



ASSESSING CORPORATE SOCIAL RESPONSIBILITY: CSR-SCAN

Daniela Ebner

University of Leoben, Dept. Economics and Business Management
Franz-Josef-Straße 18, 8700 Leoben, Tel.: +43/ 3842/ 402-6003,
Fax: +43/ 3842/ 402-6002, daniela.ebner@wbw.unileoben.ac.at,
<http://wbw.unileoben.ac.at>

ABSTRACT

The aim of this paper is to provide a method to assess the commitment of an organisation towards the integration of Corporate Social Responsibility (CSR) which is here defined as synonym for the social dimension of corporate sustainability. Based on the derivation of relevant CSR aspects, an assessment is proposed that directly takes the opinion of stakeholders into account. Important requirements for the assessment model are identification and selection of relevant stakeholders, depth of the content and continuity of the assessment in order to enable the derivation of recommendations of CSR actions. Attaching weight to single CSR aspects and their interactions between each other are necessary to integrate CSR within the organisation efficiently. The assessment itself is based on an internal evaluation concerning the integration of CSR due to the RADAR method; from stakeholder perspective, CSR aspects are evaluated regarding the organisational consideration of stakeholder requirements into processes. Internal and external evaluation are consolidated in a chart which shows the gap between actual and desired occurrence of CSR aspects. The identification of CSR potential within an organisation is the main objective of the proposed assessment model to assure the derivation of adequate recommendations of action so that in the long run, CSR is satisfyingly integrated in all activities of an organisation.

Keywords

Corporate Social Responsibility, Social sustainability, Assessment, Integration of CSR

INTRODUCTION

In recent years, the discussion about Corporate Social Responsibility (CSR) has risen above average. Systematic integration and measurement of CSR is demanded. Different models for integrating or assessing sustainability / CSR have already been established, such as assessments for sustainability indices (e. g. DJSI, 2007; FTSE, 2006) or for corporate use (e. g. Baedeker et al., 2002; ÖBU, 2007), international guidelines and agreements (e. g. United Nations, 2004; International Labour Organization, 2006), norms and models (e. g. SAI, 2001; AccountAbility,) or indicator systems (e. g. GRI, 2006). Nevertheless, the integration of stakeholders into the evaluation process is not satisfying. Due to the nature of CSR, it is of tremendous importance to combine corporate perspective with stakeholder perspective as CSR is basically defined by its relationship and orientation on stakeholders. The aim of the here presented CSR assessment is to analyse the commitment of an organisation towards the integration of CSR in its completeness, that is a) stakeholders are taken into account, b) a ge-



neric perspective of CSR is established and further evaluated, and c) the assessment represents a dynamic procedure from the definition of CSR in an organisation to the derivation of specific recommendations of action.

Sustainable Development

The origin of the sustainability debate goes back to the 18th century, but has become popular in 1987 when the UN World Commission on Environment and Development created an ethical vision of meeting the needs of present and future generations (World Commission on Environment and Development, 1987). This has been further elaborated on the following UN conference in Rio de Janeiro in 1992 and on the Johannesburg Summit on Sustainable Development in 2002. Discussions about sustainability arose and the most popular definition is that sustainable development should be based on three pillars, namely, economic sustainability focusing on efficiency and value creation, ecological sustainability oriented on preservation of natural resources and reduction of emissions, and social sustainability of inter- and intragenerational equality (Elkington, 1998). When applying sustainable development on a corporate level, definition and goals have to be concretised and adapted on the needs of organisational stakeholders (Dyllick and Hockerts, 2002).

Corporate Social Responsibility

The responsibility of organisations has been defined by Bowen as one of the first as "...obligations of businessmen to pursue those politics, to make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of society" (Bowen, 1953, p. 6). Nevertheless, for many decades corporate responsibility has been interpreted – following Friedman and other advocates of the neoclassical view – as the orientation to stay for a long time in the market by raising its profits (Friedman, 1962). In his opinion, there is no need for CSR. Thus, organisations have been socially responsible but with the prime focus on the long term success of the organisation. Over the last decades this view has changed in theory and practice as organisations are demanded to consider the needs and requirements of stakeholders seriously (Jonker and de Witte, 2006). "The basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behaviour and outcomes" (Wood, 1991).

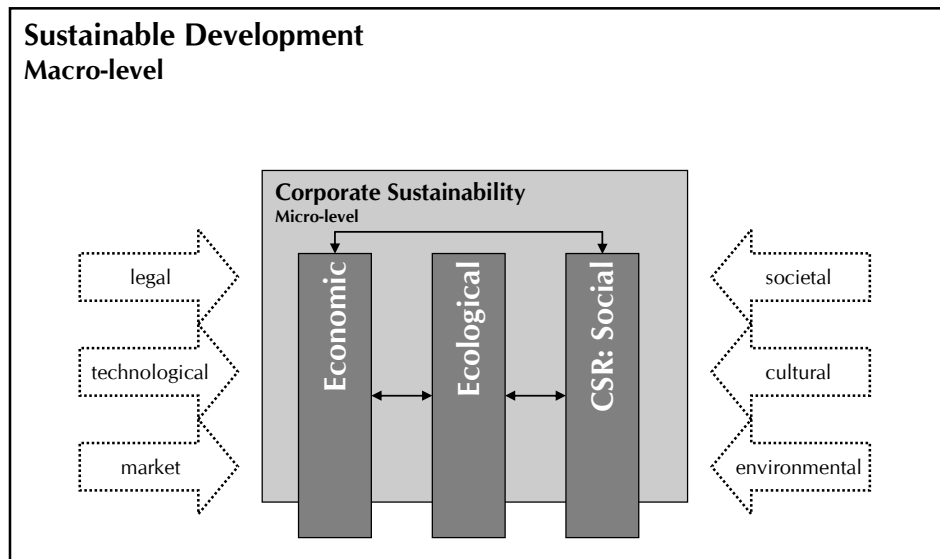
Relationship between Sustainable Development and CSR

Although the discussion about sustainability issues is intensive, there exists no common definition of CSR and its relationship to sustainable development and corporate sustainability, neither in theory nor in practice (see e. g. Werther and Chandler, 2006). As there is a trend to describe CSR as umbrella term for sustainability issues, especially in practice, sustainability science is diffuse. A popular example is the differentiation in the CSR definition of the World Business Council for Sustainable Development and the Commission of European Communities (WBCSD, 2006; Commission of the European Communities, 2001). The non-existence of a common definition of sustainability and responsibility terms complicates further research and the integration of sustainability issues into practice and benchmarking with others. In a research study, various groups of differentiation between social sustainability and CSR have been identified (Ebner and Baumgartner, 2006): A part of scholars talks about the social dimension of sustainability (based on the definition of Brundtland) but



avoids any mentioning of CSR. Others define sustainability as basis for CSR, or, another large group, uses these terms synonymously. A fourth differentiation is to speak of sustainability as basis and define CSR as social dimension of sustainability or a modern stakeholder approach. In this paper, the latter is used as demonstrated in the figure below.

Figure 1. Relationship between sustainability and CSR (Ebner and Baumgartner, 2006)



Sustainable Development as defined by Brundtland represents an ethical standard which is incorporated by the organisation and is called corporate sustainability. Like sustainable development, corporate sustainability contains of the three pillars - economic, ecological and social dimension. The corporate orientation on sustainability is particularly affected by external influences relating on the specific alignment of sustainable development on the macro-level. On the other side, corporate sustainability has impact on society (and its characteristics) in the long run as well.

In this paper, CSR is defined as social strand of the sustainability concept which is mainly built on a sound stakeholder approach. In order to implement the ethical principle of sustainability successfully into business life and further, to stay for a long period in the market, acting responsible is crucial. Such responsibility has to exceed primary business activities and include engagement towards all stakeholders. CSR of an organisation means the consciousness about responsibility of its own acting and an authentic social commitment of an organisation in all business activities and more (Suchanek and Lin-Hi, 2007).

CSR is aimed to positively influence all present and future relationships with stakeholders as well as meeting their expectations and needs for assuring and keeping up stakeholders' engagement for the organisation in the long run (as market rewards social activities of organisations (Falck and Heblich, 2007)).

CSR is grounded on ethical and cultural assumptions; this has to be considered when integrating CSR into the organisation.

Stakeholder Theory

If the organisation is willing to act in a socially responsible way and on the basis of the above mentioned definition, it is necessary to take the organisational environment (its stake-



holders) seriously into account (Zambon and Del Bello, 2005). In the long run, it is not sustainable (e.g. negative impacts on economic performance or image) to implement CSR activities into the organisation by ignoring requirements and needs of organisational stakeholder groups (e.g. Boele et al., 2001; De Tienne and Lewis, 2005). This shows how stakeholders play a more and more important role, as Freeman (Freeman, 1984) stated first. He argued – from a corporate perspective – that various interest groups do have to be considered and he offered a stakeholder framework which has formed the basis for any further discussion (e. g. Mitchell et al., 1997; Steurer, 2006).

Next to corporate perspective it is necessary today to use the stakeholder perspective for designing a management and relationship framework with its stakeholders, which is adapted perfectly on a particular organisational situation and the specific concept which is focused on (Steurer, 2006). Literature provides a high amount of different stakeholder definitions (an overview delivers Mitchell et al., 1997). Stakeholders can be subdivided into those who have a claim on the business activities and into those who influence the business of the organisation in some other way (Kaler, 2002; Savage et al., 1991).

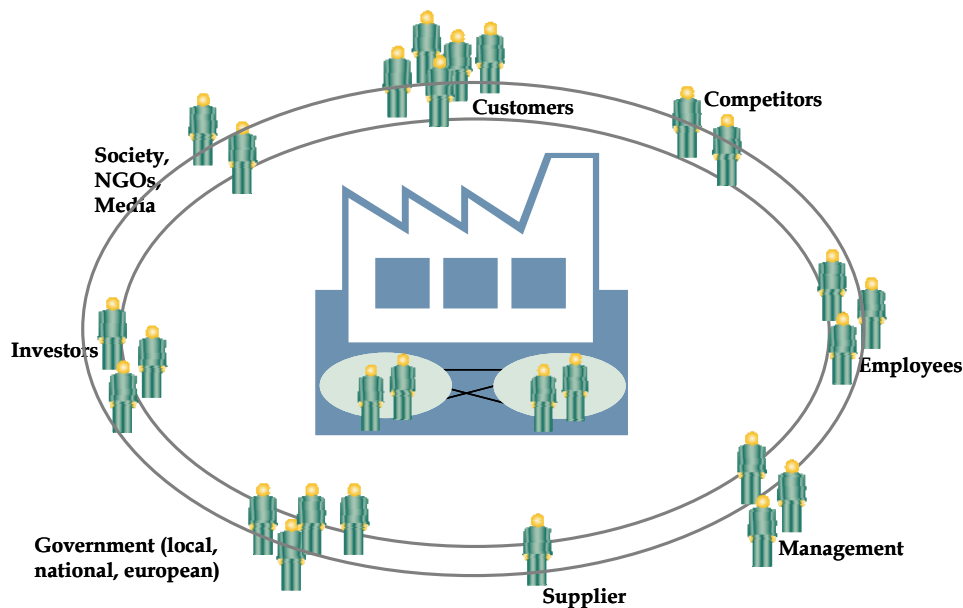
In this paper, the stakeholder definition is based on Freeman. He describes them as those groups of persons or individuals that hold a certain impact on or have a relationship with the organisation since they are positively / negatively affected by business activities of the organisation (Freeman, 1984, p. 46). Depending on the organisation and its basic conditions, the stakeholders have to be analysed according to their relevance. Ideally, this should be an iterative and flexible process (Wheeler and Sillanpää, 1998). Experience shows (e. g. Brent Spar – Greenpeace) that organisations are not always able to recognize who is most important to focused on, as certain stakeholders may gain in importance before the organisation discerns it (Salzmann and Steger, 2006; Müller-Stewens et al., 2001).

This paper is grounded on assumptions of system-oriented management, established by Ulrich (Ulrich, 1970), which is based on cognitions systems theory and cybernetics. As CSR requests the consideration of stakeholders, moreover, to interact with them, the organisation is here defined as a dynamic complex system. The organisation represents a defined system of elements, which is in strong interaction with its stakeholders; therefore, the system is not closed in its structure, but open and dynamic concerning the environment. The dynamic characteristic of the complex system represents interdependences which cannot be fully controlled or anticipated; and results of these relations are not able to be traced back to a single individual but to a combination of all elements (Rüegg-Stürm, 2004).

CSR FROM STAKEHOLDER PERSPECTIVE: REQUIREMENTS TO ORGANISATIONS

CSR should be aligned on requirements of relevant stakeholders, thus it is necessary to include them into the development and definition of fundamental CSR aspects. The used definition of CSR in this paper has been opposed to an industrial organisation. Multiple opinions about who is to count as stakeholder exist (Maessen et al., 2007). Based on Rüegg-Stürm, 2004 and Clarkson, 1997 eight stakeholder groups are defined (see Figure 2): customers, employees, investors, suppliers, competitors, governments, society & NGOs & media, and management. Relating on these groups, organisational challenges regarding CSR have been identified. The most essential claims to the author will be listed in the following, whereas specific industry-related requirements have not been taken into account. It is of interest that most claims described here are usually raised to the organisation by stakeholders, but if an organisation is said to act in a responsible way, these requirements are enforced.

Figure 2. General Stakeholders of an Organisation



Customers

If an organisation presents itself as socially responsible, customers increasingly require that the organisation is following the laws and obligatory standards. The organisation should be orientated on needs and ideas of customers. Customers do not accept to be manipulated by the organisation concerning their products or business activities; they claim good quality of products for fair prices without risks and dangers relating to their health and safety when using them. Customers not only want an open, transparent company and necessary information, they request a dialogue, a serious consideration and taking on board of criticism (Wheeler and Sillanpää, 1998).

Suppliers

Suppliers on the other side want to be seriously taken into account, especially into specific business processes. They wish to be seen as partners on a fair basis relating to contracts. Also, they request sound information as well as communication on a regular basis. Suppliers are willing to work in specific networks with the organisation and claim a specific interest from organisational side to be open-minded, if CSR is a prime principle of the organisation.

Investors

For investors, CSR stands for better image and a clear decrease in punishments by public institutions which lead to long term profits and minor (financial) risks. They require a transparency of investments in business activities and in decision making; moreover, they request that stakeholder orientation does not diminish return on investment at all.

Competitors

From an organisation which is said to act socially responsible, competitors request fair play and no breaking of laws and market rules. Competition should be intense but honest. Com-



munication is required to be based on funded and true information; an enforced networking or cooperation is required in specific situations.

Employees

Employees play a central role in CSR. On one hand, they are strongly affected by CSR activities of an organisation as stakeholders. On the other hand, employees have major impact on CSR of the organisation and on the success of sustainability, which can also be measured in financial terms, as they are responsible for business activities and contacts with other (external) stakeholders in many cases. A fair allocation of wealth and profit participation would increase their engagement and motivation towards CSR. First, the employees claim a culture of respect and sharing as well as an orientation towards a fulfilment of their self-actualisation needs. They want to be heard and taken into account when it comes to organisational changes, improvements and decisions. The management of the organisation has to motivate and support the resources to act responsible. An exemplary function of the management concerning CSR would have a major impact on their commitment towards corporate responsibility. A dynamic organisational structure with low hierarchies would ease information and communication within the organisation, too.

The work surrounding should be up-to-date and future oriented so that general working conditions, equipment and flexible working hours support their output. The employees' health and safety should not be in danger at any time and should not affect employees negatively in the long run. It is strongly demanded by employees that neither persons of different belief, gender, nationality or colour nor handicapped or aged people are discriminated. An empirical study shows that these mentioned topics are not seen to be very important by multi national companies (Konrad et al., 2006). Employees require an open, intercultural management, therefore it is necessary that a common internal ethical behaviour within an organisation and between subsidiaries exist. Employees claim further education and mentoring programmes to generate knowledge and this has also strategic relevance for the organisation.

To integrate CSR into business life, a clear definition and a specific CSR strategy with ambitious objectives as well as explicitly defined CSR roles are required (Gondek, 2004). However, the integration should not be too time-consuming so that daily business does not suffer but rather gain from the social orientation.

Management

It is indispensable to reflect stakeholder requirements towards the organisation on CSR. Nevertheless, important aspects concerning the corporate perspective are necessary to be defined, too. Management has to balance stakeholders and organisational requirements to an acceptable extent. Therefore, claims of the management should also be considered equally as this accomplishes the overall and holistic perspective of CSR.

On the one hand, management requirements are market and profit oriented since managers wish to increase market value due to CSR and specific activities. Thus avoiding problems alongside supply and value chain is guaranteed as such problems can influence relationships to other stakeholders negatively and cause a decrease in turnover. Due to CSR, the organisation distinguish itself from other competitors; key competences are created.

On the other hand, a credible orientation based on ethical principles towards its stakeholders is necessary in order to obtain licenses to operate faster and easier. Such success of CSR has to be supported by motivation and education programmes as well as investing in the health of employees. Therefore, a sound, organisation wide and published CSR



definition has to be created which is followed up by a specific strategy to implement it into daily business life.

Governments

Also Governments hold interest on the responsibility of an organisation. Their prime focus is to improve the welfare and economic power of a country; hence the conservation of subsidiaries in the specific country is strongly required of organisations. Governments claim from the organisations to follow laws and obligatory standards. They also favour working together with organisations on future-oriented programmes and CSR projects of prestige. In the opinion of governments, organisations should not only focus on the present generation but on future ones, too, so that their opportunities and life style are not negatively affected at any time or destroyed.

Society

Our society is affected by business activities of organisations. Especially for “relevant” aspects, persons form a group of interest, such as a NGO or other specific interest groups, can strongly influence the rest of society and the organisation itself. The power of such stakeholder groups (and also media) is often neglected at first, but later the organisations are struggling with the negative consequences (e. g. Nike, Shell as famous case studies) before having set necessary measures towards the problem and stakeholders (Wheeler and Sillanpää, 1998).

Therefore, society requires fair play of the organisation and no controversial business activities. This means that organisations cannot claim to be sustainable but hold shares on organisations which are often defined as not really sustainable, such as uranium mining (FTSE, 2006)). Further, an exploitation of peoples and resources are not approved of at all. Society wants the organisation to behave as a corporate citizen and that includes transparency, stakeholder orientation and appropriate allocation of wealth. Organisations should act ethically correct and work actively against injustice, corruption, neglect of laws, etc. in order not to limit opportunities of further generations. It is approved of, if an organisation is doing more for being socially responsible than necessary; this would underline a credible ethical behaviour.

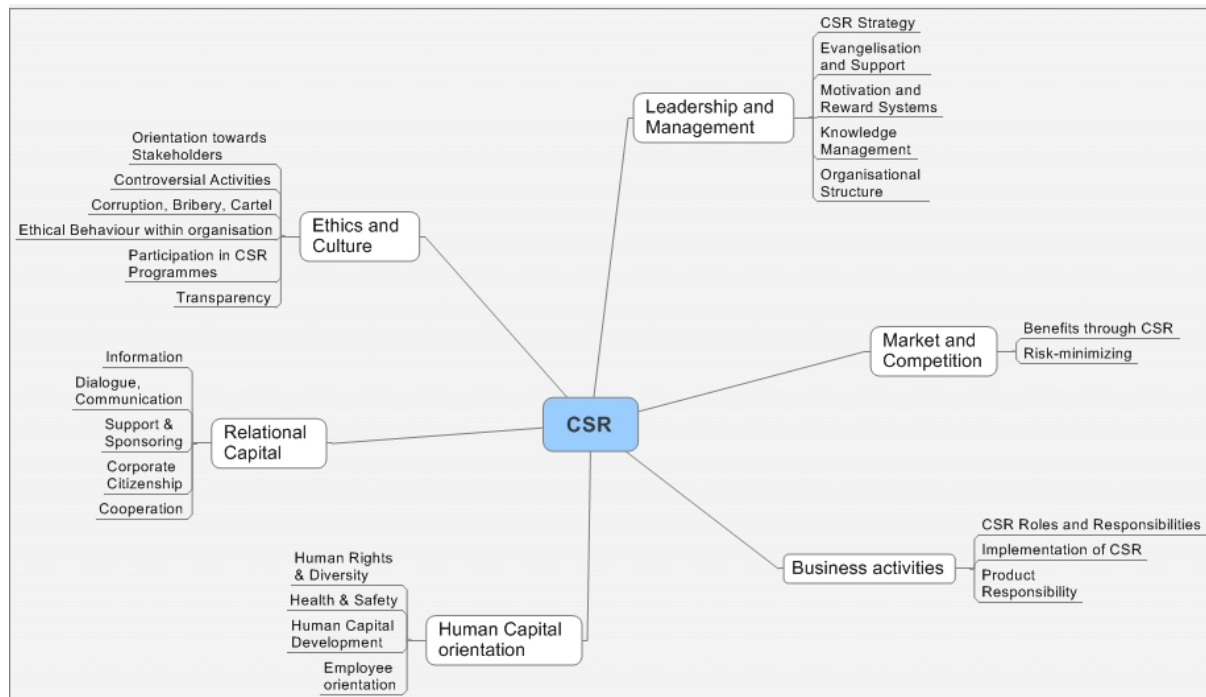
Especially NGOs claim an open dialogue with organisations on a regular basis and want to be taken seriously into account with their questions, suggestions and criticism.

Clusters and Aspects of CSR

The above mentioned claims of various stakeholder groups are summed up to aspects concerning their contents. The found aspects correlate strongly with widely known and accepted guidelines and standards (as mentioned in the introduction). Nevertheless, other aspects, which are often not considered for CSR such as knowledge management, organisational structure, controversial activities, and product responsibility, turn out to be relevant, too. Finally, six clusters or 25 aspects have been identified as being relevant for CSR and recommendable for an industrial organisation.



Figure 3. Clusters and Aspects of CSR



Cluster “Ethics and Culture” embraces aspects which reflect ethical behaviour of an organisation such as the attitude towards critical topics and represents the organisational culture. The cluster “Management and Leadership” focuses on all topics which lie in the responsibility of the management to change behaviour towards CSR orientation. “Business Activities” contains the definition of roles and the implementation of CSR into daily business. The cluster “Human Capital Orientation” focuses on activities towards employees and their development. “Relational Capital” focuses on improved relationships with the organisational environment, whereas the cluster “Market and Competition” contains desired results of CSR and the engagement to reach them.

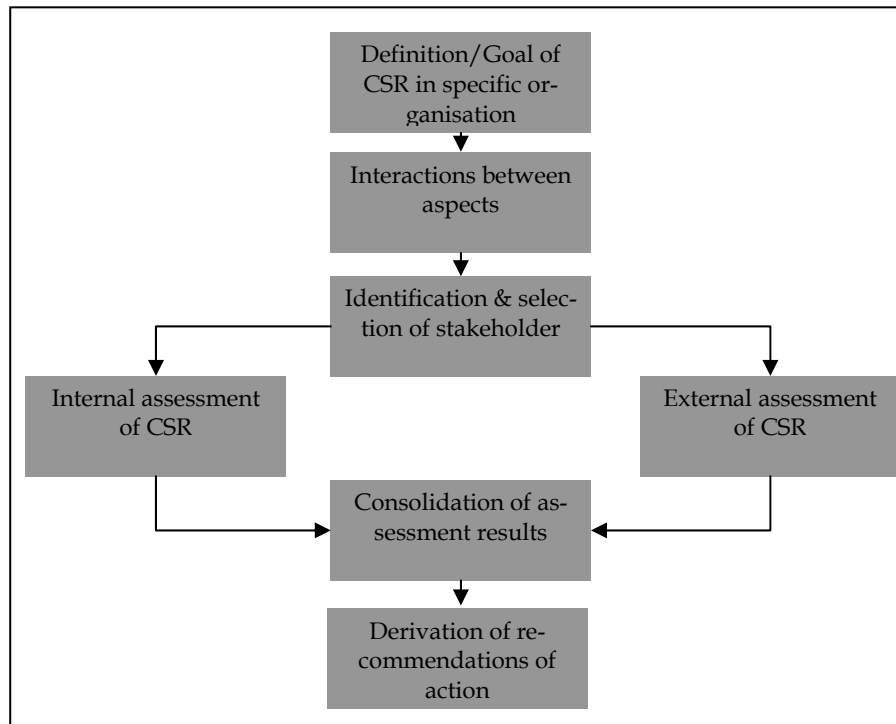
For the CSR-Scan, these six clusters or 25 aspects form the basis of the procedure which is explained in the subsequent chapter.

CSR-SCAN

The aim of the CSR assessment, called CSR-Scan, is to analyse the commitment of an organisation towards the integration of CSR in its completeness. Assessment models mostly lack to include stakeholders into the assessment such as SAFE (Baedeker et al., 2002). Moreover, various guidelines and models exist for specific CSR topics but do not go into depth of content. Therefore, considering the stakeholders is an important requirement for the here proposed model. The integration of stakeholders into the evaluation enables the organisation to gain a broader perspective and to better identify CSR potentials. This model further analyses the commitment of the organisation towards CSR on the basis of clusters and aspects which are demonstrated in the previous chapter. Another necessity of the CSR-Scan is that the assessment does not focus on a static and short analysis but on a continued measurement of the integration of CSR. This means that from the derivation of a specific CSR definition, the handling and behaviour towards CSR in business activities is analysed – from internal as

well as external perspective, which enables the derivation of specific CSR actions in the organisation at the end.

Figure 4. Steps of the CSR-Scan



As Figure 4 demonstrates, the CSR-Scan contains of seven steps, based on above described requirements. In a first step, CSR is defined commonly in the specific organisation; also major goals are defined to make the focus of CSR transparent. Aspects are weighted concerning their future relevance for the organisation. Next, the interactions between CSR aspects are necessary to be identified within the organisation for further measures to integrate CSR efficiently. In step three, stakeholders of the organisation are identified; most relevant ones are selected and invited to take part in the CSR-Scan. The internal assessment itself is based on internal evaluation concerning integration of CSR due to the RADAR method; from stakeholder perspective, CSR aspects are evaluated due to the organisational consideration of stakeholder requirements into processes. Internal and external evaluation are consolidated in a chart which shows the gap between actual and desired occurrence of CSR aspects. The chart indicates CSR potential. Hence, this assures that adequate recommendations of action are derived so that CSR is satisfyingly integrated in all activities of an organisation in the long run.

The CSR-Scan is successful if all management levels of the organisation and distinct external stakeholders from relevant interest groups participate. The assessment method is designed for several workshops in small groups. External assessment is possible to be conducted through standardized interviews or questionnaires and a final workshop together. The CSR-Scan can be conducted in an organisation, a specific department of an organisation or a single process, whereas for the latter CSR-related processes have to be identified first. In the following, each step will be described in detail. Take notice that stakeholder perspective is described in the CSR-Scan as external perspective, although employees are part of the



stakeholders, too. This is made to assure a better distinction between corporate (management) perspective and stakeholder perspective.

Step 1: Definition of CSR in Specific Organisation, Attaching weight to aspects

A dynamic examination of CSR commitment has to start with a clarification of basic conditions. Therefore it is crucial to define CSR well first, especially since there exists a huge amount of sustainability terms in literature and practice. If the definition of CSR in a specific organisation is not made transparent, comprehension about the alignment of CSR can differ strongly within an organisation and between its stakeholders. Hence, it has to be analysed whether a common definition of CSR exists and further, what CSR means for the organisation; specific CSR goals are established. If a definition of CSR exists, it is later compared with the CSR definition of employees to analyse whether CSR is really and comprehensive organisationally integrated into the organisation.

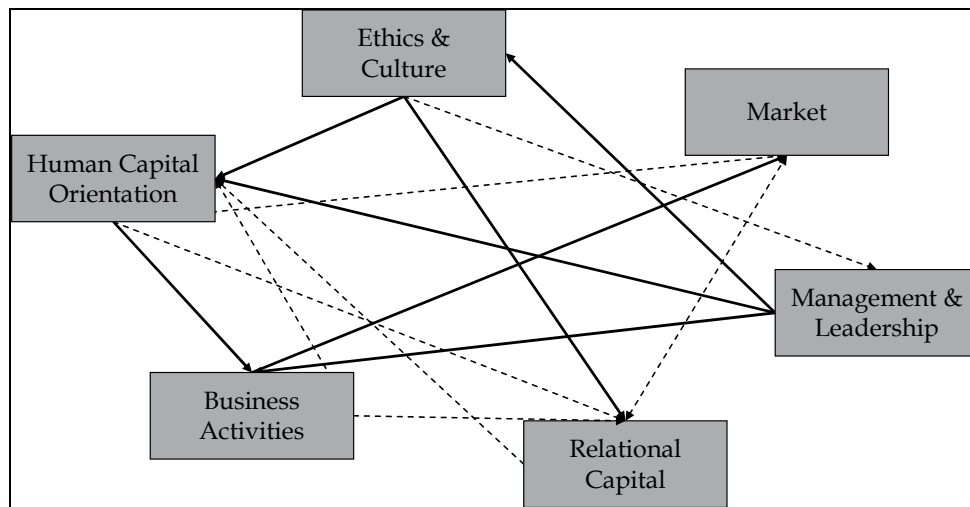
In a next step, established CSR aspects are attached weight relating to their strategic importance and relevance within the organisation. This weighting (in %) shows which aspects the organisation is willing to focus on. Thus, the general orientation of CSR at the organisation is made clear. The weighting also shows if they accord with the before established CSR definition and its goals. After internal and external assessment and attaching weight to the aspects, in step six a ranking of aspects according to their importance demonstrates where CSR potentials lie and moreover, where recommendations of action can be derived.

Step 2: Interactions between CSR-Aspects

Whereas in the previous step future orientation of CSR is made transparent, in this step, relations and interactions between CSR aspects are identified. These interdependences can be analysed on the level of the six clusters (Ethics and Culture, Management and Leadership, Market and Competition, Relational Capital, Human Capital Orientation and Business Activities) to generate an abstract overview first about which cluster is influencing others more than being influenced itself, as Figure 5 shows. Nevertheless, it is recommended to go more into detail and detect interactions between each single aspect, as this makes all relationships and interdependences of CSR aspects within an organisation transparent. Such a detailed analysis supports an understanding of CSR and indicates drivers of CSR. In Figure 5 the arrows between the clusters exemplarily represent possible interdependences. Dark arrows mark a very strong influence, whereas dashed lines signal proportional influences.

To analyse CSR aspects systematically, the use of a sensitivity analysis developed by Vester (Vester, 1999) is recommended. This demonstrates drivers of CSR and those which are mainly influenced by others to act in a responsible way. Such a sensitivity analysis of interactions helps essentially to understand later where actions have to be undertaken in order to guarantee commitment of CSR in an organisation.

Figure 5. Interdependences between CSR clusters



A short example is here to demonstrate why knowledge about interactions among CSR aspects in an organisation is crucial for further success of CSR. E. g. an organisation has attached a lot of weight to communication with stakeholders (20%) since the organisation wants to orientate itself more towards external stakeholders. However, common communication tools and the integration into processes would not be of sufficient use as the organisation does not know that the “communication with stakeholders” is disproportionately largely influenced by the way how management motivates employees to communicate and actively live it. If management does not have an exemplary function and does not include communication as important principle into vision and strategy, communication will not be as present or as efficient as desired.

Step 3: Identification and Selection of Stakeholders

In workshops, groups (and/or individuals) are identified who stand in relation with the organisation or have a certain interest in it. For a systematic identification of stakeholders, a checklist provided by Müller-Stewens et al. (Müller-Stewens et al., 2001) is helpful.

It is important to identify all groups (or individuals) who are affected by the organisation. Nevertheless, it is not useful to take them all into account for the assessment because their importance and influence on the organisation vary and it would be too time-consuming.

In a next step relevant stakeholders are selected. The importance of stakeholders is often signalled by a differentiation between primary and secondary stakeholder (Clarkson, 1997; Karmasin, 2006). Nevertheless, other criteria to divide them into groups of relevance are used as well (e. g. Podnar and Jancic, 2006; Wheeler and Sillanpää, 1998). In the here proposed CSR-Scan, stakeholders are divided into four groups based on two criteria; a) to which extent is the stakeholder group influenced by the organisation, and b) to which extent is the influence of the stakeholder group to the organisation (Müller-Stewens et al., 2001).

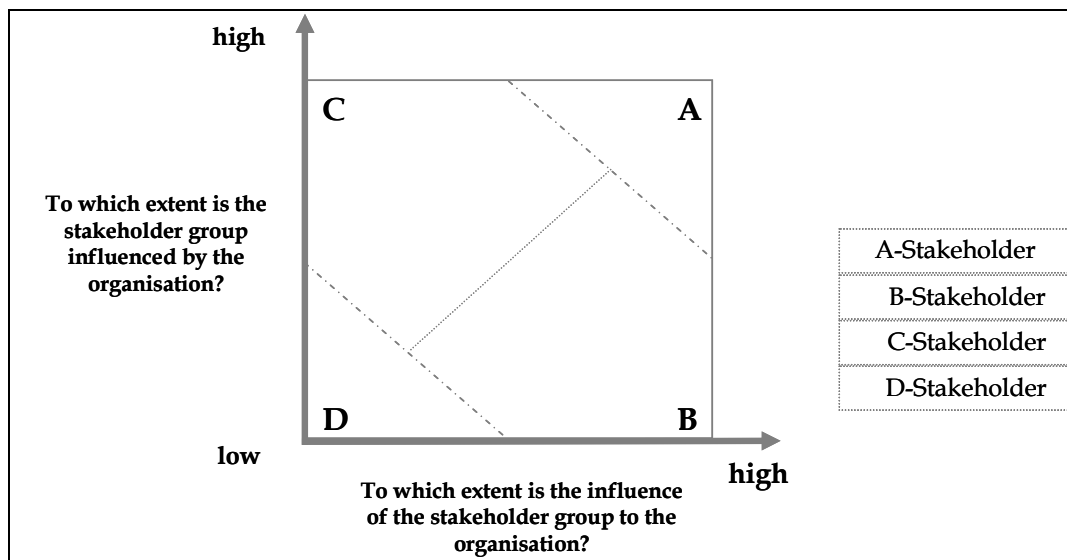
First it is analysed to which extent stakeholders are influenced by the organisation. Then it has to be analysed what characteristic the organisation has in the market (e.g. monopolist, innovative player; important for national income; member of important organisation and groups; important sponsor, etc.) and how this influences identified stakeholders.



The second criterion clarifies whether the stakeholder group is influencing the organisation in any way. Four major characteristics of stakeholders can be evaluated on a scale from 0 (low influence) to 10 (high importance):

- Economic Relevance/economic power of stakeholders: e.g. impact on earnings; possession of shares
- Legal authority: e.g. power to define fees, punishments, closure of production
- Relevance of knowledge: carrier of important knowledge for processes and products
- Relevance of relations: e.g. power to exclude of/ include in important networks and teams
- Relevance of Image: impact on image

Figure 6. Relevance matrix of stakeholders (Müller-Stewens et al., 2001)



All criteria count equally as all can have an impact on economic success. Finally, results are put together in a chart which is shown in Figure 6. Four types of stakeholders can be identified. A-Stakeholders are groups (or individuals) where the interaction and their influence is very high on an organisation. These are major stakeholders and most crucial for the organisation relating to CSR. B-Stakeholders may be less influenced by the organisation but can have high impacts on the organisation. Therefore, they have also high requirements on the CSR of an organisation and are counted as relevant. C-Stakeholders are easier to be influenced by the organisation, but their impact on the organisation and further consequences are lower than of B-Stakeholders. Whether they are interviewed during the CSR-Scan depends on the specific situation of the organisation and whether they are willing to use more resources and time for the assessment to get very detailed information. As in most cases limited resources are available for assessing CSR or for communicating with all stakeholders, it is recommended to “ignore” D-Stakeholders as both their influence and their impact on the organisation is low.



Step 4: Internal Assessment of CSR

Before the development of the CSR-Scan, several assessment models and guidelines of sustainability, CSR or other topics such as knowledge or quality management had been analysed and evaluated concerning several criteria (focusing methodology, practicability, quality and time horizon). The results show that the systematic approach of the EFQM model (EFQM, 1999) – the RADAR method – seems to fit very well to assess CSR and its integration into organisations. RADAR (Results, Approach, Development, and Assessment & Review) is an approach to systematically analyse (business) excellence. The assessment is conducted with several questions relating to the dimensions of enablers and results of the EFQM model. The results are expressed in percentage and multiplied with the weight that was attached to the nine dimensions of the model. At the end, a number of points up to 1 000 can be reached which shows the degree of excellence of the organisation. Another advantage next to the systematic approach is the great possibility to benchmark cross industries due to the easy understanding and interpretation of results.

Figure 7. Example of Assessment Sheet for the Aspect “CSR Strategy”

Aspect	CSR Strategy				
Definition	■ definition of CSR; establishment of CSR in mission statement; establishment of CSR in strategy; definition of specific CSR objectives; reconciliation of CSR objectives with organisational strategy				
	Organisation				Stakeholder
	Approach	Deployment	Assessment & Review	Results	Results
Level 0	No specific definition and establishment of CSR	No syst. process for communicating strategy int/ext.	Not reviewed.	Stakeholders are not taken into account	Stakeholders are not taken into account
Level 1	Definition of CSR exists. Some CSR principles are developed.	Communication to those mgt. levels which are significantly affected.	Not reviewed on regular basis.	Stakeholders taken poorly into account. No trend in specific direction recognisable.	Stakeholders taken poorly into account. No trend in specific direction recognisable.
Level 2	CSR & strategy are defined. Objectives based on def. & organisational strategy are derived.	CSR principles valid in majority of business areas. No significant critics from stakeholder.	Reviewed systematically. Learning process for affected teams/persons.	Stakeholders taken into account. Majority of contact persons act positively concerning CSR mission, strategy,...	Stakeholders taken into account. Majority of contact persons act positively concerning CSR mission, strategy,...
Level 3	CSR strat. & objectives are consistent with organisational strategy. Stakeholders are taken into account	Syst. integration of stakeholders. Requirements into process. Implemented / Communicated to all mgt levels and subsidiaries.	Reviewed systematically. Learning process for affected teams/persons. Benchmarking with competitors due to actions/reports.	Stakeholders taken satisfyingly into account. Contact persons live CSR mission, strategy and fulfil objectives. Stakeholders are integrated in review process.	Stakeholders taken satisfyingly into account. Contact persons live CSR mission, strategy and fulfil objectives. Stakeholders are integrated in review process.
Comments					

The CSR-Scan uses the systematic approach RADAR i.e. that each aspect is assessed towards results, approach, deployment, and assessment & review in the internal assessment. This is conducted in workshops. The questions of the general RADAR model are adjusted to the necessities of CSR. A four-level-scale (level 0 to level 3) enables assessing CSR and differentiates between four categories of maturity: not existent, aspect integrated on a low basis; aspect implemented acceptable; aspect integrated optimally. The possible maturity of dimension is described for each aspect so it is easy to assess. An additional field supports the notification of further comments and helps to conduct the CSR assessment in a transparent and comprehensible way. Each CSR aspect is evaluated due to RADAR and categorised due to the four levels of maturity (as Figure 7 shows). Notice that the most mature level (level 4)



does not have to be reached by each CSR aspect. The amount of maturity for a specific aspect that is necessary depends on the weight of the aspects (step 1) and if a specific aspect is an essential driver of CSR (step 2). This demonstrates how important all steps of the CSR-Scan are to gain a holistic view of the integration of CSR into an organisation.

Finally, the clusters themselves can be assessed to reflect and control whether the results of all aspects of a cluster together lead to the same conclusion or whether other requirements towards this cluster (but not presented by existing aspects) seem to be crucial to assess, too.

Step 5: External Assessment of CSR

It is purpose of the CSR-Scan to make internal and external assessment comparable. As external stakeholders do not have enough insight into organisational processes and into how the approach towards CSR is established, external assessment focuses on only the results of each individual aspect. Questions relating to results of CSR are asked more openly than in the usual RADAR method of EFQM. For internal assessment, questions and maturity of aspects in the four levels are the same in order to guarantee comparison of corporate and stakeholder perspective of each aspect. Which aspects are analysed by whom depends on the requirements of each stakeholder group defined in the derivation of clusters and aspects. Requests which are solely claimed e. g. from employees are not evaluated by other stakeholders. If aspects are assessed by more than one stakeholder group, results of A-Stakeholders are thus rated higher than all others.

Step 6: Consolidation of results

Results of previous steps of the CSR-Scan are consolidated in a chart, as Figure 8 shows exemplarily. On the x-axis, CSR aspects are plotted relating to their future importance for the organisation, as it has been defined in step 1 (ranking concerning importance of aspects). So it is instantly clear which aspects are to be focused on.

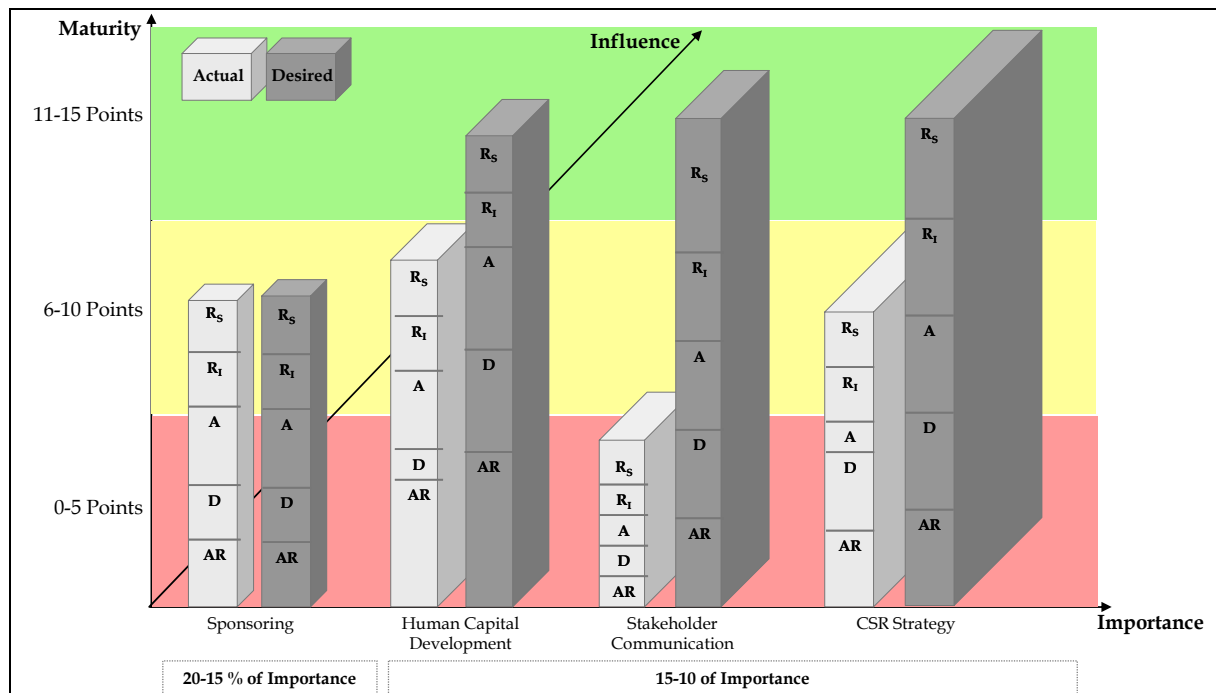
Results on y-axis demonstrate the result of internal and external assessment, the left bar stands for the actual evaluation, the right bar shows the desired maturity of a specific aspect due to RADAR. For each dimension of RADAR, up to three points are possible to receive (level 0 = 0 points; level 3 = 3 points). The dimension R (Results) is evaluated both internally and externally and therefore is illustrated twice, for both assessments. This leads to a better comparison of the estimations of organisation and stakeholders and does not ignore relevant information like if an average is calculated of both. Hence, up to 15 points are able to be gained of each aspect.

The z-axis represents the influence of the aspects on others. The deeper a bar is, the more this aspect has to be considered when implementing CSR strategy, as it is regarded as basis for the success of further CSR aspects.

Results of the assessment can be illustrated and analysed in different ways. Results for a specific dimension of RADAR can be shown separately in order to analyse whether general trends exist for CSR aspects (e. g. the approach towards CSR is principally evaluated quite good, but for the deployment a systematic procedure is missing, so that CSR is finally rated poorly). Another possibility is to directly compare organisational and stakeholder assessment on the dimension "result" in order to make the difference between internal and external perspective on CSR activities of the organisation clear.



Figure 8. Example of consolidated CSR Aspects



Step 7: Derivation of Recommendations of Action

Due to the consolidation of results it is obvious where a future-oriented CSR strategy has to start and which aspects it has mainly to contain. It is important that measures to implement CSR into organisations should be aligned to the in step one established CSR definition and its corresponding goals.

The crucial measures for a CSR strategy are easily able to extract from the results of CSR interactions and from the assessment with its proposed maturity levels. Other measures have to be defined in workshops.

Sustainability (and CSR) strategies can be oriented on market or society; both of them are oriented either on internal organisation or environment of an organisation (Dyllick, 2003; Gminder, 2006; Baumgartner, 2005). However, these strategies are rarely implemented in their pure form (Baumgartner, 2005).

OUTLOOK

For a better use of the model in practice, further research on “standardised” CSR recommendations of action have to be derived. The aim is to define measures or above mentioned CSR strategies. Furthermore, it would be of tremendous interest to examine whether industry-related CSR aspects are necessary. A comparison with the sector protocols of GRI and other appropriate guidelines and an empiric research with stakeholders of specific industries could deliver such important information.

The CSR-Scan can be a good method for organisations to analyse CSR in its completeness with relevant stakeholders and – which is important – is further an assessment that the organisation conducts itself. Thus, all relevant information and potentials to improve CSR in an organisation are available for the decision makers. Also, the assessment itself is



crucial for learning and understanding the impact and actual maturity of CSR in an organisation.

REFERENCES

AccountAbility. *AA 1000*. London.

Baedeker, C., et al. 2002. *Handbuch zur Anwendung von SAFE - Sustainability Assessment for Enterprises*. Wuppertal Institut für Klima, Umwelt, Energie GmbH: Wuppertal.

Baumgartner, R.J. 2005. Sustainable Business Management. In *Wertsteigerung durch Nachhaltigkeit*, Baumgartner, R.J., et al. (eds.). Hampp: München, Mering.

Boele, R., et al. 2001. Shell, Nigeria and the Ogoni. A study in unsustainable development: I. The story of shell, Nigeria and the Ogoni people - Environment, economy relationships: Conflict and prospect for resolution. *Sustainable Development*. 9. 2. pp. 74-86.

Bowen, H.R. 1953. *Social responsibility of the businessman*. Harper & Row: New York.

Clarkson, M.B.E. 1997. A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review*. 20. pp. 92-117.

Commission of the European Communities. 2001. *Green Paper Promoting a European Framework for Corporate Social Responsibility*.

De Tienne, K.B. and Lewis, L.W. 2005. The pragmatic and ethical barriers to corporate social responsibility disclosure: The Nike case. *Journal of Business Ethics*. 60. 4. pp. 359-376.

DJSI. 2007. Dow Jones Sustainability Indexes. <http://www.sustainability-indexes.com>. [2007-05-09]

Dyllick, T. 2003. Nachhaltigkeitsorientierte Wettbewerbsstrategien. In *Handbuch Nachhaltige Entwicklung*, Linne, G. and Schwarz, M. (eds.). Leske & Budrich: Opladen.

Dyllick, T. and Hockerts, K. 2002. Beyond the Business Case for Corporate Sustainability. *Business Strategy and the Environment*. 11. 2. pp. 130-141.

Ebner, D. and Baumgartner, R.J. 2006. The relationship between Sustainable Development and Corporate Social Responsibility. www.crrconference.org

EFQM. 1999. *Das EFQM-Modell für Excellence*. EFQM Publications: Brüssel.

Elkington, J. 1998. *Cannibals with Forks. The Triple Bottom Line of the 21st Century*. Capstone Publishing: Oxford.

Falck, O. and Heblisch, S. 2007. Corporate social responsibility: Doing well by doing good. *Business Horizons*. 50. 3. pp. 247-254.



Freeman, R.E. 1984. *Strategic Management. A Stakeholder-Approach*. Pitman Publishing: Boston.

Friedman, M. 1962. *Capitalism and Freedom*. University of Chicago Press: Chicago.

FTSE. 2006. FTSE 4 Good Indices. <http://www.ftse.com/ftse4good/index.jsp>. [2007-05-09]

Gminder, C.U. 2006. *Nachhaltigkeitsstrategie systemisch umsetzen. Exploration der Organisationsaufstellung als Managementmethode*. DUV: Wiesbaden.

Gondek, P. 2004. *Conflict or consensus: Stakeholder relations in the energy industry*(eds.). International Conference on Health, Safety and Environment in Oil and Gas Exploration and Production. pp. 1403-1409.

GRI. 2006. *Sustainability Reporting Guidelines - G3*.

International Labour Organization. 2006. *ILO Conventions*.

Jonker, J. and de Witte, M. 2006. *Management Models for Corporate Social Responsibility*. Springer: Berlin, Heidelberg.

Kaler, J. 2002. Morality and strategy in stakeholder identification. *Journal of Business Ethics*. 39. 1-2. pp. 91-99.

Karmasin, M. 2006. Stakeholder-Management als Kontext von Medienmanagement. In *Medien und Ökonomie. Band 3: Anwendungsfelder der Medienökonomie*, Altmeppen, K.-D. and Karmasin, M. (eds.). Verlag für Sozialwissenschaften: Wiesbaden. pp. 61-88.

Konrad, A., et al. 2006. Empirical findings on business-society relations in Europe. *Journal of Business Ethics*. 63. 1. pp. 89-105.

Maessen, R., et al. 2007. Circles of stakeholders: Towards a relational theory of Corporate Social Responsibility. *International Journal of Business Governance and Ethics*. 3. 1. pp. 77-94.

Mitchell, R.K., et al. 1997. Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*. 22. 4. pp. 853-886.

Müller-Stewens, G., et al. 2001. Die Gestaltung von Stakeholder-Beziehungen als Grundlage jedes Grenzmanagements. In *Fallen die Unternehmensgrenzen?*, Hinterhuber, H.H. and Stahl, H.K. (eds.). Expert Verlag: Renningen. pp. 270-291.

ÖBU. 2007. kmusocialkit. <http://www.kmusocialkit.ch/>. [2007-02-12]

Podnar, K. and Jancic, Z. 2006. Towards a categorization of stakeholder groups: An empirical verification of a three-level model. *Journal of Marketing Communications*. 12. 4. pp. 297-308.

Rüegg-Stürm, J. 2004. Das neue St. Galler Management-Modell. In *Einführung in die Managementlehre*, Rolf, D., et al. (eds.). Haupt: Bern. pp. 65-141.



SAI. 2001. *Social Accountability 8000*. New York.

Salzmann, O. and Steger, U. 2006. Die soziale Verantwortung von Unternehmen. *Harvard Business Manager*. . 6. pp. 7-10.

Savage, G.T., et al. 1991. Strategies for assessing and managin organizational stakeholders. *Academy of Management Executive*. 5. pp. 61-75.

Steurer, R. 2006. Mapping Stakeholder Theory Anew: From the "Stakeholder Theory of the Firm" to Three Perspectives on Business-Society Relations. *Business Strategy and the Environment*. 15. pp. 55-69.

Suchanek, A. and Lin-Hi, N. 2007. Unternehmerische Verantwortung. In *Unternehmenspraxis und Nachhaltigkeit. Herausforderungen, Konzepte und Erfahrungen*, Baumgartner, R.J., et al. (eds.). Hampp: München, Mehring. pp. 67-75.

Ulrich, H. 1970. *Die Unternehmung als produktives soziales System*. Haupt: Bern.

United Nations. 2004. *The Global Compact*. Global Compact Office, United Nations.

Vester, F. 1999. *Die Kunst vernetzt zu denken*. DVA: Stuttgart.

WBCSD. 2006. Corporate Social Responsibility.
<http://www.wbcsd.org/templates/TemplateWBCSD1/layout.asp?type=p&MenuId=MzI3&doOpen=1&ClickMenu=LeftMenu>. [13-07-06]

Werther, W.B. and Chandler, D. 2006. *Strategic Corporate Social Responsibility. Stakeholders in a Global Environment*. Sage: Thousand Oaks.

Wheeler, D. and Sillanpää, M. 1998. Including the stakeholders: The business case. *Long Range Planning*. 31. 2. pp. 201-210.

Wood, D. 1991. Corporate Social Performance Revisited. *Academy of Management Review*. 16. 4. pp. 691-718.

World Commission on Environment and Development. 1987. *Our Common Future*. The Oxford University Press: Oxford.

Zambon, S. and Del Bello, A. 2005. Towards a stakeholder responsible approach: the constructive role of reporting. *Corporate Governance*. 5. 2. pp. 130-141.