



# **CORPORATE SUSTAINABILITY INFORMATION AND TRAINING IN EUROPE**

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

### **Executive Summary**

#### **Denmark**



Aalborg University  
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## **Introduction**

The analyses are based on interviews with Danish SMEs and VET institutions as well as on a comprehensive desk study. Moreover, the authors' own experiences from working within the field for more than 20 years have been included in the situation analysis.

CSR as a systematic approach has been on the agenda in Denmark for some years – starting with environmental management in the 1990'ies and followed by Occupational Health and Safety Management and Energy Management. Through the last about five years, CSR as a broader, global concept has come into focus.

Denmark has a comprehensive legislation based on international conventions and treaties relating to CSR, e.g. on human rights and on labor market practices, which means that basically all companies do work with some CSR issues simply by following the rules and regulations. The situation analysis focuses on the effort going beyond legislation.

## **1. Situation analysis of current CSR training offer**

Since the beginning of the 1990'ies, Danish authorities and regional networks have supported the development of tools, methods and concepts to promote a systematic environmental and social effort within Danish companies – 99,5 percent of them being small or medium sized. In practice, the tools have been developed via projects, often led by consultants, sector organizations or local networks. Evaluations have shown, though, that while knowledge was build up in the participating organizations, knowledge and tools have not been successfully spread to a larger audience.

This approach means that quite a number of CSR related tools exist on the market for free. Focus has been on issues related to the environment; health and safety; energy and climate; communication; and global supply chain management. The ISO 26000 guidance standard introduces some new areas on the CSR agenda like community involvement, consumer issues and fair operating practices that have not yet, or to a limited extent, been included in the toolbox.

A number of surveys estimate that about 3 out of 4 companies work with CSR related issues, most of them don't have strategies or a systematic approach to the effort. The top-three issues are workforce initiatives, environmental and climate initiatives, and responsible supply chain management. Denmark has a comprehensive legislation based on international conventions and treaties relating to CSR, e.g. on labor market practices, which means that basically all companies do work with some CSR issues simply by following the rules and regulations.

Main drivers are related to branding, attracting and maintaining employees and resource savings. Main barriers for entering the CSR field are lack of strategic priority and lack of time and resources. Lack of knowledge in itself does not seem to be a barrier, probably due to the large number of existing tools. Instead, it may be a question of bringing the existing knowledge into play by focusing more on the processes in developing the CSR effort and to illustrate the strategic values of engaging in CSR activities.

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

### **2.1. SMEs' perspective**

For a large part of the SME's in Denmark, CSR is not an integrated part of the company's business strategy. Many have just started the journey to work more structured with CSR and others still rely on philanthropy and ad-hoc CSR-initiatives based on common sense. The classical subjects, environment and labour activities, are the areas in focus and also the areas where you will find certifications and auditing, if any.

The interviewees found it difficult to relate to the questions regarding the need of know-how because CSR is not on a stage in their mind, where they start to consider training tools and methods for CSR. Those companies which did have some sort of training of employee's, conducted the training by themselves and in a simple way by using informational meetings, brochures etc.

A starting point could be to develop a training tool telling what CSR is all about and why it is important (a part of ISO26000).

### **2.2. VET institutions perspective**

In Denmark there is an increase in CSR-training courses offered. The courses are often stand alone courses of 1-2 days duration or as integrated in business-school programs varying from 7-30 hours. Most CSR-courses are at a very general level, unless you choose a specific training course in auditing or standardization for example. That given, the CSR issues covered are parallel to many of the core issues from ISO26000 with a little less emphasize on Consumer issues and Human Rights.

All trainers are using text, videos, guides and manuals as didactic resources but ask for more knowledge on how to integrate the different didactic tools. Good quality cases, real-life examples (auditor course), less text and knowledge sharing between peers are very important when teaching, but not used very often in CSR-training.

The impression is that SME's are aware of the possibility of CSR-training but CSR is not on top of their agenda. VET's are not convinced that CSR tools adapted to SME's will make any difference. It is a matter of resources and priority. When resources are spent on CSR, it is normally on Environmental and Health & Safety issues.

The use of cases when teaching CSR should be emphasized and the quality of cases should be improved. Cases are welcomed on specific problems like dealing with anti-corruption in the SME's sphere of influence.

If there is a better way of mixing didactic resources including use of social media, video etc. it might enable a more interesting form of teaching. Furthermore, dialogue with SME's before and during the training enables more adapted training material to the specific customer and their needs.

Finally, training containing a lot of knowledge sharing and interaction between the participants is assessed to be of great value.

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

A large number of tools is already available to the Danish SME's who want to work with CSR. Most of these tools relate to different subjects and issues but not that much to the process of implementation. Gaps can be identified relating to:

- Lack of a strategic platform for the CSR effort linking it to the company's business. CSR is often regarded as charity that may add to the branding value but not to the strategic business development
- Most activities are based on an ad hoc approach and thus not systematic and organized. When systematic, the effort is mostly related to environmental and health & safety issues, not to a broader CSR agenda
- The efforts and results are not measured and monitored – neither is it communicated to the public or to the stakeholders
- The significant stakeholders are not identified and involved
- Except for charity, the activities are mainly internal. Though, managing the supply chain from a risk perspective is growing

On the issues level, there are gaps when comparing the existing toolboxes and knowledge base with the issues in ISO 26000. For example on human rights and on consumer issues.

### **4. Recommendations**

To support Danish SME's in working with CSR from a strategic and systematic approach, the following aspects could be taken into account when developing the CSI EU training web:

- Formulate real-life examples of strategic CSR platforms to help SME's identify the business relevance. A tool/training material that explicitly tells the business case for SME's when working in a structured way with CSR and when incorporating CSR into the business strategy.
- Organisation of the effort, that is develop training on how to integrate CSR into the existing structures and processes
- Monitor and measure CSR performance. Develop a reporting system for SME's based on GRI but adjusted to the core themes and issues of ISO26000

- Support a life cycle approach to create a common platform of understanding among the partners in the product chain. Develop examples on how the life cycle approach can improve performance and business
- Focus on communicating with the consumers/customers. Develop a tool or text about: "Six principles to keep in mind when communicating on CSR/ your work with ISO26000 as a SME". Give the SME's concrete examples on *how* to communicate and how not to!
- Include guidance on how to conduct a stakeholder analysis and how to use stakeholder inputs and concerns when working with the framework of ISO26000.
- Make ISO 26000 accessible to SME's. Develop a pixie book that makes it more attractive for SME's to read ISO26000 (it is comprehensive...)
- Use of cases when developing the teaching platform should be emphasized and the quality of cases should be improved also including much more relevant dilemmas. Many cases today are of poor quality and not very interesting.
- Develop guidance to the trainers on how to mix didactic resource to a specific target-group

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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