may involve non-financial reporting, reporting CSR initiatives and outcomes at the annual
shareholders’ meeting, advertising, corporate websites, newsletters and brochures. The following sections outline not only the importance of communications to the success of CSR but also the issues that must be addressed and decisions that must be made before communications may occur.

2.3 CSR Communications

Most of the literature concerned with CSR communications concentrates on non-financial reporting and stakeholder engagement. There is a dearth of information/research regarding CSR marketing communications which makes it difficult to discuss and draw conclusions from the available literature about CSR marketing communications. It is also surprising given Belch and Belch’s (2004) argument that “the strong equity position a company and/or its brand enjoys is often reinforced through advertising” (p.59).

2.3.1 Non-Financial Reporting

Whether it is CSR or CC, the terminology suggests that the organisation will take into consideration the effects their business has on society and the environment as well as its fiduciary responsibility to shareholders. Castka et al (2004) state ‘…the consensus being reached defines ethical business as an ability to satisfy three bottom lines: economic, environmental and social…’ (p.216). This form of non-financial reporting is known as the Triple Bottom Line approach.

The three elements of the triple bottom line, however, will have varying degrees of impact on different businesses within different industries and may be implemented, monitored and measured differently. The main problem associated with this notion is that without a standardised measurement or reporting procedure, analysing and interpreting the information from individual companies even within the same industries may not be consistent and as such not provide benchmarks for clear comparison of each company’s actual achievements within the CSR arena. McIntosh et al (2003) claim that ‘…some companies have responded by
deciding to write their own codes, which has led to a degree of ‘cherry picking’, leaving out key (usually difficult) dimensions…” (p.91).

The notion of ‘cherry picking’ is linked to the very core of triple bottom line reporting, that of transparency and accountability. McMurtrie (2005) argues that organisations can prove their worthiness as members of the society in which they operate through their communications with that society and the information the company produces and elects to share is known as Corporate Social Disclosure (CSD). Danastas and Gadenne (2006) explain CSD as “…the process by which the social and environmental impacts of corporate actions are communicated to stakeholders…” (p.54). The authors note however, that whilst CSD appears to represent “…a commitment to accountability, transparency and stakeholder engagement…” it is a voluntary process and employed at the discretion of the corporation (p.54). As such, the company may choose what they wish to report, how the information is reported and to whom it is reported. The implication being that transparency may in fact be very “murky”.

The question of transparency is also raised in Livesey and Kearins’ (2002) study of the annual company reports of both Shell and the Body Shop. The authors raise the issue not as an example of how companies may “fake” or manipulate transparency by omitting details they do not wish stakeholders to know but rather in the context of a competitive environment. They argue that the “…fundamental problem with sustainability values reporting involved the clash between openness and commercial practice in a competitive market system…” (p.243). The authors suggest this problem may be partially overcome by companies including caveats within their reports and acknowledging and explaining the limitations and reasons for those limitations. In this way the authors of the reports would be required to display a level of reflexivity, similar to that expected of researchers.

Corporations that wish to avoid allegations of lack of transparency associated with the notion of ‘cherry picking’ may choose to follow already established reporting guidelines. Those corporations that elect to use established reporting systems and guidelines, must then choose between several internationally recognised codes and guidelines such as the Global Reporting Initiative (GRI), International Organisation for Standardisation (ISO), the United Nations
Global Compact, International Labour Organisation (ILO) Conventions on Workplace Practice and the Global Sullivan Principles to name but a few. The proliferation of CSR guidelines and standards can lead to confusion for managers who are attempting to decide which codes would best suit their business and which codes are most likely to be widely adopted in the future (McIntosh et al. 2003).

The GRI, which is usually employed in conjunction with the standards set out by the ISO is the generally recognised and voluntarily utilised reporting framework for many companies (CAMAC 2005). Although McIntosh et al (2003) support the notion that the GRI is uniting a wide range of approaches and assisting in standardising measurement and reporting guidelines, they also believe the United Nation’s Global Compact holds great weight in the area of CSR.

The authors argue that the prominence and authority of the UN differentiates the Global Compact from other CC initiatives as it invites businesses, governments and NGOs to build partnerships and explicitly seeks to integrate the issues of human rights, labour standards and the environment. In essence, the Global Compact requests that businesses become involved in the ‘…UN’s mandate to reduce poverty and promote sustainable development…’ (McIntosh et al. 2003 p.130).

If the choice of various CSR guidelines and reporting initiatives is not confusing enough for managers, there is also the imminent threat of increased regulatory controls in the area of non-financial reporting. Teissonniere (2003) believes the importance of CSR is being recognised by governments that are establishing regulatory authorities. For example, Britain has a CSR minister, Global Compact was created by The United Nations, a Green Book which promotes worldwide CSR practices was developed by the European Union and the Australian Federal Government has introduced the Community Business Partnership Scheme.

The globalised market and changes in societal expectations are also possible pre-cursors to increased regulatory controls in the area of triple bottom line or non-financial reporting. The possibility of introducing mandatory non-financial reporting is debated in the Federal Government sponsored CAMAC CSR Discussion Paper (2005). If it is decided that changes
to the Corporations Act (2001) are required in order to introduce mandatory non-financial reporting, the challenge for organisations will be how they will meet these requirements.

Whilst there is currently no single concept of sustainability, nor a single guideline for measuring it, there is increased pressure from the media, the public and governing bodies for companies to implement and report on their sustainability initiatives (López et al. 2007). Whether non-financial reporting becomes mandatory or remains voluntary, the notions of transparency and accountability are essential to its success. Therefore, in order to progress in this field, ‘…non-financial reporting should mimic the conventions of financial reporting with auditing and verification by independent parties…’ (Livesey and Kearins 2002 p.241).

2.3.2 Stakeholder Engagement

Sustainability or non-financial reporting is not the only form of communication required for CSR. CSR requires that organisations actively seek out and engage with stakeholder groups. In fact, many authors argue that communicating with stakeholders is vital to the success of CSR (Castka et al. 2004; Griffin 2004; Lewis 2003; Lucas 2004; McMurtrie 2005; Mitchell et al. 2004; Thatcher 2004; Van Yoder 2001). Communications decisions are generally concerned with what should be communicated, to whom, and how that communication should be achieved.

However, identifying different stakeholder groups and tailoring messages to meet their needs presents a myriad of problems for corporations, not least of which is whether communications will be formal (annual reports) or informal (website comments and feedback), what information should be provided or discussed and how often the stakeholders should be consulted. There are no stringent guidelines to which companies must adhere and each company may devise their own CSR communication strategy that meets stakeholder needs, whilst not revealing sensitive operational information to competitors.

Although CSR communications can be problematic, the authors mentioned above and many more still argue its merits. The advantages of CSR communications include building and
protecting the corporate reputation, creating trust with stakeholders, providing proof of sustainability and profitability through CSR programmes, and the avoidance of negative publicity for corporations and their suppliers and partners.

Communicating both the financial and non-financial aspects of the business to the public is an important step in building relationships with stakeholders. Griffin (2004) states the importance of open communication with stakeholders because not informing them of possible changes to the CSR programmes will only serve to raise mistrust or indicate a lack of commitment from the corporation. By taking a proactive position, organisations can avoid unnecessary negative publicity, create goodwill in the community and protect other businesses within their supply chain, as well as opening channels of communication with consumers (Van Yoder 2001).

Thatcher (2004) and Mitchell et al (2004) argue that stakeholders want concise information that provides a clear link to the overall business strategy because stakeholders are more likely to believe in a firm’s commitment to CSR if they understand how the CSR initiatives contribute to the profit and sustainability of the business. To this end, Middlemiss (2004) emphasises the importance of tailored CSR communications that meet the needs of specific stakeholder groups by providing stakeholders with the information they want to know rather than what the company wants to report. For example, The Body Shop annual report is prepared only after extensive consultation with stakeholder groups (Livesey and Kearins 2002).

Lewis (2003) contends that the public not only want to hear about CSR ‘…but positively demand the information…’ (p.4). He argues that even though the cost of communication may deplete the financial resources set aside for CSR, the public want companies to continue and even increase expenditure on communications about CSR. Eight-seven percent of respondents to the MORI survey stated it was important to be informed of a company’s CSR programmes (Lewis 2003 p.4).
Many authors acknowledge the complexity of the relationships in which companies today are either expected or required to engage in order to exist and operate effectively within society (Elkington et al. 1991; McIntosh et al. 2003; Porter and Kramer 2002; Waddock 2004; Westcott 2004). These authors note that the focus has shifted from that of providing profits to the owners or shareholders, to a realisation of the importance of other stakeholder groups to the survival of the company. In order to conduct business, corporations today must engage in dialogue with stakeholder groups in order to ascertain the expectations and concerns of members of the community, employees, shareholders, the board of directors, environmental and activist groups as well as addressing the regulatory requirements of governing bodies. Whilst the expectations of different stakeholder groups will vary and may at times contradict each other, identifying and incorporating the expectations of stakeholders with the objectives of the organisation can create long term value for all parties (Westcott 2004).

2.3.3 Communications and “The Missing Link”

Whilst authors discuss the benefits and advantages to corporations of formal CSR communications with stakeholders, Dawkins (2004) highlights the importance of informal advocacy of companies through word of mouth communications. The results of her study suggest that voluntary information regarding corporations was an effective informal marketing communication tool with ‘…three in ten people having given or received positive advice to use a company because of its responsible behaviour.’ (p.5).

Dawkins (2004) reveals that consumers are prepared to share the reasons they will or will not purchase goods and services from particular companies. Bhattacharya and Sen (2004) also found that consumers’ willingness to talk positively about socially responsible companies was a key behavioural outcome of CSR. In order to encourage positive word-of-mouth communications, corporations must be prepared to inform the consumer of their efforts through their CSR communications.

However, not all corporations appear to be inclined to promote their CSR initiatives. In their experimental research, Bhattacharya and Sen (2004) found that whilst consumers evaluated a
company more positively after viewing the company’s CSR information, they were not always aware of the company’s CSR initiatives. This indicates that companies are not employing effective CSR communication strategies and may be missing opportunities to develop loyalty amongst new and existing customers.

Bhattacharya and Sen’s (2004) research also provides possible reasons for a corporations’ reluctance to communicate its CSR efforts. They found that whilst consumers generally look favourably towards companies that engage in CSR, the respondents stated they were unwilling ‘…to trade-off CSR for product quality and/or price...’ (p.20). The authors therefore stress the importance of informing customers that the CSR initiatives do not come at the expense of product quality.

Whilst there is evidence to support the claim that engaging and communicating with stakeholder groups is essential to the success of CSR initiatives, less is written about the use of targeted CSR communications to attract new markets or opportunities, as was proposed by Elkington (1991) and Grayson and Hodges (2004). Dawkins (2004) advocates ‘…integrating responsibility messages with mass marketing communications…’ (p.3) which is supported by Fisman et al (2005) who suggest that CSR may be best employed within advertising intensive industries as a means of differentiation because the effect of CSR on profits within this environment is stronger than industries that are not as competitive.

However, while communication between corporations and stakeholders is essential to the success of CSR, Dawkins’ (2004) argues that ‘…effective communication remains a missing link in the practice of corporate responsibility, especially to mass audiences...’ (p.2) Dawkins’(2004) argument is supported by Bhattacharya and Sen’s (2004) research which found that ‘…consumers’ lack of awareness about CSR initiatives is a major limiting factor in their ability to respond to these initiatives...’ (p.23). Lewis (2003) agrees and adds that communication is not only necessary to draw consumers attention to the delivery of a company’s CSR initiatives but that consumers want to hear about these initiatives (p.7). To this end Bhattacharya and Sen (2004) recommend that companies work towards increasing the public’s knowledge of CSR initiatives through the use of effective communication strategies.
2.3.4 The Research Questions

The preceding thoughts and findings led to the development of the following research question to be explored in this dissertation:

Why do corporations that engage in CSR appear disinclined to communicate their CSR initiatives?

CHAPTER THREE: METHODOLOGY

3.0 Chapter Introduction

This study seeks to explore the views and opinions of managers in organisations in order to determine why corporations that engage in CSR appear disinclined to mass communicate their CSR initiatives. This chapter details and justifies the methodological approach taken to address the research question. Firstly, it outlines how validity and reliability may be established and justifies using an interpretivist approach to qualitative research. It then goes on to explain the research procedure which details respondent selection and method, the data collection process and perceived limitations. It then outlines the process of data analysis which describes how the data were transcribed, checked for accuracy and interpreted. Finally, this chapter details the ethical constraints and issues associated with the different stages of this study.

3.1 Validity and Reliability in Qualitative Research

Golafshani (2003) argues that the question of validity and reliability “...as defined in quantitative terms may not apply to the qualitative research paradigm...” (p.600). He contends that reliability and validity in quantitative studies implies that the research is credible. However, in stark contrast to quantitative studies, “credibility” in qualitative research depends
on the researcher’s effort, ability and methodological skill (Golafshani 2003; Janesick 2003; Labuschagne 2003). Indeed, Weber (2004) argues that research methodologists find terms such as “…credibility, transferability, dependability and confirmability…” are more appropriate criteria for evaluating qualitative studies (p.8). This argument is supported by Golafshani (2003) who suggests that terminology such as credibility, transferability and trustworthiness, when employed in qualitative methodology, encompass both reliability and validity.

Janesick (2003) argues that validity in qualitative research is not only an issue of the explanation being credible but also the understanding that there may be many explanations for a single event. Whilst there is no single “correct” interpretation of any given event, qualitative research is “credible” when the researcher engages in a series of cross-checks and audits (Janesick 2003). This requires that the researcher engages in a level of self-reflexivity as well as encouraging the participants to review and debate the data and its analysis. A researcher who takes these measures is attempting to be objective and honest in both their data collection and analysis processes.

Interpretivists are concerned that their research is defensible and whilst colleagues do not have to agree with the claims made, “…they should be willing to concede that the researcher’s conclusions are plausible…” (Weber 2004 p.8). In order to reach this conclusion, colleagues may examine the evidence collected, the research process and the context in which the information was collected and perhaps even elements of the researcher’s life experiences in order to satisfy themselves that the findings are reasonable (Weber 2004). In other words, the description, the process, the explanation and to some extent the researcher themselves are examined in order to establish “validity” and “reliability”.

In response to these guidelines, in the present study, each participant was offered the option of reviewing their interview transcription. Whilst recording the interviews, the researcher also took hand written notes regarding contextual information such as the locations where the interviews were conducted, the manner and demeanour of the participants and any facial expressions or body language that may indicate discomfort or unease.
3.2 The Qualitative Process

This is an exploratory study as it seeks to investigate and disclose rather than resolve the perceived limitations and barriers to CSR marketing communications. This exploratory study has been guided by an interpretivist approach which requires the researcher to understand the differences between individuals and their roles within society. Saunders et al (2007) state that interpretivism has two intellectual traditions; i) the phenomenology or way that humans make sense of the world around them and ii) symbolic interactionism, or humans’ interactions with each other lead to an adjustment of meanings and actions. Therefore, human beings are in the continual process of interpreting the social world around them. An interpretivist approach to exploratory research is suited to the collection of qualitative data which is detailed and descriptive.

Qualitative research methods, such as semi-structured interviews, encourage interaction between the researcher and the participant, promote discussion and allow the researcher “…to obtain a richer and more nuanced understanding…” of both the participant and the topic under investigation (Howe 2004 p.55). Qualitative researchers must be aware of the social context in which events occur and understand the position participants hold within the social world in order to gauge how their position informs their responses (Howe 2004; Labuschagne 2003; Saunders et al. 2007).

In order to gain an understanding of the social context and roles of the participants within the business setting, the researcher investigated both the participating organisations and their competition. This industry specific research provided the researcher with an overview of the competitive context in which the participating organisations operate and a better understanding of the pressures and opportunities these organisations may face that could influence their CSR and associated communications decisions. As the research was informed by the ability of the participants to answer the questions put to them, the researcher viewed the data in light of the participants’ positions within the organisations, their length of employment and experience in their roles in order to gauge their level of knowledge on the topic of CSR communications.
A qualitative approach was adopted because this method allows for interviewing experts who can provide insights into the individual corporations’ reasons for not advertising CSR initiatives rather than making generalisable findings about their CSR communications (Saunders et al. 2007). As the research question focuses on CSR activities within corporations, the participants best qualified to answer the research question will be CSR, Communications, or Marketing Managers. It is only through discussion with communications or CSR managers of each corporation that their different reasons for engaging in CSR initiatives and the communications strategies for those CSR initiatives may be fully understood.

3.3 The Research Procedure

This section will outline the rationale behind the choice of respondents as well as the data collection process which includes the selection process for the recruitment of respondents, the discussion guide to be employed and the justification for these choices.

3.3.1 Selecting Respondents

The selection of respondents for this project is limited to those who work within companies that engage in CSR within Victoria and who are like to also engage in mass communication with their target markets. An investigation of corporate websites identified companies that met these criteria. The relatively small number of respondents were selected because qualitative methods are concerned with the collection of “…detailed data about a much smaller number of people and cases…” (Labuschagne 2003 p.1). It is also not the purpose of this project to generalise the findings to the larger population of businesses, due to its highly exploratory nature. As the study is exploratory in nature and seeks insights and opinions, not definitive answers, this sample size should not compromise the validity or reliability of the findings.
Table 1 outlines the criteria that were to be met by participants, and describes the organisations from a broad cross-section of industries that met the necessary criteria for this study.

<table>
<thead>
<tr>
<th></th>
<th>RETAILER</th>
<th>TECHSOL</th>
<th>NONPROF</th>
<th>NATSERV</th>
<th>TRANS-PORTER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>National Retailer</td>
<td>Multi-national Technological Solutions Provider</td>
<td>International not-for-profit organisation</td>
<td>National service provider</td>
<td>Regional Transport Provider</td>
</tr>
<tr>
<td><strong>Use Mass Comms for core business?</strong></td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Use Mass Comms for CSR?</strong></td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>CSR Programmes?</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>CSR Department</strong></td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Sustainability Report</strong></td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Organisations from a broad cross section of industries were selected so that the researcher could make comparisons. It was the researcher’s aim to discover whether different companies within different industries engage in different CSR programmes and whether those programme choices influenced the organisations’ decisions to communicate the CSR efforts.

### 3.3.2 Recruitment of Respondents

An internet search revealed over twenty organisations with offices in Victoria that met the necessary criteria for this study. The researcher contacted fifteen of the identified
organisations either by email, telephone or both at least twice each. The recruitment process was lengthy as the researcher needed to: firstly identify the “right” person with whom they should speak and secure that person’s participation within the limited timeframe of this project. As this study was conducted as a requirement of an Honours dissertation, the timeframe was short, allowing a two month period in which to conduct and transcribe the interviews as well as interpreting the data that had been gathered.

The difficulty the researcher encountered in obtaining the name and contact details for the appropriate person within some organisations may indicate a reluctance to participate in general, a resistance to discussing the organisation’s CSR efforts specifically or an inability to participate within the given timeframe. Of the fifteen organisations that were contacted, five organisations agreed to participate in this study.

### 3.3.3 Recruitment Procedure

After identifying the CSR corporations, the next step in this process was to identify the appropriate respondents from within each of the chosen CSR corporations. The potential respondents were first contacted by email and then contacted with a follow-up telephone call to further discuss the requirements of the project and any other concerns. Once the respondents had agreed to participate in the project, a letter of informed consent was forwarded to them. The letter of informed consent guaranteed anonymity, outlined how the data might be used (published or used at a later date in other research), and advised participants that they may withdraw from the study at any time. A copy of the letter of informed consent may be found in Appendix 1.

Interview times and locations were arranged and confirmed prior to meeting in person. The interviews took place in the respondent’s offices and with the respondent’s permission, were recorded. The information gathered from the semi-structured interviews was transcribed at a later date.
3.4 Semi-Structured Interviews

Primary research was conducted in the form of semi-structured interviews with Communications and/or Marketing Managers from five organisations that were identified as engaging in Corporate Responsibility. Semi-structured interviews were selected for the following reasons:

- This interview style allows the researcher the flexibility to ask both open and probing questions in order to elicit further information, expand on and/or clarify the answers provided which provides a high level of validity.
- Semi-structured interviews also provide the respondent with the opportunity to raise issues of importance to them and the research topic that the researcher may not have considered.
- Interviews are suited to the collection of qualitative data that is necessary to explain and explore the relationship between CSR and communications as well as the differences between these corporations and the choices they make when placed against the backdrop of the different industries in which they operate. (Saunders et al 2007 pp. 312-314)

Semi-structured interviews allowed the researcher the freedom to further explore areas of interest through the use of open and/or probing questions which encouraged mutual engagement in the discussion by both the interviewer and participant. For this reason, a discussion guideline was developed that listed themes and key issues to be explored and discussed rather than a list of set/rigid questions which would not allow the freedom of open discussion on the topic. The discussion guideline that was used in the interviews may be found in Appendix 2.

The semi-structured interviews and use of a discussion guideline provided the researcher with more control over the issues to be discussed and ensured the same topics were discussed with each of the participants. Being able to ask similar if not the same questions of each participant
assisted the researcher in the data analysis phase when identifying similarities and differences between participants’ responses.

3.4.1 Perceived Limitations of Semi-structured Interviews

Saunders et al (2007) cite issues of reliability, validity and generalisability as the main limitations in qualitative data collection. (Hinds et al. 1990) describe reliability as the identification and evaluation of scientific observations and sources that could influence the consistency and therefore repeatability of the findings. The reliability of a study may be due to the following:

a) The Nature of Qualitative Data

When analysing qualitative data it is difficult to standardise the responses. For example, the same questions asked by different people at different times to the same interview subject may yield different responses. To ensure consistency in interview approach and questions, the researcher conducted all interviews and transcribed and interpreted all data. This meant that the researcher could place the responses in context when interpreting them.

b) Interviewer Bias

Interviewer bias may occur during the interview if the person conducting the interview uses facial expressions, body language and/or tone of voice that may inadvertently influence the respondent’s answers. The researcher strived to avoid interviewer bias by:

i) Asking probing questions to clarify responses and seek further information when necessary.

ii) Paraphrasing respondents’ answers to ensure the interpretation and understanding was correct.
iii) Checking respondents’ facial expressions during the interviews and providing further information if they appeared confused by any of the questions.

iv) Using the discussion guideline to ensure consistency across all interviews but also to “stay on track” with the topic under discussion.

Interviewer bias can also affect the interpretation of the data collected. This may not be intentional but it is a pitfall that the researcher must attempt to overcome especially as they are responsible for interpreting and measuring what they observe (Howe 2004). Howe (2004) argues that the relationship between the interviewer and the participant is one of interdependence. This means that the researcher’s actions can affect the participant and the participant’s actions can affect the researcher. The validity of the work relies on the researcher being cognisant of this interdependent relationship and how it may impact the research process. The researcher should, as Weber (2004) suggests, demonstrate “interpretive awareness”. This requires that the researcher acknowledge and address the implications of the subjectivity they bring to the research process (Weber 2004).

The researcher sought interpretive awareness by listening to the recording of the interviews and reading the notes that were taken during the interviews to re-create the scene and place the data in context. In this way, the researcher could look upon the data objectively and with less emotion.

In order to avoid bias, Pillow (2003) argues the researcher must be aware of not only the subjects and their actions but also the actions and responses of the researcher themselves and analyse the motivation for those actions and responses. In other words, the researcher is required to be self-reflexive and to monitor themselves throughout the research and writing process (Pillow 2003). Howe (2004) explains this may be achieved by researchers attempting to remain open and seeking alternative explanations rather than relying on their own preconceived explanations and opinions. This requires a very conscious effort on the part of the researcher to constantly check their actions and interpretations of the events and seek clarification from participants.
In order to avoid bias in this study, the researcher: i) asked probing questions to clarify responses; ii) took handwritten notes that detailed the context in which the interviews took place and included details such as the respondents facial expressions and body language and; iii) checked the transcriptions against the recorded interviews and the handwritten notes.

c) Response Bias

Respondents may choose to reveal only some of the information the interviewer may be seeking. Saunders et al (2007) explain that respondents may resent the intrusion on their time, not wish to reveal sensitive information and may not feel comfortable with the unstructured nature of the interview. An additional cause could be that the respondent lacks the relevant knowledge to answer the questions. All of these issues could contribute to response bias.

To reduce this type of bias, the researcher made every effort to remain neutral in both their physical and verbal engagement with the participants. The researcher put respondents at ease and ensured transparency in the process by:

i) Providing a copy of the discussion guideline, letter of informed consent that outlined the study and asking respondents for permission to record the interview in advance of the interview taking place.

ii) Expressing appreciation for the time respondents gave to be interviewed, offering them a copy of their interview transcript and an aggregate report of the findings.

iii) Discussing the topic under investigation and trying to avoid any sensitive topics.

3.5 Data Transcription

Accurate transcription of the information obtained in the interviews was an important step in ensuring the “credibility” of the data. This entailed noting what was said and how it was said as well as providing contextual information such as the environment in which the interview took place (Saunders et al 2007). The data were transcribed as soon as possible after the
interviews to ensure as much detail as possible was captured. After transcribing, the notes were checked for accuracy by the researcher. This entailed replaying the recorded interview and reading the transcription in unison. On request by participants, a copy of the transcript was then sent to the respective participant for confirmation and to ensure that the information has been correctly recorded and transcribed as recommended by Saunders et al (2007). The participants in this study were all offered the opportunity to review the transcripts of their interviews and all but one declined the offer.

Finally, the anonymity of participants and the organisations in which they work should be safeguarded. This requires that the researcher does not provide certain details that will be easily attributed to the respondent or their employer in the final report. Hence the researcher coded or changed the names of the participants, their organisations and any programmes, initiatives or relationships that could lead to their identification. This required that the researcher use identifiers such as INT for interviewer and Mary, Elizabeth, Anne, Victoria, Albert and Henry for participants one, two, three, four, five and six to ensure anonymity.

### 3.6 Interpreting the Data

The final step of the research process is to analyse and interpret the data. The following procedure suggested by Saunders et al (2007) for the analysis of qualitative data was adopted:

- Categorisation which involves grouping data into categories or themes such as CSR initiatives, implementation processes and CSR communications.
- ‘Unitising’ the data into smaller pieces such as words, phrases or sentences.
- Recognising relationships and developing the categories that will be used to facilitate the interpretation of the data. For example, there may be a link between the choice of CSR programme and the organisation’s core product or service.

Categories were used to group the data. Units of data (a word, sentence, phrase or paragraph) were then assigned to these categories. This process of unitising and arranging the data into categories was the initial stage of data analysis which then led to the recognition of
relationships, such as the similarities and/or differences between the organisations and their CSR communications.

After identifying, arranging and categorising the data, conclusions were reached through the interpretation of the data. This required that the researcher identify not only the similarities and differences, but the reasons behind those similarities and differences, which were either explained or inferred by the participants.

The analysis and interpretation of the primary data was then tested against findings from current literature, industry and corporate website searches. This process either assisted in confirming and corroborating the researcher’s findings and served to strengthen the argument or raised issues on which there was a dearth of research suggesting possible areas for future research.

### 3.7 Ethical Constraints and Issues

The cornerstone of ethics within research is the avoidance of harm (Saunders et al 2007). As such, researchers are expected not to expose their participants to harm both during and after the research process. In order to do this, researchers should be aware of the ethical issues they may face such as: power relationships, the participant’s knowledge and expertise or ability to answer the questions posed by the researcher, the use of the information provided and the protection of the identity of participants and their employers. The following section briefly discusses how each of these ethical issues were addressed in the current project.

The researcher’s application for ethics clearance was granted prior to the collection of the data: SUHREC Project 0708/013.

Whilst qualitative research methods promote dialogue, they may also raise the issue of power relationships. Face-to-face interviews allow the researcher to exercise a “greater level of control” over both the process and the respondent. Hence, the researcher should avoid “over zealous questioning and pressing the participant for a response” (Saunders et al, 2007, p.188).
It is argued that the researcher is in a position of power as they have control over the questions that are being asked and ultimately the interpretation of the answers provided. Therefore, the researcher should be cognisant of this power relationship and sensitive to the effect the relationship may have on the respondents and their responses.

There are several ways in which the researcher attempted to avoid this ethical issue. Firstly, the researcher informed participants of their right not to respond to questions if they were uncomfortable doing so. Secondly, the questions posed remained within the topical areas of research previously agreed upon by the participant. Thirdly, the researcher maintained a level of objectivity and collected all information, that is, they did not omit sections with which they may not have agreed. Fourthly, the researcher ensured that interviews were conducted in a place and at a time of convenience for the participants (Saunders et al 2007). The interviews took place in the respondents’ offices as they provided both a convenient and quiet environment in which to conduct the interviews.

The participants in this study all held senior management positions within their organisations. In most cases, they were responsible for the development of the CSR programmes and their associated marketing communications, that were the topics under discussion during the interviews. The researcher regarded the participants as specialists in this field who had knowledge to which the researcher was requesting access. The respondents were, for the most part, very proud of their corporations’ CSR achievements and more than happy to discuss them and share their knowledge. This means that together with the precautions taken, the power relationship was not an issue and did not bias the data collection for this study.

### 3.8 Data Processing and Storage

It is the researcher’s responsibility to protect the data they have collected. Whilst this study does not involve the collection of sensitive personal data, anonymity and privacy must still be guaranteed. This requires that the data should be coded so that participants cannot be identified and the file should be password protected.
The researcher recorded all interviews on a digital voice recorder. Once the interviews were transcribed the files were deleted from the digital voice recorder. The hand written notes will be kept in a locked filing cabinet together with the letters of informed consent. These documents will be stored in the academic offices of Swinburne University of Technology.

3.9 Analysis and Reporting

The analysis and reporting of findings is the final phase in the research process. The researcher has a “duty to represent data honestly” and must remain objective if they are to reach honest conclusions (Saunders et al 2007 p.192). Howe (2004) argues that this process requires more than simply reporting what participants think but “subjecting the views and self-understandings of research participants to rational scrutiny” (p.55). This requires the researcher to display a level of understanding of the individual respondent’s particular situation. In this case, the company in which they work, the corporate culture, the CSR initiatives in which they are engaged and the reasons behind those choices. The researcher began each interview with questions that covered these topics in order to gain a better understanding of the organisation and the setting in which the participants were employed.
Chapter Four: Results

4.1 Introduction

With a view to determining the barriers and facilitators to communicating CSR initiatives, this chapter will highlight and discuss the common themes and issues that were identified during the semi-structured interviews that were conducted with Marketing and CSR Managers within five organisations. It begins with a brief description of each of the organisations and an introduction to the respondents who agreed to participate in this study. Initially, it provides information about the types of CSR programmes in which the organisations engage, how these programmes are implemented, the reasons behind the choice of CSR programmes and the advantages, if any, that the organisation has experienced as a result of their CSR initiatives. The chapter then describes, in detail, the method of CSR communication employed by each organisation, which forms the substantive findings that are of relevance to the research question posed in previous chapters.

The participants’ responses to each question will be grouped together and discussed with the aim of identifying differences and similarities in CSR practices and communications within the participating organisations. Each section will conclude with a summary of the interpretation of data.

4.2 The Organisations and their Representatives

To ensure the anonymity of respondents and the organisations in which they are employed, their names and any reference to programmes or initiatives that may identify them have been changed.

Six representatives from five organisations were interviewed for this study. The five organisations operate within different industries and were selected so that comparisons could be made. It was also the researcher’s aim to discover whether different companies within
different industries engage in different CSR programmes and whether those programme choices influenced the organisations’ decisions to communicate their CSR efforts or not.

The first participants to this study were “Mary” (Manager Consumer Brands and Promotions) and “Elizabeth” (Manager of Community Partnerships) from a national retail group, “Retailer”. Retailer have stores throughout Australia that operate on a joint venture model which means that the proprietor owns 50% and the organisation owns the other 50% of the business. It appeared that Mary and Elizabeth were eager to participate in this study, evidenced by them agreeing to be interviewed after only one point of contact, and then ensuring that the interview took place just a few days after the first phone call. The fact that both managers were so willing to participate in the study, along with their responses throughout the interview and the marketing material they used as examples to support their statements, suggests that they were proud of Retailer’s CSR achievements. However, Mary and Elizabeth were also very open in their responses regarding the shortfalls/limitations of Retailer’s CSR programmes in relation to environmental concerns or “greening” of the business.

The second organisation was a large multi-national organisation that develops technological solutions, products and infrastructure, which will be called “Techsol”. The person interviewed was “Victoria”, Manager Events and Sponsorship. Victoria was very busy, changing the interview date and time three times. Her comments prior to and during the interview suggested that she was not very eager to participate in the study. The information gathered from Victoria suggests that Techsol’s major contribution to the organisation’s CSR efforts globally are derived from the goods and services that it produces, which are essentially socially and environmentally friendly. However, Techsol’s Australian CSR initiatives are overseen by Victoria, the Events and Sponsorship Manager, which may explain why the organisation’s commitment to these programmes is demonstrated through its financial support, more so than other resource commitments, and is therefore more philanthropic in nature. Victoria’s idea of CSR appears to be narrowly defined, restricted to philanthropy and sponsorship rather than the broader more holistic approaches taken by other participating organisations. It should be noted that whilst Victoria was very free with her opinions, they
were more theoretical in nature and rarely supported by hard evidence or examples, indicating that CSR was not well entrenched within Techsol.

The third organisation to participate was a multi-national not-for-profit organisation (Nonprof) whose primary focus is the elimination of poverty. Nonprof’s representative who will be called “Anne” was the Manager CSR and Sustainability. Anne appeared keen to participate in this study and was open in her responses, even when those responses were not particularly flattering to the non-profit sector’s reporting and CSR efforts. Anne was insistent that organisations should “practice what they preach” in order to have a “credible voice” within the CSR arena. Nonprof has a plan for implementing, administrating and measuring their CSR activities in accordance with the GRI, a sustainability initiative to which none of the other participating organisations currently subscribe.

The fourth organisation to participate in this study was a national telecommunications organisation, “Natserv”. Natserv’s representative, “Albert” is the Senior CSR Adviser who has only been with the organisation for three months and needed to refer to Natserv’s CSR report in order to answer some of the questions posed. It should also be noted that two other Natserv representatives were contacted about this study before the CSR Manager “volunteered” Albert for the interview. Even so, Albert, whilst explaining that he was very busy with the preparation of the CSR report, appeared happy to participate in this study. Natserv has a CSR department that is responsible for developing and implementing CSR programmes, an ethical procurement policy, enlisting and measuring the level of employee engagement, creating the sustainability report and other CSR communications. All departments and employees within Natserv are guided by the organisation’s Corporate Responsibility (CR) business principles. It would appear that CSR is well entrenched within the business model and organisational culture of Natserv.

The last organisation to participate was a public transport provider, Transporter. The person interviewed will be called “Henry” who is the Marketing Manager and seemed very proud of Transporter’s CSR initiatives. In fact, he stated his pride in the programmes as the reason for agreeing to be interviewed. Information gathered from the interview indicates that
Transporter is a leader in the CSR field within their industry with many of their initiatives being imitated by other transport companies. Transporter has an extensive CSR programme that encompasses both environmental and societal factors through its three key areas of focus; environment, health and education. Henry believes it is important to get the CSR initiatives “right” internally before communicating anything externally.

As illustrated above, all five organisations provide different goods and services and participate in different CSR initiatives. Each organisation also utilises a different method of implementation and displays a different level of commitment to their CSR initiatives. Notwithstanding these differences, several core similarities were found between the organisations, especially in their: reasons for developing particular programmes; how they have integrated these initiatives within their business models and organisational culture; and the reasons why they choose to (or choose not to) communicate some or all of their CSR initiatives.

4.3 Main Findings

This section is concerned with the discussion and interpretation of the responses to the questions posed during the semi-structured interviews, specifically:

i) What CSR programmes does your organisation engage in and how are they implemented?

ii) What are the reasons behind the choice of those CSR programmes?

iii) What competitive advantages, if any, has your organisation gained from engaging in CSR?

iv) How do you communicate your CSR efforts?

Questions one to three are important as they set the context and describe the organisation and its culture from a CSR perspective. They focus on “what, how and why” organisations select particular CSR programmes and aim to highlight the organisations’ level of commitment to CSR. When one considers the possible reasons for companies choosing not to communicate their CSR initiatives, (as outlined in Chapter One), the issues of CSR commitment or “greenwashing” may form a potential barrier to communications and are therefore worthy of
consideration/investigation. Question four is directly related the research question and aims to discover the differences and/or similarities in CSR communications within the participating organisations.

4.3.1 Choice and Implementation of CSR Programmes

This section discusses the CSR programmes in which each of the participating organisations engage. This section identifies and distinguishes between the organisations’ environmental and social CSR programmes and the reasons behind the choice of these programmes. It then discusses how the CSR programmes are implemented. For the purpose of this dissertation, “socially” focused CSR activities encompass any initiatives that benefit the organisations’ employees or members of the wider community. “Environment” focused CSR activities are defined as activities concerned with any internal or external environmentally focused initiatives, including the organisations’ goods and services.

An investigation of the organisations’ websites revealed their core range of goods and services. Analysis of each organisation’s core offerings when combined with the information gathered during the interviews indicated that there is a strategic link between the organisations’ core offerings and their choice of CSR programmes. The information suggests that the organisations’ choice and delivery of their CSR programmes is strategically linked to their businesses in one or more of the following ways:

a) Part of their business model and branding strategy
b) Partly through the provision of their core goods and services
c) Partly from other initiatives such as philanthropy and sponsorship.

The following section expands upon these points. The bulk of the interpretation of data pertaining to this section may be found in Appendix C: Choice and Reasons for CSR.
4.3.1.1. Choice of CSR Programmes

The findings in this section display a common theme. There is a strategic link between the organisations’ goods, services and industry in which it operates and their choice of CSR programmes. For example, Retailer’s stores/warehouses and products are not very environmentally friendly so the organisation focuses on what it can achieve within the “social” spectrum of CSR. Techsol implements programmes that are linked to education, especially Science and Engineering, largely because the students who participate in those programmes are potential future employees. Transporter also engages in educational programmes with the aim of educating their future customers about the community benefits of public transport and the importance of maintaining a clean, graffiti-free and safe public transport system. Natserv provides services to low income communities and develop and manufacture products that assist society, whilst decreasing the environmental impact of their organisation. These organisations have all developed CSR programmes that build on their core business strengths and capabilities.

Nonprof’s fundamental mission is socially positive as the organisation’s core purpose is to reduce the impact of poverty on communities. However, Nonprof has also engaged in environmental programmes even though their core responsibilities are more social or community focused. Anne’s comments indicate that Nonprof’s CSR initiatives serve three purposes; i) to position the organisation as a “leader” within the not-for profit sector; ii) to present the organisation as an advocacy group for corporate governance; iii) to assist in developing corporate partnerships. Nonprof’s CSR initiatives are therefore more focused on future goals rather than just the present possibilities, and yet they still contain a strategic link with the organisation’s goals.

The findings in this section also highlight the different reasons provided in the interviews for the organisations’ choice of CSR programmes. These reasons may indicate an organisation’s level of commitment to their CSR programmes. A brief summary of the reasons is provided below:
i) **Positioning.** Retailer’s CSR initiative served to position the organisation as a member of the local community in which it operates, thereby differentiating itself within a highly competitive industry in which “price matching” is commonplace. *Nonprof’s* environmental initiatives provide a “credible voice” and position the organisation as an advocate for sustainability measures. *Transporter’s* sustainability message served to position it as an environmentally-friendly alternative to a car.

ii) **Maximise opportunities.** *Natserv* found that by engaging in CSR programmes that utilised its core capabilities, it maximised the organisation’s opportunities to engage in community and environmental initiatives.

iii) **Business Needs.** *Techsol* focuses its CSR programmes in areas that are important to the future needs of the business; Science and Engineering. *Techsol’s* education programmes encourage students to take an interest in these subjects with the aim of reducing future human resource and knowledge gaps.

Whilst it appears there are benefits, such as those listed above, to be gained by the organisations that engage in CSR programmes, the reasons behind their choice of programmes may indicate the level of commitment that organisation displays towards their programmes. The level of commitment may also be illustrated in the way in which an organisation chooses to implement their CSR programmes, which will be presented next.

### 4.3.1.2 Implementation of CSR Programmes

From the information gathered during the interviews, two methods of implementing CSR programmes were identified; i) the integration of CSR within the organisational culture which includes the top-down approach and staff engagement, and ii) partnerships. These methods of implementation are discussed in the following section. The bulk of the interpretation of data pertaining to this section may be found in Appendix D: Implementation of CSR.
The participants’ comments suggest that their organisations have chosen two different approaches to the implementation of CSR programmes which incorporate the following three elements:

i) **The top-down approach.**

This is achieved through senior management directives and integration within the business model. For example, Retailer’s CSR programme is an integral part of the organisation’s branding strategy. Natserv’s business principles are defined by senior management and based on the organisation’s CR vision. Natserv, Nonprof and Transporter also appear to have senior management support which is demonstrated by the development of CSR teams and commitment of resources to a) “greening” their business and b) the implementation of other CSR programmes.

ii) **Employee engagement and support for CSR programmes.**

This appeared to be important to the implementation and success of CSR programmes. All of the participants were able to provide examples of how employee engagement and support is demonstrated within their organisations, even if it was only an “awareness” of the programmes. Whilst all participants believed their CSR programmes had employee support, Nonprof was the only organisation to link CSR initiatives to employees’ roles and Key Performance Indicators (KPIs).

iii) **Partnerships between NGOs and for-profit organisations.**

The participants’ comments indicate that partnerships play a significant role in the delivery and management of CSR programmes. NGOs bring specialised skills and knowledge to the partnership and their “good” reputation can assist in improving the reputation of the organisation with whom they partner. Some participants also suggested that whilst these partnerships provided benefits for all parties, choosing the “right” NGO partner could prove very important to the success of the CSR programme. For example, Retailer needed an NGO that could audit their CSR programme. Techsol has effectively handed over the management of their CSR programmes to their NGO partner and must be certain that the NGO can be trusted not to do anything that would reflect negatively on Techsol’s brand or image.
Anne’s comments also indicate that these partnerships are just as important for the NGO as they were for the organisations; especially as profit motivated organisations require governance and NGOs can play an advocacy role, providing support and advice to them.

### 4.4 Advantages Derived from CSR

Four of the five organisations participating in this study, *Nonprof, Retailer, Techsol* and *Transporter*, noted that there are advantages to be gained from engaging in CSR initiatives. As illustrated in Table 2 below, these competitive advantages may be found in cost savings, improved resource productivity or improved reputation. The majority of the interpretation of data pertaining to this section may be found in Appendix E; Advantages Derived from CSR.

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Organisations</th>
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<tbody>
<tr>
<td>Improved Reputation</td>
<td><em>Retailer, Nonprof, Techsol</em> and <em>Transporter</em></td>
</tr>
<tr>
<td>Cost Savings</td>
<td><em>Nonprof</em></td>
</tr>
<tr>
<td>Resource Productivity</td>
<td><em>Transporter</em></td>
</tr>
</tbody>
</table>

The advantages to be gained from the implementation of CSR initiatives are broad and varied. For example, an improved reputation may be derived from the organisation’s proof of commitment to CSR as with *Nonprof* and *Transporter’s* “greening” of their businesses. Improved reputation may also be evidenced in customer testimonials and media endorsements that a typical advertising dollar cannot buy, as was the case for *Retailer*. Whereas *Techsol’s* CSR programmes and improved reputation is aligned to the organisation becoming an employer of choice.

CSR initiatives have also been credited with cost savings and resource productivity for *Nonprof* and *Transporter* respectively. For *Retailer*, an important advantage associated with
their CSR initiative is that it differentiates them within a highly competitive industry. As mentioned in Chapter Two, there are even more advantages to be gained from engaging in CSR activities; increased brand awareness, improved reputation, increased customer loyalty, attraction of ethical investors and potential sales increases. However, the achievement of these advantages requires that organisations inform consumers of their CSR efforts. The methods employed by organisations to communicate their CSR initiatives are discussed in the following section.

4.5 Communicating CSR Initiatives

This section directly and specifically addresses the research question: Why do organisations that engage in CSR appear disinclined to communicate or advertise their initiatives? Accordingly, this section will: i) discuss the different methods employed by each of the participating organisations to communicate their CSR initiatives to stakeholders, and ii) identify the possible barriers and facilitators to CSR communications.

The information for this section was obtained through a combination of interview data and secondary data such as the perusal of the organisations’ websites and annual or CSR reports.

4.5.1 Methods of Communicating CSR

This section is concerned with identifying and discussing the methods employed by each of the participating organisations in communicating their CSR initiatives. The following methods of communicating CSR initiatives were identified: i) CSR and annual reports; ii) television advertising; iii) print advertising which includes newspapers, brochures and catalogues and; iv) public relations which encompasses corporate events and trade shows.
4.5.1.1 CSR and Annual Reports

Four of the five organisations that participated in this study communicate their CSR initiatives to stakeholders via either annual reports or CSR reports and their websites. For example, Nonprof has been including their CSR goals and achievements within their annual report, up until this year. In 2007, Nonprof produced its first CSR Report which was developed in line with the GRI guidelines and with the assistance of an independent auditor. Anne explained that the choice of the GRI was important for their future advocacy role:

“...we’re working with both multi-nationals and Australian SMEs, Australian corporates. I wanted something that was internationally recognised and from the sort of brief which I did I thought that was the way forward, what most corporates are aspiring to...”

Anne explained that the engagement of an independent auditor was also important to future reporting goals.

“...we’re hoping that by having an auditor advise us on the process and the sort of content of that first report, we’ll have good base lines from which to then measure and be audited next year...”

Whilst Nonprof plan on releasing a separate CSR Report, Anne also recognises the importance of including CSR information in the organisation’s annual report.

“...That will be a three page section in our annual report which I think is important too because as opposed to a sustainability report, our board of directors sign off on the annual report. Sign off from the board is positive in terms of showing that they’re serious...

Natserv has been producing CSR reports since 2003. However, unlike Nonprof, Natserv does not adhere to the GRI reporting guidelines or engage in an independent auditing process.
Albert explained that *Natserv* “...consider GRI in our reporting but we’re not formally addressing GRI...” Albert also believes auditing to be an unnecessary process because companies are “...legally obligated to provide accurate information anyway...that should be a transparent process...”

Both *Natserv* and *Nonprof* will publish their CSR reports online, but this was not always the case for *Natserv*. At one time *Natserv* were producing printed copies of the CSR report but the following comments suggests that there was either not enough interest in the document or that *Natserv* had not developed a strategy for distributing the report.

“...We were doing hard copies some time back but we didn’t see the sense in having a stockpile of thousands of hard copy reports just sitting there...”

*Techsol* is a large multi-national organisation with close to half a million employees. This organisation produces an annual report and a separate Corporate Responsibility report that include all of its businesses worldwide. *Techsol* also uses its corporate website to announce its CSR credentials which include membership of the United Nation’s Global Compact, its listing on the Dow Jones Sustainability Index and its ethical procurement policy. However, Victoria was unaware of both the Global Compact membership and the ethical procurement policy. This reveals a somewhat limited view of CSR which, as Victoria’s management title suggests, focuses primarily on Events and Sponsorship.

Even though *Transporter* and *Retailer* mention their CSR initiatives on their websites, neither publishes their annual reports on their corporate websites. Their reasons for doing so are different. *Retailer* is a private company and as such not required to publish an annual report. However, Elizabeth informed me after, after the interview and via email, that *Retailer* “...produces regular reports on their [CSR] Program for Senior Management, Board and Proprietors...” *Transporter*, like *Techsol*, is part of a larger organisation that publishes an annual report for the group. This annual report includes its strategic vision for Corporate Responsibility and aligns this vision with its growth strategies.
It is evident from the information gathered, that most of the organisations in this study report their CSR efforts either as a section within the organisation’s annual report or in a separate CSR report. However, it is also evident from the information gathered that each organisation takes a different approach to both their reporting and auditing processes, with only Nonprof adhering to a formal and internationally recognised reporting system, the GRI. The variety of procedures employed by the organisations in their CSR reporting reflects the lack of a nationally recognised and sanctioned reporting system.

4.5.1.2 Television Advertising

Four out of five of the participating organisations use television advertising to communicate their core products and services. However, only two of those four organisations (Retailer and Transporter), use television advertising to communicate their CSR initiatives.

Retailer has recently launched a national television advertising campaign in which their CSR initiative is the focus. The programme was rolled out, state by state, as explained by Elizabeth:

“...We’ve actually got a dedicated commercial for the community relations programme. We only launched the programme in Victoria on the 1st of July [2007] but it has been running nationally now for a couple of months…”

Henry noted that this was the first time Transporter has advertised on television since 2001 and stressed that the timing and the message had to be “right”: “...it’s important that when we do go out we have the right message to say and we change people’s behaviour...” Transporter has developed two television commercials. Henry explained that the first commercial was created to position the sustainability message and the second commercial cemented this positioning through the use of celebrity advocates:

“...There’s been two TV ads that we’ve put out. The first one is featuring school kids ...they’re talking only about the environment. The main message is, how can...
we help? That was positioning the sustainability message and then we had the advocates...the celebrities...”

Conversely, Retailer advertises both their core business and their CSR programme on television regularly. The differences in their television advertising strategies may be explained by the different industries in which Retailer and Transporter operate and the advertising practices within those industries. National retail groups tend to advertise regularly whereas public transport providers do not.

4.5.1.3 Print Communications

For the purposes of this study, print communications encompasses the distribution of brochures, newsletters and catalogues. Along with their television advertising campaigns, Retailer and Transporter also engage in these other forms of communication.

As well as their television advertising campaign, Transporter also produces newsletters and places advertisements inside its vehicles. This advertising can be found in brochures and posters displayed in the vehicles.

Retailer advertises in local or community newspapers and engages in direct marketing via their catalogue distribution. Mary explained that Retailer is “one of Australia’s largest distributors of catalogues” which are either delivered directly to consumers’ letter boxes or distributed as inserts in local papers. Retailer distributes between five and seven million catalogues monthly. Each catalogue has a “cause panel” on the back page which Elizabeth described as: “...a dedicated space...which is meant to tell a story over time...about the store’s involvement in the community and [the] sorts of things that they’re doing...”

Elizabeth explained that Retailer’s communications tools are extensive and range from style guides and advertising templates, to in-store merchandising.
“…an off the shelf tool for stores of how they can work with [cause partner] and how they can introduce a cause element across all the marketing channels…” to “…point of sale materials at a visual merchandise level…money boxes, posters, community notice boards, so it’s quite integrated across the programme…”

4.5.1.4 Public Relations

Four of the five participating organisations participate in public relations opportunities, which are described below in more detail.

Techsol holds events throughout the year. These events are designed to acknowledge students’ achievements in Science and Art and to award scholarships. They also provide Techsol with the opportunity to promote their CSR credentials to their customers, which Victoria implied is a more subtle approach and therefore more appropriate in business to business marketing.

“…the [University Art Awards], we invite customers to that function…it doubles as a customer event for us…We don’t do direct advertising, it’s more subtle than that…”

Henry explained that Transporter also uses events and trade shows to communicate their CSR efforts:

“…We have a team of 12 marketing people that go out to the different festivals and events, have a stand and deliver the [sustainability] message with these seeds [packets of native seeds]. We actually get trees in the stands as well, behind the stands to green that message up so people get to see that we are here for the environment and get them to think about using public transport more…”

As well as paid advertising, Mary also mentioned the publicity that Retailer receives as a direct result of its CSR programme and “cause” partners. She noted the importance of public
relations to the communication of Retailer’s CSR programme. “...Local PR is another key tenet... moving away from a central PR model we’ve now got five people on the ground working with the stores...”

Albert also noted that events such as the launch of Natserv’s CR Report provide opportunities for the organisation to gain media attention and raise awareness of their CSR initiatives.

“...we'll try and get some media attention at that event, and hopefully the media will...attend and take an interest in the report and what's in it and maybe there'll be some sort of flow-on effect from that...”

Whilst four of the five participating organisations engage in public relations activities to communicate their CSR initiatives, only one of those organisations, Transporter, takes their CSR message directly to the general public through trade shows and events. Two of the other organisations host private events in which they target their own employees (Natserv) and/or their customers (Techsol) and hope that they will receive some media interest in the event and its associated CSR initiatives. Retailer takes a different approach, engaging five PR representatives to work with the store proprietors and their cause partners in attracting media attention and publicity for their CSR programme.

The information provided in this section concerning the methods of communication in which each of the participating organisations engage are illustrated in the table below.

Table 3  Organisation’s Methods of Communication

<table>
<thead>
<tr>
<th>Method</th>
<th>Organisation</th>
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<tbody>
<tr>
<td>Reports</td>
<td>Nonprof, Natserv, Transporter, Techsol</td>
</tr>
<tr>
<td>Television Advertising</td>
<td>Retailer, Transporter</td>
</tr>
<tr>
<td>Print Communications</td>
<td>Retailer, Transporter</td>
</tr>
<tr>
<td>Public Relations</td>
<td>Techsol, Transporter, Retailer, Natserv</td>
</tr>
</tbody>
</table>
4.5.2 Possible barriers or facilitators to CSR communications

Interpretation of the information provided during the interviews for this study suggests the following as possible barriers or facilitators to CSR Communications:

i) The industry type and industry practices
ii) Timing
iii) The expense of advertising
iv) Poor Resource management and lack of knowledge
v) Exposing the brand to scrutiny/criticism
vi) Having nothing positive to report

The following sections discuss these possible barriers or facilitators to CSR communications in more detail.

4.5.2.1 Industry type and Industry practices

Consistent with their respective industry practice, Retailer, Natserv and Nonprof all engage in mass communications for their core business offerings. However, when it comes to their CSR initiatives, only Transporter and Retailer choose to engage in mass communications. Utilising mass communications is consistent with industry practice for Retailer only.

Upon reflection of the information provided during the interviews and a brief analysis of their respective industries, it appears that both Retailer and Transporter have based their CSR programmes on their core business capabilities. The focus on the community and environmental benefits associated with their businesses, allows them to build strong foundations on which to base their CSR communications. However, there are different reasons behind Transporter and Retailer’s decisions to engage in mass communication of their CSR programmes.
a) Price matching

The industry practice of “price matching” may serve as either a facilitator and barrier to CSR communications as explained in the section to follow. Price matching may act as a facilitator to CSR communications by providing *Retailer* with the opportunity to differentiate itself from its competitors.

*Retailer* operates within a highly competitive industry in which “price matching” is commonplace. In order to differentiate itself from its competition, *Retailer* must offer the consumer an incentive to shop at their stores. Elizabeth explained that *Retailer’s* CSR programme provides not only a point of difference from the competition by presenting *Retailer’s* outlets as caring members of the local community but also the opportunity for consumers to “feel good” about their purchase and subsequent “charitable donation”.

“...we would want customers to know that we actually donate [an amount] per transaction which goes back into the community. So, they’re more likely to go purchase a TV at Retailer instead of [another store]...”

Distinguishing one organisation from another in an industry in which similar products are offered at similar prices and in many different retail outlets, can be difficult and *Retailer’s* branding strategy could prove a very effective means of differentiating themselves from their competition and therefore, a facilitator to their CSR communications. However, industry practices such as “price matching” and the products provided by *Retailer* may restrict *Retailer’s* CSR activities and subsequently present a barrier to *Retailer’s* CSR communications. This is evident in the comments made by both Mary and Elizabeth when they acknowledged that “greening the business” is a compelling issue for *Retailer*.

The industry in which *Retailer* operates may also provide a barrier to the implementation and communication of CSR activities themselves. For example, both Mary and Elizabeth noted the importance of an environmental CSR programme in the future for *Retailer*. However, the industry (electrical goods) makes “greening” *Retailer’s* business problematic because: i) the products they sell emit carbon and are heavily packaged; ii) their premises use a lot of energy
for lighting, cooling and heating and; iii) they are one of Australia’s largest catalogue distributors. As such, Mary acknowledged that,

“…there’s a lot of risks involved with going towards that sort of positioning...we want to make sure that we are quite transparent and that also it can be a testament to what we’re actually claiming.”

Retailer’s joint venture business model may also prove problematic to the implementation of an environmental CSR programme because the store proprietors would be expected to implement the programme and pay half of the costs, as Mary explained:

“...that’s why what we’ve agreed to do is to put down a wish list of things that we would like to see in the business and then put down against them whether it’s [an] amount of time or [an] amount of money that is required for that investment to be realised and then it becomes a business decision; what things can we do now? So, we realise we have to do it. It’s just to what degree?”

The implication of Mary and Elizabeth’s comments is that it is essential for Retailer to keep costs to a minimum if they are to remain competitive in an industry in which “price matching” is commonplace. Therefore, the industry practice of “price matching” is a potential barrier to both the implementation and communication of any future environmental CSR programme Retailer may wish to consider, especially if profit margins decrease or product prices increase as a result of the implementation of such a programme.

b) Mass Communications for Core Product Offerings

Retailer, Natserv and Nonprof, all operate within industries in which it is common industry practice to utilise mass communications, although the focus is on products and price, rather than CSR. However, Retailer is the only organisation within these three that also mass communicates its CSR initiatives. In contrast, mass communications is not common industry practice within Transporter’s industry and yet Transporter mass communicates its CSR
initiatives. It appears, therefore, that the common industry practice of utilising mass communications is neither a facilitator nor a barrier to CSR communications.

4.5.2.2 Summary

As highlighted by the comments and examples provided in the interviews, it appears that industry types and industry practices can be either barriers or facilitators to CSR communications. For example, the industry practice of price matching appears to be a facilitator of CSR communications as it differentiates the organisation from its competition. It appears to be especially effective in highly competitive industries such as the industry in which Retailer operates. However, if the implementation and communication of a CSR programme serves to increase costs, which in turn, decreases the profit margin, “price matching” becomes a potential barrier to CSR communications within highly competitive industries.

The industry practice of engaging in mass communications for core business offerings does not appear to be either a barrier or a facilitator to CSR communications. For example, Natserv, Retailer and Nonprof all engage in mass communications of their core business offerings but only Retailer utilises mass communications for their CSR efforts. In contrast, utilising mass communications for core business offerings it is not common practice within Transporter’s industry and yet Transporter mass communicates its CSR efforts. In fact, the primary facilitator to Transporter’s CSR communications appears to be timing, which is explained further in the following section.

4.5.2.3 Timing

The fact that Transporter competes with an industry in which mass communication is not a common industry practice, would appear, at first glance, to be a barrier to CSR communications; why do what the other organisations are not? Why spend money on advertising when your competitors are not? However, the current interest in climate change
and increasing price of petrol are macro-environmental factors that directly impact Transporter’s industry thereby raising consumer interest in Transporter’s sustainability initiatives. Henry indicated that the timing was right for Transporter’s CSR communications. This means that timing served to facilitate CSR communications.

Henry’s comments suggest that the main facilitator to Transporter’s CSR communications was specifically, communicating the “right” message at the “right” time. Consumers’ increased awareness of climate change and increase in petrol prices have assisted in creating the “right” time for Transporter’s CSR communications.

“...with the issues that we’ve had...in the last few years, particularly with petrol prices...the environment has now become, in my opinion, the right environment to market for the greater good of Melbourne...and that’s really why we’re doing that now...”

However Henry also noted that timing has, in the past, been a barrier to CSR communications and could possibly explain why there was a period of several years in which Transporter did not engage in CSR communications. “...we tried to do things in early 2000, position the sustainability message. [it] wasn’t successful, didn’t cut through. People just weren’t relating to the environment message...”

4.5.2.4 Summary

Just as the industry practice of “price matching” was a facilitator and potential barrier to Retailer’s CSR communications, timing may also serve as both a facilitator and barrier to Transporter’s CSR communications. However, timing, especially when coupled with the expense of television advertising, proved a barrier to CSR communications for both Transporter and Techsol as explained in the following section.
4.5.2.5 Expense of Television Advertising

Techsol’s industry, which encompasses engineering and the development of infrastructure, has a business-to-business focus in which different methods of communication are employed compared with those employed in business-to-consumer industries. Although some organisations that engage in business-to-business sales do employ mass communications, Victoria stated there was “no need” for Techsol to advertise on television. She cited the expense of television advertising and implied that it was not an effective channel for communications by describing it as being, “…just shot gun…hugely expensive…even with a corporate ad, it’s still shot gun…”

Conversely, Transporter has found their television advertising campaign to be successful as Henry explained: “…we’re tracking them [the advertisements]...we’re getting 92% positive ratings...from the people who have seen them so far…” It appears that going against the common industry practice of not engaging in mass communications has not adversely affected Transporter’s CSR communications. It could, in fact, serve to differentiate Transporter from its competitors.

However, Henry did note that the expense of advertising also affects Transporter’s CSR communications. “…We haven’t got big marketing dollars so it’s important that when we do go out we have the right message to say and we change people’s behaviour…”

4.5.2.6 Summary

Therefore, the expense of advertising is another potential barrier to CSR communications for both Techsol and Transporter. Whilst none of the other participants in this study mentioned the expense of advertising as a barrier to CSR communications, the information they provided implied that there were other barriers such as poor resource management, which will be discussed in the following section.
4.5.2.7 Poor Resource Management & Lack of Knowledge

When asked about Natserv’s communication plans for their CSR report, Albert responded:

“...we haven’t been so strong on that in the past, partly because of time, and...there hasn’t been a lot of consistency with the person responsible for preparing the reports. So, we haven’t had a formal communications plan around rolling out the report and...letting people know about it...”

Albert’s comment suggests that Natserv relies on one person to prepare the report and then draw the public’s attention to the report in order to communicate the findings. Whilst it appears unusual for a large organisation with a CSR team that employs several people to leave the responsibility of communicating their efforts to one person within that team, a potential barrier to CSR communications, in this instance, may be poor resource management.

When asked if there were any future plans to communicate Natserv’s CSR initiatives, Albert’s response focused primarily on “internal” communications, “Natserv staff and their friends and family” with the hope that they will act as advocates and “take those messages out to the community”. This appears to be an ill-conceived and poorly thought-out CSR communications plan based on the premise that:

“...if [the CSR report is] interesting enough, they will [act as advocates] so, that’s a pretty good indication if we’re preparing and promoting reports that are of interest. If they’re ...not of enough interest to our staff, then why? And how do we address that?”

Whilst Albert focused primarily on whether Natserv’s CSR Report would be “interesting enough” to engage Natserv’s employees, the representatives from Nonprof, Transporter and Retailer all displayed a clearer understanding of the importance of employee engagement in, and support for CSR, especially when encouraging advocacy and informal marketing communications such as word of mouth. For example, Nonprof has linked CSR to employees’
roles and KPIs. Henry explained that Transporter’s sustainability initiatives began “…first with our staff before we went outside with the message and I think that makes the most sense as a marketer…” Henry also believed that this internal focus assisted in creating “…some great advocates out there, internally…” Alternatively, Retailer’s employees have proved their commitment to the CSR programme by achieving their fund raising goal much sooner than was anticipated.

After closer consideration of both Albert’s comments and his behaviour during the interview, it appears that he was too new to the position to be answering many of the questions put to him. This may explain why he displayed some nervousness and a lack of confidence, repeatedly referred to Natserv’s 2006 CSR Report, paused frequently and spoke in theoretical terms rather than providing clear and concise examples of the organisation’s CSR activities and associated communications.

In contrast, Victoria displayed confidence, steering the conversation towards topics that she wished to discuss. However, when the conversation returned to the questions outlined in the discussion guideline, Victoria was, at times, dismissive in both her comments and gestures. When compared with the comments made by the other participants in this study, it also became clear that Victoria has a different understanding of what CSR is and entails. This notion was reinforced when Victoria admitted that she was unaware that Techsol is a signatory to Global Compact and employed an ethical procurement policy. However, when it was suggested that her notion of CSR appeared closer to that of sponsorship and philanthropy Victoria responded: “…Yes, but it was still a mindset…” implying that she saw no difference between CSR, sponsorship and philanthropy. Perhaps Victoria’s position as the Manager of Events and Sponsorship defines her role and therefore the scope of CSR activities that she may implement within Techsol.

Whilst Victoria stated: “…CSR is the imperative for an organisation to provide support for the community…” she did not provide examples of how this was achieved by Techsol. Victoria also mentioned the crucial role Techsol’s key values play in the integration of CSR within the organisation. However, when asked how much input employees had into making decisions for
or engaging in CSR programmes, Victoria responded: “...Look I can’t answer that question because actively it would appear not so much but it’s more of an awareness...”

In contrast to Victoria and Albert, the representatives from Nonprof, Transporter and Retailer, all displayed an easy manner and a clear understanding of their CSR programmes and how those programmes relate to their organisations, its employees and ultimately, their CSR communications.

4.5.2.8 Summary

The information collected during the interviews suggests that poor resource management and a lack of relevant knowledge concerning the organisation and its CSR programmes are also barriers to CSR communications. This was demonstrated by Albert’s lack of understanding of Natserv’s programmes, implementation, measurement and communication. Victoria demonstrated a lack of relevant knowledge pertaining to the nature of CSR itself, with her view of CSR seemingly confined to philanthropy and sponsorship.

4.5.2.9 Exposing the Brand to Scrutiny

Both Retailer and Natserv’s representatives expressed concern about making claims that could not be supported by their organisation’s CSR practices. Albert was concerned about the effect negative publicity could have on Natserv’s reputation if they did not report their CSR efforts accurately.

“...we’re a big organisation and if we put out our 2007 CR report and the media go through it and pick the eyes and teeth out of it, then that could be...quite bad for us. So, we need to be doing as much as we can and we need to be reporting accurately against what we do...”
Mary acknowledged that she had similar concerns regarding CSR communications. “...do we say more than what we’re actually doing and we end up looking like hypocrites as well?”

Whilst both Mary and Elizabeth acknowledged that the implementation of an environmental CSR programme within Retailer was a compelling issue for their organisation, they expressed concern about the implementation of such a programme as well as the associated CSR communications. Mary explained:

“...There’s a litany of questions that we’re looking to answer to see exactly what we can lay claim to and then do that well instead of doing a lot of things not particularly well. That could open our brand to criticism...”

Transporter, Retailer and Nonprof have all taken similar approaches to the implementation of CSR programmes within their organisations; the “way of life” or “practice what you preach” approach. Mary, Elizabeth, Anne and Henry’s comments suggest that CSR should be a “way of life” for the organisation before any communications to external stakeholders occurs. This approach is illustrated in the following examples:

Henry explained: “...The thing that I’m very mindful of is that as a marketer, we can back it up with actions that we’ve done [internal sustainability initiatives] and I wouldn’t feel comfortable not doing that...”

Anne stated that this approach was essential to Nonprof’s future goal of presenting itself in an advocacy role to corporate partners. “…in order to have that sort of sophisticated corporate engagement approach we need to have a credible voice, we need to walk the talk...”

Elizabeth noted that Retailer’s CSR programme is employee-driven and therefore holds more meaning for them, “...it’s the proprietors, from the start, that have the power of deciding where they want their funds to go...their more passionate and emotional [about] them. [The programme is] a lot more meaningful...”
4.5.2.10 Summary

In synthesising the participants’ comments, it would appear that a potential barrier to CSR communications is the fear of exposing the brand to scrutiny. However, it is also suggested that exposing the brand to scrutiny may be avoided in the following ways: i) ensuring the organisation lays claim to no more than its actual achievements, and; ii) carefully selecting the method of implementation for the CSR programmes. In fact, the methods of implementation of CSR programmes may act as a facilitator to CSR communications. For example, when CSR is a “way of life”, that is, integrated within the organisational culture and practices, CSR communications should not expose the brand to any more scrutiny than it would normally receive.

4.5.2.11 Having Nothing Positive to Report

Anne mentioned that Nonprof’s core business is seen as “essentially positive” therefore it is assumed that their business practices are transparent and “essentially positive”. Whilst the desire to leverage the organisation’s “good” reputation to promote CSR activities might be tempting, the decision of whether to communicate CSR initiatives or not may be fuelled by the outcome of those CSR initiatives, as highlighted by Anne:

“…there’s no plan to [mass communicate] right now...I don’t know what the sustainability report is going to tell us...we’re putting together a lot of the measurements as well so, I don’t know whether we’re going to have a positive story to tell...”

Therefore, a potential barrier to CSR communications for an organisation within the not-for-profit sector, or in fact any industry, may be the lack of anything “good” to report.
4.5.3 Summary of Results

Interpretation of the data collected during the interviews conducted for this study identifies the barriers and facilitators to CSR communications as illustrated in the following table.

Table 4 Barriers and Facilitators to CSR Communications

<table>
<thead>
<tr>
<th>Barriers to CSR Communication</th>
<th>Organisation and Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>The industry practice of “price matching”</td>
<td><em>Retailer</em>: When costs are increased, leading to either decreased profits or increased prices for the organisation and its customers.</td>
</tr>
<tr>
<td>Timing</td>
<td><em>Transporter</em>: The right message at the wrong time.</td>
</tr>
<tr>
<td>Expense of television advertising</td>
<td><em>Transporter</em> &amp; <em>Techsol</em>: This is especially relevant within industries in which engaging in mass communications is not common industry practice.</td>
</tr>
<tr>
<td>Poor resource management</td>
<td><em>Natserv</em>: One employee within a team of several employees is responsible for compiling and communicating the organisation’s CSR efforts.</td>
</tr>
</tbody>
</table>
| Lack of relevant knowledge | *Natserv*: The participant was too new to the position to fully understand the organisation’s CSR programmes and communications.  
*Techsol*: A different understanding of CSR-believing it to be the same as philanthropy and sponsorship. |
| Exposing the brand to scrutiny | *Natserv* & *Retailer*: Exaggeration of CSR achievements or errors in reporting |
| Nothing positive to report | *Nonprof*: CSR initiatives could have negative impacts on the organisation or yield other negative results and the organisation may decide not to communicate those results. |
Facilitators to CSR Communication | Organisation and Example
--- | ---
The industry practice of price matching | *Retailer:* Price matching provides a point of differentiation within a highly competitive industry.
Timing | *Transporter:* The sustainability message proved to be the right message at the right time.
Integration of CSR within the organisational culture and practices. | *Nonprof, Retailer & Transporter:* “Practice what you preach” and then communicate the findings may also assist in decreasing scrutiny of CSR practices.

The following chapter will now discuss these barriers and facilitators to CSR communications and contextualise the findings in light of the current knowledge on this subject.
Chapter Five: Discussion

5.1 Introduction

This chapter will reiterate the purpose of the study and then briefly recount the research process. It will then discuss and embed the findings within current knowledge. The implications of this study will then be discussed and recommendations provided. Finally, this chapter will present the limitations of the study and possible areas for future research.

5.2 The purpose of the study

Once considered a niche marketing strategy for organisations such as The Body Shop, the promotion of environmental, social and economic responsibility alongside an organisation’s goods and services, is now entering the mainstream as CSR (United Nations Environment Programme et al. 2003). The push towards CSR has come from several directions; corporations themselves, stock market indices and rating systems, governments and consumers. The CSR movement has been further propelled by the current environment in which the issues of climate change, sustainability concerns and corporate collapses have fuelled media discourse, public and parliamentary debate, which have served to increase scrutiny of corporate governance and business practices.

The concern over climate change and the resultant focus on reducing waste, water and energy use has led to new and innovative product, recycling and sustainability solutions within many markets. It has also created a plethora of television programmes, websites, newspaper and magazine articles and increased parliamentary debate which has served to raise public awareness of the issues to be faced. And yet, even given the opportunities provided by the increased coverage of these topics in mainstream media channels, there appears to have been very little increase in communications for companies that produce these products or engage in CSR initiatives.
Many CSR companies utilise mass media for the purpose of communicating their core business offerings, however, they rarely use the same mass media channels to communicate their CSR initiatives. CSR information and communications are generally relegated to corporate websites. Whilst websites play a part in a company’s integrated marketing communications, they are not a mass marketing communications tool as they do not send the same message to many people at the same time (Belch and Belch 2004). In order for consumers to access CSR information stored on websites, they must firstly be aware that the company engages in CSR activities and secondly make a conscious effort to seek out or locate the CSR information. The question must be asked: how does a consumer initially become aware of a corporation’s CSR initiatives?

Organisations stand to gain many advantages by mass communicating their CSR initiatives. At the most fundamental level, communications serve to raise awareness and aim to increase sales of a company’s brand and its products as illustrated by the CAC models. Therefore those companies manufacturing environmentally friendly and ethical products should benefit from communications, by gaining greater brand awareness in the market place and potentially increasing sales. Companies that communicate their CSR efforts stand to gain even more. These companies can improve their brand power or reputation, encourage word-of-mouth promotion, increase trust and brand loyalty and make consumers more resilient to negative information about the corporation (Bhattacharya and Sen 2004; Blumenthal and Bergstrom 2003; Dawkins 2004b). More importantly, perhaps, is the fact that the public appear to want such communications (Blumenthal and Bergstrom 2003). Indeed, some would argue that the public not only want to hear about CSR, but also demand the information (Lewis 2003).

It would appear that the communication of CSR initiatives would be beneficial, especially as: the issue is topical; consumers are likely to be receptive to CSR messages; the opportunity exists; there are competitive advantages to be gained and brand power to be earned. So, it is surprising that Dawkins (2004a) found communications is the “…missing link in the practice of corporate responsibility, especially to mass audiences…” (p.2). This notion is supported by Bhattacharya and Sen (2004) who found that “…consumers’ lack of awareness about CSR initiatives is a major limiting factor in their ability to respond to these initiatives…” (p.23).
Organisations that engage in CSR utilise mass media for the purpose of communicating their core business offerings and yet they do not always take these same opportunities to communicate their CSR initiatives. This study explored the reasons behind this paradox by firstly, answering the research question: Why do corporations that engage in CSR appear disinclined to mass communicate their initiatives?

In order to answer the research question, this study: i) investigated the reasons behind CSR communications decisions of different organisations and; ii) identified the possible barriers and facilitators to those CSR communications decisions.

Secondly, it was the purpose of the study to address the gap in current knowledge with regard to CSR communications. There is a dearth of information concerned with CSR marketing communications. Most of the literature concerned with CSR communications is focused on non-financial reporting and stakeholder engagement, rather than marketing communications.

### 5.3 The Research Process

The epistemological position adopted was one of interpretivism which advocates the need to understand the differences between individuals and their roles within society. These roles are interpreted according to our own set of meanings. The researcher’s ontological position and epistemic style, along with the research problem, lend themselves to the collection of qualitative data. The views and opinions of six managers responsible for the management of CSR programmes within five different organisations were collected during semi-structured interviews.

Information gathered during the semi-structured interviews was recorded and handwritten notes were also taken. After the interview, the researcher transcribed the recorded interviews and used the handwritten notes to highlight/illustrate the context in which the interviews had taken place. After transcription, the data was then divided into categories or themes. The findings were then interpreted in light of the context, industry type and secondary research such as corporate website searches were conducted.
5.4 Discussion of the Main Findings

This section is concerned with the main points that were identified from data collected during the semi-structured interviews. It begins with a discussion on the choice and implementation of CSR programmes and the associated advantages to be gained by organisations that engage in CSR initiatives. It will then identify and discuss the barriers and facilitators to CSR marketing communications.

5.4.1 Choice and implementation of CSR programmes

It was important to investigate the CSR programmes corporations choose and why they choose them because it may be indicative of the organisation’s level of commitment to their CSR programmes and the way in which they are communicated. Synthesis of the data collected from the interviews revealed that there is indeed a strategic link between the organisations’ goods, services and industry in which they operate and their choice of CSR programmes. It was found that the participating organisations’ choices of CSR programmes are strategically linked to their businesses in one or more of the following ways:

a) Part of their business model and branding strategy
b) Partly through the provision of their core goods and services
c) Partly, from other initiatives such as philanthropy and sponsorship.

The findings also suggest that the choice and delivery of the organisations’ CSR programmes has led to advantages for their businesses, as illustrated in the examples provided throughout the following section.

5.4.1.1 Business model and branding strategy

This study found that some organisations incorporate CSR as part of their business model and branding strategy. For example, Retailer’s decision to incorporate its CSR initiatives within its branding strategy and business model allows Retailer to present itself as a community-
spirited organisation thereby distinguishing itself from its competition. *Transporter* has also incorporated their CSR initiatives within their corporate branding strategy in order to deliver their sustainability message. Ying (2005) argues that corporate branding represents the organisation’s value system and serves to enhance and promote the organisation’s reputation. A corporation’s reputation and brand is widely recognised as an “important source of competitive advantage for many companies” (Hanson et al 2005 p.99). This corporate branding strategy may be especially important for organisations that operate within highly competitive consumer goods industries, such as *Retailer*.

Bhattacharya and Sen (2004) found that as product differentiation decreases and competition increases, CSR initiatives not only improve the corporate brand and reputation but also strengthen the consumers’ bond with the brand. CSR initiatives may also be difficult for the competition to imitate, thereby providing “a unique competitive advantage that distinguishes it from other companies” (Porter and Kramer 2002 p.63). Ying (2005) suggests that branding strategies, such as the one employed by *Retailer*, not only serve to differentiate it from other organisations within a highly competitive industry, but also assist in reducing the level of consumer cynicism towards such branding communications.

5.4.1.2 *Partly through the provision of goods and services*

In contrast to *Retailer*, the other four organisations all fulfill some of their CSR initiatives to varying degrees, through the delivery of their organisation’s goods and services and the necessary core competencies required to provide these goods and services. For example, *Techsol’s* offerings are essentially socially and environmentally friendly and make up their major contribution to the organisation’s CSR efforts globally. *Natserv* focuses on utilising their core offerings and competencies in their CSR programmes. Whilst *Nonprof* and *Transporter’s* services themselves have positive social impacts; reducing the impact of poverty and providing public transport respectively.

This study revealed that these organisations’ CSR programmes have a strategic link to not only the core business offerings and competencies but also to business’ needs. This finding
suggests that these organisations are: i) employing their resources more efficiently by utilising the organisation’s core competencies and considering ways in which their core offerings may provide benefits for the environment, society and the organisation and, in some cases; ii) engaging in CSR programmes that serve to attract necessary resources to the organisation. For example, Techsol’s focus on Science and Engineering based educational programmes. This finding suggests that these organisations have considered their CSR programmes as they would other business decisions, as Castka et al (2004) suggest, balancing the demand for CSR with the profits or benefits of CSR to the organisation.

This finding also appears to reflect Porter and Kramer’s (2002) argument that it is in a company’s best interests to improve the condition in the societies in which it operates, because as such improvements can bring economic and societal goals into alignment, thereby improving the quality of the competitive environment.

5.4.1.3 Partly through sponsorship and philanthropy

Philanthropy and sponsorship opportunities may also be included in CSR initiatives. Four of the five organisations participating in this study reported engaging in philanthropic and/or sponsorship opportunities as part of their CSR initiatives. These opportunities are of mutual benefit to both the organisation and the recipient, as they provide a strategic link to the organisation’s core businesses as well as promotional and public relations opportunities, whilst the recipients receive funding and resources. This study also revealed that an interchange of skills may also take place between the sponsors and the recipients.

Whilst sponsorship of NGOs and community organisations may be imperative to their existence and/or success, current literature indicates that organisations are considering and developing more creative ways of “giving”. Teissonniere (2005) argues that many organisations are bypassing the cliché of the big cardboard cheque given to a charity, preferring instead to utilise their organisation’s core skills and competencies to the mutual benefit of both parties. Conlin et al (2003) believe this “core competency movement” provides the community with proof that organisations are considering their impact on society
and addressing the issue with the same level of commitment that they apply to their business. The cardboard cheque approach may not provide much more than a public relations opportunity whilst the core “competency movement” requires more of a commitment from the organisation and implies that funding is not always the only or best solution to the problem.

Porter and Kramer (2002) insist that social and economic goals are integrally connected rather than conflicting. They argue that this approach encourages organisations to think beyond the public relations opportunities and consider the impact their CSR activities could have on society, whilst still serving to enhance the organisation’s reputation. In fact, Porter and Kramer state that given the increased public scepticism of organisations, “corporations that can demonstrate a significant impact on a social problem will gain more credibility than those that are merely big givers” (p.67).

Current literature may suggest a move away from the more traditional ways of “giving” such as sponsorship and philanthropy but this study found that some organisations do not appear to be heeding the advice. For example, Techsol appear to be following the more traditional route, providing funding and office space rather than seeking involvement and building a relationship with their “cause” partners. As such, Techsol may be missing out on opportunities to engage with and make a difference within the communities in which it operates. In contrast, the other organisations within this study have shared core competencies, provided equipment, technology and advice thereby developing relationships with the community groups and NGOs that they choose to support. As Albert asserted, Natserv seeks to develop partnerships that “are more in line” with the organisation’s business and provide a mutual benefit to both Natserv and the recipient.

In summary, the findings from the present study reveal a common theme; not only are there strategic links between the organisations’ core business offerings and/or branding strategy, there are also advantages to be gained from engaging in CSR initiatives. The organisation’s choice of CSR programme is determined, to varying degrees, by the scope of the organisation’s goals, core offerings, competencies, resource requirements, business model and branding decisions. These findings were supported by existing knowledge and theory within
this field as presented in: i) the strategic link between organisational goals and requirements and their choice of CSR programme; ii) the consideration of CSR initiatives as formal business decisions in which the costs and benefits are weighed, and; iii) the advantages to be gained from engaging in CSR, especially within highly competitive industries.

However, the choice of CSR programme is not the only factor contributing to its success, the implementation and delivery of CSR programmes also appears to be important to the success of the programme and the CSR communications, as outlined in the following section.

5.4.2 Implementation of CSR programmes

The findings from this study suggest that the implementation of CSR programmes may be achieved through either the integration of CSR within the organisational culture and/or through partnerships with other organisations. This study suggests that the integration of CSR within the organisation requires: i) the top-down approach, which includes management directives, corporate governance, mission and vision statements, and; ii) employee support and engagement in CSR initiatives. This study also suggests that partnerships not only play a significant role in the implementation of CSR programmes for some organizations, but that the choice of the “right” partner appears paramount to the success of both the partnership and the CSR programme.

5.4.2.1 The integration of CSR within the organisational culture

All participants in this study implied, or stated outright, that their organisations’ CSR programmes had the full support of senior management. Senior management support for CSR within the participating organisations was demonstrated in the following ways:

- *Retailer’s* CSR programme is part of their business model
- *Transporter’s and Nonprof’s* senior management committed the financial resources required for the “greening” of their organisations and the development of CSR teams and initiatives.
• Natserv’s management has committed finances ($200 million per annum) to CSR initiatives.
• Victoria noted the crucial role that Techsol’s key values play in the integration of CSR within the organisation.

This is consistent with the recommendations in the CSR literature where it is commonly suggested that the development of organisational culture requires the support and commitment of employees at all levels. Senior management support may be demonstrated by the commitment of resources to CSR and incorporating CSR within the business principles, corporate mission and/or vision statements. The CSR orientation of the organisation is usually formed by senior managers with the board of directors being responsible for the ethical and social conduct of the organisation: the governance system (Castka et al, 2004). Therefore, if CSR strategies are to be successful, they require the support of senior management (Grayson and Hodges 2004) There are many benefits to be gained from the integration of CSR within strategic business decisions and they include: increased employee satisfaction and employee retention; an enhanced corporate reputation; decreased environmental footprint, and positive community engagement (Lopez et al 2007).

The implementation of CSR programmes requires more than senior management support; it also requires the support of employees from all levels of the organisation, especially if it is to be embedded within the organisational culture. Castka et al (2004) and Grayson and Hodges (2004) advocate that CSR be a “way of life” that is, embedded within the organisation’s culture, rather than approached as an ad hoc public relations opportunity. The authors argue that CSR obligations can best be met when the board develops a strategic direction that incorporates both organisational objectives and operational structures on which the organisation focuses. This requires that everyone is aware of their role and the activities required to achieve the objectives. Furthermore, Middlemiss (2003) argues that CSR must be firmly entrenched with the organisation before external communications occur.

Comments made by Mary, Elizabeth, Anne and Henry with regard to the implementation of CSR programmes within their organisations demonstrate that these organisations have embraced this notion of embedding CSR within the organisational culture. These participants
were all able to demonstrate how their CSR programmes were embedded within the culture of their organisations, primarily through the “practice what you preach” approach which was achieved, in part, through management directives and employee support for, and engagement in, their CSR programmes. This implies that the level of integration of CSR within Transporter, Retailer and Nonprof forms a strong foundation on which to base external communications whilst Techsol and Natserv had more of an internal communications focus.

5.4.2.2. Partnerships

The findings from this study indicate that partnerships, mostly with NGOs, play a significant role in the delivery and management of CSR programmes. As not-for-profits are not publicly listed, they are not always subjected to the same level of scrutiny that many other corporations experience, as noted by Anne from Nonprof. Even so, it is interesting to note that the general public tends to place more trust in NGOs than they do in listed corporations (Dawkins 2004a). This could be partly due to the fact that over the past ten years, NGOs have displayed a consistency in their attitudes and strategies in regard to social responsibilities, whilst corporations have been slower to grasp the concept (Danastas and Gadenne, 2006). It appears, therefore, that businesses might benefit from understanding and perhaps even emulating the behaviour and actions of NGOs. In fact, McIltoosh et al (2003) argue that NGOs are now such an integral part of the business landscape, wielding increasing influence over both public policy and the market that they shape “the rules and norms of business behaviour” (p.79).

Partnerships between NGOs and businesses can provide benefits for both parties such as, new markets and/or business opportunities and access to resources (Elkington et al. 1991; Grayson and Hodges 2004; Teissonniere 2005), improved corporate reputation and increased public trust (Dawkins 2004b). However, a primary concern for these partnerships is the “fit” between the corporation, its brand and goods or services and the NGO’s cause. Bhattacharya and Sen (2004) found that consumers look favourably on both corporations and NGOs that engage in CSR. However, they stress the importance of the “fit” between the two organisations. Consumers’ display increased support for and positive behaviour towards both the corporation and the NGO or cause by engaging in word-of-mouth communications and
displaying brand loyalty; consumers become advocates (Bhattacharya and Sen 2004). The results of this study easily corroborate these findings. The importance of establishing the right “fit” was emphasised by some participants in this study as being essential to the successful implementation of CSR programmes. For example, Retailer sought to partner with an NGO that could provide access to “cause” partners, audit the CSR programme and ensure the funds were distributed correctly. Techsol sought a programme partner that could be trusted to manage their CSR programmes and all associated communications. Natserv sought partners that could make use of and benefit from Natserv’s core competencies, skills, products and technology. Nonprof also seeks a good “fit” in their partnerships with corporations.

Consistent with recommendations in the literature, the findings from this study suggest that the integration of CSR within the organisational culture is important to the implementation and delivery of CSR programmes. However, the results of this study also suggest that the level of integration of CSR within the corporate culture may influence the CSR communications decisions with:

- four of the five organisations producing either CSR reports or reporting their CSR activities within their organisation’s annual report
- two of the organisations utilising mass media channels to communicate their CSR initiatives, and
- four of the organisations engaging in public relations activities to communicate their CSR initiatives.

The findings in this study also suggest that partnerships with NGOs play an important role in the delivery of CSR programmes, with four of the five organisations engaging in such partnerships. These partnerships appear to be especially important to the organisations that rely on their NGO partners to manage and audit their programmes, which is consistent with the notions that: i) the public places more trust in NGOs than publicly listed corporations therefore NGO involvement in auditing and reporting is more likely to be trusted; ii) NGOs bring a “good” reputation to the partnerships; iii) NGOs bring different skills and knowledge to the partnership; iv) NGO partnerships attract favourable attention for both of the partners
This study found no evidence of a link between engagement in NGO partnerships for the purpose of delivering CSR programmes and an organisation’s CSR communications decisions.

5.4.3 CSR Communications

This study revealed that the participating organisations employed the following methods of communication: i) CSR and annual reports; ii) television advertising; iii) print advertising which includes newspapers, brochures and catalogues and; iv) public relations which encompasses corporate events and trade shows. As the majority of literature regarding CSR communications is concerned with non-financial reporting, and this study is concerned primarily with mass communications, this section will concentrate on CSR reporting and television advertising in light of the current literature.

5.4.3.1 CSR Reporting

Whilst the majority of literature concerned with CSR communications focuses on CSR reporting, there is not a single internationally recognised and utilised reporting system. Without a standardised measurement or reporting procedure, analysing and interpreting the information from individual company’s CSR reports, even within the same industries, may not be consistent nor provide benchmarks for clear comparison of each company’s actual achievements within the CSR arena. McIntosh et al (2003) claim that the lack of a single reporting system has led to “cherry picking”; organisations write their own reporting guidelines in which they tend to omit the CSR elements that are more difficult to measure or achieve. The notion of “cherry picking” is linked to the very core of triple bottom line reporting, that of transparency and accountability.

This study found that four of the five organisations that participated in this study communicate their CSR initiatives to stakeholders via either annual reports or CSR reports. However, only
one of those organisations, *Nonprof*, employs an internationally recognised reporting system, the GRI.

Organisations that wish to avoid allegations of lack of transparency and accountability may choose: i) to follow already established reporting guidelines, as *Nonprof* has done, or; ii) choose to engage in an auditing process similar to that employed in financial reporting, as *Retailer* has done. Both of these options come with their own set of obstacles. The first option is difficult due to the proliferation of CSR guidelines and standards that can lead to confusion for managers who are attempting to decide which codes would best suit their business and which codes are most likely to be widely adopted in the future (McIntosh et al, 2003). The second option entails exposing the organisation, it’s potentially sensitive data, and its CSR programmes to a third party. However, Livesey and Kearins (2002) suggest that in order to progress in the field of non-financial reporting, independent parties should be employed to audit and verify CSR reports, as is the common practice in financial reporting. Livesey and Kearins (2002) cite the use of caveats within CSR reports as a way of protecting the organisation’s sensitive business data from its competitors, whilst still delivering transparency.

This study revealed that only *Retailer* engages in an auditing process for their CSR programme, and although *Nonprof* has engaged the services of an auditor in the establishment of their CSR measures and reporting procedures, their first report will not be audited.

It would appear that CSR reporting decisions and practices are as diverse and varied as the opinions provided in the current literature on the topic, with the common thread being the notion of transparency and accountability. This suggests a “free for all” when it comes to CSR reporting decisions, as each of the participating organisations engages in different methods of CSR reporting.

This lack of a single CSR reporting system could have both positive and negative effects on CSR reporting. A positive effect may be that each organisation within different industries has the freedom to develop CSR reporting systems that meet their business needs. A negative
effect is that it does not provide any consistency against which to compare and assess organisations within the same or different industries. Without a standard system of measurement for CSR reporting, it is difficult to determine whether organisations are being transparent or engaging in “greenwashing”. However, whilst a single, internationally recognised and accepted reporting system may sound appealing, and even prove beneficial to some organisations, it could also prove restrictive and even damaging to other organisations. For example, consider the effect the same reporting system may have on an organisation engaged in extracting natural resources and an organisation involved in reforestation projects. It would be extremely difficult, if not impossible, to create one CSR reporting system that could cater equitably to organisations with such different business goals.

It appears the solution may lie in an independent auditing process in which organisations’ CSR achievements are viewed against pre-determined measures, as is the convention in financial reporting. Independent auditing appears to lend credibility to an organisation’s CSR reports, allowing them a level of openness, while still being able to protect sensitive, competitive data through the use of caveats, as suggested by Livesey and Kearins (2002).

If CSR were embedded within the business systems and aligned with organisational goals, targets and performance measures, as suggested by Castka et al (2004) and practiced by Nonprof, it would present a single system of organisational management. Castka et al (2004) suggest that a single management system would lead: to resource efficiencies such as more efficient use of time and human resource management; better internal communications; provide a holistic view of the organisation. This single management system could also lead to a single annual report in which CSR is embedded within the usual topics reported such as the organisational practices, measurements and achievements, thereby providing a more holistic view of the organisation.

5.4.3.2 Television Advertising

Four out of five of the participating organisations use television advertising to communicate their core goods and services. However, only two of those four organisations (Retailer and Transporter), use television advertising to also communicate their CSR initiatives.
Although there is much written about the importance of communication with stakeholder groups to the success of CSR programmes, apart from CSR reporting, there is little written about how this communication should be achieved. As such, Dawkins’ (2003) argues that ‘…effective communication remains a missing link in the practice of corporate responsibility, especially to mass audiences…’ (p.2) This study supports this finding, as it found that only one of the four organisations (Retailer) that utilises television advertising to communicate their core offerings, also employs television advertising to communicate their CSR initiatives. In contrast, the other organisation that utilises television advertising to communicate its CSR efforts, does not usually employ television advertising to communicate its core offerings.

Dawkins (2003) notion of communications as the missing link is also supported by Bhattacharya and Sen’s (2004) research which found that ‘…consumers’ lack of awareness about CSR initiatives is a major limiting factor in their ability to respond to these initiatives…’ (p.23). Lewis (2003) suggests that communication is not only necessary to draw consumers attention to the delivery of a company’s CSR initiatives but that consumers want to hear about these initiatives. To this end Bhattacharya and Sen (2004) recommend that companies work towards increasing the public’s knowledge of CSR initiatives through the use of effective communication strategies. However, Blumenthal and Bergstrom (2003) assert that even though consumers want to know about CSR, there is still a notion that organisations should not “recognise any marketing benefits from good citizenship” (p.340).

The findings of this study confirm that even though CSR communications may be necessary in theory, they are often lacking in practice. Whilst this finding is consistent with current knowledge, it is also cause for concern because it suggests that organisations are not changing their practices and not drawing attention to or raising awareness of their CSR initiatives. The same communications channels that exist for goods and services may also be used to communicate CSR initiatives. However, three of the five organisations involved in this study did not take the opportunity to utilise those communications channels for their CSR programmes. This finding indicates that there are barriers and facilitators to CSR communications, which was the next and final area of investigation in the current research.
5.4.4 Barriers and facilitators to CSR communications

Although heralded as necessary and the “missing link”, many organisations are still not communicating their CSR initiatives. This would suggest that there may be barriers that organisations face when it comes to communicating their CSR efforts, just as there may be facilitators for those few organisations that do. Surprisingly, little is known in the literature about the barriers and facilitators to CSR communications. One of the primary objectives of this current study was to shed some light on this area of study. Several facilitators to CSR communications were identified in this study: i) industry type and practice; ii) timing; iii) having a positive message to impart.

It is important to note that the first two facilitators to CSR communications, mentioned above, may also act as barriers to CSR communications. Several barriers to CSR communications were also identified in this study, and include: i) industry type and industry practices; ii) timing; iii) the expense of advertising; iv) poor resource management and lack of relevant knowledge; v) exposing the brand to scrutiny and; vi) having nothing positive to report. Each of these will now be discussed.

Facilitators

5.4.4.1 Industry type and practices

Industry type and practices may act as a facilitator to CSR communications in the following ways. Within highly competitive industries, CSR programmes and their associated communications may serve to differentiate one organisation from another. Fisman et al (2005) suggest that CSR is especially useful as a means of differentiation within highly competitive environments. Dawkins (2003) advocates ‘…integrating responsibility messages with mass marketing communications…’ (p.3) which is supported by Fisman, Heal and Nair (2005) who suggest that CSR may be best employed within advertising intensive industries as a means of differentiation because the effect of CSR on profits, within this environment, is stronger than in industries that are not as competitive. Whilst both Retailer and Natserv operate within advertising intensive and highly competitive industries, Natserv does not take the opportunity
to differentiate itself from its competition through the communication of its CSR activities. In contrast, *Retailer* uses television advertising and other forms of communications to raise awareness of their CSR initiative, thereby differentiating themselves from their competition.

This suggests that “industry practices” may serve as facilitators to CSR communications. For example, the industry practice of “price matching” is commonplace within *Retailer’s* industry. This means that consumers may purchase the same product, at the same price, from many different suppliers. Therefore, competitors within this industry must differentiate themselves on some basis other than price. In contrast, *Natserv’s* industry has other means of differentiation such as contract terms, equipment prices, purchase plans and package deals.

This finding suggests that CSR communications may serve to differentiate the organisation from its competitors within highly competitive and advertising intensive industries, especially if there is little else to differentiate the organisation from its competitors.

5.4.4.2 A positive message to impart

As suggested by Anne from *Nonprof*, the decision to communicate CSR activities may be fuelled by the outcome of those CSR initiatives. Organisations may choose to communicate CSR initiatives when the outcomes prove to be positive. This viewpoint seems consistent with McIntosh et al’s (2003) notion of “cherry picking” whereby organisations select only the positive CSR elements to communicate with stakeholders. Therefore, a positive CSR message may be a facilitator to communications as was the case with both *Retailer* and *Transporter’s* CSR initiatives and their subsequent communications.

However, if organisations choose to only report the positive outcomes of CSR, they are not engaging in the key tenets of CSR communications; transparency and accountability as advocated by (Livesey and Kearins 2002). In order to be truly transparent in their CSR communications, organisations must be prepared to acknowledge both the positive as well as the less than positive outcomes of their CSR programmes, as would be expected of them in regard to any other business decision. Therefore, whilst having positive information to impart
may be a facilitator to CSR communications, it is essential that organisations are also held accountable for, and encouraged to, acknowledge and communicate their less than positive CSR initiatives.

Indeed, organisations may not always have the option of reporting only their positive CSR outcomes as the globalised market and changes in societal expectations bring about increased regulatory controls in the area of non-financial reporting. The possibility of introducing mandatory non-financial reporting is debated in the Federal Government sponsored CAMAC CSR Discussion Paper (2005). If it is decided that changes to the Corporations Act (2001) are required in order to introduce mandatory non-financial reporting, the challenge for organisations will be how, not whether, they will meet these requirements.

5.4.4.3 Timing

This current investigation has revealed a new facilitator to communicating CSR initiatives, one not previously discussed in the current literature. As mentioned previously, sustainability concerns have led to new and innovative product, recycling and sustainability solutions within many different markets. It has also created new avenues for debate in mainstream media which, in turn, increase the opportunities for CSR communications and yet, only one of the organisations that participated in this study has taken this opportunity to communicate their sustainability initiatives.

Henry indicated that Transporter’s CSR communications were prompted by more than a positive message and that “timing” also proved an important facilitator to their CSR communications. It was clear from Henry’s comments that Transporter’s CSR communications required that the organisation deliver the “right” message at the “right” time. The right message and timing are crucial to communications, especially given the current environment in which “society has a new range of concerns; companies have a new set of messages” (UNEP et al, 2003, p.8). The public and political debate regarding climate change, when coupled with rising petrol prices, serve to raise consumer awareness of sustainability issues and the social, environmental and personal benefits of utilising public transport.
Transporter’s sustainability message resonated with consumers’ and society’s emerging concerns and in this way, “timing” became a facilitator to their CSR communications.

Apart from Retailer, who does not engage in an environmentally focused CSR programme, it is unclear why the other organisations are not taking this opportunity to communicate the ways in which they are addressing sustainability concerns? The reasons behind their lack of CSR communications may be explained by the barriers that were identified in this study. These barriers to CSR communications are discussed in the following section.

**Barriers**

5.4.4.4 Industry type and industry practices

Just as industry type and practices served as a facilitator to CSR communications, these same practices may also serve as a barrier to CSR communications. For example, Retailer operates within a highly competitive consumer goods industry in which “price matching” is commonplace. Retailer’s representatives, Mary and Elizabeth, stress the need for an environmentally focused CSR programme within the organisation, but this could prove problematic within their highly competitive industry.

The implementation of any CSR programme that requires a large financial commitment from Retailer could put their organisation at a disadvantage, compared with others within the same industry who are not implementing CSR programmes. For example, if Retailer were to implement an environmental CSR programme similar to those implemented by Nonprof and Transporter, that could increase costs and reduce profit margins, it may not be sustainable for Retailer. If, in turn their product prices were increased to cover the cost of the CSR programme, Retailer would no longer be competing on price, which is a common industry practice for them. The potential increase in costs due to CSR also relates to the earlier notion of organisations having a positive message to convey. Vaidyanathan and Aggarwal (2005) found that consumers were prepared to support CSR organisations and buy their products only when the purchase did not result in any loss of benefit to the consumer, that is, either poor product quality or increased product price. This means that hypothetically, Retailer could find
themselves in a position where they are differentiating themselves from their competition, but not benefiting from doing so.

This study suggests that the industry practice of “price matching” may be a barrier to the implementation and subsequent communication of CSR initiatives. This finding suggests that the implementation of CSR programmes may lead to increased costs that put the organisation at a disadvantage to its competitors and this will be further magnified by the CSR communications. However, Lopez et al (2007) argue that the CSR organisation may be at an economic disadvantage to their non-CSR practicing competitors only in the short-term with the differences diminishing over time. In other words, organisations may recoup their CSR costs, just not immediately.

5.4.4.5 Timing

Just as timing was a facilitator to CSR communications, it may also serve as a barrier, as illustrated by some of Henry’s comments. *Transporter* had attempted to position their sustainability message a few years earlier and the communications were not successful. Consumers did not appear to be interested in the message or see the benefits (environmental, social and personal) to be gained because petrol prices were not inflated and climate change was not a topic of hot debate in parliament, public or the media to the extent that it is today.

Perhaps the real consideration with regard to “timing” as a barrier to CSR communications is Elkington et al’s (1991) argument that the consumer must see the benefit as “a benefit worth paying for and worth, where necessary, switching brands for” (p.125). For example, *Transporter’s* sustainability message that was first delivered several years ago may not have provided the necessary impetus for consumers to “switch brands” (forego their car and use public transport) because the timing, (in which environmental concerns were not paramount), did not support *Transporter’s* message and persuade the consumer to act.
5.4.4.6 The expense of advertising

In this study, the comments from one participant revealed that financial constraints may be a potential barrier to CSR communications. Whilst Henry was the only participant to mention the limitations of a small marketing budget, ensuring financial resources are appropriately allocated may be a concern for many organisations. The expense of advertising also relates to the earlier sections concerned with industry practices. For example, it does not appear to be standard industry practice for public transport providers to mass communicate their services. Therefore, a limited marketing budget may also be standard industry practice for Transporter and its competitors. The financial constraints associated with a limited communications budget also encourage Transporter to think carefully about their message, the medium and the timing in order to make the best use of their limited financial resources, which may explain the reasons behind their use of cheaper forms of communications.

This finding is consistent with Lopez et al’s (2007) argument that the CSR organisation may be at an economic disadvantage to their non-CSR practicing competitors. Therefore, organisations that are considering CSR communications must weigh the immediate costs against the potential or theoretical advantages to be gained before committing to CSR communications.

5.4.4.7 Poor resource management and lack of relevant knowledge

Findings from this study suggest that both poor resource management and a lack of relevant knowledge serve as barriers to CSR communications. For example, the reason for Natserv’s employment of mass media channels to communicate its core offerings, and not its CSR initiatives, may be attributable to poor resource management. This finding is based on information provided by Albert who suggested that one person within Natserv’s CSR was responsible for communicating the organisation’s CSR initiatives. Furthermore, a lack of relevant knowledge was demonstrated by Albert’s vague understanding of Natserv’s programmes, implementation, measurement and communication due to his recent employment
with the organization which may further explain the organisation’s lack of CSR communications.

Similarly, Victoria demonstrated a lack of relevant knowledge pertaining to the nature of CSR itself, with her view of CSR seemingly confined to philanthropy and sponsorship as evidenced by Techsol’s funding of programmes that were administered and communicated by their “cause” partners. Although Victoria insisted that Techsol is concerned with its impact on society and the environment, she was unable to provide clear examples of how the organisation managed these concerns. It also appeared that Techsol’s Australian offices were absolved of any responsibility for compliance and ethical procurement policies because their “cause” partners and head office in Europe manages these issues. Even though Victoria insisted that CSR is very much a key tenet within Techsol, no substantive evidence was forthcoming to verify that this was the case.

These findings also indicate that neither Natserv nor Techsol have a comprehensive communications plan for their CSR initiatives. For example, Natserv has chosen to focus primarily on internal communications in the hope that their employees would “spread the word”, while Techsol has left the management of their CSR programmes and all CSR communications in the hands of their “cause” partner.

This finding suggests that CSR is not taken very seriously within these organisations. If CSR were a serious consideration for these organisations one would expect that they would, in the first instance, employ people who possess a high level of knowledge in the area of CSR and in the second instance, train their employees in the programmes and processes associated with their roles.

5.4.4.8 Exposing the brand to scrutiny

Consumers are becoming increasingly aware of issues of sustainability, resulting in: changes in consumer behaviour; businesses becoming more sensitive to the needs of the community, their employees and the environment; and increased coverage and scrutiny from the media (De
Oliveira and Gardetti (2006) suggest that CSR communications not only attract increased scrutiny, but must also be reviewed carefully and often, because stakeholders’ expectations change over time. Whilst Polonsky (2007) argues that organisations must be very careful when communicating CSR as “any credibility gaps will possibly cause more negative brand sentiment than if the brand were not to have attempted socially responsible positioning in the first place.” (p.74) The preceding opinions suggest that organisations must consider different stakeholder groups whose interests and requirements change frequently, and be prepared for the possibility of increased media scrutiny as well as the possibility that their CSR communications may do exactly what they are striving to avoid, and damage their brand equity.

However, whilst the notion of increased scrutiny from stakeholder groups frequently arises in the current literature, only two of the participants in this study indicated that increased scrutiny may be a potential problem for their organisations. However, they provide quite different reasons for this concern. Mary’s comments were more hypothetical as she expressed concern over how to implement and then what to communicate in regard to Retailer’s not yet existent environmental programme. Alternatively, Albert expressed concern that the media could “pick the eyes and teeth” out of Natserv’s CSR report and yet he strongly denied that this concern contributed to the lack of publicity surrounding the release of the report.

The general lack of communications within some of the organisations participating in this study could imply that increased scrutiny is, in fact, a concern and therefore a barrier to CSR communications. However, Lewis (2003) argues that exposing the brand to scrutiny should not discourage organisations from CSR communications but rather encourage organisations to incorporate CSR within their “business vision and brand management” (p.1). This study seems to support this argument as the two organisations that utilise mass media channels to communicate their CSR initiatives share the following similarities: i) CSR is part of their corporate branding strategy; ii) CSR is entrenched within their organisational model and culture; iii) they make simple statements and do not lay claim to more than what they are achieving.
Whilst this study suggests that exposing the brand to scrutiny may be a potential barrier to CSR communications, it is also suggests ways in which scrutiny may be avoided: i) ensuring the organisation lays claim to no more than its actual achievements, and; ii) the method of implementation of CSR programmes. In fact, the methods of implementation of CSR programmes may act as a facilitator to CSR communications. For example, when CSR is a “way of life”, that is, integrated within the organisational culture and practices, and therefore part of the day-to-day business practices, CSR communications should not expose the brand to any more scrutiny than it would normally receive.

5.4.4.9 Having nothing positive to report

As Anne indicated in this study, organisations may be less inclined to communicate CSR outcomes that are not very positive or of which they are unsure. Therefore, a potential barrier to CSR communications for an organisation within any industry may be the lack of anything “good” to report.

This barrier once more raises the notion of “cherry picking” in which organisations select the CSR initiatives and results that they will and will not communicate which in turn, leads to the question of transparency in the organisations reporting measures and associated communications.

5.4.5 Summary of the Contribution to Knowledge

In light of the dearth of information concerned with CSR marketing communications, this study’s primary contribution to knowledge is the identification of the potential barriers and facilitators to CSR communications. This study identified the following facilitators to CSR communications: i) industry type and practice; ii) timing; iii) having a positive message to impart. This study also identified several barriers to CSR communications, two of which are also listed as facilitators: i) industry type and industry practices; ii) timing; iii) the expense of advertising; iv) poor resource management and lack of relevant knowledge; v) exposing the brand to scrutiny and; vi) having nothing positive to report.
5.4.6 Limitations of the Study

Whilst a strength of the study would appear to be the participants selected, namely CSR or Marketing Managers that were, in most cases responsible for the development, implementation and communications of CSR programmes within their organisations, one of the participants was relatively new to his position. This meant that the information provided by this participant was not as informed or detailed as the information provided by the other participants.

This exploratory study was conducted with participants from five different organisations within five different industries. As such, the findings may not be representative of other organisations within the same industries.

5.4.7 Directions for Future Research

Generally, as this study was exploratory, further research will be required to substantiate the findings. Specifically, this study suggests that further research is required in the following areas and for the following reasons.

The integration of CSR within the organisational culture presents two possible areas for future research: i) the level of influence integration of CSR within the organisational culture has on CSR communications and; ii) the role of internal advocates in word-of-mouth communications, both of which are discussed below.

CSR appeared to be very well integrated within the organisational culture of three organisations participating in this study. As two of those three organisations were the only organisations to mass communicate their CSR initiatives, it would appear that integration might be a facilitator to CSR communications. However, whilst this study suggests that the integration of CSR within the organisational culture may be a facilitator to CSR communications, further research involving a larger number of respondents, is required to
firmly establish the link and determine the level of influence integration of CSR within the organisational culture actually has on CSR communications.

This study suggests that the integration of CSR within the organisational culture has led to employees becoming advocates for the organisation and its CSR programmes. In light of Dawkins (2003) findings that informal advocacy of organisations plays an important part in word-of-mouth communications, a future area of research might involve the measurement and effect of advocacy on organisations formal CSR communications.

Although this study suggests that CSR communications may serve to differentiate the organisation from its competition within highly competitive and advertising intensive industries, further research is required to measure whether this is consistent across all such industries. As highlighted in this study, Natserv and Retailer both operate within highly competitive and advertising intensive industries. However, both do not mass communicate their CSR initiatives. This may imply that CSR communications are an effective differentiation strategy within advertising intensive and highly competitive industries if there is little else to differentiate the organisation from its competitors, such as product range and price or service offering. This is another possible area for future research.

Finally, the notion of “timing” is not debated in the current literature but is identified within this study as being both a facilitator and barrier to CSR communications. The notion of timing and its relevance to CSR communications requires further research in order to determine if it is industry specific and the level of importance it has with regard to CSR communications within different industries.
6 REFERENCES


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APPENDIX A  Informed Consent

Mr Smith                           Lorrae Nicholson
Smith and Co.                     C/: Faculty of Business and Enterprise
23 Smith Street                  PO BOX 218
Melbourne VIC 3000              Hawthorn VIC 3122

3 October 2007

Dear Mr Smith

Corporate Social Responsibility and Marketing Communications

I am an Honours student in the Faculty of Business and Enterprise, and under the academic supervision of Rowan Bedggood, Swinburne University of Technology, seeking your participation in a research project for her Honours Dissertation. Outlined below are the details of the project.

Project Information Statement
This study is concerned with Corporate Social Responsibility (CSR) communications and aims to explore:

- The reasons behind corporations’ CSR communications decisions and,
- Whether CSR communications practices are beginning to change as a result of recent environmental changes and corporate governance in general.

Benefits of the Study
Given the increasing pressure for organisations to adopt activities which are deemed socially responsible, I believe exploring these activities and how they are communicated will be of increasing interest to both a managerial and academic audience over the next few years and therefore worthy of further investigation.

The study provides the participants with the opportunity to share their thoughts, opinions and experience, thereby contributing to the field of knowledge and area in which they work. Upon request, each participant will receive an aggregate report on the findings which will offer insights into current trends, the competitive advantages of CSR and how a range of organisations manage their CSR communications. Furthermore, this research is expected to contribute towards building future strategies that can serve to reduce barriers to implementation and success of organisational initiatives that promote social and environmental well-being.

Conditions of the Study
If you are willing to participate in this research, you would be invited to be interviewed. With your permission the interview would be recorded and expected to take between 30 and 45 minutes. The information you provide may be used, in an aggregated or anonymous way, for
this project and would possibly inform future research projects and/or publications. Please be assured that the privacy of you and your organisation will be maintained and accordingly, all data will be de-identified to ensure your anonymity and confidentiality are not compromised. As a participant you may also reserve the right to withdraw consent and discontinue your participation in the study at any time.

Confidentiality and Privacy
The information obtained in the interviews will be strictly confidential and your privacy and anonymity and that of your employer guaranteed. This will be achieved through the use of coded references. Each participant and their employer will be only referred to by their coded reference in the dissertation and any future research publications. The codes, tape recordings and transcripts of interviews will be stored in password protected files that may be accessed only by the researcher and her academic supervisor. A copy of the discussion guideline that will be used in the interviews is attached to this letter.

Complaint Procedure
This project has been approved by Swinburne’s Human Research Ethics Committee in line with the National Statement on Ethical Conduct in Research Involving Humans. If you have any concerns or complaints about the conduct of this project you may contact:

Research Ethics Officer
Office of Research and Graduate Studies (H68)
Swinburne University of Technology
PO Box 218, Hawthorn 3122.
Tel: (03) 9214 5218 or resethics@swin.edu.au

If you have any concerns or questions regarding this project, please do not hesitate to contact me or my supervisor. If you agree to the above terms and would like to participate in this project, please sign and date the attached Letter of Informed Consent and return it in the envelope provided. I thank you for your time and look forward to hearing from you and meeting with you in person.

Yours sincerely

Lorrae Nicholson
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Faculty of Business and Enterprise
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Ms. Rowan Bedggood
Chief Investigator (Supervisor)
Facility of Business and Enterprise
Swinburne University of Technology
Hawthorn VIC 3122
Phone: 03 9214 5869
Informed Consent

Swinburne University of Technology

Project Title: Corporate Social Responsibility Marketing Communications

Principal Investigator: Lorrae Nicholson

1. I consent to participate in the project named above, the particulars of which have been explained to me. I have been provided a copy of the project information statement and this consent form and any questions I have asked have been answered to my satisfaction.

2. Please circle your response to the following:
   - I agree to be interviewed by the researcher: Yes No
   - I agree to allow the interview to be recorded by electronic device: Yes No
   - I agree to make myself available for further information if required: Yes No

3. I acknowledge that:
   (a) my participation is voluntary and that I am free to withdraw from the project at any time without explanation;
   (b) the project is for the purpose of research and not for profit;
   (c) my anonymity is preserved and I will not be identified in publications or otherwise without my express written consent.

By signing this document you agree to participate in this project.

Name of Participant: ..................................................................................................................

Signature & Date: .....................................................................................................................

Name of Participant: ..................................................................................................................

Signature & Date: .....................................................................................................................

Name of Witness: ......................................................................................................................

Signature & Date: .....................................................................................................................
APPENDIX B  Discussion Guideline

1. What CSR activities does your company engage in?

2. What fuelled this decision?

3. Have you ever employed marketing or advertising campaigns to communicate your CSR initiatives?
   # If no, why not? Are there plans to do so in the near future?
   # If yes, what, when and why?

4. If you have started advertising your CSR initiatives within the past 12 months, what was the impetus/catalyst for this decision? (Political, social and media discourse? Increased pressure from activist groups/suppliers/customers?)

5. Have you noticed any changing or new trends within your industry regarding CSR in general? (For example: increased interest or pressure being applied by any stakeholder or activist groups? Increased advertising of initiatives?)

6. What are the most compelling issues your company currently faces with regard to corporate social responsibility?
APPENDIX C Choice and Reasons for CSR

Choice of CSR Programmes

All five organisations manage socially focused CSR programmes. Whilst all participants conceded the importance of an environmental focus for their organisations, one of them, Retailer, does not engage in any environmental programmes. Retailer’s lack of an environmental programme is not the only factor that differentiates it from the other organisations participating in this study. These differences, together with a brief discussion of the CSR programmes for all participants, are presented next.

Part of their business model and branding strategy

Retailer differs from the other organisations in the following ways: i) it manages a single “social” CSR programme, a national community relationships programme, whilst the other organisations manage several CSR programmes each; ii) Retailer’s products do not always have a positive environmental impact as they emit carbon and make a large contribution to landfill at both the beginning (products are prepared for sale using excessive packaging) and end of the product’s life (products are disposed of by the consumer and potentially hazardous materials enter landfill); iii) it recognises the need for, but does not currently engage in an environmental programme.

Whilst Mary and Elizabeth note the importance of Retailer’s community focused CSR programme to the business model and branding strategy, they also recognise and acknowledge that Retailer needs an environmental programme. Their views are likely motivated by the following concern: “...Our warehouses and the products that we sell emit carbon. There’s a lot of heating, cooling, lighting that we accumulate as a business and we’re one of Australia’s biggest catalogue distributors...” Whilst Mary and Elizabeth acknowledge that implementing an environmental CSR programme will be an important next step for their business, they have yet to develop either a CSR programme or a plan for addressing environmental concerns.

Both Mary and Elizabeth explained that Retailer’s CSR programme plays an important role in the organisation’s branding strategy, allowing it to present itself as a community-spirited organisation thereby distinguishing itself from its competition. It is clear from Elizabeth and
Mary’s comments that the main reasons behind Retailer’s choice of CSR programme are the industry in which it operates as well as the Retailer business model and branding strategy. Mary and Elizabeth’s in depth explanation of Retailer’s community focused CSR programme appears to support the claim that:

“...It’s very integral to the [business] model and probably the reason why it is so successful...”

Retailer, whilst being a large national chain, uses its CSR programme in conjunction with its joint venture business model to build its branding strategy in which each Retailer store becomes a member of the local community thereby differentiating Retailer stores from the competition. This is an important strategy given the highly competitive industry in which Retailer operates, an industry in which the same products are available from many different outlets and Mary explained, “price matching is commonplace.”

Partly through the provision of their core goods and services

In contrast, the other four organisations all fulfill some of their CSR initiatives to varying degrees, through the delivery of their organisation’s goods and services. In fact, Victoria’s comments imply that Techsol meets its CSR objectives primarily through the goods and services that it produces and provides. Victoria appears to believe that Techsol’s offerings are essentially socially and environmentally friendly and make up their major contribution to the organisation’s CSR efforts globally.

“...Environmental consideration is applied to everything that we do...we spend about $90 million a year on research and development,...best practice and how can we better design, create, develop, produce at less footprint?”

When it comes to Techsol’s CSR programmes, Victoria is just as clear in confirming the strategic link with Techsol’s business requirements. For example, Techsol concentrates on education-based CSR programmes, especially those related to science and engineering because their business involves the provision of technological solutions. The young people participating in their CSR programmes will eventually be seeking employment and if they are
already interested in science and engineering and had a positive experience of Techsol through participation in their CSR education programme, they are more likely to think of Techsol as an employer of choice.

Victoria: “...they are our future - either by way of employee or by way of being a customer. No doubt about that. It’s quite solid and understood which is why we give primarily into the areas that are related to our business and we’re quite specific on that...”

Although the participants gain experience and skills in science based topics, Victoria is very clear that Techsol’s motivation for engaging in CSR programmes is the benefits to be gained by the organisation. In contrast, Albert noted the importance of utilising Natserv’s experience, skills and knowledge in order to achieve greater benefits for both the organisation and the community.

“...So, that’s something that we’ve got more knowledge in and more skills in and more experience in so we can provide a greater benefit for the communities that we get involved with and that we provide funds for and engage in community and business partnerships...”

In fact, Albert stated that Natserv’s focus on utilising their capabilities is assisting the organisation in increasing their CSR opportunities: “...that’s becoming an increasing focus for our CR initiatives...maximizing the opportunities...”

Natserv, like Techsol, also fulfills some of its CSR initiatives through the development and supply of products and services such as video conferencing and teleconferencing. Albert explained, “...as part of CSR we’re looking at ways to have a positive impact on the community and the environment through our products and services...” These services may be both environmentally and socially positive, as they allow organisations to reduce their travel expenditure and the associated carbon emissions or medical facilities to transmit medical data for real time diagnosis from remote distances.
Nonprof and Transporter’s CSR initiatives are also provided, in part, through the delivery of their core business offerings. Nonprof and Transporter’s services themselves have positive social impacts; reducing the impact of poverty and providing public transport respectively. Both organisations have taken similar approaches to integrating environmental concerns within their businesses. Nonprof has made a commitment to reducing carbon emissions through the energy efficient retro-fit of the corporate offices, decreasing the size of their corporate fleet, restricting air travel when possible and buying carbon offsets when air travel is necessary. Transporter has engaged in similar initiatives such as harvesting rain water and installing solar panels, as Henry revealed;

“...if you’re actually collecting rain water, doing things like installing solar panels in depots to power the lighting...that’s actually proving that you are trying to make a difference to the environment...”

Analysis and interpretation of Henry’s comments suggest that the primary driver behind Transporter’s choice of CSR programme and its associated marketing communications was to increase patronage of its services through an awareness raising campaign that informed consumers of both the social and environmental benefits of utilising Transporter’s services.

“...The main goal...throughout the campaign this year, [was to illustrate that] if a person took [our vehicle] one day a week, we could have January driving conditions all year. That was the premise of how we set up the ad and then we looked at all the reasons why and the sustainability aspect ended up flowing through nicely...”

Whilst Nonprof and Transporter have implemented similar environmental initiatives within their organisations, it is for different reasons. For Transporter, the timing was right and the sustainability positioning may assist in encouraging and increasing patronage of its service, whilst Nonprof aims to present itself in an advocacy role.

Henry is very clear not only in the connection between Transporter’s CSR programmes and the organisation’s core service (the provision of public transport) but also in his acknowledgement of the importance of “timing” to the selection of CSR programmes.
Henry’s comments suggest that consumers’ increased awareness of climate change coupled with increased petrol prices, has provided the “right” time and place for Transporter’s environmental message.

“...Now, with the issues that we’ve had, particularly in the last few years, particularly with petrol prices and it’s top of the mind now, the environment has now become, in my opinion, the right environment to market for the greater good of Melbourne... and that’s really why we’re doing that now...”

However, Henry is just as clear that Transporter must be able to support any claims that they make in regard to their CSR activities.

“... if we handed out “trees” [native seedlings] without any substance to that benefit, then I think that’s pretty weak CSR. But, if you’re actually collecting rain water, doing things like installing solar panels in depots to power the lighting and that sort of thing, that’s actually proving that you are trying to make a difference to the environment...”

The internal measures (greening of their own business) taken by Nonprof are an integral part of their future positioning as a sustainability advocate and also essential to the development of their “credible voice”. Anne explains that in order to have a conversation with other organisations, Nonprof needs to have undergone similar experiences in the implementation of their sustainability initiatives that have led to a clearer understanding of the challenges to be faced.

“...Yes, we know how hard it is, we’re doing it ourselves, we’ve got the same problems, and these are some of the issues and this is what you can do on a more sophisticated level if you want to do x, y, z. So, there’s that sort of internal focus which informs the external partnership...”

Partly from other initiatives such as philanthropy and sponsorship.

As part of their CSR initiatives, Techsol, Retailer, Natserv and Transporter also engage in philanthropic and sponsorship opportunities. These opportunities are of mutual benefit to both
the organisation and the recipient. For the organisations, they provide a strategic link to the organisations’ core businesses, promotion and public relations opportunities, and financial support for the recipient. For example, *Transporter* has raised funds for both Family Retreat Rooms within a major hospital. The hospital has benefited from Transporter’s sponsorship but so, too, has Transporter. They have received naming rights for these rooms and the public transport stop outside the hospital. Henry explained that this is strategic as the three areas of focus for Transporter’s CSR programmes are health, environment and education.

Alternatively, *Techsol* sponsors national science based education programme, which is named after it and promoted in schools and universities across Australia. Victoria stressed the strategic link between *Techsol’s* choice of CSR programme and the organisation’s core offerings, highlighting the benefits to the organisation:

“...all of that giving and support that we provide one way or another is of benefit to us...CSR is the imperative for an organisation to provide support for the community...”

*Natserv* commits $200 million annually to its programmes that are promoted nationally. Albert explained that these programmes must provide a mutual benefit for both *Natserv* and their partner:

“...Natserv are more about developing partnerships with community and industry, where relevant, that have a mutual benefit...”
APPENDIX D  Implementation of CSR

Integration within the Organisational Culture

From the comments made and examples provided during the interviews, it appears that CSR is entrenched to varying degrees, within four of the five organisations. The development of organisational culture requires the support of, and commitment from, employees at all levels. The CSR orientation of the organisation is usually formed by senior managers, with the board of directors being responsible for the ethical and social conduct of the organisation; the governance system (Castka et al, 2004). As management and the board are ultimately responsible for organisation performance, they make the final decision regarding strategy. Therefore, CSR strategies require the full support of management if they are to be successful (Grayson and Hodges 2004).

All participants to this study implied or stated outright that their organisations’ CSR programmes had the full support of senior management. For example, Nonprof’s office retrofit and Transporter’s energy saving initiatives both required a fairly substantial financial commitment from their organisations. Such a commitment would require the approval of senior management and/or the board of directors. And yet, whilst financial commitment plays an important role in implementing CSR initiatives and embedding them within the organisational culture, there are other methods by which senior management can demonstrate their commitment to CSR.

In Retailer’s case, their business model and branding strategy partly relies on the community based CSR programme as Mary explained, “...It’s very integral to the [business] model and probably the reason why it is so successful...”

Nonprof’s commitment to CSR is displayed by top level management within the organisation in the form of both financial and non-financial support. As Anne explained,

“...Nonprof’s CEO is very, very, on top of this stuff and very supportive of it. The CEO’s Operations chief, is very much behind these initiatives, behind putting my position in place... So it’s a very... CEO-led agenda for it. ...all sustainability work
to date has been driven by an internal committee led by the CFO [Chief Financial Officer], which is a very strong place to have it driven by...”

A synthesis of Victoria’s comments indicate that she believes CSR to be well integrated within Techsol; a “way of life” or “second nature”. It is also clear from Victoria’s comments that she believes Techsol’s CSR initiatives are not only supported but also led by a “forward-thinking” and “visionary” Chief Executive Officer. Victoria also mentions the crucial role Techsol’s key values play in the integration of CSR within the organisation. However, when asked how much input employees had into making decisions for or engaging in CSR programmes, Victoria responded:

“...Look I can’t answer that question because actively it would appear not so much but it’s more of an awareness...”

The above comment may be interpreted in one of two ways; i) Victoria is implying that “awareness” means that CSR is so well entrenched within Techsol that it is automatically and naturally considered in everything that the organisation does or ii) Victoria is being evasive as she cannot provide any examples to support the assertion that CSR is entrenched within Techsol’s organisational culture. The latter of the two interpretations is a more likely conclusion, especially when viewed in light of other comments made by Victoria which will be presented throughout this chapter.

Albert stated that Natserv employees “should know intrinsically” what is expected of them under Natserv’s Corporate Responsibility (CR) business principles, and behave accordingly.

“...We’ve got our CR business principles...how we behave basically, as an organisation and we’ve got corporate values...our business principles and...our over-arching vision...they’re really important for all staff...”

However, whilst it is expected that employee behaviour will be guided by Natserv’s CR principles, apart from the CSR team, other employees’ performances in CSR areas are not linked to their KPIs. Albert explained that within Natserv the Human Resources department conducts employee satisfaction surveys which measure the
“…level of understanding of the corporate business principles, workforce satisfaction with their current role, level of satisfaction with management…which go to the core of how we engage with staff and how we treat our staff…”

It is part of Albert’s role to engage others and encourage them to participate in the organisation’s CSR initiatives. However, Albert acknowledges that to date “…there hasn’t been that sort of benchmarking process where we say, alright what’s the understanding and attitude and awareness of staff to CR?” Albert also noted that this sort of employee feedback would assist the CSR team in identifying areas that require improvement and ways of rectifying those situations. Albert was able to explain what Natserv should do to encourage employee engagement in CSR activities, he could not however, provide clear examples of how this is currently being implemented or achieved.

In reflecting upon the comments made by Victoria and Albert, it seemed evident that the level of staff input and engagement in CSR programmes is in more theoretical than practical terms. That is, neither of these respondents was able to provide clear examples of the ways in which employees demonstrate their commitment to the organisation’s CSR programmes. Their statements indicate that they believe employees are supportive of and participate in the programmes, simply because the programmes exist and employees “should, would and could” participate in them. However, the other participants were able to provide examples of how employees within their organisations supported, and were encouraged to engage in, their organisation’s CSR initiatives.

Retailer, Transporter and Nonprof all displayed a similar approach to the implementation of their CSR programmes which entailed integrating CSR within day-to-day business practices and the organisational culture. This was achieved, in part, through management directives and employee support for and engagement in the CSR programmes.

Whilst all respondents to this study believed CSR to be entrenched within their organisational cultures, Retailer, Nonprof, Natserv and Transporter all have CSR teams or representatives and systems in place for encouraging and measuring employee engagement. Conversely, Techsol’s CSR programmes are managed under the Events and Sponsorship banner which
implies that Techsol’s initiatives are grounded more in philanthropy than CSR, an implication that is confirmed by some of Victoria’s comments. It appears that Techsol’s primary resource commitment to their CSR programmes is financial with their NGO partners actually managing the programmes.

Retailer’s community based CSR programme is employee-driven and whilst the proprietors’ own 50% of the business, they own 100% of the commitment made to the local charity of their choice. The proprietors’ preparedness to participate in this initiative is further supported by the fact that they honour their commitments. For example, Elizabeth notes that if they promise to raise $13,000 for cancer research and manage to raise only $11,000, the proprietors contribute the shortfall of $2,000. So, whilst the organisation provides instruction, guidelines, advisers and templates for all marketing communications, the employees select the community group that will benefit from the programme, set the fund raising targets and manage all of the associated communications. In other words, it is the employees who drive this programme, as explained by Mary:

“...So it's the proprietors from the start that have the power of deciding where they want their funds to go to so they're more passionate and emotional for them, a lot more meaningful...”

Empowering employees to decide who will benefit from their efforts means that they will select causes that are important to them and be more committed to achieving their goals. Both the charity and the business benefit from this programme because the donations are derived from the sales made at each store; the more sales that are made, the more funding is raised. The fact that they have reached their target amount of $750,000 much earlier than anticipated is also evidence of their commitment to this CSR community-based programme.

Anne and Henry’s choice of CSR initiatives and their responses to interview questions suggest that they have both taken the “practice what you preach” approach to their businesses’ CSR programmes. Anne refers to this approach as “walking the talk” and having a “credible voice”. Henry explained that the environmental positioning for Transporter also began
internally, “…we started first with our staff before we went outside with the message and I think that makes the most sense as a marketer…”

As well as Nonprof’s commitment of financial resources to a retro-fit of their corporate offices Anne also revealed that they have created an Environment and Sustainability working group and appointed “green” representatives within each department. These representatives “…can not only raise ideas from the teams but can also be the liaison/feedback point for that change…” Nonprof is also ensuring that CSR is embedded within the organisation’s culture by implementing a formal governance structure for the Environment and Sustainability committee, incorporating sustainability initiatives into employees’ roles and linking them to key performance indicators (KPIs).

“…The 2IC of the organisation drive[s] the environment and sustainability committee which has a formal governance structure. So, that’s been another…important element in professionalising the work and making it part of their job description and ultimately part of their KPIs…”

Henry stated that Transporter has been entrenching CSR within the organisational culture since 2004 through the implementation of sustainability initiatives such as water saving (catching water and using recycled water to wash the public transport vehicles) and energy saving initiatives (solar panels). Henry’s statements suggest that Transporter’s employees are working within an organisation that demonstrates its commitment to sustainability through positive and tangible actions. In this way, the organisation garners employee support for the programmes and creates advocates out of its employees. The organisation has implemented programmes and initiatives that encourage staff participation and involvement both within and outside of the organisation such as free quotes and discounts for “greening” their homes. As explained by Henry,

“…We needed our staff to do what we do. Now obviously, not all of them do, but at least they’re aware of it, aware of our programme, and there are some great advocates out there, internally…”
Information gathered from the interviews suggests the following similarities in Transporter and Nonprof’s efforts to entrench CSR within their organisational cultures:

i) The commitment of financial resources
ii) Support of senior management
iii) Encouraging employee support for CSR activities and
iv) The “greening” of their organisations

**Partnerships**

From the information gathered during the interviews that partnerships play a vital role in the implementation of CSR programmes for four of the five organisations, Retailer, Techsol, Nonprof and Natserv. Three of these four organisations delivered some or all of their CSR programmes through partnerships with NGOs. In fact, it is evident from the interviews that the NGOs that are involved in partnerships with both Retailer and Techsol are instrumental in the both the management and delivery of the CSR programmes.

Mary and Elizabeth indicated that Retailer’s choice of NGO partner for their national CSR programme was strategic. This NGO partnership provides them with access to various “cause” partners nationwide and the necessary skills to manage and audit the programme. The reasons for selecting this NGO as their partner were explained by Elizabeth,

“...We wanted a partner that could work with us with due diligence and also offer the choice [of cause partners] to the proprietors. [The NGO] has under its umbrella, across the country, some 500 organisations...”

From Elizabeth and Mary’s comments it became apparent that the NGO plays an important role in both the delivery and reporting of Retailer’s CSR programme. The participants’ responses indicate that Retailer’s NGO partner has four responsibilities within this programme; assisting with the development of the programme, introducing the stores’ proprietors to “cause” partners, auditing the programme reports and distributing the money to the “cause” partners. Mary explained that their NGO partner:
“... does a lot of the auditing...we just accumulate that money...then do the reporting. [They have] done a lot of due diligence and they actually farm out that money so that, from an accounting perspective it’s very transparent and compliant.”

Alternatively, Techsol has partnerships with two NGOs. NGO One is an organisation with connections to communities nationwide whilst NGO Two has connections to educational institutions nationwide. However, it soon became apparent that Techsol’s partnership with these two NGOs is markedly different from the partnership that Retailer has with their NGO. Information gathered from the interviews indicates that whilst Retailer works closely with their NGO partner, Techsol takes a very different approach to the management of their NGO partnership. Techsol’s contribution to the partnership is primarily financial with their NGO partners actually administering and managing the programmes as explained by Victoria:

“...We, as a business, effectively funds it all, they are the community resource that gets it out there...”

Victoria’s comment implies that Techsol’s NGO partner is necessary and important to the delivery of the programme. Indeed, when the information is viewed in context along with Victoria’s other remarks; it appears that without their NGO partner, Techsol’s CSR programmes could quite possibly not exist. Techsol appear to be absolving themselves of any responsibility for their CSR initiatives, choosing to sponsor rather than manage these programmes. If Techsol were to withdraw their funding, the only CSR related initiatives the organisation would then engage in, would be their core business offerings.

Natserv has two CSR arms: (i) the organisation and its CSR initiatives that consider the impact of their products and services on the environment and the communities in which the organisation operates and (ii) the Foundation, the organisation’s philanthropic arm, which is dedicated to assisting children, young people and their communities. Both arms engage in partnerships or work with NGOs. Similar to Retailer, the strategic “fit” is identified as being of high importance when selecting CSR programmes and partnerships for Natserv, as noted by Albert:
“...It’s not just about giving money away to anybody, or in partnerships with any community groups just for the sake of it...”

*Nonprof* also engages in partnerships, but with corporations rather than NGOs. *Nonprof* requires resources and income to continue its work. An investigation of Nonprof’s website indicates that these resources may be derived from donations, endowments and corporate sponsorships or partnerships. Anne from *Nonprof* not only recognises the importance of partnerships but also the need for a more “professional” approach to be taken by NGOs.

“...We want to have a more sophisticated corporate partnership approach and we want to engage with corporate primarily through an advocacy lens, and through a financial lens as a by-product...”

Anne’s comments suggest that *Nonprof* is seeking to develop a more sophisticated approach and understanding of organisations in order to more effectively engage with them. Anne stresses that this approach is part of *Nonprof’s* strategy to develop relationships rather than relying on corporate philanthropy alone:

“...The key driver is the understanding that corporates need governance and that they have a lot of impact both positive and negative potentially...we want to work out orientation, business practice, for pro-poor impact and less ...pure corporate philanthropy....
APPENDIX E  Advantages Derived from CSR

Improved Reputation

For four out of five organisations, respondents mentioned or alluded to the benefits to be gained from an improved reputation as a result of CSR initiatives. Henry from Natserv was the only participant that did not mention any link between improved reputation and his organisation’s CSR programmes.

Elizabeth believes that Retailer’s community based CSR initiative provides a differential advantage over their competition, in terms of media endorsements which, as Elizabeth explains are the, “...sorts of things you really can’t pay for...” and attracting customers to their stores.

“...One of the other things which fuels the decision as well is that, if for example, you’re going out to purchase a television and it’s the same price point in [another store] as it is in Retailer then we would want customers to know that we actually donate [an amount] per transaction which goes back into the community. So, they’re more likely to go purchase a TV at Retailer instead of [another store]...”

Retailer’s CSR programme also creates competition internally, that is, between the different proprietors and their stores, which in turn leads to an increase in sales volumes. The advantages for Retailer may be found internally as well as externally as Mary explained:

“...It also encourages a bit of competition...If [one store] has done something that the others are curious about, it communicates that and it might then inspire [the other stores] to go and do something and out-do each other...which is good for the actual cause itself because they end up executing more events, raising more money...”

Victoria’s acknowledgement that Techsol’s CSR initiatives are aimed at those people who may be future employees or potential customers implies that Techsol’s CSR initiatives also assist in improving the organisation’s reputation. People who have received scholarships or training from Techsol are likely to have a positive perception of that organisation and consider
Techsol as a preferred employer. This benefit may not be as pervasive as that of Retailer’s, as the results may not be as easily or immediately measurable.

Transporter are taking a similar approach and experiencing similar results to Techsol. Transporter are also engaging in education based initiatives aimed at future employees and customers, with the focus on the environmental benefits of the public transport system.

Nonprof’s CSR efforts are based on its future advocacy role and engagement with organisations. Nonprof’s commitment to sustainability or their “credible voice” is an important stage in the development of their future goals.

Cost Savings

Anne from Nonprof has found that participating in sustainability initiatives can lead to savings for the organisation.

“...We’ve made a whole range of savings which we want to communicate because it’s not just environmental savings, it’s bottom line financial savings as well. So, in terms of the retro-fit, it looks fancy...but it’s an energy-based retro-fit which will have significant cost savings and means that, the donor dollar goes to where it’s meant to go primarily...”

The cost savings made by Nonprof are not only consistent with their core business of raising and distributing funds to those in need but Anne readily admits that she has been; “...selling it [CSR] internally in terms of cost, as a competitive advantage...”

Resource Productivity

Similarly, Transporter is also experiencing savings, especially in the area of resource productivity or environmental savings such as reduced paper, water and energy usage as noted by Henry; “...Probably on our printing we have noticed a little bit now. We have saved a lot of water through catching water and the electricity is going down a little bit at the depots that are getting the solar power through the panels...”
APPENDIX F  RETAILER INTERVIEW TRANSCRIPT

MARY = Manager Consumer Brands and Promotions
ELIZABETH = Manager of Community Partnerships

INT: What CSR activities are your company currently engaged in?

ELIZABETH: We run a National Community Relations Programme. We partner with a group called [NGO partner] who are a not for profit organisation of which we donate [an amount] per transaction to local community organisations at a grass roots level. [NGO partner] are a not for profit organisation who generally take submissions from community organisations and give out grants. Our programme is a little bit more unique in that our proprietors actually decide where, or have the power of deciding where they want their money to actually go towards. So the [monetary amounts] add up to about $750,000 a year, which can then be maximized through customer donations, workplace giving, fund raising events and activities. So, each store decides where the money is distributed, generally it stays within the local community, the funds go back into local communities which supports a variety of different organisations from Canteen through to cystic fibrosis research, bone marrow institute, local hospitals, volunteer programmes, a whole really diverse range of different community organisations.

So, it’s a unique programme but the beautiful thing about it is that it’s not us here in head office saying “we want to support the Starlight Foundation because we like kids”. There is someone in Queensland for example, whose wife is suffering from breast cancer and he wants his money to go to the Breast Cancer Foundation or someone who might be receiving dialysis who wants to donate to a renal unit or something like that. So it’s the proprietors from the start that have the power of deciding where they want their funds to go to so their more passionate and emotional for them. A lot more meaningful.

INT: Do most stores choose just one charity or can they choose two or three?

ELIZABETH: Some stores have 2 or 3, other stores have one. Some of our states operate collectively and group together and pool their funds together. For example, we’ve got 7 stores in WA and they’ve selected 2 cause partners, the [Name of Hospital]which is a hospital over there and the Mega Zone at the top of the hospital and their other charity is called Volunteer Programme (VP) which is a mentoring programme for kids that are struggling at school, where they do sports and things like that. So the 7 stores pool their funds together which collectively adds up to about $80,000 and they give 50% to [Name of hospital] and 50% to VP. Our Victorian stores decided that they wanted to go 100% local and just give their funds to a grass roots community organisation in their local area. So the 19 stores in Victoria support 19 different charities. So it’s quite different and the states are set up very differently. Queensland is quite geographically spread out so they group together in regional areas for example.

MARY: And the other good thing I guess in terms of feeding into your next question is one that ELIZABETH touched on and that is proprietors actually get to pick rather than have a charity or a number of charities imposed on them. And also as a company we don’t generally engage in any national or corporate, if you like, PR, sponsorships, anything along those lines.
We have trialled that a few years ago and we found that the onus is on the stores to really drive a lot of the activities and so rather than having a celebrity as an ambassador of the programme we really strive to have [Retailer] as the local hero. And so this way they can pick where the money goes, it’s always localized so there’s an awareness already within the community. The other thing also is that [NGO partner] does a lot of the auditing for us as well so we just accumulate that money if you like and we then do the reporting. [NGO partner] has done a lot of due diligence and they actually farm out that money. So that from an accounting perspective it’s very transparent and compliant. And then also generally, the way that we pitch the programmes to stores is that a lot of them are project based funding. So, once that dialysis machine, the money’s been raised for that, then it’s a question of “okay well, where does your money go next?” Whether it’s within that hospital or another cause that’s come up in that area? And it’s ongoing in that regard so we can quite tangibly say “Okay this helped to educate 5 children over a 6 week period or this raised a machine for this renal unit.”

Because they’re transparent and very tangible which is good for the public but also for Retailer as well they can see that the money flows 100% through and that it does deliver a benefit. So they might be some of the considerations that we have.

ELIZABETH: One of the other things I guess which fuels the decision as well is that, if for example, you’re going out to purchase a television for example, and it’s the same price point in [a competitor’s store] as it is in RETAILER then we would want customers to know that we actually donate 20cents per transaction which goes back into the community. So, they’re more likely to go purchase a tv at RETAILER instead of [the competitor].

INT: So, you were saying that the PR approach didn’t really work for you or that you didn’t really engage in that.

MARY: Not in that way, no, if you did a search on Retailer for PR, you’d find a lot of store-based PR that comes through but Retailer doesn’t publish its market share, its turnover, even category PR, so there’s no real commentary on generosity for example. It’s very, very grass roots, just as this cause programme is and generally we steer more towards what stores are doing like grand openings, if they’re doing particular sales or community activities that they’ve done but nothing as a group. So, again, very separate to Harvey Norman who is very much the face of the business. Retailer is quite literally, a collection of 74 stores around the country that are working to deliver best price, best product selection etc but also a community spirited business as well.

INT: That’s very interesting for a National brand to have such a branding strategy

MARY: It’s very integral to the model and probably the reason why it is so successful. It’s very important. The [Name of company] owns 50% of every store, I’m not sure if you’re aware of the business model, and the proprietor owns 50% of say Bayswater, Brighton or Preston, and then [Name of company] would own 50% of each, so in total they have 50% of the whole business but the proprietor’s task is very much driving the brand at a local level. The staff, the pricing, the way that the store is set up, the community PR, the kind of local schools or community groups that they support, everything is really determined by the proprietor. Because they live there, they live and breathe the store it’s like…
INT: OK, so that, in part, I guess answers question 3. So, I’m looking at the communications, especially advertising campaigns concerned with your community initiatives, so I’ve seen on your brochure out the front that the [community organisation] logo is down the bottom but there is no mention of the donation.

ELIZABETH: We also have a partnership with [community organisation] in Victoria, our Victorian stores, of which they are the official partner. So we have a relationship with [community organisation] which is also driven at a store level, which is also over and above what we do for [NGO partner], so it’s a separate partnership.

INT: And what do you do with [COMMUNITY ORGANISATION]?

ELIZABETH: Um, good question (giggling), [Community organisation] are actually going through a big transition at the moment. They’re having a major review which was commissioned by the chief commissioner, of which, they’ve been quoted as being “stuck in the past”. You could say, they haven’t moved with the times. When they originally set up [Community organisation], they initially set up to counteract the number of burglaries and things like that at people’s homes and now the burglary rates have decreased quite a bit, the [Community organisation] is still focused on that sort of thing where as we’re focused on terrorism and driving and those sorts of things. They have a lot of, I guess, issues internally at the moment. They’re very dysfunctional. It’s very hard for us to have one site for the measurement and terms of our partnership at the moment. So, we’re still a partner of those, they’re just going through a big transition at the moment. We’re also taking a back seat, helping them out at a strategic level and trying to get that right, which is going to happen over the next 12 months to 2 years.

INT: Ok.

ELIZABETH: Our partnership with [Community organisation], we try to keep their logos on all of our materials and our logos are on their materials but we actually aren’t driving it a lot at the moment because they are going through this big transition

In answer to your question before that, they catalogue, this is our “Call to Action Catalogue”, they normally have a monthly catalogue. Each store has their own catalogue which goes out and on the front page, of the Vic stores only, it would have the [Community organisation] logo down the bottom. On the back page of our normal catalogue, which Mary is getting now, I think, is a dedicated space on the back page which we call a “Cause Panel” (CP) space of which is meant to tell a story over time I guess about the store’s involvement in the community and what sorts of things that they’re doing. A lot of the time it will tell you what their target is, which might be $15,000 for the Maribynong store and they may have raised $9,007 to date for that. They might be running a ball on the 15th of September so they might be advertising the ball on the back page in that CP.

INT: So, every store, in effect, prints their own catalogues so that they can promote their activities.

ELIZABETH: Correct.
INT: And you’ve got your television commercial that everyone knows with the XXX XXX soundtrack. Have you ever considered advertising your [monetary amount] on that advertisement.

ELIZABETH: We’ve actually got a dedicated commercial for the community relations programme. I’ll go grab my laptop and show you. It’s only just started running in Victoria, since July. We only launched the programme in Victoria on the 1st of July but it has been running nationally now for a couple of months.

INT: Ok, that’s probably why I haven’t seen it yet. Why was it just a couple of months ago that the commercial aired?

ELIZABETH: We did a rollout programme for launching the XXX programme, so we did it state by state. So we launched WA and NSW in October of last year, and then QLD and SA came on board in March and then we brought on board Victoria in July.

It’s a fairly comprehensive process of connecting the stores to the community organisation because they don’t just look at one, sometimes they look at up to 10 or 20 community organisations. They go out and visit them, they look at the projects and all sorts of things so it’s pretty intensive.

MARY: And they also need to vote how the money will be spent and distributed, so whether as WA did, whether they do it collectively and then they agree on a few cause partners or if they all do it individually. So they need some time to understand how the programme works.

So, we’re one of Australia’s largest distributors of catalogues. This one goes out and it’s valid for a whole month, so there’s 12 of these in a year. That one there, that larger broadsheet style we use for more tactical pricing so this is what we call our “call to action” catalogue and there’s probably about 15 of these per annum. On this one you would see the Victorian Good Guys have integrated the [Community organisation] partnership into their logo and this one generally only has about 12 product spots so it’s much more light on in terms of space that can accommodate this sort of messaging. Where as this one (the cause panel) is on the back of every catalogue, so the proprietors were quite happy to promote it and there’s probably 5-7 million of these a month, of the core catalogue and these will vary depending on the category, the normally category-specific pricing that we do. There can be several million of those in a month that get distributed as well. So, the reach is really good, you’re hitting almost every household in Australia at least once over, every month. And then essentially, what can be customized will be in the style guide and Elizabeth will show you that.

INT: So are these letterbox dropped?

MARY: Yes but some stores find within their market it works better to do an insert within their local community newspaper. There’s probably 20-40% of them that have trialled it and found that it does work where they use community news inserts but generally it’s the catalogue.

So, what they can do, the stores obviously personalize the CP in terms of the proprietor’s name and their photo, and then they put down the projected figure that they’re due to raise for the year, the names of the cause partners and their logo which gives recognition for them as
well and this is quite generic and then each month they can put in a progressive total. Over
time, we would see the in point of sales for example, you might have a barometer or
something similar to show you know, “here’s our goal and here is where we’re at so far”. So,
a lot of that messaging we’ll look to replicate in store but catalogues is the first place. This is
actually quite vital. I guess it displays Retailer’s commitment to the programme because
generally you would see this space (where the CP is on catalogue) is quite large in terms of
catalogue space you could put one or two products in there. So, essentially they’ve all agreed
that this is as important as promoting the products that we sell as well. So this goes in every
month and they just put in the new tally. And if things have changed, for example, if they’ve
raised the amount of money that they required, then there would be new cause partners.

**INT: When did RETAILER decide to start the Community Initiative?**

**MARY:** Basically, “cause” has always been really important to the model, Retailer model.
Essentially, probably January 2006, we did a review of our existing cause programme, which
was called Good Kid, so obviously from a branding perspective, there was synergy in terms of
the word “good”. But essentially the award was at the store’s own discretion. They had to do
a lot of leg work with schools for example, and it was a great buy-in at a community level,
into a lot of schools and like your future customers I guess was the rationale that was applied.
But, essentially what we found was that we had Brooke Hanson as the ambassador and
obviously due to limited availability with her own commitments and whatnot, we found that
that wasn’t viable and also stores had to put in a truckload of time for very little return. I
guess it wasn’t particularly tangible because the original notion of the programme was that it
would be academic or sporting because there was already so many of those in the market and
so we were giving it to children who were doing charitable acts, humanitarian acts in the
community, but after a while I guess you just got the same old parents pushing their children’s
photos in submission.

We basically found that we could get a lot more traction with this, (cause partnerships), it was
much more visible, there was an established charity group that were in place, and we set about
going “ok what are our guiding principles? The things we like and don’t like about the system?
And then, what do we need to have in a newer model?” For example, with the 20 cents, we
found that it had to be an established rate, that we had to have a partner that could work with
us with due diligence and also offer the choice to the proprietors and [NGO partner] has under
its umbrella, across the country, some 500 organisations. So, we felt that in addition to their
exposure in 10 sort of key markets around Australia meant that we would be able to service all
of our stores, in terms of a choice. It first started January 2006 and I would say there was
probably 6 months of looking for a viable model. Our PR agency at the time happened to
introduce us to [NGO partner] and how they work and we thought that was a really good fit.
Our relationship with the PR company has expired but with [NGO partner], we invested that
money into having 5 people on the ground across each state who actually invest in additional
funds to service the model, for our stores and the cause partners as well.

**ELIZABETH:** So, in answer to your question 3, this is our style guide which we have
developed which is an off the shelf tool for stores of how they can work with [NGO partner]
and how they can introduce a cause element across all the marketing channels. These are
footers which encourage customers to come in store and make a donation and before you
noticed the [Community organisation’s] logo. These are the CP which we were talking about,
some are awareness raising about what the community organisations do. Some of them are so grassroots that people may not have heard of them before, so it raises awareness of it and then they can also be event specific as we were saying before. So, they’re meant to tell a story over time because the same people read our catalogues time after time.

These are some examples of press advertising, so they can be 100% cause based or just an example here which is a full page add about the products but it’s also got a little box here which educates our readers again about the [monetary amount]. There’s also point of sale materials at a visual merchandise level so in front of the structures within the store, money boxes, posters, community notice boards, so it’s quite integrated across the programme. TV commercial airing nationally now is generic for all states except WA which is tailored to their two cause partners. Using a Polaroid execution WA can swap out the middle and put in their pictures. Were you to call one of our stores and be put on hold you would get the same voiceover as the tv commercial as well and obviously through our web which you’ve probably had a chance to look at, we have a corporate perspective of it but if you drill down to the stores it also tells you at a store level, who they’re supporting as well. We’ve also got a cause e-newsletter which is distributed on a monthly basis, which is more of an internal PR I guess you could say in that we educate all the other proprietors around the country about what they’re doing, how they’re raising funds, what charities they’re supporting. We profile our cause partners. The profile “stars”, good news stories, upcoming events, those sorts of things.

MARY: It also encourages a bit of competition as well, quite honestly. So, if Ballarat has done something that the others are curious about, it communicates that and it might then inspire them to go and do something and out-do each other. Which is all good for the actual cause itself because they end up executing more events, raising more money. So that’s our internal communications that is a good tool as well.

ELIZABETH: so it’s quite integrated across all the marketing channels. As far as answering your question 3, we do it quite well.

MARY: Local PR is another key tenet, where those state project managers that we mentioned, moving away from a central PR model we’ve now got 5 people on the ground and so they work with stores, they’re based in [NGO partner] and they work with our stores and community partners as account managers, if you like for Retailer. They go and talk through different ideas and events and how can we get some PR activity in support of these causes and not just presentations. Whether it’s events or money that they need or raising awareness or whatever, the PR then, I guess is another string to the bow.

Tape: 25.58 (played the tv commercial. “Be a good guy and help us make a difference because it’s simply good cents).

INT: How much of an impact do you think the community initiative has on your brand reputation?

MARY: We haven’t done any research specifically on [NGO partner], the programme, because it really has been too soon to tell. We do that, in terms of what our customers like, how important, you know, it is, whether you’re community minded or not, there’s certainly a definite appreciation among our customer base I guess, for community spirit. We do find that a lot of what we do in our branding, I guess, the persona of RETAILER is that they’re not only
competitive and friendly but very approachable, care about the community and all of those sorts of things. So, as opposed to the environment, we’re really looking at you know, much more, I guess market driven, down to Chatswood or Bayswater, you know, exactly where the store is. So, that, we know, is important to them. How we start to leverage it, we do find that a lot of people in the media contact stores or that our proprietors also tell us that a lot of people come up to them and say, “oh, you sponsor our local football club”, as opposed to CSR, but then they are also starting to get noticed for the work with [NGO partner] and their specific cause partner as well. It’s definitely getting traction, but I wouldn’t say that we’re at a stage where we can measure it as yet.

INT: Do you get quite a bit of feedback from customers, written feedback or it is generally comments over the counter?

ELIZABETH: We do get the odd customer who will write a letter to the editor of the local paper and mention the local store, the good deed that they’ve done or the random act of kindness, whether they’ve helped out the local school or giving someone who couldn’t afford it, a tv, things like that. We even get editors who will write it in their columns and commend Retailer as well. Customer endorsement and a media endorsement, those sorts of things you can’t really pay for. It is growing over time as the programme gains momentum.

MARY: but in terms of, I guess of feedback, as a group we’re implementing a customer feedback programme, sort of, around Christmas/early 2008. One of the questions will be related to [NGO partner] and how it affects their purchase decision. Then, we’ll be able to quite readily measure whether it has an impact in terms of driving customer loyalty, which I guess, is important for us commercially. As a brand it can be a little bit difficult to measure but…

INT: Have you noticed any trends within your industry regarding CSR?

ELIZABETH: I’ve got a not-for-profit background actually, before coming to Retailer. Probably about 6 or 7 years ago, the way to raise funds for a charity was through fund raising events and activities and I’ve noticed that over time, business-community-partnerships or corporate-partnerships became a lot stronger, started to be the buzz word instead of special events because it’s actually very hard to make money out of the events, because of the costs and things like that, where as people think it’s quite easy but they’re not. So, corporate partnerships have become very strong and through that now, workplace giving has become very strong, and staff engagement opportunities has become popular as well. No longer do corporates want to hand over a cheque, they actually want their staff out there actively getting involved in whatever it is, whether it’s planting trees or painting play equipment.

MARY: but just on your question, I’m trying to think of how many Retailers, like in our space, electrical Retailers, there’s nothing really that springs to mind. If you look at where we would liken our programme to, it would be similar to Richies, the community benefits tagline. But I can’t think of anything specific that Harvey Norman, JB or Clive Peeters do in terms of a programme quite like ours. We certainly think that we’re the first sort of Retailer of our kind to do a programme like this. I think in our market, we’ve definitely been the most community minded. Harvey Norman have undertaken one or two, you know, “turn off your office lights for a day” or initiatives like that I can think of but no real dedication towards cause marketing
INT: The environmental question is probably going to come up for your industry in regards to packaging, recycling.

MARY: Yeah. We’re definitely scoping that at the moment. How long is a piece of string? Now that this is sort of up and running and we’re in the final stages of recruiting people to service our stores for this local model, our minds now turn to “greening” the business. How do we do that? Can we do it? You know, there’s a lot of risks involved with going towards that sort of positioning and Al Gore’s probably the most prolific example we can think of. So, before we put ourselves out there, we want to make sure that we are quite transparent and that also it can be a testament to what we’re actually claiming. So that means we’re running some numbers and looking at different initiatives we can do and scale the programme. I guess like this one, we would stagger it out and roll it out progressively. That’s sort of where are minds are heading at the moment.

INT: You’re a Retailer, you don’t manufacture anything?

MARY: No, but our warehouses and the products that we sell that emit carbon. The actual stores that we have that are literally warehouse shells, they’re not like a home that is very well insulated and protected against the elements. There’s a lot of heating, cooling, lighting still that we accumulate as a business and we’re one of Australia’s biggest catalogue distributors. Couple of those sorts of things. When products come to us, how they’re delivered on the pallet, what we do with all of that plastic and Styrofoam and… There’s a litany of questions that we’re looking to answer to see exactly what we can lay claim to and then do that well instead of doing a lot of things not particularly well. That could open our brand to criticism.

INT: It’s difficult also because government regulations are also tightening and they’re investigating similar programmes to those in the EU.

MARY: and so we’re looking at I guess, what frameworks already exist that can guide us in terms of making the best decision. How quickly we can start launching some of the programmes and which ones are most readily available to the things that we can do.

INT: Would it be a consideration for you to have your suppliers comply with some sort of due diligence with respect to say, minimum packaging?

MARY: Oh, I don’t know. I don’t think we’d be able to comment on that. We’ve definitely looked away from the manufacturing practices of our suppliers because that in itself is too big a bite to chew. Really we’re looking at ourselves as a support centre, as a store and then as a Retailer of products that people ultimately use in their homes. We’ve sort of agreed not to look at what suppliers are doing just yet. Over time, I imagine that there will be a co-funded or a co-branding programme that we would instigate at that point as well.

INT: I guess also with the business model, sort of a franchise, would the owners be prepared to outlay half the costs?

MARY: Joint venture model, yeah, that’s why what we’ve agreed to do is to put down a “wish list” of things that we would like to see in the business and then put down against them whether it’s amount of time or amount of money that is required for that investment to be
realized and then it becomes a business decision; what things can we do now? I think we sort of appreciate that greening the business or being environmentally friendly is not just a fad, that it will become quite commonplace, just as price matching was, it might have taken us to a position of taking strips off the market but now it’s quite common. I think environmental concerns will be as well. So, we realize that we have to do it, it’s just to what degree? Also do we say more than what we’re actually doing and we end up looking like hypocrites as well? That’s the other thing that we’re looking at.

MARY: Do we need to touch on gift cards? It’s more tactical.

ELIZABETH: Yeah, I guess so. Giftcards are another element of the programme. We’re looking at introducing this October as part of our Christmas catalogue campaign, a gift card programme where when you buy a $100 gift card, we’re donating [monetary amount] to another community organisation that’s part of the [NGO partner] network, which is Assistance Dogs Australia. The gift cards have pictures of puppies and the back of the wallet explains what the [donation] goes towards. We’ll be launching that in October. It’s not actually the customer who is donating the [monetary amount], it’s actually Retailer.

MARY: That’s why I guess, tactical initiatives that we’re taking with existing programmes, like this card programme and see what we can do to get community awareness for Assistance Dogs Australia and then also I guess as a secondary message, talking about giftcards. That’s something else that Retailer do.

ELIZABETH: And then we’re also launching here at this centre, our workplace giving programme for staff to be able to donate through their salaries. So we’ll be launching that here at the support centre and then rolling it out to the stores.

MARY: So there is that starting to add layers thing. It’s the programme that we’re most proud of because it’s the most integrated.

ELIZABETH: Most of the proprietors are happy to be donating the money and are quite honored to be giving back to the community but there definitely is a commercial side to it as well.

INT: The last question, is about the most compelling issues your company currently faces in regard to CSR

ELIZABETH: The green issue really.

MARY: Yeah.

ELIZABETH: A lot of people say it’s a flash in the pan, but I personally think it is here to stay. So, it’s a matter of when you get on the wagon and how soon or too late are you I think.

MARY: I think the other thing for us is that as support centre we represent Muir Electrical company but also there’s 74 brands if you like, that fall under RETAILER banner so there are things like aligning ourselves with a partner that is compliant like [NGO partner] or whoever we choose for our greening provider. Whether it’s a tree-based (planting trees to cover emissions) solution or whatnot. But that transparency and accountability of the stores really goes through at a corporate level, with a fine tooth comb. We’re making sure that we know exactly where that $13,000 went to, that they can lay claim to it being a donation. All of those things that are critical for our stores and our business as well.

INT: Would you consider another partnership with an environmental agency?

MARY: Yeah, definitely one of our criteria is that there has to be a framework by which we can be audited and so we go in at the beginning of the programme with the understanding that
these are the things we need to build into it upfront rather than perhaps having to do, you know, a reactive solution down the track. There’s definitely got to be a framework, perhaps industry accreditation or commonly accepted accounting principles, all those sorts of things that we will have comfort with as a business, because, you’re talking about a lot of money at the end of the day. Those things definitely need to be there so that our auditors can quite confidently say, “yeah, that store is right and it’s all fine and the programme is ok.”

That’s where the greenwashing has been kind of good in a way, because we haven’t gone in at the very start we’ve been able to sit back and assess different iterations of a green programme, whether it’s Virgin or someone else perhaps that partnered to. I know that ANZ is doing a lot as well and we can sort of sit back and say “what are they doing that’s worked and hasn’t” and then what governance do we want in our programme that will also work so we can get some guidance in that framework. Like, is it greenhouse friendly, do we go for trees, do we go for windmills, you know, what do we do? So, there the positive things about not being the first and it means that we can really deliver this in a way that we know it will be a very good model by which to benchmark. So we’ve had to hold off on that until March.

INT: It’s quite a commitment, isn’t it?

MARY: yeah, well we’re also tracking well ahead of the $750,000. So, some of the new things that we start to look at is customer donation matching, and those sorts of initiatives and ideally we’d like to be 30, 50, 100% over the budgeted figure. That would be great. But initially we have to make sure we’re making that $750,000, so the stores actually budget for that figure. Say if their transactions are lower than what we anticipate, say $11,000, the store still pays the $13,000 because that it’s the commitment that they’ve made that they need to honour.
APPENDIX G TECHSOL INTERVIEW TRANSCRIPT

VICTORIA = Manager Events and Sponsorship

VICTORIA: So what we’re doing at the moment is, we’re rebranding our company, we’re rebranding how we present ourselves, both to our staff; internally and externally. Part of that is a new brand campaign that’s coming out which you’ve got here (the brochure), is representative of it which is “Innovation through Generation.” Looking forward, looking out and it’s all about who, in terms of our reach and development and our innovation, our innovative thinking. So, all of that’s going through a major change at the moment and what we are doing is raising the profile of what we do in our CSR layer so that…We’ve always been participating and doing things but we haven’t actively promoted it.

So, in doing this major brand campaign change and update, we’re adding our community programmes to that as a category, we’re including that as part of the structure of what we do. So, the first thing that we have completed now within this “Innovations Forum” of which we are a part of that, it’s all about the processes of how we’re thinking about things and how we’re seeing things, and how our CSR fits into that as well. It’s an integral part of what we do. It’s who we are and as I say, there’s a number of programmes that we’ve been running. The two key ones that we’re running take up the lion’s share of our funds that we have available to put out into the community.

The Science Experience which has been going 17 years and I think we’ve been naming rights sponsor of that for 15 (years). Do you know anything about the TECHSOL Science Experience?

INT: Is that the one that’s run through schools or universities?

VICTORIA: That’s year 10 nationally, both actually, year 10, year 9’s I beg your pardon, who are about to go into year 10 when they’re making their curriculum selection. It’s a national programme so we’ve got over 30 participating universities around the country and it’s Australia only, we are an Australian and New Zealand regional office. That enables students from grade 9 to go to university for 3 days over the summer vacation period and experience hands-on in universities. If they have an interest in science, it gives them an opportunity to get in there see what the environment is like and see what the sciences are like and this is a stream obviously, that matters to us, engineering in particular.

INT: How many students would do that each year?

VICTORIA: 3000, over 3000 a year, so what’s that, 7,55 students we’ve put through and its costs us about a quarter of a million per year. So, it’s a major, major commitment and it’s long-term, and we do it in conjunction with [name of community organisation].

INT: Do [the community organisation] advertise that or do you?

VICTORIA: They do, yeah, they promote it, we ah, the Science Foundation, which is a separate entity, but part of our sponsorship is that we house them here and provide them with office space in proportion, all that kind of thing and we pay their salaries and we do all of that. It’s the Science School Foundation who actually run it. And they were a number of
individuals, one or two of whom are [from the community organisation], and they just came together so they advertise it in the community who would benefit from something like this and where they couldn’t raise the funds, I think for a student to be involved, it’s about $90 a head and that just covers their costs of going to school for three days. It’s all voluntary so there’s some basic costs that have to covered obviously and the promotion and advertising we carry that cost. If a student doesn’t have the funds to pay, the local [community organisation] club will nominate and put forward something and they just might do that anyway, they might say, “we recognize you as being exceptional and we’d like to do that as part of our programme. So, it is done in conjunction with [the community organisation], that’s the community, grass roots level contact. We, as a business, effectively funds it all, they [the community organisation] are the community resource that gets out there.

The School Science Foundation people are based here, they have a major marketing and advertising campaign directly into high schools around the country. Big mail out, huge mail out from them and all the processing of application forms and all of that sort of thing. Usually there is a poster produced, and a flyer, and the website and teachers direct students to it all the time too. They might do it directly but first though is through the high school. There’s two ways of getting into the high schools and through the community, through the Rotary structure. That’s our main promotion, so other than doing it that way, we haven’t in the case of Techsol business on the level that we’re doing, made a big noise about it at all and nor would we but we take the opportunity for example with Science week. National Science week was on a few weeks ago, end of August, we scheduled this to open, the Siemen’s Innovation Forum, during Science week to tie it back into the Siemen’s Science Experience and that whole innovative thinking and bring it all together as one whole idea about who we are and what we are.

Our focus is on education. We support education, arts and community. In the arts, it is the second other major activity we are involved with is the [name of university] Fine Art Award. That’s innovative thinking and culturally based so that’s developing emerging artists and working with them, they receive a straight scholarship, under-grads and post-grads. We’ve been doing that for about 7 years now. And this is all the artwork (displayed in office foyer). We get the artwork out here, on display, after that is determined and then our employees participate in the selection process, after industry leaders and the cultural industry/environment make preliminary selections and in fact do the selections of who the finalists and who are the winners of the scholarship. After, we have a judging panel come in and select a piece that will be acquired by the company.

**INT:** One scholarship every year at [name of university]?

**VICTORIA:** No, no, there’s 7, a couple of post-grads, they’re worth about $7000 each and they are, there’s no cost at all that goes to [name of university], they are merely the bank for these individuals. The post-grads get that money for travel and the under-grads get that for materials and theirs is about $2000 each. So to go towards that and they just draw down on it. As I said, [name of university] act as a bank for them and we just give them the cheque every year, it goes through the whole process and there’s the awards night and all that sort of thing. The student can just draw down on those funds and that happens every 12 months.
INT: Ok, well, you do a lot. I’ve read about the sustainable building and energy-efficient building and water systems and all that sort of stuff but that’s obviously all part of your innovation/technological side of the business…

VICTORIA: Sorry, one other thing, there’s a lot of little things that we’re still trying to catch as it happens and there’s a lot of big things that are happening and that is our donation and contribution in terms of structure within universities and tertiary institutions, particularly engineering. We often supply a lot of the equipment that they learn on and they practice and develop their skills on. And the same with medical. In some cases we have some sort of arrangement with a hospital or a teaching facility for them to use our equipment. So, whether they purchase that at a discounted rate or a special rate, we do have tertiary rates, we’ll reduce the cost of the equipment. And we’re talking things like, you know, um, CT scanner, you know, big ticket items that most organisations can’t afford. So, we make arrangements to make it affordable or manage the structure for them to access it, so that they can have access to it for teaching purposes.

INT: Ok, so, why these CSR initiatives? Is it competitive advantage? Is it building your future employee base?

VICTORIA: Oh all of the things. It is our corporate responsibility, we see that and understand that and that is absolutely acknowledged that we have a responsibility, particularly to the community. Absolutely for the fact that these are the people who will be-they are our future- either by way of employee or by way of being a customer. No doubt about that. It’s quite solid and understood which is why we give primarily into the areas that are related to our business and we’re quite specific on that. As I said primarily education-based areas that we are giving. There’s no doubt about that. Yes, it’s the feel-good thing, that we want to say that we are able to do that.

Also, you know, all that information and all that information gathering, all of that giving and support that we provide one way or another is of benefit to us, to say CSR is the imperative for a company to provide support for the community. It’s thoroughly entrenched and understood. We don’t do nearly enough here in Australia, not compared to international markets and things like that.

INT: That was my next question. Do you think that because TECHSOL is a European owned company and that in Europe there’s a longer history of CSR that it’s more entrenched here, at TECHSOL?

VICTORIA: I think Australians think that way too. I think Australians and New Zealanders, I did hear the other day that volunteering is actually diminishing and I think that is purely based on the fact, or largely based on the fact that we’re time poor.

INT: You don’t think it’s because they’re doing so much in their work places now?

VICTORIA: Yes, oh all of that. Yes, that’s what I’m saying, we’re time poor. You know, I spend all of my time here and I had to let one organisation go that I was on the board for 4 or 5 years, a community gallery and that was all my time. We’re time poor so volunteering is diminishing. We’re trying to develop programmes here that can include staff and volunteering
programme. I’m looking at a couple of community programmes again linked back to education that I would like us to get involved with.

The key one that we’re addressing at the moment is not within our portfolio but it is a recognized need of identifying ourselves as a good corporate citizen and participating in our community. Not just make a bucket and move out. Companies are, you know, it is their responsibility to provide for here and their staff and the future, contribute. I think personally, I’ve always understood that companies have always been supportive. I’ve only ever worked in environments that have been supportive so I don’t see it as being new. I know from information I’ve read about the giving and philanthropic aspect of our country, it’s a drop in the bucket compared to internationals but I think as you say, we want to give more but we don’t have a history of it yet.

I think any sophisticated organisation would have the same mindset. I don’t see that as being unique or anything special. I think that’s just a fact of the matter. About 20 years ago, yes, it wasn’t the case. You would do things on your own merit, an individual would do things on their own merit based on associations, they need support so let’s go.

INT: I guess it was more sponsorship and philanthropy rather than CSR

VICTORIA: Yes, but it was still a mindset. That mindset of saying, “It’s not just about me”. I don’t think that we as individuals have grown up particularly with that mindset. I think that is developing whereas I think it’s always been understood for an organisation.

INT: Ok, because you’re primarily business to business rather than business to consumer, I guess I’m more interested in how do you let your suppliers or buyers know about your CSR efforts? Do you use it as a differential advantage in your marketing communications?

VICTORIA: No, we haven’t. You know it’s a bit like every time there was some, the Commonwealth games or the Olympic thing they’d always have that on the bottom of their stationery or…um, no. But we, it’s probably more subtle and our business to business marketing is really, it’s very industry based so it’s not really the avenue to put this there. However, when there are, for example, the [name of university] Fine Art Awards, we invite customers to that function. We invite them to that event, you know, it doubles as a customer event for us in terms of you know, “this is something we’re really proud of and something we really like to participate in and would you like to come along?” We do stories in our Techsol News about these things from time to time depending on if there’s an activity or an action. It’s an internal newsletter but it goes to our customers. We don’t do direct advertising, it’s more subtle than that.

INT: Ok, that's fine, so with your suppliers, do you at this stage have any sort of due diligence with any of your suppliers where they are expected to be as environmentally friendly as say TECHSOL is?

VICTORIA: I can’t really answer that question. I don’t know the answer to that but I know in terms of due diligence, only because I was having a discussion with one of our suppliers and they were doing an audit of their suppliers, a lot of material comes from Asia and they were talking about their suppliers and they were doing an audit of the materials that they
purchase from them. I said, “we actually need to know that you are doing that and we want to know that and we think that’s terrific that you have your structure in place to audit. So there’s no child labour, there’s no, anything contravening abuse.”

INT: I think in the next few years that’s probably going to become quite a huge area of interest.

VICTORIA: It’s critical, yeah. That’s all about these companies and us fishing back and saying “no, you don’t comply.” If you don’t comply, you won’t be manufacturing.

INT: I see on the [main corporate] website that TECHSOL is a member of Global Compact, the UN initiative rather than the GRI.

VICTORIA: Are they?

INT: Yes, so do you have any formal measurement systems in place?

VICTORIA: No, we don’t. We don’t that I work to but I think we do in the businesses and I don’t know the answer to that. I know that there is a compliance level so that may well be the case. What the businesses are doing specifically, well on one hand we’re sales and marketing because we do actually develop ideas and what have you, we don’t actually manufacture here. So, we have global manufacturing capability. A lot of that stuff does stem out of Germany. We don’t really have to pay a whole lot of attention to it because they are conducting structures and forms and doing their own audits of what’s going on. When we are producing stuff or bringing things into Australia, they’ve already gone through that process. That happens globally.

We have a huge number of programmes you would have seen on the website if you’ve gone and had a good look of which we do Generation 21 and Our Caring Hands and all our, um, very involved with [NGO] and that compliance, being associated with those organisations such as [NGO] and they have their own compliance. If they think that we’re not towing the line, they’ll say, “no, actually, you can’t belong, you can’t be a party to us.” It’s more and more vigilant. The awareness raising is much better and I’d say that would be in the last oh, maybe, half dozen years. I think it’s becoming much more aware about that and that sort of burgeoning open markets, you know, all the markets and new accesses that we have to greet and things that are coming into Australia that directly affect us that make us aware.

Mostly that sort of thing comes out of Germany because we manufacture very little here, so these things are already in place. A lot of those things are manufacturing-based issues which we’re all aware of and we all know about but we don’t actually have to go through that process as such. But I can’t speak for the business here, it’s because we have a number of business units and they have a whole range of business areas which may be compliant to a particular aspect because of the way that they conduct their business. And it’s a very diverse range of businesses so I can’t speak for them individually at all. I can only speak attitudinally for the company, for the organisation.

INT: How much input do employees have in the decisions as to where the CSR efforts should go? Are they involved in any sort of decision-making?
VICTORIA: Um, Look I can’t answer that question because actively it would appear not so much but it’s more of an awareness. And if there are issues, it’s like anything, an issue that is of concern about human values and human behaviour, that’s primary to us. They are our key values and treating people with respect is one of a number of key values, primary and integral to how we as an employee must think and feel about what we’re doing, awareness that we must have. As far as actually working with them, it’s not a day to day thing that we actually have an active plan. I’m not quite sure of how you see or what you know of other businesses and how they implement that

INT: Well every organisation is different and sometimes the employees have a lot of input into developing the CSR programmes and coming up with ideas and other companies, it’s part of the culture but the employees don’t have so much input into deciding what initiatives will occur.

VICTORIA: At the moment, as I said, there are a couple of things that we’re looking at. It really is about, the hard part is we are all over the place and we’re everywhere, in terms of physically (geographically). We have so many different locations and we have a lot of contractors and we are sited in all different parts of Australia and New Zealand. There’s several things that we have looked at. We’ve looked at the opportunity as an organisation that actually runs a community-based programme which have volunteering structures to them to say, “ok, let’s us nominate a couple and let staff of particular region say the states, make a decision about what matters to them. What would they prefer?” We haven’t come up with a perfect solution for that. What I think, and we’ve been actively looking into that and how we can get a decent volunteer programme up for staff which they can participate in. We haven’t been successful in that yet, because we haven’t found the right programme. I think we’ve found the right programme, it’s just got to go through process now And that’s something that I’ve been looking at now, since I’ve been here. Yes, we would love staff participation. Yes, we do want to get them involved with volunteering. How we structure that and how we do that has not been decided yet. From what I can gather, our staff are fairly active in their own volunteering programmes, from what they do, we have a lot of participation. That’s just come out through actual conversations that have occurred but as a structured one, no. We don’t have that in place yet.

INT: Ok, you might want to look at Lend Lease Community Day which is a great programme.

VICTORIA: I have studied a number of these programmes and that’s all terrific. I also find, which is a tricky thing to get around, the programme that I’m looking at, it would answer all of our questions. I think it’s ideal, we just need to get that happening and get that out there and get it surveyed and see what people think and do it and stuff…We do survey staff. We survey staff regularly about how they’re doing and what they’re doing and we have our own internal surveys that are done by an outside company. About how they feel about us, so we can check ourselves, what do they want to do and I think the volunteering question was asked again and the answer that came back was “time poor”.

Mostly our staff are, in their early 20s and they’re very active, they are tertiary based. Early 20s to probably 50ish, is the main age group and in that bulk, that middle group, they’ve all got teenage children, you know, they have a lot of commitments. Usually, as a profile, both
partners are working so the time poor thing is something we’re really keenly aware of. They do have their own support groups for their children, you know, fund raising for soccer, and social activities that they do with the right mindset, you know, put that into the community. I’m trying to do something that we can say is going to take a couple of half days a year, if you can find that time to participate, you can take your family along and you can involve the family in it. That’s what I really want to do, so, it’s not just you know, more work, more time, and I don’t get time to spend with the family. I think, as I say, that we have found the solution. We’re just putting together the final touches of what we have to do, so…

That’s something that I will be pushing. As far as surveys for participation. Participation, one thing, there are so many choices out there and for us to get the right fit for the company, for example, law firms, I know, they’ve got a lot of youth programmes where they’re interns go out and do volunteering in kitchens. That’s an excellent thing to do and personally I’d love to do that. Structure, a lot of our employees live out around here and it’s what works for the region, what works for the demographic base of the organisation and staff members. You have to take all those sorts of things into account so, these are the factors that are sort of slowing things down. So, we can’t really survey them and say “here’s half a dozen, pick one, two or three.” It’s not going to work that way for us.

Somebody came in the other day and said, “what about me and my mate are having a competition about who is the best company we work for and he said my girlfriend and I sponsor a couple of children through World Vision. My mate, his organisation, which is a bank, matches that sponsorship. If you sponsor a child, they sponsor a child. So if they get 500 staff members, they will sponsor 500 children.” And I said, “fantastic idea, I love it. What happens when the employee leaves in 18 months? Who’s carrying it? What happens there? There’s not actually any participation, other than, yes it’s giving.” So, finding the right balance, that’s not easy.

INT: How important are partnerships with NGOs? You work with [the community organisation] and [the NGO], obviously…

VICTORIA: [NGO], globally. To my mind, we support them, we do the Christmas card thing, we do all sorts of things like that but we don’t do much in Australia. I mean they do things in Australia but they’re for African countries that are really in dire need and so they should and they’re a global organisation. So, TECHSOL globally does that, it takes care of the big picture with [NGO].

And we advise water solutions and all manner of equipment and cash for them [the NGO] to do things on a global scale. So, I’m looking at things that are here in our region and can directly benefit our community and our region and our area. Because we have the benefit of being a global company that’s always putting the global footprint around and really committing to a number of huge projects.

INT: Have you noticed any trends or changes in the industry, we touched on this a bit before. Have you noticed any increased pressure from stakeholder groups, more advertising in this area or more people actually spruiking their CSR initiatives?

VICTORIA: No, but I do find, usually a lot of social activities are driven by a causal or driven by some sort of charity, for example, we’ve just started a [Name of programme] Golf
Day. We do business with the Cancer Council. Those sorts of activities just happen all the time, they’re just ongoing. We give them the money for that and give updates to customers and dah dah dah, nothing usually. Usually it happens without any direct benefit to some organisation other than it being a straight company activity that was initiated.

INT: I’m thinking primarily about the increased debate in parliament about climate change, and concern over corporate collapses and everything that’s happened in the past 12 months that’s sort of shaken up public debate and I was curious to know whether in your industry, you’ve noticed anyone really reacting to it.

VICTORIA: Well, we’re all reacting to climate change. You know everybody is reacting and we are at the forefront. Environmental considerations, environmental is one of our 8 key areas, solution areas, that all the projects, this innovation, I’ll take you through it so you can have a quick look, um…Environmental consideration is applied to everything that we do but then, front of mind, what’s the impact? It’s not just a case of what is the position, what are we doing? How are we doing in that business? Again, that is coming down as part of the global structure. It’s constantly, we spend about $90 million a year on research and development, and how can we, best practice and how can we better design, create, develop, produce at less footprint? And we’ve got a number of cases, and I’m not the right person, I do more sponsorship and events. You could talk to one of my colleagues, Herna if you wanted, about? Creek for example, which is a new power station that’s being built out in Chinchilla in Queensland, how we’ve reduced the water use. Power stations use a lot of water and I think we’ve reduced the water consumption by about 2/3rds but don’t quote me on any of that. It’s about the methodology and the practice and the structure. It’s about the development of the …This is integral to our innovation, design and development of product that we adhere to.

INT: What do you think the most compelling issues are for TECHSOL right now?

VICTORIA: Not enough hours in the day. What sort of compelling issues do you mean?

INT: Well, with regard to CSR.

VICTORIA: Ah, I don’t know that I can answer that. My compelling issue is to get the volunteer programme up. That’s something that I’m working on and then…It’s charity slash, it’s charity, volunteer, education, that’s the pick to me. That’s my goal.

INT: And the environment, not so much, because the company already takes care of that?

VICTORIA: Environmental is the same as saying respect for an individual. That’s a value, I mean it’s not an official value but it’s one of my considerations. So, environmental, lessening the environmental impact of anything we do is critical. That’s always front of mind. Yes, I guess that’s embedded now. It’s a given.

For the sake of the Innovation Forum for the sake of identifying, breaking down the [word not clear on recording] in which we work in, which is a business unit, to opening it up so that our staff actually understand what it is we do and get the bigger picture, environment has come in as a category. It’s about all our solution areas. Our solution areas are in energy, water, environment, safety, security, mobility all these megatrends that are recognized globally which is aging population, urbanization, globalization and climate change. Where they fit here, our
business encapsulating those megatrends and how that works as, and an overarching structure, we’ve developed these 8 solutions or applications that we can apply to our businesses. Environment is just one of them, same way energy is and water is, you know, they’re all relevant to environment.

Come on in and I’ll take you through and it might just give you a little bit of an idea

INT:  Who gets this?  Who do you give this out to? (the brochure that outlines the 8 solutions)

VICTORIA: Customer, staff, interested parties, suppliers, you know, anybody who wants a little overview.

VICTORIA Showed me the panoramic screens that respond to the touch screens in the foyer of the office block. TECHSOL global solutions are highlighted. It is primarily an education tool for employees but anyone is welcome to utilise it, industry groups, customers, anyone. Really impressive but because of the format it cannot be shown on the website, or television screens.

VICTORIA: It starts with the megacities that have been identified. There are now more people living in cities, than there are living rurally, around the globe. Techsol’s business is infrastructure so we have to ask ourselves how do we deal with these things? How will we respond to this? How can we be more environmentally friendly? How can we make this better? There’s a quote from [the name of the Techsol’s founder] who started the company in the early 1800s, 26 I think, can’t remember, that he won’t sell an idea for a quick cash reward and that’s been with the organisation.

INT:  It’s very impressive (the panoramic screens)

VICTORIA: This is how we communicate with staff. This is our marketing communications. Powerful. Staff say, “why don’t you do an ad on telly?” It’s just shot gun, you know, you don’t get, it’s hugely expensive. Even with a corporate ad, it’s still shot gun. There’s no need. People need to understand how we think, the culture itself and this has been the case for a long time.

But I guess, and I can’t speak for the organisation before, our CEO, I say he’s new, he’s been here 4 or 5 years, I don’t know how the company operated prior to that, I’ve only been here as long as him, he is quite visionary. He’s very forward-thinking and he also brings the thinking to us conduitly, you know, he leads us. Big picture, what’s going on and how we need to respond.

A lot of deep thinking has gone into this. What are the issues that face our industry? Opening up our thinking and instead of saying “you’re in medical” saying “your in healthcare”. What does healthcare mean? Aging populations, people are going to have a certain amount of communications with their doctor. They won’t always go in for blood tests and results. What are the needs? How are we answering these? We have to think of the questions and then look at the answers or possibilities.
APPENDIX H  NONPROF INTERVIEW TRANSCRIPT

Interview Transcription          Interview Date: 9 September 2007

ANNE = CSR & Sustainability Manager (NONPROF)

ANNE: I am the CSR and Sustainability Manager and I was appointed in April this year after NONPROF conceding the conditions as it were about a year previous. They took about that long to fill the job and um the role is um growing on a daily basis and um the guts of it is that we want to have a more sophisticated corporate partnership approach and we want to engage with corporate primarily through an advocacy lens and through a financial lens, you know as a sort of like a by-product.

The key driver is the understanding that corporates need governance and that they have a lot of impact both positive and negative potentially, and we want to sort of work out orientation, business practice, for pro-poor impact and less looking at the pure corporate philanthropy.

So, in order to have that sort of sophisticated corporate engagement approach we need to have a credible voice, we need to walk the talk. So the sustainability part of the job came in when I was looking around thinking oh well we're a big corporate, in here we've got you know a hundred field officers, we've got you know, ah, nearly 30,000 staff around the world, we have to be credible ourselves. There’s a whole bunch of work that’s internal, what I would call NONPROF CSR which is all about developing a credible voice and walking the talk so that when we have a conversation with corporates we can say, “yes, we know how hard it is, we’re doing it ourselves, we’ve got the same problems, and these are some of the issues and this is what you can do on a you now, more sophisticated level if you want to you know, do x, y, z”. And we go through a whole process of analysing company’s operations and you know where they’d be interested in making change or we can point out to them that through changes they can have a better impact and it doesn’t have to be through NONPROF partnership, it can be through a partnership with anybody who you know, it might be somebody coming in to do an energy audit for example. So, there’s that sort of internal focus which informs the external partnership. So, for example on the internal side, I can sign up for the “greenhouse challenge programme” or you know the energy, building related sort of audit and stuff like that um, and we’ve also got a whole range of what you would call the standard CSR; volunteering and all sorts of you know staff engagement sort of stuff.

Internally, we’re about to produce our first sustainability report which is being done, we’re doing it in accordance with Global Reporting Initiative. We’re hoping to produce a sort of c or maybe b level report in the first instance. We’re hoping to have that finished in November.

INT:  It’s a lot of work isn’t it?

ANNE: A big job, a big job. But you know, when I’m talking to corporates I ask them about their sustainability reports and if they haven’t got one, you know, why? And that they should have one and if they do have one my next sort of scale I guess is to have it audited by a third party, sort of verified sustainability report.

INT:  Why did you choose the GRI?
ANNE: I chose that because: for ourselves, or for our corporate advocacy? I chose that for ourselves because that’s what I chose for our corporate advocacy um and I chose it for our corporate engagement because um, I, you know, after a bit of analysis I decided that, because we’re working with both multi-nationals and Australian SMEs, Australian corporates, so I wanted something that was internationally recognized and from the sort of brief which I did I thought that was the way forward, what most corporates are aspiring to.

I’m on the advisory board for the CRI, the Australian centre for the Corporate Responsibility Index and so I was more looking at, which is as you know, it’s more like a benchmarking exercise. In some ways I did have it in the back of my mind, whatever I was going to be banging on about to corporates I wanted to be utilising myself and it’s about understanding the problems as much as anything. I wouldn’t have, I mean, I’m not submitting to the CRI because there’s no other NGOs and you know as a benchmarking exercise it doesn’t work for us.

INT: What about ISO?

ANNE: Well, I mean then, because we work across so many different segments, so many different sectors, I mean, it was too, okay take ISO 19000 for example, you know in the mining sector, I mean that doesn’t necessarily require field based work. A big part of my job is due diligence, I do the due diligence for the multi-nationals, and the, basically anything with an $8million or more turnover and so from a due diligence perspective, I need something that’s verified, third party audited, you know and and…Especially in terms of the mining and extractive sector it’s not robust enough for our reputational risk purposes which…Our due diligence you know, we don’t really look at probity issues, the governance issues, we look more at reputational risk and issues that might you know, negatively or positively impact on that.

GRI was encompassing. It was a really good, um, ah, broad sort of tool and it also you know, allowed people to sort of work in a phased approach which I really like too. So, um, it sought of met all of our needs in terms of having um, a flexibility that I thought was you know, quite important yeah, and… We’re also going to be piloting, given they’ve got this sort of, it really hasn’t rolled out yet but a, what are they calling it? “Avenue GR-a pilot?” There aren’t many NGOs that are putting GRI conditions in but it’s more like a sort of third sector sort of window that they’re opening up so we’re going to be involved with the piloting of that. There’s a lot of big differences associated with NGOs and not-for-profits so it’s a tool. Range of externally facing and internally facing issues.

So, our last two annual reports have made reference to some of the CSR work in a very unmeasured, unscientific way. This will be the first annual report, we will put out this year which will a) point to the sustainability, b) it will have measure, quantified, you know, achievements at the same time. That will be a 3 page section in our annual report which I think is important too because as opposed to a sustainability report, our board of directors sign off on the annual report so, sign off from the board is positive in terms of showing that they’re, you know, serious.

So, there’s a range. The other internal things are, I mean the sustainability report is obviously not just the report, it’s all the processes that go behind. Putting the data together, putting the
systems together, but also um, ethical procurement policy. And the next big initiative after we finish the sustainability report will be to roll out the policy; the procedures, the operational guidelines for the ethical sourcing policy.

INT: I was going to ask you about that. Do you check, do you have due diligence/a way of checking your suppliers?

ANNE: Yep, and because that’s another key plank of our corporate advocacy is our ethical procurement and supply chain, stuff like that, so…I’m also like the regular ethical sourcing/supply/sort of purchase so…To have a credible voice we have to have our supply chain sorted out. It is big, big work.

INT: I don’t envy you that one.

ANNE: So, it’s a challenge, you know. It’s important to understand those challenges when you’re having a corporate conversation. So, a lot of this stuff, you know, it’s been driven um, Nonprof’s CEO is very, very, on top of this stuff and very supportive of it. Um, very much, his two, I think, the CEO’s Operations chief, is um, you know, very much behind these initiatives, behind putting my position in place, that type of thing. Um, so it’s a very I would say, CEO-led agenda for it. Um, the ah, we have a governance structure that you know, I mean, all sustainability work to date has been driven um, by an internal committee led by the CFO, which you know, is a very strong place to have it driven by. All the building re-fit and stuff came under that but um, the 2IC of the organisation drive the environment and sustainability committee which has a formal governance structure um, so we’re sort of, like a voluntary, people who are interested, they’re into it, you know, you, in your position has this as your role now, type of thing. So, that’s been another sort of important element in professionalising the work and making it part of their job description and ultimately part of their KPIs.

We’re about to, in terms of the area, we, I looked at a range of options for the sustainability reporting in terms of you know, consultancy and provision and what I ended up going with is putting a um, an auditor, a sustainability report auditor in a advisory capacity to help with the first report. The idea, we’re not going to have an audited report the first time around but we’re hoping that by having an auditor advise us on the process and the sort of, content of that first report, we’ll have good base lines from which to then measure and be audited next year.

INT: Where did you get the auditor from?

ANNE: So, I looked at a range of different options and in this case I went with um, an auditor through um, do you want me to name the name of the crowd? Yeah, so [name of the auditor’s firm] actually have a foundation so I’m getting their services on a very, very, reduced rate basis. Um, and ah, yeah, I talked to a few people, and they got it, like straight away, you know, like, what I was trying to do with the “credible voice stuff” and um, yeah, they got it instantly and then, through further sort of engagement we um, you know sort of, came up with this model. So, they’re advising us um, through their foundation and through their foundation rates…

And so, we submitted our annual report last year to the Annual Reporting Awards, you know that? And so, we got some really good feedback on our not just our annual report but the
sustainability section of that, through that process, and um, so it was very um, ironic that [person’s name] is the patron of ARA but anyway um. Yeah, so, um, it’s got a multitude of purposes, the annual report, it’s definitely you know, both inward and outward facing um, and in the first instance, we’re going to, it’ll be an online version only, although we will make it, do a small print run.

INT: That was my next question.

ANNE: What I find with our corporate partnerships is that, you know, somebody approaches us or we approach them, the first thing they do is go to the web and look at what we’re doing, especially if the purpose is sustainability. Their first response is, “well, what are you doing?” So, we will have a limited print run but for cost of paper and you know, other reasons, I’m doing it online. And as I said the annual report which goes out, a couple of thousand copies will have a summary, a condensed version of the report and it will be pointing to the um, web address.

INT: Are you involved in the Corp Rate Report?

ANNE: What did you call it? No, I’m pretty sure we’re not. So, is that enough in terms of question 3?

INT: Yes.

ANNE: In terms of, we have quite a few um, are we the only NGO you’re..? Yeah, ok, there’s an assumption that um, that not for profits, because our core business is, you know, hopefully essentially positive, um, in net terms, but you know, anything else we do to achieve that you know, follows through but that’s definitely, you know, not for profits um, are really into you know thinking about accountability and governance themselves and you know. They get away with murder. I mean, not NONPROF specifically, I’ve worked for a lot of NGOs that, and you know, and because there is this assumption um, we’re not listed so we don’t have that type of scrutiny. There’s a lot of ways that we sort of go under the radar and um, don’t necessarily practice what we preach. So, um, communicating this stuff is as much about communicating our accountability, governance um, around you know, not just climate change but a whole range of sort of um, you know issues that the GRI covers like our, you know, our general auditing and all that sort of stuff. So, you know, there’s a range of things that will be um communicated for our, you know…Like everybody…

The first question people who are critical of NGOs always ask is, “How much do you spend on administration?” Having no idea what that, administration, means but they want to know what your overheads are and you know, you get into a detailed discussion about what overheads are: you know, money spent on quality control and monitoring, evaluation, making sure people are doing the work blah, blah, blah, but people don’t want to know that. They want to know a figure. You know, so this is, you know, in some ways um, the money spent on these initiatives are coming out of the overheads so I’m trying to basically make the business case using this reporting to…the goal, we’re aiming to be cost neutral. For example, somebody grabbed me at a party and said, “My father really, you know, stopped funding NONPROF because they’re spending all that money on the refurbishment of the building.” Well, we’ve now got an energy rated building that um, we’ve cut our water consumption by 50%, you know, and there’s been a whole bunch of you know, massive power savings. We’ve
made a whole range of savings which we want to communicate because it’s not just environmental savings, it’s bottom line financial savings as well.

So, in terms of the retro-fit, it looks fancy and stuff but it’s an energy-based retro-fit um, which will have significant cost savings and means that you know, the donor dollar goes to where it’s meant to go primarily. Um, so, yeah, it will have a multitude of audiences. Um, what’s that next one?

INT: So, will you be actually advertising and I mean the way NONPROF advertises on television at the moment. Will there be some sort of add-on to those commercials or will there be new commercials saying NONPROF are doing all this wonderful stuff socially and environmentally?

ANNE: Um, well, there’s no plan to right now, um, I don’t know what the sustainability report is going to tell us. You know, like, we’re putting together a lot of the measurements as well so, I don’t know whether we’re going to have a positive story to tell. That’s the first thing right? Of course, if we haven’t you know, it gives me a lot of internal impetus and support to you know, make it positive but um, so…

a) it’s too, I don’t know what the story is right now. We have some products that we’re going to market, for example, we’ve got a new product called [name of programme] which we will be actively advertising, which is a product where you, your donation, I can give you more information on this or you could look on the website, called [name of programme]. It’s not a CSR initiative per se but it’s a response to climate change um, and so, I guess, the advertising or promotion work that we’ve got planned is all through the sustainability report and you know, I’ll be speaking at conferences and you know, writing journal articles and stuff like that. So, a more, academic process and when I say academic I mean things like speaking at industry conferences and stuff like that.

INT: Yeah, but they’re not a mass marketing technique.

ANNE: Yeah, yeah, yeah, that’s right. Um, unless, it’s big corporates, um, so because it’s, I’ve been in this job for four months so, I want something to say. Eventually I do see it and I have been selling it internally in terms of you know a cost, as a competitive advantage. So, you know, so, Oxfam, Red Cross are about to um, release environmental policy and we’re just about to, we’re drafting our climate change policy which is quite a sophisticated document and so I definitely see this work contributing to, you know, giving us a competitive advantage in the not for profit you know, sector.

INT: Do you do all your communications or do you work with the communications department to develop the sustainability report?

ANNE: Well, it’s sort of depends, do you mean me, personally?

INT: Your team, your department. Do you handle everything to do with communications internally and externally or do you work with...
ANNE: We develop the content, our team, and then we have a very sophisticated communications department internally, with whom we, you know who do the production side. (seemed a bit confused by the question)

INT: It’s one thing I’m finding within some organisations is that the lack of integration between the CSR department and the comms department can be an issue in the communication of CSR initiatives.

ANNE: No I’m using and abusing our communications department. Yeah, well, you know, that’s not my thing. I don’t know how to layout you know, I’m not a desktop publisher, so…We’ve got those resources so we’re really fortunate to have those resources and we use them.

INT: Do you have some sort of feedback form that allows you to gauge how staff feel about the changes and what sort of support they’ve providing for those changes?

ANNE: Well, it depends which changes because there’ve been so many, you know, we’ve had things like, you know, a range of like internal initiatives like, we’re doing a sustainable travel survey at the moment so we’re doing things like that but in terms of a broader questionnaire about you know, changes, we have a staff survey that was recently completed which covered a range of, a sample, not a full survey but um, which you know, covered a range of different areas, you know, morale, um, we haven’t had a specific survey on what people think of the changes to the building, in terms of that question. We’ve had with more significant initiatives like um, we did a waste audit and got all the staff involved in trawling through waste and we provided the findings of that but no, we haven’t had a survey.

INT: Are staff generally getting involved? Do you have brainstorming sessions for staff to recommend initiatives?

ANNE: Yeah, yeah, we have a whole bunch of people with great ideas. We’re about to start a “Green Rep” scheme, so we’ll have a rep from each department who, you know, can not only raise ideas from the teams but can also be the liaison/feedback point for that change so, the “Green Rep” scheme will start soon. The Environment and Sustainability Committee is a working group that pretty much cover the whole organisation in terms of representation.

There’s a lot of stuff that bubbles up, especially in my area because I do all the due diligence on corporate and we have so many different types of corporate partnerships all over the place. A lot of the corporate engagement stuff is, to me it’s really related because if you know, it’s all about credible voice, so you know, you shouldn’t be doing X but we’re doing X with, or we’re working or taking money from or having some marketing campaign with a company that is doing X, then it’s really critical so, you know…

I’ve sort of re-branded, oh I’m in the process of re-branding CSR for NONPROF. I’m calling it Corporate Sustainable Development and writing a paper on why I’ve you know, moved there but um, yeah, so that’s our paradigm, it’s Corporate Sustainable Development as opposed to CSR. In terms of that baggage and understanding of what, the greenwashing…

INT: Ok, that’s good. You said at the beginning, that they’d been looking for about 12 months to fill your position. Do you think that’s because CSR is in its infancy in
Australia as opposed to CSR in Europe which has been around longer, recognized with Carbon trading schemes etc?

ANNE: I don’t know why it took them so long to fill the job. I think, it’s a development agency and um, so, the way we recruit, recruit towards people working in development and I happen to come from a development background but there wouldn’t be that many people from a development background that also had a you know, I did a Masters in Environmental Regulation and Business Strategy at ANU and I guess had a sort of unique background that I think...The recruitment is targeted, even with the fundraisers, they target towards the sales and marketing areas and um, or otherwise in the development network.

INT: Are you getting that impression when you’re talking to corporations that people don’t really know what CSR is about?

ANNE: No. I think most people, I would say, are pretty cynical about CSR and what it’s impact is which is why I’m trying to re-brand it. The thing that I am trying to do with CSR, I’m trying to get poverty into the CSR sector to not, I’m trying to expand CSR to include a poverty lens and I’m trying to get NONPROF into the CSR sector. So there’s two big places I’m trying to sort of move it. So, you work with a lot of other people within corporates in CSR and um, and then, the new thing for me, people, what is new for people is not CSR, it’s the poverty angle. It’s both of those things. Why is NONPROF interested in CSR, whether it’s climate change or water usage, why do you care? And then secondly, it’s um, introducing poverty into that phase so, you know, they’re the things that people are surprised at.

Because I work in a multi-national level, SMEs are completely different, I mean 80% of our business partnerships are with SMEs and in the Australian context and I’ve recently written a paper about the barriers that SMEs, CSR and stuff and I think there there’s more of a gap in understanding (CSR) what it is and why it is and all that sort of stuff and um, I think that is the area of greatest need in terms of marketing communication whatever because um, if you talk to a hairdressing shop about their water usage, yeah ok, call it CSR and they’re like, you know, so that’s why I think CSR is sort of unhelpful. That’s why I hope to get rid of it. (the term not the initiatives)

INT: So, have you noticed any trends within your industry, within NGOs?

ANNE: Red Cross and Oxfam are putting out a climate policy so, yes. The trends are around internal accountability, around you know, climate change, water, energy. So, that type of business trend towards that. Definite trend towards transparency and accountability in a more public way although the reporting is very new. And there’s also a real trend towards thinking more strategically about corporate partnerships and leveraging corporate partnerships for more philanthropic...It’s funny, did you sit in on, have you read any of the stuff the Victorian government’s running this enquiry on SMEs and CSR?

INT: No, I haven’t.

ANNE: It’s interesting and they’ve spent like the whole of one day basically asking people whether they thought philanthropy constituted CSR, you know, and of course people from philanthropic organisations said “yes”. So, I think there is a definite trend towards you know, NGOs thinking about where corporates can have a positive impact, drawing corporates out of
the CSR space and into something that’s more about their corporate practice. That’s the most obvious to me and this idea of you know, accountability and transparency, not just around, traditionally it’s been around transparency, you know, what you spend your money on but this is transparency and accountability, the walking the talk thing. About how much energy we’re using, like we’ve looked at our, part of our Challenge Plus commitment we’ve looked at our air travel. That’s going through the roof, you know. We’ve had to buy carbon offsets to meet our commitments, we made energy reduction commitments, carbon reduction commitments so you know which are really hard to meet.

INT: But in an organisation like this, how do you avoid air travel?

ANNE: Well, that’s the $64 million question. You can avoid some through video conferencing or through tele-conferencing, we use that a fair bit to the extent that we can. Um, but well, like anybody else, we can either buy offsets which are problematic in terms of the methodological issues um, or we can um, you know, I mean we do it the way everybody else does it. We don’t avoid it, we try and mitigate, we try and offset. You know, we’re about to sort of enter into airline agreements with those airlines who provide offsets. Those types of things but more mitigation than opposed to avoidance I think it would be fair to say.

INT: So, that’s one of your most compelling issues maybe?

ANNE: Yeah, I think air travel from the data we’ve got so far, air travel is our most problematic one. We’ve reduced our emissions by the corporate fleet dramatically but we reduced them by um, cutting our fleet size. So, a lot of people aren’t traveling, like not traveling in NONPROF cars. And, having said that, all of our greenhouse costs and all that sort of commitment work has been done only on the Australian context and not in the field yet. Our field offices are you know…they can be walking to work instead of driving a car or whatever. There’s a whole bunch of stuff but I haven’t even looked at field offices yet.

INT: Well that’s heaps of information. Oh, as far as what was your decision to go into CSR-being accountable and transparent I guess?

ANNE: um, yeah, it’s very much a business case was made to look at our…I mean, what fuelled the decision? Um, it’s good governance in a word. It’s about being accountable, transparent, walking the talk and being a good corporate citizen because we are a big corporate.

INT: It’s also I guess, the next logical step given the pressure on corporations…

ANNE: You know I think we’ve got some really progressive leadership here at the moment and so we’re trying to be ahead of the pack and lead the way. We constitute, our organisation constitutes 40% of the aid and development sector in Australia so you know, we’re big and we should be ground-breaking and we can afford, not in a financial sense but in terms of our prominence in the market, we can afford to be ground-breaking and you know, leading change. [name of Nonprof’s CEO] is very much not afraid of leading change you know, he’s out there and all about progressive change so yeah, I think we have a responsibility as the market leader to be progressive and driven, dynamic and looking forward. You know, we are a big entity ourselves and we’re recognising that we’re very dominant in the market, we should be forerunners.
And this is very, you know, NGO accountability is a much bigger issue or more elaborately articulated in Europe but we are an international organisation so we are trying to you know, work with our European partners to lead the way on an international level.

**INT:** And are you looking at joining Global Compact?

**ANNE:** Well, well, joining global compact, I mean, we um, we’re involved in a lot of things and international issues and one that I’m very involved with is the EITI, the Extractive Industry Transparency Initiative which is, they’re very much focused on mining and extractives. So, we’re a member of that and very active participant in the publishing of ???? which is the third party knowledge if you like. Um, there is a lot of international initiatives which I would say you know, constitute you know…If I go and have a CSR conversation with corporates, mining and extractive, I say “I think that you should be a signatory to the EITI”. You know, to me, if they took that up, that would be a CSR initiative. It also integrally affects their core business and that’s what I want. I don’t want them to be, you know, I don’t really care what they’re doing…

**INT:** The members of EITI, are they audited?

**ANNE:** EITI members are both countries, like governments, and corporates and NGOs and um, to be a valid corporate or government, there’s a validation process. There’s some countries that have actually been kicked off EITI um. But you know, I don’t care what money BHP gives to soccer clubs or whatever, I care what they’re doing to the Earth. That’s why the CSR thing is problematic. You know, people who, especially people who have been around a while. I mean, BHP are not a good example because they’re very progressive, they’ve got a vice president who’s responsible for this stuff.

The Global Compact is sort of, you know, I’m more interested in things that are verified and validated so I really don’t, whereas the EITI is for multi-nationals we’re involved in because they have a monitoring mechanism and a mechanism for reporting of transgressions and stuff whereas…Global Compact’s fine, but it’s you know, more aspirational. And yeah, so, you know, there’s not a great punitive system associated with Global compact. Having said that, it’s a great aspirational goal but mainly things around the index and stuff that are a bit more meaty. I guess the things that we’re engaged with um, you know, another example might be our membership of the International Breast Milk Institute Action Network, so we’re a member of that and active in that, so where the rubber hits the road. We’re not just saying to Weiss or Nestle that we think you should be reducing your carbon emissions from your building, we’re saying you know, where do you work in developing countries, these practices you know, so to me, that’s CSR, in a deeper sense um…So, I’m always happy to sort of sign up for things that are relevant but meaty because they all take time and I’m more interested in where the rubber hits the road.
APPENDIX I  NATSERV INTERVIEW TRANSCRIPT

ALBERT = Senior Adviser, CSR

**ALBERT:** NATSERV’s, as one of the main reference points at least is the NATSERV.com website which is probably the um, Foundation stuff. Is that where you saw the Foundation stuff? There’s a dedicated NATSERV Foundation website as well as the link from NATSERV.com. NATSERV.com, the Corporate Responsibility (CR) section there, contains probably close to all the information that you’d need really. Um, although, some of it is a little bit outdated now. Um…

**INT:** So, as far as the CSR programmes that NATSERV’s currently engaged in, what have you got there?

**ALBERT:** As a starting point, that um…there’s a message from the CEO which is the opening sort of um, statement through our CR at NATSERV. That’s the sort of guts of, of how we define our CR. You know, you can sort of go, sort of a fair bit beyond philanthropy. NATSERV Foundation is a significant um part of our CR and our community investment but um, having said that, that’s solely around philanthropy.

Whereas, you know, the broader community investment/CR activities with NATSERV are more about developing partnerships with community and industry, where relevant, that have a mutual benefit, I guess, so…One thing that you, that might help you with on our website which is quite significant is um, is called [name of the programme]. Um, basically that’s a, a, um programme where NATSERV provide products and services for disadvantaged people, basically. So, people on low incomes um, people with disabilities, people from indigenous communities, people in regional areas and um and that [name of the programme] package consists of half a dozen or more, actually quite a few more items around products and services. I’ll just try to find an example (looking through the CSR report) and each year we commit $200 million to provide those services to disadvantaged people. It’s a really major part of how we contribute towards the community. This is this year’s report, so it’s just going through some changes. So, I think we made this statement in last year’s report so there shouldn’t be anything sensitive around it, “Over 1.5million customers in Australia benefit from the [name of the programme] package each month and the total benefit provided exceeds $200 million per annum”.

And that’s co-ordinated through a group called LIMAC which is the Low Income Measurement Assessment Committee. So, it looks at um, you know, a lot of the issues for you know, community products and services or products and services for people on low incomes. Um. I could probably, if you remind me, to follow up with a few things, I could probably send you some information on LIMAC and that [name of the programme] package. Then you could just absorb it at your own pace. I guess, you know, that, that programme or that package is a, you know, it really does highlight our focus around CR because of, what we try and do, I mean, we’ve got, even in our Foundation, NATSERV Foundation, we’re starting to um, you know, it’s not just about giving money away to anybody, or in partnerships with any community groups just for the sake of it, always looking for ways that, philanthropy for example, while we end up giving money away, there’s other things that we can do that are more in line with our business.
So, if there’s for example; one new focus is to work, the work we’re doing in indigenous communities around our ITC issues. So, that’s something that we’ve got more knowledge in and more skills in and more experience in so we can provide a greater benefit for the communities that we get involved with and that we provide funds for and engage in community and business partnerships. So, that’s becoming an increasing focus for our CR initiatives, that we’re, to sort of look at you know, maximizing the opportunities.

INT: So, are you providing the technology and experience and equipment?

ALBERT: In some case, in some cases, I mean um, the NATSERV Foundation is about sort of um, gifts and stuff like that.

INT: It’s very much “cause” related.

ALBERT: Yes, that’s right, that’s right but, certainly in the community based partnerships you know for example we’ve got a partnership with [Name of a] Research Institute and where they’re looking at, they’re involved in a research programme to monitor adolescent depression. Um, and we’re looking at um, using mobile phones to send an SMS message, 3 or 4 times a day, I think, um, to selected people who are identified as suffering from depression.

INT: There was an interesting study on that a few years ago

ALBERT: In fact, the target group may not be people who are already suffering from depression maybe it’s just a trial to see how it goes, anyway the guts of it is that um, I think send a text message to selected people and then they will send, a very short, survey type thing that they enter and send back on their mood, their current mood and so I think they send that 3 or 4 times a day that that happens so it’s a really interesting way rather than visiting a psychologist or whatever.

INT: And that’s tied into [name of a telephone helpline]?

ALBERT: I don’t, I’m not sure. Have you spoken to anyone else from NATSERV?

INT: No, I actually, my initial contact was with [employee’s name] from the NATSERV Foundation and she put me on to [another employee name] who then put me on to you. We got there in the end.

ALBERT: So, that’s an example of how we’re using our skill set and our experience and our industry knowledge to um partner with the community and to the maximum benefit of a community group.

INT: And what involvement do you have for example, in the sms programme with teenagers? Do NATSERV employees actually run that or is it run by another company, NATSERV provides the resources and technology?

ALBERT: Oh, a bit of both. I mean, we’ve provided um some phones, some cards and so forth, network cards and so forth so that there’s no limitations to people getting involved. Um, and we’ve also provided, you know, been involved in, ongoing discussions with um the programme and making sure we, where we feel we can provide input we do and if there’s
anything else that they need from us, maybe it’s just our knowledge and experience or they need some training on how to use the technology that we provide. All of those sort of issues.

**INT:** Ok and what about environmental programmes? Have you got anything happening at the moment?

**ALBERT:** Um, well we’re part of the Mobile Muster. Um, you can see the bin. We’ve been part of that for a number of years now, I think. Um, we’ve also um, we’ve got a number of smaller, energy efficiency initiatives happening around the place so we’re saving some pretty serious greenhouse gas emissions. Um…

**INT:** Within the organisation?

**ALBERT:** Yeah, within the organisation, that’s right. Um, some of our new products and services such as our teleconferencing products are having some significant environmental savings in the broader community with our customer base given that they don’t need to travel as often. And our [name of] network which is a [name of ] networks which basically means you can be accessible or access information wherever you are. So, for business and you know, as part of CR we’re looking at ways to have a positive impact on the community and the environment through our products and services. It ah, the reach, one example is, let me just find it here, (looking through the CR report); is a hospital in Queensland and…

I think if you just write down, [Name of a website], have you heard of that website before? That’s an interesting, that’s a website that we, NATSERV started up, as a way of engaging with the general public basically on issues that are important to us. It’s a website that members of the public and staff and whoever, want to voice their opinion about NATSERV or a telecommunications issue, then they can do that and providing you know, it’s not um, not sensitive material, or offensive material, um, there’s no sort of vetting of any kind of the information that’s posted on that website. So, you know, if you have an opinion, then it’s your opinion and it’s posted. So, that’s a pretty unique thing for a big company to do and ah, I think, NATSERV may have been the first one to do that actually.

**INT:** Ok, I’ll have a look at that.

**ALBERT:** And you know, there’s a blogging component to the website as well which might be worth talking about. Um, that hospital one…(looking through the CR report for the hospital example). Ah, I’ve got it, there, it’s just an example of how our technology is having a positive impact on the broader community and business. Um, so this is an example where a, a radiologist who might be you know, working or might be assessing a patient remotely so that um, they…So, a radiographer, for example, might be able to do a cat scan on a patient and then that information is, no matter where they are, that information is accessible in pretty close to real time, back at the lab, for example. Um, and so, you know, it’s all about sort of distance or tele-health as they call it. Being able to, you know, be able to assess a patient without actually being there.

And that [Name of website] um, has a whole host of [name of network] stories about um, how the community and business have been affected from some of these products and services. Um, if I can just go back a step, um, on the NATSERV.com website, when you go to CR, there’ll be a list of CR reports as well as public environment reports for the last two years.
This year and last year they um, we, NATSERV’s combined the public environment reports with the CR reports and that’s on our NATSERV.com website, so you’ll see a list of all the reports and so forth. There’s also, NATSERV’s also part of the National Packaging Covenant and there’s some mandatory reporting around, around that, which is on our website.

INT: Is that reporting GRI?

ALBERT: No, I mean, we do consider GRI in our reporting but we’re not formally um, addressing GRI, to my knowledge. And the um, so the four main areas of CR for us and for many other organisations, but at least we quite clearly categorise our four main areas are being environment, community, workplace and marketplace. They’re pretty obvious, really, but um, at least that’s how we categorise and report on our CR, in those sort of 4 main areas.

INT: Ok, how else do you communicate what you are doing CSR wise?

ALBERT: Besides the report?

INT: Well, let’s start with the report. Is that only based on the web? Does it go out to shareholders?

ALBERT: It’s only placed on the web now. We were doing hard copies some time back but we didn’t see the sense in you know, having a stockpile of thousands of hard copy reports just sitting there.

INT: Is it part of the annual report, added on to that?

ALBERT: No, quite separate.

INT: OK, available online only, so how do people know that it exists? How do you let people know that this report is out there?

ALBERT: Um, we haven’t been so strong on that in the past, partly because of time, and there’s been the person responsible for annual reports, there hasn’t been a lot of consistency with the person responsible for preparing the reports. So, we haven’t had a formal communications plan around rolling out the report and sort of, as you said, letting people know about it. Um, so, having said that, it hasn’t been widely read either. Um, certainly we, we make all of our staff aware of it and um, this year, we’ll be doing some communications to shareholders, possibly through our AGM or some other way. Um, our public website such as that [Name of website], we’ll probably post some information on there about that. And um, and also through industry publications and industry events and so forth if they’re happening around that time. Um, we ah, this year we’re also going to host a CR event around the time that we’re launching our report. So, we’ll use that event to announce our CR, our 2007 CR report.

INT: And who will be invited to that event?

ALBERT: Um, well again, that’ll be NATSERV staff and other industry leaders. It will be a business focus.

INT: ok, so are there any plans to let the general public know about it, to actively promote it and market it?
ALBERT: Um, well we’ll try and get some media attention at that event um, and hopefully
the media will sort of attend and take an interest in the report and what’s in it and maybe
there’ll be some sort of flow-on effect from that. So, that’s one way that we’ll try to engage
the general public. Obviously, through our website as well um, you know, the flow-on effect
from NATSERV staff and their friends and family and so forth if it’s of interest but you know,
I guess we’ll, you know, the nucleus is certainly the staff and then we try and use, leverage
from our, generate enough interest and leverage from that. Hopefully they’ll take those
messages out to the community. Well, if it’s interesting enough, they will so, that’s a pretty
good indication if we’re preparing and promoting reports that are of interest. If they’re not of
interest, if they’re not of enough interest to our staff, then why? And how do we address that?

INT: I guess there’s a team in NATSERV that compiles the sustainability report so is
there an independent auditing process for that report?

ALBERT: Ah, there’s not. But having said that, we’re legally obligated to, um, this sort of
information, that it is accurate, um, so, I mean…Personally, I don’t see the, that’s something
that sort of, essentially as much a perception as anything that you know, independent
verification is important to everybody. I’m not sure how important it actually is. It’s
something that keeps being thrown up as um, something that you have to do.

INT: I think it goes to the issue of transparency.

ALBERT: Well, it does but ah, if you’re legally obligated to provide accurate information
anyway, then that should be a transparent process. I mean, in short anyway, we don’t get our
CR reports independently verified. Part of that is, has been, like I said, there’s been a few
changes to staff who were involved in the role and there hasn’t been that sort of consistency to
sort of bed down exactly what is important um, you know, in our report. How important and
why, should we get our reports independently verified? How should we promote it? Who to?
All of those sorts of issues. We haven’t sort of, really had a chance to sort of bed down.
Should we report against GRI? What’s the cost of doing so? What are the opportunities in
doing so?

And um, I guess something that we don’t do in NATSERV, is sort of just jump the gun and
sort of head down this track because it’s popular. And an example of that is, is um, carbon
neutrality, and that seems to be the real “flavour of the month” at the moment but um, there’s a
lot of issues around carbon neutrality, there’s some risks and there’s some opportunities and
um, and at the end of the day, is what your shareholders are asking you to do? If they’re not,
then what are the costs of doing so? Will it affect, how will it affect the share price, you know,
al of those sort of issues. We sort of, try and sort of, base our positions and our actions on
facts rather than just public perception. Not to say that we may, we won’t become carbon
neutral, or make some announcement around that but, but ah, just as an example of um, sort of
trying to work out where you’re at now and…

INT: Well, it’s a good example when you look at the carbon market…

ALBERT: (laughs) Yes and I guess the point is that a lot of organisations are promoting
themselves as being or heading down the carbon neutral, carbon neutrality path and maybe it’s
um, it’s just to ah, be the first, or to enhance their reputation rather than for any other real
benefit.
INT: When you’re developing the CSR initiatives that NATSERV’s going to commit to, do they come from the CSR team brainstorming ideas or do they come from community, do they come from employees?

ALBERT: It’s all of those things. Quite often communities, not-for-profit organisations, other businesses, whatever, might come to us and they’ll say “we’ve got a really good idea and need some seed funding to get this up and running, can you help?” Or maybe, if we say “we can’t at this stage but you know maybe we can work with you to sort of get this up and running.” Or, you know, um, other times it might be ah, it might be us, maybe we say, “alright, this is a major issue at the moment. This could affect our business, let’s you know, establish a position and, and, and ah take action.” You know, so it might come from in-house, inside the business so, it’s a bit of both you know, sometimes we’re approached by others, other times we’ll approach. Does that answer your question?

INT: Yes. Have you noticed…

ALBERT: (interjects) but there’s those sort of um, I guess what I’m saying is there’s no, you know, checklist that you say, “I’ve done this, this, this and this um, now we can proceed.” You know what I mean? Certainly there are checks and balances in place but there’s not a formal process of how you would engage a community group or a, a, another business whatever, to form a partnership, or a CSR initiative.

INT: Sure, so you were saying before that when you launch your CR report, all staff are advised, aware of it. How does NATSERV embed that CR within the organisation? How does it affect NATSERV culturally?

ALBERT: um, well one of the things that we’re doing…First of all, we’ve got our CR business principles. So, all of our business principles are, you know, how we behave basically, as an organisation and we’ve got corporate values and we’ve got our business principles and we’ve got our, our over-arching vision, you know, they’re really important for all staff. So, all of our staff should you know, intrinsically be ah, you know, “corporately responsible” or whatever, whatever the word is.

INT: So how do you ensure that they are? Are they linked to performances, KPIs?

ALBERT: Well, mine certainly is. Um, I don’t know if they’re linked to performance per se but um…No, I don’t know that they’re linked to performance…

INT: I understand it’s difficult because you’ve only been here a couple of months but I guess what I’m trying to find out is how the organisation gets staff actively involved in these initiatives and what effect they have on staff? How they contribute to it even?

ALBERT: um, well, part of my role is to engage others to um, first of all to understand what they’re doing so that I can report against it but also to encourage others where I see an opportunity for people to get involved, to encourage them to um to get involved. So, so maybe it’s ah, for example, products and services is obviously a major part of the business. Maybe there’s an opportunity to develop a um, you know, a particularly environmentally friendly product or service that is unique to NATSERV. So, there’s a real marketing opportunity there, a business opportunity there. Um, so, if, you know, if I, if I see that
opportunity then I’ll obviously approach the products and services team, “look how can we move forward on this?” Um, so that’s part of my role but as I said before we haven’t, because of the sort of inconsistency in the staff in the CSR role, there hasn’t been that sort of benchmarking process where we say, “alright what’s the um, understanding and attitude and awareness of staff to CR? For their CR and the organisation’s CR.” So that, time after time we do the same sort of study again and get a real feel for have we improved or not and if we, you know, if we haven’t improved or what areas haven’t we improved in so we can sort of you know, be focused on those for the next 12 months.

INT: So how do you currently measure?

ALBERT: Well that’s, I mean, you know CR in the workplace, how we treat our staff basically, in short. So, we do things like, our HR department does things like employee satisfaction surveys um, which we actually did quite well in this year. So, we’ve got statistics on how many people um complete the surveys for example, um, you know, measurement against um level of understanding of say the corporate business principles, workforce satisfaction with their current role, level of satisfaction with management, you know a lot of those sort of things which go to the core of how we engage with staff and how we um, how we treat our staff. What sort of rewards programmes have we got in place? What sort of policies and procedures and programmes do we have in place around diversity for example? Do we have a um, a policy on, on say, promoting women in senior positions in the workplace? Um, which is another area we’ve done quite well in over the last 12 months. Um, do you get involved in things like um, you know, um, NADOC week for example, the indigenous, I think it’s called (shuffling papers), anyway those sorts of things in the workplace are all about CR.

INT: I’m not sure if you’ll be able to answer this…did you come from a CSR position within the Natser industry before this position.

ALBERT: No, it was [name of a tertiary institution] actually. (laughing)

INT: Oh, was it? (laughing)

ALBERT: Do you know anyone there.

INT: I interviewed [name of employee at that tertiary institution] last year for another paper and I’ve been in contact with [one of the departments within the tertiary institution] for a bit of assistance with this. So, I guess what I have to ask although you haven’t been here very long, it might be difficult. Have you noticed any changing trends within your industry in regard to CSR?

ALBERT: It is NADOC, which is all about recognizing contributions of indigenous people. So, that’s something NATSERV’s been quite involved in over the years. If you go through, some of our, last year’s report which is the same sort of structure as this year’s report, you’ll see the theme was “corporate responsibility matters” um, so the four main areas, workplace matters, environment matters, that sort of thing, subsections in each of those which are fairly consistent with this current report as well.

INT: Alright then, I’ll have a look at that also.
ALBERT: But that will give you a good idea of um, of the sorts of things that we think are important in terms of CR.

INT: Alright, so have you noticed any changing trends within the industry regarding CSR?

ALBERT: Um, certainly, I don’t know if it’s particularly about um telecommunications but certainly on a broader level, at least in my time at [name of tertiary institution], which was around three years, over the last three years, given that I’ve only been here for two months. You know, when I first started at [name of tertiary institution], a lot of my role, you know, I spent engaging with people about the place, you know, encouraging, motivating, trying to get people interested and, and committed to um, sustainability for example, and you know, identifying opportunities for say, incorporating sustainability into the curriculum or looking at ways to reduce our energy consumption or improve our waste management performance, whatever it may be, um and that was, you know it was reasonably challenging because people weren’t sort of focused on it.

Some didn’t understand it, some didn’t um, some didn’t understand the relevance to what they were doing at Swinburne for example. Some didn’t think it was important enough to worry about, all those sort of issues but you know with things like the Al Gore, “Inconvenient Truth” film and the Stern Report and others, you know and the drought um, you know, when I was leaving [name of tertiary institution], you know, it had sort of gone full circle and people you know, I was inundated with um enquiries and you know, “can you help us here” or “what can we do about it?” That sort of thing. So, in a fairly short time, it went from um, you know, trying to motivate people and convince people that it was serious enough to do something about um, and you know, informing people of the risks of not taking any action, to people sort of coming to me saying, “we want to do something. What can we do?” So, that was um, I’m sure that sort of happened to a level on their own in that respect by any means.

INT: Sure, so what was, what do you feel are the most compelling issues in regards to CSR?

ALBERT: Well, we’ve also got to be aware of what the public are hearing and saying. Yeah, what their current issues of the day are. For example, climate change is a big issue, water resources are a big issue and um, being hotly debated in parliament as well. Um so, the broader community issues are also issues for the business to be aware of as well because if climate change is an important thing for the broader community than it’s probably going to be an important thing in their investment decisions as well and if you’re not um, addressing the issues that are important to the broader community you’re probably going to um, I guess you do that at your peril, in a sense. So, what was the question? I guess from a community point of view, climate change and water issues and just I guess the environment in general is becoming a really important issue. For example, NATSERV are involved in a um, um, if you know, we’re a big company and if we put out our 2007 CR report and the media go through it and pick the eyes and teeth out of it, then that could be um, you know, quite bad for us. So, we need to be doing as much as we can and we need to be reporting accurately against what we do.
INT: Is that perhaps also one of the reasons why you won’t necessarily advertise your report?

ALBERT: Oh no, no, no. I mean we um, we certainly like to promote and raise our profile in CR because we believe we’re doing a good job. It’s often the case with a lot of organisations, they’re doing a lot of good things but they seldom hardly capture all of that. So, no I don’t…

INT: That is the basis of my thesis. Why are they doing all this work without actively communicating it to the general public?

ALBERT: Yeah, yep, yep and that’s something that we need to address as well and we are addressing the fact that we’re not promoting our, the good things that we’re doing well enough.

INT: Are there plans to do so in the next 12 months?

ALBERT: I mean there are plans now. This year we’ll be doing more promotion and communication about our CSR report and CR in general, than we’ve done before. So next year,

INT: Does the CSR team do that or do the communications department do that?

ALBERT: CR at NATSERV is part of the communications team. Any communications that you do internally or externally, you would always work with the communications people. If you don’t, it’s probably at your peril as well because, they, communications people, know what’s going on.

INT: Is there anything else you want to say about CSR?

ALBERT: Just about some issues, ah, supply chain is a really important issue. It seems to be of growing importance. Making sure that your human rights within the supply chain, for example um, avoiding companies who are using sweat shop facilities for example. And, just in general, um, you know the supply chains in general are getting longer and longer and more complex in organisations and there’s a real opportunity to work with your suppliers to improve your environmental or social performance. So, that’s um, seems to be a growing issue for companies but it’s also an area where you know, some really significant benefits could be, could be found.

INT: And does NATSERV have some sort of due diligence test for their suppliers?

ALBERT: Ah yes, we do but that’s an ongoing process as well. Looking at ways we can sort of, I mean, you obviously can’t be, there are limits to how restrictive you can be, or how onerous you can make things for suppliers, but that is something that we’re constantly looking at.
APPENDIX J: TRANSPORTER INTERVIEW TRANSCRIPT

HENRY = Marketing Manager, TRANSPORTER

INT: Do you want to tell me about the pack firstly?

HENRY: Yeah, I’ll just go through the pack so that you can then cross reference with it. Um, this is our corporate document which will probably be outdated in the next few months actually but it’s got a lot of information about our service in the community, little bit about our positioning and our vision, so that’s that. This is our recent advertising campaign which is on tv now again and these are our “trees” (pack of seeds) that we hand out, ok? Trees [native seedlings] so you can green up the place. This is a DVD of the advert and the communication we did to staff. So, 1800 of our staff got this pack and a little bit about what we’re trying to do. It is linked to the environment and sustainability message, that’s that one.

This is about our [organisation’s] positioning which is about putting respect back into our [vehicle] network, both ah, from a presentation perspective and also from a position in the future which is, this was the first step, which was about reporting graffiti and vandalism and then working with Crimestoppers. Ah, this is about St Kilda Road about how we’re trying to make it a higher profile ah, and upgrade the [vehicle] stops, the platform stops for accessibility, so catering for wheel chairs, that sort of thing. I’ve also included the wheelchair accessibility guide which is there. I’ve given you a copy of our corporate DVD which goes for about 12 minutes and you may or may not want to watch it. That’s being updated but it does have some relevant information and there’s some customer advocates in there as well.

This is a short DVD we made with Transporter staff and, which is paying tribute to the history of [Transporter vehicles] in Melbourne. We’ve been here for 130 years, we’ve had 100 years of electric [vehicles], was last year and we did a fair bit of celebrating on that. This is a fact sheet that went out to the community about the past, everything from the war to um, to what um, what we’ve done with the different models of [vehicles] over time and how they’ve progressed and become modern and are meeting customer’s needs and I’ve also given you a copy of our recent newsletter, it’s one you may have picked up at reception, if you haven’t, you pick it up on your way out and that’s all about the partnership there. There’s a bit about how we won the “Save Water Awards”, I know you want to talk about community stuff. So, there’s some great stuff in here, um, rather than me talking you…We wash our [vehicles] with recycled water that we collect off the roof which is a major initiative that ah, we’ve started and people are copying now, which is great.

And there’s our Good Friday Appeal which I’ll talk about as well, which is our positioning for the community. We’ve been dealing with the [Name of Hospital] since 2003 now, 2004. Um, give them cheques and make money for them so there’s all this community stuff here as well. There’s just a collection of newsletters there for you, in addition to our wonderful pen and some more “trees” there.

INT: Thank you, I’ll go home and plant those.
HENRY: They’re native plants so they require less water. We’ve thought of everything.

INT: Now, you said that celebrating the 100 years, newsletters went out to the community. How were they distributed?
HENRY: They were distributed on the [vehicles], um, and on our database of customers as well and all the festivals and promotions that we did. We also had a stand on Anzac Day, in St Kilda Road with the Diggers and the Parade. We put out some Heritage [vehicles] as well and we had a big [take our vehicle] Day in November, in Docklands where we had nearly 2000 people come and visit the state parade, we had kid’s rides, we had fun things to do, we had a movie [vehicle] with cinema, we did lots. And you can get it online as well.

INT: Ok and your newsletters, who do they go to?

HENRY: They’re both available online and they’re produced onboard the [vehicles], they’re folded up in the brochure holder on the [vehicles] and they’re also sent to our database of customers and stakeholders. Council as well.

INT: Ok, alright, basically you’ve got quite a few CSR initiatives but I guess what I’m trying to find out is why? What fuelled the decision to go into these areas?

HENRY: Ok, driven by marketing but also driven by what we are. We’re a community transport service that is better than the car, if you have a lot of people on the [vehicle] and you can make the decision to be carbon neutral if you choose to travel by [our vehicle]. But, we can’t say we’re carbon neutral because we draw our electricity from coal. But if you weigh the benefits of driving a car, then there’s benefits in doing that, so… I think it’s important that we rather than just you know, basic sustainability and do corporate stuff, if we handed out “trees” without any substance to that benefit, then I think that’s pretty weak CSR. But, if you’re actually collecting rain water, doing things like installing solar panels in depots to power the lighting and that sort of thing, that’s actually proving that you are trying to make a difference to the environment and the marketing reflects that.

Printing on recycled paper, small things like that and recycling at the depot, it’s just a small part that backs up our positioning. Now, with the issues that we’ve had, particularly in the last few years, particularly with petrol prices and it’s top of the mind now, the environment has now become, in my opinion, the right environment to market for the greater good of Melbourne. Um, and that’s really why we’re doing that now.

Now, in terms of the [Name of Hospital], that’s completely different. That’s more connecting with the emotional side of things so it’s aligning with the company. The fact that we stop outside the Hospital, there’s a [vehicle] stop there, it’s named the Transporter Hospital stop and we have different [vehicle] stops inside the hospital as well. And the money that we raise is put towards family retreat rooms for cancer sufferers. So, the family can stay in there. There’s beds, there’s tv and there’s two wards that the Transporter Family Retreat Rooms and Parent Retreat Rooms. That really is about connecting with the emotional side of things um, in health. We’re positioned in Health and we’re positioned within the Environment and the other one is Education. There’s 3 main tiers.

INT: Ok, As far as the sustainability goes, you draw a lot of electricity obviously to run the XXX so, are there any plans in the future to go to green energy?

HENRY: Ah, well, yes, there’s a lot of talk about that. Now, unfortunately the cost is prohibitive at this point in time but there are other things that we’re looking at. The new [vehicles] that we’re looking to buy, actually generates its own electricity. It’s got
regenerative braking, so that when you brake it actually powers the [vehicle] up so, you draw less electricity from the grid. The things that we’re doing at East Preston depot for instance, with the solar power collecting from the roof, the excess power for that is getting put back into the grid. So, we sell the electricity back. So, little things like that we’re doing but to answer your question, green energy would be great if we could get it and we have to do a lot of things to get that in terms of price because it’s too high.

INT: That’s fair enough and people don’t necessarily want to pay more for their [vehicle] tickets, do they?

HENRY: Well, yeah we don’t regulate the tickets, so we have no control over that, so it would actually just be straight loss. So, we’d be operating at a loss if we did that, which we can’t sustain so, you know…

INT: What else have you got going CSR wise? Education?

HENRY: Education, now we’ve got sponsorships with the State Library of Victoria. Um, and they’ve got a wonderful library up in Swanston Street which we’ve got a relationship with. We’ve promoted a lot of the educational things that they have in there through onboard education programmes. Ah, we also have a very close sponsorship and partnership with the Shrine of Remembrance. So, respecting the Diggers and the history that they serve. We also sponsor the Shrine of Remembrance Education Trust. We give $10,000 a year to that. Um, that’s, school groups come in to that and we try and get them to come in by XXX and connect the sustainability message obviously, to the education message. We might talk to them about their health, we can actually try and get the whole thing in there with the [Name of Hospital] as well so…We’ve always had a schools programme through our affiliates at [transport authority], which, are you aware of what [transport authority] is?

INT: Yes

HENRY: They’re marketing, information body, we have school programmes and we send out our authorized officers to schools and give talks on safety, doing the right thing, ticketing and that sort of thing. So, we go out there and connect with the schools in that way as well.

INT: It’s pretty comprehensive.

HENRY: It’s pretty good, I’m pretty proud of it. That’s why I got you in to talk about it because I like talking about it. I’m passionate about it.

INT: So, advertising. You’ve got your newsletters and web as far as mass communications goes, you’ve started a television campaign, what else is happening?

HENRY: There’s been two tv ads that we’ve put out. The first one is featuring school kids which again, that’s on your DVD there, that’s their talking only about the environment. The main message is, “how can we help?” The kids get up there and draw pictures and talk funny and then this girl says “well, my dad says a full [vehicle] load of passengers is better for the environment. My dad says everybody wins because there’s less cars on the road.” So, it’s actually a message to the car driver as well, that a full [vehicle] is better for him because he or she gets a better run in the traffic. Sort of try and get people to make that choice. That was our first message. That was positioning the sustainability message and then we had the
advocates coming on with the celebrities which you would have seen Kate Cerebrano, Hamish and Andy, we also used a car driver, racing car driver, Craig Loundes, who won Bathurst last week, which is good timing. He said it’s good for him because he’s behind a wheel so…

Although we recognize that cars are strangling Melbourne we’re also very careful not to make them the enemy of public transport, because they’re not. There’s a car culture in Melbourne and what we want to try and do is get together to think about their choice rather than “cars are bad, cars are bad, cars are bad.” Get people to make that choice, the campaign was really about that positioning. People have got to think about their travel and does it really have to be a car? At times, the answer is no. Some trips you can catch by public transport sometimes the car is the best way so, but, it’s just that choice basically is how we’re pushing that message out.

In addition to the tv advertising, you asked about how else we get our message out. Festivals and events. Um, we have displays. We have a team of 12 marketing people that go out to the different festivals and events, have a stand and deliver the “trees for [vehicles]” message with these seeds. We actually get trees in the stands as well, behind the stands so, to green that message up so get people to see that we are here for the environment and get them to think about using public transport more, more for the environment and that message is ready for now. It wouldn’t have been ready 5 years ago, people weren’t interested in that so not much changed because of that. Now, they’re thinking about it and I think that’s partly the petrol issue and partly…

INT: That was actually my next question. When did TRANSPORTER actually start thinking about sustainability and then actively promoting it?

HENRY: First of all, thinking about it, was pretty much when I started here. Um, I’ve been here 10 years now. And we try to do things in early 2000, position the sustainability message. We put our big billboards about car drivers versus XXX drivers, that sort of thing and um, wasn’t successful, didn’t cut through. People just weren’t relating to the environment message. They just “nah, sorry, I’m a car driver, bad luck”. But that’s now changed. That’s always been, I suppose we’ve been lobbying in the background as well for this sustainability message with the different projects that the state have funded called “Think [vehicles]” which is all about giving priority to [our vehicles] but also looking at um, you know, traffic movement and flow and possible banning right hand turns in front of [our vehicles], and having hook turns in Clarendon Street, all that sort of thing was introduced as part of this programme. “Think [vehicles],” you’re starting to think about the [vehicles] and why, you know, one [of our vehicles] with 180 people shouldn’t have to stop at a traffic light because one car with one passenger has made a stop. It should be vehicle, people moving not vehicle moving and that’s the whole corporate change thing that they’re trying to get through.

So, if this environmental positioning has really started from when we started making the changes at a ground level which was in 2004, when we started collecting our rain water, we started putting in panels and started becoming energy efficient. So, internally, we started first with our staff before we went outside with the message and I think that makes the most sense as a marketer. You wouldn’t go outside and go “neutral” and then our staff are not doing it. So, you need to start with the advocate back to sell the message. So, we started with our staff back in 2004. We collect rain water now in two depots out of eight depots and soon all our depots will collect rain water and we have panels that um, obviously, solar panels that power
up most of the depot’s power, we have waterless urinals, all those things are now going through common practice and recycling, and we have education programmes for our staff as well. So, we have um, have you heard of [Name of Plumbing Supplier]? You can get plumbing and whatever, yeah, well we have this special staff discount so they can get water tanks put in their home, they can get visits by different environmental people, we also work with Environment Victoria on this as well. And they can then turn their house into a much more sustainable house.

We needed our staff to do what we do, now obviously not all of them do but at least they’re aware of it, aware of our programme and there are some great advocates out there, internally. And then, after that, we went external which is only since 2007 when it went big time. We actually won a “Water Saver Award” from the state government, that was last year. So, the thing that I’m very mindful of is that as a marketer, we can back it up with actions that we’ve done and I wouldn’t feel comfortable not doing that.

INT: Ok so, was that the primary reason or was it also the fact that environment is just so topical at the moment?

HENRY: Um, well, to be honest with you, it just helps, it wasn’t…It was the secondary driver. As it’s turned out, we’ve turned it into a primary driver but it was always a secondary driver. The main goal was um, throughout the campaign this year, “if a person took a [Transporter vehicle] one day a week, we could have January driving conditions all year.” That was the premise of how we set up the ad and then we looked at all the reasons why and the sustainability aspect ended up flowing through nicely and the education aspect came through with the school kids. So, that’s how we developed it with our agency um, and then, bang, we’re on tv which is the first time since 2001. We haven’t got big marketing dollars so it’s important that when we do go out we have the right message to say and we change people’s behaviour.

INT: People are talking about those ads as well so they are effective.

HENRY: Yeah and we’re tracking them as well so we’re getting 92% positive ratings and ah, from the people who have seen them so far.

INT: That’s great. Now, with regards to resource productivity, water saving and things like that, have you noticed cost savings yet?

HENRY: Probably on our printing we have noticed a little bit now. We’re printing not as many thick timetables now, we’re producing frequency flyers. We find that people you know, see the map and the frequency of the service it’s less you know, things that you carry because we did some research and found out a lot of people are getting a 25 page timetable, reading it and putting it in the bin. Now, that’s a waste of printing so we look at things like that, that we’re doing as a marketing department and as a business obviously, the water saving, we’ve saved something like 500,000 million litres or something, no, that’s wrong, but we have saved a lot of water through catching water. I can get you the stats on a facts sheet. It might even be on a newsletter there actually. Um, but we are noticing a difference, yeah. And the electricity is going down a little bit at the depots that are getting the solar power through the panels.

INT: How many depots have the solar power?
HENRY: Two, Malvern and East Preston. It started at East Preston. If you wanted to visit a site that’s living and breathing what I’m talking about, East Preston was the first in 2004 and now what we’re finding is that other transport businesses, particularly bus companies are now copying our model called “The Green Depot”. So, we’ve patented that model now and we’re leading the way in terms of public transport.

INT: That’s great. Do you get calls from other people wanting to discuss that, transport companies?

HENRY: Yeah, absolutely, yeah.

INT: So have you noticed any changes in transport industry in regards to CSR, other than what TRANSPORTER is doing?

HENRY: Well, um, I don’t want to sound ah, a bit full of myself in saying this but we really believe that we’re the leaders in this. We’ve done this and we’ve thought this way for quite a long while and now people are starting to copy us. Now for me, that says that we are creating the trend. Public transport, I’m talking about, not everything, not the wider community. So, we get people, ah there’s a bus company now, Dyson’s company they’re building a new bus depot, it’s modeled on “The Green Depot” at East Preston. Um, the XXXXX, which I’m also a director on, the marketing campaign with the flying feet you may have seen, once again that was based on sustainability as well and the off-peak travel. So, the message is there now to take care of the environment and we’ve won some marketing awards for how we’ve done that in the industry, they’re all behind you there. Um, so, we think we’re creating the trend. I haven’t noticed a trend but we, I like to look at us making the trend and other transport companies copying because it’s a good message and good for the city and it’s good for the environment and it’s good for Melbourne.

INT: Ok, How do you embed the CSR culture within the organisation/staff?

HENRY: Well, they’re very very involved in, as you said earlier, the whole fund raising aspect for the Hospital. I mean, if the staff can raise over $30,000 by themselves, without us helping, that says to me that they’re listening to the message and they can connect with the message because a lot of them have kids and a lot of them have kids that have been through the Hospital and a lot of them can appreciate what we’re trying to do. On top of that, we also have programmes about health, what, we get different health speakers in to talk about prostate cancer and all about back safety, caring for your spine, and these are active programmes that we have at the depot. We put on a bit of coffee and doughnuts and we have all the drivers that love it and they get into it and they understand that we’re here to help them live longer but also you know, as a corporate message as well that they can take out to the customers. And they know they’re raising money for a good cause or about the health, so that’s, I mean, I said before with the sustainability stuff, the education that we’re doing, the visits to home, free quotes from [plumbing supplier], discounts that sort of thing, once again it’s just following up what we’re doing with action.

INT: Is there a feedback box where staff can make suggestions for further improvements for green issues?
HENRY: Absolutely, it’s not a feedback box per se but there’s, what I have is, I have depot marketing co-ordinators who are in each depot and their role is internal communication and external festivals and events. So, they connect with drivers, they organize the speakers, they get the feedback, they make themselves available, they produce the internal newsletters, they have information that staff write in and answer questions and that goes out to the appropriate people at depots. We’ve just now done, I should give you a copy, called the Pantograph which is that thing on top of the [vehicle] that they connect to, the name of the internal newsletter, these are external newsletters, I’ve given you there. And you can see that there’s different things that the staff, you know like suggestions, or there might just be a recipe for something that’s healthy you know, which is the health aspect so, I can try and find a copy and you can take one away.

INT: And what do you think are the most compelling issues for public transport?

HENRY: I think I just mentioned them. I think sustainability is the most compelling issue. The other one which I haven’t mentioned is accessibility, wheel chair compliant and that sort of thing and that’s something that we have been working towards as well. We put that under our education banner but also our organisation banner as well with different products that are coming out as well like [vehicle] Tracker real time [vehicle’s] arrival information by phone. People who are visually impaired can actually hear a voice or SMS, probably hear a voice is better, SMS isn’t that great for the vision impaired. Particularly for the elderly they’re starting to use the IVR aspect now on [vehicle] Tracker where they hear a friendly voice that tells them how far away the [vehicle] is. They can also get timetable information for another day or weekend and that gets done, sort of, by the, they can hear the voice and just press buttons. So, that’s good, so...
And that was actually, that idea came about because of a customer that um, it was an elderly customer who lived close to a [vehicle] stop but didn’t want to wait too long in the [vehicle] stop, in the cold. So, she wanted to know when the [vehicle] was going to be there, so she timed her walk to the [vehicle stop] but sometimes [vehicles] run late because they fight with cars ah, so, we created this product where she had a real time information um to her of when that [vehicle] would be at her stop. There’s 1,830 stops and you can get the [vehicle] arrival time to within one minute accuracy. So, she’d walk down there and then they’re bang on time which is the message given by [vehicle] Tracker.

INT: That’s very impressive. Who provides the technology for that?

HENRY: We created the technology ourselves. We designed everything ourself. We have a thing called automatic vehicle monitoring (AVM) which is our [vehicle] monitoring, big control centre.

INT: Did you have a partnership with a telecommunications provider?

HENRY: No, we didn’t but ah, that’s our fleet operations centre there (shows photograph) and we can monitor every single [vehicle] on the network so we just have to look at that and we use our own predictions, predictor engines, and ah, measure every stop, the distance between every stop and then linked it with the AVM. And we can now predict when a [vehicle] will be at that stop.

INT: Who answers that call? Is there a special call centre?
HENRY: No, no. Well, SMS is, nearly two thirds use SMS which is automated and the IVR is an automated voice. So, every stop’s programmed in and every time’s programmed in and when it gets instruction, it’s updated as well. So, it’s good for that and the voice is generated through IVR. I should give you some information before you go. It’s actually out there in the brochure.

INT: Ok so what are you most proud of?

HENRY: [vehicle] Tracker, definitely proud of the “Love your [vehicles]” branding which harnesses respect for them but also links in very well with the environmental and sustainability message. There the two things I’m most, um well, water catching and watching power, if we did that when we first started, I would have been very proud of that at the start they just keep bobbing along now and we can do some great things there from a health perspective but yeah, a lot of pride.