

**The social construction of corporate responsibility in the Australian Energy
Industry**

ABSTRACT

Corporate Social Responsibility remains an ambiguous and evasive concept: differentiated ethical perspectives, varying stakeholder power across countries and institutional fields, and fragmented regulatory frameworks, all open up spaces for negotiation and social construction of local/contingent understandings of what it means to be ‘socially responsible’.

In this study, we explore the processes of construction of social responsibility in the Australian Energy Industry. In relation to CSR, the Australian regulatory framework is biased towards environmental consequences and the preservation of the natural environment. In addition, public firms are also subject to corporate governance rules (CLERP9) aligned with international standards (UK, USA). There are also legal requirements in relation to aboriginal minorities on traditionally-owned land. Together, these elements define the spaces and themes around which social responsibility is constructed.

Our research investigates what CSR practices are considered to be legitimate in this context. Using mixed methods –content analysis of secondary sources, corporate documents, and media reports, complemented by interviews with a range of actors from the field, including industry managers, government officials, and social/community activists- we construct an understanding of legitimate CSR practices.

The research provides three contributions:

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- an understanding of CSR in the context of the Australian energy industry which may be used as a reference case for international comparison
- the identification of legitimate practices, which would contribute to inform corporate policy decisions in relation to CSR
- a study of how legitimacy is constructed in a field where competing logics operate

INTRODUCTION

Corporate Social Responsibility (CSR) remains an ambiguous and evasive concept - differentiated ethical perspectives, varying stakeholder power across countries and institutional fields, and fragmented regulatory frameworks - all open up spaces for negotiation and social construction of local/contingent understandings of what it means to be 'socially responsible'. While the concept of Corporate Social Responsibility has been in existence for 50 years or more ((De Bakker, Groenewegen et al. 2005)), the nature of the practices related to CSR in particular industries and regions is still being socially constructed. In this paper, we present the initial findings into understanding the social construction of CSR practices in the Australian energy industry. We seek to do this through an analysis of the practices adopted by energy companies in Australia compared to a series of recognised CSR frameworks.

In this study, we explore the processes of construction of social responsibility in the Australian Energy Industry. The salience of this institutional field for research on the construction of CSR is based on the following arguments:

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- The energy industry in Australia is under increased scrutiny from environmentalists, due to its large carbon footprint: Australia's electricity generation is primarily from coal power stations which have high emissions
- The Australian energy policy is likely to evolve towards greater private sector financing and management in the medium term in order to cope with the large infrastructure renewal required, leading to a likely change of balance between social responsibility and financial performance
- The Australian government is likely to increase its regulatory activity in relation to environmental matters, following the current election cycle (Federal General Elections due in the 2nd half of 2007)
- Any changes of technology in the energy generation industry would have significant consequences on employment patterns (some qualifications may become obsolete whilst other will see increased demand, in a context of skills shortages and a tight labor market) and rural communities (most coal mining and electricity generation occur in remote areas and/or on the outer suburbs of the major cities)
- At the same time, there is increase public awareness and interest in the (social, environmental and economic) consequences of the energy sector

In relation to CSR, the Australian regulatory framework is biased towards environmental consequences and the preservation of the natural environment, though public policy at the Federal and State levels is not without ambiguities: although controlling emissions is an official priority, preserving jobs in the mining sector is perceived as strategic in the medium term as the Australian economy is heavily reliant on the 'resources boom'. In addition, public firms are also subject to corporate governance rules (CLERP9) aligned

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with international standards (UK, USA). The Australian context is also influenced by the presence of large and powerful stakeholders, such as local mining giants BHP-Billiton and Rio Tinto. There are also legal requirements in relation to aboriginal minorities on traditionally-owned land. Together, these elements define the spaces and themes around which social responsibility is constructed.

This paper proceeds as follows. Firstly, we review the literature related to corporate social responsibility. Then a range of types of CSR initiatives are presented. These provide the framework for analysis of the data related to the Australian energy industry in 2007. We then present our findings and discuss the implications of these findings and opportunities for further research.

LITERATURE REVIEW

Corporate Social Responsibility Defined

Corporate social responsibility has been the subject of increasing attention over the past 25 years (De Bakker, Groenewegen et al. 2005). Its concern is the set of processes that arise when organisations and their environments interpenetrate, and it deals largely with the secondary impacts arising from the organisational pursuit of efficient outcomes (Preston and Post 1975). Conceptually, corporate social responsibility draws on a range of disciplines including business, public policy, social justice, accounting, ethics, and philosophy.

Academics consider that the notion of corporate social responsibility has been in existence since the 1950s, proliferating in the 1970s (Carroll 1979), and gaining increasing currency in the 1990s and the new millennium. Likewise, the associated

domain of reporting on environmental and social matters has existed for several decades but has experienced growth over the past decade or so. Deegan (2002) suggests that recent increased interest is demonstrated by the number of researchers entering the field and the “increased focus being applied by governments, professional accounting bodies, industry bodies and corporations to related issues” (p. 283).

Given corporate social responsibility’s concern with the interactions between organisations and their environments, the concept of corporate social responsibility is socially constructed and, over time, a series of conceptualisations, definitions and terminologies have been developed that attempt to explain it. The numerous efforts to clarify the constructs and concept of corporate social responsibility, as well as a range of terminologies to describe the phenomena, are identified by Mohan (2003) and presented in Figure 4.1 below. This figure illustrates the ongoing reflections on the social construction of social responsibility and attempts at creating definitions of what social responsibility means when organisations and environments are also rapidly changing.

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There has also been an evolution in the social construction of the idea of the social environment within the corporate social responsibility literature, shifting it from a broad social basis towards one that includes stakeholders. Whereas Carroll (1999) included the notion of society as the interface to the organisation, Whetten, Rands and Godfrey (Whetten, Rands et al. 2001) shift the definition to include the notion of *stakeholder* in suggesting that corporate social responsibility is “societal expectations of corporate

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behaviour: a behaviour that is alleged by a stakeholder to be expected by society or morally required and is therefore justifiably demanded of business” (Whetten, Rands et al. 2001)p. 374). This configures stakeholders as the means through which society’s expectations are translated, represented and delivered to the organisational interface (De Bakker, Groenewegen et al. 2005). Stakeholders are thus separated out from the broader social environment, suggesting that the interaction between organisations and stakeholders provides the operational level at which CSR is socially constructed. Stakeholder theories (Carroll 1979; Freeman 1984) suggest that there is a wide range of groups in the social environment that an organisation affects as a consequence of its activities; this extends the traditional focus of organisational responsibilities as resting in economic gains alone, to include economic, social, environmental and governance dimensions in discussions of CSR.

Stakeholders provide organisations with a range of resources they require to conduct their business, such as capital, customers, employees, materials and legitimacy (Bailey et al., 2000, 1998, 1994 cited in Deegan, 2002). This creates a mutual obligation, with stakeholders conceived as providing a ‘licence to operate’ to the organisation in return for the provision of socially acceptable, or legitimate, actions (Dowling and Pfeffer 1975; Guthrie and Parker 1989; Suchman 1995; Cornelissen 2004). The result is a form of social contract that allows the organisation to continue operations (Deegan 2002). This shift in organisational thinking from a purely financial focus demands organisations consider their relationship with a wider range of stakeholders.

The foregoing review of the literature suggests that corporate social responsibility is a concept that is being socially constructed concurrent with changes in organisations

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and their environments. At its centre is the reciprocal relationship between organisations and their stakeholders within a global economy.

Corporate social responsibility guidelines in practice

The practices organisations employ that might align with this definition and with stakeholder expectations are also evolving. One observable way to understand social responsibility practices is to consider the guidelines used to report and assess these practices. In a global economy, a number of international, national, and industry level guidelines for developing, reporting, and assessing corporate social responsibility practices have been developed. These guidelines help guide the social construction of social responsibility by providing criteria against which to display and assess compliance with accepted norms.

Reporting guidelines

A number of initiatives for reporting on the activities of organisations that are guided by principles and codes has been developed at the global level including the Global Reporting Initiative (GRI). The Global Reporting Initiative (GRI), launched in 2002, appears to have become the most widespread (Hopkins 2003; Owen 2003). The GRI was established through an independent organisation based in Amsterdam in cooperation with the United Nations Environment Program (UNEP), to develop and disseminate globally applicable Sustainability Reporting Guidelines. However, the GRI extends beyond the environmental dimension to create a worldwide standard for reporting against indicators across the social, environmental and economic dimensions of business. While its use is voluntary, GRI provides a set of reporting principles and guidelines for structuring report content (Owen 2003)p. 18).

Three major reports into corporate social responsibility in terms of government and public policy have been conducted in Australia. Corporate Community Involvement (Affairs 2000), commissioned in association with the Business Council of Australia, was released in 2000. It investigated the role of sustainable business in the community. In 2002, two other reports were prepared that dealt with triple bottom line (TBL) reporting. The first investigated TBL reporting in the Australian public sector, and the second in the corporate community more broadly. These three reports were developed in collaboration with the Centre for Corporate Public Affairs, a body which provides significant research and advice on public policy matters to government and major corporations. These reports suggested that the interest in CSR has been driven by three factors in the profit, not-for-profit and government sectors in Australia — globalisation and the knowledge economy, changing democratic processes, and changing philosophies of management and planning for government and organisations (Suggett and Goodsir 2002).

However, even though social responsibility has been on the public agenda for some time, a KPMG report into CSR reporting found that only 23 of Australia's top 100 companies had produced some sort of CSR report by 2004 (CPA Australia, 2005). A study at the University of Sydney found that by 2004, only 25 out of the top 500 Australian companies issued a corporate social responsibility report, and most of those were top 50 companies (CPA Australia, 3 November 2005). Of the 25 companies, the large majority (68%) were in the materials (mining and resources) sector. Capital goods (n=3), energy (n=2), banking (n=1), retailing (n=1) and telecommunications (n=1) were the other industries involved (CPA Australia, 2005). These statistics may reflect the imperatives on mining companies to report on their environmental impact, and are

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consistent with a study of the top 100 Australian companies represented in the 2003 Reputex reputation ranking which showed that organisations reported most information on environmental impacts of their business, but significantly less on the social aspects of the business (Tsang 2004).

Assessment and ranking devices

Another means of indicating compliance with social responsibility principles is for organisations to be assessed by external organisations. The international standard ISO 14000 established by the International Standards Organisation can be used to assess the environmental dimension of social responsibility. In addition, there are numerous agencies that have developed indices to assess an organisation's social responsibility practices.

Indices to judge the social impact of an organisation's practices have also been developed to guide corporate social responsibility activity. These metrics provide performance criteria for social, environmental, governance and economic dimensions of an organisation's activities. Often the metrics are developed by commercial and advocacy groups and appear to have emerged alongside the interest in corporate social responsibility in business and the academy. Two guidelines appear to be emerging as international standards — the Dow Jones Sustainability Index and the FTSE4Good Index — possibly as a result of the existing legitimacy of their parent brand names (Golob and Bartlett 2007). Being ranked by these groups can provide credibility to the organisations selected.

CSR reporting in Australia

In the main, CSR reporting by Australian organisations is voluntary rather than regulated. Corporations law requires disclosure of some environmental, social and governance matters related to specific situations discussed in this section. However, despite this high level interest in matters related to corporate social responsibility, there is still little clarity about what social responsibility means in practice.

In May 1992, the Australian Government embraced the *Intergovernmental Agreement on the Environment*, formalising the commitment to sustainable principles that it had held since the 1980s. Six years later, in May 1998, OECD countries set the achievement of sustainable development as a key priority. Their concept of sustainable development incorporated social, environmental and economic dimensions. As a member of the OECD, Australia has been proactive in supporting the development of an approach to sustainability and to CSR reporting (Suggett and Goodsir 2002). For example, during the time of writing this thesis, a Parliamentary Joint Committee on Corporate and Financial Services was established to investigate corporate responsibility and triple bottom line reporting in Australia. Its findings, released in 2006, suggested that CSR reporting in Australia remain voluntary but that organisations should be encouraged to consider social responsibility impacts as part of good business (Chapman 2006).

The acceptance of sustainability and CSR proposed by the government was further supported and legitimated when the Business Council of Australia endorsed the notion of sustainable development or “development seeking to meet the needs of the present generation without compromising the ability of future generations to meet their

own needs” (The World Commission on Environment and Development, Our Common Future, 1987) (Suggett and Goodsir 2002).

In practice, the Australian government has supported some CSR initiatives. One of those, the Greenhouse Challenge, enables Australian companies to form working partnerships with the Australian Government to improve energy efficiency and reduce greenhouse gas emissions.

From business, the Corporate Responsibility Index (CRI) is a strategic management tool to enhance the capacity of businesses to develop, measure and communicate best practice in the field of corporate responsibility in Australia. The Corporate Responsibility Index is the only voluntary non-prescriptive framework for corporate responsibility in Australia, enabling companies to identify their non-financial risk, as well as to develop and improve corporate responsibility in line with their business strategy (www.corporate-responsibility.com).

A taxonomy of CSR practices

As the review of the definitions and guidelines related to corporate social responsibility indicate, there are few clear indications of what constitutes corporate social responsibility at the level of practice. Bartlett (2007) has developed a taxonomy of types of CSR presented in Table 1. This taxonomy provides a tool for classifying the types of practice that organisations adopt.

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The taxonomy categorises social responsibility practices according to the legitimating purpose they serve for the organisation. As can be seen in Table 4.7, there are four categories of social responsibility practices. The first two involve cash contributions through philanthropic and commercial advantage categories. The third category, business legitimacy and sustainability, includes practices that aim to build relationships between the organisation and external groups through community engagement, in order to secure long term support for the organisation's activities. This strategy is central for building networks and inter-organisational relationships that can legitimate an organisation. The fourth category of performance includes those activities that measure, assess and report on the organisation's social contribution. This category includes TBL reporting that has received some attention at national and international levels. A description of the activities that comprise these categories is presented below.

This review suggests that the concept of CSR is under construction. There is some consensus around a definition of corporate social responsibility in the academic literature. There are also a number of frameworks that have gained international and national credence. Because practices are socially constructed, the emergence of corporate social responsibility as a concept adopted by business and a series of practices evolve over time for particular contexts. The emergence of CSR practice in Australia provides an opportunity to examine and more fully understand the way that social construction of business norms takes place.

METHOD

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The initial step in the research process involved clarifying the definition of the energy sector, which contributed to the inclusion of mining companies and fuel retailers, as research suggests that the energy industry is commonly viewed as the broader definition. The relevant top 100 Australian Stock Exchange listed companies were identified. This initial list was compared with the member lists of two relevant associations, namely, the Energy Supply Association of Australia (ESAA) and the Australian Petroleum Production and Exploration Association Limited (APPEA). Upon comparison, the list was reduced to 58 companies, out of these 58 companies, a sample of 24 was selected in order to cover all aspects of the industry, a broad coverage of Australian geography and a range of organisational sizes.

The ESAA has published guidelines pertaining to CSR: the "Code of Sustainable Practice" (ESAA, 2004a). Information about the sample organisations' CSR policies and practices was gathered from published reports, clippings from Australian newspapers, and the organisations' websites. This enabled to compare each individual organisation's practices against the CSR guidelines designed by the ESAA.

The matrix also includes other information in relation to legal and normative frameworks that were identified in our research. Organisational participation in or commitment to frameworks such as the CRI (Corporate Social Responsibility Index) and the GRI (Global Reporting Initiative) have also been documented.

Data analysis

The data garnered from a review of the organisational reports is represented below in Table 2 and then discussed.

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ISO14001 is the most widely accepted CSR guideline for the firms in our sample: 14 out of 24 (58.3%) are ISO14001 certified, whilst a further 3 (12.5%) are using the guidelines. 14 firms in our sample are ESAA members and report against the association's CSR guidelines. Finally, 12 out of 24 firms are also committed to the Australian Government's Greenhouse Challenge and/or Generator Efficiency Standards. 7 firms out of 24 (29.2%) comply with the GRI, 4 are CRI ranked, 2 are evaluated by FTSE4Good, and only 1 was part of the DJSI (until 2006 only).

That ISO14001 appears to be the most widely used CSR framework in our sample should not come as a surprise: ISO14001 is a legal compliance and environmental reporting scheme. Its focus on environmental reporting ensures a high visibility in the Australian context, as the country has the highest greenhouse emissions per capita in the world. Another factor facilitating its admission is that the reporting and compliance processes of ISO14001 are widely used standards, which use processes similar to other quality standards, such as ISO9000/1 which is the most used quality assurance standard with in excess of 775,000 organisations certified globally. According to ISO, at the end of 2005 in excess of 110,000 ISO14001 certificates had been issued. The wide acceptance of ISO standards thus indicates that ISO14001 certification is likely promoted through pressures of mimetic isomorphism (Scott, 2001).

The alignment of half our sample with the Australian Government's Greenhouse Challenge denotes the salience of local factors in the selection of CSR reporting

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guidelines: although this is a voluntary scheme, its promotion by the Federal Government and thus benefits from the weight of coercive isomorphic pressures.

The United Nations' sponsorship of the Global Reporting Initiative lends legitimacy to this scheme and this high international status probably explains why it is the most widely adopted of the international schemes. By comparison, the more detailed rankings provided through FTSE4Good, CRI, or DJSI were only adopted by few organisations, usually firms which had significant international operations and/or overseas stock exchange listings (e.g. BHP, Caltex).

A summary examination of the practices reported according to the ESAA guidelines, around which the analysis of practices was organised is presented in tables 2-4. Each table covers the items of the three chapters of ESAA reporting, respectively Economic, Environmental, and Social.

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Overall, the Economic chapter of ESAA reporting is mainly covered by good business practices (e.g. improve productivity, support R&D, business development) and rules of corporate governance, accounting rules, or employment regulations (legal compliance). Although the principles covered under the Economic section of the code are part-and-parcel of triple bottom line reporting, they usually do not require organisations to take any initiative beyond the legal requirements of conducting business in the Australian institutional framework.

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The firms in our sample were usually capable of reporting against most of the items in the chapter. However, certain ambiguities remain and reveal scope for improved practices. For example, publishing pricing information on the firm website is insufficient evidence that the firm fully complies with the guideline of “apply transparent, fair and affordable prices”.

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The ESAA Environmental reporting reveals a significant overlap with ISO14001 implementation and the Australian Government's Greenhouse Challenge. As the ESAA code post-dates these initiatives, it can be assumed that the code reflects the legitimacy of these initiatives and the fact that a large number of ESAA members were complying with these initiatives, or intending to comply in the near future –as of 2007, not all firms in our sample were ISO14001 certified, or Greenhouse Challenge participants.

As for the Economic chapter of the ESAA code, many items in the Environmental chapter are driven by legal compliance (e.g. ISO14001 reporting) and good management practices (e.g. saving energy and resources). Most firms in our sample did report practices related to the Environmental chapter –regardless of their membership of ESAA. The data however reveals that there are opportunities for firms to adopt differentiating practices in the Environmental chapter, for example through supporting fauna and/or flora conservation initiatives.

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Again, the Social chapter of the ESAA code involves in the main reporting against legal requirements (health and safety, equal opportunity) or standard business practices (communications with stakeholders). It must be noted that three reporting items in this chapter -precautionary approach, employment, and viable products and services- had limited reporting, from ESAA members as well as non-members. It must be noted that these three items, unlike most other items in the code, involve significant commitments and/or departures from traditional practices.

The data thus reveals that firms in our sample seemed more comfortable in reporting practices that were aligned with established ways of conducting business. However, innovative and/or more costly items in the Social chapter were yet to be addressed by the industry.

DISCUSSION AND CONCLUSION

A cynical interpretation of the data and reporting against the ESAA code could conclude that the construction of social responsibility in the Australian energy industry amounts to no more than some additional reporting of 'business as usual'. Indeed, the alignment of the code with mainstream Australian regulations indicates that compliance appears to be the main driver of corporate social responsibility practices and reporting.

However, beyond the surface of the data, a number of items reveal an increased awareness of the economic, environmental and social implications of their activity by the industry's firms. First of all, the fact that the ESAA has a code of CSR is in itself revealing: the industry through the code collectively acknowledges public concern about

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corporate responsibility and the need to provide more transparent reporting. Second, a number of items in the code have potential to usher a significant change in practices. However, some of these items are also those against which there is the least reporting, indicating that a substantial margin for progress exists.

In total, the structure of reporting and the practices identified reveal a strong influence of isomorphic pressures (DiMaggio and Powell 1983): facing greater demands from the public and stakeholders about their corporate social responsibilities, firms in the Australian energy industry exhibit a 'flight to legitimacy' and seek to report their activities in line with regulatory requirements, Government-sponsored initiatives, and internationally endorsed schemes.

The gaps in reporting and practices noted earlier are indicative of three points of note. First it appears that for many firms in our sample, Corporate Responsibility is a legitimate concern, but it may not yet be a driver of the business strategy. This is particularly evident in relation to practices in the Social chapter of the ESAA code. Second, it reveals that the construction of an understanding of how CSR principles –as captured in codes such as ESAA's– can be translated into actual practices has barely begun: firms in the Australian energy industry do have scope to further define how they can implement CSR principles. Third, the practices reveal an understanding of CSR which highlights the Economic and Environmental dimensions, whilst the Social dimension appears less developed.

In conclusion, this preliminary analysis of reported CSR practices in the Australian energy industry reveals how processes of social construction are unfolding and influenced by isomorphic pressures. However, the present survey can only be considered to be

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preliminary at this stage: firms may not have always reported all their relevant practices, and the research requires to explore the organizational motives for adopting one practice rather than the other, and how firms responded to pressures from the insitutional environment. Additional research exploring these issues is called for.

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Organizational theory

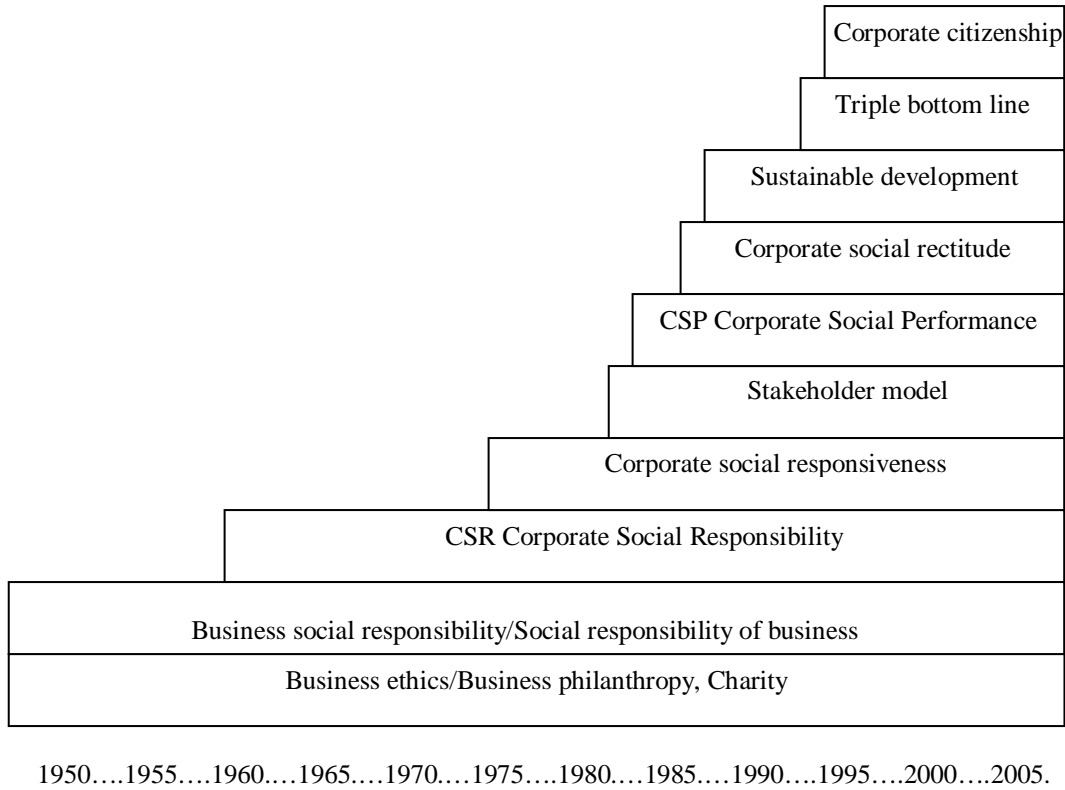
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Figure 1 Development of CSR-related concepts



Source: Mohan, 2003, p. 74.

Table 1 Taxonomy of social responsibility practices

Category of CSR practice	Examples of CSR practices
Philanthropy	Donations Foundations
Commercial advantage	Sponsorship Cause related marketing
Business legitimacy/sustainability	Employee programs Community engagement and development Political positioning ISO standards
Performance	Triple bottom line reporting Reputation measurement Internal audit Social audit

Table 2: Reporting guidelines used in the Australian energy industry

	ESAA	ISO 14001	FTSE4 Good	GRI	Dow Jones Sustainability	CRI	ESAA Code of Sustainable Practice	Greenhouse Challenge Program, Generator Efficiency Standards
<u>Australian Biofuels Pty Ltd (Agri Energy)</u>	ESAA NON-MEMBER						N/A	
<u>BHP Billiton</u>	ESAA NON-MEMBER	14001 Certified		Complies with GRI requirements		Gold: 90%+	N/A	Greenhouse Challenge
<u>Caltex Australia</u>	ESAA NON-MEMBER	Using 14001 but not certified				Bronze: 75-79.99%	N/A	Greenhouse Challenge
<u>Coal and Allied Industries Limited</u>	ESAA NON-MEMBER	14001 Certified					N/A	
<u>Delta Energy</u>		14001 Certified					Committed	Generator Efficiency Standards
<u>Energex</u>		14001 Certified						Greenhouse Challenge
<u>Energy Australia</u>		14001 Certified				Gold: 90%+	Committed	
<u>Energy Resource of Australia Limited</u>	ESAA NON-MEMBER	14001 Certified.					N/A	
<u>Ergon Energy Corporation</u>		14001 Certified		Complies with GRI requirements.			Committed	Greenhouse Challenge
<u>Hydro Tasmania</u>				Complies with GRI requirements .			Committed	Greenhouse Challenge
<u>Integral Energy</u>		Using 14001, but not certified		Complies with GRI requirements.			Committed	
<u>International Power</u>		14001 Certified	Yes					Greenhouse Challenge
<u>Macquarie Generation</u>		14001 Certified.						Generator Efficiency Standards & Greenhouse Challenge
<u>Origin Energy Limited</u>				Complies with GRI requirements.			Committed	
<u>Pacific Hydro</u>	ESAA NON-MEMBER	14001 Certified					N/A	
<u>Powercor Australia</u>		14001 Certified		Complies with GRI requirements.		Yes, rated 60 for 2006.	Committed	Greenhouse Challenge
<u>Powerlink Queensland</u>	ESAA NON-MEMBER						N/A	Greenhouse Challenge
<u>Roc Oil Company Limited</u>	ESAA NON-MEMBER						N/A	
<u>Santos Limited</u>	ESAA NON-MEMBER	Using 14001, but not certified					N/A	
<u>Snowy Hydro Limited</u>								
<u>Stanwell Corporation Limited</u>		Certified 14001						
<u>Tarong Energy Corporation</u>		14001 Certified		Complies with GRI requirements			Committed	Generator Efficiency Standards & Greenhouse Challenge
<u>Transgrid</u>		14001 Certified					Committed	Greenhouse Challenge
<u>Woodside Petroleum Limited</u>	ESAA NON-MEMBER				DJSI until 2006		N/A	

Table 3: ESAA Economic Practices reporting

Reporting items	Examples of reported practices
Comply with legislation and regulations	Financial Report complies with Australian Accounting Standards and Corporations Act 2001
Support ethical business practice	Corporate Governance Statement
Integrate sustainability principles into planning and decision-making	Sustainable development report
Deliver competitive return on assets/equity	Annual Financial Report
Improve productivity and efficiency	Annual Financial Report
Apply transparent, fair and affordable prices	Pricing information on website
Support research and development	Annual Financial Report
Provide training and education	Provision of health and safety training
Support business development	Annual Financial Report
Manage liabilities and risk	Annual Financial Report
Measure and report performance	Annual Financial Report

Table 4: ESAA Environmental practices reporting

Reporting items	Examples of reported practices
Comply with environmental legislation and regulations	ISO14001 reporting
Implement environmental management systems	ISO14001 reporting
Develop and implement low environmental impact technologies and measures	Implementation of ISO14001 compliant management systems Waste reduction initiatives
Develop greenhouse gas reduction strategies	Greenhouse Challenge reporting Greenhouse emissions measured and reported in sustainability report
Develop renewable energy	Participation to the GreenPower initiative
Promote energy and resource efficiency	Water and waste recycling programs
Undertake environmental education and training	Staff training reported in annual reports, usually focused on compliance with legal standards
Rehabilitate sites	Vegetation management, usually compliant with local regulations
Support conservation programs	Fauna and flora conservation initiatives, usually through charities

Table 5: ESAA social practices reporting

Reporting items	Examples of reported practices
Achieve equitable outcomes	Stakeholder communication policy
Provide safe and reliable service	Health and safety reporting
Adopt a Precautionary Approach	Risk management -21 out 24 firms did not report explicitly on this item
Promote employee health and safety	Health and safety reporting
Promote employee wellbeing	Equal opportunity policy
Consult stakeholders	Stakeholder communication policy
Provide information	Stakeholder communication policy
Support key social programs	Support charities and staff charitable work in the community
Support employment	Local recruitment policy - 20 out 24 firms did not explicitly report against this item
Create viable products and services	Renewable energy initiatives -17 out of 24 firms did not explicitly report against this item