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|  | UNIVERSITY OF SOUTH AUSTRALIA **Assignment Cover Sheet – External** |

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| School:  | Program Code: |
| Course Coordinator:  | Tutor:  |
| Assignment number:  | Due date: 10/9/2019  |
| Assignment topic as stated in *Course Outline: Problem Solving Exercises*  |

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**Executive Summary**

The purpose of this paper is to provide a proposal in addressing one critical priority in the operations practices of one of Australia’s largest airport company, the Adelaide Airport. The paper will introduce the background of the airport and identify the fulfillment of corporate social responsibility as one priority of the company. Followed by this would be an overview of the significance and the theoretical and practical meaning of the corporate social responsibility. Then the five questions designed for answering in the dashboard will be mapped out addressing key areas of corporate social responsibility including how Adelaide Airport fulfill its obligations to the related stakeholders like customer, staff, environment, the community and so on. An explanation of the sources for the data will also be covered and the data quality and ethics concerns will be included.

**Introduction**

The Adelaide International Airport is the fifth largest international airport in Australia, and it was located at the South Australia.The Adelaide International Airport was establsihed in 1955 and had passenger growth rate at about 7% in the tears 2018-2019, making it one of the most promising and lucrative airport in Australia. In this proposal for scoping a critical priority in Adelaide International Airport, the five questions will be focused on the corporate social responsibility of the Adelaide International Airport. The corporate social responsibility is is a self-regulating business model that helps a company be socially accountable - to itself, its stakeholders, and the public (Forsyth, 2006). The stakeholders for the Adelaide International Airport would include the customers, its staff, the community, the general public and the suppliers and shareholders etc. So the five questions regarding corporate social responsibility would include how Adelaide International Airport satisfies its customers with its services, how it contributes to the building of the community, whether it generates positive or negative externality to the public and how it develop and train its staff to realize their value.

**Overview of Selected Key Priority**

The reason why companies pursue corporate social responsibility means through corporate business practices lies in the positive publicity from the fulfillment of corporate social responsibility. It has the function of integrating the business and society (Flammer, 2015).. Corporate social responsibility has increasingly become the company’s strategy in what current businesses call strategic CSR, through mitigating the harmful value chain impacts to mount a small number of initiatives whose social and business benefits are large and distinctive(Porter and Kramer, 2006). The fulfillment of corporate social responsibility can result in greater ability to attract talent and retain staff, lead to better brand recognition and also save operational costs, which should be the reason for positioning it as a priority for Adelaide Airport. Additionally, the current competitive environment also indicates the significance of this CSR as a priority (Wang, 2016)..

Adelaide Airport is an important airport in Australia. In the financial year 2017, over eight million passengers were transported via Adelaide Airport, and the passenger increased up to 2.5% in number. Currently, it is also fiercely competing with its rival companies like Sydney Airport. So corporate social responsibility is a critical aspect in the Adelaide International Airport.

To begin with, conforming to the corporate social responsibility can help Adelaide gain positive publicity and benefits its financial means. The Adelaide International Airport has experienced dramatic growth of 7% in recent years, and the expansion was driven primarily by loan capital(Adelaide Airport, 2018). The Sustainability loan, the sustainability performance loan is a critical loan in Australia that encourages the companies to conform to the legal and ethical criteria in a number of fields such as environmental, social and governance. The aim of this sustainability loan is to align the company’s long term prospect with its positioning and devotion to corporate social responsibility. The loan is long term and charges a very low interest rate . This would be significantly lower than the current cost of debt capital. And the loan is as large as 50 million in value. Obtaining the loan would be fundamental to the development of Corporate social responsibility is a critical aspect in the Adelaide International Airport. So fulfilling its corporate social responsibility is critical.

Also, as Adelaide Airport is increasing its presence in the international platform, it also has the need to conform to corporate social responsibility guidelines to increase positive publicity of its image. In 2017, it opened a variety of new airlines including forming cooperation with the the China Southern Airlines and the Fiji Airways. It cooperated with internationally famous companies in order to increase future services(Adelaide Airport, 2017).

Thirdly, it also has the need to enhance fulfillment of corporate social responsibility due to the need to gain competitive advantage with its competitors the Sydney Airport. The Sydney Airport has done well in corporate social responsibility by contributing to over ten thousand dollars for supporting community events, and also organized auctions for helping donating to the poor. To gain a better reputation and good publicity, the Adelaide Airport is recommended to contribute positively to corporate social responsibility (SYD, 2019).

**Questions to be Answered by Dashboard**

To begin with, corporate social responsibility theory include mainly four aspects, the environmental sustainability initiatives, direct philanthropic giving, ethical business practices and focus on economic responsibility. So to help management understand how well the company is doing in fulfilling its corporate social responsibility, it is necessary to know the above four aspects. In this regard, the five questions to be designed should cover the major aspects that a CSR strategy addresses.The questions are

How is the Adelaide Airport contributing to the environment perspective, either through saving and recycling of energies or through reducing carbon foot print?

How is the Adelaide Airport dealing with the training and development of its employees, who are also one major type of stakeholders in the CSR model?

How has the Adelaide Airport fulfilled its obligations to the shareholders, such as providing financial and economic interests to them?

How has Adelaide contributed to the community, what type of use was Adelaide Airport of to the community, for example through charity or society programs?

How has the Adelaide Airport satisfied the needs of its customers and considered the welfare and interests of its customers, who are also one of its stakeholders, in its business operations?

**Data and Data Sources**

The following is a table that outlines to the CEO the sources of data to be used in the dashboard. In selecting the data, it is necessary to ensure that they are publicly reliable figures that can also be valuable for helping understand the five questions.

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| --- | --- | --- | --- |
|  | Source One | Source Two | Source Three |
| Data Item | Financial Statements of the  | Annual Reports | Company Websites |
| Data source | From the company’s published and audited financial statements | From the company’s published company’s annual reports | The company’s official website which does media coverage of the events of the charity events that the company has done in the year |
| Description | The financial statements of Adelaide Airport are audited disclosure of the financial situations at Adelaide Airport. From it, the Adelaide Airport’s balance sheets, income statements and statements of cash flows can all be obtained. This is to evaluate the Adelaide Airport’s efforts in making the shareholders satisfied, as the shareholders are also one of the companies’ stakeholders. The dividends distributed to shareholders and the ROE, ROA ratios are effective means in evaluating to what extent the company have operated to generate economic benefits. Alternatively, these can be compared with other similar companies. Detailed information can be obtained from the website of  | The Annual Reports in Adelaide Company includes the operational and business information of Adelaide. The perspectives such as how Adelaide treats and promotes employees, how it fulfill its obligations to the customers are all revealed and published in the report. The report also includes how Adelaide contributed to the community in analysing the value of these activities to the companies. The source of the data is at the company’s website: <https://www.adelaideairport.com.au/corporate/annual-report-2016-2017/mobile/index.html#p=12> | The company also reveals and publishes it charity givings and contributions and programs to the society through its official website. The company’s details of charity givings can be obtained from the official website of <https://www.adelaideairport.com.au/corporate/community/partnering-community/> |

**Sample Dashboard Screenshot**



**Potential Challenges and Issues**

However, it is undeniable that there will be some difficulties envisioned in building the dashboards and potential difficulties and issues in creating the dashboard would include the following, such as the quality of the data, the consent of the data and the availability and the reliability of the data.

To begin with, building a dashboard would require that the data used in the process is of quality of a satisfactory standard. Some criteria for evaluating the data quality would be to judge whether the data are accurate, precise, legitimate, valid, reliable and consistent. Data quality has significant meaning and function. It can tell the audience the true information of operations. Therefore, companies may rely on this data source for making future decisions (Wang & Strong, 1996). The data sources selected include publicly audited financial statements. This has relatively high quality and reliability, because the reports are audited and therefore it is supposed to be valid and accurate. Though in the financial statements, there may be some accounting estimates and policies that may deteriorate the data quality, but in general, the financial statements can be relied on. The challenges lie in the company’s website. The website reveals and discloses the data of the activities’ details in Adelaide’s corporate social responsibility, but the company website has intentions to promote the brand, and so the data may lack reliability because these figures are generated by the company’s own reporting without surveillance or checking.

There are also challenges in the data availability. For example, the company’s annual report revealed some information about the energy saved and reduced carbon footprints of the company, but this data are too general. To further know how Adelaide has performed in contrast with other similar competitors, specific details such as the cost savings or increase in environmental efforts should be included. But this is not reported or disclosed in the reports, neither are these reported by media or other coverage. The data therefore is not of availability.

In addition, for the corporate social responsibility, the suppliers and customers are also critical types of stakeholders. An evaluation of the criteria for selecting the suppliers are lacking and not available. What’s more, the customers’ attitudes to the services at Adelaide Airport are also missing. If these are revealed in the reports, the company’s fulfillment of CSR would only be more integrated.

Moreover, the consent to use these data may also be questionable. However, since all these data are published, it may be safe to use these data. But if in this research, one would like to find out how customers perceive the services of Adelaide Airport and carries out individual research on a number of customers, it is necessary to obtain the consent of the surveyed people to use this data. Date ethics

**Conclusion**

In conclusion, corporate social responsibility is of critical value to the Adelaide Airport. It can help the company to gain competitive advantages and compete with the competitors, such as Sydney Airport. Moreover, the company can also increase its public reputation to promote its brand through fulfilling the corporate social responsibility. The four major aspects that can comprise the corporate social responsibility include the philanthropic efforts of the company, the contribution to environment, the economic profits of the company and the ethical business practices. In order to answer these questions, the data gathered include the financial and annual reports of company that are obtained from the company’s official website and also the company’s own coverage of the events and activities of charitable donations from its own company website. Although to finish the project, there may be problems of data availability and data reliability, it is justified to say that the dashboard composed with these sources can be reliable and specific.

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