

From CSR Manager to Shared Value Business Developer

The evolution of the CSR manager in Belgium

Johan De Herdt, under the supervision of Lars Moratis
December 2013

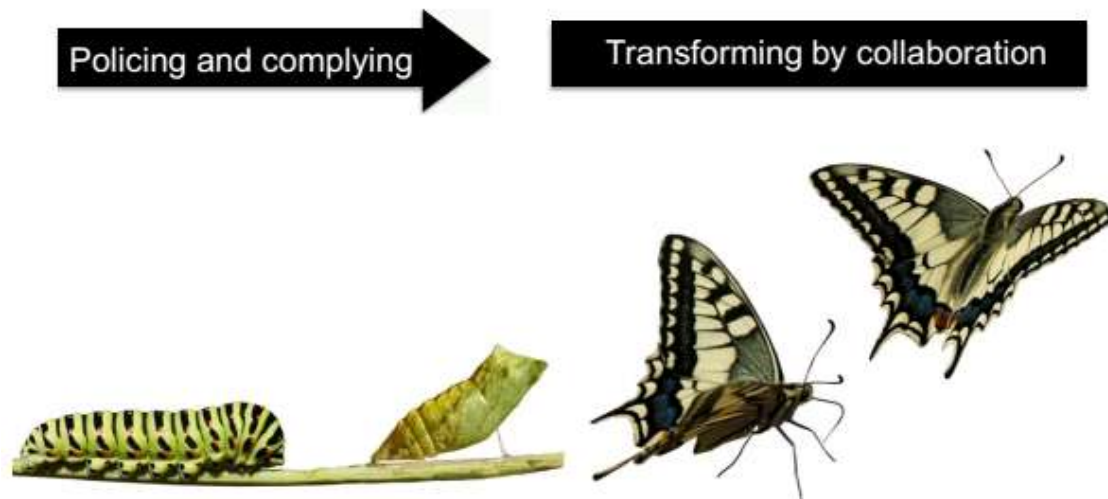
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1. Introduction

Thought leaders (Michael Porter, Wayne Visser, etc.) expect that corporations will need to move towards Shared Value and CSR 2.0. They argue that CSR today is insufficient to deal with the challenges we are facing. So far, the CSR concept has been subject to a mindset of continuous improvement and internal business operations rather than being driven by innovation and the development of sustainability-driven products and business models.

CSR has evolved over the years in 5 different stages, each company being on one of these stages depending on its CSR maturity. The stages are:



1. *CSR Light*: limited CSR efforts, such as charitable activities, only for creating shareholder value, risk-oriented;
2. *CSR Compliance*: the company has a CSR policy, compliance based approach, and respects some of the CSR standards, such as ISO, GRI, UN Global Compact or AA1000, but only to mitigate risks;
3. *CSR Managerial*: the CSR issues are embedded in the core management processes of the company, but not yet in the products or services;
4. *CSR Strategic*: social issues are integrated in the core business strategies to enhance economic value and business innovation, products and services create shared value;
5. *CSR Civil*: the company goes beyond the boundaries of its own factory/office to create shared value in the supply chain or in the community by cooperation with others.

We need to scale up CSR to a Strategic and Civil level if we are to reverse the current direction of many of the world's most pressing social environmental and ethical trends. This implies that the role of the CSR manager will have to evolve and will need to be part of the core processes of the company

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and become more externally oriented – the CSR manager will have to become a Shared Value Business Developer.

What is the situation in Belgium? Are the members of Business & Society ready for this shift?

Johan De Herdt, under the supervision of Lars Moratis, conducted a survey amongst the members (38 participants) of Business & Society Belgium. This is a summary of their results.

2. Key findings of the survey

General profile of the CSR managers

The CSR managers of the members of Business & Society are mostly female and relatively young.

- 58% female
- 68% < 50 years old

The majority (58%) has less than 5 years experience as a CSR manager.

Prior functions were predominantly in communications (37%) and environment (24%).

One in three respondents is working in their company's CSR department.

- 33% in CSR department
- 20% in communications
- 10% in marketing
- 10% in strategy

40% of all CSR managers report to the boardroom or executive level.

Company CSR maturity

The majority of CSR managers define their company's current approach of CSR as strategic

- 56% defines their current approach as strategic
- 20% as promotional
- only 13% as civil or systemic

According to the respondents, CSR is generally well anchored in their companies (43% say 'very well'; 30% indicate 'moderately well').

The function of CSR manager is perceived both positive as negative by colleagues:

- Positive: 23% link it to business development, 6% to process and product innovation and 16% to compliance
- Negative: 16% perceive it as greenwashing and 16% a means to imitate other companies

All consider the awareness of the CEO a prerequisite to switch from CSR 1.0 to CSR 2.0.

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Evolution of CSR focus in the companies

Past Focus

1. Quality, environment, health & safety (26%)
2. Communications and reporting (16%)
3. Compliance (16%)

Currently

1. Communicating and reporting (17%)
2. Strategy (15%)
3. Quality, environment, health & safety (10%)

Future (5 years from now)

1. Strategy (13%)
2. Business development (13%)
3. Communications & reporting (11%)

Top indicators to measure CSR manager's contribution

The top 5 indicators to measure the contribution of the CSR manager:

1. Development of stakeholder dialogue (53%)
2. CSR capacity building within the organization (53%)
3. Improvement of corporate image (47%)
4. Production of sustainability report (47%)
5. Business-NGO partnerships developed (40%)

On the other hand, the following **indicators are currently not or less used** in evaluating the CSR manager:

1. Number of CSR/sustainability awards received (77%)
2. New markets for sustainability developed (70%)
3. Footprint reduction of the company (60%)
4. Business-NGO partnerships developed (53%)
5. Cost-cutting via sustainable procurement (53%)

➔ **CSR managers expect that in 10 years' time a profound shift towards a more externally-oriented CSR will take place.**

➔ **The involvement of the CSR managers in business modeling is expected to increase.**

Examples:

- *Analyze CSR impact of new products and services*
- *Starting a project with a specialized company to look into the business model*
- *Advise on strategy (market development, environmental impact of the company)*
- *Be a driver for change and a link between internal and external expectations, as a support for implementation.*

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→ The same goes for the involvement of CSR managers in initiating new products, services from a sustainability perspective.

- Seven out of ten CSR managers can presently initiate new products, services or business development from a sustainability perspective

The expected evolution of the CSR manager's competencies

"The concept needs to change. The shared value concept can bring an important added value to the evolution of the CSR manager position. I see it more as a coordinator of stakeholder management whose goal would be to ensure that stakeholders are kept satisfied and to find opportunities of shared value creation/win win opportunities". (quote from interview)

→ Competencies linked to internal orientation seem to become less important than **competencies linked to external orientation**.

- CSR managers expect that the competency to manage stakeholder dialogue will be paramount.
 - Understanding climate change, energy, water, poverty, hunger (the big 5 themes) and their impact on the company, via business modeling/risk management will be a necessity.
 - Partnering with other organizations and identifying market opportunities will be crucial. Therefore, the stakeholder dialogue will be more linked to the core processes of the company and have a greater impact than today.
 - Reputation stays paramount and reporting is by consequence, even more important than today. The nature of reporting could alter. Sharp materiality analysis or integrated reporting will become more important.
- More internal activities (such as CSR implementation process, persuasion techniques, and footprinting) will be less relevant.
- In five years' time, despite becoming more important, being knowledgeable about **circular concepts and true cost and true pricing** remains relatively less important.

The evolution of the competencies of the CSR manager

Creative, innovative and systemic thinking and perseverance will be the most important competencies within the next five years.

The job description of the future

'Strategic growth officer', 'Stakeholder manager' or 'Shared value business developer'

- The CSR manager's function will predominantly consist of activities related to managing stakeholder dialogue, CSR business modeling and sustainability reporting.
- Key competencies required for a CSR manager are being persistent and being able to think creatively, innovatively and systemically.
- The CSR managers further understands finance and has sound knowledge on the big five sustainability themes, including their impact on the business.
- Finally, the CSR manager is able to work with new and existing partners