

Book Corporate Universities

A Lever of Corporate Responsibility

Annick Renaud-Coulon GlobalCCU, 2008

Recommendation

Author Annick Renaud-Coulon, a renowned innovator in the field of corporate universities, and chairman of the Global Council of Corporate Universities, teaches that corporations should contribute to the greater good by fostering "CSR and Sustainable Development Responsibility" within their internal educational institutions and programs. Explaining her innovative theories, published in this book in English for the first time, she focuses on using corporate learning to help groups and organizations achieve social ideals. Her book is a collection of scholarly expositions, ranging from the theory of citizenship and the state, to corporate responsibility and global regulation. Readers will find that her thought span is impressively broad as she lays the groundwork for her responsibility-oriented business case for corporate universities. Her book's subhead – "Make Your Corporate University a Lever of Your Corporate Responsibility" – is the slogan of a 30-nation, five-continent conference she led on CSR and sustainable development. *BooksInShort* finds that her philosophical approach provides a very fresh, responsible pivot point for corporate educators who want to bring their programs to full maturity and utility. The book is particularly directed toward corporate university executives, chief learning officers, HR directors, executive committee managers, sustainable development officers, and those who are starting or managing corporate universities.

Take-Aways

- Author Annick Renaud-Coulon created the business case for the next generation of corporate universities.
- This model "CSR plus Sustainable Development equals Responsibility" helps firms develop a core sense of corporate responsibility through education.
- The business case calls for promoting corporations' ideals through educating employees and external stakeholders.
- Responsible companies should ask: what depends on us? The reply: "Make your corporate university a lever of your corporate responsibility."
- The economic world must reconcile realism with humanism. It can no longer ignore bad practices, or social and environmental ills.
- Management charters and standardized guidelines can help firms operate ethically, despite skeptics who view corporate responsibility as a marketing measure.
- Corporate responsibility lies at the heart of global regulation as seen in various initiatives, the largest being the United Nations' Global Compact.
- Corporate universities are complex homes for applied education and strategies, as well as policy instruments for corporate responsibility.
- Corporate responsibility leads to innovation, social integration and communication.
- Some corporate universities have already paved the way for corporate responsibility.

Summary

Can Corporations Be Socially and Environmentally Responsible?

You may have heard a range of arguments about the ability of corporations to contribute to the greater good. People who oppose market-driven societies reject the concept of CSR because they view companies' charitable activities as mere public relations exercises. These skeptics also label environmentally friendly deeds as "greenwashing." This evolves from the confusion created by associating economic liberalism and global capitalism with corporations. Many CSR and sustainable development programs transcend this cynicism. Their leaders believe that the world's citizens should try to fix its social ills by using whatever help is offered – even if the circumstances are not ideal and the parties' motivations are not crystal clear. They insist that the world cannot afford to wait any longer, that it must act quickly to solve the colossal societal and environmental problems that states can no longer handle. Corporations can be responsible when their motivations are genuine and when they adopt a humble communication style.

How Responsibility Happens: Self-Regulation

Guidelines, codes of conduct and international agreements promote corporate self-regulation. Companies' leaders understand the complexity of their environments, including the balances that ensure mutual survival. They recognize the importance of cooperating with all concerned parties: "customers, consumers, suppliers, employees and their families, business partners, local authorities and communities, educational systems, pressure groups and NGOs." These entities are particularly important to organizations with offices and factories outside of their home territories. They cannot ignore their adopted surroundings. Instead, they can turn to the infrastructures offered by their internal operations and by local citizens to abet improvements in social equality, education, infrastructure and resources.

"Corporate university is a generic name given to educational structures based in private and public, commercial and noncommercial organizations, to help implement – through education – the organization's strategies in human, economic, financial, technological, social and environmental terms."

Big firms are obliged by global connectivity to no longer turn a blind eye if their partners or suppliers implement poor practices. Miscreants risk having their businesses halted, losing customers to competitors, or having to change a company's name to leave a shameful past behind, as happened to Arthur Andersen after the Enron scandal.

"Like a UFO, the corporate university appears flawed, hybrid and empirical."

Corporations report that various motives impel their social investments. Certainly, the largest influence is economic, but strong ethical, political and educational reasons also drive CSR. Some firms use social and environmental investments to manage risk and improve their reputations and market positions. Corporations have received so much social capital that they now must return benefits to the societies that have helped them prosper. Societies have a right and obligation to impose rules on global companies, which should take the lead in self-governance.

Corporations Are Under Multiple Pressures and Obligations

Global corporations exist in many different countries under diverse commercial laws. No supranational authority guides them. Thus, some independently promote global regulations and a global civil society. The closest thing to global regulation comes from international organizations that play a large role in current global politics and business, such as the United Nations (and its International Labor Organization), the World Trade Organization, the G8, regional authorities, international rating agencies, consultancy firms, associations and some governments. To ease the problems of incompatible standards, several organizations have created suggested guidelines for corporations, for example:

- The U.N. Global Compact Created in 1999, this is the world's largest CSR initiative. It identifies 10 "Principles" affecting human rights, labor standards, the environment and the prevention of corruption.
- The Organization for Economic Cooperation and Development's guidelines The OECD's standards for multinational corporations codify an agreement among 30 nations.

"The idea of transforming a corporate university into a lever for Corporate Responsibility is a veritable paradigm, a new way of reshaping the world."

Numerous international rating agencies, standards, ethical stock indexes and nonfinancial indexes also want to run the show. They exert influence on companies and international organizations. Some give awards to motivate corporations to standardize their practices, and to adopt accepted principles and social goals. Others sanction by exclusion. Examples include the International Standards Organization's awards for quality (ISO 9000) and environmental management (ISO 14000). The Dow Jones Sustainability Indexes are another regulatory instrument. They rate firms on how well they manage the opportunities and risks of economic, social and environmental change to create long-range value. Another pressure comes from NGOs. Generally, businesses and NGOs do not hold each other in high regard. Many executives believe NGOs inhibit their work and overall competitiveness. Some companies have created their own internal NGOs in response. However, a number of independent NGOs, such as Greenpeace and WWF, have taken on large corporations and even entire industries, and have successfully changed their operational behavior. Other NGOs have recognized where their interests and expertise overlap, and have formed coalitions to exert more influence.

The Practical Side of Corporate Responsibility

Reading corporate annual reports is illuminating in one respect. Some companies, among a lot of others, succeed in getting CSR right, such as: Johnson & Johnson (USA), Veolia Environment (France), Petrobras (Brazil), Areva (France), Union Fenosa (Spain), NEC Group (Japan), Industrial and Commercial Bank of China, (China), Edcon (South Africa) and Anand (India). These companies naturally link their societal responsibility commitment to their core businesses: Johnson & Johnson focuses on public health, Veolia and Areva on the environment, and Petrobras and Union Fenosa on ecological protection. These companies are practical participants in the fight against poverty, AIDS and other pandemics, racial segregation, and other human tragedies – all crucial problems, not just nationally, but globally.

Corporate Universities, a Complex Phenomenon to Decipher

The term "Corporate University" suffers from vagueness, and hides a multitude of very different intentions and practices. The word "corporate" does not always refer to a commercial profit-seeking entity. It can also refer to a body of people who work toward a common purpose. Thus, corporate universities exist in public administrations and institutions, such as the D.A.U. Defense Acquisition University. Similarly, the word "university," related to universal, is well known and can be understood in many languages. It means any community of scholars and masters. These terms signal collective work, learning and openness. Thousands of corporate universities now provide learning worldwide.

"[The company] must learn how to cope with the reactions that result from political movements or natural events. No island of wealth has ever survived long in a sea of poverty."

Their vocations are diverse, but you can classify them, first, around major strategic ambitions: integration through corporate culture, change management and transformation of organizations, and integration of a firm into its environment. The second ambitions are operational: give people access to learning, help them manage

their career paths, align their competencies to fit business strategies, optimize the value chain and implement corporate responsibility commitments.

Corporate Universities' Responsibility: A Business Case

The route through a corporate university to CSR calls upon these principles:

- Bringing worlds together, including the company and its internal and external stakeholders, civil society leaders, NGOs, international government agencies, etc.
- Transcending both societal and organizational concerns.
- Professionalizing top management and the charity culture.
- Learning corporate responsibility through cognitive and experiential approaches.
- Promoting general knowledge as a precious asset.
- Providing honesty and coherency in corporate communication and responsibility.
 - "Sustainability reports can be a rich and empowering source of information whether you are a consumer, employee, investor, researcher [or] active member of your community."

As you implement corporate university learning, you will move through five operational levels: 1) thoughtful understanding; 2) discovery by doing; 3) promoting understanding by acting collectively; 4) promoting mutual learning through storytelling; and 5) analysis of socially responsible efforts by the company and its employees.

The Path Already Has Been Cleared

These major corporate university programs each demonstrate a different approach to CSR:

- **Defense Acquisition University, U.S.** To achieve a "high performing, agile and ethical workforce," D.A.U. perfected "ethics by e-learning." So far, more than 125,000 employees have completed its online ethics courses.
- Edcon University, South Africa Edcon deployed a CSR initiative in partnership with traditional universities and the government to combat unemployment, and to enable people to earn their livelihoods and develop their careers.
- National Australian Bank Academy, Australia N.A.B.'s Academy focuses on creating fulfilling employment and a diverse working environment. Its programs foster an inclusive workplace atmosphere, and support female, indigenous and mature workers.
- StatoilHydro School, Norway StatoilHydro uses its corporate university as a mechanism for social responsibility. It trains more apprentices than it needs to benefit both the workforce and society. All employees must attend an anticorruption compliance program so they can maintain the firm's high ethical standards.
- Grupo Santander, Corporate Training & Development Center, Spain Managers take an experience-based CSR training program to sensitize them to social realities.
- Shinsei Bank University, Japan Staff members participate in a corporate game to learn about CSR, as they explore the value the bank places on "community," which is relevant both inside and outside the bank, particularly in engaging and retaining workers.
- Petrobras University, Brazil The CEO of Petrobras proposed integrating the Global Compact principles into the Globally Responsible Leadership Initiative programs the company's university organized for its executives. It offers the bank's employees a range of courses on health and safety, complemented by environmental programs on biodiversity, and eco-efficiency in air emissions, residues [and] liquid effluents.
- Areva University, France The University offers South African students a master's program jointly taught by Sorbonne professors and Areva speakers, including five-month internships in European companies. Future graduates will be able to offer South African companies and administrations the competencies they need to strengthen the country's dynamics and exert better control over major projects.
- Motorola University, China In six years, Motorola University trained nearly 5,000 CEOs, managers and engineers from state-owned enterprises in management techniques and Six Sigma practices. It has donated millions of dollars to local educational institutions and sponsors the China Hope Project, which helps student dropouts return to school. Motorola educates its employees on environmental protection and correct work procedures, and extends its business ethics training to suppliers, business partners and community members.
 - "The role of civil society has been consummated. In fact, it is now common for NGOs to attend ...intergovernmental deliberations...and to participate in a wide range of advisory and partnership roles."

To achieve a socially ideal world, a supranational organization must guide corporations just as a conductor guides musicians in an orchestra. Until then, this evolution will have to happen one piece at a time.

About the Author

Scholar **Annick Renaud-Coulon** advocates encouraging public and private institutions to use their Corporate Universities in their efforts to promote social and environmental responsibility. She has written several books on the subject and is active in many related organizations.