



CORPORATE SUSTAINABILITY INFORMATION AND TRAINING IN EUROPE

SITUATION ANALYSIS ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES ON SMEs - 2011

Executive Summary

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Introduction

The Austrian debate on CSR was initiated with the foundation of "CSR Austria" in 2002. From its beginning the CSR discussion combined old and new, corporatistic and civil society actors. To date, the debate is shaped structural and regarding the contents based on the different actors and the fact, the CSR was initiated from business' side that provided the agenda: It's about voluntary commitment beyond legal requirements. Finally, ISO 26000 was published as ON Rule *ONR ISO 26000* on 1st January 2011 in German.

An actual study¹ shows that CSR is a relevant term in less than a third of Austrian companies. More than two third can be regarded as "not active" (31 %) or "little active" (38 %). Only an evanescent part of companies regards "CSR as business case" effectively for supporting SR. On the other hand, more than half of the companies strongly recommend the establishment of beneficial general conditions for CSR.

The CSR activities most prevalent in Austrian SMEs are activities in the fields of sustainable economic performance and employment, employee competence development, internal social programs and environmental sustainability.² Mark-Ungericht assumes, that organisations are implementing CSR measures most commonly in fields where already legal regulations exist, second: measures that are economically profitable, and third: measures where it is demanded ethically.³

1. Situation analysis of current CSR training offer

The CSR training offer includes a growing number of courses and trainings from institutions as well as various training material and also tools. Most of the providers of the trainings and resources entitle their offers as adapted to SMEs.

The Austrian universities offer different training possibilities focusing on ethics, e.g. special lectures or a master's course handling business ethics and CSR. Currently there are two comprehensive CSR training courses: "Academic CSR Manager" at University of Applied Sciences at bfi Vienna, and "Corporate Responsibility and Business Ethics" at Danube Business School. These are rather adapted to managers, project and CSR managers from large sized companies and NGOs, and consultants. From the varying training offers from VET and other institutions, the trainings from Quality Austria and TÜV SüdÖsterreich seem to best meet the needs of SMEs, and also handle ISO 26000.

The CSR materials have in most cases a special emphasis on SMEs. The most relevant ones were developed in national and EU-funded projects as well as initiated and provided by respACT, the Austrian Federal Economic Chamber, the Austrian Standards Institute and NeSoVe. Only two of the training resources show references to ISO 26000. In the

¹ Mark-Ungericht et al. (2009), Corporate Social Responsibility in Österreich

²Deuerlein et al. (2003), Die gesellschaftliche Verantwortung österreichischer Unternehmen; Mandl et al. (2007), CSR and Competitiveness. European SME's Good Practice

³Mark-Ungericht, B. (2010), Article <http://derstandard.at/1285200682681/Eine-leere-Huelle-die-mit-Inhalten-zu-fuellen-ist>

case of the "CSR Guidelines of the ASI", they were a basic document for the development of ISO 26000.⁴

CSR training tools range from sustainability checks to very specific tools in the form of business plan generation. Another tool "The Complete CSR Toolkit", published in May 2010, especially handles all core CSR subjects and issues as described in ISO 26000. This Tool seems to be a good instrument for implementing CSR according to ISO 26000, and currently without relevant competitors.

2. Analysis of needs of competences on CSR from SMEs' and VET institutions' perspective.

2.1. SMEs' perspective

The Austrian SME survey included nine enterprises from different sectors (Brewery, Construction, Environmental Services, Health, Metal/Glass/Wood, Printing, Recycling, Software, Telecommunication). More than half of the SMEs (5 of 9) indicated to count on specific knowledge and skills to integrate SR, whereas very few companies use training materials and tools on SR. In this context, certification standards were seen as a resource.

Regarding the relevance of core subjects and issues according to ISO 26000, on average organisational governance, labour practices and the environment seem to be the most important ones for the SMEs in the sample. The highest values were assigned to health and safety at work and sustainable resource use, followed by fundamental rights at work, conditions of work and social protection and prevention of pollution.

In general, training needs on core subjects and issues were indicated rather low, whereby some SMEs indicated no need, others definitely indicated a high or rather high training need on certain issues. On average, the highest training needs exist in the fields of labour practices and consumer issues. Regarding certain issues, the highest training need was assigned to consumer service, support and dispute resolution, followed by health and safety at work and human development and training in the workplace. There seem to be no direct contexts between the relevance that is given to specific subjects and the training need on it. Furthermore, no contexts between the size of the company and the training need in general could be identified. It seems, that the given values concerning the training need show individual interests and motivations of the surveyed persons and also their assessment regarding the applicability in their own company.

Within the survey, the respondents indicated trainings guides (23 %), followed by personal trainers (20 %) and audio, CD-Rom, video, manuals and computer/virtuals (each 10 %) as most useful in trainings. Regarding the development of training materials for SMEs, recommendations refer to general aspects: guides shall be short and compact, as in fact of a lack of time and resources comprehensive material was not advantageous.

⁴Köppl, P., Neureiter, M. (2004), Corporate Social Responsibility

2.2. VET institutions perspective

The analysis of Austrian VET institutions includes two private business organisations and one public institution. All institutions assessed, that there was a demand on SR by SMEs. Two of three interviewed institutions think that SMEs would be interested in SR training if training resources would be adapted to them, and on the other hand that SMEs do not have enough knowledge about existing training resources. One institution also sees a lack of top management commitment in SMEs about social responsibility.

Regarding the development of SR training materials, one public institution recommended the provision of intergenerational, interdisciplinary and intercultural learning settings to meet SMEs needs.

3. Gap analysis on CSR training offer and identified needs on SMEs

Mark-Ungericht et al. (2009) mention, companies are using mainly such CSR instruments that refer to investigations regarding current practices, the conception and especially the communication of CSR. Therefore, there exists a backlog demand regarding the implementation of the concept in upstream areas of the value chain, which is in many cases without a direct benefit for the company. The analysis of the training material supports this result and shows that there still exist gaps in planning CSR strategically, although there had been efforts to decrease this know-how deficit. The main reasons for SMEs not to become active are an unclearness regarding the cost-benefit ratio, and the prejudice that CSR activities were expensive and therefore not bearable for SMEs.⁵

Regarding the analysed trainings, it has to be clear that not all of them are adapted to SMEs. Trainings from universities are rather useful for project and CSR managers from large sized enterprises or NGOs and consultants, as well as a number of trainings by other VET institutions. Trainings that handle the challenges mentioned before, and that seem to be practicable to SMEs are offered from two VET institutions (Quality Austria, TÜV SüdÖsterreich). This assumption was done based on contents, duration and costs for a participation in the trainings. As well the survey and existing studies show, a persistent prejudice and therefore a strong barrier for SMEs is the assumption that CSR was rather something for large companies. As some of the SMEs mentioned, they do not see an economic benefit of CSR. Further, a lot of subjects and issues of SR, as asked within the questionnaire, are regarded relevant only for large enterprises.

⁵Mandl et al. (2007)

4. Recommendations

To meet SMEs' know-how deficits and to develop CSR as "business case", public information and consulting offers have to be upgraded. Especially for SMEs an increased consulting offer would be reasonable and necessary, as the few existing offers are little known or completely are not utilized because of financial reasons.⁶ An early preparation on the growing relevance of standards means for SMEs to orientate on essential success factors and to identify the relevant issues and to deal with them. All in all, SMEs have to open up to stakeholders and issues that haven't been focused so far. Stakeholder requirements have to be evaluated regarding social norms and not only regarding their meaningful fitting to organizations, focusing on informality and flexibility. Positive effects of taking responsibility actively and that are beyond risk management are attainable only through a broad involvement of employees.⁷

From these aspects, recommendations for the development of trainings and training resources are the following (including recommendations from SMEs and VET institutions):

- Clear and simple language, pregnant and generally understandable information
- Provision of intergenerational, interdisciplinary and intercultural learning settings
- Compact trainings and training resources, particularly in the form of guides
- Provision of personal training, also various forms are possible (presence training or virtual attendance)
- Provision of know-how that is valuable for all members of an organisation: employers have to be stronger involved into CSR discussions as they are relevant agents between a company and its environment. They can also be seen as multipliers for issues from the organisation into the public and on the other hand for public issues into the organisation.
- Establishment of platforms (presence or virtual) that allow the exchange of experiences and mutual learning.
- Flexibility regarding the prioritisation of contents
- Participants shall be flexible regarding their learning and know-how progress
- Provision of further reading, information, links to relevant organisations and web-sites
- Definition of terms and/or provision of a glossary
- Strong focus on the "business case" and also provision of know-how regarding the measurability of CSR

⁶Mark-Ungericht et al. (2009) and (2010), CSR-Beratung in Österreich

⁷Walter et al. (2010), Herausforderung CSR, in: Meyer, J. Strategien von kleinen und mittleren Unternehmen

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Glossary of Abbreviations

CSR	Corporate Social Responsibility
SME	Small and Medium Enterprise
VET	Vocational and Educational Training
NGO	Non Government Organisation
NACE	Nomenclature générale des Activités économiques dans les Communautés Européennes
UNDP	United Nations Development Programme
ISO	International Organization for Standardization
OHSAS	Occupational Health and Safety Assessment Series
SA	Social Accountability (Standard)
BSCI	Business Social Compliance Initiative