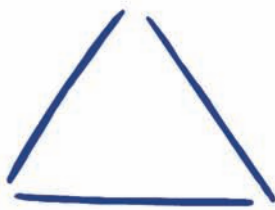


Doughty Centre



Corporate Responsibility

Cranfield
UNIVERSITY
School of Management

Supporting Corporate Responsibility Performance Through Effective Knowledge Management

A Doughty Centre for Corporate Responsibility How-to Guide (#5 in series)



Doughty Centre, Cranfield School of Management
January 2011

In association with:
Prof. J C Spender, Cranfield University

With thanks to:

Alliance Boots
ARAMARK
Business in the Community
Marshalls
National Grid
RWE npower

THE DOUGHTY CENTRE FOR CORPORATE RESPONSIBILITY

The Doughty Centre aims to combine rigorous research and leading-edge practice. We focus on three things:

1. Knowledge creation: rigorous and relevant research into how companies can embed responsible business into the way they do business;
2. Knowledge dissemination: introducing Corporate Responsibility (CR) more systemically into existing graduate and executive education (both in relevant open programmes and customised, in-company programmes); and
3. Knowledge application: working with alumni, corporate partners and others to implement our knowledge and learning.

VISION

Sustainability and Responsibility at the heart of successful management.

MISSION

To inspire future and current managers with the passion for, and to equip them with the skills and outlook to, put sustainability and responsibility at the heart of successful organisations.

We welcome enquiries for collaborations including around:

- ❖ Speaking and/or chairing conferences and in-company events
- ❖ Facilitating organisations in the public, private or voluntary sectors who wish to produce their own think-pieces/white papers on CR, sustainability or public-private-community partnerships
- ❖ Practical projects to embed CR in an organisation
- ❖ Scenario-development and presentations to help organisations envision a more responsible and sustainable future
- ❖ Co-creation and joint publication of research, think-pieces and practical 'how-to' guides
- ❖ Design and delivery of organisation-customised and open learning programmes around CR, sustainability or public-private-community partnerships

Foreword

Companies that are successful at embedding corporate sustainability and responsibility are learning organisations. They work out how to do things better, faster, cheaper. They make that knowledge widely available; and they make sure that everyone who needs that knowledge knows it is there and how to get hold of it – and is trained to make effective use of it. In this, success in corporate sustainability and responsibility is no different from any other aspect of successful business.

In the old days, organisations used to talk of new recruits 'learning from Nellie' – watching how experienced staff did things. Even then, that approach could be slow, inefficient, and had the potential for codifying mediocrity. Today, advances in information and communications technologies make it easier to access both the 'wisdom of the crowds' and proven experts.

When it comes to capturing and deploying knowledge about embedding corporate sustainability and responsibility, companies can harness many sources inside and outside their organisations. Internal and external awards schemes for sustainability can encourage good practice, as can harnessing employees' private involvement in NGOs, sustainability studies and the like. Clever, proactive involvement in the right CR and sustainability networks (i.e. not just paying a subscription) and professional and trade bodies – and extracting expertise from these – is another source. Some companies such as Honda and GE use annual peer reviews of their factories to spread good practice and learning.

However, as this latest Doughty Centre How-to guide makes clear, storytelling is a critical skill and device for knowledge management of corporate sustainability and responsibility. Effective storytelling helps employees to understand what it is all about, what it means for different parts of the business – and, therefore, where expertise is already available and where more is needed. A good corporate story – one that is coherent, authentic, relevant, dynamic and sustainable – provides both a framework for documenting responsible business as well as inspiration for those throughout the business to improve sustainability performance.

Our thanks to Melody McLaren, the Centre associate, who has researched and written this guide, and to practitioner colleagues who were interviewed and have read and provided valuable feedback on earlier drafts.



Professor David Grayson and Dr JC Spender

Expert

Widely rec

knowledge

or decid

Contents

1. Executive Summary	6
2. What is 'knowledge management' and how is it relevant to CR?	9
2.1 A practical definition of 'knowledge' for the CR practitioner	9
2.2 Why should knowledge be managed?	9
2.2.1 Responding to external CR information demands	10
2.2.2 Corporate sustainability reporting	10
2.2.3 Stakeholder dialogue	11
2.2.4 Monitoring CR-related events and information	11
2.2.5 Managing CR initiatives	12
2.2.6 Dealing with the unknown: the hidden 'corporate social opportunity'	12
3. Storytelling: sharing the knowledge management challenge	15
3.1 The 'story'	15
3.2 Management benefits of a good corporate story	16
4. How to build and tell the corporate sustainability story	17
4.1 Step 1: Assess your current corporate sustainability 'story'	18
4.1.1 Find the building blocks of your story: data, meaning and practice	18
4.1.2 Assessing the content of your corporate story	22
4.2 Step 2: <i>Commit</i> to creating a better sustainability story	24
4.2.1 Start a conversation: Get people talking about sustainability	25
4.2.2 Building the corporate conversation: The CR practitioner as 'master storyteller'	25
4.2.3 Take action to create a better sustainability story	27
4.3 Step 3: <i>Tell</i> stakeholders the revised story	29
5. Top Tips	33
5.1 Putting CR knowledge management into practice: top tips	33
6. Summary	37
References	39

Executive Summary

Companies face increasing pressures to account for their operational impacts on society, amplified by the exponential growth of the internet and calls for transparency by consumers, investors, media, NGOs, government and other stakeholders in the wider community.

Corporate responsibility (CR)¹ practitioners report increasing difficulty in assimilating, synthesising and managing the large volume of information required to meet growing internal and external demands for transparency whilst managing CR initiatives effectively. Their key challenges include:

- ❖ Identifying, collating and using the information they need to use and share;
- ❖ Responding to external CR information demands;
- ❖ Managing stakeholder dialogue;
- ❖ Monitoring CR-related events and information;
- ❖ Managing CR initiatives;
- ❖ Corporate sustainability reporting.

Even more daunting for CR practitioners, however, is the need to cope with the levels of uncertainty and complexity that inevitably arise as a natural part of their cross-disciplinary role. This can encompass:

- ❖ Unintended adverse operational (cultural or process-based) impacts on, and demands for and from, a wide variety of stakeholders – investors, employees, customers, suppliers (and their employees) and local communities;
- ❖ Vast and uncertain knowledge requests and needs that have to be identified and sourced from a variety of stakeholders, who are not all the CR practitioners' stakeholders, which then need to be distilled and disseminated for use;
- ❖ Actions of governments and regulators that could constrain the freedom of business operations;
- ❖ Unanticipated demands for information and/or action from the media, NGOs and other organisations;
- ❖ Unpredicted large-scale natural catastrophes such as tsunamis, earthquakes or hurricanes, or man-made events such as high-impact industrial accidents or the collapse of financial markets or governments, resulting in sudden urgent knowledge needs.

This how-to guide is based on interviews with skilled CR practitioners and is intended to provide practical guidance for managing the information challenges that arise from working in the complex and uncertain world that exists both in and outside organisations.

Using a model of knowledge management developed by Prof. JC Spender (2005), the concepts of 'narrative intelligence' (Denning, 2007) and 'corporate storytelling' (van Riel, 2000), we have distilled responses from the best practice interviewees into a practical model for other CR practitioners who face comparable knowledge management challenges in their organisations.

The key proposition of the model is that the **CR practitioner must act as a 'master storyteller' who builds a corporate community of CR practice whose members craft the organisation's sustainability 'story'**. Van Riel (2000) defines a 'story' as:

"A realistic and relevant description of an organization, created in an open dialogue with the stakeholders the organization depends upon."

A story (as we use the term) is not a single tale to be told, but rather an ongoing process that represents and encourages information flow through the organisation and in and out of the organisation, to help it learn and improve. A story becomes a useful knowledge management tool. Through crafting and then telling the story to others, colleagues throughout the business learn about, take responsibility for, and become adept at managing and communicating the company's sustainability practices. Improvements in practice lead to a better story, which can be told to others inside and outside the business. The story's cyclical process then continues, altering with the organisation as it evolves and learns.

Creating and managing a 'good' story that is coherent, authentic, relevant and dynamic entails several tasks that the CR practitioner must orchestrate:

To create a story that is:	The CR professional must work with key stakeholders (internal/external) to:
Coherent	Evoke the company's purpose and character; identify key stakeholders and challenges
Authentic	Ensure the story is unique to the company and is verifiably true
Relevant	Inspire stakeholder support and action for its sustainability initiatives
Dynamic	Capture and share learning which emerges from ongoing stakeholder dialogue
Sustainable	Balance organisational needs and stakeholder demands over time

We provide a three-step model for analysis and action through which the CR practitioner can work with colleagues to:

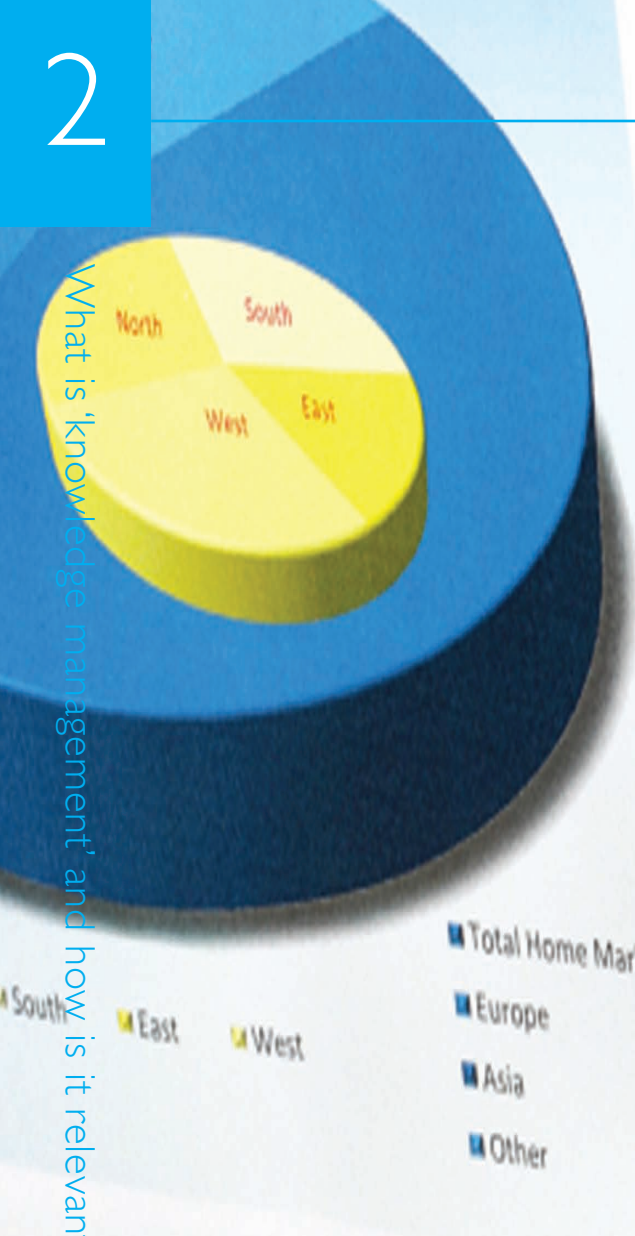
- ❖ **Assess** the current corporate sustainability story as it is embedded in communications, relationships, dialogue, policies and practices;
- ❖ **Commit** the organisation to creating a better corporate story, engaging others in the process of improving its sustainability communications, information flows, relationships, policies and practices;
- ❖ **Tell** the revised story to stakeholders through formal and informal communication channels, allowing space to listen and learn from their feedback.

By repeating this Assess -> Commit -> Tell cycle, a CR practitioner's company can sustain a corporate 'conversation' about sustainability issues with stakeholders and keep the story 'live', relevant, and evolving.

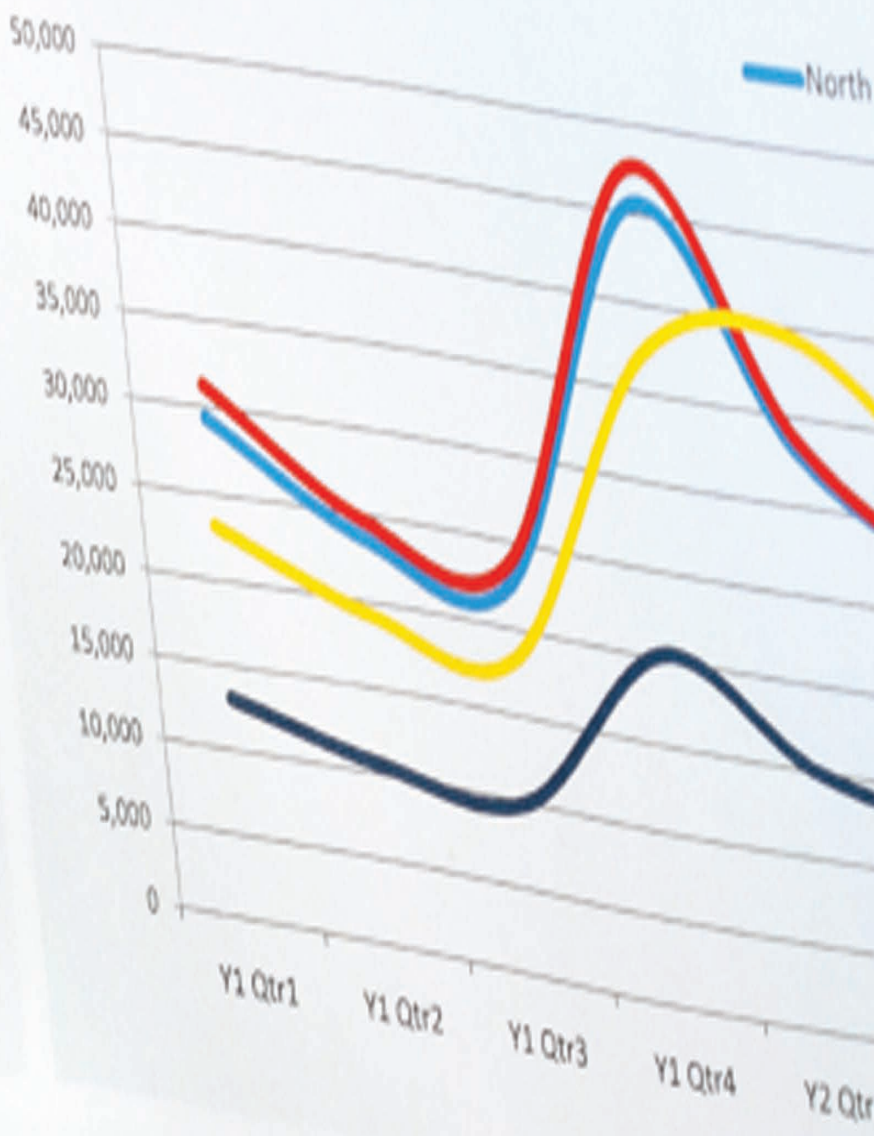
We define CR as a business that is committed to:

“Minimising negative environmental and social impacts and maximising positive environmental and social impacts; open and transparent business practices that are based on ethical values and respect for employees, communities, and the environment; and designed to deliver sustainable value to society at large, as well as to shareholders. It is not a bolt-on to business operations – it has to be built-in to business purpose and strategy.”

What is 'knowledge management' and how is it relevant to CR?



Sales by Region Over the Last Two Years



	Y1 Qtr1	Y1 Qtr2	Y1 Qtr3	Y1 Qtr4
North	29,388	23,688	22,589	
South	31,251	24,754	23,790	
East	13,078	10,541	10,052	
West	23,176	19,282	18,387	

Sales Growth (%) Compared to Previous			
	Qtr1	Qtr2	Qtr3
North	12.30	15.99	12.30
South	7.82	11.60	12.02
East	14.19	32.34	101.35
West	70.38	64.56	12.50

What is 'knowledge management' and how is it relevant to CR?

2.1 A practical definition of 'knowledge' for the CR practitioner

In his 2005 overview of the field of knowledge management, Prof. JC Spender highlights the need to distinguish between three different types of 'knowledge' – and the relationships between them – in order to understand the specific contribution that knowledge management can make to organisational practice. These specific types of knowledge are:

- ❖ **Data** – non-contextualised information that can be captured, manipulated and distributed via an information management system, the meaning of which is agreed upon.

An example of 'data' would be CO₂ emission figures from an operating plant that can be stored on a server connected to a corporate IT network, from where it can be shared with others.

- ❖ **Meaning** – contextualised information resulting from using a shared cognitive framework to analyse and transform data into a form that can be communicated to others. This draws attention to data with a meaning that is NOT agreed.

An example of 'meaning' would be an interpretation of CO₂ emission figures – concluding that they signify good or bad performance or an improvement on previous performance – that emerges from dialogue between a corporate environmental manager and the representative of an environmental NGO.

- ❖ **Practice** – unarticulated forms of knowledge embedded in accepted practice, what people take as obvious and automatic about the way they operate. This draws attention to knowledge that is operationally significant but is not in the form of either data or meaning.

An example of 'practice' would be the use of technology or behaviour such as turning off machinery at an operating plant when it is not in use, which decreases CO₂ emissions.

While significant attention has been directed towards information technology and management information systems, Spender observes that many of the crucial challenges – and opportunities – for organisations lie not with the electronic management of data but with the more human-centred activity of attaching meaning to data and communicating it to others. Ultimately the organisation lives only through its practices and these may be more than enactments of just what can be said. However, what can be said, and the stories that can be told, cover much of what must be done and provide management with a powerful methodology for managing.

In the rationalist view that dominates much management analysis, there is a presumption that truth can be ascertained through deductive reasoning, rather than through experience or intuition. In this context, knowledge management becomes a matter of capturing data about events in the world (perhaps in databases or spreadsheets), communicating it in a meaningful form to others so they can make rational data-driven decisions to act in accordance with established logical rules that govern good business practice.

For CR practitioners, however, data is often not available or non-existent. As well as being an emerging discipline, much of CR is 'meaning' or attitude towards the world that is derived from experience and intuition. This is harder to capture, share and assimilate. Additionally, as need often drives practice in the CR discipline – ahead of research, management models and coherent data pre-empting and pre-proving that the 'practice' is appropriate – analysable data or meaning is often only available after practice has been enacted and then can be captured and shared after-the-fact.

2.2 Why should knowledge be managed?

For any CR practitioner in a large organisation, the need to manage sustainability information in organisations is obvious. Information management issues dominate the day-to-day working lives of most CR professionals, with many noting increasing difficulties in coping with a variety of information-related challenges in their roles. These include:

- ❖ Responding to external CR information demands;
- ❖ Corporate sustainability reporting;
- ❖ Stakeholder dialogue;
- ❖ Monitoring CR-related events and information;
- ❖ Managing CR initiatives;
- ❖ Dealing with the unknown: the hidden 'corporate social opportunity'.

We look in detail at each of these issues in the sub-sections overleaf.

2.2.1 Responding to external CR information demands

Beyond corporate reporting, companies face pressures from other channels to share and account for their operational impacts on society and the environment, amplified by the exponential growth of the internet and calls for transparency by consumers, investors, media, NGOs, government and other stakeholders in the wider community.

- ❖ Some of these channels for sharing information are not traditional advertising or product brochures. Consumer research by Newcastle Business School, Northumbria University (January 2010), for example, found that 72% of consumers want carbon labels on food productsⁱⁱ, while 75% of respondents to a survey commissioned by fashion and textile trade association Skillfast wanted a regulated standard on 'green' clothing labelling.ⁱⁱⁱ
- ❖ Many companies recognise the importance of verification of their actions through independent standards and ratings as a way to share information, as well as a way to verify their practice. The new ISO 26000 Social Responsibility Standard has added to the growing list of social responsibility indices and frameworks (e.g. FTSE4Good, Dow Jones Sustainability Index, Global Reporting Initiative, Business in the Community CR Index) through which companies' sustainability performance can be assessed.
- ❖ The scope of activities identified as relevant to the sustainability agenda has become progressively broader, while the number of organisations needing information (in the forms of data, meaning and practice) about sustainability performance and the complexity of reporting processes have both increased.

2.2.2 Corporate sustainability reporting

Corporate sustainability reporting is now a well-established practice for proactively communicating information about CR performance in areas of interest (e.g. corporate governance, environmental, social and economic impacts) to internal stakeholders (senior/board directors, line managers, employees) and external stakeholders (shareholders, customers, suppliers, media, government, NGOs etc.), using accepted reporting frameworks (Global Reporting Initiative [GRI], CR Index) and media (e.g. Annual/CR reports, websites) at regular intervals (quarterly, annually).

The response of many companies has been a greater focus on their CR/sustainability reports. According to PriceWaterhouseCooper's *Corporate Social Responsibility (CSR) Trends 2010* report^{iv}, the average size of a sustainability report is 60 pages (down from 69 in 2009 as more sustainability information migrates to websites and annual reports), whilst Radley Yeldar's (2010) analysis of European Sustainability Reports noted that 51% are between 21 and 120 pages, with 61% of companies using moving images or social media as reporting channels.^v

It is unclear to what extent these reports capture the true value created by companies (vs. compliance with legislative standards and stakeholder expectations). A study by the British Brands Group, for example, found that approximately £370 million has been saved by the taxpayer as a result of investment by companies in support of public policy partnerships.^{vi} However, the contribution any individual company makes to this value saved is not captured systematically (for example in a company's annual report), as there is currently no comprehensive model for assessing the social, economic and environmental value of companies' contribution to such partnerships through CR activities.

2.2.3 Stakeholder dialogue

Following the highly publicised confrontation between Shell UK and Greenpeace over the disposal of the Brent Spar oil platform in 1995, companies have learned the value of engaging in ongoing dialogue (face-to-face meetings and events, electronic forum groups) with NGOs and other stakeholder groups to develop improved understanding of each other's priorities and values.

Many of these dialogues are in new territory for both companies and NGOs, much depending not on traditional data, but on the meaning that is created between stakeholders and the practice that results and feeds back into joint-learning. (See the Doughty Centre occasional paper 'Stakeholder governance'^{viii} for new forms of stakeholder partnerships and initiatives that are emerging because of the need to innovate for successful CR enactment.) What information is needed, what should be shared, how and when they are shared, what reliance is on 'data' vs. 'meaning' (relationships) vs. 'practice' (seeing is believing) is not available in textbooks – rather these are different in each stakeholder dialogue. The skilled CR practitioner is increasingly valuable in this space, often brokering the dialogue, information and relationships – not just external-internal, but often internal-internal as well.

2.2.4 Monitoring CR-related events and information

Beyond needing and responding to internal and external information demands, CR practitioners need to be able to turn their in-house corporate sustainability data into meaningful information that can help build a better picture of what the organisation is doing, where the opportunities and threats lie and how the sustainability and responsibility of the organisation might be better managed.

However, practitioners say they have limited opportunities to do this. Longitudinal research on CR professionals by the Boston College Center for Corporate Citizenship found as early as 1995 that time spent on programme administration, PR, government relations, corporate communications and volunteering programme management had risen to 30% of professionals' time and was expected to climb^{viii}, a finding echoed anecdotally by members of the then Concorde Forum, an Ashridge Management alumni network of CR professionals.

More recently, CR professionals have complained of 'information overload' in attempting to track external events which are material to the CR (and general) performance of the business (e.g. legislation, NGO campaign activity, sector-specific initiatives) and new developments in the burgeoning CR field that could aid their practice through professional journals, newsletters and other channels. Their response has been to focus more narrowly on issues that are specific to their industry sector^x.

2.2.5 Monitoring CR-related events and information

Most CR practitioners are involved in the development and management of initiatives to improve CR and general business performance in areas such as environment, marketplace, workplace, community and corporate governance. These initiatives need to be assessed and measured, particularly to establish their impacts and return on investment. Again, because CR is a relatively new discipline, it can be difficult to assess what is still being developed – especially when these activities should be occurring as part of business as usual across the business, not as bespoke projects being run by a small group of employees. How does one measure the socio-economic impacts of a company's investment in local communities or the natural environment surrounding their key suppliers' workplaces? What data is needed to deliver meaning and improve practice?

How one defines and measures return on investment is a much-discussed area in managing CR initiatives. Measurement protocols either do not exist or have not yet proved sufficiently robust to be accepted by (for example) accountants. Measurement timescales differ for CR investment vs. traditional capital investment in building a factory or refurbishing an office block. Different indicators are needed that include (for example) 'second degree benefits'¹. (See the Doughty Centre and the European Academy for Business in Society's report 'Measuring CR', which explores the difficulties in measuring and therefore managing CR initiatives, in great part because this knowledge simply is not yet well enough captured and shared.²)

2.2.6 Dealing with the unknown: the hidden 'corporate social opportunity'

Beyond these known information management challenges, the CR practitioner must 'manage' – or at least try to anticipate – what is not known, uncertain or, at the very least, highly complex. This can encompass:

- ❖ Vast and uncertain information requests and needs that are still to be identified and sourced from a variety of stakeholders, not all directly being the CR practitioner's stakeholder. This information then needs to be distilled and disseminated for use;
- ❖ Unintended adverse operational impacts on, and demands from, a wide variety of stakeholders, including investors, employees, customers, suppliers (and their employees), and local communities;
- ❖ Actions of governments and regulators that could constrain the freedom of business operations;
- ❖ Unanticipated demands for information and/or action from the media, NGOs and other organisations;
- ❖ Unpredicted large-scale natural catastrophes such as tsunamis, earthquakes or hurricanes or man-made events such as the collapse of financial markets or governments;

Although the CR practitioner will not be responsible for such events and their outcomes directly, they may be required to help anticipate or co-ordinate an intelligent corporate response to them. To respond to this uncertain world, CR practitioners, and those whom they support, have to find a way to respond creatively to the world as they find it.

While this may appear to be the most threatening area of CR knowledge management, Spender^{xi} suggests that learning to respond to the unknown is key to business opportunity. In his 'radical constructivist' view of knowledge management – a view which emphasises knowledge as a *construction* of the mind, rather than the product of direct *perception* through the senses – he contrasts the roles of 'data', 'meaning' and 'practice' under conditions of certainty versus uncertainty. In the latter, practice is inevitably an inductive form of exploration that can give rise to new knowledge of all types.

¹ When a positive action or interaction creates a benefit for a stakeholder this is often seen as an indirect benefit for the company, but the benefit cascades and will later filter back to create further benefits for the company.

Knowledge management in conditions of certainty vs. uncertainty (Spender, 2005)

	Managing what we have	Responding to what we lack
Data	Rational decision-making	Data collection and systematic discovery
Meaning	Communicating meaning	Creating meaning and heuristics
Practice	Executing decisions	Explorative practice

What this view suggests is that, rather than be straitjacketed by simply responding to the world as previously prescribed, CR practitioners can work with others in the company's stakeholder network to re-imagine and re-create their world as it could be.

CR practitioners know that creativity and imagination are in play all the time in their world. They, together with their colleagues, have to find new ways of engaging in dialogue with stakeholder groups who may be hostile to them. They must find ways to respond meaningfully to *ad hoc* requests for information when they do not know exactly where it is in the organisation. They have to imagine completely new commercial, socio-economic and political scenarios and spot the challenges and opportunities within them.

Grayson and Hodges have also suggested that innovative responses to unanticipated 'trigger events' can create a wide range of 'corporate social opportunities' which can impact positively on the business.^{xiii} To do this successfully requires:

- ❖ A deep understanding of how the company works, what it is trying to achieve and how sustainability practices can contribute to success in the wider world;
- ❖ An understanding of the related dimensions of the 'outside world', where company and world combine and/or collide; and
- ❖ The ability to share these ideas readily with others, both inside and outside the company, to engage them in working together to develop and integrate those practices into the business.



Storytelling: sharing the knowledge management challenge

What is striking about the successful CR practitioners we interviewed for this guide is that they have all developed similar solutions to the problems of uncertainty management and information overload – namely, to share their CR operational and information management responsibilities with others. Colleagues are encouraged to take responsibility for implementing their own sustainability practices, as well as developing new ones, and the CR practitioner can help to gather and synthesise data documenting these practices into useful forms.

But how can a CR practitioner persuade their colleagues to take on responsibility for enacting, as well as documenting, sustainable business practices? We found that successful CR practitioners are 'master storytellers' who engage others in the continual assessment, crafting, and re-telling of the company's sustainability story. In this way, they are able to create a '**community of practice**' – a group of people who share an interest, a craft, and/or a profession.^{xiii}

By encouraging colleagues to share information and experiences with each other, the CR practitioner enables members of the group to internalise the principles of sustainability and manage and instigate their own practices and associated data, thereby helping to meet the CR practitioner's knowledge management challenge.

3.1 The 'story'

Van Riel^{xiv} proposes that individuals are more receptive to corporate messages when they are coherent and appealing, i.e. when they are, in other words, a 'story'. Good stories are hard to imitate and promote consistency in all corporate messages. An ideal corporate story can be used to orchestrate internal and external communication about the company's journey to sustainability and is:

- ❖ **Coherent** – it has a clear 'story grammar', including a setting, characters and plotline;
- ❖ **Authentic**² – it evokes distinctive and enduring organisational characteristics and is based on verifiable evidence;
- ❖ **Relevant** – it contains messages that engage, add value for, and inspire support from stakeholders;
- ❖ **Dynamic** – it emerges from ongoing dialogue between the
- ❖ **Sustainable** – it balances the competing demands of relevant stakeholders and the organisation.

Using van Riel's approach, the goal of the CR practitioner is to work with colleagues and other stakeholders (inside and outside the organisation) to create a 'good' story, i.e. one that is coherent, authentic, relevant, dynamic and sustainable:

To create a story that is:	The CR professional must work with key stakeholders (internal/external) to:
Coherent	Evoke the company's purpose and character; identify key stakeholders and challenges
Authentic	Ensure the story is unique to the company and is verifiably true
Relevant	Inspire stakeholder support and action for its sustainability initiatives
Dynamic	Capture and share learning which emerges from ongoing stakeholder dialogue
Sustainable	Balance organisational needs and stakeholder demands over time

² While van Riel uses the term 'realistic', we have used the word 'authentic' instead as it highlights the value of 'authentication' – verifying the accuracy of the story with relevant information – which an increasing number of stakeholders expect from companies.

3.2 Management benefits of a good corporate story

Creating, revising and re-telling a good sustainability story can improve management of sustainability practices, because it helps to:

- ❖ Bring coherence and visibility to sustainability practices by
 - Defining what sustainability/CR means to the business;
 - Clarifying why sustainability issues are important to the business;
 - Identifying which issues are most important and how they need to be addressed;
 - Ensuring sustainability principles are integrated with business strategy and day-to-day operations;
- ❖ Engage senior managers with the sustainability agenda;
- ❖ Persuade managers to engage in dialogue with key stakeholders;
- ❖ Promote local 'ownership' of sustainability issues and related information systems;
- ❖ Build awareness of existing or planned sustainable business practices among internal and external stakeholders;
- ❖ Foster innovation, engagement and commitment in the workplace;
- ❖ Ensure organisations assess and learn from CR initiatives so as to improve business performance and reputation in the long term.

How to build and tell the corporate sustainability story

This section describes how, despite the uncertainty and possible information overload, you can manage information so that knowledge supports your sustainability efforts. We use the following three steps as a framework for this process: ^{xv}



1. **Assess** the current corporate sustainability information and story as it is embedded in communications, policies and practices; this refers to understanding what information is relevant for you and your organisation, from inside and outside the organisation, helping you identify what information (in any form) should be collated for the story;
2. **Commit** the organisation to creating a better corporate story, engaging others in the process of improving its sustainability communications, information flows, relationships, policies and practices;
3. **Tell** the revised story to stakeholders through formal and informal communication channels, allowing space to listen and learn from their feedback. In the telling (and re-telling), information and information needs will flow back into the cycle and the cycle starts again.

By repeating the cycle, a CR practitioner's company can sustain a corporate 'conversation' about sustainability issues with stakeholders and keep the story 'live' and evolving. This cyclical process is described in more detail in the rest of this Chapter.

4.1 Step 1: Assess your current corporate sustainability ‘story’

The CR practitioner can identify and examine the available information that underpins the story as it emerges in the dialogue between the organisation’s most prominent ‘storytellers’ (e.g. chief executives and chairpersons, directors of corporate affairs, communications, PR, etc.) and its stakeholders, and in its actions in the world and what it says about those involved. This information is evident in the company’s current internal and external communications (intranets, newsletters, websites, brochures and emails), policies and practices.

As stated earlier, a good corporate sustainability story is coherent, authentic, relevant, dynamic and sustainable. However, it is important to remember that the story is not an end in itself but a means to promoting dialogue and a shared understanding of what the company cares about, what it does, and why and how it does it.

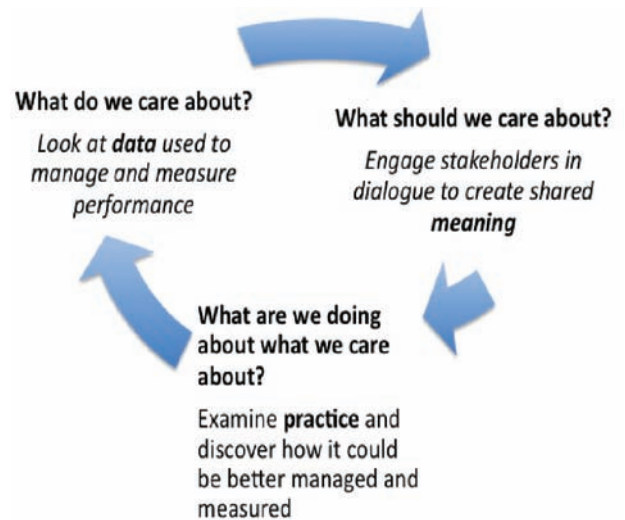
4.1.1 Find the building blocks of your story: data, meaning and practice

While information technologists and economists have prioritised the collection, storage and redistribution of data in their conceptualisation of knowledge management (Spender, 2005), our CR practitioners have focused more effort on the construction of shared meaning, particularly through dialogue with both internal and external stakeholders. Much of this section therefore focuses on this collective sensemaking^{vi} process, ascertaining if the corporate story that emerges is coherent, authentic, relevant, dynamic and sustainable.

However, the CR practitioner can also benefit from an examination of corporate sustainability data, as well as sustainability practice, to see how these building blocks create a foundation for the corporate story and how they can be transformed by story revisions that emerge from stakeholder dialogue. Specifically, the CR practitioner should bear in mind that:

- ❖ Looking at sustainability **data** that is being collected, stored and distributed through your information systems can tell you what your company cares about;
- ❖ Engaging in dialogue with stakeholders about sustainability issues – a process of reciprocal storytelling to discover shared **meaning** – helps you discover what your company should care about;
- ❖ Looking at your sustainability **practice** can tell you what the company is actually doing

Assessing data, meaning and practice in your corporate story



Look at your *data* to discover what your company cares about

The phrase, “What gets measured gets managed” provides CR practitioners with an important clue about what the company cares about and what lies at the foundation of your corporate story. A first step in assessing your story should therefore be to look at what sustainability performance data is already being collected by your company.

Ideally, the types of data selected will vary according to the nature of the business, the needs and interests of key stakeholders and the sustainability issues that are material to the business. The scope of these issues – and the data that documents corporate performance – can be extensive, as this list of performance indicator categories for the Global Reporting Initiative illustrates:

Global Reporting Initiative Performance Indicators

Anti-Competitive Behaviour	Indirect Economic Impacts
Biodiversity	Investment and Procurement Practices
Child Labour	Labour/Management Relations
Community	Market Presence
Compliance	Marketing Communications
Corruption	Materials
Customer Health and Safety	Non-Discrimination
Customer Privacy	Occupational Health and Safety
Diversity and Equal Opportunity	Overall (Environmental)
Economic Performance	Products and Service Labelling
Emissions, Effluents, and Waste Emissions	Products and Services
Employment	Public Policy
Energy	Security Practices
Forced and Compulsory Labour	Training and Education
Freedom of Association and Collective Bargaining	Transport
Indigenous Rights	Water

Source: www.globalreporting.org/ReportingFramework/G3Online/PerformanceIndicators/

The sheer volume of topics shows it would be impossible for a single individual to gather and manage the data relating to all these areas. The CR practitioner, in consultation with colleagues and stakeholders, must therefore make two decisions: 1) which of these issues are most relevant to the business and its key stakeholders; and 2) who is in the best position to gather, and make sense of, the relevant data.

Our CR practitioners reported that sustainability data can be stored on central servers using bespoke databases or off-the-shelf software. The Global Reporting Initiative has spawned an industry in sustainability reporting software tools, publishing a list of software products containing certified GRI content (www.globalreporting.org/LearningAndSupport/SoftwareAndTools/CertifiedSoftwareDatabase.htm). These include SoFi Solution 4 (PE International), SAP BusinessObjects Sustainability Performance Management, PureReport (S2D2) and Microsoft Environmental Sustainability Dashboard. If such databases do not exist in your organisation, much of this data ends up in the sustainability/CR annual report, on agendas of board meetings, and included in internal communications or stakeholder communication/management reports – whether as activities (what we are doing about what we care about), achievements (what we care about), or stakeholder feedback, reports and media scanning (what should we care about).

However, corporate reporting is only one of the knowledge management activities that CR practitioners must oversee. The central question to be answered is: *What data management tools does the business need to manage its sustainability performance effectively?* The answers should be formulated in consultation with the teams or individuals responsible for managing the functions of interest (e.g. HR, environmental management, procurement) and the associated performance data, as our CR practitioners highlighted:

We have SharePoint – a Microsoft tool on our internal server – a document library and a shared resource. We use that for collation and sharing of material. We have monthly teleconferences with champions; every six months we have formal reporting of key performance indicators (KPIs) and every management meeting we discuss the CR/Sustainability programme.

I'm just a user of that [environmental data management tool] as well. I've been careful to make sure I don't own it. The data needs to be data used by the business. And therefore the data should be owned by the individual businesses, the logical place to consolidate that in terms of who is the owner of the data tool - global safety, health and environment team. I only contributed to development of it and input into the spec. Once again, we've said – corporate reporting is the cream on top of the milk. The data is data needed to drive the business – either directly in terms of data required on a day-to-day basis...data that the business needs to drive its own operations.

To build up a picture of the organisation's overall CR performance – whether for internal use or external reporting purposes – a CR practitioner has to decide which types of performance indicators are relevant, how these are being measured and by whom, and then establishing a relationship with colleagues to ensure the relevant data will be provided (or made

accessible) on a regular basis. Consider, for example, which individual(s) in your organisation is/are responsible for the following measurements of corporate CR performance recommended by the Institute of Chartered Accountants for England and Wales for the financial sector^{xvii} :

Stakeholder group	Indicator	Measure
Shareholders	Profitability	Share value ROI
	Compliance with relevant regulations	Product recalls Pollution performance
Employees	Recruitment and retention of staff	Staff turnover % positive feedback in staff surveys
	Ethical behaviour	Staff motivation and morale
	Corporate philanthropy	Amounts donated to programmes as % of earnings
	Unions relations	Internal negotiation procedures
Customers	Health & Safety	Number of incidences reported
	Product recalls	% of total output
	Satisfaction	Ratings and comments
Government/regulators	Pollution/waste	Performance against index
		Performance against industry best practice
		Compliance with regulations
NGOs	Recycling levels	Compliance with voluntary standards
	Eco-labelling	
Local communities	Corporate donations	Amount as % of total earnings
	Direct involvement (staff time)	Numbers, outcomes, costs and benefits
	Economic contribution to local economy	Jobs created
Suppliers	SEE policy requirements	Numbers meeting voluntary agreements

However, remember that this captures what is currently stored, not necessarily what should be stored. Once datasets have been located – and before making any modifications to data management systems – the CR practitioner must answer a more fundamental question: “*What should we care about in our*

business?” The process of answering this question necessarily takes the practitioner into dialogue with the company's key stakeholders. It is through this dialogue that the narrative framework for a meaningful corporate story that resonates with all stakeholders can emerge.

Engage in stakeholder dialogue to discover *meaning* (what the company should care about)

Stakeholder dialogue – a central feature of the CR practitioner's work – can be described as the process of people telling each other their stories with the aim of discovering areas of shared *meaning*. Through telling each other their stories, company representatives and their stakeholders begin to learn what matters to each of them and why, as this CR practitioner's account illustrates:

First thing I did was to introduce a programme of stakeholder dialogue. We said, "We need to talk to all people who have interest in the business. NGOs, shareholders, the [socially responsible investment] SRI community, government bodies, customers, local communities, suppliers, academics and media." I said to each of them, "What do you think should matter to us? What should we have on our radar and part of CSR agenda?" Up to a point we didn't get any major surprises. But it helped us to try to understand what the priorities were.

Sometimes dialogue can uncover 'disconnects' between the ways company representatives and stakeholders make sense of issues and events:

[The company] didn't enjoy good relationships with NGOs – it didn't behave as if NGOs knew anything about this... there was a sense that the [company] people knew best. WWF said, you're using phenyl A and phthalates. [The company] said, they just don't understand. WWF said phenyl A is an endocrine disruptor – if you feed enough to a salmon, it changes its sex. We use phenyl A to make acrylic babies' feeding bottles clear. We use small portions – it would have to leach from plastic into bottles to be consumed... what you have is a standoff.

This same practitioner's strategy for helping colleagues understand what sustainable business behaviour means was to translate corporate behaviours into domestic equivalents:

I was trying to get people to understand about communities and if you think about the Business in the Community (BITC) community area... I said, just think about you in your home situation. What does being a good neighbour mean? Being a good neighbour means, you don't just sling your stuff out for the rubbish man. If we're dealing with rubbish, we shouldn't be any different just because we are at work. Take the example of parties: if I had a party and played AC/DC every night at 200 decibels, that's not being a good neighbour. But if it happens once a year, people will turn a blind eye. With lorries, if a lorry delivery happens 1-2 times a year people won't mind. But all the time, we will have a problem. It's not complicated but straightforward. But it requires people to think about things the way we might do at home. Don't go to bed and leave the lights on, the TV running. All these things are just – why do people leave behaviours at home when they walk into the office?

However, what a company says it is doing may not be what it is *actually* doing. So looking at actual practice – authenticating the corporate story – is a vital part of the assessment process.

Sustainability *practices* tell you what your company does about what it cares about

Doughty Centre Associate Sharon Jackson has examined the relationship between how managers make sense of their company's sustainability intentions and their actual behaviour:^{xviii} One of her striking findings was that managers' actions do not always match their espoused beliefs:

You might assume that when a group of managers agree that they share the same understanding of their organisation's CR intentions, and agree that their organisation expects them to act to reduce CO2 emissions and reduce energy use, that these managers might take the simple action of, for example, turning off unnecessary lights. However, it may be surprising to know that a group of 10 managers, over a period of 90 minutes, mentioned on 10 occasions that there were too many lights on in the room and that they should be switched off. Yet not one person acted.

As an antidote to this disconnect, Jackson suggests a collective sensemaking process that can lead to a more coherent story, aligned more closely with espoused corporate values:

Facilitated reflective learning through focus group conversations could be used to alert managers to how their tacit experience can impact on their sensemaking. Also, more facilitated critical reflection might stimulate forward sensemaking and raise early warnings of inaccurate sensemaking leading to no action or non congruent action.

Jackson's suggestions for specific action include:

- ❖ Train CR Champions and operational managers in the skills necessary to facilitate sensemaking enquiry (see Doughty Centre 'How-to' CR Champions guide);^{xix}
- ❖ Allow time and space for reflective conversations;
- ❖ Conduct organisational sensemaking research;
- ❖ Enable more focus group discussions;
- ❖ Develop communities of CR and sustainability learning.

4.1.2 Assessing the content of your corporate story

We now examine the **content** of the story in more detail – what emerges from stakeholder dialogue, and how the company makes sense of it.

Is the story coherent?

Are the elements of the 'narrative' – including communications, policies and practices – consistent with each other? Do they evoke the company's purpose and character, challenges and behaviours in ways that are meaningful to key stakeholders? Are the sustainability 'threads' integrated with the story of the organisation as a whole?

A first step in assessing the story is to ask whether it defines in a coherent way **what 'sustainability' or CR means to your company**. This can be challenging, particularly for companies that operate in an international or global context:

It was shortly after acquiring the US business. A new corporate centre was set up... [My boss] was Head of Environmental Policy. He said that what we want is a sustainability policy. I was brought in to work with him for six months to project manage the development of this policy. It became evident that we didn't actually want a policy; the way we wanted to think about sustainability was broader than just the environment. At that time in the US, 'sustainability' meant environmental sustainability. Health, safety, human rights – that wasn't sustainability, that was something else. In the first six months, we thought, we need to get our thoughts around the broader sustainability remit.

One CR practitioner reported that when he first took on his corporate role, he encountered a problem faced by many companies – that although the company was engaged in many good sustainability practices, there was no coherent narrative which linked these activities together:

Having spent three months in the business, I described the company as a bit like a bloke who winks at a girl with sunglasses on – you're the only one who knows you're doing it. Within the business, [there were] lots of pockets but no joining up of the dots. No attempt to link to mission, purpose and values... no overall strategy, although there were bits of the business that had been doing fantastic stuff. All the waste recycling was really good, [work on] gender issues, volunteering. But all those things were happening in isolation and there wasn't a mechanism for pulling everything together.

In other cases, the sustainability story is separate from the story of the rest of the business. One CR practitioner was given his role because of his previous track record in the company as a successful project manager. As with many other companies, the prevailing view was that 'doing' CR was a standalone activity that required a project manager to produce policies to govern it:

[The company had] this strange view that CR was a 'project' – get someone in for a year and 'do' CR. To a degree they were right. They wanted to put in processes and high-level strategy, but it became evident it was not just a project.

Is the story authentic?

Having identified what the current story is, does it highlight what is distinctive and enduring about the company? Is there evidence – whether it is data in internal information systems (databases, spreadsheets or text documents) or other forms of proof – that can be used to substantiate the company's claims about its sustainability practices and business performance?

The story can be used to decide what 'success' will look like. This can help to decide what relevant evidence needs to be gathered (i.e. whether it takes the form of qualitative and quantitative measurements or some other form of proof) to underpin the story and make it authentic. The story can serve as a 'sense-check' for the collection of evidence over time. This can help to restrain organisations from adopting new measurement fads that are not necessarily appropriate for the business:

What was interesting was resisting new KPIs – trying to get people to appreciate that KPIs out there are already not being fulfilled. Most people cannot answer the existing questions. Most businesses cannot say what their figures are for absenteeism, retention, recruitment costs. Now we're talking about presenteeism [lack of productivity while physically at work], but what if you don't know how many people are at work? That makes a big difference.

Going back to Spender's description of types of knowledge, the story provides a meaningful framework for gathering and making sense of data, as well as for learning from and improving practice. To achieve this and to authentically represent what is actually occurring across the business, the storyteller needs to incorporate what is already known about local context and pre-existing practices. In companies operating in different countries, this is especially important when assessing 'progress' against sustainability 'targets', as one CR practitioner highlighted in his interview:

What we're looking at is, are we making progress? We're looking at year-on-year changes. This is where the journey bit comes in. We all understand we are all on it together. Let's celebrate successes – that means different things to different people...

We tried an initiative this year – can we go for one month without sending waste to landfill? How do we do it? You needed seven waste bins. Germany did it – no problems. Because they have had punitive landfill taxes since just after WWII, Germans are more into recycling. In Poland, this was a new adventure for them – but they wanted to do it. They didn't do badly. The UK is not far behind but we're not as good as Germany. For the French – a bin is a bin! What I'm saying is, we're on a journey and we're all at different places, moving at different speeds.

Our practitioners pointed out that measurement does have its limitations and, in some cases, can actually constrain positive action:

Some things engage people... carbon on company cars. That helps with your measurement – you can measure that [carbon] but hearts and minds are more difficult. You have to accept you can't measure everything.

I don't worry about measurement as long as I know what's going on. Not everything is measurable. If you think you can only do something that's monitored and measured, it can stop you doing it. Front-line teams are really busy.

Is the story relevant?

Is the company talking about what matters to stakeholders? Do they inspire people in the organisation to improve sustainability practices in support of overall business performance?

One point that emerged from interviews was that different issues matter to different stakeholders. It is therefore important to be sensitive to what people care about:

If you look at waste and recycling, you can understand – because you talk to stakeholders – that carrier bags become an iconic issue, even if they're not important in the big scheme of things. [Looking at] Waste, it isn't going to be make-or-break with carrier bags. But it is an iconic issue with government. Government are trying to do something about plastic bags. Actually, chaps, there are bigger issues to tackle but carrier bags are iconic. We work on making things out of sugar cane, bio-plastics instead of fossil fuels. That overcomes that issue. But you only know about this because you're in tune with what people are saying.

Is the story dynamic?

Does the story evolve in response to the company's development and the changing, uncertain world around it? Are changes in the social, economic and political landscape that can impact on sustainability practices and business performance being monitored through dialogue with stakeholders or third-party information sources?

Go back four or five years, within [the company], no one knew what human rights were. There was no one looking at it. From a CR point of view, this is one of those 'over the horizon' things. We consider impacts on human rights in Mergers and Acquisitions activity. It's going to become a bigger issue – we're doing more global sourcing. Once a transformer for the UK was built in the UK – now it's India, China, Colombia. Equipment manufacturers have factories in these countries now. We want to make sure it doesn't become a big risk.

In 2005, we did a corporate strategy review – we obviously were looking at main trends... focus on carbon, a push towards issues of water and floods and linked to climate change, biodiversity, links to quarrying operations and also the emergence of the first indication of responsible sourcing ethics and waste... sustainability wasn't even on the agenda at that point. But with a clear steer from that analysis, those were going to be large issues going forward. We saw codes for environmental assessment for buildings, stable homes, and so forth – we needed to start to find a way to put those together in a coherent way.

Is the story sustainable?

Does the story balance intelligently the 'voices' and expressed needs of your internal and external stakeholders – and your company's responses to them – in order to ensure your company's longevity?

Stakeholder dialogue and working with respected partners – contextualised within the narrative structure of the corporate story – helps to ensure that the voices of those beyond the company are heard:

[The sustainability model was] a way to communicate and prioritise. 'Environment' could be about 20-30 things we could have done. But if you take the idea of standards, what we should seek to do is third-party accreditation in every element of the model. So it wasn't just us saying we're environmentally sound – we made sure there was a recognised third-party structure. This led to investigating in India, ETI, Carbon Trust, BRE, working with the Wildlife Trust on biodiversity. So finding the partners was ideal.

Having assessed the corporate story for coherence, authenticity, relevance, dynamicity and sustainability, the next step for the CR practitioner is to ascertain what can be done to improve it.

4.2 Step 2: Commit to creating a better sustainability story

Once your corporate story has been identified and assessed, the next step is to persuade your senior leaders and other key storytellers in your organisation to commit the time and resources needed to create a more coherent, authentic, relevant, dynamic and sustainable corporate story.

This is not purely a communications issue. Returning to the data-meaning-practice cycle in Step 1, companies need to commit to:

- ❖ Change sustainability practice as needed – for example, through training, focus groups and other forms of collective sensemaking recommended by Jackson (2010) – so as to ensure behaviours are aligned with espoused corporate sustainability values;
- ❖ Change the processes of collecting, storing and distributing sustainability performance data where necessary in order to ensure that the story can be verified as authentic.

By doing this, a better story can be created. Our CR practitioners were particularly focused on embedding knowledge as practice, ensuring that colleagues could instigate actions reflecting their deep understanding and meaning of sustainability principles and how these applied to their own operational areas:

As a head of CR, you feel you're not able to control things. But sometimes you don't need to. For example, we're looking to open a procurement office in a country which is a big departure for us. It was announced – I thought, there are a lot of human rights issues there. But they [procurement team] had done everything I anticipated they should do. They even produced 'terms of engagement' which lists all the things they do. I thought, this was great – it's integrated – but I knew nothing about it. You get this kind of schizophrenic period where you have to say, that is a bloody good measure of integration and I didn't have to do it. No one came to me. So I think that does mean you have less control – sometimes I'm surprised by what we're doing. But if it's integrated, it shouldn't actually matter. It's very positive.

Here the CR practitioner promotes the development of behaviours that reflect an ecological view of the firm. Drawing on the 'deep ecology' movement of the 1970s, McElroy^{xx} distinguishes between business processing, knowledge processing, and knowledge management. He suggests that companies engaged in truly effective knowledge management – which necessitates taking a broader ecological perspective beyond the boundaries of the firm – will recognise that behaviours which take only the immediate interests of the firm into account will not be sustainable in the long term, and therefore adopt strategies which take broader societal interests into account.

The skilled CR practitioner doesn't "force-feed CR down people's throats" (as one interviewee described it). Instead, they intuit how much guidance is needed for colleagues to 'get' sustainability and simply provide gentle support:

Part of this is about allowing people to manage their agendas... It isn't about a complete change of direction but it's just sort of small touches of the tiller to keep a boat going. Some people need more of a push because they're not so confident; others say, I've been doing it this way for 20 years. Some people get it straight away. It's about building momentum. When they start to see how their agendas are moving forward, they're enjoying some successes; everybody starts to want to be part of a winning team.

In effect then, the CR practitioner becomes the conductor of an orchestra whose members have absorbed sustainability principles and started to develop their own practices, as one interviewee noted:

You are a conductor of an orchestra; you're not actually the boss. You're trying to harness the best of all the different players, get them to play the same music together.

He added that he had promoted the sustainability agenda through the organisation as a form of social contagion or 'ideavirus' (inspired by the work of Godin^{xxi}). Encouraging people to talk to each other about sustainability – rather than simply telling people his ideas directly – suggests that this CR practitioner is working implicitly with a 'dynamic process' view as articulated by Preuss and Cordoba-Pachon, which sees knowledge as inter-subjectively constructed:^{xxii}

This perspective can be seen as a reaction to the dominance of mechanistic thinking in the element view [in which knowledge consists of static elements] and aims to rescue the importance of the individual as a knowledge worker and source of innovation... for people working in the organization, there is a collective sense of where the organization is going and how it is impacting on its external environment. Different areas perform their function in continuous communication with others and with the external environment. (Preuss and Cordoba-Pachon, 2009)

Encouraging others to commit to and 'own' CR by practising it – and developing their own sense of what it means (and therefore creating a better story) – creates a paradox: the CR practitioner ultimately cedes control over their function. However, the benefit is that the CR practitioner's workload is reduced and, more importantly, the quality of sustainability practices and the associated data collection and analysis processes is improved:

I can't do everything. I have to work with colleagues in finance to collect the data. Because finance know the numbers, they can sense-check the data. So what we have are more accurate numbers.

I can't stand up and talk to everybody all the time. You engage people, they talk to each other.

We have 28,000 people in our CR department – it's how all our employees work... We have teams throughout the organisation – big health and environmental teams, HR lead on talent and skills. Our legal team is on business ethics. Our procurement team is getting up to speed on human rights and supply chain. Bits that make up the overall picture are driven in individual lines of business or in country lines of business.

4.2.1 Start a conversation: Get people talking about sustainability

A good step is to start a wider conversation about sustainability issues in your organisation. A major challenge for a CR practitioner is to start and sustain this conversation at board level. This requires persistence if one is working inside a busy multi-national company, as this example illustrates:

CSR would tend to be the last item on a busy board agenda. So you would be told you had a 45-minute slot, but you'd turn up at 10 to 4 [and be told that the board are] running an hour late. At 10 to 6, you would be told you had 10 minutes. The board was typically grumpy by then – they had difficult discussions about certain subjects and suddenly everybody needs to email, make phone calls and they've got CSR. How many people really listen to what's there? If you have a dedicated CSR Board Committee, that enables you to discuss just CSR issues. So, in the same way Remuneration and Appointments Committees operate, once a quarter I get three hours.

Securing board-level CR Champions and building an internal CR Champions network are both valuable in instigating, and sustaining, an organisation-wide conversation about sustainability issues. The Doughty Centre provides useful practical advice in its 'How-To' guides for governance of CR and setting up a CR Champions network (Exter, 2009). But how does a CR practitioner get a board-level conversation started that can spread out through the organisation, spark behavioural change and the creation of a better sustainability story? The key lies with the practitioner's role as a 'master storyteller'.

The skilled practitioner can tell a sustainability story that motivates others to join their CR community of practice, enact behavioural changes that support, and ultimately improve, the story and then re-tell the revised story to others (see Section 3 and the following section).

4.2.2 Building the corporate conversation: The CR practitioner as 'master storyteller'

What was evident from our interviews with successful CR practitioners is that they are all excellent storytellers. In response to our questions, they described their work clearly and simply; their narratives were strikingly free of the jargon that can permeate discourse in the CR industry.

This is consistent with the demands of the CR practitioner's role. To ensure successful integration of sustainable business practices across a business, CR practitioners must be highly skilled communicators, exhibiting what Denning (2007) describes as 'narrative intelligence'^{xiv}. They are adept at articulating the principles of sustainability to others and inspiring them to initiate sustainable practices in their own operations. It was evident from their interviews and other sources that they, in concert with colleagues whom they recruit to their CR community of practice, do the following:

- ❖ Understand not only how CR (and their own role) relates to business strategy but also how CR activities (and they as CR specialists) can actively support it;
- ❖ Not only monitor internal/external events that are CR-related but see how they can become opportunities for the business;
- ❖ Are able to articulate more effectively the business case for specific CR interventions (because they have a deep understanding of the company's business objectives);
- ❖ Are more effective in engaging key internal stakeholders to support CR interventions (because they understand how CR relates to stakeholders' own operational functions), moving from "How can you help our commitment to sustainability?" to "How can our commitment to sustainability help you in your job?";
- ❖ Are adept at gathering/synthesising the information needed to support resourcing of CR initiatives (because they know and can articulate what is needed to support the business case for investing in CR initiatives);
- ❖ Are effective in engaging the support of NGOs and external partners for projects (because they are already in dialogue with them and understand their partners' objectives);
- ❖ Are able to measure and report on the company's ongoing operational impacts, as well as the impacts of specific CR intervention projects (because the relevant KPIs have been agreed and measurement processes have been put in place at the resourcing stage).

These competencies – which overlap with those identified by BITC in their CR Practitioner Competency Map (http://www.bitc.org.uk/cr_academy/cr_practitioner_competency_map/) – reflect highly effective ‘job crafting’^{xv}. These CR practitioners have been able to extend both the scope and relational boundaries of their CR roles in order to ensure their function is managed strategically, although it is not clear to what extent this is the product of organisation enablers (e.g. having a culture which values CR as a strategic function) or specific CR practitioner personality attributes or skills (e.g. communication skills, emotional intelligence, risk-taking, openness to experience).

One of our interviewees – a Wellbeing Manager who spent time with CR and communications specialists as the result of having a ‘dotted line’ reporting relationship to the Communications Director who oversaw the CR function – talked specifically about the importance of storytelling, for her and her team:

You have to be a good storyteller... I definitely think that the idea is the storytelling. That’s where it [Wellbeing] does sit [in CR/Communications] – Wellbeing is so confusing, you have to be able to tell the story to be able to get the buy in for what you need in the business.

CR practitioners talked about how they crafted their messages – or designed their CR initiatives (including measures) – in ways that colleagues would find easy to grasp and thus motivating:

I think simple things are the best things. The big projects are typically too labour intensive to set up – the small, simple things people can grab – non-complicated stuff. Make it make sense – don’t get lost in jargon – people have to understand why they’re doing something.

Find a unifying model – and use that model to drive KPIs and business ownership. It’s got to be really simple. And make sure your agenda is focused around a few things. If you look at all the potential environmental and social impacts, you could come up with 20 impacts but you can only do one or two things.

You need the basics before you put in an intervention. Everyone wants to get to the goal posts with the wellbeing question... focus on a few things.

Being able to make a strong business case for sustainable business practices in order to persuade a finance director or other senior manager of their value is a vital skill. Even small nuances in language can help to make a story more persuasive, as this anecdote illustrates:

I’ve always been brought up to answer the question, “So what?”... I say, this is what we are going to do and this is how we are going to do it. We need a properly thought-through financial or measurable case.

When our lorries come back from stores, they’re empty. So what we’re going to do is take rubbish from stores, bring it back to Nottingham, set up a waste centre, amalgamate plastics – sell it on to Smurfit. It will cost us around £1m to set up waste section, £250K a year to run it. We are going to be able to recycle a lot more of the stuff we reproduce.

There’s sort of a WHAT, sort of a HOW, but there’s no “so what?” That’s the hard-nosed question the Finance Director will ask.

But if you say, we pay £2.3m a year to have waste collected locally from our stores. If we collect it ourselves and bring it back to Nottingham, we save £2.3m. If, when we bring the waste back, because we have it all together, we can put together all the plastic bottles from stores – a big enough quantity that someone like Smurfit or Biffa will want to buy it from us – we can generate over £1m from sales. If you take out the £250K cost of running it, the profit is £3m a year. That’s the “so what” argument.

The seamless integration of CR with mainstream business activities and communications – sometimes by stealth – was another feature of CR practitioners’ work:

We don’t have a CR magazine, a CR section in any of our papers; it’s just threaded throughout. We’ll talk about specific things occasionally. We updated the values in our Framework for Responsible Business and, in our house magazine, it’s just spread through the communications. Not identified as CR – but as inclusion, safety, customer service, all interwoven.

Last year we took our semi-skimmed milk line, changed it to 1% milk – that took five tonnes of fat out of customers’ diets. Most people were fine with it. Our front-line teams had a similar approach – some people told their customers, some just did it. Some stealth activities can be quite useful.

4.2.3 Take action to create a better sustainability story

Build a more coherent story

The key tasks here are to: 1) identify themes which link existing sustainability practices in your business with each other and with the concerns of your key stakeholders; and 2) incorporate these into a meaningful narrative framework.

Creation of a more coherent narrative is not an end in itself but a means to organising work on sustainability in an effective way, ensuring accountability for tasks at senior management and operational level. This account illustrates how one might go about this:

There were five strategic themes – one was the sustainability model. So each strategic team had a member of the executive team to champion it, then a team put in place across the business to enable that strategic theme to happen. KPIs were translated to site level. We have 60 active sites... [work] was broken up into five site chunks. We set up the energy management team and at every site we appointed an energy management champion. We drew all those guys together and indoctrinated them.

A coherent story can focus attention on what matters and helps people to understand how 'sustainability' is not a standalone issue but an integral part of doing business:

We had policies coming out of our ears. What we needed was what became our Framework for Responsible Business – our business values. This is a mindset, a way of working, not just a policy.

Build a more authentic story

A story will be more powerful if people believe it is verifiably true. We suggest you assess your current story (as identified using Step 1 above) and actively check its authenticity. An authentic story is unique to your company, evoking its distinctive characteristics. Van Riel notes that this can be a problematic issue for companies:

Increased communication by firms is not equal to appealing communication. Mission statements, corporate brochures and other corporate communication outlets pretend to express the central characteristics of the organization, often claiming nearly the same characteristics that their competitors claim. (van Riel 2000, p. 159)

Van Riel suggests involving multiple stakeholders in the design and implementation of communication processes to improve their distinctiveness, a process which CR practitioners should be well-placed to manage.

Being 'authentic' also encompasses telling the truth at an emotional, as well as an intellectual, level. One practitioner talked about how showing a film featuring the work of one of the company's voluntary sector partners in Africa and subsequently taking colleagues out to see the work first hand had produced dramatic effects:

One Water – we put it into the business quietly. At that time, it was 1% of our overall water sales. We went out and did the film, put it out at the roadshow. Then we moved the category up – got three water pumps, 3% of water sales. Then we took managers and clients from the people who'd raised money for the pumps back to Africa.

We brought them back – now 30% of our sales are One Water. It's all been self-perpetuating... people go out there, come back and tell their teams – this has completely spread the social virus.

It is also important to ensure that people in key operational roles can capture and maintain the relevant operational data that they need to document the claims made in your sustainability story, feeding back if the data mismatches the story (meaning that what has been created does accurately reflect the practice).

Build a more relevant story

Ensure your people are in ongoing dialogue with your key internal and external stakeholders about issues that matter to them and your company. Again, this is about dialogue in their job role, not dialogue labelled 'sustainability'. Such dialogue provides opportunities for everyone to learn about the perspectives of others and can lead to more effective business practices. This anecdote from one CR practitioner highlights how dialogue between managers and employees can lead to better absence management by responsible employers:

We have absenteeism rates down from 4% to 2.5% because when people go on the sick register, there's a greater interest in those people to understand what's wrong. So we don't have two weeks turning into four weeks, then two months – people can get themselves into difficult situations. Whereas if the manager kept in touch with the person, tried to understand what their concerns were, you might discover that it's nothing to do with work. "My husband lost his job." You can say, "There is a debt helpline that could help you."

Stakeholder dialogue should be 'owned' by those in parts of the business who are working most closely with stakeholder groups. However, sometimes you will need to help get the process going:

Take stakeholder dialogues – people ask, "Do we talk to two, three, four NGOs?" "Just talk to NGOs." It's about people being sensible about it all. "What questions do we ask?" "Have a conversation with them. Sometimes they can be straightforward and short and to the point." Ask them, "Are we addressing the right issues?"

Build a more dynamic story

Ensure that you are tracking ongoing changes that can impact on the sustainability of your business. This includes macro changes in the wider socio-economic, political and physical environment, as well as taking the temperature of your key stakeholder groups, including NGOs, government, media, the communities where you operate and, of course, the people working in your own company.

You can develop networks of contacts spanning multiple teams, organisations and sectors that can provide them with the intelligence they need to track developments in a variety of domains:

I have a huge network of contacts at the company. Some of them are very regular – health, safety, environment team or the CR aspects of safety. As part of developing the annual report and accounts, I have a small project team... it's a strong and continual relationship with these people.

We have a CR strategy – it took me the first year to form that. I knew earlier what to do – in the first year... I spent a reasonable amount of time attending CR conferences, listening to what other organisations are doing. Because of my network of knowledge across the organisation – my work in the supply chain – I didn't necessarily have to have a huge amount of input from [a specialist agency]. Similarly with HR. I just bounced things off them.

Build a more sustainable story

Create a sustainable corporate story that balances the interests of different stakeholder groups over time. This is an art requiring skill, humility and, most of all, common sense. It is important to ensure the learning from this dialogue is captured and applied to the content and structure of the sustainability programme, as in this example:

Stakeholder dialogue matters in determining the agenda. We have a process for managing it, which is to use the BITC model and headings [four impact areas: community, marketplace, workplace, environment]. We then have a board CSR Committee which then enables the board to really understand the agenda. Then what we have is the education of the people who own the strands of activity.

4.3 Step 3: Tell stakeholders the revised story

Once your story has been refined, encourage your corporate 'storytellers' to learn and tell your revised corporate sustainability story using all your usual communication channels, including CR reports, speeches, press releases, websites, publications, investor meetings and other one-to-one meetings. You should get feedback about its coherence, authenticity, relevance, dynamicity and sustainability through ongoing stakeholder dialogue and other feedback channels.

Depending on the geographical distribution of employees and other stakeholder groups, CR practitioners reported using different communications media, including:

- ❖ Face-to-face communications (roadshows, team briefings, one-to-one meetings)
- ❖ Video
- ❖ Plasma screens
- ❖ Email
- ❖ Intranet/websites
- ❖ Newsletters, magazines (paper and electronic formats)

For CR practitioners generally, video and social media are becoming increasingly popular channels for engaging stakeholders:

Companies generally seem to be keen on using the more engaging and interactive tools that the internet has to offer, with 61% making use of some kind of moving image including video, or using/making reference to social media such as Facebook, Twitter or other discussion tools. Many companies have embraced the opportunity that online communication can have to discuss sustainability issues with key stakeholders. ^{xxvi}

Whichever channels are used, maintaining clarity and simplicity will remain paramount, as the following example illustrates:

Mainly the audience is internal. We have a monthly newsletter, usually a page or page and a half – what the sites are doing. [CR news is] threaded through – not tagged separately as sustainability. I'm not trying to create a CR or sustainability department, but embedding it in the way we do business. I have a very small central team.

Beyond using formal communication channels, informal conversations with colleagues – often in other departments – create opportunities for CR practitioners to test out the sustainability story with colleagues and other stakeholders whilst providing, as well as gaining, useful information:

I can be consulted occasionally about things. Customer Service ring me up because someone rang them up and they didn't know what to say. It should be a two-way flow but sometimes it feels a bit one-way – but I try to get this two-way flow going. I'm talking to marketing people and customer service people to see if I can help them do their jobs. Those kinds of things happen. It's an ad hoc thing, not formalised.

By repeating the Assess -> Commit -> Tell cycle, your company can sustain a corporate 'conversation' about sustainability issues with stakeholders that keeps your story 'live'.

This example illustrates how following the Assess -> Commit -> Tell cycle can help an organisation create a better corporate story and improve its sustainability performance.

How Alliance Boots created a healthier corporate sustainability story

Richard Ellis joined Alliance Boots in 2003 as Group Head of Corporate Social Responsibility. He brought with him a wealth of CR experience, having worked for a range of companies on all aspects of the CR agenda, holding positions at HSBC, TSB and British Aerospace, as well as running his own CR consultancy for five years.

Assessing the story

Although Boots had been engaged in many positive sustainability practices, its corporate sustainability story lacked coherence and its stakeholder relationships were suffering as a result:

I think it would be fair to say that the reason I was recruited by Boots was because it had fared badly in a number of national indices. I think it had been in the bottom quintile of the first BITC Companies that Count [Corporate Responsibility Index] survey.

The business felt that it was basically doing the right sorts of things. However, from an external perspective, it seemed to be getting a lot of criticism. And so what was happening was the NGO community didn't really like it. There was criticism from people like WWF of the business. But the people internally felt, we are doing the right sorts of things. What they thought was that somebody like me might be able to sort all this out.

After his first three months in the business, Richard recognised that, despite having many good practices in place, there was no coherent CR story (or storyteller) that could form the basis for strategic action:

[There was] no mechanism for deciding and prioritising focus. What I saw was a lot of bloody good stuff but it wasn't being pulled together. It wasn't that the company wasn't aware of things, it didn't know how to utilise or maximise them. There wasn't anybody who could tell the story.

Committing to create a better story

Richard identified stakeholder dialogue as the key to learning more about how the company was perceived by stakeholders, as well as helping them to understand the company's strategy and actions:

The first thing I did was to introduce a programme of stakeholder dialogue. We said, we need to talk to all the people who have an interest in the business – NGOs, shareholders, SRI community, government bodies, customers, local communities, suppliers, academics and media. I said to each of them, "What do you think should matter to us? What should we have on our radar and part of our CR agenda?"

Up to a point, we didn't get any major surprises. But it helped us to try to understand what the priorities were.

The stakeholder dialogue process led to a list of priorities that had to be shaped into a coherent story:

So what happened was, we came up with 21 things that should matter to us. Wheel of Fortune stuff. Having got those 21 things, by and large there was already something happening. But we had to give it a bit more profile. What we didn't have was a mechanism for describing these 21 things. What we did was the way that BITC describe things. So we set up four areas of operations, like BITC:

- ❖ *Communities – how we interact with our communities*
- ❖ *Environment – how to protect it for future generations*
- ❖ *Marketplace- how we deal with customers*
- ❖ *Workplace – how we deal with our people.*

Those 21 things fit into those four headings. It was easy to fit those 21 headings under four headings.

The new narrative framework was now more:

- ❖ *Coherent – it threaded the company's sustainable practices into four clear categories;*
- ❖ *Authentic – each part of the story was owned locally by the operational managers responsible for key sustainability issues;*
- ❖ *Relevant – corporate sustainability priorities had been tested with stakeholders through dialogue;*
- ❖ *Dynamic – it could continue to be updated in response to stakeholder dialogue and other events monitored by the company; and*
- ❖ *Sustainable – it incorporated the 'voices' of internal and external stakeholders in a more balanced way.*

Telling the revised corporate story

Armed with this new narrative framework, the next challenge was to start using it internally to engage senior managers with the CR agenda. Because the board meeting agenda was typically packed and meetings typically overrun, Richard persuaded the board to establish a separate CSR Board Committee that met separately each quarter so they could focus exclusively on discussing CSR issues.

Everybody understood what I was talking about. I could then talk them through the strategy, what was being planned and what we were trying to do, so they understood what was being proposed. I had control of that agenda. I could then, over time, educate the board as to this agenda and how it worked.

For each strand of activity, Richard tailored the story so that people could understand – and explain to others – how sustainable business practices could be managed effectively across the company:

Then what we have is the education of the people who own the strands of activity, they talk about how we respond to “so what?” I was able to sit them down and say, this is what, how, and the benefits – this is how we are going to explain things.

What we’ve now done is, for each strand of activity, we have a one-pager saying what the strand is, who is responsible day-to-day and at board level. Then three columns: 1) two halves – recent achievements and our aspirations; First column – objectives for first quarter, end column three-year KPIs. Because it is embedded in what people do, this is all a snapshot of what somebody’s business plan should be. Based upon the one-pager, each quarter we give it a traffic light colour – green, amber, red – on short- and long-term targets. Draw a simple wheel of fortune, split it into four, segments for each strand of activity, give each segment a colour (red, amber or green).

So the process we have takes us from what’s on our agenda (what stakeholders tell us should matter); we have a process for describing all this disparate activity and pulling it together through the BITC model; a process for managing it: Board responsibilities at the top, a CR action group which works on a day-to-day basis, four sub-teams for each area – each segment has an owner (director) and a day-to-day person. So we can feed up and feed down through this process.

In 2009, Alliance Boots achieved the Gold standard in the BITC CR Index.



Top Tips

When asked what practical tips they would offer to their peers about managing knowledge in their roles, CR practitioners offered advice about how to talk about sustainability issues, how the CR practitioner can promote awareness of sustainability issues and practices and the challenges and opportunities that arise along the way.

Assessing/creating the sustainability story: CR communication, programme design and measurement

- ❖ Ensure people understand CR is about the way everyone in the company does business, not a standalone project.
- ❖ Always be able to answer the question: so what? – whether it's for finance directors (who expect a business case for CR) or NGOs (who expect the social case for CR).
- ❖ Take local context into account when deciding what success looks like.
- ❖ Don't talk doom. Show the positive side of the sustainability agenda.
- ❖ Have a long-term vision.
- ❖ Keep language simple, e.g. "This is what we are trying to do and how we are going to do it."
- ❖ Develop a simple, unifying model to bring coherence to sustainability activities, with simple KPIs.
- ❖ Choose just one or two goals that create an impact.
- ❖ Start with easy wins.
- ❖ Don't run before you can walk.
- ❖ Stick with basic measurements that can show progress over time.

Committing to create a better story: CR programme and information management

- ❖ Remember you're the conductor of an orchestra, not the boss. The role of the CR practitioner is not to 'own' sustainability issues but to persuade others to adopt them so they can do their jobs more effectively.
- ❖ Remember that people are intelligent. Encourage people to manage their own sustainability agendas.
- ❖ Develop networks of contacts to ensure relevant information flows across the business.
- ❖ Pay attention to useful information that flows through informal channels on an ad hoc basis.
- ❖ Information infrastructure (databases, spreadsheets, documents) should be universally available in the organisation, but populated locally by relevant operational teams.
- ❖ Trust people to manage their information in a way that means something to them so that it is a relevant and authentic story.

Telling the story to others: Stakeholder dialogue

- ❖ Get colleagues to understand that they are dealing with human beings. Use common sense and try to build civil relationships.
- ❖ "What should we care about?" is the central question to be answered through dialogue with stakeholders.
- ❖ The dynamic process of telling (and re-telling) the story through stakeholder dialogue provides opportunities to assess and revise the story through successive iterations of the Assess -> Commit -> Tell cycle.

5.1 Putting CR knowledge management into practice: top tips

Every company is on a unique journey. There will be no 'one size fits all' approach for CR practitioners wishing to capture, communicate and shape responsible business practice in their organisations. This knowledge is necessarily context-specific. What works for an oil company operating in Nigeria, for example, will be quite different from a software applications company in Silicon Valley. So, as with all behaviour based on principles – rather than robotic emulation of others' specific actions – CR practitioners need to exercise judgement in selecting and refining their practices for assessing, synthesising and communicating information about responsible business behaviour that is culturally relevant, both in terms of content and processes for their company.

If you have access to a professional specialising in HR, learning and development, organisational development or CR working in or in partnership with your company, they can advise you as to which assessment and learning methods are likely to be most effective for you. They can also work with you to make sense of what is happening and apply this learning to your CR practices.

Know where you are

You can gauge your organisation's current understanding of responsible business practice using assessment methods you have employed previously to establish a baseline before an organisational intervention. You can:

- ❖ Implement focus groups or surveys to assess people's current understanding of responsible business practice. This can be the first step towards establishing a regular practice of internal stakeholder dialogue.

The staff survey is a really key thing. If you have wellbeing and want it to be done [promoted through an initiative], there's no point doing x, y and z until you have the fundamentals. Retention, absenteeism, recruitment costs, staff satisfaction.

You can also use this exercise to identify CR practices that are already in place. These often include employee volunteering in local communities, recycling and waste management, health and safety training or employee wellbeing programmes.

- ❖ Create a small working group of managers and other individuals interested in CR issues who can draft working papers or policies for feedback from the rest of your organisation.
- ❖ Start an experiment. Develop one or more small-scale pilot projects to test CR practices. The results can then be written up and circulated more widely as a guidance manual.

Share the results internally using communication channels you normally employ, such as team briefings, internal emails, newsletters, notice boards or video presentations.

Tailor guidance to fit your corporate culture

When you're ready to roll out a more finished programme, make sure people have sufficient guidance to understand the principles of responsible business behaviour whilst still allowing space for them to improvise practices that are appropriate for their operations. Finding a 'middle way' for your organisation is an art that improves with time and practice.

A light touch switches on CR mindsets

For one energy provider, embedding CR evolved from creating a standalone project with policies and practices to a more comprehensive mindset (i.e. a Framework for Responsible Business). Having internalised the principles, specific practices were then developed independently by operational teams (e.g. terms of engagement for procurement), rather than being prescribed centrally.

Because the company already had a long history of managing its energy network, a strong health and safety mindset was firmly in place ("our business is always operating with unsafe stuff"). The solution was therefore to use a light touch, working with the existing culture (i.e. providing a framework for action and ensuring all employees have access to information they need to do their jobs), rather than "force-feeding CR down people's throats."

CR practitioners need to adjust both the tone and content of their messages to ensure people are motivated and empowered to enact responsible business behaviour themselves. So, you

should use the communication channels that are already engaging people in your organisation. These can be:

- ❖ Face-to-face time. This can encompass formal contexts – such as team briefings, appraisals, one-to-one meetings or on-/off-site training courses – or more informal settings, such as 'water cooler' conversations, canteen notice boards or informal social gatherings;
- ❖ Phone calls or videoconferences;
- ❖ On-site video screens;
- ❖ Online – email, websites, intranets or social networking platforms.

These are all opportunities to tell your company's CR story and, more importantly, to discover how people are making sense of that story and creating CR stories of their own.

Flexible communication paves the way to sustainability

The Sustainability Director of a paving company highlights here how message content and communication channels needed to be adapted to ensure everyone in his company understood the case for addressing sustainability issues:

Individuals were either those who 'got' climate change and didn't need any extra help from me – only how to translate climate change into our action. Then there were the people who didn't believe – what they needed was an economic argument. Carbon is cash, water is cash, waste is cash. A bit of trial and error, working out who was who.

Every staff member saw a 40-minute presentation featuring key CR messages. Because of the scale of communication required (3,000 employees at 60 sites), a video was substituted in areas where the Sustainability or HR Director could not make a personal presentation.

Over time, the content of your guidance and the channels that you use will evolve to fit the level of CR 'maturity' in your organisation:

Go back five years in internal communications – five years ago, a video on anything to do with CR would be such a rarity. Now it just seems normal – climate change, customer service, quite likely that a senior manager will be in a video which gets shown at monthly team talks. As an organisation, we've gotten significantly better at communicating with employees. We talk internally more about things like inclusion and diversity and safety and customer service. In the past, a video would be produced around financial results so employees could see how we've done for the year. Now it's just part of how we communicate with people in the organisation – that continual drip feed.

Recruit CR Champions as storytellers and coaches

CR Champions are your ambassadors. They are vital to establishing and spreading a culture of responsible business behaviour. They speak the language of their colleagues and understand what inspires and makes sense to them. They repeat your (and others') stories to their colleagues, friends and families and thereby help to preserve the 'organisational memory' of your company's CR practices.

Make a point of discovering, connecting with, and supporting CR Champions in your organisation. Senior managers and other visible leaders are vital in setting the tone for your corporate story, but you also need people operating at other levels, particularly those in the front line of your business, to inspire colleagues. Together, these individuals make up the heart of your CR knowledge management network.

I can't be in 52 different business units around the company – it's impossible. So you have to create a culture that people understand and be part of it.

Use CR storytelling to create or support an innovation community

JC Spender and Bruce Strong (Wall Street Journal, 23 August 2010^{xxvii}) have noted that "innovation communities" drawn from people at the front line of companies' operations – rather than individuals isolated in R&D labs – can generate new ideas for enhancing corporate growth and profits.

A network of CR Champions can become – or support – an innovation community in its own right. Separate Doughty Centre research is underway to explore how social intrapreneurs (people within large corporations who take direct initiative for innovation(s) which address(es) social or environmental challenges profitably) connect with others to develop their innovative ideas.

Consider how you might best channel conversations about responsible business behaviour in your CR knowledge management network into useful innovations that could create both social and commercial benefits for your company.

Who has innovative ideas? Employees

Every company does it a little differently, but innovation communities typically grow from a seed planted by senior management—a desire for a new product, market or business process. A forum of employees then work together to make desire a reality.

Innovation communities tackle projects too big, too risky and too expensive to be pursued by individual operating units. They can be created with little additional cost, because no consultants are needed. After all, those in the midst of the fray already know most of the details relevant to the project.

JC Spender and Bruce Strong, Wall Street Journal, 23 August 2010.

Define, measure and celebrate success

It is important to define and assess success in ways that are meaningful to people in your organisation. The relevant criteria can vary across teams, business units and countries.

Translating 'diversity' across Europe

One senior CR Director explained how assessing 'progress' in diversity practices has varied significantly across their European retail network:

The French are more into this [diversity], way ahead of us and the Germans. So when you look at the journeys we're on, we're all making our way in the right direction. But we are travelling at different speeds at different businesses in different countries. Don't say everybody has to do the same thing – it's completely impossible.

In Russia, this wasn't on the business agenda two years ago. It's different for the Czechs again. In the Czech Republic, they've initiated a scheme so that, if you're a female worker and you find out you're pregnant, you're assigned a mentor, a woman in the business who has had children. They help you through your pregnancy, they keep in touch with you on maternity leave so you know what's going on, you spend two half days with us before you come back, so you don't feel as if you're the odd one out. 100% of pregnant women come back to us. They feel comfortable about what's happening. We can share that good practice across the business – so we introduced it into Russia.

Both the learning and outcomes of your programmes can be captured qualitatively (e.g. in case studies, stories in corporate newsletters) or quantitatively (e.g. changes in levels of CO₂ emissions and waste; employee attendance, productivity and retention; sales of ethically produced goods, participation levels in community volunteering programmes). What is important is to select assessment criteria and methods that resonate with your organisational culture.

Once you know what success is, you should promote and celebrate it. An employee incentive scheme – whether implemented tactically or institutionalised in appraisal and bonus schemes – can play an important role in building awareness of responsible business practice, as well as embedding it in your operations as part of business as usual.

Points + prizes = teamwork

When we put a training and awareness programme out, to monitor success, we did two things: 1) a quiz at the end of the training session, which captured how many were trained; 2) we launched a CR incentive scheme, so a team could get points by doing things at home, at work and in the community. One of my favourites was, somebody said I bought Fair Trade wine – I want points. Recycling gets more points. Our aim was to get teams working together.

You may wish to celebrate CR successes publicly through an employee award scheme, which can recognise employees' CR achievements within the organisation or external involvement with NGOs or charities. You may also wish to enter your company into an external award or recognition scheme, such as the BITC Awards for Excellence or the National Business Awards.

Finally, you may choose to benchmark and report your organisation's performance publicly through a third-party benchmarking/reporting scheme such as the BITC CR Index or the Global Reporting Initiative. However, the extensive information requirements for participating in such schemes will require you to establish in-depth systems for monitoring, reporting and validating your CR performance and you should investigate these criteria before starting out.

Don't be afraid to experiment – but make sure you learn from, adapt and share your practices as you go along.

Summary

CR practitioners must cope with significant amounts of complexity and uncertainty in their work. In contrast with their peers – whose performance and remuneration is tied to balance sheets – much of the CR practitioner's focus is on helping to manage 'off-balance sheet' issues for the business in places where conventional knowledge management tools do not always prove useful. This realm encompasses managing stakeholder dialogue, identifying what is known and what is unknown, corporate sustainability reporting and disseminating knowledge to the right people at the right time, needing and responding to internal and external CR information demands, monitoring CR-related events and information and managing CR initiatives.

Interviews with successful CR practitioners suggest they have implicitly adopted a dynamic view of knowledge management. In contrast with a static elements view that prioritises capturing data about sustainability practices in electronic data systems and didactic promotion of specific behaviours, CR practitioners encourage rapid assimilation and 'ownership' of sustainability *principles* by colleagues and the development of sustainability practices that are appropriate to their respective circumstances.

Devolving the responsibility for managing sustainability practice and knowledge to operational teams is a practical response to the complexity and uncertainty inherent in the day-to-day working lives of CR practitioners and their colleagues. Spender's (2005) view of knowledge management suggests that, under such uncertain conditions, engaging in explorative practices such as stakeholder dialogue creates opportunities for learning and discovery that would not emerge if companies simply try to comply with prescribed 'rules' governing responsible business behaviour.

To succeed in this approach, the CR practitioner must act as a 'master storyteller' who builds a corporate CR community of practice whose members craft the organisation's sustainability 'story'. Van Riel (2000) defines a 'story' as:

“A realistic and relevant description of an organization, created in an open dialogue with stakeholders the organization depends upon.”

The story provides a useful organising framework for developing, managing and assessing the impact of sustainability practices. Through crafting and telling the story to others, colleagues throughout the business learn to take responsibility for, and become adept at implementing and communicating, the company's sustainability practices. Improvements in practice lead to a better story which can be told to others inside and outside the business.

Creating a good story – one that is coherent, authentic, relevant, dynamic and sustainable – engenders several tasks which the CR practitioner must orchestrate:

To create a story that is:	The CR professional must work with key stakeholders (internal/external) to:
Coherent	Evoke the company's purpose and character; identify key stakeholders and challenges
Authentic	Ensure the story is unique to the company and is verifiably true
Relevant	Inspire stakeholder support and action for its sustainability initiatives
Dynamic	Capture and share learning which emerges from ongoing stakeholder dialogue
Sustainable	Balance organisational needs and stakeholder demands over time

We provide a three-step model for analysis and action through which the CR practitioner can work with colleagues to:

- ❖ **Assess** the current corporate sustainability information and story as it is embedded in communications, policies and practices; this refers to understanding what information is relevant for you and your organisation, from inside and outside the organisation, helping you identify what information (in any form) should be collated for the story.

When assessing the story, you should:

- Look at the sustainability **data** that is being collected, stored and distributed through your information systems to discover what your company cares about;
- Engage in dialogue with stakeholders about sustainability issues – a process of reciprocal storytelling to discover shared **meaning** – to discover what your company should care about;

- Finally, look at your sustainability **practice** to discover what the company is actually doing about what it cares about.
- ❖ **Commit** the organisation to creating a better corporate story, engaging others in the process of improving its sustainability communications, information flows, relationships, policies and practices; and
- ❖ **Tell** the revised story to stakeholders through formal and informal communication channels, allowing space to listen and learn from their feedback. In the telling (and re-telling), information and information needs will flow back into the cycle and the cycle starts again.

By repeating this Assess -> Commit -> Tell cycle, a CR practitioner's company can sustain a corporate conversation about sustainability issues with stakeholders and keep the story live.

References

- i We recognise different companies are using different terminology: some use 'Corporate responsibility (CR)', others 'corporate sustainability' or 'corporate sustainability and responsibility', whilst others prefer the longer-established 'CSR'. In the guide we use corporate responsibility and corporate sustainability interchangeably, unless an interviewee explicitly used CSR.
- ii Huge Demand For Carbon Labels Found - Newcastle Business School Survey," Northumbria University News, 07.01.10, <http://www.newcastlebusinessschool.co.uk/newsArticle.aspx?newsguid=d1ae8d59-1efb-480c-be3c-d87dbab1dccc>,
- iii Skillfast UK. Green manufacturing - consumer poll results, <http://www.skillfast-uk.org/uploads/docs/One%20Poll%20-%20sustainability%20in%20fashion%20consumer%20poll%20results.pdf>, December 2009.
- iv PriceWaterhouseCoopers LLC, CSR Trends 2010.
- v Radley Yeldar, How does it stack up? European Sustainability Reports 2010.
- vi British Brands Group, *Brands and Responsible Business: The contribution of brands through responsible business and a study of the developing approach to policy in partnership* (February 2010).
- vii Hansen and Spitzack. Stakeholder governance. Occasional paper from the Doughty Centre for Corporate Responsibility, 2010.
- viii Boston College Center for Corporate Citizenship, *Profile of the Community Relations Profession* (1995).
- ix Corporate Citizenship Company, unpublished research, 2007
- x Sustainable value. The Doughty Centre for Corporate Responsibility and European Academy of Business in Society (2009).
- xi Spender, JC. "An overview: What's new and important about knowledge management? Building new bridges between managers and academics". In S. Little and T. Ray (Eds.), *Managing knowledge: An essential reader*: 127-154. London: Sage (2005).
- xii Grayson, D. and Hodges, A., *Corporate Social Opportunity*, Greenleaf: Sheffield (2004).
- xiii Lave, Jean; Wenger, Etienne, *Situated Learning: Legitimate Peripheral Participation* (Cambridge University Press, 1991).
- xiv Van Riel, Cees B. M. "Sustaining the corporate story". In Schultz, Majken et al., eds., *The Expressive Organization: Linking Identity, Reputation, and the Corporate Brand* (pp. 157 – 181). Oxford University Press (2000).
- xv The use of the 'story' metaphor is based on van Riel's work but the ASSESS -> COMMIT -> TELL steps are an adaptation of the A.C.T.I.O.N. model developed by the author and David Grayson for *Directions for the Nineties Business in the Community, Directions for the Nineties: An Action Strategy for Companies and their Partners in Community Involvement* (1991).
- xvi Weick KE. *Sensemaking in Organizations*. Sage Publications: Thousand Oaks CA (1995).
- xvii "Using Key Performance Indicators to measure corporate responsibility," Institute of Chartered Accountants in England and Wales, <http://www.icaew.com/>.
- xviii Jackson, S. *Mind the Gap: Making Sense of Sustainability from a Business Manager's Perspective*. Doughty Centre Occasional Paper (Cranfield School of Management, 2010).
- ix Exter, N. *Corporate Responsibility Champions Network: A 'How-to' Guide. #1 in the Doughty Centre 'How to do Corporate Responsibility' Series* (Cranfield School of Management, 2009).
- xx McElroy, Mark. 'Deep' Knowledge Management and Sustainability. *Sustainable Innovation* (2002).
- xxi Godin, Seth, *Unleashing the Ideavirus* (September 2001).
- xxii Preuss, Lutz and Cordoba-Pachon, Jose-Rodrigo: A knowledge management perspective of corporate social responsibility. *Corporate Governance*, Vol. 9, No. 4, pp. 517 – 527 (2009).
- xxiii Spitzack, H. *The Governance of Corporate Responsibility: A Doughty Centre 'How-to' Guide* (Cranfield School of Management, 2010).
- xxiv Denning S. 2007. *The Secret Language of Leadership: How Leaders Inspire Action Through Narrative*. John Wiley & Sons: San Francisco CA.
- xxv Wrzesniewski, Amy; Dutton, Jane E. Crafting a job: Revisioning employees as active crafters of their work. *Academy of Management. The Academy of Management Review*; Apr 2001; 26, 2; pg. 179.
- xxvi Radley Yeldar, "How does it stack up?" European Sustainability Reports 2010
- xxvii Spender, JC and Strong, Bruce. "Who Has Innovative Ideas? Employees." *Wall Street Journal*, 23 August 2010. (<http://online.wsj.com/>)

THE DOUGHTY CENTRE FOR CORPORATE RESPONSIBILITY



CENTRE PUBLICATIONS

OCCASIONAL PAPERS

Doughty Centre Occasional Papers are designed to stimulate debate on topical issues of Responsible Business and Sustainability:

1. "Small is sustainable (and Beautiful!): Encouraging European Smaller Enterprises to be Sustainable." David Grayson CBE and Tom Dodd (2008)
2. "The Business of Business is...? Unpicking the corporate responsibility debate." Chris Marsden OBE and David Grayson CBE (2008)
3. "Embedding Corporate Responsibility in the MBA Curriculum." Chris Marsden OBE (2008)
4. "Who should head up your sustainability function?" Joint think-piece with D Grayson and Odgers Berndtson (2009)
5. "Corporate Responsibility and the Media." David Grayson CBE (2009)
6. "Corporate Responsibility and the Recession: learning from responsible business." Abiola Barnor, Nadine Exter (2009)
7. "Communicating Corporate Responsibility." A joint publication with Ogilvy Worldwide (2010)
8. "Mind the gap: making sense of sustainability from a business managers perspective". Sharon Jackson (2010)
9. "Stakeholder governance: an analysis of BITC CR Index on stakeholder engagement and governance". Erik Hansen and Heiko Spitzbeck (2010)
10. "Social intrapreneurs – an extra force for sustainability." David Grayson, Melody McLaren and Heiko Spitzbeck (2011)

HOW TO GUIDES

How To Guides provide practical advice for embedding Corporate Responsibility at an operational level:

1. "How to: CR Champions Networks." Nadine Exter (2009)
2. "Stakeholder engagement: A road map towards meaningful engagement." Neil Jeffery (2009)
3. "Guide to guides: A guide to useful CR/sustainability 'How to embed CR' guides." Nadine Exter (2009)
4. "The governance of CR". Heiko Spitzbeck (2010)

WORKING PAPERS

1. "Non-Financial Performance Metrics for Corporate Responsibility Reporting Revisited." Malcolm Arnold (2008)
2. "Measuring Business Value and Sustainability Performance." David Ferguson. A joint research project with EABIS (2009)
3. "Using internal marketing to engage employees in CR". David Grayson and Isabel Sanchez-Hernandez (2011)

OTHER PUBLICATIONS

1. "Sense and Sensibility." Inaugural lecture (2007)
2. The Doughty Centre Year One Report to Stakeholders (2008)
3. "Business-Led Corporate Responsibility Coalitions: Learning from the example of Business in the Community." David Grayson, jointly with CSR Initiative, Kennedy School of Government, Harvard (2008)
4. "Engaging Business in the Community - not a quick fix." Geoffrey Bush, David Grayson, Amanda Jordan, Jane Nelson, and the Smith Institute (2008)
5. "A new mindset for Corporate Sustainability: a white paper on sustainability as a driver of commercial innovation." Produced in partnership with academics from MIT, Beijing, Singapore and IESE in association with BT and CISCO (2008)
6. The Doughty Centre Year Two Report to Stakeholders (2009)
7. The Doughty Centre Year Three interactive pdf Annual Report (2010)
8. Hot Topic series 1: "The financial crisis – an opportunity to good to miss?". Chris Marsden (2010)
9. Hot Topic series 2: "Enough responsibility to go around: lessons in CR from a corporate crisis". David Grayson and Abiola Barnor (2010)

www.doughtycentre.info

© 2010 The Doughty Centre for Corporate Responsibility, Cranfield School of Management