

NEW EABIS-ASHRIDGE REPORT SHOWS THAT CORPORATE RESPONSIBILITY WITHOUT HUMAN RESOURCES SUPPORT AND ENGAGEMENT IS LITTLE MORE THAN PUBLIC RELATIONS

The Research Presents a Framework for Human Resource and Corporate Managers to Translate Corporate Responsibility into Leadership Qualities and Management Competencies

Brussels, Belgium, 15 November 2006 – The European Academy of Business in Society (EABIS), Europe's leading reference point for corporate responsibility in research and education, and Ashridge Business School today announced the public release of results from a pioneering 18-month long research project which profiles the range of knowledge, skills and attitudes that will increasingly underpin successful and responsible corporate leadership in the years to come. Titled *Leadership Qualities and Management Competencies for Corporate Responsibility*, the report was authored by Andrew Wilson, Director of Research and Development, and Dr. Patricia Hind at Ashridge, with Prof. dr. Gilbert Lenssen, President of EABIS.

It is the first of its kind to empirically examine these vital skills and attributes as they directly relate to the ability of business leaders to successfully manage the integration of corporate responsibility practice into the heart of business strategy and practice as well as successfully manage interfaces with stakeholders and society. Companies have traditionally been unprepared for this challenge; this report provides insights into how it can be achieved.

The research project was designed and delivered as a part of the EABIS Corporate Funded Research Programme, which is sponsored by its five founding corporate partners, IBM, Johnson & Johnson, Microsoft, Shell and Unilever.

Two Key Findings

Two key conclusions emerge from the research:

- Leadership qualities around corporate responsibility issues, which are often values driven within companies, need to be translated into management skills for strategically managing society and stakeholder interfaces. Crucially, this requires new partnerships and dialogue between Human Resource and Corporate Responsibility departments in order to define explicit competency frameworks and HR policy, as well as made an integral part of core management training programmes.
- Leadership qualities and management competencies required by companies are highly contextual and relate to a company's business challenges, its industry, history and crucially, the way it defines and narrates its rationale for engaging in corporate responsibility, whether that is for reputation risk management, business opportunities or desire to engage in public policy. In other words, no one size fits all.

The content and findings of the project are based on 108 in-depth questionnaire responses from human resource executives and corporate responsibility managers, followed by 24 interviews with senior executives in 11 of the world's largest and most geographically diverse companies: BP International, Cargill, Dexia, ENI, IBM UK, Johnson & Johnson, Microsoft, Shell, Solvay S.A., Suez and Unilever. This multi-level investigation of business behaviour and operational management allowed the research team to better understand the bridge between corporate responsibility practices in business strategy as they specifically relate to the firm's human capital.

Expanding on earlier collaborative work between Ashridge, AccountAbility and UK CSR Academy (an EABIS affiliate member) for the UK Department of Trade & Industry, this report fills a significant gap in the existing knowledge on corporate responsibility. This also builds on other recent work in the field such as the European Foundation for Management Development (EFMD) management report on responsible leadership in 2005. They provide actionable outputs for companies to evaluate their human resources strategy and integration of corporate responsibility into their internal training frameworks, learning

programmes and more. Businesses can also use it to inform themselves and evaluate business schools, the training of managers and if they are adequately addressing the issue of values.

Complex Challenges and New Capabilities

In response to globalisation's complexities and risks, many businesses have established corporate responsibility departments or programmes that are increasingly being integrated into broader mainstream business strategy. While organisations are embracing corporate responsibility on a macro level, significant challenges remain in managing its integration and implementation across the firm.

Among other things, the Ashridge report affirms five abilities that managers need to develop, or that businesses need to embrace institutionally, in order to integrate social and environmental considerations into their individual business decisions:

- Systemic thinking
- Embracing diversity and managing risk
- Balancing global and local perspectives
- Meaningful dialogue and developing a new language
- Emotional awareness

A Framework to Shape Future Business Education

The research identifies these capabilities in relation to the fundamental features of an individual's character and behaviour. To navigate this complex environment, individuals require a carefully structured process of analysis and reflection. This process is not necessarily a core component of the traditional content, environment and methods of instruction of business schools and training providers. Therefore, building responsible business practice into the mainstream of management development and executive education is a long term task that requires a process of cultural change.

Peter Lacy, Executive Director of EABIS commented "The many complexities, risks and intense competition inherent in globalisation has presented business managers with an entirely new set of daunting challenges that requires an innovative set of knowledge, skills and attitudes to be successful. The results of this innovative research provide an excellent insight into what these core competencies and skills are and, crucially, give human resource and corporate responsibility managers a clear framework for developing a new generation of business leaders capable of integrating corporate responsibility into mainstream business strategy and practice and to successfully manage relationships with stakeholders and society."

Availability

To read the full report, please click [here](#) to visit the EABIS website.

About EABIS

Established in 2002 by leading companies and business schools in partnership with the EU Commission, EABIS is Europe's leading reference point for corporate responsibility. The organisation aims to integrate corporate responsibility into the mainstream of business theory and practice in Europe. EABIS funds collaborative research, education and training projects and hosts numerous events and workshops across Europe to develop more and better knowledge and learning on corporate responsibility. It also leads the EU Commission funded 'European Platform for Excellence on CSR' (CSR Platform) project as the designated centre for excellence on CSR Research under the Sixth Framework Programme. With a European focus, but a global outlook, EABIS' membership currently spans four continents and 19 countries and includes some of the world's largest global corporations including Shell, Unilever, IBM, Johnson & Johnson and Microsoft and Europe's top business schools such as Ashridge, INSEAD, IMD and the London Business School. www.eabis.org.