



CREATING LOCAL INNOVATION THROUGH A QUADRUPLE HELIX

## Case Study: CSR Model Region of Lippe

**Partner:** GILDE Business and Innovation Center Lippe - Detmold

**City:** Detmold

**Region:** North Rhine-Westphalia

**Country:** Germany

**Further Information:**

Thorsten Brinkmann

GILDE Business and Innovation Center Lippe – Detmold

brinkmann@gildezentrum.de

### Challenge

Detmold is at the centre of the district of Lippe in North Rhine-Westphalia. Around 350,000 people live in Lippe. The economic region is medium-sized and almost exclusively comprises owner-operated family businesses. For the future development - aside from the centres of industry - there is an extensive requirement for well-qualified specialists and managers, and in particular for technically trained specialists and engineers. In the future, the competition for suitable employees will become greater – not only between companies but also between regions.

In order to improve their competitive positions, larger companies in particular are attempting to profile themselves as attractive employers of technical specialists and managers. Companies are also placing increasing importance on Corporate Social Responsibility (CSR) in this regard. CSR is a concept that integrates social and ecological concerns into corporate activities and into relationships with partners such as customers, suppliers and employees on a freewill basis. CSR strategies are based on longevity and sustainability. They are applied by large, small and medium-sized companies alike. CSR companies promote equality and fight against discrimination of any type. CSR companies conduct themselves in an ecologically responsible manner and make a contribution towards future generations. Self-initiative and development of the social and corporate competences of personnel are also encouraged.

Across Europe, an increasing number of companies are aligning themselves with the principles of social responsibility in the sense of Corporate Social Responsibility and thereby strengthening their competitive position. Numerous companies in Lippe are also recognising their social responsibility and presenting themselves as CSR companies.

The initiative "CSR Lippe – Responsible Partners for Lippe" of the GILDE – promotion of economic development of Detmold and the Lippe Chamber of Commerce for Detmold aims to consolidate the social commitment of individual companies and to motivate them to work together with other organisations and stakeholders on the solutions to regional challenges such as the anticipated lack of skilled labour. With projects in schools, kindergartens, universities, with more vocational qualifications and with the rise in the standard of living in the region a greater number of trained professionals should come to Lippe and stay there. The objective is to help companies to create the optimum win-win situation. This not only means that the companies' dedication should create positive results for certain social groups but also that companies themselves should attain the optimum possible results, e.g. in terms of positive image-building.

## Stakeholders involved

The Bertelsmann Foundation, which operates across Germany, supports the development of the region of Lippe into a model region for CSR. As responsible partners, companies in Lippe combine their committed efforts. Working together with further partners – communities, Lippe district council, universities, chambers, local politicians, associations, social institutions – new and effective solutions are created for the benefit of the area.

In all, over 100 companies and organisations are included in the CSR process in Lippe. Around half of these work intensively in working groups on the solutions to social challenges in Lippe.

## Process

In February 2009 Lippe was selected by the Bertelsmann Foundation as one of five CSR model regions in Germany. The official start of the regional initiative "CSR Lippe" followed in May 2009 with an upbeat event in which over 100 interested companies and representatives of other organisations (stakeholders) took part. In light of the regional challenges the companies formed five working groups, in which mutual work now takes place on a range of themes:

- Strategies for safeguarding the employment potential of older employees
- Improving the transition from education to employment
- Developing proposals for reconciling family and work
- Improving the integration of employees with a migrant background
- Improving the presentation of the social commitment of the company

Since this time the working groups have attended numerous meetings and concrete results have been produced. Furthermore, multiple milestone meetings have taken place, at which all of the approx. 100 participants meet in order to exchange information on developments to date and to agree on the future steps for the individual working groups.

The GILDE - promotion of economic development and the Lippe Chamber of Commerce organise the initiative process, coordinate obtaining mutual agreement between the partners and ensure the sustainability of commitment as well as the profiling of the economic region of Lippe as a CSR model region.

## Financial framework

The GILDE - promotion of economic development, the Lippe Chamber of Commerce and the Bertelsmann Foundation make staff resources available for chairing the events. The numerous working group meetings are chaired by business owners from Lippe and sometimes by representatives of the GILDE - promotion of economic development or the Lippe Chamber of Commerce. The process is not financed by monetary grants, neither by members of the initiative nor by external organisations. The business owners instead give their time to the project or make services available or provide social commitment of their own freewill.

## Outcome

The profiling of Lippe as a CSR model region makes an important contribution to marketing the location with a focus on central action fields, which are defined by the business owners themselves: Education – profession – quality of life

The initiative can make a contribution to technical and management personnel being retained in Lippe and to motivating technical and management personnel to move to Lippe and take up employment here. The individual working groups have thus far developed the following proposals:

- Proposal for employees, for the provision of short-term care for their children or older family members
- Incentive scheme for young people, to encourage them to study for natural science-based professions
- Qualification programme for older employees
- Exchange programme between companies for the improved integration of employees with a migration background
- Databank for the presentation of the social commitment of companies in Lippe

# Critical Success Factors

The success of the project is dependent in particular on the following factors:

## **Regional anchoring of companies**

Lippe is characterised by a multitude of small and medium-sized companies, who have deep roots here due to family and tradition. The owners of these companies generally have extensive interest in the positive development of their location and winning them over is therefore essential to the CSR process.

## **“Avowed” CSR companies**

In Lippe there are numerous companies that have strategically positioned themselves as CSR companies and that have aligned their social commitment towards the core business. These companies function as good examples for others and provide the basis for the profiling of the region as a CSR region.

## **Willingness of companies to participate**

At the start of the process it is essential to acquire a critical mass of companies for the process. The CSR process must be desired by the business owners and borne by them. An entrepreneur must stand at the pinnacle of the project, who draws his/her colleagues along and acts as a spokesperson. Within the working groups business owners should be in the majority and the working groups should also be led by them. Business owners must recognise an opportunity for the region and for their own company within the project. Then they will also be prepared to commit themselves to the project in a sustainable way.

## **Competent CSR contact partner on site**

In 2005, the GILDE - promotion of economic development started to prioritise the subject of CSR. Within the framework of multiple EU projects the GILDE generated studies and questionnaires on the subject of CSR, developed CSR study materials, offered nationwide events and provided medium-sized companies with individual consultancy ([www.csr-mittelstand.de](http://www.csr-mittelstand.de)).

## **Sincerity of social commitment**

In addition to the opportunities that are associated with the CSR profiling of a region - such as positive effects on economic, ecological and social aspects, the reinforcement of a positive image or concrete improved opportunities for recruiting management personnel - it is also necessary to take into account the aspect of credibility as a risk factor. It is therefore essential to ensure that the social commitment of companies in Lippe remains credible and that critical appraisal takes place on an external basis.

## Difficulties encountered

In the process to date two aspects have proven to be particular challenges: Coordination of contents and coordination of time.

The more working groups are working on the project, the greater the risk that various working groups will examine certain themes simultaneously. Likewise the working groups sometimes differ in terms of the speed of their activities. Working on different themes requires different time spans.

For the purpose of harmonisation, a central control group aligns the developments within the individual working groups. It is thus necessary for example to tune the contents and timing of pending company questionnaires published by the working groups, to define various panels and to separate the questionnaire timeframes as much as possible.

## Impact

The first CSR model regions now exist in Germany, with the objective of uniting the two subjects of "CSR" and "regional development". The initiative contributes to making the region of Lippe more attractive to technical and management personnel. The social actions of companies in Lippe are exemplary and they want this to be documented for their stakeholders.

Integrated into the CSR process in Lippe are not only the companies but also the community's administration, the local politicians, the university of East Westphalia - Lippe, chambers and associations as well as social bodies. All work together in the working groups and at the milestone meetings. The project offers extensive opportunities to discover new approaches for solving social problems in Lippe. Due to the mutual work of business owners and stakeholders the results are finding broad acceptance. The process is highly effective. Business owners are naming those social problems in their area with which they wish to be involved. In order to solve the challenges they meet with other groups, e.g. social bodies. All bring their knowledge to the problem-solving exercises and work together on integrated solution approaches.

In light of these circumstances, the CSR process in Lippe provides an interesting example of a quadruple-helix model.



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