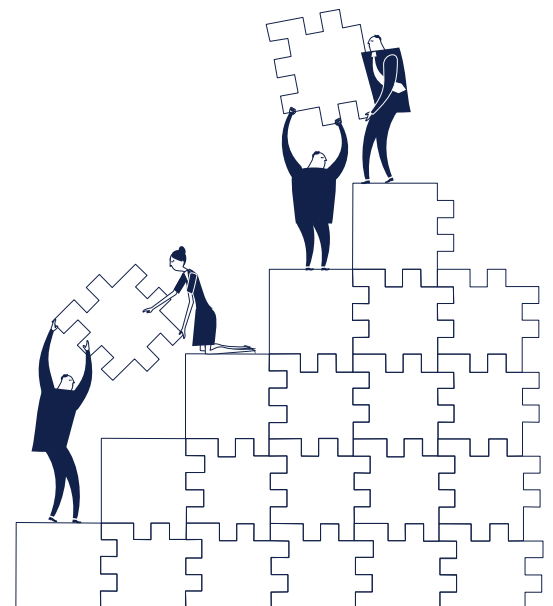

November 2008

CSR Consulting in the UK: An Industry Evolving

Laurence Cranmer
Saïd Business School, University of Oxford

Dana Brown
Saïd Business School, University of Oxford



Saïd Business School RP 2018-03

The Saïd Business School's working paper series aims to provide early access to high-quality and rigorous academic research. Oxford Saïd's working papers reflect a commitment to excellence, and an interdisciplinary scope that is appropriate to a business school embedded in one of the world's major research universities.

This paper is authorised or co-authored by Oxford Saïd faculty. It is circulated for comment and discussion only. Contents should be considered preliminary, and are not to be quoted or reproduced without the author's permission.



oxford
SAID BUSINESS SCHOOL



CSR Consulting in the UK: An Industry Evolving

Dana Brown and Laurence Cranmer

**A Case Study for the Oxford-Achilles Working
Group on Corporate Social Responsibility**

The Oxford-Achilles Working Group on Corporate Social Responsibility (CSR) is an initiative between Oxford University's Saïd Business School and the Achilles Group. Its purpose is to stimulate thinking, to promote and disseminate research, and to bring together researchers and practitioners. For further information, see: <http://www.sbs.ox.ac.uk/research/Corporate+Social+Responsibility/>

The papers in this White Paper Series reflect the views of the authors, and are not necessarily shared by the Achilles Group.

Authors:

Dr Dana Brown, University Lecturer in International Business, Saïd Business School, University of Oxford

Laurence Cranmer, Director, Woodgreen Consulting Limited



INTRODUCTION

The increased interest of UK and global firms in social and environment responsibility has driven the growth of a new industry broadly defined as 'CSR consulting'. A 2003 study by researchers at Nottingham University identified CSR Consulting as a vibrant and expanding industry in the UK, and sought to identify some of its prominent features (Young, Moon and Young 2003). The Nottingham study provided a big picture of the industry as it stood five years ago, but nothing similar has been done since. In the current case study, we seek to build on existing knowledge by evaluating the nature of CSR Consultancy in depth through a series of semi-structured interviews with consultants from different kinds of organisations that have engaged in this area.

Our case study evaluates several features of CSR consultancy in practice. In particular, we have sought to better understand what kinds of organisations operate in this area; the meaning of CSR that underpins their work; the extent to which specialisation in certain CSR areas is occurring; and the challenges and competitive landscape that

are defining the industry. Our research reveals an industry that is varied but solidifying as consultancies find niches and establish a particular client base. We find that CSR Consulting is an evolving industry, in step with rapid changes in public and government expectations of firms to demonstrate responsible operations and investments.



APPROACH

Our study adopts a simple definition of what counts as 'CSR consulting.' We include any firm that provides to another firm products and services related to socially responsible business practices. Our definition covers only those who offer such provision for a profit, thus excluding voluntary work by NGOs and others in this area. Information provided in the Nottingham study (2003) and our own evaluation of the industry through extensive web searches suggests that different types of organisations are involved in this field. The following two parameters are particularly important:

- First, whether the organisation is dedicated to CSR consultancy or whether it is a larger consulting group

that does CSR as one of many components of its operation

- Second, the size of the organisation, which varies from very small (we exclude private consultants that operate on their own; but include organisations with as few as two permanent consultants) to quite large

We invited a range of consultancies to participate in the study. We selected these consultancies as broadly representative of the industry based on the two parameters listed above. As a result, six senior people from six of the consultancies agreed to be interviewed.

The consultancies involved in our study differed on our two main parameters: dedication to CSR or varied services, and size. We describe a firm as *dedicated* if its sole business is some area of CSR consulting, and *varied* if it operates in other areas of consulting, advising or auditing as well. We assess the *size* the consultancy as 'small', 'medium' or 'large' based on a combination of employee numbers and revenue. This uses the definitions of 'small' and 'medium' suggested by the UK Department of Business Enterprise and

Regulatory Reform (BERR)¹. 'Large' consultancies are those which exceed the BERR definition of 'medium'.

Our review of the field of CSR consultancies finds that in the UK there primarily exists only two types of firms using the criteria above. CSR consultancies are either parts of large firms that also do various types of consultancy or they are small firms dedicated to CSR consultancy in particular. In our searches, we found no firms that were small and offering consultancy in areas outside of CSR, nor large firms that were solely dedicated to this area. We speculate on some reasons for this below.

It is interesting to note that all the firms in the study were either 'small' or 'large'. Three of the firms (A, B and C) we interviewed had fewer than 50 employees; two had over 150,000 (E and F) and one (Firm C) had around 50,000.

Our search for possible firms for this study did not yield 'medium' firms. This may reflect a feature of the CSR consulting market. One possibility is that CSR consultancies have their origins either in existing large management consultancies

¹ These definitions are suggested on the BERR website at: <http://www.berr.gov.uk/bbf/financial-reporting/acc-audit-developments/page16361.html>

that develop CSR offerings to meet client needs or small consultancies set up to offer more specialist CSR consultancy. Data from the interviews provides some support for this view. Medium sized firms may be a feature of a more mature CSR consulting market. This is shown in Table 1.

TABLE 1: BREAKDOWN OF FIRMS	
Firms A, B, C	Large, diverse consultancies
Firms D, E, F	Small, dedicated consultancies

Our analysis is based primarily on the data produced by these six interviews. We recognise that this very small sample of consultancies and interviews is a limitation of this approach and that our analysis will require further investigation. However, we think that the benefit of this approach is that we stay close to the observations and experience of consultants working directly in this field. We argue that our analysis provides insights into the nature of the UK consulting industry that can now be probed further. We have proposed further research questions as part of the analysis to confirm, refute or develop these suggestions.

In some cases the interviewees agreed to be attributed, in other cases they preferred

to remain anonymous. For consistency we have kept all the consultancies anonymous in this analysis.



WHAT CSR CONSULTANTS DO

Our first finding in this study is that CSR consulting is a highly varied industry. Firms engaged in this area are actually involved in significantly different activities. We asked our respondents to answer 'Yes' or 'No' to whether they were engaged in a defined list of activities. The list is derived from an extensive literature review in which what is included as 'CSR' was evaluated. We gave our respondents the option to list any other activities, but none did, which suggests that we included the correct areas. Later in the interview, we ask about each firm's work in areas related to CSR: socially responsible investing, carbon trading, corporate governance and legal/regulatory advice.

In Table 2, firms A, B and C are the large varied firms in our sample and D, E, F are smaller dedicated CSR consultancies as described in Table 1.

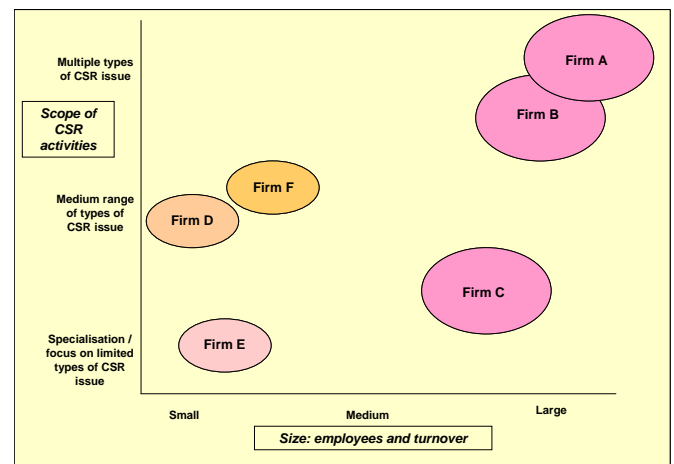
TABLE 2: CSR ISSUES ²						
Type of CSR issue	A	B	C	D	E	F
Sustainability	Yes	Yes	Yes	Yes	No	Yes
Environmental impacts	Yes	Yes	Yes	Yes	No	Yes
Carbon emissions	Yes	Yes	Yes	Yes	No	No
Working conditions	Yes	Yes	No	No	No	Yes
Human rights	Yes	Yes	No	No	No	Yes
Poverty and development	Yes	Yes	No	Yes	No	Yes
Community investment	Yes	Yes	No	No	Yes	No
Charitable giving	Yes	Yes	No	No	Yes	No

The data shows quite clearly a differentiation in focus among our three small firms, D, E, F and a tendency among two large firms A and B to take a broad approach to consulting on CSR issues. The outlier is firm C, which is a large consultancy with a limited focus to its activities. In fact, firm C emphasized that its primary activity is sustainability and that it does not directly offer environmental assessment or work on carbon emissions, but does assist in implementation in these areas in partnership with other organizations.

Figure 1 summarizes the relationship between size of the consultancy and scope of activities and suggests a correlation. Note

that Firm C is the smallest of the large firms interviewed and Firm F is the largest of the small firms interviewed.

Figure 1

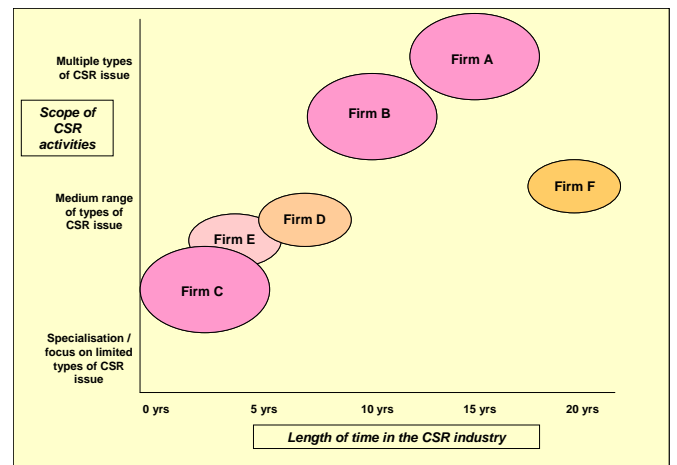




² This Table collates all the answers from the Yes/No list which forms part of Q1 *What types of CSR issue does your company address?* In some cases the Yes/No answers included a caveat or clarification. In these cases we have selected a Yes/No.

It is logical that larger firms take a broader approach to CSR consulting, as they have resources both to build up expertise within the firm and to draw upon external experts as needed. Large consultancies will be accustomed to providing full package services to their clients, and in fact our interviewees tended to see CSR as a necessary extension of full package services. Firm C has only launched its CSR services in 2008, but whether this accounts for the narrower focus or not is unclear. Firm C stated that their priorities have derived from client needs and existing strengths within the organization. It is possible that these offerings are entry points to eventually developing a broader approach.

The relationship between length of time in the industry and scope of offerings is explored in Figure 2. Here we see that the longer firms or their CSR consultancy branches have been in existence, the broader the scope of activities with which they engage.

Figure 2




“Large consultancies will be accustomed to providing full package services to their clients, and in fact our interviewees tended to see CSR as a necessary extension of full package services.”


The three small CSR firms shown in Figure 2 are each distinct in the emphasis of their activities. These firms saw the issues they addressed as 'entry points' to client firms, meaning that in these areas they seek to develop substantive expertise which is their selling point. They may then consider dealing with other issues once taken on by a client, although none claimed to actually do this to a great extent. Firm D emphasized the link between environmental sustainability and issues of development, which is the driving focus of its activities. Firm E is distinctly focused on community investment and does not delve into either environmental or social standards, or supply chain issues to any extent. Firm F by contrast sees itself as firm mainly concerned with sustainability strategy. The emphasis on strategy allows it to deal with a fairly broad range of issues that likely link with companies' brand positioning, marketing and operations. The fact that Firm F steers clear of charitable contributions has to do with the perceived tangential nature of these activities as opposed to more 'strategic CSR'.

The findings summarized in Table 2 also suggest that the most common CSR issue addressed is sustainability. The concept of

'sustainability' can be understood in different ways, but our respondents emphasized that sustainability is primarily about holistic and long-term commitments by a firm to balance profit with environmental and social concerns. Three of our respondents said that in fact that they have replaced or intend to replace the concept of CSR with 'sustainability' in their business practice. This suggests that the concept of CSR is becoming outmoded, potentially due to negative associations with the term. The use of sustainability also reflects the nature of the work that the consultancies see themselves doing. Most of our respondents suggested that they are moving toward CSR becoming a more 'integral' component of business practice, a trend that has been noted by others as well (Berger, et. al. 2008). It is noteworthy that Firm E does not use the concept of sustainability, which might again reflect the fact that charitable giving and community investment is often perceived as more tangential than integral.



CSR CONSULTANCY SERVICES

CSR consultants offer a range of different services to their clients. Table 3 summarizes what our six firms offer in terms of services.

TABLE 3: CSR OFFERINGS ³								
	CSR offering	A	B	C	D	E	F	Frequency
General management consulting	1. Developing CSR strategies	Yes	Yes	No	No	Yes	Yes	4
	2. Establishing CSR targets	Yes	Yes	Yes	No	Yes	Yes	5
	3. Creating CSR reporting	Yes	Yes	Yes	No	Yes	Yes	5
	4. Managing reputation through communication	Yes	No	Yes	Yes	Yes	No	4
	5. Marketing and branding	Yes	Yes	Yes	No	Yes	No	4
	6. Working with stakeholders	Yes	Yes	Yes	Yes	Yes	Yes	6
CSR specific consulting	7. Certification	No	No	No	No	No	Yes	1
	8. Advocacy	No	No	Yes	Yes	No	Yes	3
	9. Research	Yes	Yes	No	Yes	No	Yes	4
	10. Shaping legislation and regulation	Yes	Yes	No	Yes	No	No	3
	11. Training	No	No	Yes	Yes	No	No	2
	12. Supply chain auditing (if you don't audit, do others audit your work?) ⁴	No	Yes	Yes	No	No	No	2
	13. Life cycle analysis	Yes	Yes	Yes	Yes	No	Yes	5
	14. Scenario planning	Yes	Yes	Yes	Yes	No	Yes	5
	15. Carbon Footprinting	Yes	Yes	Yes	Yes	No	No	4
Total offerings		11	11	11	9	6	9	

³ This Table collates all the answers from the Yes/No list which forms part of Q6 *Can you describe your consultancy offerings? In other words, what do you do for your clients?* In some cases the Yes/No answers included a caveat or clarification. In these cases we have selected a Yes/No.

⁴ Some interviewees suggested that external organisations may provide supply chain audit. We have included Yes where it appears that the consultancy has this capability and No where it does not have this capability or uses an external organisation.

Taken as a whole this analysis suggests that there is a comprehensive spread of CSR offerings across the six firms.

'Certification' is offered by only one consultancy. This suggests a particular specialization which a limited number of consultancies have the capability to offer. It may also suggest that this requires the consultancy to meet industry and/or regulatory standards.

'Training' and 'supply chain auditing' are offered by two consultancies in each case. This suggests that these are also particular specializations. In the case of 'supply chain auditing' some of the interviewees suggested that they would work with, or partner with, a specialist organisation in this area.

It is possible to group the offerings described in Table 3. The offerings 1-6 appear to have the greatest overlap with *general* management consultancy capabilities. The offerings 7-15 appear to be more *specific* CSR offerings. There is an interesting difference in the average frequency of each of these two groups of offering:

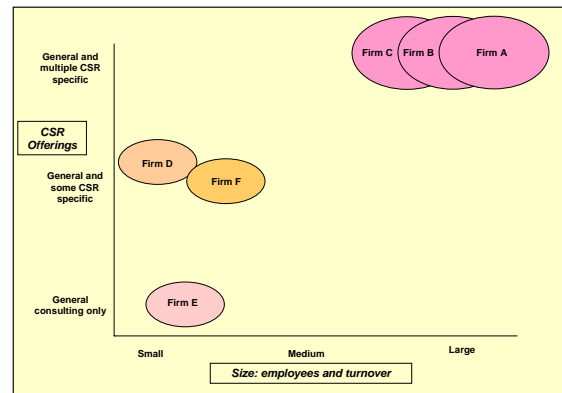
- the average frequency for general offerings 1-6 is 4.67
- the average frequency for CSR specific offerings 7-15 is 3.22

Firm E offers the most specialized community investment consulting and shows the clearest distinction between the *general* and the *specific* groups of offering. Firm E offers *only* the more general areas and *none* of the more specific areas. In the interview this consultancy suggested that these offerings are made in the context of community investment consulting. All of the other consultancies offer a mixture of both general and specific areas.

A comparison of the areas offered by Firms D and F suggests that these consultancies offer complementary rather than overlapping areas. Taken together these two consultancies offer twelve of the fifteen areas suggested. In the case of eight areas a 'No' for one consultancy is complemented by a 'Yes' for the other. This could be related to the relative emphases of these two firms; or rather on their 'entry points', with Firm D focusing on environment and development and Firm F taking a broader strategic approach that is inclusive of social and environmental aspects.

The analysis of CSR offerings suggests further features of the CSR consulting market. Figure 3 maps the *range* of CSR offerings, defined above as *general* or *specific*, against the *size* of the consultancy.

Figure 3



We also asked our respondents whether they offered services in areas *related* to CSR. Table 4 summarizes these findings.

	CSR offering	A	B	C	D	E	F	Frequency
Areas related to CSR	1. Socially Responsible Investment (SRI)	No	No	No	No	No	Yes	1
	2. Carbon Trading	Yes	Yes	No	Yes (Some)	No	No	3
	3. Corporate Governance	Yes	Yes	Yes	No	No	No	3
	4. Legal/regulatory advice	Yes	Yes	No	No	No	No	2
	Total offerings	3	3	1	1	0	1	

⁵ This Table collates all the answers from the Yes/No list which forms part of Q10 *Do you offer services in any areas related to CSR?*

These findings suggest a similar pattern to Table 3. Two of the large firms, A and B, offer the most areas related to CSR, and Firm E offers none. A comparison of Firms D and F again supports the view that these consultancies offer complementary areas. Only one firm offers SRI which suggests the least overlap with other areas of CSR. It is possible that specialized firms offer this area with an 'entry point' from the financial sector.

In addition, some of the interviewees suggested that they would work with specialist organisations in these related areas. This applied to at least one 'No' response and at least one 'Yes' response.



OPERATING DEFINITIONS OF CSR

Table 5 collates comments from our six firms about the definition of CSR used by the consultancies. Three questions raise issues of particular interest.

Q1 suggests that the operating definition of CSR has three broad dimensions: taking into account long term value; taking into

account an extended view of stakeholders and the environment; and, sustainability. These dimensions suggest interesting changes to a view of the firm that prioritizes relatively short term financial value for shareholders. At the same time, in these and other questions, our interviewees stressed the *business* imperatives behind CSR. The way in which CSR *may* change the view of the firm is an important area for further research.

The three comments recorded for Q4 on CSR as an 'ethical imperative' appear to make three different claims: that CSR *is* an ethical issue; that CSR is a business issue and *not* an 'moral issue'; that the ethical issues 'came first' and that it is now a 'business requirement'. These comments suggest both the complexity of an ethical analysis of business activity and perhaps the need to clarify what is meant by an 'ethical issue'.

Q5 suggests that although government regulation is part of the environment in which business operates it is distinct from CSR, at least in the UK context. This view seems to be broadly supported in the response to other questions.


TABLE 5: CSR DEFINITIONS⁶

Question	Comments
<p>1. What is the operating definition that your company uses?</p>	<ul style="list-style-type: none"> • My personal response is: creating value today, having regard to the needs of others, and not comprising value for the future. This helps to articulate why you are doing CR or whether your [CR] programme has these elements • Engaging with the community and stakeholders of a company positively and in business terms. This is not a nice-to-have. It is part of the company's 'licence to trade' and part of the employee engagement strategy for business benefit • Assist our clients to manage and reduce their impact on society and environment • We don't have our own definition of CSR as such. However, if a company wants to operate responsibly in any country then it must work in a sustainable way. This makes the link between CSR and sustainability. Small and medium sized consultancies may not count in the CSR market overall. But we can work with companies and NGOs, we can both talk to NGOs and talk a business language. We don't have a big corporate reputation, we just have the experience and credibility of our associates • My definition is linked to (my previous) work on integrity and innovation. The integrity dimension concerns creating value for all stakeholders, including keeping promises and commitments. This does not only include communities and the environment, but also financial promises and commitments which are also part of a responsible business. The innovation dimension concerns how the business understands the changing pressures in the marketplace, and how to find new ways of working which are commercially viable. The definition of stakeholders may be narrower in other parts of the business. My definition would include stakeholders with a significant interest and influence on the business, including shareholders. However the boundaries between stakeholders are blurred. I have seen some companies publish their stakeholder maps to challenge who the stakeholders are. A definition includes an integrated approach to the environmental, social and economic impact, or 'planet, people, profit'. The definition will depend on the context in which it is used • We no longer use the language of CSR because we are more comfortable with the concept of sustainability which suggests long term commitments to the workforce and environment. We see both in terms of opportunity. We see the world in terms of big opportunities; big problems. Firms want to get on top of these issues • To be honest, if a firm comes to us and sees the issue just in terms of risk, with a mindset of prevention and exclusion, we are worried⁷
<p>2. Business opportunity</p>	<ul style="list-style-type: none"> • Yes, creating value. There are different dimensions to this: could be a revenue stream; or could be doing what you are already doing but better, for example carbon reduction reduces cost and meets carbon targets • This is more aggressive than 'business opportunity' and 'reputation'. Companies will either be winners or loser in this transition. An issue of


⁶ This Table collates edited comments from Q3 and Q4, as follows: (1) comments from Q3 *What is the operating definition of CSR that your company uses?*; (2)-(5) comments from the Yes/No list which forms part of Q3; (6) comments from Q4 *Where did your definition of CSR come from? What underpins it?*

⁷ This comment comes from the 'Anything else' option of the Yes/No list which forms part of Q3

TABLE 5: CSR DEFINITIONS ⁶	
Question	Comments
	adapt or die
3. Reputational issue	<ul style="list-style-type: none"> • Yes, not compromise value in the future
4. Ethical imperative	<ul style="list-style-type: none"> • Yes. I would say we as company do this, for example we are rigorous about who we do business with. We shouldn't act ethically because of CR but should be acting ethically anyway • No. It is a vital part of the existence of a business. This is not some kind of 'moral issue' but part of business activity • The ethical issue came first, then the science followed for example the Stern Report, and now it is a business requirement. It is not now a ethical imperative
5. Aspect of policy or way to pre-empt government regulation	<ul style="list-style-type: none"> • No. [In contrast] with the American model where CSR is used as a defence against regulation • I am frustrated by Government getting onto the CSR bandwagon, for example there is a Government CSR website. CSR is nothing to do with Government. I would also question how effective CSR is as a defence against Government legislation. I would much rather it is seen as a positive issue, for example through developing relationships with Government. An example is the National Grid training of prisoners to drive fork lift trucks. Think about it in positive terms • Yes, regulation is here already
6. Where did your definition of CSR come from? What underpins it?	<ul style="list-style-type: none"> • This comes out of my experience. Our working definition recognises other aspects of CSR. We recognise that there are 'higher' disciplines in the CSR agenda. Ours is a down to earth, positive, practical approach. Our definition is a pragmatic approach to community investment, grant making and employee engagement • This is a mixture of market experience, consulting experience and ideas. My <i>market experience</i> includes a frustration with what does not work. Employees do not understand the terms used in CSR. Throw out the language and focus on the underlying issues which employees understand well. My <i>consulting experience</i> includes working in a company which innovates in other areas outside of CSR. The <i>ideas</i> have been developed in part through working in partnership with external individuals on writing papers



“Q1 suggests that the operating definition of CSR has three broad dimensions: taking into account long term value; taking into account an extended view of stakeholders and the environment; and, sustainability..”





WHO HIRES CSR CONSULTANTS?

All six consultancies have clients in the private sector and all have Multi-National Corporation (MNC) clients. Five of the consultancies have clients in the public sector, although two interviewees indicated that they have fewer clients in this sector. Firm E is the community investment consultancy and so may be expected to focus on the private sector. Among the others, public sector clients included national and local governments and multilateral organizations such as the World

Bank and UN agencies. These results are summarized in Table 6.

Small and Medium Sized Enterprises (SME) clients are significantly underrepresented. Only Firm B works with SMEs, yet the interviewee indicated that it had many more MNC than SME clients. The under-representation of SMEs may be the result of at least two factors: higher CSR opportunities and risks for MNCs; and, larger CSR consultancy budgets in MNCs. At least two of our interviewees emphasized that they work primarily for 'blue chip' MNCs.

TABLE 6: WHO ARE YOUR CLIENTS? ⁸							
Client type	A	B	C	D	E	F	Frequency
Public sector	Yes	Some	Yes	Yes	No	Some	5
Private Sector: SMEs	No	Yes	No	No	No	No	1
Private Sector: MNCs	Yes	Yes (more than SMEs)	Yes	Yes	Yes	Yes	6

⁸ This Table collates the relevant answers from the Yes/No list which forms part of Q17. In some cases the Yes/No answers included a caveat or clarification which has been included.

All of the consultancies interviewed said that they worked in several countries, not just the UK, with most mentioning countries in Europe and North America as their most important areas. Some of the interviewees suggested that the countries where they work are determined by the strength of CSR drivers in those countries. The drivers of CSR were suggested to be public opinion and overall attitude among the national business community and government.

Consultancies included in our study all worked across a range of sectors. Consumer goods and natural resources were most commonly mentioned and there was some suggestion that the financial sector was an



THE FUTURE OF CSR CONSULTING

The analysis so far has suggested some themes for the future of CSR consulting. In addition, during the interviews we asked two questions which directly address this issue. One question addressed the *expected* future and another addressed the *ideal* future for CSR consulting. Table 7 and Table

area where there was the least demand for CSR consultancy.

Many of interviewees emphasized that their specializations and the nature of their work was 'client driven'. That is, consultancies aim to build long term relationships with clients and to service as many of their needs as possible. As noted previously, in some cases it was mentioned that the consultancy would bring in partners to address highly technical issues where it did not possess expertise, such as in carbon footprinting and auditing.



"The public has become more sophisticated. There is more scrutiny of the claim to be a responsible company. Companies will have to do more in the future, and will have to differentiate themselves .." (From a question on the future of CSR consulting)



8 collate all the comments in response to these questions. The comments in Table 7 suggest three dimensions of the *expected* future for CSR consulting: the market for CSR consulting; the approach to CSR consulting; and CSR issues. Table 7 also suggests some key themes arising from each of these dimensions.

TABLE 6: HOW DO YOU SEE THE FUTURE OF CSR CONSULTING?⁹		
Dimension	Comments	Themes
The market for CSR consulting	<ul style="list-style-type: none"> • We are going to see some consolidation. The smaller firms will consolidate. Some boutique firms are already merging. The big firms will seek to build strategic partnerships • There will be a move from 'consulting' to 'systems integration'. Not talking about it, but doing it through innovation, collaboration and education • The public has become more sophisticated. There is more scrutiny of the claim to be a responsible company. Companies will have to do more in the future, and will have to differentiate themselves • The big players will have to ask: will being a 'good guy' enable us to take market share • As companies try to do more serious CSR this may provide an opportunity for those who have worked in this area • There is greater public awareness of the trade off between development and environmental impacts. For example, food miles: should you buy from Kenya to support Kenyan farmers, or should you buy locally to reduce carbon emissions? 	<ul style="list-style-type: none"> • Consolidation • Partnerships • Systems integration • Increased demand • Public awareness and scrutiny
The approach to CSR consulting	<ul style="list-style-type: none"> • There will be a focus on cost reduction rather than revenue generation and building intangible assets • It will move from a 'fringe' topic to a 'hot' topic to a 'business as usual' topic. Will become the way we do business, and the way we measure performance. • Quality of life will be seen through a different approach. Mindsets will change so the economy will change. • Everyone will have to meet minimum standards • [This is a move from] compliance to integration. • 'CSR' will be dropped, and become 'sustainability' • The other trend is that CR will become business as normal • A more deliberate look at creating value today and for the future is already becoming part of business dialogue. For example, a company may create a CR strategy in one year. In three years time they will want to integrate CR into company strategy. • In the community affairs area: I hope that people will get better at it. There are some fantastic programmes which are well put together. And there are some which are not so good. There is a tendency to put this in the hands of employees. For example, BP is spending \$12m per year mostly on employee matching. This means that they are not positively engaging with the issues, and not making important 	<ul style="list-style-type: none"> • Cost reduction • Business as usual • Integration • Different mindset • Sustainability • Creating future value

⁹ The comments column of this Table collates all the answers from Q20: *How do you see the future of CSR consulting? What are likely to be the big issues?*

TABLE 6: HOW DO YOU SEE THE FUTURE OF CSR CONSULTING? ⁹		
Dimension	Comments	Themes
	inroads into these issues, with the exception of funds for particular disasters.	
CSR issues	<ul style="list-style-type: none"> • There will be more work on waste, water and human rights. These will become more like the issue of carbon. For example: as the Indian and Chinese economies develop waste will become more valuable; as supply chains develop human rights issues will become more significant; water security issues will increase, especially with climate change; issues will become more visible to consumers • A continuing response to climate change: both from energy prices and government regulation. It is hard to see how these will change. These are the biggest external influences. • Carbon management, carbon change, water, biodiversity • Government regulation will not budge during the downturn in areas such as climate change • With the economic downturn there will be removal of the nice-to-have and the non-core areas of CSR. Genuine sustainability will be resilient to the downturn 	<ul style="list-style-type: none"> • Waste • Water • Human rights • Climate change • Carbon management • Biodiversity

Some important themes should be highlighted. Our interviewees emphasized the idea of CSR being increasingly mainstreamed in organisations or becoming part of 'business as usual'. This is a new but increasingly common argument in the CSR literature and one that resonates with the increased use of the concept 'sustainability', which we describe above. Because of this, our interviewees perceived an ongoing need for CSR advisors who have a broad remit or can draw upon resources to bring in necessary expertise to address the increasingly complex issues around CSR. Some predicted a degree of consolidation in the industry, although we also detected in the interviews that some smaller firms

actively network with one another to deal with demands for the full provision of services. All of our interviewees thought that concern with CSR would persist even in the period of economic downturn.

The issues of the future were thought primarily to be environmental, particularly issues related to climate change and natural resource availability. It is thought that companies will be driven by deepening public concern in these areas and pragmatic business reasons. There was a general view among our interviewees that CSR will become more strategic, more cost conscious and focused on the long-term.

One of our interviewees also suggested that some of the supply chain issues that have become critical for some MNCs will be resolved through increased consolidation of suppliers. This is consistent with many arguments in the literature about the costs of managing CSR in highly complex supply chains (Locke, et. al. 2006; Lim and Phillips

2008). The consolidation of supply chains could possibly move firms away from the 'monitoring' schemes so frequently used to address working conditions and toward more pro-active and sustained engagement with suppliers.

TABLE 8: AN IDEAL FUTURE FOR CSR¹⁰	
Comments	Themes
<ul style="list-style-type: none"> • A more mainstream role for CSR (back to Q1). For example: supply chain specialists will address CSR risk; marketing specialist will address the communications aspects; design and innovation will work to incorporate sustainability into products • All of these specialists are far more capable than a pure CSR role. If CSR is successful then this role will go. We should become redundant • We are trying to shape this [the ideal future]: the implementation of really good community investment programmes. This will improve the 'licence to trade' and employee engagement. We are growing at a good rate in this area. • Business as normal and sustainability is the ideal. This satisfies everyone: community; employees; customers; and, shareholders. • All organisations have sustainability embedded in reporting. Value is based on the bottom line, the environment and society. • A global standard for how organisations are measured and how government regulates business. The EU will be a stepping stone to the UN. • To take sustainability seriously. For it not to be window dressing, but a core part of the business • Probably not through government legislation – people are fed up with government interference. Wherever possible leave it to business • But we face challenging environmental targets so further regulation may be needed, for example in areas such as packaging. This may not be the 'ideal' future 	<ul style="list-style-type: none"> • Mainstream CSR role • Business as usual • Improve 'licence to trade' • Sustainability • Satisfies everyone • Embedded in reporting • Global standard • Not govt legislation • Regulation may be need

¹⁰ The comments column of this Table collates all the answers from Q21: *What would be an ideal future for you?*

The comments in Table 8 suggest some key themes arising from the *ideal* future for CSR consulting. Our interviewees hoped for a future where CSR becomes a mainstream business operation and is not lost to other concerns in a period of economic crisis. However they also recognised the need for more common standards in what is becoming a complex world of competing norms and standards driven by a range of private, governmental and non-governmental organisations. Some admitted that government legislation may be a necessary complement to business activities, although none thought that government was the appropriate agency for complete regulation in these areas.



CONCLUSION

This study has pointed to a number of developments in the CSR consulting industry that have both practical and theoretical interest. From the practical perspective, the evolution of the industry as a whole is an important concern for every practitioner within it. Theoretically, the study of CSR consulting provides valuable insights into the way a new industry is created and

evolves over time. The findings we have presented here offer several guidelines for further research on this industry.

An interesting finding of the current research is that consultancies appear to be increasingly called upon to address a wide range of CSR issues. While firms may have specializations that define their 'entry points' to clients, they often seem to end up advising on a range of areas. While the large consultancies are able to accommodate this from within their own resources, smaller firms might find that they do not have the specialized knowledge required especially in areas such as carbon measuring and auditing. Small firms as well as large firms, however, have an opportunity to network with each other and with individual experts to address these gaps. The extent to which this is actually occurring is a relevant concern as it raises issues about the boundaries of the firm and the likelihood that small firms can survive if clients become more demanding for something like 'one stop shop' CSR services. Indeed, the very shape of the CSR consulting industry and whether there is room for large and small firms to co-exist in the long term is a significant topic for further research.

Several of our interviewees predicted the 'mainstreaming' of CSR particularly in large global firms. The extent to which this is occurring is already the subject of some new research (Berger, et. al. 2008). From the consultancy perspective, mainstreaming might also push along the seemingly slow trend toward common standards and solutions. Studying the work of CSR consultants is an ideal way to evaluate this process of standardization. CSR is an area where there has been a proliferation of standards, codes and 'best' practices and there is continued uncertainty about which if any will 'win' and how. The topic is of significant interest to management scholars and a rich literature on the processes of standardization in new technologies exists to draw upon.

The predominant focus on private multinational corporations among the CSR consultants involved in this study raises some interesting questions. Further research could evaluate whether SMEs and more nationally based firms are served at all by consultancies. If they are not, what does this mean for the way that these firms address CSR? Moreover, how might this affect the way that CSR is defined and the types of concerns being given attention? Some of our interviewees suggested that

they not only serve clients but are also involved in some way in shaping debates and practices in the field more generally. If these inputs are drawing exclusively on the experience of a single type of firm, then the needs of other types of firms might not be accurately represented in the literature and forums that seek to share best CSR practices.

Finally, the UK CSR industry might be unique compared to the industry in other countries. The UK is often cited as a leader in CSR, which means that understanding this particular industry and how it shapes and reflects business practices could provide useful insights into the interesting question of cross-country CSR. Our study strongly suggests that the industry is dynamic and changing in step with the growing importance of CSR to all firms and the extension of new areas of concern, such as measuring and trading carbon outputs. It is an industry evolving and how it evolves will have a significant impact on the breadth and depth of CSR in the UK and beyond.