EXPERIENCECSR – A CORPORATE SOCIAL RESPONSIBILITY SIMULATION

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ABSTRACT

ExperienceCSR is a Corporate Social Responsibility e-learning program featuring an immersive business simulation that challenges participants to develop a comprehensive CSR strategy for SkyTech, a realistic high-tech organization. In the simulation, participants must create and implement a strategy focused on the corporation's ethical responsibilities to employees, the community, customers, suppliers, the environment and shareholders.

Since its launch in early 2003, ExperienceCSR has received many accolades from industry and academia. Of particular note was recognition as one of the top three e-learning products of 2003 by the American Society for Training & Development (ASTD). ExperienceCSR's success is a result of an innovative partnership model that brought together the content knowledge of the University College of St. Michael's (UCSM) with the simulation design and development expertise of ExperiencePoint.

Enron. WorldCom. ImClone. While these companies and others have focused media attention on the issue of corporate accountability, a growing body of research suggests that good corporate citizenship increases competitiveness through improved financial performance and lowered risk. It was against this backdrop of media and research momentum that ExperiencePoint and the University of St. Michael's College (USMC) at the University of Toronto partnered in 2002 to create ExperienceCSR: Corporate Social Responsibility.

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ExperienceCSR is designed to teach four key concepts to students and professionals:

1. A good CSR strategy is comprised of policies and practices that encompass five areas of social responsibility, called the five pillars of CSR: business ethics, employee relations, human rights, community investment and environmental sustainability.

2. A range of CSR policies and practices are available, however not all are appropriate. ExperienceCSR presents participants with a broad range of feasible options and challenges them to create a customized CSR plan for their client.

3. It is important to make the right decisions at the right time. As implementation is where most good strategies falter, ExperienceCSR rewards decision-making that follows a disciplined approach to change management. A seven-stage change model that draws influences from John Kotter's work underlies as the evaluative framework.

4. During implementation it is critical to survey a wide range of internal and external stakeholders to gauge and manage support for, and resistance to, the strategy.
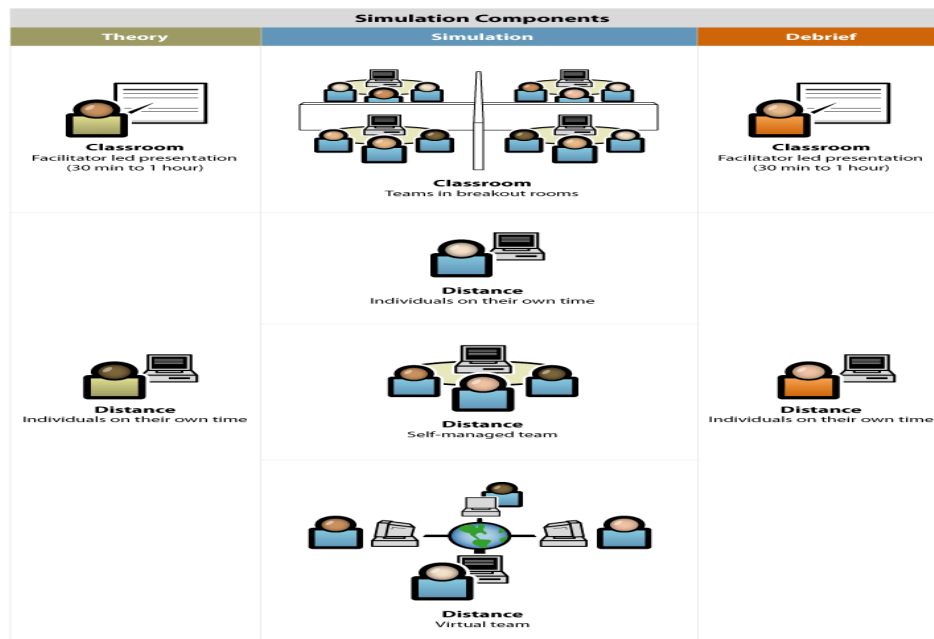
ExperienceCSR is delivered in many different ways, depending upon the professor's (or consultant's) preferences. There are three basic components to the delivery of the simulation: (1) Theory; (2) Simulation; and (3) Debrief. The online nature of the simulation offers great flexibility as one or more or all of these components can take place outside of class-time.

Regardless of whether a professor employs a traditional classroom-, distance- or, blended- approach, all students are provided with their own username and password via email to the ExperienceCSR website. This access typically occurs a week prior to the intended simulation date and students are instructed to review a SkyTech background case study and the CSR theory, both contained on the site.

The traditional classroom delivery requires 5 hours and is commonly split between 2 or more classes. Under this approach, the Theory component is delivered by the professor in the form of a 30-60 minute overview of both the Five Pillar approach and the underlying change management model.

After the Theory component, the professor divides the class into teams of 4-6 participants and sends them off to private breakout rooms with an internet-connected computer. Although the option to have participants play the simulation by themselves exists, the team-based approach has proven itself to be extremely valuable as a learning model. In fact, with over 10,000 online simulation users over the past 5 years across four ExperiencePoint products, greater than 95% have experienced their simulations as a member of a team.

The team members start the simulation by interviewing key stakeholders both inside SkyTech and in the surrounding community. The interviews typically take an hour to complete and yield variegated perspectives on the

issues facing the company. It is the team's role to sift through these sometimes conflicting ideas to ascertain what is really going on inside the company and what needs to be done from a CSR perspective.


Once the team has gathered information through the interview process, they are challenged to quickly synthesize this information into a plan for implementing a holistic CSR strategy. Provided with approximately 50 different tactics – each with their own description, time and cost – participants must determine which policies and practices to implement, and when they should do so. The planning process can take as long as 2 hours, and rarely involves the computer as team-members debate the efficacy of each tactic and build a step-by-step implementation plan. Throughout the planning process teams must be conscious of two key constraints - they have 3 years and $400,000 to implement the strategy.
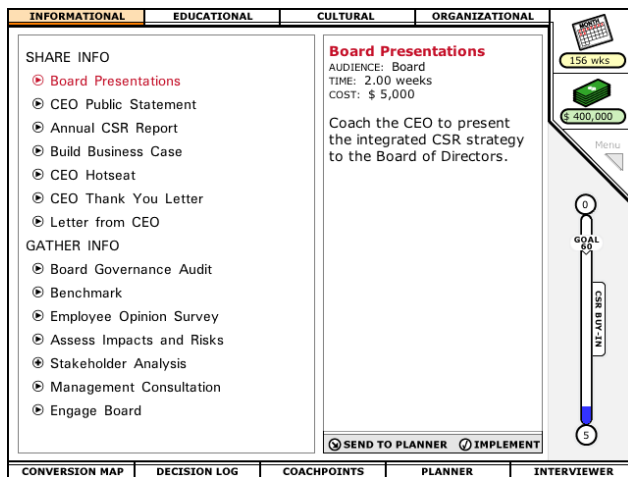
Once the planning process is complete teams move back into the simulation for actual implementation. Implementing their plan one tactic at a time, team members receive qualitative feedback from stakeholders affected by the decisions. As instructive, however, is the quantitative feedback. The level of commitment or buy-in from key stakeholders to the CSR strategy is quantified and displayed in a 'Conversion Map'. The level of buy-in is aggregated across stakeholders into an overall conversion score. If participants follow the Five Pillar model and change management best practice, they will achieve success in the simulation – a critical mass of stakeholder support represented as a 60% conversion score. It usually takes teams 20-25 decisions to achieve this level, and typically only one in two teams will achieve the objective the first time they play the simulation.
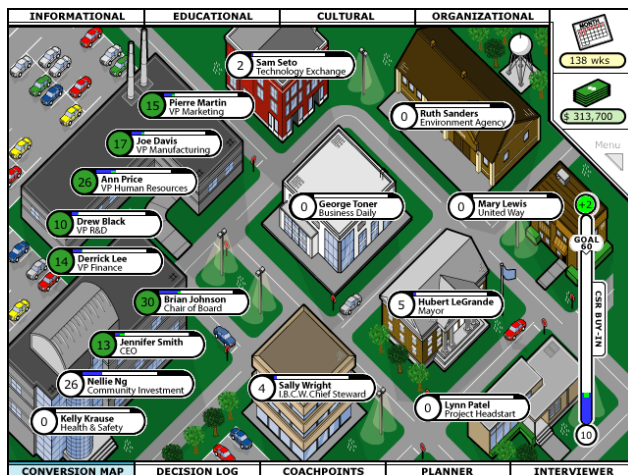
Post simulation, participants have an opportunity to reflect upon their performance. In a classroom environment, the professor normally leads a 30 to 60 minute debrief and describes the simulation's critical success factors, and by extension, CSR best practice. The ExperienceCSR website also contains 'Reflect', a comprehensive report-card module that provides feedback customized to a team's specific experience. Participants can view details on the

appropriateness of decisions made in the simulation, how the decisions were scored, and where strategies deviated from the underpinning theory.

The simulation model evaluates decisions on three dimensions:
1. Timing – were decisions implemented at the right time
2. Sequencing – were interdependencies among decisions recognized
3. Execution – were certain key decisions executed well

By employing fuzzy-logic principles, the simulation model ensures there is no single – and thus no palpably artificial – "golden path" to success but rather a variety of potential solutions. As long as participants adhere to the Five-Pillar approach and change management best practice, they will achieve a critical mass of support for their CSR Strategy.

HOW WAS IT DEVELOPED?

Since its launch in early 2003, ExperienceCSR has received many accolades from industry and academia. Of particular note was recognition as one of the top three eLearning products of 2003 by the American Society for Training & Development (ASTD). ExperienceCSR's success is a result of an innovative partnership model that brought together the content knowledge of the University College of St. Michael's (UCSM) with the simulation design and development expertise of ExperiencePoint.

UCSM approached ExperiencePoint with a curriculum need for a powerful capstone experience for their newly designed Certificate in Corporate Social Responsibility program. UCSM's primary need was to provide a unique and powerful learning opportunity and tools for participants in their CSR program. In addition, UCSM expressed a series of other needs:
- a need for low financial investment;
- a need for an ability to recover investment,
- a need for strong alignment to existing curriculum;
- a need for accessibility to the simulation in the future; and
- a need to extend UCSM's brand.

ExperiencePoint expressed its needs to UCSM in a similar fashion. ExperiencePoint's primary need was to expand its portfolio of products available to existing and prospective clients. A further set of needs was expressed to UCSM:
- a need to protect existing intellectual property
- a need to minimize upfront financial risk
- a need to maximize potential financial reward
- a need to extend ExperiencePoint's brand.

The collective needs of UCSM and ExperiencePoint were considered and incorporated into the following partnership model:
- One of ExperiencePoint's existing (and proven) simulation engines was chosen as the framework

for the new simulation. This helped minimize risk to both parties during the process.

- UCSM pre-paid for a block of licenses to the simulation. These advance licenses were sold at 50% of list price, which affords UCSM an opportunity to resell and recoup investment. (The total cost to UCSM for developing the simulation was approximately 10% of the cost of developing a custom simulation.)
- UCSM contracted with CSR program faculty to provide content expertise to the simulation through the development process.
- ExperiencePoint retained ownership of the simulation and provides royalties to UCSM from ExperienceCSR sales. Content developers assigned copyright for their work to ExperiencePoint.

- ExperiencePoint and USMC co-branded ExperienceCSR
- Aside from a Toronto-area non-compete, ExperiencePoint is able to market and sell ExperienceCSR to American, Canadian, and European business schools and companies.

At its core, this partnership model is based on a deep respect by both parties – a fundamental pre-condition for good CSR. The partnership continues to benefit both UCSM and ExperiencePoint and has served as a model by which ExperiencePoint has since partnered with other business schools with similar curriculum needs.