

The CSR Competency Framework

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The CSR Academy: Here to help you and your organisation

The CSR Academy's mission is to help you and your organisation develop and integrate CSR learning and skills through this, the first dedicated CSR Competency Framework for managers. Check out our website www.csracademy.org.uk for more information, including details of the Academy's structure and programme partners.

Use of the CSR Competency Framework is completely free, but organisations are asked to register their details through the website www.csracademy.org.uk.

The CSR Academy has a programme of activity to help organisations use the Framework – also found on our website.

For more information about CSR training and development opportunities in the UK, check out the website's interactive directories on further education opportunities. Whether your company wants accredited training courses in CSR or you as an individual manager wish to undertake further professional development, the directories have been designed to help.

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Introduction

"Today, corporate social responsibility goes far beyond the old philanthropy of the past – donating money to good causes at the end of the financial year – and is instead an all year round responsibility that companies accept for the environment around them, for the best working practices, for their engagement in their local communities and for their recognition that brand names depend not only on quality, price and uniqueness but on how, cumulatively, they interact with companies' workforce, community and environment. Now we need to move towards a challenging measure of corporate responsibility, where we judge results not just by the input but by its outcomes: the difference we make to the world in which we live, and the contribution we make to poverty reduction". The Rt Hon Gordon Brown MP, Chancellor of the Exchequer

A changing business culture

Business operates today in a new market place. More than ever before, stakeholders demand that business functions in a responsible way. While pressures to make profits are unrelenting, stakeholders expect ever-increasing standards of accountability and transparency. Business responsibility – and its relationship to the community in which it operates and seeks to serve - is more important than ever.

Companies of all sizes are increasingly aware of this new market place and recognise the growing significance of reputational risk. Many companies are convinced they benefit from encouraging responsible business practice. Far from just responding to consumer pressures, these companies are driving forward an enhanced way of doing business. This approach has become known as corporate social responsibility (CSR)*.

For some companies CSR is not a new concept, but others are unsure of the changes taking place. What can a company do in response to this changing business culture? How can managers bring CSR into their daily actions?

The Department of Trade and Industry is committed to achieving a 'leap forward' in business understanding of and engagement in CSR and has supported the establishment of the CSR Academy to help achieve this.

*You might also have heard this approach described as business sustainability, corporate responsibility or corporate citizenship.

Developing CSR competencies

For the Academy, CSR is about the management of a company's impact on its stakeholders, the environment and the community in which it operates. It is more than just the amount of money donated to charitable causes. It is about the integrity with which a company governs itself, how it fulfils its mission, the values it has and what it wants to stand for, how it engages with its stakeholders, and how it measures its impacts and publicly reports its activities.

All of this has a direct impact on how management makes decisions. It means that managers must take into account an increasing range and complexity of factors relating to the financial, environmental and social implications of business operations. In order to achieve this, CSR becomes concerned with the competencies managers need to operate in this changing business environment.

To help the situation, the CSR Academy has developed the first ever **CSR Competency Framework** for managers, designed to help you integrate CSR into decision-making and operations, and achieve that leap forward in understanding. Responsible business is progressively becoming the way business is done in the UK. This Framework will help managers in your organisation with CSR, enabling your company to be at the forefront of these changes – not left behind.

A leap forward in managing CSR

“The Government aims to transform CSR from being seen as an ‘add-on’ to being a core part of business practice for more and more organisations. It is not a luxury that only large companies can afford, but something that firms of all sizes can participate in – for their own benefit as well as for the benefit of others. The Framework is essential, providing the means so that CSR will be a valued asset in the life of every company and of every community”. Stephen Timms MP, Minister for Energy, e-commerce and Postal Services

This document presents the first dedicated CSR Competency Framework for managers. It aims to help your business in the following ways:

Focusing activity

At the centre of the Framework is a set of core CSR characteristics, designed to focus management activity. Some of the characteristics are not new and are already being applied in companies. By bringing them together, the Framework focuses on the personal qualities, attitudes and mindsets which managers need to learn and which in turn will drive improvements in business performance. Through this focused activity, organisations themselves will develop the knowledge base, the skills set and the right attitudes and reflexes to be an effective and responsible business.

Embedding CSR

CSR is not just for specialists or large-scale companies – all business leaders and managers of tomorrow must understand why they are engaged in CSR. The Framework seeks to embed this set of characteristics into the education, training and development of managers and staff. The Framework is a tool for assessing performance in all business functions. It seeks to develop a manager attitude that appreciates the importance of CSR and that through this, CSR becomes a common currency that can be used by all in day-to-day management.

A tool for all organisations

The Competency Framework seeks to address the needs of decision-makers in all companies. It seeks to help general managers in small and medium size enterprises as well as functional managers who have some responsibility for CSR issues. It aims to make CSR an integral part of business practice, regardless of the organisation’s size or its type of market. Although aimed at the business community, it is hoped that organisations of all types will find value in the Competency Framework.

A leap forward for your business

For many organisations CSR has traditionally been something of an add-on. General managers may have had some experience in CSR, but may not have been exposed to the wider demands or opportunities that it places on an organisation. By being taken up by all managers, the Framework will stimulate and provide new thinking that will permeate the whole organisation. At the same time, this will benefit individual managers in their professional development. In time, the Framework will make a positive contribution to business success, building competitive advantage through improving the internal and external relationships of a business, its reputation and capacity to innovate.

Making the Competency Framework work for you

"UK businesses are already making a huge impact in many areas, such as raising employment standards, better stakeholder engagement and improving the environment. There remains much to be done, especially in embedding CSR practices into business management, or put another way, making it part and parcel of everything we do. The CSR Framework aims to do this, providing a very practical tool for impacting the business mainstream, filling a gap and adding real value. The aspiration is that it will play a key part in CSR becoming integral to the way we do business in the UK and thence around the world". Clive Mather, Chairman of Shell UK, Chairman DTI CSR Skills Steering Group

The Framework has been designed to be a flexible tool, meeting the needs of companies and organisations of all shapes and sizes.

Some may wish to take the Framework as it is and use it in their performance review process. Some may wish to incorporate elements of the Framework into existing competency models, introducing a 'CSR way of thinking' to their company's forward planning mechanisms. Others may consider its most effective use is as a self-development tool for particular targeted managers.

How it is used is ultimately down to the individual company or organisation, but we hope the Framework will help you begin, or progress, your role in the movement towards responsible business.

Put simply... The Framework consists of a set of six core characteristics that describe the way all managers need to act in order to integrate responsible business decision-making.

Characteristics

Understanding society Understanding the role of each player in society – government, business, trade unions, non-governmental organisations and civil society.

Building capacity Building capacity and external partnerships and creating strategic networks and alliances.

Questioning business as usual Being open to new ideas, challenging others to adopt new ways of thinking and questioning business as usual.

Stakeholder relations Identifying stakeholders, building relations with internal and external stakeholders, engaging in consultation and balancing demands.

Strategic view Taking a strategic view of the business environment.

Harnessing diversity Respecting diversity and adjusting your approach to different situations.

The Framework is designed for application across the full spectrum of business functions:

- Operations
- Planning
- Supply Chain
- Finance
- Human resources
- Marketing

It sets out different levels of attainment for each characteristic, together with detailed behaviour patterns and case study examples. It was developed after research with more than 400 individuals and organisations active in CSR.

Attainment levels

> Awareness

> Understanding

> Application

> Integration

> Leadership

The Framework sets out five levels of attainment for each characteristic, depending on the depth of knowledge required and the management function. These range from basic awareness through to leadership.

Each characteristic has a set of unique skills and competencies appropriate to that particular characteristic. These are called 'behaviour patterns' and they vary in intensity according to the attainment level required (these behaviour patterns are explained on pages 07-12). This built-in series of attainment levels enables managers to fit the Framework to their own particular responsibilities and needs but importantly, it also provides them with the behaviour patterns to strive for in order to achieve improvements in CSR competency.

Making the leap from awareness to leadership

Awareness A broad appreciation of the core CSR characteristics and how they might impinge on business decision-making.

Understanding A basic knowledge of some of the issues, with the competence to apply this to specific activities.

Application The ability to supplement this basic knowledge of the issues with the competence to apply it to specific activities.

Integration An in-depth understanding of the issues and an expertise in embedding CSR into the business decision-making process.

Leadership The ability to help managers across the organisation operate in a way that fully integrates CSR in the decision-making process.

Characteristic One: Understanding society

Understanding the role of each player in society – government, business, trade unions, non-governmental organisations and civil society

What does this mean in practice?

You understand how your business operates in the broader context and you know the social and environmental impact that your business has on society. You recognise that your business is an important player in society and you seek to make as positive an impact as possible.

The table below sets out the behaviour patterns required to achieve each level of attainment for 'Understanding society'.

Attainment Level	Behaviour Patterns
> Awareness	The manager is aware of the role of the different players in society and the contribution made by their own business.
> Understanding	The manager recognises the trends in social and environmental issues and how they impact on business performance.
> Application	The manager is actively involved in furthering a genuine concern for social and environmental issues in the business.
> Integration	The manager is responsible for management decisions that measure and report on the social and environmental impact of the business.
> Leadership	The manager develops business strategies that are in accordance and beyond the legislative requirements and CSR standards.

How might this be applied to a core business function?

Example: Applying the characteristic of 'Understanding society' to Marketing Your marketing campaigns need to be both ambitious and responsible, incorporating social and environmental factors. Your new product development needs to consider what impact products will have on the environment and society in general.

Case Studies

Tesco Tesco actively offers employment opportunities to staff who have been out of work for several years, lone parents, older people made redundant and young unemployed people. For the first nine stores operating this new scheme, 2,000 of the 3,000 new jobs created were employed through the jobs guarantee for the unemployed.

Union Coffee Roasters Union Coffee Roasters is a small company that seeks out growers of fine coffees. All suppliers must adhere to the international and national laws regarding the condition of workers and have sustainable agricultural practices in place. In return, Union Coffee Roasters purchases the coffee at an enhanced sustainable premium.

Characteristic Two: Building capacity

Building internal and external partnerships and creating strategic networks and alliances

What does this mean in practice?

You are building the capacity of others to help manage your business effectively. Your suppliers understand your approach to the environment and your employees can apply social and environmental concerns in their day-to-day roles.

The table below sets out the behaviour patterns required to achieve each level of attainment for 'Building capacity'.

Attainment Levels	Behaviour Patterns
> Awareness	The manager is aware that the business needs to work in partnership with others both internally and externally.
> Understanding	The manager conveys ideas and information clearly and in a manner that encourages working in partnership.
> Application	The manager is actively involved in cross functional groups with peers, subordinates and seniors.
> Integration	The manager is responsible for management procedures that encourage participation and involvement by team members through being open and approachable.
> Leadership	The manager develops business strategies that take a multi-functional perspective on strategic implementation issues.

How might this be applied to a core business function?

Example: Applying the characteristic of 'Building capacity' to

Operations You need to have systems in place for assessing the social and environmental impact of suppliers. You should be empowering staff, boosting literacy and numeracy skills and building the capacity of your workforce.

Case Studies

Waterstones, Macmillan

Distribution and Securicor

Omega Express The aim was to design a reusable box to replace cardboard cartons used to transfer books to Waterstones. This successful initiative has reduced the need for 21,720 cardboard boxes, saved 15 tonnes of waste, reduced infill packaging, reduced damaged stock, and increased the speed of handling goods.

KPMG and Brighton Primary

School The partnership between an accountant from KPMG and a head teacher from a Brighton primary school has been an invaluable exercise, producing professional benefits on both sides. The partnership, based on respect, integrity and trust, has provided assistance with issues that included succession planning and volunteer leadership.

Characteristic Three: Questioning business as usual

Being open to new ideas, challenging others to adopt new ways of thinking and questioning business as usual

What does this mean in practice?

You are continually questioning your business in relation to a more sustainable future and being open to improving people's quality of life and the environment. Acting as an advocate, you engage with bodies outside the business who share this concern for the future.

The table below sets out the behaviour patterns required to achieve each level of attainment for 'Questioning business as usual'.

Attainment Levels	Behaviour Patterns
> Awareness	The manager is aware of the business need to be open to new ideas.
> Understanding	The manager recognises the need to move away from familiar ways of working and towards harnessing innovation.
> Application	The manager can demonstrate an enquiring mind, encourages new ideas and translates the ideas into action.
> Integration	The manager is responsible for challenging others to deal with uncertain situations comfortably.
> Leadership	The manager shows leadership style that can adapt to suit the situation, and inspire, influence and motivate others to perform.

How might this be applied to a core business function?

Example: Applying the characteristic of 'Questioning business as usual' to Strategic Management You should be measuring the business impact, not just financially, but over a range of social and environmental concerns. You should be assessing reputational risk, shifting the thinking from financial loss to business integrity.

Case Studies

Shell UK Shell UK installed a new lighting system to increase customer and staff sense of security on petrol forecourts. Automated sensors measure light conditions and relay to an automatic switch off and on at optimum times. Nationwide, this initiative led to environmental savings of an estimated 10,000 tonnes of CO₂ a year and a 12% saving in related electricity costs.

Perfecta Perfecta supplies quality ingredients to the food industry and is based in an area of full employment. In order to attract and retain good staff, managers consulted employees before drawing up a package of work life balance initiatives. By enabling staff to work hours and days around their other responsibilities, the number of available packers doubled.

Characteristic Four: Stakeholder relations

Identifying stakeholders,
building relations with internal
and external stakeholders,
engaging in consultation and
balancing demands

What does this mean in practice?

Your stakeholders are those who have an impact on, or are impacted by, your business. Your business understands the opportunities and risks they present and works with them through consultation, taking their views into account.

The table below sets out the behaviour patterns required to achieve each level of attainment for 'Stakeholder relations'.

Attainment Levels	Behaviour Patterns
> Awareness	The manager is aware that the business needs to maintain good relations with a wide variety of stakeholders.
> Understanding	The manager recognises the key stakeholders of the business and responds accordingly.
> Application	The manager is actively involved in building relations and consulting with stakeholder representatives.
> Integration	The manager is responsible for management decisions that systematically take into account the impact on stakeholders.
> Leadership	The manager helps develop a business strategy that balances the potentially competing demands of stakeholder groups.

How might this be applied to a core business function?

Example: Applying the characteristic of 'Stakeholder relations' to Communications You should communicate fully with stakeholders on a regular basis, deepening relationships across and outside the business. You should engage in two-way conversation with staff via trade unions and/or elected representatives.

Case Studies

Co-operative Bank Co-operative Bank engages its customers in fully-fledged campaign programmes demonstrating the bank's stance on a range of important issues. The bank dedicates resources to running hard-hitting campaigns and making donations linked to customer spending.

Fusion Personnel (Fruit Packing) A large proportion of Fusion's workforce do not speak English as their first language, which had led to certain problems. Management developed a training programme "Dynamic Skills" which delivers basic literacy, numeracy and language skills. The business has gained through staff retention, increased productivity, better quality of work and improved customer relations.

Characteristic Five: Strategic view

Taking a strategic view of the business environment

What does this mean in practice?

You ensure that social and environmental concerns are included in the overall business strategy so that CSR becomes "business as usual". This leadership comes from the top and results in everyone in your business including an awareness of social and environmental impacts in their day-to-day role.

The table below sets out the behaviour patterns required to achieve each level of attainment for 'Strategic view'.

Attainment Levels	Behaviour Patterns
> Awareness	The manager is aware that the business needs to have a strategic vision.
> Understanding	The manager understands the business, the customers and markets, the way the business operates, its structure, its culture and the way it all relates to CSR.
> Application	The manager is actively involved in engaging business strategy with employees and stakeholders.
> Integration	The manager is responsible for management decisions that integrate CSR into business strategy.
> Leadership	The manager acts as a champion of CSR with the ability to communicate effectively how CSR contributes to the delivery of the organisation's strategy.

How might this be applied to a core business function?

Example: Applying the characteristic of 'Strategic view' to Finance

You should be managing finance for the long term and understand the social and environmental costs and benefits from business operations. You should be considering these social and environmental costs alongside the financial aspects. This will help decision-making.

Case Studies

Scottish Power A £20million programme to fell trees threatening power lines, carried out in co-operation with local communities, won hearts and minds and limited the severity of storm damage and resulting harm to the company's credibility from the 2003 storms.

Happy Computers Happy Computers specialises in computer training and actively involves its staff in the strategic vision and core values of the company. Creating a company that motivates and empowers staff, ensuring a work life balance, is a key priority. Limiting adverse environmental impacts has ensured the company continues to grow.

Characteristic Six: Harnessing diversity

Respecting diversity and adjusting your approach to different situations

What does this mean in practice?

You respect that people are different, and harness this diversity and reflect it in fair and transparent employment practices. A promotion of the health, well-being and views of your staff will result in everybody in the business feeling valued.

The table below sets out the behaviour patterns required to achieve each level of attainment for 'Harnessing diversity'.

Attainment Levels	Behaviour Patterns
> Awareness	The manager is aware of the importance of respecting diversity.
> Understanding	The manager understands the business needs to adjust its approach, language and views to suit different influencing situations, cultures and sectors.
> Application	The manager is actively involved in creating a workplace that is seen to be fair, and a supplier base which is culturally and racially diverse.
> Integration	The manager is responsible for developing staff to their full potential, providing feedback on performance, setting work objectives and monitoring progress.
> Leadership	The manager develops business strategies that values employees and customers regardless of gender, race, disability, age, sexual orientation or belief.

How might this be applied to a core business function?

Example: Applying the characteristic of 'Harnessing diversity' to Human Resources You should be undertaking equality audits, aware of the link between your employed workforce and your community. Your workplace practice procedures and your promotion and development models should prioritise diversity.

Case Studies

Lloyds TSB Disability

Programme Lloyds TSB developed a specific strategy to eliminate any form of discrimination faced by disabled people across the organisation. The change has led to more business from disabled customers, and has widened the choice and availability of jobs for people with disabilities.

Listawood A family business manufacturing a range of promotional products which offers a flexible, family friendly working culture with no distinction in pay rates between full and part-time workers. This culture has promoted a situation where two-thirds of the company's staff of 180 are women, and two-thirds of its top earners are women.

Some frequently asked questions

CSR is all very well, but isn't it more for large companies?

Recent research suggests that small and medium size enterprises (SMEs) in the UK make social contributions of up to £3 billion each year. This is estimated to be ten times that made by larger corporations. The Framework seeks to enhance the valuable work that SMEs are already doing by helping them improve their own performance, further benefiting the communities in which they operate.

How much will it cost my company?

To use the Framework your company needs to register with the CSR Academy. The Framework is then free to use in whatever way best suits the organisation. Some companies may wish to adopt the Framework as it is, while others will take parts and incorporate them into existing competency models. All the Academy wants from you is feedback – to know how the Framework has helped so we can make continuous improvements and produce further tools.

Isn't it just more forms and bits of paper?

The Framework had been designed to be a simple but focused assessment tool to help businesses, especially smaller companies engage with CSR. It is designed to be part of a continuing performance assessment process within the business. The characteristics and attainment levels are a signposting of where the business wants to be. It is not any sort of regulatory imposition.

When we have used it, what happens next?

The Framework is intended to be a practical and helpful business tool for use by managers within the company on a continuing basis. If used effectively it will lead to improvements and change, and to a growing awareness of the impact that a business is having within the community. To find out more about the development of responsible business within the UK, please visit the Government's CSR website www.csr.gov.uk and the CSR Academy website www.csracademy.org.uk.

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The Competency Framework is based on research commissioned by the DTI and the Corporate Responsibility Group entitled "Changing Manager Mindsets", a report on the development of professional skills for the practice of corporate social responsibility. The report was assisted by research and analysis from Ashridge Consultants and from AccountAbility. In addition, over 400 individuals with experience in CSR contributed to the process.

Following the report's publication, DTI established a CSR Skills Steering Group to develop the CSR Competency Framework and recommend the role and form of a CSR Academy. DTI acknowledges the contribution of the following in this process:

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