Executive Summary

Buyers of IT outsourcing services increasingly expect providers to demonstrate strong commitment to corporate social and environmental responsibility (CSER). We identify two key challenges for CSER in global information technology outsourcing (GITO): (1) environmental issues related to increasing power consumption and related greenhouse gas emissions, and to e-waste, and (2) social responsibility issues, which are growing in importance as global CSER guidelines, standards, reporting frameworks, and regulations raise public expectations. Our research has identified four key trends in the CSER knowledge and capabilities required by outsourcing buyers and providers. We provide guidelines for acquiring the knowledge and capabilities that will enable buyers and providers to effectively integrate CSER within GITO.

THE RISE OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY IN GLOBAL IT OUTSOURCING

Many organizations today are increasing their corporate social and environmental responsibility (CSER) expectations both for their own IT organizations and for those of their business partners. CSER is a “cluster concept” that overlaps with business ethics, corporate philosophy, corporate citizenship, sustainability, and environmental responsibility. A recent Boston Consulting Group report describes the CSER concerns of senior managers who “consider the economic, social, and even political impacts of sustainability-related changes in the business landscape.” The report states that, “Sustainability will become increasingly important to business strategy” and, recognizing this, “companies will need to collaborate across internal and external boundaries.” Further evidence of increased expectations can be found in Wal-Mart’s Green Goods\(^4\) initiative, an example of a CSER campaign that has had a significant impact on Wal-Mart’s supply-chain partners.

Organizations that use IT outsourcing services will expect providers to deliver the same level of CSER performance that they provide to their own customers. Global IT outsourcing (GITO) providers and buyers therefore need to understand how the growing requirements for CSER affect the business knowledge and capabilities needed by domestic and global workforces. The research described in this article focused on understanding the current and potential impacts of CSER on the GITO market from the perspectives of outsourcing buyers and providers. The research question guiding this inquiry was: How do social and environmental responsibilities affect current and future business knowledge and capabilities in GITO? This article presents the results of our research and identifies the implications for the business knowledge and capabilities of GITO providers and buyers.

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1. Ilan Oshri, Joe Rottman, and Leslie Willcocks are the accepting Senior Editors for this article.
CSER CHALLENGES IN GLOBAL IT OUTSOURCING

We begin to answer the underlying research question by first describing two key CSER challenges specific to both GITO buyers and providers as indicated in the relevant literature—environmental concerns, especially power consumption, and social responsibility issues.

Challenge 1: Environmental Concerns

Many GITO providers are major consumers of electrical power, which raises concerns about environmental responsibility. The increasing power consumption by IT gives rise to two environmental concerns related to IT outsourcing. First, the cost of energy has an economic impact on IT operations. Second, most electricity generation produces greenhouse gases, which have been linked to global warming.5

At the time of writing, global economic turmoil has resulted in short-term reductions in oil prices (the price of oil dropped by 40% from September 2008 to January 2009), but several commentators predict a long-term trend of rising energy costs. For example, oil prices quadrupled from $30 per barrel in mid-2003 to over $120 in mid-2008.6 Dramatic increases of this magnitude mean the cost of energy is now a major concern for all organizations. Thomas Homer-Dixon7 describes the significant changes resulting from “increasingly serious energy constraints, and the era of cheap oil [having] come to an end.” Other economists such as Jeff Rubin8 have described the impact of the end of low-cost energy. Jeremy Rifkin9 argued a similar point at a 2008 Global Sourcing Conference where he said declining access to low-cost energy will require a “new energy model” for global sourcing. Rifkin argues that organizations and governments should anticipate the need to shift to energy sources other than oil. Finally, the 2009 Green Outsourcing

Survey reported that 85% of the senior executives surveyed said that “the adoption of green technology is more likely the result of escalating energy costs than ecological altruism.”10

Alongside rising energy costs, there is an unrelenting appetite for energy in data centers. The European Commission’s Institute for Energy’s “Code of Conduct on Data Centers Energy Efficiency” addresses the problem of growing data center energy consumption. The code states that “The projected energy consumption rise poses a problem for EU energy and environmental policies. It is important that the energy efficiency of data centers is maximized to ensure the carbon emissions and other impacts such as strain on infrastructure associated with increases in energy consumption are mitigated.”11 This voluntary code defines best practices and commitments for industry and governments. In North America, the United States Department of Energy (DOE) is “leading the charge towards reducing power consumption and moving toward energy efficient computing.”12 The department has established an industry goal of reducing data center energy use by 10% by 2011.

GITO, however, does not solve the energy consumption problem, as it simply moves the problem from an in-house data center to an outsourced facility.

Another IT-related environmental concern is e-waste. Several jurisdictions have recognized the growing problem of e-waste and have enacted legislation that requires a planned and environmentally appropriate method for disposing of obsolete electronic equipment. For example, in Canada the Ontario government has enacted the Waste Diversion Act, which has resulted in the industry-led Waste Electrical and Electronic Equipment (WEEE) Program. This program requires buyers of electronic equipment to pay an up-front disposal fee for equipment such as computers, printers, monitors, etc. In the United States, 19 states have passed legislation mandating e-waste recycling programs. California has a consumer electronic waste recycling fee similar to the Canadian program.13

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5 There is an extensive literature on greenhouse gasses and global warming; for a detailed discussion on this topic see reports from the Intergovernmental Panel on Climate Change, at www.ipcc.ch/publications and data. The Fourth Report on Climate Change, completed in 2007, describes the physical science of climate change, the impact of climate change and the mitigation of climate change.
9 For a discussion on alternate energy sources see Rifkin’s Foundation on Economic Trends at www.foet.org, accessed August 24, 2009. Rifkin presented his views on alternate energy at the April 17, 2008 Global Sourcing Forum sponsored by the Center for Outsourcing Research and Education (CORE).
Challenge 2: Social Responsibility Issues

Social responsibility issues related to GITO have provoked strong public and government reactions. The range of opinion is wide and, although there are “shades of gray,” they can broadly be identified as pessimistic and optimistic. Pessimists fear that GITO encourages unfettered capitalism and irresponsible corporate profit maximization that increases the income inequalities between the developed and developing worlds. Optimists argue that GITO is beneficial because it distributes work and income globally.

The Pessimists’ Argument. GITO pessimists argue that GITO maximizes profit for the rich and offers limited or no benefits for other groups. As evidence, they point to the growing gap between rich and poor in developing countries. The rich simply get richer as a result of GITO with “deepening income inequalities in the developing world and deepening income inequalities in the developed world after the onset of the so-called information economy.”14 They believe that ongoing and increasing levels of global outsourcing will have disruptive effects.15 North America and Europe will, they claim, experience significant displacement of a broad range of workers, many from upper educational reaches, who will be neither passive nor politically quiet. Pessimists wonder whether the seeds of a future social and political crisis may be being sown as millions of white-collar workers face unemployment.16 A partial solution lies in an expanded vision to “generate socially positive outcomes.” Such outcomes would be especially beneficial in, for example, some GITO providers in India, which are reported as having precarious employment contracts, mechanistic work processes in software factories without the support of union organization and poor attention to health and safety.17

The Optimists’ Argument. GITO optimists view outsourcing as a mechanism for sharing wealth on a global basis. They posit that CSER and ethical trading, especially for global consumer branded products and services, as well as collective action toward the International Labour Organization’s fair-work agenda, can improve labor conditions.18 They perceive global outsourcing as beneficial and “clearly ethically justified … outsourcing promotes efficiency; helps developing countries by providing jobs where unemployment is very high, involves transfer of information technology and knowledge and encourages the educational process in less developed countries so that people are trained for new types of work provided by information technology and helps cut the costs of goods and services.”19

Addressing the Challenges Through Emerging Global CSER Standards

The challenges posed by GITO-related CSER issues are beginning to be addressed by “an increasing number of CSER standards, watchdogs, auditors and certifiers aiming at institutionalizing and harmonizing practices globally.”20 Several industries, such as clothing manufacturing, mining and forestry, have created CSER standards and codes of conduct. Often, these standards were developed in response to pressures from unions, non-governmental organizations and multi-stakeholder organizations. To date, the GITO industry has not defined CSER standards, but at least four CSER standards are potentially relevant:

- The Global Reporting Initiative (GRI), which provides a consistent standard for reporting CSER activities
- The SA8000 standard from Social Accountability International (SAI), which defines global standards for working conditions
- ISO 26000, a draft standard that defines a set of standard practices across all industries for CSER activities
- The United Nations Global Compact, which defines 10 universal CSER principles.

GRI provides a “trusted and credible framework for sustainability reporting that can be used by organizations of any size, sector or location.”21 GRI has been developed over the last 10 years and is

now broadly recognized by many organizations as a standard for corporate responsibility and sustainability reporting. It provides a public record of organizations that have voluntarily provided their sustainability reports. By mid-2009, over 400 organizations had registered with GRI, of which seven were GITO providers.\footnote{Based on a June 30, 2009 review of GRI at http://www.globalreporting.org/GRIReports/GRIReportsList/; The seven GITO firms reporting with GRI were Accenture (Spain), IBM, Infosys, Tata Consulting Services, WiPro, HP/EDS and Tech Mahindra.}

SAI’s SA8000 standard has been adopted at almost 1,700 sites around the world. Much of the rationale for SAI came from the 1990s’ realization that low-cost “sweat-shops” and child labor were frequently used to produce global branded products that were both fashionable and expensive. SAI certification assures consumers that products and services are delivered from facilities with fair working conditions for employees.

ISO 26000 is a working draft that has not yet been ratified by ISO members and therefore had not been implemented at the time of writing. This standard will provide a guide for organizations voluntarily adopting CSER practices. With participation from about 80 countries and many stakeholder groups, it is hoped that ISO 26000 will be recognized as a universal standard across most industries when it is completed. ISO 26000 addresses core CSER subjects including governance, human rights, labor practices, the environment, fair operating practices, consumer issues, community involvement and development.

The United Nations Global Compact is a set of 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. It is focused on businesses, and requires CEO endorsement and annual reporting. The compact’s overarching mission is to help build a more sustainable and inclusive global economy. To date, over 4,700 corporate members have signed the Global Compact.

In summary, both pessimistic and optimistic opinion leaders and researchers are paying considerable attention to the topic of social and environmental responsibility in outsourcing. CSER presents challenges to GITO providers and buyers, both of which must have the business knowledge and capabilities to understand and address the social issues related to outsourcing. Government and non-governmental organizations have begun to define and monitor standards for corporate social and environmental activities, which are applicable in varying degrees to GITO providers. Outsourcing providers and buyers must also have the knowledge and capability to understand and ensure compliance with appropriate CSER standards.

Additionally, the environmental impacts and costs of IT-related energy consumption are rapidly becoming an important issue for outsourced IT operations. Outsourcing providers need the capabilities to monitor and manage the environmental impact of outsourcing.

**THIS RESEARCH STUDY**

This article presents the findings of research we conducted in 2008 and 2009. We began in 2008 by focusing on understanding the nature and impact of CSER on the outsourcing market by examining the perspectives of outsourcing buyers, providers and advisors. We conducted a total of 12 executive interviews\footnote{Semi-structured interviews were conducted in the executives’ offices with a prepared set of questions. Notes were transcribed during and after the interviews} with participants from:

- Four organizations that were using both IT infrastructure and application development GITO services (two large Canadian banks, a large international consumer product organization, and a large Canadian retailer)
- Four global outsourcing providers
- A global outsourcing advisory firm
- Two legal firms, which provided perspectives on evolving contract requirements
- A corporate social responsibility expert who provided views on ISO 26000 and other standards.

We also ran a focus group (co-sponsored by the Center for Outsourcing Research and Education [CORE] and Ryerson University), with about 50 participants, consisting of approximately 10 provider representatives, 20 GITO clients, 10 advisors and 10 students.

In 2009, we prepared in-depth case studies of two businesses using GITO services (a global mining company and a North American energy company). We interviewed several GITO buyers and users in these businesses and representatives of their multiple outsourcing providers. In all, we conducted 10 to 15 hours of interviews for each case study.
In the interviews and focus group we explored the following topics:

- When making outsourcing decisions, do your evaluation criteria include CSER capabilities?
- What components of CSER (such as employee support, environmental stewardship, working environment, community involvement, etc.) are most important?
- How do buyers give preference to CSER factors in outsourcing decisions?
- Do you expect CSER considerations to become more important in future outsourcing contracts?

FOUR KEY TRENDS IDENTIFIED

Our research identified four key GITO trends related to CSER knowledge and capability.

**Trend 1: CSER in Outsourcing is Relevant and Environmental Concerns Will be the Most Important Issues**

Several interviewees stated that the “CSER factor” in outsourcing decisions was new; they had not encountered it previously but they expected CSER to be important in the near future. One interviewee from a GITO provider stated: “CSER issues will not go away. They are complex and inter-related, across all business sectors.” Another interviewee, an outsourcing advisor, said that a client had recently asked for CSER capabilities to be explicitly included in a request for proposal for outsourcing services.

A recurring theme across all interviews was that environmental concerns, such as carbon emissions, will be an important social issue “in the very near future.” Executives from two large GITO providers mentioned that attention to environmental sustainability presents both an economic advantage and potentially a reputation advantage. However, one advisor reported that “carbon credits have received more attention than CSER [as an environmental issue].”

Buyers told us of their growing environmental expectations of their GITO providers. To illustrate, the following is an extract of a CSER requirement taken from a request for proposal sent to several major GITO providers in North America:

“The Company is committed to the highest standards of safety, health and environmental practices and expects its suppliers to be similarly focused.

“The company will seek to establish a relationship with a supplier that can demonstrate it has the appropriate safety, health and environmental objectives and has the management systems in place to deliver on these objectives.”

On the same theme, a GITO buyer stated:

“Price is not the only criteria. Often [outsourcing] prices are comparable and the difference is marginal. Cultural fit and the values that we share, although multi-faceted, become very important.”

The implications for knowledge and capability requirements in this area are becoming clear: as CSER capabilities within GITO become mandatory there will be an emphasis on environmental issues. Buyers are already developing CSER capabilities as part of their core business skills and are increasingly applying CSER concepts to outsourcing arrangements.

**Trend 2: CSER Will be Driven by Consumer and Employee Concerns**

A recurrent theme from the interviews and at the focus group was the need to respond to consumer CSER pressures. Consumer product organizations have established frameworks to ensure that their products are not tainted by CSER issues such as child labor or worker safety. Many interviewees also expressed the importance of their employees’ perception. As one focus group member stated: “Employees are driving CSER.” Several interviewees expressed the view that younger employees have high expectations of their employer’s CSER, which will become increasingly prominent as they replace the retiring “baby boom” generation.

The implication is that employers, especially in GITO providers (which often rely heavily on “bright young talent”), need a strong and positive CSER profile to attract and retain employees.24 A focus group member stated: “CSER is about retaining employees and nurturing new ones.” A corollary of this is that outsourcing buyers and providers will need to develop the capability to communicate with relevant internal and external stakeholders. This implies the capability to understand and monitor the CSER expectations

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of key stakeholders and to measure and report performance against these expectations.

**Trend 3: Standards and Regulations Will Define CSER Capabilities**

A large GITO provider reported that the British Columbia provincial government in Canada now “requires an outsourcer to comply with government goals of 30% reduction in carbon [greenhouse gases] output by 2020.” This government requires outsourcing providers to supply “green” data centers, which can be challenging for providers who “built data centers when power was cheap.”

This concern was echoed by an executive from another GITO provider who said: “CSER issues will be driven by increasing costs of power and potential government carbon tax issues.” As further evidence, The Green IT Review recently cited the impact of the U.K.’s Carbon Reduction Commitment on local and offshore data centers. It suggested that this cap-and-trade emissions reduction scheme will encourage more outsourcing of data centers and may penalize large U.K.-based data centers.

Environmental standards and regulations may also be included in broader CSER initiatives, such as the United Nations Global Compact and ISO 26000, or may be directly defined and encouraged by, for example, the EU code of conduct for data center efficiency.

A key implication for IT infrastructure outsourcing providers will be the need for an efficient carbon management model. For example, outsourcing a data center from North America to India may result in lower costs, but may result in higher carbon emissions because of the use of power generated from “dirtier” sources such as diesel and coal. A government tax on global emissions would force the buyer and provider to reconsider how and where outsourced infrastructure services are delivered.

As organizations begin to report their environmental profiles to stakeholders, those profiles are likely to include IT outsourcing providers. These providers will be expected to be at least as carbon-efficient as their customers. Such reporting is already evident in the Carbon Disclosure Project, which works with major global organizations to report carbon emissions from operations, including supply-chain and outsourcing providers. In 2008, 1,550 global organizations were participating in the Carbon Disclosure Project, accounting for an estimated 26% of global carbon emissions.

The implication is clear: GITO providers and buyers must have the capability to understand and comply with global CSER standards.

**Trend 4: Include CSER in Due Diligence; Beware of CSER Cynicism**

Several GITO intermediaries (consultants, advisors) suggested that a thorough walk-through of CSER capability in the due diligence phase of contracting is the best way to ensure that the provider “can live up to the CSER requirements of the buyer.” At present, though, the buyers in our study rarely or never validate an outsourcing provider’s CSER claims. No one we interviewed or who was present in the focus group was using the global CSER standards or norms described above in their outsourcing arrangements; they all relied on the buyer’s own expectations for CSER. Several interviewees cautioned that CSER may become a part of GITO providers marketing messages. Providers may quickly respond to consumer concerns with slick marketing messages that lack substance and hide their lack of substantive CSER programs.

One interviewee cautioned against “green-washing” environmental issues, where a company presents an environmentally responsible public profile but lacks the actual substance. And one focus group member warned of “CSER hypocrisy” in GITO: “being good at home, but bad abroad.” This individual meant that the CSER performance of a global offshore provider may be considerably below that of the buyer. However, another focus group member commented that, with corporate transparency enabled through global access to information on the Internet, “organizations can no longer say one thing and do another.” The prevailing view of focus group members was that large global organizations with strong brands will be less likely to substitute image in place of facts.

To gain a better understanding of the CSER capabilities of GITO providers and to assess their adoption of CSER standards, we examined the public CSER profiles on the websites of the top 25 GITO providers. We found that only six had adopted all

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25 For an overview of the British Columbia Government Carbon Neutral Program, see http://www.livesmartbc.ca/government/neutral.html


the recognized CSER standards and that a further six had adopted some of these standards. There was little or no public evidence of CSER capabilities in the remaining 13 firms, all of which were significantly smaller than the 12 that had, or were aspiring to have, a CSER capability.28

The implication is that buyers need to verify GITO providers’ CSER claims, through audit or other mechanisms. If a GITO buying organization doesn’t currently have the skills to do this, it should consider using the services of third-party advisors with specialist knowledge in CSER regulations and standards.

GUIDELINES FOR ACQUIRING CSER KNOWLEDGE AND CAPABILITIES

From our research and literature review, it is clear that both GITO buyers and providers require CSER knowledge and capabilities. We describe below five knowledge and capability areas that GITO buyers and providers need and provide guidelines for acquiring them.

1. Understand Relevant CSER Regulatory Requirements

Global IT outsourcing requires both buyers and providers to be aware of the government and non-governmental organization standards and regulations described above. They will require knowledge of relevant regulations and capabilities to apply them in an outsourcing environment.

When specifying outsourcing requirements, usually in a request for proposal document, buyers should refer to regulatory and legal CSER requirements in the jurisdictions in which the buyer operates. Outsourcing requirements should provide information about the buyer’s CSER standards and expectations. For example, one buyer that we interviewed asks outsourcing providers to describe how they will comply with the social and environmental policies described on the buying organization’s website. Buyers must also be able to assess a provider’s CSER knowledge and capability, through both an initial walk-through validation and ongoing confirmations. If buyer and provider have both agreed to adopt a global CSER standard, such as GRI or ISO, compliance may be verified by an external party—e.g., ongoing certification by the standards organization.

GITO providers, will need knowledge and capability in the area of global, regional and national CSER regulations and statutory requirements. They should understand the current and emerging CSER requirements in all jurisdictions where they, and their clients, operate. Providers that can provide leadership in this area may have an advantage over competing outsourcing providers that have less CSER capability. Outsourcing providers with strong CSER knowledge and capability will be able to provide leadership to their customers, especially when the provider’s CSER levels are superior to those of the buying organization.

2. Anticipate Stakeholder CSER Expectations

Trend 2 above identified that employees and customers will increasingly influence CSER requirements, implying that organizations must anticipate their expectations. They will need the capability to monitor and manage stakeholder CSER expectations. Anticipating these expectations will allow organizations to readily respond to CSER inquiries, as described in the third guideline.

Buyers need a reporting capability to deliver to interested stakeholders information on CSER performance and compliance with relevant laws, regulations and guidelines. They will need to work with their outsourcing providers to build this reporting capability, since some or all of the data will likely come from providers’ operations. One organization we interviewed is building a carbon management database that will report on organization-wide emissions; this database will be extended to include outsourcing providers’ information. Many large organizations already prepare an annual public report on CSER performance. Increasingly, stakeholders will expect outsourcing providers’ information to be included in such reporting.

Providers should work closely with buyers to provide CSER measures that meet global quality standards. Providers will need to measure and report on how they are supporting the CSER performance of individual clients.

28 The authors are currently exploring the CSER performance of the top global outsourcing firms to understand how they are adopting global CSER standards. CSER capabilities could be considered as a new segment of broader outsourcing supplier capability models that have been defined by various authors—e.g., see Feeney, D., Lacity M. and Wilcock, L. “Taking the Measure of Outsourcing Providers,” MIT Sloan Management Review (46:3), 2005, pp. 41-48.
3. Respond to CSER Inquiries

Trend 4 shows that honest and forthright communications will increasingly be needed to confront stakeholders’ potential CSER cynicism. The key capability needed will be effective communication skills in the area of CSER. Both outsourcing buyers and providers should expect enquiries from stakeholders, including government regulators, customers, news media, non-governmental organizations, shareholders, unions and employees.

**Buyers** should be trained in capturing, analyzing and responding to CSER inquiries that will include requests for information about outsourcing arrangements.

**Providers** will need to work closely with outsourcing buyers to provide accurate and timely responses to CSER inquiries. The capability of a provider to respond will reflect directly on the buyer’s external CSER reputation. In anticipation of CSER inquiries, providers should work with buyers to prepare an information repository of client-specific CSER information.

4. Embed CSER in Ongoing Operations

Our research shows that CSER is not a short-term or transitory phase. The challenges of social and environmental issues, along with developing global CSER standards, will require organizations to embed CSER knowledge and capabilities into their ongoing operations. To achieve this, they will require capabilities to regularly update the CSER knowledge base and to deploy that knowledge throughout the organization. Acquiring the necessary capabilities will mean hiring new people and training existing employees, as described in the fifth guideline.

**Buyers** should build CSER performance measures into outsourcing governance, using service-level agreements and other contractual mechanisms. Experts in CSER, from within the buyer organization or from external advisory firms, should define how outsourcing providers will support CSER. Buyers should expect to provide regular outsourcing CSER reports to their stakeholders, both within and external to the organization.

**Providers** should adopt CSER best practices that will help their clients improve their CSER knowledge and reporting capabilities. They should also offer clients a CSER reporting process that will dovetail with and support clients’ CSER requirements and obligations.

5. Develop a CSER Culture Through Hiring and Education

As described in the fourth guideline, CSER is a long-term commitment for both GITO buyers and providers. Organizations will need an ongoing hiring and education program that builds a culture of social and environmental responsibility. The knowledge and capability required will be focused on assessing and reinforcing CSER concepts in the organization and its business partners. Trend 2 shows that organizations with a positive CSER profile will be more successful in attracting and retaining promising young talent.

Both **buyers** and **providers** will need to continually develop their internal CSER culture through hiring and education. Buyers will respond to the CSER demands of their industry. Providers can become centers of excellence and provide CSER guidance to their clients.

**Summary of the Guidelines**

Figure 1 summarizes the five CSER knowledge and capability guidelines.

**CONCLUSION**

CSER is growing in importance for the GITO industry. Both providers and buyers will need new knowledge and capabilities, and we have provided an initial set of guidelines for acquiring these. Various government and non-governmental organizations have defined, or are defining, CSER standards, but these may not be optimum for the GITO industry. To prevent inappropriate standards being imposed, we believe that major GITO industry participants—providers and buyers—should work together to develop an industry code of conduct that codifies accepted and expected CSER practices and the required skills. With this aim in mind, we are working with an industry organization to collect data on how receptive outsourcing providers would be to an industry-defined code of conduct for CSER. This topic, and related research, will continue to evolve rapidly.
**Figure 1: CSER Guidelines for Global IT Outsourcing**

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<tr>
<th>CSER Knowledge and Capability</th>
<th>Implications For Buyers</th>
<th>Implications For Providers</th>
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<tbody>
<tr>
<td><strong>1. Understand Relevant CSER Regulatory Requirements</strong></td>
<td>· Understand regulatory and legal CSER requirements for the client jurisdiction being served.</td>
<td>· Articulate CSER jurisdiction requirements to outsourcing providers through request for proposal and outsourcing governance processes.</td>
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<tr>
<td>· Understand industry-specific requirements (e.g., manufacturing, resources).</td>
<td>· Understand industry-specific requirements (e.g., data center efficiency requirements).</td>
<td>· Validate outsourcing provider’s ability to respond to regulatory and legal CSER requirements, through audit and due diligence.</td>
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<tr>
<td>· Understand outsourcing-specific requirements (e.g., data center efficiency requirements).</td>
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<tr>
<td><strong>2. Anticipate Stakeholder CSER Expectations</strong></td>
<td>· Articulate CSER jurisdiction requirements to outsourcing providers through request for proposal and outsourcing governance processes.</td>
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<tr>
<td>· Monitor and understand CSER expectations of key stakeholder groups (e.g., employees, recruits, customers).</td>
<td>· Working with the outsourcing provider, create factual reports on CSER accomplishments and comparison to benchmarks and standards.</td>
<td>· Provide global quality measures, according to international standards, that provide evidence of CSER capability.</td>
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<td>· Communicate effectively and proactively with key stakeholder groups.</td>
<td>· Provide factual CSER information on CSER accomplishments and comparison to benchmarks and standards.</td>
<td>· Measure and report on how individual client CSER performance is being supported.</td>
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<tr>
<td><strong>3. Respond to CSER Inquiries</strong></td>
<td>· Maintain a repository of CSER information, including outsourcing providers’ data.</td>
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<tr>
<td>· Provide factual CSER information as requested by government and other stakeholder groups.</td>
<td>· Respond to information requests.</td>
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<td><strong>4. Embed CSER in Ongoing Operations</strong></td>
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<tr>
<td>· Measure, compare, report and communicate CSER accomplishments.</td>
<td>· Establish CSER programs as part of outsourcing management and governance.</td>
<td>· Transfer CSER best practices to clients.</td>
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<td></td>
<td>· Use outside CSER experts to define programs.</td>
<td>· Implement measurement and reporting processes that dovetail with client CSER requirements.</td>
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<td></td>
<td>· Communicate CSER achievements proactively to stakeholder groups.</td>
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<tr>
<td><strong>5. Develop a CSER Culture Through Hiring and Education</strong></td>
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<tr>
<td>· Include CSER skills and capabilities in recruiting and hiring processes.</td>
<td>· Emphasize importance of CSER skills for professional growth and success within the organization.</td>
<td>· Recognize relative importance of CSER skills within client organizations.</td>
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<tr>
<td>· Create CSER skill development opportunities within and outside of organization.</td>
<td>· When recruiting, demonstrate importance of CSER within the organizational culture.</td>
<td>· Provide CSER skill development opportunities and training to client organizations.</td>
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