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THE EVOLUTION OF THE BUSINESS CASE FOR CORPORATE 
SOCIAL RESPONSIBILITY: CONSTRUCTION AND DEVELOPMENT 
IN EUROPE

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Abstract

Although ideas and discussions about the social responsibility of business have a long history, the debate over what is known under the label of CSR (corporate social responsibility) has only escalated worldwide in the last decade. This thesis describes the rise of CSR in Europe by exploring how and why the use of management rhetoric has acted as important means of gaining business acceptance. Arguably, Europe is the most vibrant region for CSR development, and the idea has been embraced by the European Union and national governments for strategic reasons. Forward-looking companies have started to discover CSR as an opportunity for innovation, growth, sustainability and competitiveness. Consequently, the acceptance and adoption of CSR has also initiated organisational change.

CSR is of particular relevance for strategic management and corporate marketing/communications, which has been documented in the growing influence it has gained in the management and marketing discipline. The thesis provides more understanding of the dynamics and aspects within the process of constructing and establishing CSR in the years 2004 to 2008. In particular, the dominance and vitality of the discourse about the link between CSR and competitiveness is analysed. Findings show that CSR was framed and translated into an economic opportunity in a construction process involving multiple sectors and actors. Especially governments, consultants and researchers have argued that corporations would not only contribute to a better society, but also become more profitable in the long run. However, corporations and their CSR managers in particular have actively participated in this process and are no passive adopters of CSR.

I have designed the research in a multi-layered, longitudinal fashion. All layers inform each other and are qualitative in nature. Each of the four empirical layers provides a comprehensive sub-study to this thesis and focuses on particular aspects of the development in Europe, mostly the UK and Germany:

- Case studies of five multi-national companies based on management interviews demonstrate that managers translated CSR into opportunities, and that their ag-
ency and advocacy role manifested CSR as modern management idea, thereby initiated organisational change;

- The semiotic study of the construction of CSR in corporate non-financial reports through the use of imagery shows that CSR was communicated as a serious business topic and five different approaches can be distinguished;

- Participant observations at two international CSR conference series with participants from multiple sectors traces, firstly, the construction and rhetoric manifestation of CSR as an idea relevant to business, and, secondly, the role of expert communities as resources utilised by CSR managers in order to advance CSR within their respective firms;

- The conceptualisation of realistic strategic opportunities of the application of CSR on an industry level is exemplified with a case study into the professional football industry.

This thesis is a sceptical account of the evolution of the business case for CSR as a socially constructed phenomena presented as thick and critical description based on a multi-theory, multi-layer, and multi-method approach. Its main contribution lies in revealing the business case of CSR as being constructed by an interconnected group of actors. However, I dismiss statements that CSR is a management fashion of only temporary nature, and provide substance to the claim that translation processes create enacted realities and are part of organisations changing. In addition, merits of the thesis also lie in advancing the CSR research agenda through its individual sub-studies that partially form novel academic inquiries. Therefore, wide-ranging efforts are undertaken at the end in order to show how findings from this thesis can be expanded through future research.
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“If you are afraid, don’t do it. If you do it, don’t be afraid.”
(Mongolian proverb)

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“I may not have gone where I intended to go, but I think I have ended up where I needed to be.”
(Douglas Adams)
Publications and presentations based on this thesis

*Journal publications (peer-reviewed)*


*Conference papers and presentations (peer-reviewed/refereed)*

- 3rd International Corporate Social Responsibility Conference, Humboldt University, Berlin, Germany (2008)

- European Union Centres Network Conference, University of Otago, Dunedin, New Zealand (2007)

- The Australian and New Zealand Marketing Academy Conference, University of Otago, Dunedin, New Zealand (2007)

- Macromarketing Seminar, University of Otago, Queenstown, New Zealand (2006)

*Invited special presentations*

- Scort Foundation Forum “Football in the Community”, Bad Ragaz, Switzerland (2009)

- HANIEL-Seminar “Marketing and Innovation Management” at the Humboldt-University Berlin, Germany (2008)

- European Centre for Public Affairs, Brussels, Belgium (2008)

- Center of Corporate Social Responsibility at Nottingham University, UK (2006)
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CHAPTER ONE

‘BUSINESS AND SOCIETY’ AND ‘BUSINESS IN SOCIETY’

"It doesn't matter how new an idea is: what matters is how new it becomes."
(Elias Canetti)

1.1 Introduction

Businesses are an inherent part of market economies and thus an important sub-system of society. The role business in general and modern corporations in particular play in society has been a topic of debate for more than a century (Preston 1990). Scholars have observed several shifts in discussions of responsibilities and obligations (Carroll and Buchholtz 2006). In the late 1990s, and after a period in which the economic globalisation gained considerable speed, the actions and attitudes of corporations have again drawn much public and political attention. Therefore, the idea of corporate social responsibility (CSR) is becoming increasingly relevant for the ‘licence to operate’ of businesses and the sustainability of companies. Consequently, there is a need for firms to integrate CSR as a concept linked to strategic management and organisational change (Whetten, Rands and Godfrey 2002; Vilanova, Lozano and Arenas 2009). This thesis studies the emergence and ‘positioning’ of the strategic value of CSR and its influence on organisational change processes. In particular, it explores components of the social construction of the business case of CSR in the new millennium and analyses the importance of translating this widespread management idea into organisational opportunities.

This chapter serves as an extended introduction to the idea of CSR. It presents historical background to the current debate and establishes a regional view on the CSR development. It also illustrates the complexity of the international CSR debate with its organisational, strategic, institutional, ethical, social, political and further dimensions. The chapter also introduces the importance of the discourse that links CSR and competitiveness in order to make the idea appeal to business and foster its acceptance. Finally, it presents the aims and claims guiding this thesis.
1.2 CSR - an idea whose time has come

A large number of indicators support the view that CSR is of rapidly growing interest and is seen as one of the key areas of modern corporate sustainability on the business, public and research agenda. This is manifested – amongst others – in the mounting number of publications (Lockett, Moon and Visser 2006), consultants (Fernandez Young, Moon and Young 2003), public (MORI 2004) and media attention (Medien-Tenor 2005), CSR policies (Bowd, Harris and Cornelissen 2003) and is particularly evident in the number of conferences, dedicated awards, CSR jobs and positions within firms, the rise of non-financial corporate reporting, and initiatives of national as well as supranational organisations. According to McKinsey (2006; 2009) executive surveys, the perceived importance of corporate environmental, social, and governance programs has soared in recent years – even though no consensus has emerged about CSR’s meaning and measuring. However, a number of forward-looking companies have started to discover CSR as an opportunity for innovation, sustainable growth and competitiveness. The reflection about CSR and its adoption by businesses has gained considerable momentum in the last decade and some critical observers might be surprised that the drive behind CSR did not slow down during the global financial crisis that starting end of 2008 severely affected market economies worldwide. However, it again has jeopardised public trust in businesses, and raised questions for example about regulatory issues, shareholder value myopia, the state of the social contract between society and business, and the maturity of applied CSR.

Still, reasons for the momentum behind the CSR idea are plentiful and various (for a list see Whetten, Rands and Godfrey 2002, p 385). It is the multiplicity of bigger trends like the evolution of postmodern societies; events like past corporate scandals; the formation of groups of interest that - concerted or not together - bring force behind an idea; and a framing of peoples’ mindsets that (re-)discover the need for change in the way global markets are governed. Many of those components are interwoven. For now, it can be said that the CSR ideas have spread their wings around most parts of the world mainly because of governments retreating partly or completely from directly providing public services in several areas (e.g., utilities, health care, education), civil counter-reactions towards economic globalisation (e.g., exploitation in supply chains, decay of urban areas) and new tactics used by stakeholder groups to demand organisational transparency and morally balanced corporate action (Breitbarth and Harris, 2008). Some schol-
ars even take the view that companies can no longer be seen purely as private institutions but as social institutions instead (Balabanis, Phillips and Lyall 1998).

Having seen the processes and outcomes of high-profile cases like Shell’s Brent Spar disposal and mismanagement in Nigeria or Nike’s hidden sweatshop tactics, we may only agree with the observation of the French novelist Marcel Proust (1924, p. 1): "A powerful idea communicates some of its strength to him who challenges it." In a sharper sense, an idea is an opinion, conviction or principle. Management research and practice is based on ideas that shape corporate behaviour (Sahlin-Andersson and Engwall 2002; Engwall and Pahlberg 2001). Such ideas can translate into influential paradigms (see e.g. Kuhn 1970), which are models for thinking – based on values, beliefs and methods – that are created by and shared by a community: “It’s a way we see the world – not in terms of our visual sense of sight, but in terms of perceiving, understanding, interpreting (Covey, in Clarke and Clegg 2000, p 46). Once a paradigm is translated into manifestations like language (e.g. lingo), actionable concepts (e.g. management tools) or presentable objects (e.g. awards recognising respective achievements), it is hard to escape its convincing nature. Similarly, since a strong and widely shared perception has grown that modern corporations are not only economically powerful, but also have much reach into political and social life, business has to operate within what Davis (1990, p 166) coined the ‘Iron Law of Responsibility’: “In the long run, those who do not use power in a manner which society considers responsible will tend to lose it.”

Fundamentally, CSR addresses the question of the role of business in society (Thorne, Ferrell and Ferrell 2005). Wood (1991) states that the basic idea of CSR is that business and society are interwoven rather than distinct entities. Frederick, Davis and Post (1992) outline the interactive nature of the ‘complex web of social relationships’ a business has to operate within. From an institutionalism perspective, the essence of the CSR phenomenon lies in the attention towards, “the reconfiguration of the balance between institutions that together make up society” (Habisch and Jonker, 2005, p. 2). The high pressure on companies from various publics and stakeholders to explicitly declare their intentions and commitment to more socially responsible behaviour and the expectations to fulfil it every day and everywhere is a clear sign that CSR dynamics are a relevant challenge for practitioners, policy makers and researchers at the dawn of the 21st century –
or, in short, “CSR is an idea whose time has come” (Wolff 2002, in Matten and Moon, 2005, p 335).

Arguably, Europe is the most vibrant region for the development of CSR (Diamantopoulou 2005) and the concept has been embraced by the European Union (EU) for strategic reasons. The EU defines CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission 2001, p 3). A number of forward-looking companies have started to discover CSR as an opportunity for innovation, growth, sustainability and competitiveness. Carroll (2000, in Lantos 2001) states that CSR is ‘real’ and “expected of business by the public, and it is manifested by many excellent companies” (p 601).

The CSR concept, its practical and academic use as well as its general meaning has often been challenged and criticised from different sides, most notably in respect to ‘What does it mean?’ (Votaw 1972; Sethi 1975), ‘Is it legitimate?’ (Friedman 1990), ‘Is it just an image polishing PR invention?’ (Frankental 2001), and ‘Is it a management fashion?’ (Beckmann and Morsing 2008). It is also criticised to be a branding tool, ‘greenwash’ of corporate behaviour and boardroom talk (Frankental 2001). In fact, a survey of the British public regarding corporate responsibility issues shows the majority do not think companies are truly listening to public concerns on social and environmental issues (MORI 2004). Already three decades ago, neo-liberalist Friedman (1970) criticised the revelation of affectation and CSR as communication package by commenting: “in the present climate of opinion, with its widespread aversion to 'capitalism,' 'profits,' the 'soulless corporation' and so on, this is one way for a corporation to generate goodwill as a by-product of expenditures that are entirely justified in its own self-interest.” For others, the to-date failed efforts to unify, formalise and regulate CSR-related measurements and reporting (e.g. ISO 14000, AA 1000, GRI) provoke scepticism about its business value (McKinsey 2009).

Furthermore, what may add to the confusion amongst some audiences are the variety of terms used in the context of CSR, with many being used interchangeable both in prac-
tice and academia, especially CSR, corporate responsibility, corporate citizenship (Dahlsrud 2008) and also corporate sustainability (van Marrewijk 2002). Though, this is to be expected in a field that is still emerging (McWilliams, Siegel and Wright, 2006). In regards to the two premiere ideas and labels ‘CSR’ and ‘sustainable business’, Zorn and Collins (2007) point out that whilst some see them as synonymous, others distinguish it. TABLE 1.1 provides a selection of largely empirical approaches to CSR and sustainability, showing commonalities and varieties in how the ideas are framed. While all terms used in the debate highlight the motivation and demand to balance social and environmental concerns equally with financial interests of the firm (i.e. opposing neoliberal views; Cheney, Roper and May 2007), in practice CSR has become the prime label for this idea and business paradigm and there is doubt if the clock can be reversed (van Marrewijk 2002).

TABLE 1.1: List of CSR definitions

<table>
<thead>
<tr>
<th>Author/institution</th>
<th>CSR definition/ CSR positioning in debate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garriga and Mele (2004)</td>
<td>Conceptual map sees sustainability as part of the CSR spectrum.</td>
</tr>
<tr>
<td>EU Commission (2008)</td>
<td>CSR as a “business contribution to sustainable development”</td>
</tr>
<tr>
<td>Brundtland Commission</td>
<td>Sustainability = meeting our needs while not compromising the ability of future generations to meet theirs</td>
</tr>
<tr>
<td>(<a href="http://worldinbalance.net)">http://worldinbalance.net)</a></td>
<td></td>
</tr>
<tr>
<td>CorporateRegister (2008)</td>
<td>‘Labels’ of non-financial company reports in 2008: 45% use ‘sustainability’, 37% ‘corporate (social) responsibility’, rest ‘other’ (e.g. Environment, Community)</td>
</tr>
<tr>
<td>Ethical Corporation</td>
<td>Question: Terminology - CSR, CR, Citizenship or Sustainability? Answers: Corporate social responsibility 33%, Corporate responsibility 25%, Sustainability 17%, Corporate citizenship 6%, It doesn't matter, it's all the same thing 18%</td>
</tr>
<tr>
<td>internet poll (as of 9/25/07)</td>
<td></td>
</tr>
<tr>
<td>British Telecom (2007)</td>
<td>This report identifies and quantifies our social, economic and environmental impacts for the 2007 financial year and sets out our targets for improvement. It describes our Corporate Social Responsibility (CSR) strategy and the way in which we are implementing it. We use the term CSR more often than sustainable development. We see CSR as the voluntary action a company takes to contribute to the wider societal goal of sustainable development, such as the European Union’s Gothenburg Strategy... CSR requires company-wide, coordinated approach to managing social, economic and environmental issues... However, sustainability is not just about having the right systems, checks and balances in place. It is about integrating sustainability into the way we do business. BT aspires to lead by example, raising awareness of the importance of CSR and sustainability and working to contribute to sustainable development not only within BT, but across our industry.</td>
</tr>
<tr>
<td>Bowen (1953, p. 6; in Balabanis, Phillips and Lyall 1998, p 25)</td>
<td>Industry has an obligation to pursue those policies, to make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of society</td>
</tr>
<tr>
<td>Friedman (1970)</td>
<td>There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game...if businessmen do have a social responsibility other than making maximum profits for their stockholders, how are they to know what it is?</td>
</tr>
<tr>
<td>Sethi (1974; in Carroll 1977, p4)</td>
<td>Social responsibility implies bringing corporate behaviour up to a level where it is congruent with the prevailing social norms, values, and expectations of performance.</td>
</tr>
<tr>
<td>Carroll (1979)</td>
<td>Four dimensions of CSR: economic, legal, ethical, discretionary.</td>
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</tbody>
</table>


<table>
<thead>
<tr>
<th>Source</th>
<th>Definition and Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carr (1996; in Lantos 2001)</td>
<td>The sole purpose of business is to turn out a product at a profit and business has lower standards of ethics than society and no social responsibility other than obedience to the law.</td>
</tr>
<tr>
<td>Basu and Palazzo (2008, p 124)</td>
<td>CSR is the process by which managers within an organisation think about and discuss relationships with stakeholders as well as their roles in relation to the common good, along with their behavioural disposition with respect to the fulfillment and achievement of these roles and relationships.</td>
</tr>
<tr>
<td><strong>Intermediary organisations' CSR definitions</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Global level</strong></td>
<td></td>
</tr>
<tr>
<td>World Business Council for Sustainable Development (2000)</td>
<td>Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large. (CEO-led, since 1990; Mission Statement: Our mission is to provide business leadership as a catalyst for change toward sustainable development, and to support the business license to operate, innovate and grow in a world increasingly shaped by sustainable development issues. --- Shifted focus very much in climate debate in 2008 --- Chairman Travis Engen defines business as the only segment of society that is driven to improve productivity, which is increasingly essential)</td>
</tr>
<tr>
<td><strong>European level</strong></td>
<td></td>
</tr>
<tr>
<td>CSRwire (2003)</td>
<td>CSR is the integration of business operations and values, whereby the interests of all stakeholders incl. investors, customers, employees, the environment are reflected in the company's policies and actions.</td>
</tr>
<tr>
<td><strong>National level (Germany)</strong></td>
<td></td>
</tr>
<tr>
<td>Bertelsmann Foundation (<a href="http://www.bertelsmann-stiftung.org/cps/rde/xchg/">www.bertelsmann-stiftung.org/cps/rde/xchg/</a> SID-0A00F0A-CBDDBD4E/bst_engl/hs.xsl/prj_87048.htm)</td>
<td>Corporate social responsibility is initially aimed at businesses. It refers to responsible corporate behavior that goes beyond legal requirements. Socially responsible corporate action is reflected 1) throughout the added-value chain, 2) toward employees and 3) in interaction with the relevant groups of societal stakeholders. These businesses should expand their range of responsibilities and should produce, sell and cooperate in a way that is socially, environmentally and economically responsible. Social commitment on the part of companies also involves a comprehensive concept for improved partnership between the business world, the government and the voluntary sector.</td>
</tr>
<tr>
<td><strong>National level (UK)</strong></td>
<td></td>
</tr>
<tr>
<td>Business In The Community (2008, <a href="http://www.bitc.org.uk">www.bitc.org.uk</a>)</td>
<td>Business in the Community defines corporate responsibility as the management of a company's positive impact on society and the environment through its operations, products or services and through its interaction with key stakeholders such as employees, customers, investors and suppliers. (A commonly used term to describe CSR in its current evolutionary state, CSR was mentioned on national television news for the first time in early 2004. Appears to promote the social at the expense of the environmental dimension so Corporate Responsibility has emerged in preference to CSR.)</td>
</tr>
<tr>
<td><strong>Governments/governmental organisations' CSR definitions</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Global level</strong></td>
<td></td>
</tr>
<tr>
<td>OECD Centre for Entrepreneurship, SMEs and Local Development (2001, <a href="http://www.oecd.org/document/5/0,3343,en_2649_34459_40351557_1_1_1_1_00.html">www.oecd.org/document/5/0,3343,en_2649_34459_40351557_1_1_1_1_00.html</a>)</td>
<td>Corporate Social Responsibility (CSR) is business's contribution to sustainable development. Today, corporate behaviour must not only ensure returns to shareholders, wages to employees, and products and services to customers, it must also respond to societal and environmental concerns.</td>
</tr>
<tr>
<td><strong>European level</strong></td>
<td></td>
</tr>
<tr>
<td>EU Commission</td>
<td>A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (2001) CSR is the concept that an enterprise is accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large (2003).</td>
</tr>
<tr>
<td><strong>National level (Germany)</strong></td>
<td></td>
</tr>
<tr>
<td>German government, Federal Ministry of Labour and Social Affairs (2008, <a href="http://www.csr-in-deutschland.de">www.csr-in-deutschland.de</a>)</td>
<td>Corporate Social Responsibility (CSR) is about enterprises and other organisations and institutions shouldering voluntary social responsibility beyond and above compliance with their legal obligations. &gt;&gt;&gt; towards modern form of social market economy! (Witzorek-Zeul: Economic success is however not an end in itself! It is not a value per se, but, as the Federal Chancellor recently stressed, it should serve people, in fact as many people as possible; it should give them opportunities.)</td>
</tr>
<tr>
<td><strong>National level (UK)</strong></td>
<td></td>
</tr>
<tr>
<td>UK Government, Department for Business, Enterprise &amp; Regulatory Reform (2008, <a href="http://www.berr.gov.uk/whatwedo/sectors/sustainability/corp-responsibility/page45192.html">www.berr.gov.uk/whatwedo/sectors/sustainability/corp-responsibility/page45192.html</a>)</td>
<td>The Government sees CR as the business contribution to our sustainable development goals. Essentially it is about how business takes account of its economic, social and environmental impacts in the way it operates – maximising the benefits and minimising the downsides. Specifically, we see CR as the voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own...</td>
</tr>
</tbody>
</table>
It is only in the last decade that businesses have begun to exhibit serious evidence of CSR in their strategic management and stakeholder social reporting. Some argue that the field of empirical CSR research has been hampered by the lack of a consistent definition of CSR, as well as its operationalisation and measurement (McWilliams, Siegel and Wright 2006; Rodriguez, Siegel, Hillman and Eden 2006). It is not difficult to follow those scholars’ argument that the lack of consistency of CSR definitions across studies makes it difficult to evaluate and compare the findings from different studies because they usually refer to different dimensions of CSR (Sethi 1975; Roome 2005). Most research on CSR has focused on the consequences of CSR implementation—or lack of implementation—on financial performance with little attention to comparative issues and processes (e.g. McWilliams and Siegel 2000; Margolis and Walsh 2003; Barnett and Salomon 2006). Basu and Palazzo (2008) argue that the nature of past and current CSR research is fundamentally problematic because it focuses on CSR inventories rather than dynamics. Throughout the last 30 years scholars have regularly been attempted to define what CSR is - rather than asking ‘what CSR is becoming?’ , ‘how CSR is becoming?’, ‘what it is doing to an organisation?’ or ‘what are actors doing with it?’.

There is critique amongst scholars and practitioners about the usefulness and appropriateness of general CSR definitions. It is generally noted that all definitions of CSR have limitations (Carroll and Buchholtz 2006), leading to perplexity and helplessness amongst scholars longing for singular meaning: CSR “means something, but not always the same to everybody” (Votaw 1972, p 25). Ludwig Wittgenstein (Aphorism 71 in “Philosophical Investigations”) contested the merit of singular definitions and sharp concepts for understanding: “But is a blurred concept a concept at all?” - Is an indistinct photograph a picture of a person at all? Is it even always an advantage to replace an indistinct picture by a sharp one? Isn't the indistinct one often exactly what we need?” The influential American photographer and environmentalist Ansel Adams commented that “there is nothing worse than a sharp image of a fuzzy concept” because it pretends clearness and takes away imagination and innovation at the same time. Actually, management literature suggests that concepts are ‘vague and ambiguous’ (Zorn and Collins 2007) to some degree so that individual managers and organisations have ‘space’ and an amount of freedom in the way they adopt a concept in order to make it
useful for strategy and to develop ownership during the internal dissemination process (Zbaracki 1998).

Hence, what can be observed in the preoccupation with the relationship of business and society are a number of lines of thought. At the same time, and despite ongoing controversy, scholars note that CSR has reached – at least partly - stages of maturity (Davis 1990; Roome 2005). This means that some approaches may be differentiated from others and thereafter can be clustered. In fact, Matten and Moon (2005) see CSR itself as a dynamic and contestable cluster concept, which overlaps business ethics, corporate philanthropy, corporate citizenship, sustainability and environmental responsibility. Perhaps, the debate about CSR is so fragmented because of its intangibility, context dependency, and normative dimension (Wood and Jones 1995; McIntosh 2003).

Most notably on a conceptual basis, Garriga and Mele (2004) provide a first useful map of the current CSR landscape, and see four dominant lines of thought (FIGURE 1.1). Their mapping is based on Parsons’ systems theory, whose foundation tends to portray static description, but has the logical advantage of capturing ‘totality’ and outlining distinct areas of action within it. Hence, it offers a snapshot of the current CSR territory and the plurality of the academic CSR landscape. The four main parts of the cluster in brief:

- The political approach of focusing on the responsible use of business power in the political arena represented in the idea of (corporate) citizenship, where the organisation is seen as a citizen with a certain degree of involvement in the community (Thorne McAlister, Ferrell and Ferrell 2005).

- The integrative approach of focusing on the integration of social demands. Here stakeholder theory is outlined as a balance of the interests of the different stakeholders of the organisation. An example is Rowley’s (1997) CSR analysis from a network point of view, which presents the organisation’s power and influence as a result of the position emerging from the density of the overall stakeholder network and the centrality of the focal organisation.

- The ethical approach of focusing on the right thing to do. Several approaches aim to achieve ‘common good’ with either a philosophical (e.g. Philips 2003),
paternalistic-humanitarian, or sustainability ("Brutland Report") background, or following human rights and other international conventions (e.g. UN Global Compact).

- The instrumental approach of focusing on achieving economic objectives through social activities. This comprises cause-related marketing and strategies for competitive advantage. Within the former, two ideas can be separated: strategic investment in a competitive context (Porter and Kramer 2002), and strategies for the bottom of the economic pyramid (Prahalad and Hammond 2002).

In their summary of research into CSR through the lens of the management discipline, Lockett, Moon and Visser (2006) describes four dominating areas of CSR studies, which at the same time traces historical origins of today’s CSR thinking: business ethics, environmental responsibility, social responsibility, stakeholder approaches. While initially and still dominantly thought as an idea applying to profit-seeking organisations, CSR has been extended by Neves and Bento (2005) into the umbrella construct of ‘organisational social responsibility’ in an effort to integrate other forms of organisations (e.g. associations, non-profits) that likewise are expected to respond to societal demands and to disclose organisational actions.

In conclusion there is strong evidence that today CSR is no longer a ‘fad’ or an ‘extra option’ but describes a deeper change in looking at organisations and their relationships to their environments (Lewis 2001, p. 32): “Healthy business requires a healthy community, and should be contributing to its creation and maintenance. The public increasingly wants to know about companies that stand behind the brands and products presented to them. And use their power to reward ‘good’ companies and punish the ‘bad’ ones”. CSR definitions are characterised describes by five main features: environmental, social, economic, stakeholder, voluntariness (Dahlsrud 2006). However, inherent with efforts to define CSR across regions, industries, audiences and discourses comes the emphasis of a stable conceptualisation of what CSR is. This way, CSR becomes none-evolutionary and context-removed. Consequently, it loses some of the idea’s power and is framed simply as a business function. One can see traces of positivistic and traditional economic thinking in definitional discourses, which has lead to serious and fundamental problems in the nature of CSR research according to Basu and
Palazzo (2008). Firstly, the authors determine the limitation and reduction of academic inquiry to three fundamental lines (stakeholder driven, performance driven, motivation driven); and secondly, observe the focus on CSR inventories rather than dynamics, processes and developments.

FIGURE 1.1: Cluster of CSR concepts (adapted from Garriga and Mele 2004)
1.3 A historical view on CSR

Although we observe a proliferation in the debate about CSR over the last decade, origins and scattered precursors of modern CSR can be traced over many centuries. For example, acts of charity, stewardship, individual philanthropy and sponsorships are well known from at least medieval times (van Marrewijk 2002). Also, in Classical Greece, prominent philosophers like Aristotle and Plato voiced much skepticism against the nature of money-lending, money-making and any involvement in business, because of its tendency to set the professional’s interest in opposition to the communities (Eberstadt 1977). The Catholic Church held a similar attitude in the medieval period, yet for other reasons (Eberstadt 1977). However, in a number of countries Catholic dogma gave way to Calvinist ideas after 1500. Calvinism generally encouraged trade, but also disrespected irresponsible business practice, e.g. businessmen who did not contribute to local charity were often fined the amount judged to be an adequate donation (Eberstadt 1977). The shifting nature of how the role of business in society was perceived over the last centuries is described in comprehensive accounts for example by Cannon (1994) for the UK and Chamberlain’s (1982) work on the relationship between corporations and society in the USA. It becomes obvious that the extent and direction of the debate is placed in its due time.

The underlying business philosophy of different historical periods has greatly influenced the relationship between business and wider society. Paradigms about the characteristics of the businessperson and more recently modern corporations and management have changed significantly over the last millennium. This development is summarised in the stage model, presented as TABLE 1.2. For example, Industrial Capitalism very much occurred in the spirit of widely liberated markets and followed Adam Smith’s idea of the ‘invisible hand’, whereby an individual pursuing his/her own interest usually advances that of the society more effectively than when the interest and intention focuses on the promotion of public good in the first place. However, starting in the dawn of the 19th century, a gradual inclusion of competitors, consumers, employees and most recently other stakeholders (including non-market stakeholders) into business paradigms developed. Today, companies are seen as open, embedded systems within society in order to generate profit and to sustain business operations.
TABLE 1.2: Change process of business development, adopted and developed from Krishnan (1977, p 24)

<table>
<thead>
<tr>
<th>Type of system</th>
<th>Philosophy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Capitalism (1100 - 1300)</td>
<td>Democratic economic equality: Selling a restricted line of goods and services in the local market for the maximum personal benefit of the capitalist.</td>
</tr>
<tr>
<td>Mercantile Capitalism (1300 - 1800)</td>
<td>Foreign trade was the chief source of wealth. Basis of public wealth was seen to be private wealth. Economic activity in society was controlled by the merchants.</td>
</tr>
<tr>
<td>Industrial Capitalism (1800 - 1900)</td>
<td>Laissez-faire: Specialization and mass production for the benefit of the industrialist. “Producers and sellers were persons, while workers and consumers were things.”</td>
</tr>
<tr>
<td>Financial Capitalism (1890 - 1950)</td>
<td>Cooperative competition to protect and improve the position of the investing capitalist</td>
</tr>
</tbody>
</table>

Reflecting on the big narratives of historic and more recent times, the role of wider belief systems adds to our understanding of business and its relation to other parts of society. McKenny (2005) offers evidence that the idea of ‘responsibility’ must be of fairly new nature, because from the perspective of theological ethics it is distinct to modern times and signals a dominance of the role of the human subject in ethics. Hence, when scholars or media occasionally argue that today’s CSR debate is just ‘old wine in new bottles’, the influence and impact of context and belief on meaning and understanding is greatly underestimated. This is not to say that historic parallels are irrelevant for how business is observed and perceived, because there might still be cases and patterns of corporate behaviour that provide insights into how business and society are historically linked. For example, Robins (2004) draws parallels between the complaints made against the British East India Company in the 18th century and current debates in CSR. Groups that criticised business practice of the East India Company and Cecil Rhodes could be seen as anti-corporate, humanitarian activists, and forerunners of the Western campaign groups of today (Litvin 2003). It is argued that those companies tried to improve their international reputation, for example, by investing in local welfare projects (e.g. Aramco built large numbers of local schools and hospitals in Saudi Arabia) or
undertaking social reform (for example, the East India Company helped to stop the polit­ically incorrect indigenous practice of suttee in India - the burning of widows on the funeral pyres of their husbands), but this did not help to prevent a fierce backlash against their activities (Litvin 2003).

However, in line with the view that the industrial revolution was the starting point for modern societies (Giddens 2001), many scholars see industrialisation as the initiator of a fundamental new relationship between business and society (Lane 1992; Moon 2005; Habisch and Wegner 2005). Foremost, the nature of industrialisation was the integration of technological innovations leading to mass production, rapid urbanisation, and sooner or later was followed by shuffling aristocratic societal systems (Giddens 2001). At the same time the role of the state or government, respectively, changed. If one only takes the term ‘corporate social responsibility’ three significant big picture changes can be stated:

- Firstly, talking about corporate social responsibility, industrialisation led to the foundation of large, public-quoted corporations and the step-by-step separation of ownership and management (Lane 1992);

- Secondly, in terms of corporate social responsibility the moral question arose, to whom these new corporations actually are responsible or accountable (Abrams 1951, Friedman 1990, French 1990);

- Thirdly, speaking of corporate social responsibility, the fact that modern anonymous societies have largely replaced traditional familiar societies (‘Gesellschaft’ versus ‘Gemeinschaft’ in the words of the German sociologist Ferdinand Toennies) has made it difficult to say who or what society actually is, and what the implication/connotation of ‘social’ is.

Arguably, Bowen’s book “Social Responsibility of the Businessman” dated 1953 (Bowd, Harris and Cornelissen 2003) marks the starting point of the explicit CSR debate in academic literature. From a business ethics perspective, he supported the stand that “industry’s obligation to pursue those policies, to make those decisions, or to follow those lines of actions which are desirable in term of objectives and values of society” (in Bowd, Harris and Cornelissen 2003, no page numbers). The focus of the
author’s argument shifts away from the traditional normative concentration of the individual businessperson. Such a view was later - especially in the 1970s - heavily debated around the question if organisations have a consciousness (see e.g. Goodpaster and Matthews 1990). Today, Bowen’s argument prominently forms one end of normative CSR perspectives. At the opposite end, Friedman (1990, first published in 1970) advocates for corporate executives’ sole responsibility towards shareholders, whereby he follows the liberal-market dogma of the Chicago School of Economics (his article is titled: “The social responsibility of business is to increase its profits”). Lantos (2001) provides a similar scale and range of CSR interpretations.

However, other authors already see the start of the debate about corporate responsibilities beyond profit-making in influential books from the 1930s (Rawlins 2005). According to Hay and Gray (1977), the 1920s and 1930s also formed a period during which the ‘trusteeship’ concept emerged, demanding that managers be trustees for various contributor groups to the firm - like customers, employees and the community - rather than simply agents of the owners. The authors provide two structural trends in American society that were influential for the change in business-society relations: first, the increasing diffusion of ownership of shares; and secondly, the development of a pluralistic society. As a consequence, social change in Western societies in the 1960s and 1970s brought the idea of social responsibilities to wide attention with the civil society no longer accepting the urge for businesses to grow and make profit (Rawlins 2005).

During the same period, the growing gap between society’s expectations and the actual social performances of businesses started to cause paradoxes (Carroll and Buchholtz 2006). For example, Buono and Nichols (1990) refer to the estimations by Gellermann (1986) that two-thirds of the Fortune 100 firms were involved in some type of illegal or unethical activity between the mid 1970s and mid 1980s. In sociological terms, the self-reflection of society itself on the role of business motivated a number of largely ethically coined academic research and literature. At the same time, the heydays of closed systems thinking and rational decision-making encouraged researching and theorising about the control and measurement of organisational output and social performance. In practice, corporations vaguely started to address issues relating to, for example, envi-
ronmental concerns, promotion of women rights, and consumer protection – often in ways of ‘issues management’ and ‘corporate responsiveness’.

Not surprisingly, Sethi (1975) observed a void in the internal structure and content of the concept of corporate responsibility and social performance. Communicating and showing some intent to be “responsible” and “performing” well became rather fashionable and the terms was widely used with business executives, academic scholars, governmental regulators, and social activists. Consequently, CSR had not only become a difficult phenomenon to research because of its shifting and unseizable nature, but the need to describe and conceptualise it in its respective context of appearance became more important in order to produce meaningful insights. It is not surprising that Votaw (1972, p 25) concluded his analysis on the state of CSR by saying: CSR “means something, but not always the same to everybody”.

In summary, a view in the history of business philosophy, business-society relations and the rhetoric use of the term ‘corporate social responsibility’ in the past is useful to provide a mental background for the analysis of the recent rise of CSR, especially because it demonstrates how the discourse about CSR is rooted in Western culture and that the interpretation of the idea was linked to bigger picture paradigms like views on ‘the capitalist’. However, the mainstreaming of CSR and the importance for us to understand the nature and characteristics of its emergence and making are closely linked to the latest change of such paradigms. This saw the rise of what is described as Stakeholder Capitalism, with its main feature being the idea of the ‘stakeholder society’. Since this turn, business is widely perceived, understood and interpreted in the context of enlightened stakeholder management. Industries have become service-dominant while market and non-market stakeholders are co-creators of value. On such a backdrop, capitalists, management and stakeholders ‘negotiate’ mutual benefits arising from business activity through discursive interaction. Hence, business realities are framed and created in joint efforts, although not necessarily in coordinated ways.
1.4 Establishing a regional view on the CSR development and debate

CSR in its recent development is very much a ‘Western’ concept as shown in the above sections, but the debate and practice has also seen a considerable rise in other parts of the world. The influence of socio-political, cultural, market, and other contextual factors on business behaviour, organisation and development is widely described from various disciplines: marketing (Cateora and Graham 2001), management culture and organisation (Hofstede 1991), strategic management (Porter 1990), studies of business systems (Whitley 1992), business ethics and the CSR literature itself (Matten and Moon 2005; Roome 2005). Especially the role of governments as mandaters, facilitators, promoters and endorsers of CSR has become increasingly relevant in the 21st century (Moon 2004; Fox, Ward and Howard 2002). For example, in 2000 the UK created a minister of CSR within the Department of Trade and Development and in France, nationally listed companies are obliged to report on their social activities as part of their annual reporting.

Roome (2005) summarises the context-dependent nature of CSR: “CSR agenda followed by leading companies in a country is influenced by many context-specific factors, but especially be cultural norms, traditions, rules and formal institutions of the country within which the country has its headquarter and by the historical development of societal governance operating in this country” (p 323). However, at the same time globalisation, strategic CSR programs in large international corporations, and global mediating organisations (e.g. UN Global Compact) have converted and sometimes levelled the CSR field. From an institutionalist perspective, FIGURE 1.2 outlines a framework that is used here to examine understandings of respective national CSR contexts, especially in the UK and Germany.

Consequently, there is a need to exemplify cultural nuances, varying dynamics and specific rhetoric in approaching CSR in order to appreciate its contribution to competitiveness, because “radical change against the grain of the wider institutional fabric will be difficult to sustain in the long run (Lane 1992, p 64). With Europe being the most vibrant region in the modern CSR debate (Diamantopoulou 2005), the focus of the following survey is on the situation in the UK and Germany as the two drivers of the European debate. In general, the UK follows a model of ‘business in the community’, drawing on entrepreneurship and voluntary service to direct its public policies while
Germany is directed by the concepts of sustainability and citizenship (Albareda, Ysa and Lozano 2005). Foremost, this means that the British system prefers soft intervention in order to encourage firms’ involvement in governance challenges affecting the community, while in Germany traditional and existing social agreements and regulations are renewed with an emphasis on a strategy of sustainable development (Albareda, Ysa and Lozano 2005). For Matten and Moon (2005), the UK debate is characterised as ‘explicit CSR’ and the German as ‘implicit CSR’. Focusing research on these two countries offers to combine the two dominant streams of approaching CSR within Europe, especially recognising power those two countries exert on European economic, social and political policy.

FIGURE 1.2: Framework to examine national CSR contexts, adopted and developed from Whitley (1992), Matten and Moon (2005), Roome (2005)

| Institutional framework of a country and its development | 
|----------------|----------------|----------------|
| **Socio-political system** | Financial system and stakeholder organisation in society | Education (especially management training) and labour systems | Cultural system including social and environmental circumstances |
| **“National Business System”** | 
| Nature of the firm | Organisation of market and market processes | Authoritative coordination and control systems |
| **National CSR Context** | 
| Firm-related, historical CSR heritage | CSR Promotion by government and business associations | CSR perception and activities from non-governmental organisations, media, civil society |

The presentation of national/regional debates starts in the European context, more specifically with the UK and Germany. Then I offer a glance at the situation in the USA/North America, Japan and South America, before providing a slightly longer review of the New Zealand discussion. The CSR ‘world tour’ is summarised at the end.

1.4.1 CSR in the UK and Germany

State history adds to understand current local CSR debates (Cannon 1994), because governments have long been an influential actor in the shaping of national business contexts (Lane 1992), enabler of the competitive environments (Porter 1990), drivers of
CSR in general (Moon 2004) and a blacksmith of CSR agendas in particular (Roome 2005). Arguably, Industrial Revolution marked the dawn of a new relationship between society and business. The UK and Germany entered this turning point in (European) history at different times, with a different pace, and in a different structural fashion. Consequently, it impacts on the character of the respective national business contexts, policymaking, public organisation and local CSR debate. In the UK, massive urbanisation starting in the early nineteenth century along with the disconnection of individuals and communities led to a shift in ownership patterns as well as a shift of 'responsibilities': "Across Britain, the lines of mutual support and loyalty were broken" (Cannon 1994, p 9). At the same time owners of new, powerful businesses enjoyed great wealth. They strongly demanded freedom from interference from the weak central government and weakening local communities. Ideas like Smith’s notion that everybody will be better off if businessmen are allowed to freely follow their own interests, or Spencer’s argument that “England’s superiority was found on this policy of leaving people to manage their own affairs” (in: Cannon 1994, p 11) justified Victorian capitalism. The relatively long period of industrialisation was an experience of incremental rather than event-driven, abrupt social change for the UK (Lane 1992).

In Germany, industrialisation and its societal turn-ups took off in the later middle of the nineteenth century when the country still was a monarchy. But in terms of its gross national product it kept up with the UK, rivalled it and was the second largest economy by World War I (Habisch and Wegner 2005). The relatively strong momentum, administered by the strict Prussian bureaucracy, enabled the state to be a modernisation agent: it found itself in a powerful role to repress the labour movements and societal influence of the churches by providing infrastructure, a high education system and social security systems: “the German population became used to relying on the state as a perfect functioning agency for the provision of public goods” (Habisch and Wegner 2005, p 112). Especially the Labour Laws from 1890-92 initiated progress in the areas of industrial safety, working conditions, youth protection and arbitration, and embodied the principle that entrepreneurial forces must respect the state-endorsed interests of all groups (Clarke 2000). Matten and Moon (2005) also mention the relative high level of taxation on the “ethical” and “philanthropic” distribution of responsibilities in contrast to, for example, the American context. Until today the Welfare State is expected to pro-
provide local public services, culture, education, and also support research and development.

In contrast, in the UK issues like housing, education and health were addressed by Victorian philanthropists like Rowntree, Cadbury, Owen and Booth in order to express stewardship of the wider community and to maintain local workforce (Moon 2005). This was likely to be based on religious values, such as Methodism and paternal Anglicanism. The state government provided some regulatory framework for market and business behaviour and municipal government assisted to improve conditions. As one result, the Victorian philanthropy got disconnected from contemporary CSR as government responsibility grew. It has been a pale reflection of the American philanthropy, which filled the spaces (intentionally) left by the states for non-governmental forms of social provision (Moon 2005).

In Germany, the centralised and interventionist state from between 1871 and 1945 turned into a federal, consensus seeking system to attune to local needs after the Second World War (Lane 1992). The UK government on the other hand has been more or less centralised ever since and relatively open for particular interests for example through lobbying (Harris 1999; Roome 2005). But as Lane (1992) notes, the UK electoral system may undermine legitimacy of governmental policies and make it vulnerable to reversal by change of the ruling party, while in Germany proportional representation and consultation and cooperation, respectively, with both capital and labour leads to a high degree of political stability and drag in decision-making. Thus, the German model was prominently labelled “Rhenish capitalism” with the corporatist idea of “Soziale Marktwirtschaft” (“Social Market Economy”) in its core, while the UK has remained an illustration of the Anglo-Saxon model of capitalism and home of liberalism.

“Soziale Marktwirtschaft” means a tied regulatory framework explicitly outlining the role of business for provision of common good. Lane (1992) summarises the German national business system as a tight network of business organisations within a dense socio-institutional framework and the philosophy of firms leaning towards limited communitarianism with the willingness to accept some regulations. On the other hand,
she describes the British system as more institutionally isolated with the philosophy of firms guarding their independence, espousing voluntarism and "arm's-length relationships". Globalisation and the EU integration have led to a convergence of these apparently contrasting models, probably with more scepticism and critics in Germany as, for example, large companies move away from stakeholder towards shareholder value business philosophy. In short, the nature of the German state tries to balance interests and facilitates the integration of conflicting matters, while the British state leaves considerable spaces for an external negotiation of interests. Consequently, this is one indication for the earlier emergence and stronger recognition of the modern CSR debate in the UK.

As late as 2005, authors stated that there was no official CSR process in Germany (Habisch and Wegner 2005). The reasoning behind that lies in the strong traditional and regulated dualism of capital and labour with the Green movement joining public agenda setting since the 1970s. Mandatory, larger German companies have labour representatives in the two-tier board structure who are also entitled to vote and thus influence management decisions. Thereby, they see themselves as drivers of CSR even when they do not go beyond their traditional interests (Habisch and Wegner 2005). The strong stake of unions in business and high involvement in vocational training and education helps to explain why socially responsible employee relations have dominated the German CSR discussion from the early beginnings – and are in fact on top of the national CSR agenda (German Parliament 2002). In the public discussion and amongst some companies, employee relations are even considered to be outside the CSR debate because of their superimposed standing. This is in contrast to the UK, where the matter of employment outlines the current "third wave" of CSR (Moon 2005). In Germany, much focus is on developing civil society and employers, employees, trade unions and employers' associations as the main parties in the process (German Parliament 2002).

Still, the Green movement of environmental protection and the governmental membership of the Green Party between 1998 and 2005 led the public agenda towards the idea of sustainable development, for example by promoting the UN World Summit on Sustainable Development and the UN Global Compact initiative. As a result, public, political and business are confused about the meaning of CSR (Handelsblatt 2005; Habisch
and Wegner 2005), which is translated in various ways (e.g. “Soziale Verantwortung”, “Unternehmerische Verantwortung”, “Gesellschaftliche Verantwortung”, “Gesellschaftliches Engagement”, “Bürgerschaftliches Engagement”) and is linked to donation and sponsoring (Deutsche Standards 2005). Furthermore, academic research has only started, education in business ethics and CSR remains poor (Handelsblatt 2005), and leading media is still sceptical about CSR since it is often thought of and implemented in the context of public relations (Beise 2005; Pracht 2005).

2005 was proclaimed the year of CSR in Germany (Beise 2005) with initiatives from powerful Chambers of Industry, Commerce and Craft, which are obligatory for such businesses, and trade associations. German industry stresses that CSR initiatives are no substitute for shortcomings of the state, but acknowledges some voluntary activities, which they – similarly to their British counterparts - oppose to be standardised and regulated by the EU Commission (Econsense 2004). Traditionally, trade associations and chambers form coercive bodies that are, for example, authorised to collectively bargain with trade unions, and represent business in the highly juridified and national homogenous system of industrial relations (Lane 1992). In this tradition, it would appear that German businesses try to shift responsibilities towards macro-levels (e.g. state bodies) or umbrella organisations (e.g. chambers) instead of approaching it as opportunity-driven idea with competitive edge.

Hence, strategic and/or operational implementation of CSR is underdeveloped in German companies (BertelsmannStiftung 2005). Results from a quantitative study by Wiedmann and Buxel (2005) also indicate a lack of sound corporate reputation management. Shortcomings in managing relationships, intangible resources like corporate reputation and proactive involvement in the public policy setting process leaves firms behind businesses and markets that traditionally have been much more international in character, e.g. the British system (Lane 1992). In particular CSR activities of German SMEs, often described as the backbone of the country’s economy, are mostly guided by the wish to improve relationships with their local community and immediate business partners in order to achieve customer retention. Habisch and Wegner (2005, p 118) conclude that one must assume that “German companies do not really think about their role in society when asked about CSR”.

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The relationship between the British state and its business system has developed in a different manner. Traditionally, it is relatively cooperative in nature without being embedded in a legal framework. In general, the absence of an explicitly codified frame has led to haphazard structure of relations within business and a stable representation towards the government (Lane 1992). For example, trade associations and Chambers of Industry, Commerce or Craft are not as powerful. Furthermore, multi-unionism and decentralised bargaining processes leave industries with lesser influence on national policy level than in the UK’s continental neighbours. With neo-liberal Milton Friedman being said to be Margaret Thatcher’s ‘most favourite economist’ (MORI 2004), the scattered nature of the UK business system may have helped the extent and impact the Thatcher government had on increasing misbalances within British society. Breitbarth and Harris (2008) exemplify this gap between business activities, shareholder focus and entrepreneurial activities on the one hand and decaying communities on the other hand along the case of professional football in England.

In contrast to language and socio-economic policy based on thinking out of the Chicago School of Economics, the Blair administration used the rhetoric of ‘stakeholder society’ and ‘stakeholder capitalism’. However, market liberals like the former Director-General of the Confederation of British Industry criticised this idea and the concept of the ‘Third Way’ (conceptualised by Blair’s advisor Anthony Giddens, see Beck, Giddens and Lash 1994) as a hidden strategy to utilise ‘fuzzy talk’ of communities, stakeholders and social responsibility to the sole purpose of redistribution through taxation (Turner 2001).

Research explains the early development of CSR in the UK with reference to a wider societal governance crisis which the late Thatcher government and the Blair administration chose to solve with CSR along with a variety of other measures (Moon 2004): CSR was encouraged mainly through ministerial leadership, stimulating new and existing business associations, subsidising CSR activities and organisations, and the deployment of ‘soft’ regulation. Hence, in 2004 the UK Government (p 2) outlined their CSR strategy:
• Promote business activities that bring simultaneous economic, social and environmental benefits;

• Work in partnership with the private sector, community bodies, unions, consumers and other stakeholders;

• Encourage innovative approaches and continuing development and application of best practice;

• Ensure we have decent minimum levels of performance in areas such as health and safety, the environment and equal opportunities;

• Encourage increased awareness, open constructive dialogue and trust:

• Create a policy framework, which encourages and enables responsible behaviour by business.

Interestingly, lately the idea of stakeholder society is also used in the German debate about CSR. Based on a strategy proposal of the German sustainability council, which was installed by the Schroeder government in 2001, companies are expected to develop stakeholder engagement to ensure they are part of what is called ‘a new competition culture’ (Sewing 2006). There is a strong consumer focus in the recent debate about CSR in Germany and the council also moves its focus there, helped by the fact that it is state funded and hence, accountable to the public (Sewing 2006). Thus far, German government has resisted further regulation specifically aimed to increase CSR commitment and activities amongst German companies and other organisations. TABLE 1.3 presents a synopsis of the different CSR agendas in Germany and the UK, along with respective matters in North America/USA, South and Latin America, Japan, and New Zealand. Roome (2005) supports the view that issues, which make up a national CSR agenda and which companies answer to, respond to local socio-political-economic systems and have significantly changed over time.
1.4.2 CSR in USA/North America

A prominent root of CSR is philanthropy, especially in the Anglo-Saxon sphere. It has also been common in other countries and one could argue that philanthropy encapsulates the perception of CSR amongst wide parts of the general public in many countries (possibly linked to charity donations). However, Kelly (2005) claims that “philanthropy is a unique characteristic of American society” (p. 617). It also forms an active, distinct and institutionalised area of research (e.g. see the “Centre on Philanthropy at Indiana University”). Corporate philanthropy is one explicit interpretation of CSR – for example, the “Committee Encouraging Corporate Philanthropy” is an influential international forum to advocate this kind of community involvement (www.corporatephilanthropy.org). The words itself derives from Greek and means “love of humankind”, and the concept fosters the pluralism of democracy (Kelly 2005) with the tradition of participation, self-help and relative little government (Matten and Moon 2005). It was only recently that leading American management strategists have developed corporate philanthropy into a strategy for competitive advantages through social investment in a business context (Porter and Kramer 2002). However, there is mistrust in why companies engage in corporate charity. Friedman (2005) explains that the practice only makes sense because of the American obscene tax laws that allow shareholders to make a large gift for a given after-tax cost if the corporation makes the gift on his behalf rather than him making the gift directly.

1.4.3 CSR in Japan

The recent rise of CSR in Japan has been much linked with corporate scandals in 2000 (www.csrjapan.jp). In consequence, for example, ‘The Keidanren Charter for Good Corporate Behavior’ was announced by the Japan Federation of Economic Organizations (Nippon Keidanren) and emphasises strengthening compliance and building trust with consumers (Hirose 2006). In addition, Japanese corporations also have a long and unique history of contributing to society (Demise, 2006), for example, through customer-oriented products and services, stable employment, philanthropy and community involvement (www.csrjapan.jp). Much of the new formation of business within society was developed between the late 1980s and early 1990s as a result of the collapse of the “bubble economy” and consequent higher organisational transparency and social responsiveness (Demise, 2006). Kaku (1997) in their analysis of Japan emphasise the
cooperative approach between groups of corporations as crucial to understanding powerful forces for social, political, and economical transformation.

1.4.4 CSR in South and Latin America

Whilst it is difficult to make general comments on the state of CSR in South and Latin America, it is important to note that a number of countries are in the transition to a modern, open economy. Hence, in countries like Chile, Mexico, Peru, Venezuela and Columbia the focus is on improving corporate governance, fighting corruption, strengthening labour conditions (e.g. anti-child labour initiatives) and creating stability in the civil-political system (Balch 2005). Much of this is needed to attract foreign investment and increase international competitiveness. Damage to the environment, poverty and low education levels are still of concern in more stable countries like Brazil and Ecuador, while rallying against foreign multinationals by governing political parties reflects popular hostility towards international companies in Argentina (Balch 2005).

Besides various national organisations and initiatives, key organisations driving CSR in South and Latin America are Forum Empresa (www.empresa.org) and the Inter-American Development Bank (www.csramericas.org). The former is a regional alliance of business organisations committed to promoting CSR in the Americas based in Santiago/Chile, representing 19 organisations in 16 countries, covering 3,500 companies. Forum Empresa accomplish its mission by working with three principal programs:

1) Establishing and strengthening CSR-focused national business organisations;

2) Giving advice, cooperation and technical support;

3) Promoting CSR on the media.

Amongst other activities, the Inter-American Development Bank annually organises the Inter-American Conference on CSR (5th in 2009) in order to encourage and partner in the development of regional CSR. Both organisations stress a “value-based” business approach and an ethical understanding of CSR.
1.4.5 CSR in New Zealand

Literature focusing on CSR in New Zealand is rare and the national business community is lacking behind other OECD countries in their enthusiasm to explicitly integrate and communicate CSR. For example, the New Zealand Business Roundtable (NZBR), an organisation comprising primarily chief executives of major business firms and with a strong neo-liberal position (www.nzbr.org.nz) does not only hesitate to engage with the topic, but also criticised the set-up of early initiatives like the New Zealand Business for Social Responsibility in the late 1990s. Roper (2004) refers to a critique of CSR commissioned to former Chief Economist of the Organisation for Economic Co-operation and Development (OECD), David Henderson, by the NZBR in 2001, which was titled 'Misguided Virtue: False Notions of Corporate Social Responsibility' and argues that subscribing to CSR can result in more harm than good.

Disappointingly for CSR advocates, research has also shown that other business institutions, especially the Sustainable Business Network, do not significantly foster the up-taking of sustainable business practices and reporting (Collins, Lawrence and Roper, 2007). Consequently, in 2007 only 11% of New Zealand’s companies published a CSR or sustainability report (NZ Management 2007), compared for example with more than 90% of Europe’s top 100 companies (Finnish EU Presidency Conference 2006a). However, the foundation of more institutions like the New Zealand Business Council for Sustainable Development and networks like the research cluster around the Waikato Management School are likely to raise the profile and relevance of CSR and sustainability amongst key business, political, public and academic audiences.

Nevertheless, businesses’ engagement with the topic appears to be a long shot away from the Jenny Shipley’s (former prime minister of New Zealand) enthusiastic remark at the 11th Business Week CEO Forum in 2007 (www.chinadaily.com.cn/bizchina/2007-11/08/content_6241019.htm): "today, it [CSR] is a done deal". Similarly, in 2006 the NZ government reiterated its aim to make sustainable development the core of all governmental policies and turn the country into the first nation to be truly sustainable (Collins, Lawrence and Roper 2007). Some of the lack of explicit CSR can be attributed to the country’s national business system, in which governmental agents and community-owned organisations manage and provide
many common resources and services (e.g. community trusts, publicly-owned utility companies, public health insurance, the Accident Compensation Corporation). Also, New Zealand has a comparatively small population (just above 4 million) and arguably still high societal cohesion. In addition, no prominent political ambassador or business association appears to facilitate progress and ultimately drive the CSR debate. Conversely, increasing foreign ownership of New Zealand companies has added emphasis and new dimensions to the role business plays in the community (von Tunzelmann 1996).

Roper (2004) notes that the terms 'social responsibility' or 'business responsibility' were not even known outside expert communities prior to 1998. Still today, authors and media discuss New Zealand CSR issues largely under the header of corporate environmental citizenship (Insch 2008), corporate environmentalism (Tregidga, Milne and Kearnis 2007) and business sustainability (NZ Management 2007). Aspiring to sustain its favourable international country image of being “100%” pure, clean and green, environmental topics dominate the local CSR debate. In the mid 1990ies, von Tunzelmann (1996) listed significant social reforms, economic change and changing business-government relationships as major elements influencing the context of CSR – areas, one could argue, that are still relevant over a decade later. For example, consequences of changes in the national system have triggered the need for increased (corporate) investment in some locations around the country where communities have slipped into a downwards spiral.

1.4.6 Provisional summary

The analysis of selected regional CSR developments shows that the context and dynamics of the debate differ around the globe. TABLE 1.3 provides an overview over CSR issues mostly relevant in particular regions/countries. While debates are not isolated from each other and one could argue that they will convert further in the future, it is useful to focus the level of research conducted in this thesis on one particular region. Arguably, the European Union offers the most fertile soil for CSR discussions and the organisation itself and national governments have become strong ambassadors of the idea. The EU explicitly links CSR to competitiveness and has developed a set of policies encouraging organisations to embrace the idea. Hence, the next chapter frames the
European approach and the role of governments in establishing the business case for CSR on a macro-level.

TABLE 1.3: Synopsis of general CSR agenda in different countries/regions (compiled, adopted and extended from Breitbarth and Harris 2008; Roome 2004; Matten and Moon, 2004; Japan Research Institute; Balch 2005; www.empresa.org; Collins, Lawrence and Roper 2007)

<table>
<thead>
<tr>
<th>Country/region</th>
<th>General CSR agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>Racial &amp; gender equity; Issues around financial accountability and governance; Food safety and provenance;</td>
</tr>
<tr>
<td></td>
<td>Financial service products; Protected areas and species; Supply-chain issues and auditing; Management</td>
</tr>
<tr>
<td></td>
<td>systems and reporting; Area regeneration; Community projects; Public/private partnerships</td>
</tr>
<tr>
<td>Germany</td>
<td>Issues around financial accountability, governance and executive rewards; Food safety and provenance;</td>
</tr>
<tr>
<td></td>
<td>Waste recycling; Resource efficiency; Neighbourhood reporting and liaison; Strong commitment to education</td>
</tr>
<tr>
<td></td>
<td>and training; Company-specific corporate community investment</td>
</tr>
<tr>
<td>USA/North America</td>
<td>Good corporate governance; Executive rewards; Consumer protection; Consumer health and safety; Low level</td>
</tr>
<tr>
<td></td>
<td>of legal obligations on business; Ethical policies regarding local community involvement; Philanthropic</td>
</tr>
<tr>
<td></td>
<td>initiatives to sponsor art, culture or fund university education</td>
</tr>
<tr>
<td>Japan</td>
<td>Corporate governance; Financial transparency; Social responsible investment; Social reporting standards;</td>
</tr>
<tr>
<td></td>
<td>Food health, safety and provenance; Consumer trust and loyalty; Protection of privacy; Protection of</td>
</tr>
<tr>
<td></td>
<td>intellectual property rights; Environmental preservation; Responsible supply-chain management; Community</td>
</tr>
<tr>
<td></td>
<td>involvement</td>
</tr>
<tr>
<td>South and Latin</td>
<td>Corporate governance; Financial transparency; Anticorruption; Workplace conditions; Child labour; Job</td>
</tr>
<tr>
<td>America</td>
<td>security; Environmental protection and preservation; Energy efficiency; Responsible marketing; Community</td>
</tr>
<tr>
<td></td>
<td>investment and involvement; Investment in education</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Environmental management and protection; Energy production and efficiency; Community involvement and</td>
</tr>
<tr>
<td></td>
<td>investment</td>
</tr>
</tbody>
</table>

1.5 The link between CSR and competitiveness: making CSR appeal to business

The picture presented of the past and present of the CSR debate shows not only how colourful the idea is, but also how and why diverse styles have developed and are applied in different regions. This has provoked criticism and scholars are asking if the management idea of CSR is not only another fad or management fashion (Morsing and Beckmann 2008). Management fashions appear only for a limited time and then ap-
pear/disappear often in a bell-shaped curve that indicates its rise and fall (Abrahamson 1996; Thomas 1999). However, the "transitory" notion of seminal management fashion analysis (Abrahamson 1996) overly stresses the limiting mindset that such concepts and ideas are frivolous, mainly of aesthetic nature, concerned with image over substance, emotional, describing short-term or temporary changes (Zorn and Collins 2007; Benders and van Veen 2001). Especially the fact that organisational actors co-create and adopt ideas that leave some room for crafting it in a particular way transfers some ownership towards the actors and respective organisation. This suggests that some form and extent of organisational change occurs based on processes that are underpinned by the social construction and shared reinforcement of an idea. Consequently, Zorn and Collins (2007) point out that adopting CSR because of its' "fashionability" is not a bad thing at all. Livesey and Graham's (2007, p 336) analysis of Shell's eco-talk points in the same direction:

"Whatever the original instrumental intent, language and symbolic action may have constitutive effects beyond what any particular agents - corporate communication department, CEOs, other corporate rhetors, or their critics - can control. Corporate eco-talk participants in (re)creating the firm and (re)constructing its relationship to nature, while opening up novel possibilities of understanding and action at the societal level."

Hence, Beckmann and Morsing (2006) argue that even if CSR was what some call a 'management fashion', it is real and changes management thinking and corporate action.

While the assumption that the CSR momentum has lead to organisational and institutional change has been suggested in the literature (e.g. Mirvis and Googins 2006), some questions in this debate seem not to have attracted similar interest - especially the multiplicity within the construction process of CSR as a business concept and nature of the CSR debate itself. For example, reflecting on the concept of management fashion, Zorn and Collins (2007) argue that CSR may meet the same fate like TQM, which was seen by managers as a concept leading to competitive advantage in the 1980s, but in some way has now become a business necessity. In contrast, traditionally and in the view of some interest groups, the CSR idea assembles a discourse that counters the profit-seeking philosophy of capitalism. Hence, it appears as if several CSR discourses are available that challenge each other. One of which is the discourse about the business case of CSR, i.e. the link between CSR and competitiveness. Most prominently, in Eu-
rope, governments are significant drivers of CSR and the EU Commission in particular has a strategic interest in making CSR appealing to business in order to maintain social cohesion, to foster growth and to create jobs. Which discourse prevails is not trivial and academic, but has an influence on if and how businesses engage with the CSR idea. This is even more relevant since corporates and other organisational actors are involved in shaping discourses. For example, such involvement is well addressed and encapsulated in the rhetoric of the World Business Council for Sustainable Development (2009, no pages numbers):

"The starting point for the WDCSD’s work is based on the fundamental belief that a coherent CSR strategy, based on sound ethics and core values, offers clear business benefits. In other words, that acting in a socially responsible manner is more than just an ethical duty for a company, but is something that actually has a bottom line pay-off."

Depending on which school of thought one favours, the fundamental nature of a discourse either revolves around, firstly, narratives and storylines of events and interpretations of such; secondly, rhetorical justifications of specific activities and perspectives; or thirdly, deterministic mechanisms that set the basic conditions in which society operates (Green, Harty, Elmualim, Larsen and Kao 2008). Generally, scholars have critically observed a discourse around the construction of ‘competitiveness’, and suggest ‘competitiveness’ and ‘competitive advantage’ are better understood as discursive resources that are mobilised in the performance of strategic management (Green, Harty, Elmualim, Larsen and Kao 2008). This challenges traditionally dominant strategic management schools, namely the industry-structure perspective (e.g. Porter 1996) and the resource-based view of the firm (e.g. Barney and Arikan 2001). Hence, assessing the business case for CSR, whereby ‘business case’ is an idea based on rational, strategic and linear conceptions (www.ogc.gov.uk), would become an oxymoron or require a new paradigm in the strategic management field.

Therefore, mainly for two reasons it is necessary to look in more detail at where, why and how CSR is presented in combination with the idea of competitiveness. Firstly, realistically, CSR as an idea needs to demonstrate its value to corporate decision makers in order to become and to be a sustainable concept itself (Breitbarth and Harris 2008). Clearly, this goes beyond studies that examine the relationship between CSR and finan-
cial performance, mostly by quantification and neo-classic economic assumption (e.g. Balabanis, Philips, and Lyall 1998). As outlined Sections 1.2 to 1.4, insights into the history and present state of the academic CSR debate shows that, traditionally, CSR has been conceptualised as voluntary actions by firms, especially influenced by the North American school of CSR thought, which places philanthropic ideas in the core of the debate. However, one can argue that the very voluntary and normative nature of past CSR discussions did not “position” the CSR idea consistently enough with business rationale and that it was not consistently motivated, guided and guarded by, for example, governments. Especially the vibrancy and independent streams of thought in the European debate have shifted the current debate into new and different directions (Habisch, Jonker, Wegner and Schmidpeter 2005), which clearly oppose Sturdy’s (2004) claim that especially US and neo-liberal management ideas are shaping today’s business. Similarly, since academics are often part of activating new business ideas, the influx of research around CSR has helped to translate the idea to managers.

Secondly, corporations as organisations and individual managers as agents are part of the discourse themselves. This thesis argues that the way managers frame, expert communities discuss, organisations communicate, and industries apply CSR energises the business case argument. It is important to understand why there is momentum behind the engagement and adoption of CSR by businesses, because new or rediscovered ideas and paradigm shifts have a serious and lasting impact on how we perceive businesses and how they look at themselves:

"Using new frames or seeing through the assumption of different forms means that the managerial and organisational world not only looks different: it becomes different, because it is the way that we see it" (Clarke and Clegg 2000, p 47).

Hence, on a conceptual level the link between rhetoric that constitutes reality and reality that shapes rhetoric requires attention in order to explore the value and validity of CSR as a management idea. Consequently, in this thesis, I do not intend to make normative claims about the value and importance of CSR, or develop a normative concept of CSR. Rather, I establish a critical perspective across different layers of the CSR development in Europe between 2004 and 2008 – years in which the CSR topic saw considerable growth. I tap into a discourse about the nature of CSR, the direction its meaning is being constructed and the elements driving and manifesting the understanding of CSR as a
management idea – including consequences for current and future research and practice in business-society relations.

1.6 Research aims and questions

Chapter One began by describing how ideas about the relation between business and society in general and the social responsibility of business in particular have evolved. It also started to explain how CSR has gained momentum over the past decade both globally and in different regions. I have pointed attention to multiple debates available and have claimed that the nature and direction of particular discourses influences if businesses embrace CSR. The social construction of CSR requires the analysis of different layers of the evolution of CSR, including how actors, organisations and industries engage in the debate and how they make use the concept for their own means.

Despite the recent increase of research and writing about CSR, the construction of particular CSR discourses has not drawn much attention yet. I argue that it is of empirical interest to understand how the idea of CSR, with all its historical roots, has been re-awakened in a new form. In particular, it is necessary to look in more detail at where, why and how CSR is presented in combination with the idea of competitiveness. Its rise could easy be dismissed as management fashion or fad. However, this would mean to simplify the nature of the debate, the multitude of activities related to CSR that can be observed, and the impact it already has on managerial belief systems, organisational change and in the public domain. Thus, it is of relevance to understand the way CSR is translated and ‘positioned’ within he modern political-social-economic context in which CSR is an idea that clearly is evolving.

This thesis explores and describes the construction process of a particular CSR discourse by employing multiple theories and observing multiple levels where CSR is embodied. A multi-theory, multi-layer and multi-method approach is necessary to analyse, understand, conceptualise and be able to question the way actors express and perceive forms of realities in the context of CSR. Construction processes are constituted within
and across different domains and properties that requires the critical researcher to take on different viewpoints in order to better 'see' what is happening.

As its main research objective, this study investigates the question: how did the business case of CSR develop and substantiate itself, particularly in Europe? It has a theoretical interest in analysing different components of the macro level (i.e. political and industrial stage), meso level (i.e. organisational stage) and micro level (i.e. individual and expert community stage) that link CSR and competitiveness through rhetoric and enacted reality, describing the evolution of the business case for CSR. In line with these thoughts the questions this investigation seeks to answer are:

- How has CSR been evolved in the European context and what are consequences for business management?
- Why and how has CSR been linked to competitiveness in recent years and what are key elements of this dominant and vital discourse?
- How have managers framed and translated CSR into the local context of their respective organisation and how did this impact on the development of CSR within the organisation?
- How have companies communicated their interpretation and application of CSR as business idea in their reporting?
- What has been the role of CSR expert conferences and communities in creating the business case argument for CSR and reinforcing its acceptance?
- How can competitive benefits from industry-wide CSR application be conceptualised?

In short, this thesis aims to produce both theoretical and empirical insights into understanding conditions, constitutes and consequences of the CSR debate, particularly in the years between 2004 and 2008. I observe and critically account for elements of the development and describe key themes of the underlying construction process. Based on extensive qualitative research along four separate sub-studies, empirical evidence is
provided that helps to explore and to understand the emergence and acceptance of CSR as management idea.

1.7 Outline of the thesis

Chapter One has served as an extended introduction to the idea of CSR. It presented historical background to the current debate and established a regional view on the CSR development. It illustrated the complexity of the international CSR debate with its organisational, strategic, institutional, ethical, social, political and further dimensions. The chapter also introduced the importance of the discourse that links CSR and competitiveness in order to make the idea appeal to business and foster its acceptance. Finally, it presented the aims and claims guiding this thesis.

Chapter Two provides evidence for the mobilisation and advancement of CSR and its institutionalisation by tracing the implications of its economic, political and regulatory development in the European context since the late 1990s. CSR has become a policy area in the European Union and substantial information is provided to in order to show the significance of political engagement for the development that has brought CSR to the business agenda as well as backed the evolution of the business case.

Chapter Three reviews aspects of the construction process through which a management idea forms, is manifested and seeks acceptance. Of importance is the matter of translation, which is an actor-driven process of interpreting an idea and creating understanding in order to ensure its organisational realisation. It shows that the ‘business case’ argument is the influential ‘translator’ in the current context. Concepts of ‘competitiveness’ are distinguished in order to illustrate their ideological importance for modern business management in general and the relevance of its rhetoric for the colonisation of the CSR space in particular.
Chapter Four presents the research design, methods and data analysis. I established myself as a self-conscious researcher and intellectual crafts person systematically investigating a social phenomenon along and across four layers. Those layers are represented through individual sub-studies into relevant business actor groups, CSR communications, CSR communities and industry application of CSR. Inquiries are guided by a qualitative approach, utilising a variety of research methods.

Chapter Five sets out to provide insights to organisational aspects as part of the emergence of CSR and the role of CSR managers in constructing the business case for CSR. Findings from interviews in German and UK firms show that this had been a process with active contributions of corporate actors, most notably respective CSR managers. Data is drawn from repeated interviews with concerned managers between 2005 and 2008.

Chapter Six explores how pictures in corporate non-financial reports are used as a translation of the CSR idea into digestible manifestations for internal and external audiences. This sub-study argues that pictures are intentionally used as means of visual communication and distinct way of making CSR accessible to the reader. The content analysis of reports from UK and German companies shows that CSR is relevant to businesses and is constructed as a contributing factor to business activities and strategy.

Chapter Seven looks at conferences as ‘birthplaces’ for new ideas and their development. Furthermore, they constitute an arena in which an idea is translated through the negotiation of understanding, the generation of concepts and the presentation of applications and scenarios by the active engagement of actor groups. In particular it traces the development of how CSR is linked to benefits for businesses that embrace the idea of social responsibility. This sub-study mainly draws on observational data from two CSR conference series in Germany between 2004 and 2008.

Chapter Eight presents a sub-study that illustrates that a pragmatic adoption and application of the CSR idea can indeed lead to a stronger competitive situation of an industry
that has been threatened to lose its ‘license to operate’. Analysing CSR in professional football in Germany, England, Japan and the USA, it provides another layer to the development of CSR and its construction process, because it locates the talk about CSR in a real commercial setting. Hence, this chapter provides further substance to the ‘reality’ of CSR in modern global business and gives evidence that denies CSR as only a fad or extra.

Chapter Nine concludes this thesis. It continues to examine merits of the longitudinal, multi-layered empirical investigation. It presents key themes that are extracted from across the findings, in particular the translation process and the link between rhetoric and reality of the business case argument. Thereby, the chapter revolves around the core contribution of this thesis: revealing the business case for CSR as socially constructed and as being a necessary driver in order to advance CSR as accepted and applied management idea. The chapter also provides final reflections on the current research. It concludes this thesis with a summary of how individual research questions have been addressed. In addition, it draws out the implications of the findings in the context of the broader academic literature and future research directions.
CHAPTER TWO

THE EVOLUTION OF CSR IN THE EUROPEAN UNION AND ITS IMPLICATIONS FOR BUSINESS MANAGEMENT

"The importance of CSR cannot be overestimated. ... CSR is becoming a competitive necessity. Moreover, to be a competitive differentiator, CSR needs to be part of a core business strategy."

(European Commission 2008)

2.1 Introduction

This thesis is mainly concerned with the European context, because of its specific context, vibrant discussions and globally influential approach. Hence, this chapter takes a close look at the evolution of CSR in the European Union as the most important institutional umbrella und driver of socio-economic integration in Europe. It provides evidence for the mobilisation and advancement of CSR and its institutionalisation by mapping the implications of its economic, political and regulatory development in the European context since the late 1990s. Tracing this development helps to appreciate the role of European governments in bringing CSR to the business agenda as well as backing the evolution of the business case.

As Chapter One’s discussion of the different approaches to CSR shows, the literature has traditionally defined CSR as voluntary action by companies that goes beyond regulatory requirements. Retrospectively, until the late 1990s academic literature on CSR focused on defining the responsibility of companies in relation to society (e.g. as corporate citizenship) or - earlier - the capitalists’/business owners’ social responsibility. Today, there is agreement that governments have certainly contributed to the rise and adoption of CSR in the last decade (Moon 2004; UK Government 2004). However, the first documents on CSR to incorporate the debate on the role of governments (e.g. as promoters or drivers of CSR) date from 1990’s and beginning of the 21st Century, and were produced directly by governments themselves or by international organisations (e.g. European Commission 2001). Since then, the public sector has become an influen-
tial agent in strengthening CSR. Key drivers for governments to promote CSR are (Albareda, Ysa and Lozano 2006):

- Globalisation and challenges faced by the new economy;
- New models of governance and the welfare state crisis;
- National and regional competitiveness and innovation;
- Sustainable development;
- The partnership approach.

Fox, Ward and Howard (2002) provide a comprehensive list of drivers and constraints to public sector engagement in CSR (TABLE 2.1) that displays a mix of market and non-market considerations. From a managerial and strategy perspective, it confirms that public policy is "no longer a spectator sport" for managers and it is impossible to simply rely on "muddling through" in the modern business environment (Preston 1990, p 21). From a research perspective it is important to note that governmental action does not only constitute context that shapes corporate behaviour, but that this context itself is influenced by corporate action (Pettigrew 2002).

**TABLE 2.1: Drivers of and constraints to public sector engagement in CSR (Fox, Ward and Howard 2002, p 20)**

<table>
<thead>
<tr>
<th>Driver</th>
<th>Key constraints</th>
</tr>
</thead>
</table>
| International policy processes | • Lack of public sector capacity to engage in negotiation and implementation  
• Lack of take-up of CSR issues in regional processes  
• Lack of engagement with processes and guidelines (for example, OECD Guidelines National Contact Points) |
| Trade and Investment promotion | • Lack of awareness of "green" or "ethical" market opportunities in export markets  
• Lack of capacity to equip domestic industry to meet CSR-related export requirements  
• Lack of capacity to engage in key standards-setting processes  
• Lack of understanding on the link between public sector interventions on CSR and economic competitiveness |
| Maintaining minimum standards | • Lack of capacity to maintain and enforce minimum standards  
• Perception that corporate social responsibility is about voluntary business action, not public sector action  
• Weaknesses in the institutions of civil society that are necessary for cooperative management approaches to be effective |
| Partnership and civil society demands | • Lack of financial or human resources to participate in partnerships  
• Weak institutions of civil society (for example, trade associations, NGOs, trade unions, community-based organizations)  
• Weak organized labor |
| Consumer demand for sustainable goods and services | • Lack of domestic consumer demand |
The policy framework proactively developed by the European Commission has been at the forefront of governmental macro-level involvement. Since the Lisbon Agenda in 2000 the EU and, in particular its Commission has sought to increase the competitiveness of its internal market through a strategy of sustainable development. Part of this strategy identifies CSR as a key policy vehicle for companies to voluntarily integrate social and environmental concerns in their business operations as well as in their interaction with their stakeholders. This is viewed as a central to the debate surrounding globalisation, competitiveness and sustainability. In fact, in Europe the promotion of CSR reflects the need to defend common values and increase the sense of solidarity and cohesion (European Commission 2006). Beyond its role as an advocate, the EU is also a facilitator and partner in the establishment of a normative-based European CSR regime that challenges both European and foreign companies. Lenssen, Gasparski, Rok and Lacy (2006) illustrate the direct conceptual link between CSR and competitiveness across the micro-, meso- and macro-level as part of the overall European policy approach (FIGURE 2.1).

FIGURE 2.1: The role of CSR in the European Union (Lenssen, Gasparski, Rok and Lacy 2006, p 1)
This chapter describes the development of CSR in the European Union and the implications this has to companies within and outside this major trading block. It explains efforts undertaken by the European Commission to offer benefits to companies and societies to get involved in the overarching process of sustainable development – and, most importantly, it sheds light on the politically-driven measures to established the link between CSR and competitiveness.

2.2 Public sector roles in strengthening CSR

In general, public sector institutions (mostly governments) strengthen CSR by adopting one or more of the following four roles: mandatory/regulator, facilitator, partner or endorser (see TABLE 2.2).

<table>
<thead>
<tr>
<th>Mandating</th>
<th>‘Command and control’ legislation</th>
<th>Regulators and inspectorates</th>
<th>Legal and fiscal penalties and rewards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitating</td>
<td>‘Enabling’ legislation</td>
<td>Creating incentives</td>
<td>Capacity building</td>
</tr>
<tr>
<td>Partnering</td>
<td>Funding support</td>
<td>Raising awareness</td>
<td>Stimulating markets</td>
</tr>
<tr>
<td>Endorsing</td>
<td>Combining resources</td>
<td>Stakeholder engagement</td>
<td>Dialogue</td>
</tr>
<tr>
<td></td>
<td>Political support</td>
<td></td>
<td>Publicity and praise</td>
</tr>
</tbody>
</table>

For the most part, governments have restrained from mandating and regulating CSR, often because of considerable lobbying from businesses in the consultation process (e.g. during the multi-stakeholder forum initiated by the European Union in 2001). Since the impact of regulation on company strategy can be significant, and companies may struggle with their responses to regulation, much can be at stake (McKinsey 2006). Regulation reflects an explicit formal contract between business and society to meet certain social responsibilities. The problem here is that, by following advocates that define CSR as something beyond legal requirements (e.g. see Carroll and Buchholtz 2006), any mandated area would drop out of the CSR expectation per se. Furthermore, the rise of
CSR was certainly helped by the very fact that it was not regulated; indeed regulation generally removes from the process of negotiations between different societal actors the opportunity for campaigning, local adoption, and power games (Breitbarth 2009).

Regulation also requires socio-political-economic goals, clear rules and strict policing, all of which, due to limited experience with seeing the respective field “in action”, are difficult to achieve in a newly established and developing area. Importantly, De Schutter (2006, p 24) observed that the rhetoric around regulating CSR developed in a way that regulation “was denounced as bridling the creativity of the economic actors, and – especially – as bad for business”. Hence, so far governments (e.g. UK Government 2004) and especially the European Union (e.g. EU Commission 2008) have concentrated on other ways to motivate the uptake of CSR in Europe. TABLE 2.3 classifies national approaches for public CSR policies across the EU.

TABLE 2.3: National approaches for public CSR policies in the EU (Albareda, Ysa and Lozano 2005; in Albareda, Ysa and Lozano 2006, p 10)

<table>
<thead>
<tr>
<th>Model</th>
<th>Characteristics</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership</td>
<td>Partnership as strategy shared between sectors for meeting socio-employment challenges.</td>
<td>Denmark, Finland, the Netherlands, Sweden.</td>
</tr>
<tr>
<td>Business in the community</td>
<td>Soft intervention policies to encourage company involvement in governance challenges affecting the community (entrepreneurship and voluntary service).</td>
<td>Ireland, the United Kingdom.</td>
</tr>
<tr>
<td>Sustainability and citizenship</td>
<td>Updated version of the existing social agreement and emphasis on a strategy of sustainable development. Regulating.</td>
<td>Germany, Austria, Belgium, Luxembourg, France.</td>
</tr>
<tr>
<td>Agora</td>
<td>Creation of discussion groups for the different social actors to achieve public consensus on CSR.</td>
<td>Italy, Spain, Greece, Portugal.</td>
</tr>
</tbody>
</table>

The important baseline study by Fox, Ward and Howard (2002) for The World Bank concluded that there are key themes emerging for future work to strengthen the CSR-related roles of public sector agencies:

- Work to build awareness of the contemporary CSR agenda within developing country agencies including building understanding on the overall drivers, key
players and effective pressure points, as well as country-specific impact assessment of the CSR agenda for trade and investment promotion;

- Initiatives that enable public sector bodies in developing countries to become effective players in setting the terms of the CSR debate and its associated standards;

- Work to build a stable and transparent environment for pro-CSR investment, including efforts to strengthen basic norms of social, environmental, and economic governance and their enforcement; and

- Initiatives to engage the private sector more directly in public policy processes associated with delivery of public goods; and, support for public sector bodies to develop frameworks within which to assess local or national priorities in relation to CR.

Each of the above suggested directions clearly seek to link the CSR idea with competitiveness, trade and business investment. They are reflected, for example, in the strategic vision for CSR development in the UK (UK Government 2004). In particular, the EU Commission Competitiveness Report 2008 describes CSR as “important EU policy on competitiveness” and points “to a positive link between competitiveness and Corporate Social Responsibility” (EU Commission 2008, p. 9). The report explains that for an increasing number of enterprises in a growing number of industries, CSR is becoming a competitive necessity. Therefore, the Commission wants to continue to provide political impetus and the practical support to all stakeholders engaged in CSR. To deepen and disseminate the link between CSR and competitiveness, the Commission directorate for Enterprise and Industry highlights an explicitly dedicated Internet site (http://ec.europa.eu/enterprise/ csr/competitiveness.htm). Furthermore, academia and the consulting industry have started to rank and compare the responsible competitiveness of an individual country (see FIGURE 2.2) against established international economy rankings like OECD country assessments.

The following section describes the development of this framework/position regarding the leading European macro-level institution as well as offering an analysis of how the policies developed and language constructed motivate companies to realise CSR as a
strategy area with a convincing business case. The European debate about CSR significantly impacts the global spread of the idea, because national elites in for example Asian countries see the EU as ‘the world’s leading economic powerhouse’, ‘last bastion of protectionalism’, ‘great power of the future’, and therefore ‘prime agent for economic regulation’ (Chaban 2007).

FIGURE 2.2: National responsible competitiveness ranking (press release EABIS/Account Ability 2005)

The Indices

RCI = Responsible Competitiveness Index (AccountAbility’s National Corporate Responsibility Index combined with the WEF’s Growth Competitive Index).

NCRI = National Corporate Responsibility Index, AccountAbility’s ranking of 80 countries based on the state of corporate responsibility in each nation.

GCI = World Economic Forum’s Growth Competitiveness Index 2004/5. N.B. the rankings quoted below are adjusted to apply to the same group of countries as the RCI and NCRI.

<table>
<thead>
<tr>
<th>Country</th>
<th>RCI</th>
<th>NCRI</th>
<th>WEF/GCI (adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Denmark</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Sweden</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Norway</td>
<td>4</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>Switzerland</td>
<td>5</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>United States</td>
<td>6</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>7</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>8</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Australia</td>
<td>9</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Austria</td>
<td>10</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Germany</td>
<td>12</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Japan</td>
<td>14</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Belgium</td>
<td>15</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>Estonia</td>
<td>16</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>Ireland</td>
<td>17</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>France</td>
<td>18</td>
<td>17</td>
<td>22</td>
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<tr>
<td>Spain</td>
<td>19</td>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>Slovenia</td>
<td>23</td>
<td>19</td>
<td>26</td>
</tr>
<tr>
<td>Portugal</td>
<td>25</td>
<td>27</td>
<td>20</td>
</tr>
<tr>
<td>Lithuania</td>
<td>27</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>30</td>
<td>26</td>
<td>32</td>
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<tr>
<td>Greece</td>
<td>31</td>
<td>33</td>
<td>30</td>
</tr>
<tr>
<td>Hungary</td>
<td>32</td>
<td>24</td>
<td>31</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>33</td>
<td>25</td>
<td>36</td>
</tr>
<tr>
<td>Latvia</td>
<td>34</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Italy</td>
<td>37</td>
<td>35</td>
<td>39</td>
</tr>
<tr>
<td>China</td>
<td>40</td>
<td>66</td>
<td>38</td>
</tr>
<tr>
<td>India</td>
<td>44</td>
<td>43</td>
<td>46</td>
</tr>
<tr>
<td>Poland</td>
<td>46</td>
<td>39</td>
<td>51</td>
</tr>
<tr>
<td>Brazil</td>
<td>48</td>
<td>37</td>
<td>48</td>
</tr>
</tbody>
</table>
2.3 Discussion: implications of governmental action on competitiveness, market opportunities and business barriers

Arguably, the EU is the most vibrant region in the terms of progress in CSR (Diamantopoulou 2005). The EU identifies CSR as a businesses contribution to sustainable development. Sustainable development is the core policy objective in the EU’s strategic goal to become the most competitive and dynamic knowledge-based economy in the world as laid out at the European Council Summit in Lisbon in 2000. The Union recognises that whilst sustainable economic growth leads to a greater number of better jobs, greater social cohesion requires the cooperation of the business sector. Hence, CSR is defined as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission 2001, p. 3).

The EU wants to be a leading modern organisation that focuses on human rights, democracy and non-market issues (Moerth 2004). On a global level, normative-based trade politics has become part of the European political identity. Its growing economic influence further disseminates its economic approach (e.g. through enlargement and trade agreements). Trade Commissioner, Peter Mandelson (2007, no page numbers), states confidently: “Exporting our rules and standards around the world is one source and expression of European power”. Hence, promotion and encouraging business to buy into the concept of CSR is an important strategy for the EU if it is to prevent unfavourable consequences of globalisation such as the “race-to-the-bottom”. There is agreement that Europe needs to compete on levels such as knowledge, values and ideas rather than price (Finnish EU Presidency Conference 2006b). It also guarantees social balance and internal coherence. In turn, companies secure their “license to operate” within the EU and, by doing so, can benefit from the economic value that the common market offers. The European Commission (2006, p. 2) declares:

“CSR has become an increasingly important concept both globally and within the EU, and is part of the debate about globalisation, competitiveness and sustainability. In Europe, the promotion of CSR reflects the need to defend common values and increase the sense of solidarity and cohesion.”
However, from a managerial perspective, the adoption, integration and communication of CSR is an organisational challenge for individual companies that increases the need for resources like qualified staff, program costs, benchmarking and reporting, product development, and additional relationship and network building with market and non-market groups. Confronted with higher governmental and public expectations and concerns about their business conduct and activities; and, especially because of considerable regional differences in respect to such expectations, there are growing concerns that ‘tooling up’ for CSR is creating non-tariff barriers to trade or, at least, unwelcome imposition of foreign concern (The World Bank 2002). Former Employment and Social Affairs Commissioner, Anna Diamantopoulou (2003) also expressed concern in respect of the development of the EU’s internal market where national, private or governmental rules and the provision of grants or tax incentives could lead to ‘unintended’ new trade barriers.

One issue arising is that if it is acknowledged that CSR is at least partly based on a normative, value-based and ethical conceptualisation and refers to strategies, process and production methods (rather than the final product and service as such), then it is likely to be incompatible with traditional trade thinking as formalised, for example, in many WTO agreements. Recognised and largely formalised trade concepts like the Principle of Non-Discrimination and the application of Agreement on Technical Barriers to Trade Code of Good Practice for the Preparation, Adoption and Application of Standards, do not yet sufficiently cover this area: “That is, labour, animal welfare and environmental standards are not trade compliant unless they produce a demonstrable consumption externality” (Isaac 2007, p 409). Hence, companies or foreign governments can hardly dispute non-governmental CSR developments because this would need to be based on vague criteria.

Obstacles clearly defined and formalised under trade agreements and regulatory approaches are ‘hard’ trade barriers. However, the focus here is on the policy-driven concept of CSR as a ‘soft’ trade barrier. It can be argued, then, that it is trade policies that shape trade relations rather than trade regulations – at least, the former influences the latter not vice versa. One major distinction between what we call ‘hard’ and ‘soft’ trade barriers is that external players have hardly any voice in the process of negotiation and
establishment of the latter (Isaac 2007; The World Bank 2002). This is even more critical for outsiders since the EU’s CSR strategy reflects the intention to approach the CSR concept as a communication and negotiation platform for governments, business and European civic society. Thus, incumbent players and coalitions of interest form networks, relationships and multi-stakeholder interaction to eventually establish an understanding of what CSR means and which resources are needed (and given) to implement it. This is likely to be challenging for foreign organisations and traders, and, the EU clearly does not want to see its regions’ high level of social welfare and societal wealth compromised.

For example, the EU in co-operation with the United Nations Development Programme commissioned the baseline study, ‘Accelerating CSR practices in the new EU member states and Candidate Countries as a vehicle for harmonisation, competitiveness, and social cohesion in the EU’. It also set up an initiative to facilitate multi-stakeholder dialogue on CSR in these countries and to enhance capacities of existing and future CSR stakeholders to develop and implement CSR agenda in the region (www.acceleratingcsr.eu). In contrast to other trading blocks, the EU traditionally has had a social market approach where market competition is promoted, but is linked to equity issues, for example social cohesion or support for disadvantaged groups (Harris and McDonald 2004).

With particular interest in the role of CSR in the EU’s social, business and trade policies, there are four fundamental drivers for the emergence of CSR (Finnish EU Presidency Conference, 2006a, provides an alternative list of nine factors). Firstly - agreeing with the above notion of Habisch and Jonker (2005) that CSR is also about changing configurations between various crucial institutions of society - open spaces have emerged with the state retreating from offering a wide range of services itself, and rather taking over the role of a regulator and agent in the processes of market liberalisation, deregulation and privatisation. Companies are expected to fill such gaps and provide resources to help guarantee democracy, social justice and economic competitiveness in regions in which they operate.
Recently, modern CSR is conceptualised and promoted in relation to its benefits for organisations. It is argued that adopting CSR leads to corporate sustainability and reflects good management. In this regard, sustaining reputation, reducing risks and costs, increasing stakeholder value, triggering innovation, and influencing regulation are amongst the potential benefits. By positioning CSR in this way, governments, especially, like to encourage companies to buy into a wider and largely newer set of responsibilities and opportunities. Governments are drivers of CSR (Moon 2004) and hold resources including access to regulated parts of society that make the inclusion of CSR opportunities relevant to strategic and operational management.

Thirdly, new actors have emerged that had little or no voice a decade or two ago. Most notably there are a variety of non-governmental organisations (NGOs) that seek to counter random business globalisation. They have gained influence because of their ability to represent vocal groups of civic society, for example specific consumer groups, and translate this resource into political bargaining power. Furthermore, Beck (1986) questions the domain of formal politics (i.e. especially the legislative process) as the only or even central place in modern society where the direction of society at large is discussed and decided. This is largely due to the forums and new forms of engagement NGOs have developed. In the CSR discourse, private organisations have tried and sometimes succeeded in negotiating and implementing CSR standards, setting benchmarks and initiating new policy directions both outside and within the formal political process. Hence, it is not only governments that protect markets but, increasingly, NGOs demand and police (e.g. through campaigning against companies) the recognition of CSR in business activities.

Finally, organisations in general and their business conduct, process and production methods in particular (including the wider consequences of their activities), have become more transparent. This is due mainly to new media that enable information to travel faster and more publicly on a global level. Outsourcing and cooperation of parts of the business, global supply chains, and the use of software that purposefully enables partners to access company data are other reasons. In total, those increased levels of transparency and interaction unintentionally also create a rich archive of organisational
behaviour, that can all too easily provide the evidence for legalistic or ethical challenges to a company’s behaviour.

These drivers share the common requirement of pro-active thinking and action from companies. EU Commission Vice-President, Guenter Verheugen (2006; 2007) stresses that trust as the key concept in the CSR discourse. It is a resource EU citizens, governments and the Commission grant the business sector. However, it is not only reputation that is at risk for companies that don’t accept responsibilities and engagement beyond their traditional areas of operation. Certainly, Verheugen’s notion of trust includes the menace of what happens when influential institutional players may no longer “trust” in business - it may well be regulation instead of self-regulation or voluntarily approaches, or the denial of access to profitable markets.

2.4 Stages of CSR development in Europe and the role of the EU in ‘raising the bar’

A general debate about CSR and the role of business in society and business ethics has been going on much longer than the more recently focused discussion about business contribution to sustainable development. Policy-shaping organisations like the UN, the World Bank and the OECD promote both wider sustainability thinking and CSR engagement. Arguably, the global momentum was kick-started with the United Nations Conference on Environment and Development in Rio de Janeiro in 1992. It gained higher profile and more applicable direction for organisations with reporting recommendations of the UN GRI initiative in the late 90s and the launch of the UN Global Compact initiative in 2000. The latter is first and foremost concerned about exhibiting and building the social legitimacy of business and markets, mainly by encouraging ten specific “good” business principles (www.unglobalcompact.org).

In relation to the EU, early initiatives to encourage business contributions to the European development strategy and change processes can be traced back to the presidency of Jacques Delors, manifested in the launch of the European Business Network for Social
Cohesion in 1996 (since 1998 ‘CSR Europe’). TABLE 2.5 provides a broader overview of milestones in European policy development relevant to the matter of CSR as a competitive necessity for businesses and potential new trade barrier. Perrini, Pogutz and Tencati (2006) provide details about the emergence of CSR in Europe; De Schutter (2006) offers useful accounts and discussions. While those former authors analyse the relevance and describe the influence of governmental policy and EU policy strategy, the latter concludes that today CSR is a process, “in which the representatives of the business community have come to occupy the central role” (p 2).

From a non-EU-member perspective, for example New Zealand, it is important to create an understanding of what the EU means by CSR and why it is a central policy for the future of Europe, because of its restricted role to get involved in the discourse itself on the one hand and its close trade relationships on the other hand. The EU is the second largest export market for New Zealand’s goods exports (about 15% of total goods exported) and the third largest contributor to two-way other services (www.stats.govt.nz). Despite the EU communication and action stressing the value it places on CSR, the implications have yet to be recognised by NZ Trade and Enterprise (e.g. see trade policies and recommendations to businesses available on the institution’s website www.nzte.govt.nz). In addition, the EU thrives to shape international trade norms through its ever-growing economic power and resources. Thus, market opportunities, innovation and global standard setting in the field of CSR are likely to come out of Europe. For exporters, new markets do open up (e.g. organic farming) or may break open if a favourable business environment is created, at least initially driven by the public sector. The knowledge and mindset developed from engaging especially in the European CSR process may indeed prove very valuable for local companies and New Zealand economy in future.

The involvement of the EU and the development of CSR in the EU started in 1996. It has gained considerable drive with the Lisbon European Summit in 2000 (see TABLE

2.5). Broadly, De Schutter (2006) describes the development of CSR in the EU as a route ‘from substance to process’ and thereby expressing that the momentum behind the idea has created its own dynamics beyond EU influence. However, there is no doubt that the EU remains the important European macro-level actor in the CSR arena.
TABLE 2.5: Political milestones at the European level (adopted from Perrini, Pogutz and Tencati 2006; developed and extended)

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Milestone</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>European Business Network</td>
<td>The network was launched as a joint initiative between the European Commission and a group of founding members under former EC President Jacques Delors.</td>
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<tr>
<td></td>
<td>for Social Cohesion (since 1998:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR Europe)</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>Gyllenhammar Report</td>
<td>At the European level, the High Level Group on economics and social consequences of industrial change, “The Gyllenhammar Group” (set up as a result of the Luxembourg Jobs Summit in November 1997), suggested in its final report that “businesses with more than 1000 employees should publish a report on the management of change” on an annual basis in order “to give an account of the impact of their social activities”.</td>
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<tr>
<td>2000 (March)</td>
<td>Lisbon European Summit</td>
<td>At the European Council Summit in Lisbon, the EU set itself a new strategic goal for the next decade to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion. For the first time the European Council addressed businesses directly in “a special appeal to companies’ corporate sense of social responsibility regarding best practices on lifelong learning, work organisation, equal opportunities, social inclusion and sustainable development”.</td>
</tr>
<tr>
<td>2000 (June)</td>
<td>Feira European Summit</td>
<td>The European Council in Feira reiterated the appeal made in Lisbon, applauded the ongoing follow-up and welcomed the initiation of a process to establish a network for European dialogue encouraging companies’ sense of social responsibility.</td>
</tr>
<tr>
<td>2000 (June)</td>
<td>Social Policy Agenda</td>
<td>The Social Policy Agenda stressed the importance of CSR essentially in terms of the employment and social consequences of economic and market integration and the adoption of working conditions to the new economy. Consequently, the Commission expressed its intention to issue a communication in 2001 to promote CSR at corporate level.</td>
</tr>
<tr>
<td>2001 (March)</td>
<td>Stockholm European Summit</td>
<td>The European Council welcomed the initiative taken by businesses to promote CSR and referred to the next Green Paper to encourage a wide exchange of ideas with a view to promoting further initiatives in this area.</td>
</tr>
<tr>
<td>2001 (July)</td>
<td>Green Paper promoting a European framework for CSR</td>
<td></td>
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<tr>
<td>2001 (November)</td>
<td>CSR on EU social policy agenda</td>
<td>Belgian Presidency Conference on CSR, Brussels</td>
</tr>
<tr>
<td>2002 (July)</td>
<td>First Communication on CSR – a business contribution to sustainable development</td>
<td></td>
</tr>
<tr>
<td>2002 (October)</td>
<td>EU Multi-Stakeholder Forum on CSR</td>
<td>The European Multi-Stakeholder Forum on CSR (CSR EMS Forum), chaired by the Commission, brought together European representative organisations of employers, business networks, trade unions and NGOs to promote innovation, convergence and transparency in existing CSR practices and tools. The Forum’s mandate was approved at the launch on October 16, 2002.</td>
</tr>
<tr>
<td>2002 (November)</td>
<td>Mainstreaming CSR across Europe</td>
<td>Danish Presidency Conference on CSR, Helsingør</td>
</tr>
<tr>
<td>2002 (December)</td>
<td>Council resolution on CSR</td>
<td></td>
</tr>
<tr>
<td>2003 (November)</td>
<td>The role of public policies in promoting CSR</td>
<td></td>
</tr>
<tr>
<td>2004 (June)</td>
<td>EU Multi-Stakeholder Forum on CSR</td>
<td>The final report was presented to the Commission.</td>
</tr>
<tr>
<td>2005 (February)</td>
<td>Working together for growth and jobs: a new start for the Lisbon Strategy</td>
<td>In its growth and jobs strategy for the EU, the Commission stressed that CSR practices can play a key role in creating more and better jobs and in contributing to sustainable development while enhancing Europe’s innovative potential and competitiveness.</td>
</tr>
<tr>
<td>2005 (February)</td>
<td>Social Agenda 2005-2010</td>
<td>In its Social Agenda 2005-2010 for modernising Europe’s social model under the revamped Lisbon Strategy for growth and jobs, the Commission announced that it will continue to promote CSR. In order to contribute to the effectiveness and credibility of these practices, the Commission, in cooperation with the member states and the parties involved, will put forward initiatives designed to further enhance the development and transparency of CSR.</td>
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</tbody>
</table>
In the early stages, the EU Commission was more inclined towards regulatory measures to ensure the visibility and implementation of responsible business behaviour. In 1998 the High Level Group on economics and social consequences of industrial change, also called "The Gyllenhammar Group", suggested that companies with more than 1000 employees should publish an annual report on their management of change in order to give an account of the impact of their social activities. The final report of the Gyllenhammar Group and further confirmation and support of tackling CSR as a strategic issue for the sustainable growth of Europe by the European Council then quickly led to
the first, and, since then regular, EU Presidency Conference on CSR and the Green Paper promoting a European framework for CSR in 2001.

The Green Paper was the departure point for extensive public and industry discussions, and consultations of the Commission in the form of the EU Multi-Stakeholder Forum on CSR. It was chaired by the Commission, and brought together European representative organisations of employers, business networks, trade unions and NGOs. It promoted innovation, convergence and transparency in existing CSR practices and tools. Most notably, it outlined the EU’s approach to CSR, condensed in the definition of CSR as, “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission 2001, p 3). Especially, four notions are of critical importance in relation to this definition:

- Firstly, and in contrast to other definitions, CSR is seen to include both social and environmental issues;
- Secondly, it is a voluntary concept, a point where NGOs and differed significantly, however a market-based diffusion approach policy has prevailed eventually;
- Thirdly, CSR is a stakeholder-driven concept, which places high value on the interaction with a wide range of internal and external stakeholders;
- Fourthly, CSR should be seen as a value-driven concept that offers opportunities both in terms of business strategy and operations.

In respect to the last notion, The Economic and Social Committee (2002, no page numbers) clearly stated its opinion that,

"competitiveness and profitability, as the basis for long-term survival, are the essential prerequisites for companies accepting social responsibility. The connection between business success and social responsibility must be seen in the following terms: social responsibility together with economic success contribute to a company’s sustainability. It is, therefore, important to persuade companies to see social responsibility as a long-term undertaking, as a strategic investment in policies such as marketing, management tools and activities."

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With the activation and inclusion of a wide range of players throughout the Multi-Stakeholder Forum a momentum was created that the EU Commission and Council were willing to fuel. The following EU Presidency Conferences sought to mainstream CSR across Europe and understand the role of public policies in promoting CSR. According to the Commission's earlier proposal, the strategy for the period between its 1st Communication in 2002 and the 2nd in 2006 was focused on the following areas (European Commission 2002):

a) Increasing knowledge about the positive impact of CSR on business and societies in Europe and abroad, in particular in developing countries;

b) Developing the exchange of experience and good practice on CSR between enterprises;

c) Promoting the development of CSR management skills;

d) Fostering CSR among SMES;

e) Facilitating convergence and transparency of CSR practices and tools;

f) Launching a Multi-Stakeholder Forum on CSR at EU level;

g) Integrating CSR into Community policies.

Looking at this framework, the EU placed much value on recognising normative trade implications (a), creating European networks and learning processes (b, d, f) and facilitating the development of certain benchmarks ("standards") regarding CSR operations and reporting (e). Seen in the context of this paper, these are factors that have led to the emergence of 'soft' trade barriers through the vitality and dynamics of CSR in Europe. For example, Matten and Moon (2004) observe how CSR is increasingly integrated in the education of business professionals in European countries. Worldwide, 54% of international business schools required students to take courses in ethics, corporate responsibility, sustainability or business in society in 2005, compared to 34% in 2001 (Aspen Institute: www.beyondgreypinstripes.org).
In contrast, there is empirical evidence that such topics are still largely absent from curricula in Asia-Pacific (Ethical Corporation 2006). Another indication for the leading role of Europe is that 90% of Europe’s top 100 companies report on social and environmental performance, while the figure is 59% in the USA and 61% of the rest of the world’s top 100 (Finnish EU Presidency Conference 2006a). Only 11% of New Zealand’s companies report (NZ Management 2007). Overall the UK and Germany are most active, demonstrated by the majority of worldwide CSR publications originated in the two countries (www.corporateregister.com). The latest Accountability Rating concludes that “Europe leads, America lags” after measuring companies’ social and environmental impacts (Accountability Rating 2007). The crucial point here is that Europe and European companies strive towards a level of strategic and operational sophistication in terms of what CSR means, how to manage and communicate it, and how to influence its future.

In 2005, the European Council strengthened the link between CSR and Europe’s continued competitiveness, and its growing expectations of greater social responsibility in corporate behaviour: “in order to encourage investment and provide an attractive setting for business and work, the European Union must complete its internal market and make its regulatory environment more business-friendly, while business must in turn develop its sense of social responsibility” (European Commission 2006b, p 4). In the Integrated Guidelines for Growth and Jobs (2005-2008), the Council clearly recommended that governments should encourage enterprises to recognise the strategic importance of their social responsibilities and embrace and develop the concept accordingly. Again, the policy perspective here is that politics and business benefit from mutual understanding in terms of the direction in which the European market and societal arrangements develop. However, the trade off between businesses’ CSR engagement and lessening government regulation has been a main criticism voiced by NGOs, who argue that CSR could create the impression of “good” business while the measurability, transparency, and accountability of it remains problematic (Finnish EU Presidency Conference 2006).

In 2006, the Commission’s 2nd Communication on CSR has largely replaced the EU’s former CSR strategy. Especially, the Commission announced backing for a European Alliance for CSR, an open alliance of European enterprises to further promote and en-
The launch of the European Alliance marks an important new stage in the development of European policy on CSR. More than before, national and international best practice examples (business-driven and action oriented “CSR Laboratories”) are the vehicle to develop and benchmark CSR standards. CSR Europe mainly facilitates the ‘laboratories’. The Commission seeks to promote CSR practices in the European business environment and encourages organisations to back the European Alliance. Consequently, the Finish EU Presidency Conference on CSR in late 2006 focused on promoting innovation and competitiveness. In 2007, the following areas have been highlighted as CSR Laboratorites topics (www.csreurope.org/whatwedo/alliance/CompaniesandEUAlliance/Laboratories) and are related to the goals and strategies of what CSR Europe sees as its CSR Roadmap (see FIGURE 2.3):

- Innovation (includes B2B cooperation and alliances)
- Supporting entrepreneurship and SMEs
- CSR in supply chain
- Employability
- Diversity and equal opportunities
- Working conditions, health and safety
- Climate change
• Proactive stakeholder engagement

• Transparency and communication

At the Finish EU Presidency Conference on CSR (2006, p 4) it was agreed that,

“there was growing evidence that companies that related better to their stakeholders, – including employees, customers, investors and the wider community - did build value and strengthen economic performance. By understanding shareholder concerns and ideas, business strategies were better able to optimise market potential”.

Despite inconclusive academic research of this matter, talk about such connections aims towards making the CSR concept relevant for managers (Breitbarth and Harris 2008).

FIGURE 2.3: Goals and strategies of CSR Europe’s CSR roadmap (Finish EU presidency conference 2006a, p 8-9)
On the policy level, the 2nd Communication identifies eight areas which the Commission will emphasise in further promoting CSR (European Commission 2006):

- Awareness-raising and best practice exchange
- Support to multi-stakeholder initiatives
- Cooperation with Member States
- Consumer information and transparency
- Research
- Education
- Small and medium-sized enterprises
- The international dimension of CSR

Despite shifting tactical measures to promote CSR in Europe, a comparison with the seven focal points in the Commission’s 1st Communication on CSR (see above) confirms that much value is placed on creating European networks and learning processes. In summary, the development of CSR in the EU shows how business and government play give-and-go in order to determine the informal market rules and consequently raise the bar for foreign organisations to access the European market. This is driven partly by values and norms the fundamental European movement is built on, but also by strategic decisions to sustain the region’s competitiveness and relatively high social cohesion.

In literature on competitiveness, the role of governments is characterised, amongst others, as encouraging companies to raise their performance, for example by enforcing strict product standards, and to stimulate early demand for advanced products (Porter 1990). In extending this output-focused observation to organisational action and social performance, it must be argued that European companies are leading the way and are better prepared to embrace opportunities on the sustainability agenda than their international competitors.
2.5 Implications of the role of the EU on business competitiveness, markets and trade

The argumentation provided above leads to the conclusion that CSR is a key area to shaping trade and protecting the internal European market. Despite being vague in practical terms (or because of being so vague), CSR is emerging as a trade barrier disadvantaging non-European organisations. Regardless of international efforts to lower trade barriers, governments still protect local or regional markets with a variety of more or less obvious and strict regulations and policies. International management and global marketing recognises that companies often face barriers that lay outside regulatory frameworks, such as WTO agreements. This is because they require organisational resources and capabilities a company may not have. They may also need integration into an organisation’s structural, logistical and cultural environment.

Since the Lisbon Agenda in 2000, the EU and its Commission in particular, has sought to increase the competitiveness of its internal market through a strategy of sustainable development (see EU Commission 2008). As part of this strategy, CSR is seen as a key policy vehicle for companies to integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. It is a central part of the debate about globalisation, competitiveness and sustainability. In Europe, the promotion of CSR reflects the need to defend common values and increase the sense of solidarity and cohesion (European Commission 2006). Beyond its role as an advocate, the EU is also a facilitator and partner in the establishment of a norm-based European CSR regime that challenges both European and foreign companies. However, the former seem to be much better prepared, because they are part of the process, and can thus influence its development.

Reasons for governments to establish barriers to international trade can be of various kinds (for comprehensive lists see Albaum, Duerr and Strandskov 2005; Cateora and Graham 2001), but the following motives should be considered central in our context: protection of home markets, maintenance of standard of living and real wages; conservation of natural resources; maintenance of employment and reduction of unemployment; increase competitiveness of home companies. Additionally, private companies and other organisations work together to form private market barriers, for example with
the market structure potentially being a formidable barrier. Together, EU policy, national governments' actions and private engagement form the CSR regime that is emerging in Europe.

In 2002, The World Bank (2002) classified the role of public sector engagement in strengthening CSR as mandating, facilitating, partnering and/or endorsing. The above description of the development of CSR in Europe shows how the EU interprets its role and, creates a more favourable environment for European companies in cooperation with businesses and NGOs. EU policies together with Member States’ national counterparts (see TABLE 2.3 for national CSR policies, and Habisch, Jonker, Wegner and Schmidpeter 2005, and Nourick 2004, for more information), build capacities for domestic producers to enable them to develop and meet CSR expectations.

However, international trade organisations like The World Bank (2002), WTO (2003) and the US-centred Institute for Trade, Standards and Sustainable Development (2005) raise several concerns about the way this may lead to restricted market access for foreign companies. It is claimed that the EU establishes a CSR regime through non-transparent ways of facilitating, partnering and promoting, and hiding behind private standard setting processes that are outside the reach of international trade agreements (PR Newswire 2007; Isaac 2007). This is a reason why the EU’s seeks to foster private initiatives, best practice benchmarks, and standards, as can be observed with the backing of CSR Europe and the European Alliance for CSR. Another indication is the support of European NGOs on international terrain by EU governments who, “are behind the ongoing efforts of other European pressure groups to promote, via United Nations agencies and international standardisation organisations, the adoption by global industry supply chains of overly strict corporate social responsibility standards” (PR Newswire, 2007, no page numbers). The Institute for Trade, Standards and Sustainable Development (2005) lists several cases where it complains about the way Europe seeks to exports its high social and environmental standards (e.g. in forest management) worldwide and thereby enhancing its own industries’ competitiveness. Thus, while the WTO is unsure if it is or should be in charge of implementing an international system of CSR (WTO 2003), the EU is enforcing its agenda through concerted CSR policies and actions.
Therefore, extending the conceptualisation of CSR as a predominantly 'soft' trade barrier, the EU's facilitation and promotion of a CSR regime that is difficult to restrict under international trade regulations in order to shape trade relationships and protect its internal market is, in effect a clear barrier to trade. Here, 'soft' trade barrier refers to challenging a company in its organisational thinking, set-up and capabilities to integrate CSR as a value-driven concept. Additionally, it initially keeps foreign players outside the "closed club", not allowing them to influence processes. Hence, 'soft' barriers occur in three areas:

2.5.1 Culture

Here both external and internal culture is referred to. The challenge in respect to external culture refers to the restricted opportunities to engage in political, industrial and social networks that are CSR specific. Since CSR in Europe is largely based on a multi-stakeholder approach, a consequence is that it is harder to gain trust and acceptance by relevant parties in order to benefit from the innovation process of CSR discussions, activate own CSR activities and, more generally, get legitimisation ("licence to operate"). Internally, it is also a matter of fostering an adequate organisational culture that drives ethical thinking and action, and embraces sustainable business strategy and practice. Here business education is key, since the stakeholder view of the firm has become widely influential in management (Freeman and McVea 2001; Post, Preston and Sachs 2002; Webb 2006) and, "CSR requires students and managers to look at the systemic nature of their impacts on society" (Nigel Roome, cited in: Russell 2006, p. 4). While a few regions have successfully integrated such CSR topics into business students' curriculum, especially in Europe and the US, others are left behind (Ethical Corporation, 2006).

2.5.2 Communication

Communication is a central element of the CSR concept. This is because CSR requires the company and its respective managers to connect and build favourable relationships with internal and external stakeholders. For example, with the EU and national governments increasingly regulating markets and the high involvement of the public sector
in the CSR context, political marketing and lobbying become more important (Harris and McDonald 2004). Increasing speed of information transfer, especially via the Internet, and more transparency in most business activities also needs strategic communication and media management. Beckmann, Morsing and Reisch (2006) describe four basic strategies stakeholders may utilise to manage their concerns: creating public pressure through mass media; mobilising political pressure via parties or other institutions; initiating market forces through ‘exit and voice’ strategies; and directly putting pressure on corporate agents. From a company’s perspective, especially maverick NGOs need to be watched, since they have developed and adopted sometimes aggressive modern communication tactics.

Finally, CSR reporting is now standard in all larger European companies. Despite criticism about its sometimes glossy, story-telling, promotional approach (The Economist 2004), regular reporting is now an account of a firm’s attitude towards society, societal matters and public expectations. Such reporting is seen as a benchmark of non-financial accountability, and while no international standards have emerged a number of European companies have achieved a high level of sophistication with this core CSR tool.

2.5.3 Capabilities and compliance

In order to embrace and integrate CSR, companies need certain organisational capabilities. This can be illustrated by the integration of a CSR reporting process. This requires additional costs in terms of trained staff (internal or outsourced) to set up and conduct the evaluation and communication of a company’s CSR performance. This may even stretch far beyond the individual organisation and into their entire supply chain. SMEs especially may lack the required financial, knowledge or relationship resources, a problem for European SMEs that the EU has tried to tackle since its 1st Communication on CSR in 2001. In European MNEs it is now common to have special CSR or sustainability departments. However, since a firm’s communicated CSR approach must be “visualised” and supported by concrete programmes, initiatives and activities, these also require the redirection of organisational resources. Often they are in cooperation with external partners, thus to be efficient, a company needs to be well integrated into relevant networks that, for mutual benefit, help in conducting their activities and assure their credibility. Another aspect of capabilities is the number of standards that a com-
pany has to integrate (by EU or national law, e.g. health and safety; non-discrimination measures), which can be overwhelming for foreign companies that are not exposed to the high and possibly complicated level of European social market structure in their country of origin.

2.6 **Summary and conclusion: the EU as macro-level provider of business case rhetoric and ‘enabler’ of competitiveness**

Responsible business practice is a driver for national and regional competitiveness (Zadek 2006). However, the above reflection on the role of the EU in establishing the link between CSR and market benefits also shows how policies and political frameworks as well as partnership, facilitator and endorsement roles create a business case for CSR. By taking over one or more of those roles the EU and its agents are influential in raising the level of business contribution to sustainable development regionally and worldwide. The EU and Member States are driving the advancement of global CSR discussions and its implementation. Mainly, they achieve this by fostering an ‘enabling environment’ for businesses. CSR engagement is not only encouraged by drawing on ethics and European Christian heritage, but also because it generates market opportunities and value through non-market ‘embeddedness’ in a time when “enterprises are exposed to greater public scrutiny” (EU Commission 2008, p. 9).

Communication from the Commission and the actions sponsored, facilitated and endorsed by the EU very much seek to present a business case for CSR: on the one hand to persuade managers and encourage organisational adoption; on the other hand to legitimise the idea as a management paradigm at the same time. For example, in 2005 it organised a conference on “responsible competitiveness” together with the business consultancy AccountAbility. In 2007, in order to motivate the uptake of CSR in SMEs, the Commission presented a comprehensive report under the title ‘Opportunities and Responsibility – How to help more small businesses to integrate social and environmental issues into what they do’; this included a chapter entitled ‘The business case of CSR for SMEs’. Here it states: “The business case of CSR for SMEs will in any case evolve as markets evolve” (EU Commission 2007, p. 35). On their website ‘CSR and
Competitiveness’ (http://ec.europa.eu/enterprise/csr/competitiveness.htm), the Commission features free access to a special issue of the Corporate Governance Journal named ‘Corporate Responsibility and Competitiveness’ published by the European Academy of Business in Society (EABIS). EABIS is a close academic and research partner of the Commission, and links to other resources around competiveness and business cases are provided, too.

In November 2008, the European Commission announced co-financing for initiatives to support CSR in three industrial sectors (chemicals, textile, construction) to draw conclusions about whether and how CSR can be a driver for the competitiveness of different industrial sectors. Finally, the Commission’s communication on the European Competitiveness Report 2008 summarises, states and concludes that there is clear evidence for the business case of CSR:

“The importance of CSR cannot be overestimated... The evidence suggests an important positive relationship between CSR and competitiveness via human resource management, although for some companies the additional costs of CSR might initially outweigh the benefits. CSR is an essential component of risk and reputation management for many companies... The positive relationship between CSR and innovation is strengthened by the fact that innovation is increasingly a collaborative exercise, and by the trend towards the generation of new business value from innovations that address societal problems... However, for an increasing number of enterprises in a growing number of industries, CSR is becoming a competitive necessity. Moreover, to be a competitive differentiator, CSR needs to be part of a core business strategy. Enterprises in which CSR remains a peripheral concern, mainly confined to public relations functions, are likely to miss opportunities for competitiveness gains.” (EU Commission 2008, p 10-11)

With Brussels and Strasbourg attracting more power in setting European public policies and legal frameworks (Harris and McDonald 2004), opinions and activities of the Commission increasingly set the stage and direction of European socio-economic development. In the big picture, CSR is seen as a major contributor to one of the EU’s overarching policy goals: to secure employment and develop the regions’ social agenda (Diamantopoulou 2005). Other supranational organisations that facilitate global governance and business - namely the UN, OECD and WTO – also explicitly integrate CSR into their agenda. From an institutional theory perspective (Matten and Moon 2005) it can be said that governmental organisations create legitimacy (which can be in contrast
to economic efficiency) of the CSR idea through three factors: coercive isomorphism (e.g. CSR guidelines and toolboxes), mimetic processes (e.g. best practice cases of CSR), and normative pressure (e.g. on educational provider, national/local politicians).

As the above stream of arguments shows, the European CSR reality and rhetoric leads to 'soft' trade barriers and a competitive edge for European companies. This puts pressure on businesses and governmental trade facilitators outside Europe who are forced to review their policies and work with their business sector to maintain or increase market access to Europe by meeting the challenges of the growing demand for proactive and strategic CSR engagement. Especially, this affects countries reliant on trade with the EU, particularly niche economies with weak power to shape international trade policies.

To conclude, this chapter provides evidence for the mobilisation and advancement of CSR as an idea, construct and its institutionalisation by tracing the implications of its economic, political and regulatory development over time. These developments have brought the topic to the business agenda as well as backed the discourse about its implications for competitiveness. It has also pointed our minds to aspects of institutional and organisational theory as well as strategic management thinking as part of a joint construction process. Consequently, Chapter Three will now engage in outlining the theoretical and conceptional properties that are necessary to understand and deconstruct the forces that have been at work and are empirically analysed in later chapters. It offers an analysis of what constitutes the emergence of a management idea in general and a business case in particular.
CHAPTER THREE

REFLECTIONS ON THE CONSTRUCTION OF CSR AS A MANAGEMENT IDEA

"Using new frames or seeing through the assumptions of different forms means that the managerial and organizational world not only looks different; it becomes different, because it is the way that we see it."

(Clarke and Clegg 2000)

3.1 Introduction

In Chapter One the scope of the debate around CSR was established and the challenge of making CSR appealing to the business world was introduced. Additionally, the analysis recognises Europe as the most vibrant place of CSR development and therefore a suitable region to follow the debate around the potential of CSR, with emphasis placed on governments as active party in the process. Thus, while the former chapters provided an examination into the changing context in which CSR is emerging, this chapter extends the argument that an interconnected group of players is needed to construct and manifest a management idea by mapping elements of the debate from a theoretical stance.

In 2007, Gilbert Lenssen, president of the strong research network European Academy of Business in Society, observed two essential shortcomings in European research and promotion of CSR: first, the underutilisation of opportunities that lie in responsible corporate action; and second, the difficulty of accepting the intrinsic link between CSR and competitiveness. Regarding the former, researchers have tried to encourage managers in particular industries to embrace CSR as an opportunity-driven rather than problem-driven concept (Perceval 2003; Morsing and Beckmann 2006; Breitbarth and Harris 2008). However, it is Lenssen’s latter observation that is intriguing, because his concern seems not to clarify if there is a link between CSR and competitiveness, but - beyond or besides this - if the intrinsic link is accepted. Clearly, this shifts the spotlight away from studies measuring business benefits of CSR (often by using quantitative approaches and cause models; see TABLE 3.1). Rather, what is needed is research into the construction
of CSR, especially aspects of communication, application and legitimisation on/across different layers of the CSR debate. In fact, Lenssen (2007) also advocates for more research into the rhetoric, narrative and polemic of CSR and how interaction between different players and parties of interest create an understanding of the idea.

TABLE 3.1: Examples of different types of research into business benefits from CSR (Weber 2008, p 249)

<table>
<thead>
<tr>
<th>Type of research</th>
<th>Author(s)</th>
<th>CSR Business benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theoretical research</td>
<td>Schaltegger &amp; Burritt (2005)</td>
<td>Risk management; cost reduction; differentiation; positive influence on shareholder value; improved reputation &amp; brand value; maintaining the license to operate</td>
</tr>
<tr>
<td>Theoretical research</td>
<td>Schaltegger &amp; Figge (2000)</td>
<td>Efficiency gains; differentiation; tax advantages; financing advantages; risk reduction</td>
</tr>
<tr>
<td>Theoretical research with case examples</td>
<td>Heal (2005)</td>
<td>Risk management; efficiency gains; improved relations to regulators; improved brand value; improved employee productivity; reduced capital costs</td>
</tr>
<tr>
<td>Theoretical research with case examples</td>
<td>Nielinger (2003)</td>
<td>Market &amp; product development; increased recruitment potential; risk management; image improvement</td>
</tr>
<tr>
<td>Theoretical research with case examples</td>
<td>Porter &amp; van der Linde (1998)</td>
<td>Increased competitiveness through process and product benefits</td>
</tr>
<tr>
<td>Case study research</td>
<td>Kong et al. (2002)</td>
<td>e.g., more efficient resource use, waste reduction</td>
</tr>
<tr>
<td>Case study research</td>
<td>Rondinelli &amp; London (2002)</td>
<td>Market development; cost reduction; market share protection; long-term survival</td>
</tr>
<tr>
<td>Meta study of empirical research</td>
<td>Hanson (2004)</td>
<td>Efficiency gains &amp; cost reduction; improved competitiveness; resource preservation; image improvements; product development</td>
</tr>
<tr>
<td>Quantitative empirical research</td>
<td>Bertelsmann Stiftung (2005)</td>
<td>Reputation improvement with positive influence on customer acquisition &amp; retention, employee attraction/motivation/retention, access to capital, license to operate; risk management; positive influence on stock price, return &amp; revenues; cost decrease</td>
</tr>
<tr>
<td>Quantitative &amp; qualitative empirical research</td>
<td>Epstein &amp; Roy (2001)</td>
<td>Employee motivation; improved reputation; meeting shareholder expectations; customer development</td>
</tr>
<tr>
<td>Quantitative empirical research</td>
<td>Turban &amp; Greening (1997)</td>
<td>Avoidance of negative press, consumer boycotts &amp; negative market influences; employee motivation; improved image &amp; reputation; positive relations to regulators &amp; stakeholders; efficiency gains &amp; cost reductions; better capital access; increased market share</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased company attractiveness for potential employees</td>
</tr>
</tbody>
</table>

Therefore, in the following sections, the thesis develops its multi-theory approach that is crucial to analyse, understand and be able to sceptically reflect on the development of CSR in Europe since 2004 and respective discourse(s). The fundamental viewpoint is that a social construction process can be traces on and across different layers of the debate. Yet, it is necessary to bring together different streams of literature that should to be part of a researcher’s analytical portfolio in order to adequately deconstruct and appreciate different domains of the construction process. Especially, strategic management schools of thought are required to understand the properties of a ‘business case’; institutional theory (here: ‘Scandinavian institutionalism’) focuses on matters of translation
which are very helpful to understand the spread and acceptance of new management ideas; and organisational theory focusing on political and interactional aspects enable us to account for empirical aspects of changing and manifesting in dynamic, multi-layered, longitudinal research designs. With this in mind, Chapter Three develops an understanding of an actors-driven process of interpreting an idea, translating and manifesting it beyond fashionable doubts in order to allow further exploration through empirical enquiry in later chapters.

Prior to mapping the territory in the following sections as described above, it is important to explicitly account for the social constructionist viewpoint as a rewarding theoretical perspective within which to frame qualitative research in marketing and management. While being discussed in more depth in the context of methodology in Chapter Four, it also frames the current chapter, because its fundamental viewpoint holds that meaning is no private matter but a social construction: “What it does do is to seek to reveal the structure of meanings as constructed by individuals engaged in a social process” (Hackley 1998, p 130). If CSR has become a (new) management idea, the structures and forces shaping and sustaining can only be described and explained if taken on from various suitable angles each providing a selective, but highly adequate and meaningful appraisal. The social constructionist viewpoint as a ‘macro-theory’ (or ‘Gerüst-theorie/scaffolding theory’ according to Bunge 1996) allows (arguably: requires) for supplementing ‘meso-’ and ‘micro-theories’. Hence, it is the underpinning view of the thesis embedding other theories relevant to reveal process of construction.

3.2 Ideas that challenge management

While the term, concept and epistemology of ‘idea’ has attracted philosophical discussions, possibly starting with Plato, a general definition of ‘idea’ is that it is something that potentially or actually exists in the mind as a result of cognitive activity (www.thefreedictionary.com/idea). In a sharper sense, it is an opinion, conviction or principle. For example, ‘civil society’ has been labelled an idea (e.g. “Civil Society: The Critical History of an Idea” by John Ehrenberg, published in 1999, NYU Press). It is not unusual to find abstract ideas expressed in actions, text, symbols and other appearances,
like organisations or institutions. Some ideas build-up and manifest themselves so that they create strong base drag, for example ‘Darwinism’ (e.g.”Darwin’s Dangerous Idea: Evolution and the Meanings of Life” by Daniel Dennett, published in 1995, Simon & Schuster) and ‘Europe’ (e.g “Europe: the emergence of an idea” by Denys Hay, published in 1957, New York Harper Torchbooks). Hence, ideas, especially when they are shared within and throughout various communities and audiences, can gain momentum that leads to significant change of existing belief systems in fields of human activity. Management research and practice is based on ideas that shape corporate behaviour (Sturdy 2004; Sahlin-Andersson and Engwall 2002; Engwall and Pahlberg 2001). Vice versa, perceptions of corporations held by parties and actors outside the organisation are (in)formed by ideas. CSR discourses appear to influence both processes, resulting in observable empirical consequences, despite its contested outlines and the complex nature of its translation.

Ideas like CSR, once widespread in several settings, are regarded as superior, and as being worthwhile to imitate and adopt (Czarniawska 2005), especially if they are interpreted in accordance with the core values of the Western world: progress and justice (Meyer 1996). In new-institutional argumentation, this implies that ideas travel far and wide

- if they are translated in accordance with the local and institutional context;
- if they are universally applicable; and
- if they are presented in line with dominating values in the institutional environment (Meyer 1996; Røvik 2002).

In order to fit into different organisations, ideas must take various forms, and the ideas need to be presented and packaged in a way that renders them crucial for organisational attention. Meyer (1996, p 252) argues: “to properly develop and travel, an idea must be organised in terms of great abstract truths, not mundane realities”. Hence, ideas can be great cultural, social and economic initiators, motivators and attractors.

CSR is a big idea combining aspects of both progress and justice, so it is argued that the new enthusiasm for strategic philanthropy, for example, is in large part a consequence
of the rapid wealth-creation of recent years, and of its uneven distribution – in other words: injustice (The Economist 2006). This implies that ideas presented as increasing corporate/organisational outcomes/performance (‘business case’) can spread wide, and that ideas presented as contributing to justice and equality among workers, citizens, or human rights tend to flow far and wide. For example, Weber’s comprehensive analysis of the rise of capitalism based on Calvinism and ‘protestant ethics’ (“The Protestant Ethic and the Spirit of Capitalism”, 1904-5) describes how great abstract beliefs and secular actions have created a forceful economic reality.

With the increased profile of business management and the management discipline, a body of knowledge is growing around the question of how and why businesses and managers adopt certain ideas and turn them into practice. Sturdy (2004) provides a list of eight perspectives ranging from the traditional rational economics view (‘organisational effectiveness’) to the cultural view that focuses on contextual values. However, some management ideas have the energy to change existing management paradigms or create new concepts. The notion of paradigm is derived from the ancient Greek ‘paradeigma’, meaning model, framework or pattern. Kuhn (1970) pioneered research into the nature of changing scientific paradigms, suggesting that such models for thinking – based on values, beliefs and methods - are created by and shared by a community and at the same time organise this community:

“*It’s a way we see the world – not in terms of our visual sense of sight, but in terms of perceiving, understanding, interpreting*” (Covey, in Clarke and Clegg 2000, p 46).

At the same time, new or rediscovered ideas and paradigm shifts not only provide a new frame to look at the managerial or organisational world, this world “becomes different, because it is the way that we see it” (Clarke and Clegg 2000, p 47). However, while Kuhn’s classical analysis of paradigms was based on natural science, one could argue that paradigms in social science and business are more contested because they are far more numerous at one particular time.

Although research into management ideas has provided various perspectives of how and why adoption happens, it tends to position managers and business communities at the receiving end rather than to include them as ongoing, vested (co-)creators of interpreta-
tions of the idea within a larger debate or discourse. Such research also seems to be mostly concerned with improving organisational performance rather than the impact on the nature and interpretation of the idea as such and its future evolution. Hermann (2005) comments that managers need to be ready to change long-standing beliefs, which requires the support of organisational learning and communities of practice. Clarke and Clegg (2000) argued that 'sufficient change and fluidity in the system' is needed for a management idea to attract sustained attention and evolve through processes of the social construction. In Chapter One and Chapter Two, I showed how vibrant the debate about CSR is and which consequences are already observed. Hence, what I will concentrate on now is the nature and direction of the debate, especially elements that support the social and rhetorical construction of legitimising CSR and establishing its 'business case'.

3.3 Translating the business case for CSR and framing the discourse

CSR as an idea needs to demonstrate its value to corporate decision makers in order to become a sustainable management paradigm. Scholars have argued that ideas conforming to dominating norms about rationality, progress, and efficiency are more likely to be followed than are those that do not (Meyer 1996; Røvik 2002). In the corporate world, this means that ideas are best presented along rational means and positioned in association with competitive factors. By any definition, CSR requires the sustained involvement of business organisations. Especially governments are explicit and active in motivating individual companies and whole industries to join this process (see CSR definitions in TABLE 1.1). Hence, rationalisation is thought to help to raise the profile of CSR, above all amongst business actors, because it follows capitalistic ‘bottom line’ thinking. At the same time it changes the direction of the CSR debate. The business case argument for CSR functions as a translator within this debate, creating a separate discourse. However, we should also be sensitive to Fineman’s (2001) observation of organisational ‘greening’, suggesting that an industry adopts social trends in some form despite the fact that it does not appear particularly attractive or rational (Fineman 2001). Consequently, rationalisation appears as only one driver in the translation process of the CSR discourse and other theoretical angles promise to further inform our understanding and explain the evolution of the idea.
The notion of ‘translation’ originates from a branch of institutional theory (‘Scandinavian institutionalism’) that seeks to reconcile change and stability within this theory, which is arguably the dominant approach in organisational studies. It means more than linguistic interpretations; it means transformation – how something is transformed through displacement. Because only things can be moved from place to place, translation is, in some ways a material concept (Czarniawska and Sevón 2005). According to this assumption, ideas must be materialised into objects in order to travel. In order to understand the circulation of ideas, researchers have studied how ideas are materialised and objectified into objects and into actions, and how they assume different forms in the process. One way for ideas to become objectified is by turning them into linguistic artefacts such as metaphors, platitudes, or labels (Czarniawska and Joerges 1996). It has been noted that ideas that become popular and travel globally are often packaged under a label or a name, although the practices may vary (Sahlin-Andersson and Engwall 2002). Ideas are likely to be embedded in institutional contexts and are re-embedded as they travel into new contexts (Czarniawska and Joerges 1996).

While the institutional perspective is persuasive in demonstrating social embeddedness of organisations (Granovetter 1985) and organisational isomorphism (DiMaggio and Powell 1983), it fails to include important political and dramaturgical aspects. These elements of power within and beyond organisations and rhetorical means used in crafting the debate need to be recognised. Political views on organisational change are often more critical and look at the use and effects of power (Pettigrew 1985), showing that the interpretation and dissemination of an idea has to consider the specific power relations within organisations (e.g. gatekeepers; competition between different management functions) and between the organisation and its context (e.g. level of market regulation; dependency on other actors). Like dramaturgical aspects, power relations are often conceptualised as discourses.

However, theories focusing on rhetoric take the role of language more seriously, especially in a communication-intensive field like management. For example, Fineman (2001, p 27) explains the early adoption of sustainable business concepts despite their shortcomings in rational appeal to managers by pointing out the role of consultants as
“key, confident players, who rhetorically shape ideas into a form that appears rational, persuasive and progressive”. Hence, rhetorical study looks at the persuasive aspects of discourse and recognises the constructive role of language, which “does not simply reflect reality, but constitutes it” (Fineman and Gabriel 1994, p 377).

Consequently, referring to institutional, political and dramaturgical perspectives enhances framing our view on recent CSR developments. This is promising in order to explore the mechanism behind the matter of ‘accepting’, for example, the link between CSR and competitiveness. In a compelling longitudinal study, Zbaracki (1998) provides great depth into the way Total Quality Management was discussed and adopted by an organisation, in particular drawing on evolutionary processes based on a neo-institutional and dramaturgical mindset. Also, an influential European stream of strategic management literature has added significant understanding of organisational change processes by including political, cultural and rhetorical perspectives (e.g. Pettigrew 1985; Pettigrew 1992; Pettigrew, Thomas and Whittington 2002; Tsoukas and Chia 2002).

3.4 Claims about the business case

The question of whether CSR practices are indeed, as it has been asserted, ‘good for business’, takes on an increased importance, for example, because the credibility of the current European approach has come to depend on the question of whether business actors will be sufficiently incentivised by the market to act in a socially responsible way (De Schutter 2008). While ‘business case for CSR’ and the ‘link between CSR and competitiveness’ are used interchangeably (EU Commission 2008), the meaning of ‘competitiveness’ itself depends on which school of strategic management thought one favours (Green, Harty, Elmualim, Larsen and Kao 2008). In practice, information comprising the ‘business case argument’ is generally based on the five key aspects of strategic fit, options appraisal, commercial aspects, affordability and achievability, and its purpose is threefold:

• It is used to obtain management commitment and approval for investment in business change, through rationale for the investment;
• It provides a framework for planning and management of the business change;

• The ongoing viability of the project will be monitored against the business case (www.ogc.gov.uk/documentation_and_templates_business_case.asp)

Conceptually, CSR is claimed to have strategic merits, if framed around the five dimensions of centrality, specificity, proactivity, voluntarism and visibility (see TABLE 3.2). Hence, while some aspects are similar to the practical approach provided above, it constitutes a wider perspective, especially by dropping ‘affordability’ as a seemingly pure financial consideration and introducing ‘visibility’ as a means of communication with the firm’s environment.

**TABLE 3.2: Dimensions of strategic CSR (compiled from Burke and Logsdon 1996)**

<table>
<thead>
<tr>
<th>Dimensions of strategic CSR</th>
<th>Brief explanation on the dimensions of strategic CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centrality</td>
<td>CSR initiative should be close to the firm's mission and objectives as CSR, programmes which are linked to the organization's goals receive priority from the management and thus yield benefits, which can be translated into firm profits.</td>
</tr>
<tr>
<td>Specificity</td>
<td>Strategic CSR initiatives are expected to specifically benefit the firm. The firm should be able to capture and assimilate the benefits of a CSR initiative, rather than just creating collective goods which can be shared by others in the industry, community or society at large. Strategic CSR should help in attaining competitive advantage that is, it is perceived to provide cost and/or differentiated position that is helps in attaining one of the two generic firm strategies for the firm for achieving competitive advantage.</td>
</tr>
<tr>
<td>Proactivity</td>
<td>Strategic CSR initiatives should anticipate the dynamics of stakeholder expectation (to capture the changed socio-environmental, political and technological situations and trends). Strategic CSR initiatives are planned in the absence of crisis situation.</td>
</tr>
<tr>
<td>Voluntarism</td>
<td>Strategic CSR initiative should be a discretionary decision-making process for the firm. CSR by definition is seen to be discretionary. Voluntarism is related to proactivity.</td>
</tr>
<tr>
<td>Visibility</td>
<td>Strategic CSR initiative should have both the observability of a CSR activity as well as the firm's ability to gain recognition from both the internal and external stakeholders (pattern of business activity outcome). Strategic CSR initiative should build firm image by creating favourable media attention. Strategic CSR initiative can also mitigate negative visibility and hence help in protecting firm reputation from being tarnished or help the firm to protect from government investigations and regulations</td>
</tr>
</tbody>
</table>

The range of business literature dedicated to the field of strategic management fundamentals on the interpretation of ‘competitiveness’. Dominant schools of thought are resource-based and capability-based views (RBV) of the firm on the one hand (e.g. Barney and Arikan 2001) and industry-structure-based approaches (e.g. Porter 1996). Des-
pite different assumptions and manifestations of competitive advantages, both assume that an organisation is more successful in the market place or has favourable measurable assets in comparison to its rivals. Hence, the underlying assumption is that of manifested advantages in one way or the other, with the ‘bottom line’ as the ultimate reality check.

In fact, Barney and Arikan’s (2001) work provides the argumentative basis and theoretical framing for business drivers and benefits commonly linked to the integration of CSR. The RBV acknowledges intangible assets like trust and reputation with key stakeholders, even though they may be tactical rather than strategic. TABLE 3.3 shows most of the common alleged and disseminated drivers of CSR and “proven” business benefits following its integration. There is a great amount of overlap between sources as well as drivers and benefits, indicating that a dense shared belief system around the nature of the business case for CSR has developed based on the two dominant schools of strategic management thought and study.

TABLE 3.3: Compilation of business drivers and benefits to integrate CSR as disseminated by academia, politics, research institutes and consultancies

<table>
<thead>
<tr>
<th>Source</th>
<th>“Business drivers”</th>
</tr>
</thead>
</table>
| Herrmann (2004; summary of academic research) | Managing risks  
Protecting and enhancing reputation and brand equity  
Building trust and ‘licence to operate’  
Improving resource efficiency and access to capital  
Responding to or pre-empting regulations  
Establishing good stakeholder relationships with current and future employees, customers, business partners, socially responsible investors, regulators, and host communities  
Encouraging innovation and new ways of thinking  
Building future market opportunities |
| CSR Quest (international strategy consultancy; www.csrquest.net) | Strong brand and reputation  
Employer of choice  
Market position  
Trust of the financial markets and increased shareholder value  
New ‘green’ products / services and new markets  
Employee motivation |
| Mirvis and Googins (2006; survey) | Internal: Traditions and values  
Internal: Reputation/image  
Internal: Business strategy  
Internal: Recruit/retain employees  
External: Customers/consumers  
External: Expected in community  
External: Law and political pressure |
In recent years, strategic management research, theory and practice has in part moved away from the divide between its traditionally dominant streams, and looks at more synthesising approaches by which strategy is framed simultaneously through the duality of internal and external complexity (Pettigrew, Thomas and Whittington 2002). TABLE 3.4 outlines paradigm changes in strategic thinking between the 1960s and today along four dimensions. A direction that gained traction in the middle of the 1990s suggests focusing the core of strategic issues on the ability of companies to build and maintain favourable relationships to people inside and outside the organisation in order to create maximum value (Lowendahl and Revang 1998). Given a post-industrial society and a business environment - that is characterised amongst other by deregulation, structural changes due to technological and customer expectations, increased merger and acquisition activities, environmental concerns the emerging of trading blocks and global competition (Prahalad and Hamel 1994) - both market and non-market forces need to be recognised. In fact, it is said, that the distinction line between market and non-market now is blurred, making it necessary for companies to engage especially in business politics and policy-making (Post, Preston and Sachs 2002). Consequently, particular resources identified by the two major strategy schools of thought may soon by redundant.
within the context of fast-paced change as argued by a number of scholars (Teece, Pisano and Shuen 1997; Feton and Pettigrew 2000; Whittington 2002).

TABLE 3.4: Four directions of strategic thinking (based on work from Igor Ansoff in Lenssen, Perrini, Tencati and Lacy 2007, no page numbers given; adopted and extended)

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>External linkages: techno-economic-informational</td>
<td>Strategic imbalance</td>
<td>Continual change</td>
<td>Surprises</td>
<td>Constraints</td>
<td>Opportunities</td>
<td>Co-creations</td>
</tr>
<tr>
<td>Internal configuration: techno-economic-informational</td>
<td>Utilization of strengths</td>
<td>Capability information</td>
<td>Multi-capability</td>
<td>Flexible capability</td>
<td>Facilitate innovation</td>
<td>Organic capability and adaptive coordination</td>
</tr>
<tr>
<td>Internal configuration: psycho-socio-political</td>
<td>Avoidance of weaknesses</td>
<td>Societal participation</td>
<td>Redefinition of norms and services</td>
<td>Responsiveness to participants’ needs</td>
<td>Responsiveness to stakeholders’ needs</td>
<td>Responsible stakeholder management</td>
</tr>
<tr>
<td>External linkages: psycho-socio-political</td>
<td>Pressures for social responsibility</td>
<td>Societal and ecological constraints</td>
<td>Conflict with national sovereignty</td>
<td>New raison d’etre</td>
<td>Build relationships and engage with policy</td>
<td>Corporate social responsibility</td>
</tr>
</tbody>
</table>

Therefore, Herrmann (2005) argues, it is necessary for organisations to develop self-sustaining systems which empower employees through democratic structures, communal values and practices of engagement, and to invest into organisational competence. That way, managers are more encouraged and ready to change long-standing beliefs. Especially in the constructionist perspective, members are seen to create new ideas and insights about work, for instance, in communities of practice. Expert community involvement and individual learning skills enabled managers to shape interpretations and make sense of the external, which is argued to provide great direct benefits in a company’s thrive to attain and maintain competitiveness (Hermann 2005). The evolutionary perspective on the construction of strategy content, context and process requires researchers to give up the idea of systematic and planned management behaviour (Huysman 1999).
The introduction of contingent views on strategy want to draw attention to the unsyste­

tematic, unintentional and inconsistent nature of strategic management, the changing

features of the market-place and the growing importance of the non-market place in

achieving competitiveness. The advent of organic developments that included strategy

process research, evolutionary and process models, and interactive and integrative

views, also marked an epistemological shift from mechanistic to organic assumptions:

from discrete to incessant time, from directional to interactive flow, and from differenti­

ated to integrated constructs and models (Farjoun 2002). The management idea of CSR

further challenges strategy thinking in the way that it is changing established institu­

tional models of the corporation and measures its competitiveness against an array of

socio-politic-economical factors. A move towards this end is the notion of the ‘triple

bottom line’ (Elkington 2004). However, the ‘triple bottom line’ concept still operates

under the economic framework of static and more or less clearly measurable outcomes

of business activity. Hence, what we can observe on a theoretical level is a tension be­
tween the rationally-bounded economic framework that remains persuasive both in aca­
demia and practice, and approaches that move towards an organic, emergent and actor-
driven epistemology in strategic management which expresses itself in a language of

emerging, changing, becoming, organising, developing, and strategising (e.g. Whitting­
ton 2002).

Consequently, it is suggested to see the construction and understanding of ‘competitiveness’ as social phenomena and being vulnerable to the dynamic nature of social produc­tion of knowledge through, for example, actor/expert interaction and organisational communication like other academic fields (Green, Harty, Elmualim, Larsen and Kao

2008). Looked at through this lens, CSR is a process of value creation in cooperation

with a demanding stakeholder community. This can involve strategising as ethical re­

flection either explicitly or implicitly (Behnam and Rasche 2009). Likewise, it is argued

that the paradigmatic switch in the field of strategic management from ‘reactive’ to

‘proactive’/‘interactive’ behaviour in regards to CSR ultimately leads to firms changing

the way they make decisions, not simply the decisions themselves (Preston 1990).

Metaphorically, the process of value creation is described as an ongoing ‘dialogue’ be­
tween the company and its environment(s) (Ayuso, Rodriguez and Ricart 2006), stress­ing the communicative and rhetorical dimensions of CSR as a socially constructed phe­
nomenon (Clarke and Clegg 2000).
3.5 Rhetoric and discourse about the business case

According to CSR definitions and national interpretations provided in Chapter One, most parts of the CSR idea assemble a societal discourse that counters the profit-seeking philosophy of capitalism, and echoes in some debates as 'stakeholder or shareholder corporation?', 'value-driven or profit-driven?' and 'CSR or profit?'. Collins and Porras (1996; in Clarke and Clegg 2000, p 58) call this the "tyranny of the OR" which pushes people to believe that things must be either A or B (e.g. 'change or stability', 'low cost or high quality' and 'idealistic or pragmatic'), but can't be both. This rhetoric of extremes has added to the complaints of scholars that CSR is often seen as 'problematic' from a business perspective rather than a concept offering a variety of business opportunities (Beckmann, Morsing and Reisch 2006).

The business case argumentation about CSR seeks to demonstrate that both are (can be) linked, for example, by theorising about and presenting case studies for what Collins and Porras call "genius of the AND" (in Clarke and Clegg 2000): the ability to embrace both extremes of a number of dimensions simultaneously, with commercial success and longevity as a consequence (e.g. see Perceval’s 2003 case study on the role of sustainable development within corporate strategy of Shell and BP that overcomes the shortcomings of the stakeholder-shareholder dichotomy).

Importantly for the sustainability of CSR, research into management paradigms has shown that - if accepted - the mental integration of such a new perspective and the new frame for seeing creates a truth in itself (Clarke and Clegg 2000). TABLE 3.5 presents a selected list of claims on the link between CSR and competitiveness, published by prominent researchers/institutions that are believed to be influential in shaping the mindset of scholars and practitioners on that matter. Furthermore, we can see country rankings being conducted and promoted by leading institutions, that grade the CSR development of nations and their gain of competitiveness (e.g. National Corporate Responsibility Index and Responsible Competitiveness Index; see press release AccountAbility/EABIS 2005).
TABLE 3.5: List of selected rhetoric linking CSR and competitiveness

<table>
<thead>
<tr>
<th>Source</th>
<th>Rhetoric</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Academia</strong></td>
<td></td>
</tr>
<tr>
<td>Porter and Kramer (2006)</td>
<td>We are convinced, however, that CSR will become increasingly important to competitive success.</td>
</tr>
<tr>
<td>Collins, Lawrence and Roper (2007, p 5)</td>
<td>In February 2007 a NZ Management/NZ Shape business poll of 190 business decision makers showed that sustainability was accepted as a mainstream business philosophy and the it could lead to increasing our competitiveness internationally.</td>
</tr>
<tr>
<td><strong>Governments/governmental organisations</strong></td>
<td></td>
</tr>
<tr>
<td>UK government (2004)</td>
<td>CSR should be good for long-term business success as well as for wider society (Stephen Timms, Minister for CSR). So over the past year we have worked with both Forum for the Future and Accountability projects looking at the links between CSR or sustainability and business performance, both in terms of the impact on the competitiveness of individual companies and of national economies.</td>
</tr>
<tr>
<td>EU Commission (2008)</td>
<td>The importance of CSR cannot be overestimated, not least since one lesson from the current financial crisis is that socially responsible entrepreneurs and CEOs are of utmost importance for the wellbeing of our societies. For an increasing number of enterprises in a growing number of industries, CSR is becoming a competitive necessity. Moreover, to be a competitive differentiator, CSR needs to be part of a core business strategy.</td>
</tr>
<tr>
<td><strong>Intermediary and business organisations</strong></td>
<td></td>
</tr>
<tr>
<td>Business in the Community (Julia Cleverdon, Chief Executive, Business in the Community, in UK Government update 2004)</td>
<td>Above all the DTI has linked corporate social responsibility with competitiveness and there is no doubt that the leading practice of UK companies provides for a trading advantage in global markets.</td>
</tr>
<tr>
<td>McKinsey (2007)</td>
<td>Shaping the new rules of competition ... businesses are doing what they do best – truly innovating to compete, this time for trust and leadership.</td>
</tr>
<tr>
<td>Business in the Community (2008, p 1; Stephen Howard, Chief Executive, “The value of Corporate Governance: The positive return of responsible business”)</td>
<td>At Business in the Community we believe responsible business is just good business. This evidence shows that good business are profitable businesses.</td>
</tr>
<tr>
<td>World Business Council for Sustainable Development (2009)</td>
<td>The starting point for the WDCSD’s work is based on the fundamental belief that a coherent CSR strategy, based on sound ethics and core values, offers clear business benefits. In other words, that acting in a socially responsible manner is more than just an ethical duty for a company, but is something that actually has a bottom line pay-off.</td>
</tr>
<tr>
<td>BT</td>
<td>Some individual companies such as BT and the Cooperative Bank already quantify the impact of their CSR activities on their competitiveness. CEO statement: I am convinced that we get a business advantage from our hard won reputation on corporate social responsibility. It differentiates us from the competition and reveals new business opportunities while helping us manage risk and cut costs. We were original signatories to the UN Global Compact and I’m delighted that we have now been No. 1 in our sector of the Dow Jones Sustainability Index for the past six years. In the 2007 financial year, we were named as the world’s leading corporate sustainability reporter in the benchmarking survey by SustainAbility, the United Nations Environment Programme and Standard and Poor’s.</td>
</tr>
<tr>
<td><strong>National opinion-leading media</strong></td>
<td></td>
</tr>
<tr>
<td>The Guardian (2008)</td>
<td>Now that Corporate Responsibility is firmly on the business agenda and a fast becoming a central guiding principle to consumers' purchasing decisions, the notion that business need to behave as good citizens seems destined to become more of a mainstream part of everyday life.</td>
</tr>
</tbody>
</table>

In the current predicament, the question of whether CSR practices are indeed, as it has been asserted, ‘good for business’, takes on an increased importance (Zorn and Collins 2007). According to De Schutter (2008), it is only a slight exaggeration to say that the credibility of the current approach has come to depend on the question of whether the economic actors will be sufficiently incentivised by the market to act in a socially responsible manner. A 2007 McKinsey survey among 400 CEOs of global companies
reports that 70% of corporate leaders consider a strategic approach to social and environmental issues as a very high/high priority (compared to 33% five years ago). However, further results show that there are major challenges in the organisational embedding of a strategic approach beyond adopting the new rhetoric, and scholars eyeball this new rhetorical enthusiasm and CSR adoption by businesses.

This is because a dominant discourse performs, in practice, a highly ambiguous function. It is meant as an argument to encourage companies to engage themselves in favour of CSR, by pointing at the economic rewards such a commitment brings to them. This is problematic for a number of reasons. First, it creates a dependency of CSR on such economic returns that may produce wicked consequences. For example, Zadek (2006) offers the argument that CSR is 'part of the problem, not the solution' for a sustainable future, because it makes it increasingly difficult for developing countries and their businesses to compete on key international markets. Similarly, this is argued in Chapter Two and elsewhere (Breitbarth and Harris 2009) in regards to the 'soft trade barrier' established through the emerging European CSR regime.

Second, the 'business case' argument is fragile, when approached from economic studies. Any credible demonstration that there exists a 'business case' for socially responsible practice would need to distinguish carefully between the different initiatives, which might be adopted by a company to improve its CSR balance, and according to the different segments of the market. For example, research into the link between CSR and corporate financial performance has produced ambiguous results (Balabanis, Phillips and Lyall 1998; Margolis and Elfenbein 2008). Also, to a large extent, the 'business case' builds on certain presuppositions about the motivations of consumers, employees or candidate employees, investors or public authorities, which may or may not be widespread, and which—in any particular setting—may or may not translate into a behaviour that rewards the best practices and sanctions the worst. To legitimise the 'business case', 'success stories' of innovative - even audacious - initiatives adopted in the CSR field that have been beneficial to the company concerned, can be used as rhetorical and political resources (De Schutter 2008). Also, such studies of successful firms may be attributable not to any particular practice considered in isolation, but to the responses of the environment. Therefore, any lessons to be drawn from such experiences are highly
context-specific and need to consider exchange processes and symbolic interaction between the organisation (and actors representing the organisation) and its environment.

Since the truth of whether “responsibility pays” continues to be debated (Jackson and Nelson, 2004), the answer is that it all depends – being responsible sometimes does, and sometimes does not pay (Zadek 2001; EU Commission 2008). The economics of responsibility are subject to underlying market dynamics, like any other aspect of business performance. It is these dynamics that can amplify or undermine responsible behaviour. Such dynamics do not merely involve businesses, but engage non-market actors, civil society organisations and national and international public bodies. Indeed, it is collaboration between these diverse players that in practice has driven some of the most important instances of scaling up responsible business practices and management’s acceptance of CSR (Post, Preston and Sachs 2002; Zadek 2006).

De Schutter (2008, p 218) offers possibly the most sceptical observation in regards to the discourse around business case by commenting that at the rhetorical level

“it serves to create the impression that the development of CSR will make natural progress, in a sort of evolutionary growth driven by market mechanisms, without such progress having to be encouraged or artificially produced by an intervention of public authorities.”

The author points out the potentially powerful consequences of rhetoric, and as Chapter Two showed governments indeed play a significant role in mandating, motivating and partnering the uptake of CSR and its likely future development by drawing on the link between CSR and competitiveness.

Concerned about the consequences of discourses in a similar manner, Zorn and Collins (2007, p 405) remind us that management practices like CSR emerge into normative belief structures:

\textit{the diffusion of those beliefs are “influenced by social and political pressures rather than simply the logical or march of progress or ‘rational’ advance of knowledge”}.  

Consequently, we can assume that such pressures form never-ending processes through which understanding, meaning and practice of organisational behaviour is created. In
fact, Abrahamson (1996) points out that in the case of management fashions, the content means less than the value of maintaining the appearance of rationality and remaining at the forefront of managerial thought. In order to tap into this process of exploring the lifeblood needed for CSR to thrive and to manifest it is promising to access the debate across the micro-level (organisational), meso-level (industry) and macro-level (environmental). Strong arguments for the role of governments as macro-level actors are already presented in Chapter Two.

3.6 Organisational change as manifestation of the CSR ‘fashion’

Zbaracki’s (1998) longitudinal qualitative analysis of the rhetoric and practice of total quality management (TQM) provides a detailed storyline of the problems managers face in developing a rhetoric about TQM – retrospectively, widely seen as a management fashion - by facing multiple audiences, all of which bring their experiences and understandings to their creation of the TQM concept. Zbaracki (1998, p 630) concludes that existing institutional theory does not adequately consider the dialectic process of social construction by which people negotiate an understanding of the daily realities they meet:

“our existing models of managerial rhetoric either treat the rhetoric about practices like TQM as ceremonial... and symbolic, suggesting that managers using rhetoric about TQM engage in language games... or, alternatively, suggest that managers should use rhetoric to specific interventions and desired outcomes carefully...”.

Hence, the author suggests using an evolutionary framework to discover the relevance of rhetoric and its link to reality. In respect to CSR, academics and practitioners have complained about the gap between “talking the walk” and “walking the talk” with companies. Consequently, on the organisational level, a gap between CSR rhetoric and its institutional manifestation can occur, especially if only adopted for ‘fashionable’ reasons (Zorn and Collins 2007).
Therefore, researching translations of a management idea that manifest in organisational 'realities', especially structures and integration processes is a thriving academic field. Translation can be understood as contributing to institutional change if practices, ideas, and objects are replicated and stabilised into institutions according to the Scandinavian branch of institutional theory that recognises micro-level activities as contributing factors to organisational change, either through active or passive diffusion (Czarniawska and Sevón 2005; Czarniawska and Joerges 1996). Lately, stage (or 'wave') models are suggested of how organisational change is driven by the adaptation of CSR as strategic matter.

In the tradition of evolutionary process models of innovation - especially Rogers' (2003; first published in 1962) model of the five-stages innovation-decision process (knowledge, persuasion, decision, implementation, confirmation) and embedded five-stages process in organisations (agenda-setting, matching, redefining/restructuring, clarifying, routinising) - most models are presented as linear, progressive processes. For example, Zadek (2006) describes five stages of CSR and organisational learning: defensive, compliance, managerial, strategic, civil (see FIGURE 3.1).

Similarly, Dunphy and Benn (2004) and Dunphy, Griffiths and Benn (2007) describe waves of sustainability with the six stages of rejection, non-responsiveness, compliance, efficiency, strategic proactivity and the sustaining corporation (see FIGURE 3.2). Interestingly, they link those stages to value propositions, for example by describing the rejection stage as value destruction, the efficiency and strategic proactivity stages as value creation, and the corporation transformed into a sustaining corporation as truly sustainable business. Thus, even though their model is not based on a systematic empirical study, they link phases of integration to competitiveness aspects.
FIGURE 3.1: Corporate responsibility, organisational learning (Zadek 2006, p 339)

<table>
<thead>
<tr>
<th>Stage</th>
<th>What organisations do</th>
<th>Why they do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defensive</td>
<td>Deny practices, outcomes, or responsibilities</td>
<td>To defend against attacks to their reputation that in the short term could affect sales, recruitment, productivity, and brand value</td>
</tr>
<tr>
<td>Compliance</td>
<td>Adopt a policy-based compliance approach as a cost of doing business</td>
<td>To mitigate the erosion of economic value in the medium term because of ongoing reputation and litigation risks</td>
</tr>
<tr>
<td>Managerial</td>
<td>Embed the societal issue into their core management processes</td>
<td>To mitigate the erosion of economic value in the medium term and to achieve longer-term gains by integrating responsible business practices into their daily operations</td>
</tr>
<tr>
<td>Strategic</td>
<td>Integrate the societal issue into their core business strategies</td>
<td>To enhance economic value in the long term and to gain first-mover advantage by aligning strategy and process innovations to the societal issue</td>
</tr>
<tr>
<td>Civil</td>
<td>Promote broad industry participation in corporate responsibility</td>
<td>To enhance long-term economic value by overcoming any first-mover disadvantages and to realise gains through collective action</td>
</tr>
</tbody>
</table>

FIGURE 3.2: Waves of sustainability (Dunphy, Griffiths and Benn 2007, p 17)

<table>
<thead>
<tr>
<th>First wave</th>
<th>Second wave</th>
<th>Third wave</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>Ignorance</td>
<td>Risk</td>
</tr>
<tr>
<td>Rejection</td>
<td>Non-responsiveness</td>
<td>Compliance</td>
</tr>
</tbody>
</table>

- Highly instrumental perspective on employees and the natural environment
- Culture of exploitation
- Opposition to government and green activists
- Community claims seen as illegitimate
- Financial and technological factors have primacy
- More ignorant than oppositional
- Seeks business as usual, compliant work force
- Environmental resources seen as a free good
- Focuses on reducing risk of sanctions for failing to meet minimum legal and community standards
- Little integration between HR and environmental functions
- Follows route of compliance plus proactive measures to maintain good citizen image
- HR systems seen as means to higher productivity and efficiency
- Environmental management seen as a source of avoidable cost for the organization
- Focus on innovation
- Seeks stakeholder engagement to innovate safe, environmentally friendly products and processes
- Advocates good citizenship to maximize profits and increase employee attraction and retention
- Reinterprets the nature of the corporation to an integral self-renewing element of the whole society and its ecological context

Also on a more general level, it is postulated that modern companies evolve constantly, for instance described as waves. TABLE 3.6 provides a progression model that seeks to promise a new wave of corporations that are intrinsically driven, for example, to serve
as global stewards and are committed to the sustainability ethos of leaving valuable legacy for the future. Maynard and Mehrtens (1996, in Clarke and Clegg 2000, p 164) describe the fourth wave scenario in particular as a “highly optimistic view”. Such normative or visionary views on the direction of business organisations’ development may be rooted in the increasing integration of ethics into business education since the beginning of the modern CSR debate in the 1960s (Whetten, Rands and Godfrey 2002). However, they are criticised as adding to the ambiguity of the concept in general and studies in particular (Wood and Jones 1995; McIntosh 2003).

### TABLE 3.6: Evolutionary development process of modern corporations (Clarke and Clegg 2000, p 164)

<table>
<thead>
<tr>
<th></th>
<th>Second wave</th>
<th>Third wave</th>
<th>Fourth wave</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goals</td>
<td>Maximize profits</td>
<td>Create value</td>
<td>Serve as global steward</td>
</tr>
<tr>
<td>Motivation</td>
<td>Make money</td>
<td>Make money and help solve societal problems</td>
<td>Leave valuable legacy for the future</td>
</tr>
<tr>
<td>Values</td>
<td>Profit, growth, control</td>
<td>Creating value, trust, learning</td>
<td>Responsibility for the whole future service, personal fulfillment</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>Owners of business, stockholders</td>
<td>Stockholders, employees, families, suppliers, customers, communities, government</td>
<td>Stockholders, employees, families, suppliers, customers, communities, government, ecosystem, Gaia</td>
</tr>
<tr>
<td>Outlook</td>
<td>Self-preservation, business as a way to make a living</td>
<td>Co-operation, business as a way for people to grow and serve</td>
<td>Unity, business as a means to actively promote economic and social justice</td>
</tr>
<tr>
<td>Domain</td>
<td>National and local; 5 to 10 years into the future</td>
<td>International; share responsibility for the welfare of local, national, and global communities; decades into the future</td>
<td>Global; share leadership in local, national, and global affairs; generations into the future</td>
</tr>
</tbody>
</table>

The above-mentioned models and similar other conceptions are criticised from at least two angles. Firstly, while Mirvins and Googins (2006) also present a stage model of organisational integration of CSR (TABLE 3.7), they add – based on their comprehensive case studies - that mostly there is no linear progression, rather is it possible for organisations to enter at different stages and move in either direction at different points in time. Hence, as straightforward as it appears, dimensions are not invariant. For similar reasons, Elkington (2004) suggests a cyclic process of that he calls ‘the learning flywheel’ that includes elements of invasion, where a new business model causes new impacts, internalisation, inclusion, integration, and incubation, when the new business model actually evolves in the organisation. The way Elkington visualises the phases, interestingly, integration is before – and not equal to – the actual evolution of the concept, which suggests that a new management concept can be manifested, for example in...
the form of job positions and resource allocation, despite not actually having an impact on the organisation yet.

TABLE 3.7: Stages of corporate citizenship (Mirvis and Googins 2006, p 108/119)

<table>
<thead>
<tr>
<th>Citizenship Concept</th>
<th>Stage I. Elementary</th>
<th>Stage II. Engaged</th>
<th>Stage III. Innovative</th>
<th>Stage IV. Integrated</th>
<th>Stage V. Transforming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs, Profits and Taxes</td>
<td>Philanthropy, Environmental Protection</td>
<td>Stakeholder Management</td>
<td>Sustainability or Triple Bottom Line</td>
<td>Change the Game</td>
<td></td>
</tr>
<tr>
<td>Legal Compliance</td>
<td>License to Operate</td>
<td>Business Case</td>
<td>Value Proposition</td>
<td>Market Creation or Social Change</td>
<td></td>
</tr>
<tr>
<td>Lip Service, Out of Touch</td>
<td>Supporter in the Loop</td>
<td>Steward, On Top of It</td>
<td>Champion in Front of It</td>
<td>Visionary, Ahead of the Pack</td>
<td></td>
</tr>
<tr>
<td>Marginal: Staff Driven</td>
<td>Functional Ownership</td>
<td>Cross-Functional Coordination</td>
<td>Organizational Alignment</td>
<td>Mainstream Business Driven</td>
<td></td>
</tr>
<tr>
<td>Defensive</td>
<td>Reactive, Policies</td>
<td>Responsive, Programs</td>
<td>Pro-Active, Systems</td>
<td>Defining</td>
<td></td>
</tr>
<tr>
<td>Unilateral</td>
<td>Interactive</td>
<td>Mutual Influence</td>
<td>Partnership</td>
<td>Multi-Organization Alliances</td>
<td></td>
</tr>
<tr>
<td>Flank Protection</td>
<td>Public Relations</td>
<td>Public Reporting</td>
<td>Assurance</td>
<td>Full Disclosure</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>Credibility</td>
<td>Capacity</td>
<td>Coherence</td>
<td>Commitment</td>
<td></td>
</tr>
</tbody>
</table>

Secondly, Zbaracki’s (1998) study of the rhetoric and reality of TQM in an organisational setting shows that it requires more depth to understand the political and rhetorical context of individual stages in particular and the overall process in general. His observations support the view that CSR often requires some sort of leadership in order to lead to organisational change. Such leadership does not necessarily mean a top-down approach, rather do individual managers that take ownership of a new management idea have a significant impact on the way an organisation perceives it. Zbaracki (1998) and Rogers (2003) also show that such managers function as gatekeepers, even though they were, for example, sent out by the organisation to find out more about ‘this new trend’ in the first place. Some means, skills and tactics they use – intentionally or not – in
order to translate the idea into their respective organisational context are described as stages and capabilities of CSR leadership in the table presented by Kakabadse, Kakabadse and Lee-Davies (2009; FIGURE 3.3).

FIGURE 3.3: Stages and capabilities of CSR leadership (Kakabadse, Kakabadse and Lee-Davies 2009, p 52)

<table>
<thead>
<tr>
<th>Stages</th>
<th>Capabilities</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CSR decision</td>
<td>CSR awareness</td>
<td>Awareness and knowledge of CSR provides conviction and wisdom to craft a new future and change of old behaviours</td>
</tr>
<tr>
<td></td>
<td>Reflexivity</td>
<td>Reflects on issues and actions both “in vivo” and post hoc</td>
</tr>
<tr>
<td></td>
<td>Discerning CSR goals</td>
<td>Clarifying what is and what is not a CSR goal requires definition and commitment to sustainability</td>
</tr>
<tr>
<td>2. CSR adoption</td>
<td>Using business case language</td>
<td>Ability to present CSR as a business case rather than just as emotional appeal for doing “good” or moral argument</td>
</tr>
<tr>
<td></td>
<td>Persuasion</td>
<td>Ability to get buy-in from others to support and own CSR initiatives</td>
</tr>
<tr>
<td></td>
<td>Handle paradoxes and conflicting priorities</td>
<td>Able to see a way forward when confronted with two or more contrasting forces pulling in different directions, whilst at the same time not being able to simply opt for one or the other, but having to reconcile both alternatives that are contradictory, or accept their temporal or permanent coexistence</td>
</tr>
<tr>
<td></td>
<td>Consistency of application</td>
<td>Consistent application of CSR message through all organisational activities (i.e. not only isolated or symbolic action of “doing good”). That is emotional zest and attention to detail in a consistent and sustainable manner</td>
</tr>
<tr>
<td></td>
<td>CSR measurement</td>
<td>Ability to know and define clearly what success will look like so that appropriate measures can be designed; ability and willingness to monitor CSR performance for accountability</td>
</tr>
<tr>
<td></td>
<td>Follow through</td>
<td>Ability to follow through from initiative to application, which requires discipline and passion for results</td>
</tr>
<tr>
<td>3. CSR commitment</td>
<td>Will to act</td>
<td>Staying power combined with sense of purpose and mission to make CSR vision work</td>
</tr>
</tbody>
</table>

Source: Compiled by authors

Consequently, Zbaracki’s (1998) study of how TQM moved through an institutionalisation process and gaining - at least temporarily - legitimacy and acceptance offers a useful perspective on how new management ideas emerge on an organisational level by integrating communicative, interactive and process aspects. Particularly insightful is his observation of the relationship between rhetoric and reality (TABLE 3.8). Communicative elements are key, especially in the initial stages of the introduction of a new management paradigm, because they frame the reality of respective management action – hence, they translate the idea into a somehow ‘tangible’, ‘visible’ or ‘experiential’ reality for other concerned individuals internal or external to the company. The realities created will then reflect back on the rhetoric used and both matters constantly impact the forming, shaping and emerging of the other.
TABLE 3.8: The relationship between rhetoric and reality (Zbaracki 1998, p 631)

<table>
<thead>
<tr>
<th>Evolutionary stage</th>
<th>Rhetoric</th>
<th>Relationship between rhetoric and reality</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variation</td>
<td>Understanding TQM, Learning of successes at other organizations, Defining possibilities</td>
<td>Rhetoric defines reality</td>
<td>Only as rhetoric: TQM definition, TQM uses, TQM possibilities</td>
</tr>
<tr>
<td>Selection</td>
<td>Exhorting TQM use, Diffusing success stories, Defining TQM, Anti-rhetoric develops</td>
<td>Rhetoric encourages reality, Rhetoric defines reality</td>
<td>TQM structures, TQM training, TQM teams</td>
</tr>
<tr>
<td>Retention</td>
<td>Making sense of TQM: TQM successes, TQM failures, Anti-TQM rhetoric</td>
<td>Reality defines rhetoric</td>
<td>TQM experiences</td>
</tr>
<tr>
<td>Return</td>
<td>TQM success stories (spread to environment), TQM failures (retained inside organization)</td>
<td>Rhetoric shapes perception of reality</td>
<td>TQM processes, Organizational processes</td>
</tr>
</tbody>
</table>

In order to break away from a purely organisational perspective on CSR discourse, Zadek (2006) provides a valuable extension by pointing out that not just businesses learn and change their approach to dealing with issues, but also society as a whole. In the tradition of institutional theory, the stages outlined lead to the legitimisation of business activities if they are driven by responsible management and normative initiatives (TABLE 3.9). This is an important extension, because desired organisational change requires environmental acceptance, which incentivises managers for their efforts. Also, CSR would be meaningless management trivia if companies’ interactions with respective audiences did not produce shared understandings. Hence, meaning and ‘realities’ are also constructed through interactional meta-level processes and societal discourses between actor groups.

However, stages in TABLE 3.9 should not be seen as exclusive, since various characteristics in regards to different dimensions seem to occur simultaneously, for example, scholars are not yet convinced about scientific evidence for links between CSR and performance (Weber 2008) as characterised by the ‘latent’ stage, but we can certainly observe an emerging body of business practices around CSR as characteristic of the ‘consolidation’ stage. This supports views that CSR has gained different traction, dynamics and profiles in different contexts of its occurrence.
TABLE 3.9: Characteristics of societal learning and acceptance of CSR (Zadek 2006, p 339)

<table>
<thead>
<tr>
<th>Stage</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latent</td>
<td>Activist communities and NGOs are aware of the issue</td>
</tr>
<tr>
<td></td>
<td>There is weak scientific or other hard evidence</td>
</tr>
<tr>
<td></td>
<td>The issue is largely ignored or dismissed by the business community.</td>
</tr>
<tr>
<td>Emerging</td>
<td>There is political and media awareness around the issue</td>
</tr>
<tr>
<td></td>
<td>There is an emerging body of research, but data are still weak</td>
</tr>
<tr>
<td></td>
<td>Leading businesses experiment with approaches to dealing with the issue</td>
</tr>
<tr>
<td>Consolidating</td>
<td>There is an emerging body of business practices around the issue</td>
</tr>
<tr>
<td></td>
<td>Sector-wide and issue-based voluntary initiatives are established</td>
</tr>
<tr>
<td></td>
<td>There is litigation and an increasing view of the need for legislation</td>
</tr>
<tr>
<td></td>
<td>Voluntary standards are developed, and collective action occurs</td>
</tr>
<tr>
<td>Institutionalised</td>
<td>Legislation or business norms are established</td>
</tr>
<tr>
<td></td>
<td>The embedded practices become a normal part of a business excellence model</td>
</tr>
</tbody>
</table>

3.7 Summary and conclusion

In this chapter I reviewed core aspects of the construction process through which a management idea forms, is manifested and seeks acceptance. Of importance is the matter of translation, described in ‘Scandinavian institutionalism’, which is an actor-driven process of interpreting an idea and creating understanding in order to ensure its organisational realisation. The ‘business case’ argument, which is the token for comprehensive strategic management thinking, appears the influential ‘translater’. Therefore, it is not significant, if an idea is ‘fashionable’ or not, because collective beliefs that are perceived to be at the forefront of management progress allow for “the production and consumption of temporarily intensive management discourse, and the organizational changes induced by and associated with this discourse” (Benders and van Veen 2001, p 48). Streams of organisational theory that focus on politics and interaction have been helpful to understand this change process as laid out above. The results of the intense discourse surrounding TQM and strategy in the 1990s that is now part of how a company is run (Powell 1995) provide a past empirical example. Consequently, the ‘transitory’ notion of management ideas (Abrahamson 1996) overly stresses the limiting mindset that such
concepts and ideas are frivolous, mainly of aesthetic nature, concerned with image over substance, emotional, describing short-term or temporary changes (Zorn and Collins 2007; Benders and van Veen 2001; Newell, Robertson and Swan 2001).

What remains – and what this thesis continues to reveal and answer – revolves around the question of how the aspect of competitiveness has actually been linked to the idea of CSR ever since the modern debate around CSR in Europe started at the dawn of the new Millennium. Chapter One introduced the multitude of actors, debates and viewpoints, and Chapter Two already argued for governments to be strong enablers of conceptionalising and realising the business case. The current Chapter Three has embedded a multi-theoretical map within the general framework of social constructionism, which offers a fruitful underpinning view of the thesis. Consequently, in order to take the debate about CSR seriously and develop an appreciation of organisational consequences of its rise over the last decade it is vital and insightful to focus multi-layered empirical research on those aspects that help to understand the construction process in regards to their powerful organisational, rhetoric, interactional and institutional dimensions. Therefore, the framework for an empirical investigation that comprises four sub-studies on/ across different levels is provided in Chapter Four. According to the analysis of and reflection on the literature in this thesis so far, those sub-studies form interrelated layers around the debate about CSR and competitiveness:

• The role of corporate managers;
• The role of external corporate communication;
• The role of expert communities and conferences; and
• The role of strategic industry application
CHAPTER FOUR

RESEARCH DESIGN, METHODS AND DATA ANALYSIS

"What really exists is not things made but things in the making."

(William James)

4.1 Introduction

In this chapter I describe the research paradigm, design, method and data that I used to explore the construction and establishment of the business case of CSR, including the organisational and industry changes that are 'in the making' (even if it is only symbolic). The previous chapters have argued that the debate about CSR and competitiveness is characterised by dynamics, interaction and means of social construction. Thus, it is necessary to explore different layers of this process that have contributed to and engaged in the discourse. Such a multi-layered and multi-method approach acknowledges that if social reality is jointly constructed then we must select a version of events, activities and domains over the infinite array of possible alternative versions (Hackley 1998). Therefore, this study is designed in a manner that made it possible to examine a meaningful and insightful selection of layers of social reality - namely actors, communities, communications and applications - with their particular role in linking CSR and competitiveness. The thesis draws from various data sources and builds on four empirical sub-studies. In reference to Wright Mills’ (2004) expression of ‘intellectual craftsmanship’, I turned my “hand, skill, dexterity and tools to whatever raw material with which [craftsmen] work, I used and worked with the material that was available, achievable and accessible to me” (p. 24). In the following, careful account is given of the empirical data and the methods used to collect it.

4.2 Qualitative research paradigm

I have taken inspiration for my research from sociological studies, ethnographical explorations and historic inquiry. The purpose of my research is not to verify hypotheses
nor to prove an objective reality, but to present a reasonable account of the shape, size and momentum of the construction of the social phenomenon of CSR in Europe. Therefore, my basic beliefs, my concept of the role of researcher, and my preferred methods of inquiry are especially different from those that are called positivist approaches. Generally, while positivist researchers seek independence from the research object, using large samples to test theories in experimental designs in order to verify hypotheses (Easerby-Smith, Thorpe and Lowe 1991), key choices for this research design are based on acknowledging my own involvement in the field and the critical study of cases and layers in order to understand and to contribute to knowledge. Qualitative research, as a set of interpretive activities, privileges no one methodological practice over another (Denzin and Lincoln 2005).

Some authors provide categories and labels describing researchers’ philosophies and approaches to research: positivism, interpretive social science, critical social science (Neuman 2003) or positivism, postpositivism, critical theory, constructionalism (Guba and Lincoln 2005). Researcher’s ontological stand (‘What is reality?’) and epistemological position (‘What constitutes knowledge?’) are important to them personally in order to make sense and take ownership of their own research, and to allow the recipient (“our conversational partner”, Miles and Huberman 1994, p. 4) to judge and possibly integrate research products (see FIGURE 4.1; the fundamental discussion of opposing views of science is long lasting with Holden and Lynch 2004; Peter and Olson 1983; and Bortz and Döring 2003, providing useful discussions).

However, management research authorities have argued that the clear distinction between paradigms can break down at the practical research level: “Especially in organisational research, mixing different methods to some extent has provided studies with more perspectives on the phenomena under investigation” (Easerby-Smith, Thorpe and Lowe 1991, p 31). In fact, fixed positions along a stereotyped continuum between positivism and relativism may be hard to find in current social science research (Miles and Huberman 1994). Certainly, management and marketing disciplines, described as science, art (Sheth, Gardner and Garrett 1988) or engineering (Midgley 2002), have contributed from research that challenges the controversial and stereotyped opposition between positivist-quantitative-deductive and interpretive-qualitative-inductive linkages.
FIGURE 4.1: Network of basic assumptions characterising the subjectivist-objectivist debate within social science (Holden and Lynch 2004, p. 400)

<table>
<thead>
<tr>
<th>Core Ontological Assumptions (Reality)</th>
<th>Subjectivist Approaches to Social Science</th>
<th>Objectivist Approaches to Social Science</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reality as a projection of human imagination</td>
<td>Nominalism</td>
<td>Reality as a concrete structure</td>
</tr>
<tr>
<td>Reality as a social construction</td>
<td>To obtain phenomenological insight, revelation</td>
<td>Reality as a realm of symbolic discourse</td>
</tr>
<tr>
<td>Reality as a contextual field of information</td>
<td>To understand how social reality is created</td>
<td>Reality as a concrete process</td>
</tr>
<tr>
<td>Reality as a concrete structure</td>
<td>To map contexts</td>
<td>Reality as a concrete process</td>
</tr>
<tr>
<td>Reality as a concrete structure</td>
<td>To study systems, process, change</td>
<td>Reality as a concrete process</td>
</tr>
<tr>
<td>Reality as a现实</td>
<td>To construct a positivist science</td>
<td>Reality as a concrete process</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Basic Epistemological Stance (Knowledge)</th>
<th>Subjectivist Approaches to Social Science</th>
<th>Objectivist Approaches to Social Science</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-positivism</td>
<td>Man as pure spirit, consciousness, being</td>
<td>Man as a social constructor, the symbol creator</td>
</tr>
<tr>
<td>Man as an actor; the symbol user</td>
<td>Man as an information processor</td>
<td>Man as an adaptor</td>
</tr>
<tr>
<td>Man as a responder</td>
<td>To construct a positivist science</td>
<td>Reality as a concrete structure</td>
</tr>
</tbody>
</table>

Qualitative research watches, asks and examines (Wolcott 1992, see FIGURE 4.2) and wants to understand (Bortz and Döring 2003). The understanding of reality can be perceived unlike from different people and in various contexts. This has to do with complexity and peoples’ involvement in its creation, which at times requires to see the world through other peoples minds and to provide thick descriptions of what is observed. This approach leads me to “craft” raw material that is “available, achievable and accessible” with the “hand, skill, dexterity and tools” (Mills 2004, p. 24) that I have learned throughout my to-date education, profession and life. Therefore, one aim of my doctoral research is to have learned “to turn life experience in intellectual work”, to have “mastered ‘theory’ and ‘method’” and to provide the scholastic community with research that reflects the work of a “self-conscious thinker, a man ready for work and aware of the assumptions and implications of every step he will take as he tries to find out the character and the meaning of the reality he is working on” (Mills 2004, p. 20/24).
Scholars have criticised that numerous studies in the field of CSR rely on surveys to gather 'quick' or 'generalisable' data (Balabanis, Phillips and Lyall 1998; Rashid and Ibrahim 2002). Mintzberg describes the nature of quantitative and qualitative inquiry in the following way: “We uncover all kinds of relationships in our ‘hard’ data, but it is only through the use of this ‘soft’ data that we are able to ‘explain’ them” (Mintzberg 1979, p. 587). In 2005, I set out on a research journey to look at different layers of the overall CSR debate, reveal deeper understanding and discover elements of creation process(es) that underlie the ongoing debate about CSR. Quantitative data can be useful at times to size, scale and scope research areas, but qualitative data is “sexy” (Miles and Huberman 1994) and “the very lifeblood” (Mintzberg 1979), because it is rich, well
grounded and identifies processes in local contexts. It is more likely to lead to serendipitous discoveries and new integrations, and has “concrete, vivid, meaningful flavour that often proves far more convincing to a reader... than pages of summarised numbers” (Miles and Huberman 1994, p. 1). However, experienced scholars warn that qualitative studies can ‘feel very untidy’ because it is harder to control the dynamics of the research process and the end point (Easterby-Smith, Thorpe and Lowe 2002). Therefore, I conceptualised my research along layers of the same social phenomena in order to provide spaces for qualitative inquiry on the one hand, and constrain the potentially vast and overwhelming flow of data on the other hand (see Section 4.3).

The knowledge created from this inquiry is based on the analysis of social phenomena and social life that may reveal reasonably stable characteristics, but has interactional dynamics of “meaning-making” (Miles and Huberman 1994) and “sense-making” (Weick 1995). I directly engaged with the researched phenomena in various ways and ‘went near – even into - the water’, adopting Mintzberg’s (1979) reflection on a ‘direct research’ strategy. For example, I interviewed relevant actor groups directly and mingled with them at expert conferences. It is the direct perception of reality that permits us to see its most salient characteristics or as Wittgenstein advised: “don’t think, but look” (in Tsoukas and Chia 2002, p. 571). However, for the qualitative researcher an important means and end of this processes is analytical thinking, which can be described as “a simultaneous struggle for conceptual order and empirical comprehensiveness: You must not close it up too soon – or you will fail to see all that you should: you cannot leave it open forever – or you yourself will burst” (Mills 2004, p. 25). Thus, even though I at times longed for longer, more and deeper inquiry, I felt that both the timeframe of my empirical research (spanning over almost four years) and its layered approach (covering four interconnected aspects of CSR development) satisfy the level needed to describe the emerging and constructing of CSR from a new perspective.

The specific ways in which empirical data was gathered and analysed throughout four sub-studies is detailed in Section 4.3. Generally, I aligned my handling of the process with Miles and Huberman’s (1994) model of interaction between four components: data collection, data reduction, data display and the drawing/verifying of conclusions. Locke
(2000, p. 53) points out that, in practice, when dealing with qualitative data, the amount of codes and categories that are created depend on the aim of the research:

"For the practical reality is that as researcher we will have to decide on and articulate the story of our data makes it possible to tell. ...this usually means that we do not exhaust every fragment and every potential category in our data."

My interpretation of this approach to management studies is that research constitutes iterative interaction between theory and data, whereby the researcher has to decide on the saturation point at which the discovery journey has reached a plateau that seems satisfactory for the researcher and appropriate for the knowledge product that was envisioned at the start of the journey. The researcher is then in a position to dare what Mintzberg (1979) calls ‘creative leap’: using analytical thinking in order to look beyond one’s data and describe something unexpected and new.

Throughout the process I took multiple steps to assure that my research holds up to critical questions from the academic community in regards to its validity (“Has the researcher gained full access to the knowledge and meanings of informants?”) and reliability (“Will similar observations be made by different researchers on different occasions?”, see Easterby-Smith, Thorpe and Lowe 1991). Reliability in qualitative research can be tricky since processes are studied that may not be stable over time and there is an emphasis on the value of change, interaction and dynamic (Neuman 2003). However, I extensively recorded observations and designed the research along different sub-studies in order to illuminate different facets and perspectives of the same phenomena. During the conduct of my empirical data collection I was very much interested in the immediate observation of events and evidence from actor groups, which is regarded as the prime goal for the quality of qualitative research (Neuman 2003). For this reason, it was also important to me to offer verbatim quotations from transcripts/field notes where possible and informative in order to deepen understanding and to provide evidence, explanation and illustration (see Corden and Sainsbury 2006 for a wide-ranging discussion of using verbatim quotations in reporting qualitative social research). The use of quotations in any analytical piece must be balanced against the flow of reading and the development of interpretations/findings/conclusions in order to avoid the presentation of scattered evidence and lengthy reporting. Researchers with more confidence and experience use
less direct quotations to accomplish weaving text and quotations (Corden and Sainsbury 2006).

In the following I show why and how I designed this doctoral research along four sub-studies. Within those sub-study accounts, I provide reasons for why different methods are suitable for different sub-studies and how data was collected and analysed in each case. Hence, the individual embedded studies also provide further accounts for the research paradigm underlying this thesis.

### 4.3 Research design, methods and data analysis

Research projects produce knowledge and understanding by means of discovery processes. Four premises and motivations were significant departure points to explore the areas developed in the former chapters of this thesis:

- To capture the idea of CSR in action;
- To examine and critically analyse actors and application across different levels;
- To follow the construction process of CSR over time; and
- To make some tentative conclusions about their significance.

FIGURE 4.3 provides an overview over how this research was designed. It shows the four sub-studies (1-4) and their occurrence in time (2005-2008). They represent the four key components of the debate around CSR and competitiveness:

- Sub-study 1: actors (CSR managers/consultants and organisational action)
- Sub-study 2: communications (visual representation of CSR)
- Sub-study 3: communities (CSR experts and community action)
- Sub-study 4: application (application of business case of CSR across an industry)
FIGURE 4.3 also shows how all sub-studies were triggered and driven by particular experiences that lay with the researcher. It should be noted that the layers have no particular hierarchy and the numbering is for easier differentiation only. Technically, the way the four layers were researched also captures different forms of social communication in which the CSR idea is embedded and expressed: spoken communication (interviews), written communication (websites), visual communication (reports) and interactive communication (conferences).

FIGURE 4.3: Research design

<table>
<thead>
<tr>
<th>Year</th>
<th>Layer 1: Researching CSR in British and German MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Exploratory interviews</td>
</tr>
<tr>
<td></td>
<td>MNEs: Ford of Europe, BP Germany, Henkel</td>
</tr>
<tr>
<td></td>
<td>Consultancies: Sustainability (strategy), Grey (reputation)</td>
</tr>
<tr>
<td></td>
<td>Case interviews (1)</td>
</tr>
<tr>
<td></td>
<td>British Telecom, German Telecom, SAP, Bertelsmann</td>
</tr>
<tr>
<td>2006</td>
<td>Case interview +</td>
</tr>
<tr>
<td></td>
<td>British Telecom, Siemens</td>
</tr>
<tr>
<td>2007</td>
<td>Cases interviews (2)</td>
</tr>
<tr>
<td></td>
<td>British Telecom, German Telecom, SAP, Bertelsmann</td>
</tr>
<tr>
<td>2008</td>
<td>Case interview +</td>
</tr>
<tr>
<td></td>
<td>O2 Germany, Winterhall</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Layer 2: Researching visual presentation of CSR in British and German company reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Company publications triggering pictorial research</td>
</tr>
<tr>
<td></td>
<td>Layer 2: Researching visual presentation of CSR in British and German company reports</td>
</tr>
<tr>
<td>2006</td>
<td>Analysing visual content of CSR reports</td>
</tr>
<tr>
<td></td>
<td>Construction of CSR messages through use of images</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Layer 3: Researching CSR communities at international conferences in Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Participation (1)</td>
</tr>
<tr>
<td></td>
<td>1st EnviComm</td>
</tr>
<tr>
<td>2006</td>
<td>Participation (2)</td>
</tr>
<tr>
<td></td>
<td>2nd Intern. CSR Conference</td>
</tr>
<tr>
<td>2007</td>
<td>Participation (3)</td>
</tr>
<tr>
<td></td>
<td>3rd Intern. CSR Conference</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Layer 4: Researching CSR in sports (especially British and German professional football)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Project work triggering CSR sport research</td>
</tr>
<tr>
<td></td>
<td>Consultant to multi-stakeholder project on sport as means of urban development</td>
</tr>
<tr>
<td></td>
<td>Consultant to company foundation/professional basketball team sports initiative</td>
</tr>
<tr>
<td>2006</td>
<td>Sport and CSR Internet research</td>
</tr>
<tr>
<td></td>
<td>CSR in professional football</td>
</tr>
</tbody>
</table>

As described in former chapters, the interpretation, conceptualisation and actualisation of CSR has changed over time with modern and more recent developments being significantly different to what was before. It is therefore important to capture CSR in action in order to reveal relevant parts of its emerging that impacts on the reality in which
individual businesses work. At the same time, diverse actor groups jointly (though not necessarily in a coordinated fashion) engage in creating and stimulating the issue field. Those actors are key in order to give meaning to the idea of CSR. At the same time actor groups are also ‘defining’ the issue field by the use of rhetoric and put this rhetoric into reality by applying it in one way or the other. In particular, rhetoric and reality of a management concept mutually (re-)create each other mediated by social interaction (Zbaracki 1998). Exploring this process across different layers (or sub-studies) and combining those data sources enabled me to extract meaning and patterns, called ‘layering effect’ by Layder (1993).

Because of my engagement with different layers that together make up the research design, data was collected over time. It added considerably to the cyclic process of my understanding and pre-understanding of emerging issues, though the design emerged parallel to the insights gained, leads followed and issues arising since the start of this doctoral research. Wiseman (1978, p 113) uses the metaphor of a “detective story” to describe this strategy, where one cannot be entirely specific about the outcome in advance and has to be open and flexible about what emerges from the field. Thereby, understanding refers to the knowledge that develops during the project, while pre-understanding involves the researchers personal experience as an essential element in the process of collecting and analysing information (Gummesson 1991). TABLE 4.1 summarises directions in which elements of different sub-studies informed other sub-studies, and thereby added to the interplay between understanding and pre-understanding within the researcher, enhancing the richness and cohesion of the thesis. However, data collection and analysis of the four individual layers was dealt with separately in order to account for the discrete environments and contexts of their occurrence.

Both deduction and induction are part of understanding and knowledge creation and cases or layers are a suitable method for the blend of those two reasoning processes (Perry 1998; Neuman 2003), because “loose ends” of exploratory and descriptive research can be tied up (Breitbarth and Harris 2008). At the same time, planning a research project in general terms means having to decide what kind of knowledge products to produce, and what kind of discovery processes to use. This research is driven by mainly answering to how- and what-questions. To achieve this goal, a variety of
qualitative methods that were found suitable for respective sub-studies were used: inter­views, participant observation, and content analysis of written and visual text. In short, Wright (2004, p 20) describes ‘methods’ as “ways of asking and answering questions, with some assurance that the answers are more or less durable”.

For practical reasons, the focus of this thesis is limited to Europe, with weight given to the UK and Germany. However, in Chapter Two I have put forward a line of argument that suggests that the European debate about CSR is extremely vibrant and the results of its development have significant impact on companies within and outside the trading block. Consequently, insights generated from this research are influential for other nations and regions, too. In the following sections, I present how and why I have collected the empirical data in the four sub-studies, describing the methods that were used to collect the data.

TABLE 4.1: Interaction and directions of information between sub-studies

<table>
<thead>
<tr>
<th>Layer 1 (companies)</th>
<th>Layer 2 (images)</th>
<th>Layer 3 (conferences)</th>
<th>Layer 4 (sports)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Deeper understanding of managerial sense-making</td>
<td>Knowledge of people and issues helped networking</td>
<td>Accidental insights from companies that also use activities in sports as part of their CSR portfolio</td>
</tr>
<tr>
<td>Deeper understanding of company reporting</td>
<td>X</td>
<td>Presentation of research at conference</td>
<td>-</td>
</tr>
<tr>
<td>Managers of company participated; making contacts (especially during exploratory phase)</td>
<td>Feedback from practitioners after presentation</td>
<td>X</td>
<td>Knowledge exchange with representatives of high-profile sports organisations and sponsors</td>
</tr>
<tr>
<td>Familiarisation with visual representation through pictures used on websites</td>
<td>Knowledge exchange with representatives of high-profile sports organisations and sponsors</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

100
4.3.1 Sub-study 1: relevant actor groups

In line with the aims of the research, this sub-study explores the way managers framed and translated CSR into the local context of their respective organisation, the impact their agency role had on CSR-related changes within their respective organisations and, more generally, the influence it had on the development of CSR as a management idea. Just as social facts are embedded in social action, so is social meaning constituted by what people do and think. Miles and Huberman (1995, p 4) point out “these meanings are most often discovered by hanging around and watching people carefully and asking them why they do what they do”.

The influential role of individuals or actor groups as agents in an organisational context as well as in the creation of management ideas and emerging business paradigms has been studied in various management areas, for example in the study of innovation (Rogers 2003), organisational/strategic change (Pettigrew and Whipp 1991; Tsoukas and Chia 2002), organisational power struggles (Fligstein 1987), social entrepreneurship (Waddock 2008), management fashion (Thomas 1999), CSR leadership (Kakabadse, Kakabadse and Davies 2009) and in the intra-organisational discourse during the implementation process of new management systems (Zbaracki 1998). Studies looking at the role and activities of key actors in some way recognise their powerful role to create, to change, and to legitimise realities, either as individuals or groups. Tsoukas and Chia (2002, p 570) conclude: “Drawing on process-oriented philosophers and ethnomethodologists we argue that change is the reweaving of actors' webs of beliefs and habits of action as a result of new experiences obtained through interactions. Insofar as this is an ongoing process, that is, to the extent actors try to make sense of and act coherently in the world, change is inherent in human action.” Hence, it can be assumed that actors don’t only have a passing interest, but attribute meaning to their actions.

The relationship between levels of social reality conceptualised as individuals/interaction (micro, subjective) and of systems/structure (macro, objective) has long been disputed amongst social scientists, especially whether they are ordered in the form of a continuum or constitute separate entities (Giddens 1984). However, this thesis accepts macro levels of social life as constructed by meaningful interaction between actors. This does not rule out that the content of those interactions manifests itself more or
less temporarily and reflects back on interactions amongst actors or actor groups. Therefore, and in order to see how the CSR idea is interpreted and translated as currently influential business objectivity, it is important to explore beliefs and actions of CSR managers, and their respective organisational reality. Organisational and management researchers stress the importance of exploring values, beliefs and methods of managers and expert communities in order to understand how they construct the reality they work in, which influences the assumptions in which the organisation operates (Clarke and Clegg 2000).

It is appropriate to think of individual organisational actors, like CSR managers, as 'change agents', 'linkers', 'champions' and 'gatekeepers'. Evolutionary models addressing innovation (Rogers 2003) and implementation (Zbaracki 1998) show their creative and crucial role for example in raising awareness of an idea, framing and communicating respective issues. They do this in a way that makes it likely for those matters to gain traction throughout the organisation and persuade key decision-makers, and create resources and capabilities to implement or adopt a concept. In-depth interviews are regarded as very suitable method to research individual actors and organisational dynamics (Denzin and Lincoln 2005; Burgess 1982). At the same time, there is an increasing advocacy for longitudinal tracing of emerging issues in management and strategy research (Pettigrew 1990).

Thus, in order to complement empirical data collected in the other three sub-studies for this thesis between 2005 and 2008, interviews with CSR managers/executives from British and German multi-national companies were conducted spanning more than three years. In addition, CSR consultants were interviewed at the start of 2005 as part of an exploratory stage and issue-mapping phase. The persons interviewed were heading the respective department concerned with the topic of CSR or the manager in charge of CSR operations. Titles and job positions varied between the companies, reflecting CSR's emerging nature and provisional organisational status: Director Corporate Citizenship, Director of Corporate Responsibility, Political Advisor, Vice President Public Communications, Manager Corporate Citizenship, Manager Corporate Responsibility, Deputy Head Corporate Communications, Head of Environmental Protection.
and Sustainable Development, Head of Sustainability Communications, Head of Corporate Citizenship.

In particular, CSR managers from five companies were interviewed at least twice during the research period. All of them work in internationally leading service companies, operating in fairly regulated industries and markets (see TABLE 4.2 for brief descriptions). It can be argued that such large and leading internationals are significant in shaping public perceptions about business, that they have the power to influence policies and regulations (Duso 2003), and that they are key in constructing the meaning of emerging business concepts and paradigms (see Preston and Young 2000, for the construction of ‘globalisation’ in the 1990s).

Respective firms represent two types of CSR heritage that influence European CSR policies and practice, namely the Anglo-Saxon and Central European approach. In the case of O2, the change of ownership (British to Spanish) between the two interviews series added an unforeseen dimension to the research. In addition, one-off interviews with representatives from five other multi-national corporations and three consultancies were conducted (Ford of Europe, BP Germany, Henkel, Siemens, Wintershall). The interviews with the consultancies were important in the sense that business consultancies are one key actor group in disseminating new management ideas and concepts. The agencies were chosen independent from the companies and because they specialise in three core areas relevant for a corporate CSR: strategy (SustainAbility, London/UK), branding and reputation (Grey, Düsseldorf/Germany), communications (Dokeo, Stuttgart/Germany).

Interviews conducted in early 2005 were intended to structure the study mainly in three ways: firstly, they constituted my first step away from the CSR literature into the CSR “realities” as constructed, experienced and communicated by practitioners; secondly, they helped me to obtain and filter data and map issues that assisted in outlining and refining next steps to researching the CSR debate; and thirdly, in regards to the method used I could refine my research tools and see if/where "Murphy's Law" ("Anything that can go wrong, will go wrong!") might strike, especially in the immediate interview
situation. All interviews of the first phases received a 12-page summary of preliminary findings in 2007 and were asked for feedback in order to validate results and substantiate further direction of my study.

Interviews can be seen as 'conversations' between two people, with the researcher guiding the other party to address matters that are towards and around the objective of the research. All interviews lasted for about 45 to 75 minutes. Semi-structured in-depth interviews in the work environment of the interviewees were preferred as the main way of data collection for several reasons: potential misunderstandings could be recognised and rectified more easily, which improved research validity because of the multitude of different terms and perspectives in the CSR literature; unexpected answers and emerging topics could be discussed and studied further; insights into the working conditions of the subject as well as his/her personal characteristics could be gained, which helped to validate the interpretation of soft factors; in contrast to non-personal methods, an appropriate interview situation was established through direct interaction to improve the trustful atmosphere necessary to also talk about sensitive topics (Berg et al. 2002).

Other advantages involve the chance to ask more complex questions and its complete answering by the addressed person (Neuman 2003). It is also possible to get deeper insight into informal and cross-functional communications and operations within a company. Burgess (1982) recommends in-depth interviews because it helps to “understand how individuals construct the meaning and significance of their situation from a complex personal framework of beliefs and values” (p 45). Corporate publications and selected internal material made available to me by the interviewees helped to complement and confirm information provided through the conversations.

Neuman (2003) mentions various disadvantages of interviews in general and as a form of social interaction in particular: higher costs and time constraints, less anonymity, no chance to consult records, potential inconvenience on one or both sides of the “table”, respondent errors (e.g. deliberately lying, accidental errors) or interviewer errors (e.g. asking errors), and interviewer characteristics (e.g. age, social status). Advanced asking and listening skills are a requirement for qualitative interviews (Lukas et al. 2004): for
example, the researcher has to ask tailored questions (Bortz and Döring 2003). Throughout the study I built on and relied on my experience in fieldwork during Masters studies in sociology, social psychology and communication science, and my professional experience in corporate public relations.

**TABLE 4.2: Brief description of case companies**

<table>
<thead>
<tr>
<th><strong>British Telecom (BT)</strong></th>
<th>The BT Group is one of the largest European providers of telecommunications services with a strong base in the UK and various international operations. Headquartered in London/UK the company went public in 1984. Since 1990 it has faced increasing competition due to the deregulation of the British phone market and competes in one of the most innovative technological sectors. BT has been ranked as the world's number one telecommunications company in the Dow Jones Sustainability Indexes for three years running.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>German Telecom</strong></td>
<td>German Telecom, based in Bonn/GER, is one of the largest European providers of telecommunications services. It operates in more than 50 countries worldwide. T-Com, German Telecom's broadband and landline operations, is its largest single unit with about 1/3rd of the company's global sales. German Telecom went public in 1996 and has faced increasing competition on its deregulated domestic market. The state owns (directly or indirectly) more than 1/3rd of the shares.</td>
</tr>
<tr>
<td><strong>SAP</strong></td>
<td>Headquartered in Walldorf/GER the company is the world's largest inter-enterprise software company and the world's third-largest independent software provider overall with operations in more than 50 countries. Its three founders control about 32 percent of the company.</td>
</tr>
<tr>
<td><strong>Bertelsmann</strong></td>
<td>Headquartered in Gütersloh/GER Bertelsmann is one of the biggest and the world's most internationalised player in media and print (63 countries). It still is a private company whose shareholders are the Bertelsmann Foundation (57.6%), Groupe Bruxelles Lambert (25.1%) and the Mohn family (17.3%). The Mohn family is a descendant of founder Carl Bertelsmann and controls the company due to their stake in the Bertelsmann Foundation. Bertelsmann has always been known for its roots in religious and humanistic thinking.</td>
</tr>
<tr>
<td><strong>(Telefonica) O2 Germany</strong></td>
<td>O2 Germany, based in Munich, is a subsidiary of the former state controlled Spanish Telefonica. Until 2006, the company was controlled by the British O2 plc until its sale to the Spanish telecommunications giant. O2 Telefonica remains one of the leading mobile telecommunications providers across Europe. Despite operating in a highly successful sector and shaping peoples daily life, mobile telecommunications providers (especially in Germany) have faced strong critics and resistance (e.g. building of new radio towers; supporting debts of teenagers due to marketing operations).</td>
</tr>
</tbody>
</table>

All the interviews were conducted by the author to improve consistency of data collection and reduce the danger of misinterpretations potentially linked with subjective perceptions of interviewers. A semi-structured approach was adopted in order to keep basic consistency across the interviews. A topic guide was used, the interviews were taped (except two) and transcribed by myself to avoid relying on notes and memory afterwards, which is a recommended procedure to handle this kind of qualitative data (Bortz and Döring 2003). This procedure also reduces the risk to lose track during the situation, helps to listen more carefully and thus establish an active and sensitive atmosphere. It is said that respondents who feel at ease with the interviewer are more likely to
reveal their attitudes, motivations, perceptions and other "hidden" information (Lukas and Hair 2004). However, right after each interview, the researcher made notes concerning issues I felt had to be clarified. This was done either by further direct investigation (e.g. phone call) or the questions were addressed in an email to the interviewee in order to review the interview and to express gratitude for offering valuable work time.

After the transcription, the data was analysed guided by Mayring’s (1993) qualitative content analysis. In addition, the ‘framework technique’ described by Ritchie, Spencer and O’Connor (2003) had been influential because of its emphasis on thematic grids and mapping of emerging issues from the data. Alike, Alasuutari (1993) distinguishes two phases in qualitative analysis: simplification of observations, and interpretation of results (or "solving the enigma"). Perry (1998a, p 796) highlights the importance of cross-case analysis, “where the student can most clearly display his or her analytical capabilities and escape the “mindless” description of many case study theses”. Alasuutari (1993) both supports Mayring’s (1993) approach to analysis qualitative content and Perry’s (1998a) focus on cross-sample findings, when pointing out that it is hoped and aspired to throughout the simplification and interpretation phases that relevant relationships emerge between separate observations or cases. Bortz and Döring (2003) describe other related analysing techniques.

The overall aim was to systematically examine the interviews and thereby making findings inter-subjective. The main steps were:

- Firstly, to carefully read the transcripts of the interviews;
- Secondly, to summarise and condense the content of each interview along the thematic framework that was developed as guide for the interviews, including any new themes emerging from the reading;
- Thirdly, to clarify problematic issues either in consultation with the respective interviewee or secondary sources; and
- Fourthly, to manually structure and reorganise segments and extract themes according to the research objectives.
This process of gradual data reduction and incremental thematic mapping allowed me to explore the accounts and stories of all the respondents in respect to how they framed and translated CSR into the local context of their organisations. Knowledge generated from the content analysis is based on interviewees’ unique perspective and grounded in the actual data. Lincoln and Guba (2005) describe this as credibility within constructional paradigm of trustworthiness or internal validity. Both in-case and between-case analysis helped to describe the impact on the development of CSR as a management idea as presented in Chapter Five and Chapter Nine.

4.3.2 Sub-study 2: CSR communication

In line with the aims of this research, this sub-study explores the ways companies communicated their interpretations of CSR, their CSR approaches and their CSR-related activities in business terms as part of their formal corporate reporting. This investigation focuses on the visual presentation of CSR as influential signals to the wider public of the importance of CSR to their business. It describes a novel way of deconstructing one part of the process that sees CSR intrinsically linked to competitiveness. Generally, organisational communication about CSR is the translation of an idea into ‘text’ that is distributed. Words and imagery can be read as text. The distribution and consumption significantly adds to the dissemination and positioning of the idea because text carries interpretations of the nature of the idea. Observing shifting terminology of CSR, Cheney, Roper and May (2007) remind the reader of the significant influence language and visual imagery have on the creation of understanding, meaning and ‘reality’ of a contested idea like CSR. One way or the other, corporate communication in respect to CSR is also a ‘justification of doing’ towards audiences: it reveals the framework the organisation works and thinks in, and discloses commitment, action and direction (Hartman 2007).

Corporate reports in particular seek to demonstrate that the company “cares” about the people and environment they operate in (Idowu and Towler 2004), and strategic corporate communication about CSR is emerging as an intrinsic part of companies’ efforts to interact with their stakeholders and other audiences (Morsing and Beckmann 2006). Reports not only communicate a company views, but aim to create truth as the idea of ‘bottom line’ shows (Gallhofer and Haslam 1991). Hence, reports presenting CSR ac-
tivities and programs in the context of companies’ core business and strategy adopt and re-create the link between CSR and competitiveness. Importantly for its credibility, corporate language and action should have at least some perceived relationship, and therefore, the use of the ‘right’ language is a strategic element to corporate communication (Cheney, Roper and May 2007). With almost all large European companies now reporting on social and environmental performance (CorporateRegister 2008), CSR reports have become a manifestation of CSR as a business concept.

While formal reports - especially when certified by auditors - aim to establish accountability, truth and transparency, research into financial reporting has shown that corporate reports communicate, create and manipulate meaning by using images. Despite mounting research into the use of written language in non-financial reports, mostly analysing what is said (e.g. Idowu and Towler, 2004; Sweeny and Coughlan, 2008), the use of images in such reports has received little attention. In fact, Atkinson and Delamont (2005) argue that visual data is neglected when analysing social phenomena.

Non-financial reporting, and CSR reporting in particular, is now seen as an essential prerequisite by most members of a company’s stakeholder community. In their comprehensive study of developments in non-financial reporting in the OECD, Palenberg, Reinecke and Witte (2006) describe the growth in reporting as a “substantial trend” and predict further growth. This growth in reporting has been driven by the need to increase corporate transparency and accountability concerning social and environmental issues (Nielsen and Thomsen, 2006). In 2007, only 14% of the FTSE100 did not report on non-financial performance (CorporateRegister 2008). FIGURE 4.4 shows how the global non-financial reporting output has constantly increased since the beginning of the 1990s (CorporateRegister 2008).

In Europe 90% of the top 100 companies report on social and environmental performance, whilst in the USA the figure is 59% and only 61% in the rest of the world’s top 100 companies (Finnish EU Presidency Conference 2006). The 2007 Accountability Rating concludes that “Europe leads, America lags” after measuring companies’ social and environmental impacts. Globally, British companies are the most prolific non-
financial reporters by absolute numbers, with the UK and Germany accounting for nearly half of all such reports within the EU (CorporateRegister 2008).

FIGURE 4.4: Global non-financial reporting output until mid 2008 (CorporateRegister 2008)

Meaning and truth claims about CSR are also created through the use of images in reporting. There is a substantial body of literature and associated research published on corporate reporting, dominated by the accountancy discipline as part of its audit role in governance and reporting. Since the late 1980s, critical researchers have started to counter normative underpinnings of positivist theory, questioning the ‘aura of accounting’ and exposing the ‘rhetoric’ of accounting. For example, Gallhofer and Haslam (1991) describe how accounting has successfully manifested the “bottom line” as the ultimate and definitive truth. It is only relatively recently, and with limited reach so far, that this knowledge has been utilised to analyse non-financial reporting, despite its strong associations with the concept of financial reporting (e.g. see the ‘triple bottom line’ approach to sustainability, coined by John Elkington, and the widely used term ‘non-financial performance’).

This is somewhat surprising given, firstly, the role such reports play in companies’ efforts to portray themselves as “sustainable organisations”, “good citizens” or “socially
responsible corporations”. Secondly, the influence they have on comparative CSRrankings, and, thirdly, the knowledge I have about companies’ other marketing efforts to tellcorporate stories, to unify branding messages, and to manipulate meaning in order toachieve organisational objectives. In a review of studies on non-financial reportingTregidga, Milne and Kearins (2007) show that there is a significant focus on ‘who’ isreporting, and ‘what’, ‘how much’ and ‘why’ it is reported. However, the authors criti-
cise the lack of studies into ‘what is to be said’ and ‘how it is to be said’ especially byusing particular language idioms (e.g. metaphors), and style (e.g. layout and use of im-
ages).

With non-financial reporting, there is a fundamental tension between the three corner-
stones of such formal communication: completeness, materiality and accessibility(Gribben and Olsen 2004). Ideally, this means that complete accounts of substantialnon-financial performance and activities should be made available in a way that theaudience can meaningfully access and assess with their intuitive capabilities. While itcan be difficult for companies to finely balance those three objectives, it is the meansused to provide accessible documentation that attracts much public criticism. For exam-
ple, media argues that non-financial reports are “glossy, story-telling, promotional”communications, joining in the choir of critics that condemn them as a ‘waste ofmoney’, despite the articles sub-headline claiming that “Non-financial accounting isnow too serious to be left to amateurs” (The Economist 2004).

This view seems to be influenced by comments, like those of Lord Brown (in: The Eco-
nomist 2004), the former CEO of BP, who said that his company needs to report “onmore than just our financial performance and tell a broader story as clearly as we can”.Also, the CSR concept in general has been criticised as a branding tool, a ‘form of‘greenwashing’ of corporate behaviour, just boardroom talk with no conviction, and apublic relations invention (Frankental 2001). Arguably, Lord Brown’s comment can beseen in the context of utilising CSR and sustainability activities for branding and imagecreation. The experienced annual report designer Anthony Russell states his view on theinfluence of images as tools for creating potentially ‘unreal’, but positive and powerfulperceptions:
"The photograph is very important in an annual. It is the most effective, real, believable way of telling a story. To a large degree the annual depends on the success of the photography" (in: Squiers 1989, p 209).

In their discourse analysis of US annual reports, Graves, Flesher and Jordan (1996) argue that visual imagery and aesthetically pleasing design is not trivial, but represents a rhetoric that constitutes an important component of the claims of those reports. They conclude that ‘accounts’ (especially when certified by established standard setting bodies) as true, valid, and unquestionable messages and representations of the firm that are socially constructed and reconstructed through imagery. For example, in their critical essay about the construction of meaning, Preston and Young (2000, p 436) describe annual reports as

"mediascapes and ideoscapes in that they deliberately seek, through various textual, visual and numerical strategies, to invite or incite the viewing subject to accept, as real, corporate representations both of themselves as global entities and of the global”.

Complementarily, not only can claims be validated using images, but also can “many kinds of problems ... be resolved, dissolved, dispersed, or transformed depending on how pictures and design are handled” (Squiers, 1989, p 208).

I suggest that the same mechanism applies to non-financial reporting, in which companies want the viewer to accept their embeddness in society and social relations, their attention to human considerations, and their ongoing, unique and positive contribution to people’s lives. Consequently, this sub-study explores how companies have internally framed and, consequently, externally communicated their interpretation and application of CSR as business idea. For one, it establishes a starting point to focus research especially on photographic elements in non-financial reports and the use of images to discern the meaning(s) of CSR constructed by leading corporations through their non-financial reporting. More importantly in the context of this thesis, it adds evidence to my search for properties of the evolution of CSR as management idea. However, at the same time, research into this area is relevant for reporting practice, since emerging reporting standards provide guidance on the integration of reporting processes and on the general “why/what to report” rather than the specific “how to report”.

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The very interpretation of an image relies on its context and may lead to reflections about the acceptance or disapproval of the intended meaning by the viewer. For example,

"everyone knows the oil industry didn't distinguish itself in 1989 as a friend of marine life. Yet, the cover of Texaco's report is a dreamy underwater photo with lots of colorful fish and splashy coral. Turns out we're staring at the legs of an oil rig at the coast of Santa Barbara... Boasts the oil giant: 'The legs of Texaco's habitat platform serve as an artificial reef for mussels and other marine life' (Rothman and Fins 1990, p. 32).

However, the typology I suggest in Chapter Six based on the analysis is not intended to interpret images in a company specific context, but seeks to explore the kind of images used in order to suggest claims companies make in their (non-financial) reporting or in order to communicate their understanding of what CSR/sustainability means to them. Hence, the analysis centres on the literal meaning ('semantics' according to Pierce, 1992), but allows drifting into intended meaning ('pragmatics') and the relationship amongst signs ('syntactic') within the general discourse about what is meant by CSR and sustainability, and the CSR/sustainability approach particular firms adopt.

In general, CSR is an emerging management concept and topic of business communication. In fact, over 30 years ago, Votaw (1972) described CSR as a ‘brilliant’ term because “it means something, but not always the same thing, to everybody” (p. 25) - a statement that remains valid today. However, if individual companies use their non-financial business philosophies and activities strategically as part of their communication portfolio, then they might need to fill in the blank spaces for their audience in terms of ‘what do we mean by CSR?’ In his analysis of CSR concepts and definitions, Van Marrewijk (2002) concludes that there is not a “one solution fits all” definition of CSR, and advocates definitions that match the development, awareness and ambition levels of individual organisations. At an aggregate level, it can be argued that it is the large international companies that construct the meaning of emerging business concepts and paradigms (see Preston and Young, 2000, for the construction of ‘globalisation’ in the 1990s).
In selecting appropriate cases for this research (see TABLE 4.3), priority was given to the companies listed in the two leading share indices in the UK and Germany, the FTSE100 and DAX, and were drawn from the key business sectors that reflected each countries’ dominant industries. I then consulted the latest Accountability Rating (2007) in order to find companies that have an outstanding record in terms of their social and environmental impact. In order to compare the two countries, we selected firms that correlated with each other in terms of size and degree of internationalisation. Thus, Bertelsmann was included as the only company that is not publicly listed in order to match British Sky Broadcasting PLC. And only two companies were included who are not members of the FTSE4Good – Metro and E.ON.

TABLE 4.3: List of companies included in the analysis

<table>
<thead>
<tr>
<th>Industry</th>
<th>UK</th>
<th>FTSE4Good</th>
<th>Germany</th>
<th>FTSE4Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecommunication</td>
<td>BT</td>
<td>yes</td>
<td>Deutsche Telekom</td>
<td>yes</td>
</tr>
<tr>
<td>Software/Technology</td>
<td>Vodafone</td>
<td>yes</td>
<td>SAP</td>
<td>yes</td>
</tr>
<tr>
<td>Media/Publisher</td>
<td>British Sky Broadcasting</td>
<td>yes</td>
<td>Bertelsmann</td>
<td>yes (RTL Group)</td>
</tr>
<tr>
<td>Energy</td>
<td>BP</td>
<td>yes</td>
<td>E.ON</td>
<td>no (no formal Human Rights Policy)</td>
</tr>
<tr>
<td>Finance</td>
<td>Barclays</td>
<td>yes</td>
<td>Deutsche Bank</td>
<td>yes</td>
</tr>
<tr>
<td>Transport</td>
<td>British Airways</td>
<td>yes</td>
<td>Lufthansa</td>
<td>yes</td>
</tr>
<tr>
<td>Retail</td>
<td>Tesco</td>
<td>yes</td>
<td>Metro</td>
<td>no</td>
</tr>
<tr>
<td>Pharmaceutical/Chemical</td>
<td>GlaxoSmithKline</td>
<td>yes</td>
<td>Bayer</td>
<td>yes</td>
</tr>
</tbody>
</table>

The most current, standalone non-financial reports of the selected companies were downloaded and reviewed. They were typically available in pdf file format accessed through CorporateRegister (www.corporateregister.com). TABLE 4.4 provides a detailed list of the reports included, their titles and stated approach to CSR/sustainability in the text. Due to the voluntary nature of non-financial reporting, companies have different reporting cycles, but report at least every second year. Names given to these reports varied between companies and over time, due to the dynamics of the field. However, they reflect the global trend of non-financial reports being labelled as ‘sustainability’ or ‘corporate (social) responsibility’ reports (CorporateRegister 2008). All the
reports used in the sub-study included evidence of voluntary audits for accuracy, quality of information and level of disclosure.

**TABLE 4.4: Detailed list of company reports and their approach to CSR/sustainability expressed in the text**

<table>
<thead>
<tr>
<th>Company</th>
<th>Report title</th>
<th>Approach to CSR/sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BT</strong></td>
<td>BT’s Sustainability Report 2007: Let’s make a better world</td>
<td>“This report identifies and quantifies our social, economic and environmental impacts for the 2007 financial year and sets out our targets for improvement. ... We use the term CSR more often than sustainable development. We see CSR as the voluntary action a company takes to contribute to the wider societal goal of sustainable development, such as the European Union’s Gothenburg Strategy.”</td>
</tr>
<tr>
<td><strong>Deutsche Telekom</strong></td>
<td>Leading Change. Deutsche Telekom. The 2006 Human Resources and Sustainability Report</td>
<td>“Deutsche Telekom is committed to good citizenship... Competitiveness and social responsibility thus go hand in hand at Deutsche Telekom – for us, responsible action is the basis for long-term business success. Deutsche Telekom sees itself as a good corporate citizen, as one that helps shape society and makes a contribution to the common good. We do this through our own actions and with our products and services, which promote the efficiency of our modern society in many areas and shape the way in which we communicate and interact with each other.”</td>
</tr>
<tr>
<td><strong>Vodafone</strong></td>
<td>The potential of communication: Corporate Responsibility Report (2007)</td>
<td>“The theme of the report is the potential of communications. Extending access to communications is the area where we feel Vodafone can make the biggest contribution to society.”</td>
</tr>
<tr>
<td><strong>SAP</strong></td>
<td>Corporate Citizenship Guidelines</td>
<td>“We believe the private sector plays a vital role in creating a level playing field, one that builds an environment that embraces education, technology, and innovation. We also believe that societies flourish where economies are strong and every person has a fair chance of active participation. By enabling individuals to develop their own skills, creativity, and solutions, they will be better equipped to help themselves and take an active rewarding role in their communities.”</td>
</tr>
<tr>
<td><strong>British Sky Broadcasting</strong></td>
<td>The Bigger Picture Review 2007</td>
<td>“The Bigger Picture is about taking the opportunity to do business better and grasping opportunities to make a contribution. A business that can see the bigger picture of its role in society is a business that can benefit society and ultimately itself. The Bigger Picture reflects the core values of Sky and what we stand for. It is part of our strategy of championing issues that our customers care about – it is a commitment to our customers to try to do something about our shared interests and to do it together.”</td>
</tr>
<tr>
<td><strong>Bertelsmann</strong></td>
<td>Diversity &amp; Responsibility Corporate Responsibility Report 2005</td>
<td>“Our fundamental values are rooted in the ideas and beliefs held by Reinhard Mohn, who decades ago committed himself and his company to embracing responsibility towards society... As the convictions and values of our post-war founder continue to guide our efforts in the future, this report presents how well Bertelsmann already lives up to its responsibility to society through a vast number of initiatives and enterprises. This is the true foundation of our success story.”</td>
</tr>
<tr>
<td><strong>BP</strong></td>
<td>Sustainability Report 2006</td>
<td>“In BP we define ‘sustainability’ as the capacity to endure as a group: by renewing assets; creating and delivering better products and services that meet the evolving needs of society; attracting successive generations of employees; contributing to a sustainable environment; and retaining the trust and support of our customers, shareholders and the communities in which we operate.”</td>
</tr>
<tr>
<td><strong>E.ON</strong></td>
<td>Corporate Responsibility 2007: Part of the Problem or Part of the Solution? Addressing Our Energy Challenges</td>
<td>“This report focuses on E.ON’s integrated business model. It allows us to present stakeholders with a comprehensive overview of our world-wide activities and the economic, social and environmental challenges associated with them... In our view, Corporate Responsibility is multidimensional: it requires equal measures of social engagement and environmental protection, climate protection, provision of safe and attractive workplaces, security of supply and a dependable contribution where we are located.”</td>
</tr>
<tr>
<td>Company</td>
<td>Report Title</td>
<td>Quote</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Barclays</td>
<td>Sustainability Review 07</td>
<td>&quot;Being a sustainable bank means providing enduring returns for our shareholders, and the best possible services for our customers – building long-term relationships with our stakeholders. Being a responsible global citizen means more than making philanthropic donations, it includes our duty to manage the wider social and environmental impact of what we do, and our obligations as a responsible employer.&quot;</td>
</tr>
<tr>
<td>Deutsche Bank</td>
<td>Corporate Social Responsibility Report 2006</td>
<td>&quot;Implementing concepts for sustainable corporate development is becoming ever more important in the face of global competition. Acting with sustainability in mind is not just an issue of altruism… Acting sustainably is not just a PR issue for Deutsche Bank, either. In fact, sustainability steadily influences our everyday business and our decision-making processes.&quot;</td>
</tr>
<tr>
<td>British Airways</td>
<td>Environmental Overview 2006/2007</td>
<td>&quot;We acknowledge our impact on the environment openly and honestly and actively work to minimise that impact. Environmental considerations are at the core of everything we do. That's why we've been reporting our environmental performance since 1992, the first airline to do so… As well as protecting communities and the environment at home, we also have a global support network that reaches out to many distant countries and causes.&quot;</td>
</tr>
<tr>
<td>Lufthansa</td>
<td>Balance – Company/ Social responsibility/ Environment/ Corporate Citizenship (2007)</td>
<td>&quot;The airline's key goal is profitable long-term growth. This requires strengthening and expanding the airline’s own leading position as well as those of its European partners. Lufthansa's corporate values are the basis on which this goal is to be achieved: Long-term profitability… Focus on customer benefits… Accent on core skills… System integration sets the pace… Attractive working environment… Social responsibility: We are committed to keeping a balance between business and social prerogatives. Environmental protection and sustainable development are prime objectives of our corporate policy. Active engagement in social projects is ingrained in our corporate culture… Guiding a company in a responsible manner is only possible by maintaining a dialogue with its stakeholders.&quot;</td>
</tr>
<tr>
<td>Tesco</td>
<td>Every little helps – Corporate Responsibility review 2007</td>
<td>&quot;We have therefore put community and sustainability issues at the heart of our Community Plans around the world. We have also put the Community Plan at the heart of our business through our Steering Wheel. Across our business, internationally as well as in the UK, we have taken responsibility for tackling one of the gravest threats we all face: that of climate change… The message from our customers is that they want to be empowered to make more sustainable choices and they want to see Tesco active in their community. They are ready for a revolution in green consumption and community activity.&quot;</td>
</tr>
<tr>
<td>Metro</td>
<td>Acting Responsibly – Shaping the Future: Sustainability report 2006</td>
<td>&quot;However, our business activities are not dictated by economic aspects alone. Rather, we feel directly responsible for adequately making allowances for the interests of our customers, shareholders and employees in our corporate decision-making and implementation processes. We live up to this self-imposed obligation by way of an open, confidence-building internal and external communication, a respectful recognition of the interests of our employees as well as a business management and control geared to meeting capital market expectations. Moreover, the business activities of the METRO Group are materially influenced by environmental concerns and the assumption of sociopolitical responsibility in the communities where we operate our outlets. Together, these elements of corporate management shape the unmistakable corporate culture of the METRO Group.&quot;</td>
</tr>
<tr>
<td>GlaxoSmithKline</td>
<td>Answering the questions that matter: Corporate Responsibility Report 2007</td>
<td>&quot;Corporate responsibility is about how we engage with society. It’s all-embracing, particularly for GSK as a pharmaceutical and healthcare company. For us CR is ‘built in, not bolt on’… It includes our community partnerships, although it is about much more than philanthropy… Corporate responsibility (CR) is central to our business. We aim to operate in a way that reflects our values, to understand and respond to stakeholder views and to connect business decisions to ethical, social and environmental concerns. We seek to minimise the negative impacts and maximise the positive benefits of our business. We believe that corporate responsibility should be managed as part of our overall business strategy and through our day-to-day business operations.&quot;</td>
</tr>
<tr>
<td>Bayer</td>
<td>Science For A Better Life: Bayer Sustainability Report 2006</td>
<td>&quot;The Report is also intended to demonstrate to the general public how we achieve a balance between ecological, economic and social needs and which steps we take to meet global challenges such as climate protection, clean water or human rights… Anchored in our Mission Statement is the philosophy that our technological and commercial expertise involves a responsibility to work on behalf of humankind.&quot;</td>
</tr>
</tbody>
</table>
Some writers have argued that corporate communications are the product of profession­ally orchestrated and expensive public relations exercises (see for example McQueen, 2001). However, one of the main advantages of using annual reports for research pur­poses include the unobtrusive nature of the method (Näsi, Näsi, Phillips, and Zyglidopoulos, 1997) and the non-interactive souring of data (Kabanoff, 1997). The conditions offer a distinct advantage in the study of organisational policies, procedures and results over interviews or surveys of company representatives as the data represents the official, unambiguous, unified position of the organisation which is free from the respondents’ personal bias, access to information or partial recall and not subject to errors re­lated to the content and the context of communication.

Three aspects were most relevant to the analysis of the images used in non-financial reports. Firstly, a qualitative approach was found most meaningful. Secondly, categories of images used should flow from the data. Thirdly, categories of images could be re­lated back to the communicative approach companies used to give meaning to the concept of CSR/sustainability. I applied a semiotic perspective, i.e. following the core as­sumption that human knowledge mediated by signs and that the communication via images is a meaning-producing event. For example, in branding and advertising, the meaning of images is intended to be clear or at least empathetic, despite the challenge of different interpretations (Barthes 1964; Berger 1984; Moriarty 1995). The chance of different readings might arise since the semiotic approach to visual communication also posits that images are collections of signs linked together in a certain way by the viewer, hence, meanings can only be suggested by the producer. Based on these con­siderations, the literature suggests conventional content analysis as an appropriate method (Hsieh and Shannon 2005). It allows new insights to emerge (Kondracki and Wellmann 2002) and is useful to inductive category development (Mayring 2000). However, conventional content analysis has limited reach for theory development, but can be used to develop concepts or to build models (Lindkvist 1981).

The process of analysis started with repeated reading of the report, especially observing the imagery presented. This way, a sense of the whole was obtained. In a first step, the images were counted in order to scale the field (for results see Chapter Six). While the
counts provide some surprising differences between reports from the two chosen countries, it is the typology of images used that I focused on. Hence, in a second step, I initially established a provisional level of abstraction that assisted in structuring and segmenting the data (Mayring 2000). During the repeated reading of visual language in the selected reports, and by drawing relationships between the segments, I further clustered and categorised the semantics of the images in the reports. Eventually, a ‘vocabulary’ (here: typology) evolved that describes corporate messages and allows for interpretations of how leading European companies communicate their understanding of CSR, and, respectively, how they add to the framing of CSR as a management idea. The findings and conclusions of this sub-study are presented in Chapter Six.

4.3.3 Sub-study 3: CSR conferences/communities

In line with the aims of this research, this sub-study draws attention to the role of CSR expert conferences and communities in creating the business case argument for CSR and reinforcing its acceptance. Conferences and expert communities are important for the framing of marketing and management thinking and the formation/development of a new/established field that see a respective management idea as its nexus. The social element of expert communities and the physical element of expert conferencing require and inspire each other. It can be said that experts in a field meet especially in order to:

- Discuss and reflect on matters of content in their area of expertise;
- Establish meaning, understanding, shared beliefs;
- Individually, reaffirm own position and broaden own perspective;
- Collectively, network and form a community in order to build trust, reliability and reputation amongst members;
- Gain external support for agendas and competition about resources experts face within their respective organisations;
- Grow specific areas through in-group support;
- Initiate and engage in collective action that is the critical ingredient for progression in new industry development (see e.g. Aldrich and Fiol 1994);
Surprisingly, there are few studies examining the role of conferences in the construction and development of management ideas and new issue fields. Meyer, Gaba and Colwell (2005) used participant observations at corporate strategic investing conferences that attracted representatives of all of the major ‘social fauna’ that comprised the community’s ecosystem. The authors write:

"It is a real-time investigation of the emergence of an organisational field. We hope to learn something about how new economic sectors materialise, how they acquire structure, and how they evolve. ... we came to regard this conference as a microcosm of the emerging field” (p 467).

The philosopher Michel Foucault also appealed for what can be interpreted as plea for the use of participatory research at CSR expert conferences by saying that

"there are more ideas on earth than intellectuals imagine. And these ideas are more active, stronger, more resistant, more passionate than politicians think. We have to be there at the birth of ideas, the bursting outward of their force: not in books expressing them, but in events manifesting this force, in struggles carried on around ideas, for or against them” (Eribon, p. 282, Italian newspaper Corriere della sera, 12 November 1978).

Conferences can be seen as ‘birthplaces’ for new ideas or idea development, and the creation of understanding, the generation of concepts and the presentation of application scenarios because they are gatherings of experts in this particular area. It is an arena in which the active engagement of actor groups can be observed. Therefore, I assumed that it would be possible for me to capture and observe the dialogue and interplay among several actor groups in a few settings.

This sub-study draws on participant observation and written conference material of international CSR conferences in Germany during 2004 and 2008. There were numerous CSR conferences in Europe and throughout the world during this period, which made it impossible to address them all. The development of two particular conferences that integrated representatives and content from both practice and academia were found valuable in order to capture the rise of CSR in general, the actors involved and the creation of the business case of CSR especially. Participants came from numerous countries, although mainly European nations, and mostly from international corporations, governmental organisations, NGOs, consultancies and universities. This enabled me to
get in touch with and interact with a variety of actor groups, to listen to their (changing) views in casual/natural occurring talk, and to observe how participants mingled and interacted. At the same time it was of interest to me to see how the conference setups developed, for example locations, partners involved and conference themes and aims.

I registered for the conferences as university researcher, paid registration fees like other participants, contributed a paper to one of the conferences, and also was a “normal” participant in any other regard for that matter. Therefore, it can be said that I have become a member of the expert community myself and there were a few people that I met again at two or more conferences. This also helped me to somehow “stay in touch” with happenings on conferences of either of the two conference series that I did not attend, besides the regular information that I got through conference newsletters. While the data this sub-study draws on is mainly from conferences I participated in myself, documents from other conferences of the series add to show lines and patterns of the development of the CSR field.

The two conference series found valuable and suitable for this sub-study are the International Conference on CSR organised by the Institute of Management at the Humboldt University Berlin (1st in 2004, 2nd in 2006, 3rd in 2008) and the EnviComm initiated and mainly organised by the CSR and communications consultancy Dokeo (1st in 2005, 2nd in 2006, 3rd in 2007, 4th in 2008). The advantage of concentrating on conference series since their respective beginning – even though I did not attend all single events – lies in the opportunity to consider the changes within those series, which reflects on the proliferation of CSR in general.

The first conference I attended was the 1st EnviComm in early 2005, one of the first integrated conferences of its kind in Germany. The somewhat clumsy title of the two-day conference was “Forum on environmental protection, sustainability and CSR for corporate decision-makers and communicators” (“Forum über Umweltschutz, Nachhaltigkeit und CSR für Entscheider und Kommunikatoren in Unternehmen”). Organised by the at-the-time small consultancy Dokeo in Stuttgart/Germany, it covered topics around communicating sustainability, crisis communication, communication strategies,
corporate sustainability, CSR approaches, and public-private-partnerships. The 45 participants were mostly senior managers from large German companies and German branches of big British/American firms (including SAP, O2 Germany, SustainAbility, Henkel, Ford of Europe, German Telecom, German BP). On the one hand, this conference provided me with many useful corporate contacts and I gained access to CSR managers that I later interviewed. On the other hand, the conference made me aware of the importance of expert conferences in general and specific corporate issues around the CSR development in special.

In late 2006, I attended my second CSR-specific conference for research purposes: the 2nd International Conference on CSR in Berlin. Inaugurated in 2004 as "a platform for multi-stakeholder dialogue", the Humboldt University CSR conference series has attained a remarkable degree of international relevance in the field of CSR, governance and globalisation in a short period of time. The 2006 conference attracted more than 400 participants and was strongly supported by external industry, media and public sector partners. A wide range of international CSR practitioners, decision-maker and leading academics attended the three-day event (see Chapter Seven), due to the extensive industry network of Institute of Management. All sessions were held in English language. The conference had strong political support and most of the conference sessions took place in the new German parliament building next to the Reichstag. A gala dinner was held in the historic Great Festival Room in the prestigious Red Town Hall (Rotes Rathaus). The conference theme was “Globalisation and Corporate Responsibility”, but presentations and discussions were by far not limited to those CSR topics.

The third conference I attended was the 3rd International Conference on CSR. This 2008 conference was organised in a similar fashion to its precursor in 2006. The conference theme was “Corporate Responsibility and Governance”, but presentations and discussions again went beyond those topics. The organisers’ objective was to connect the best minds in the field with influential stakeholders from around the world in order to offer a unique chance to engage in meaningful discourse about one of the key concerns of current time (www2.wiwi.hu-berlin.de/institute/im/csr/en_konferenz_konferenz.html). Nearly 520 practitioners, academics, NGOs, politicians and individuals from other sectors participated. The main sponsor of the conference was
German energy giant e-on. Further partners were for instance The Global Compact, Boston College Center of Corporate Citizenship, ecosense, and the Center for Corporate Citizenship Germany. Special guest and key note speakers were, amongst others, Economic Sciences Nobel Prize winner Michael Spence, Transparency International founder Peter Eigen, the leading stakeholder theorist Edward Freeman, and executive CSR/communications vice presidents from for example Siemens, Volkswagen, Bayer, Unilever, British-American Tobacco, FIFA.

Participant observation is useful for gaining insight into the physical, social, cultural, and economic contexts in which CSR experts establish communities and shape arguments and understanding. The relationships among and between people and their verbal expressions of CSR have consequences on norms, behaviours and activities. Importantly, this method enables researcher with an interest in longitudinal discovery processes to develop a profound familiarity with the cultural milieu and to help putting data collected through other methods in context: “It gives them a nuanced understanding of context that can come only from personal experience.” (Mack, Woodsong, MacQueen, Guest & Namey 2005, p 14), In observing and analysing the conferences, the following questions served as my guideline:

- Who organises the conferences and what are conference themes/aims/topics?
- Where does the conference take place and what does the conference site look like?
- Which individuals and organisations are participating and how do they interact?
- How is CSR being presented in presentations and speeches?
- How is CSR being discussed?

During the conferences I attended numerous sessions with presentations that caught my interest. Beyond conference documents made available to participants, I extensively recorded observations and conversations. Mostly, I made notes of natural occurring talk after it occurred in order to not distract myself and the respective people I was talking to from the immediate interaction. Occasionally, I used a voice recorder to tape the spoken words of presentations or keynotes and open discussions thereafter (conference events
were recorded and taped by the organiser for widely distributed promotional purposes. I also took photos at some events as other participants also did. Those measures and procedures were intentionally used to mitigate two potential disadvantages of participatory observation: firstly, the difficulty of documenting the data while being in the act of participating and observing; and, secondly, the inherently subjective nature of the exercise.

All conference organisers provided photo albums after the event, which added to my own library. The organisers also supplied rich sources of written material before, during and after the conferences like brochures, reports, proceedings, and the slides/transcripts of presenters/speakers. Those documents are purposefully designed to present CSR-related identities, opinions, and activities of the authors or organisations the authors represented to the conference audiences in particular and other stakeholder groups in general. Therefore, they were a rich data source that I could examine and get back to when necessary at different times of the research process. Consequently, my approach included 'spiralled' levels of planning, observing, reflecting and revisiting.

In order to analyse, interpret and report my data in a comprehensible manner, I focused on the difference between describing what I observed (more objective) versus interpreting what I see (less objective). This challenge it less apply to the revealing typologies of conference participants, organisational details and the clustering of conference themes, but certainly to the conference talk and the observations. My way of filtering out unintended personal biases was to write down 'objective' observations of a given event in the first place, and then offer more subjective interpretations of the same event. Therefore, it was important to offer verbatim quotations from transcripts/field notes where possible, suitable and adequate in order to, firstly, illustrate the role of CSR expert conferences/communities in creating the business case argument for CSR and, secondly, in order to deepen understanding for the process of reinforcing its acceptance.

The findings and conclusions of this sub-study are presented in Chapter Seven.
4.3.4 Sub-study 4: industry application

In line with the aims of the thesis, this sub-study seeks to conceptualise and empirically illustrate the way competitive benefits from industry-wide CSR application can be achieved. It provides another layer to the development of CSR and its construction process, because it locates the talk about the business case of CSR in a commercial setting and its strategic success. Ideas and especially management ideas need application to demonstrate their potential in comparison and competition with other ideas and concepts. Thereby, this sub-study provides further substance to the 'reality' of CSR in modern global business and gives evidence that denies CSR as only a fad or extra.

In order to be sustainable, CSR requires what can be called “value in use”. Etymologically, the word ‘application’ means “a joining to; attaching oneself to” (www.etymonline.com). In this sub-study on the application of CSR in a specific business and its role in creating CSR in general, it unfolds its value through the positive impact it has on the competitiveness of a whole industry. Therefore, questions arising revolve around ‘How does an industry adopt the idea of CSR to foster its competitiveness?’ and ‘What is the value for managers and organisations to embrace CSR as an opportunity-driven management concepts?’. To answer those questions and develop an understanding of the forces at work, the professional football industry offers a very suitable case: it is part of the larger global entertainment industry and an example of a business that has been threatened to lose its ‘license to operate’, but successfully embraced the CSR idea to (re-)build trust and increase its competitiveness. As such, the choice of looking at CSR in the football business can be seen as a blueprint for other more mainstream/generic industries, and ways they can embrace CSR for long-term industry benefits. As any industry, the football business offers particular characteristics and ramifications, which are considered in the analysis.

Professional football management, especially in Europe but also around the globe, has experienced considerable change over the last two decades. The embeddedness of football in society and the relations between professional football organisations and their stakeholders (FIGURE 4.6 shows a club-centred stakeholder map for a professional –
English - football club comprising both external and internal stakeholders) have seen four new developments in particular:

- Firstly, the explicit (often: contractual) acknowledgement of stakeholders;
- Secondly, the degree of demanded transparency of business conduct;
- Thirdly, the interaction with groups which were formerly to be considered outside the game;
- Fourthly, the need to strategically manage stakeholders in order to gain or sustain advantages the game holds against other sports in the global sports industry marketplace (Breitbarth and Harris 2008).

Beckmann, Morsing and Reisch (2006) describe four basic strategies stakeholders may use to implement their concerns: creating public pressure through mass media; mobilise political pressure via parties or other institutions; initiate market forces through ‘exit and voice’ strategies; and directly putting pressure on corporate agents. Today professional sports management faces such potential damaging scenarios, too. For example, NGOs targeting the 2002 FIFA World Cup in Asia accusing FIFA of abusing and exploiting labour involved in the production of footballs came as a surprising experience for the football family (CSR Europe 2002). Suddenly, the question of ‘how socially responsible is football?’ was on the agenda.

Hence, I extend the argument for integrating CSR into the football context and seek to identify the value of CSR management for this industry and why it has been integrated into the structural changes the game has seen over the last two decades. In the football context, consulting firm Deloitte and Touche (2005: qtd. in Holt, Michie, Oughton, Tacon and Walters 2005) has recommended that clubs integrate CSR management to ensure healthy relationships with the community. On a global level, the world governing body FIFA has created a CSR unit, even though the general moral integrity of the organisation and a number of its “goodwill” activities (e.g. the Goal Programme) remains doubtful (Jenkins 2006), which ties in with occasional scepticism about the general idea of CSR and its application.
As already argued, realistically, the CSR concept needs to demonstrate its value to managers in order to be a sustainable management concept itself. This sub-study exploring the application of CSR to strategy consequently seeks empirical evidence for the claims of the stream of CSR research that is concerned about the rationality of companies to engage in CSR and their likely strategic benefits (e.g. Burke and Logsden 1996; Epstein and Birchard 1999; Fombrun 2001; Gilbert 2001; Porter and Kramer 2002; Prahalad and Hammond 2002; Thorne McAlister, Ferrell and Ferrell 2005) to hold up the important management idea of the business case for CSR.

The research draws on secondary data evenly collected across all four national cases. It draws on websites of clubs/teams, leagues and bodies, which have been analysed in their respective national context, because they are an iconic representation of professional organisations (Esrock and Leichty 2000). They are purposefully designed to present its identity to diverse audiences and stakeholder groups as has been evidenced in previous CSR research (Esrock and Leichty 1998; Maignan and Ralston 2002; Pollach 2005). Thus, these cases conveniently communicate an organisation’s definition/understanding, recognition of importance and application of CSR.
Between June and August 2006, internet sites of all members of the Premier League (England, 20 teams), Bundesliga (Germany, 18), J. League Division 1 (Japan, 18) and Major League Soccer (USA, 12) were systematically screened for information about CSR activities and stakeholder communication labelled as such by the organisation, reflecting the organisation's approach to CSR and consequent national meaning and perception of the concept at the same time. Based on these considerations, scholars suggest summative content analysis as an appropriate method (Hsieh and Shannon 2005), because it allows for keywords and themes to be identified before and during coding, so that both the researcher's interest in conceptualising a particular phenomenon and suggestions from the literature (here: CSR, strategic management) are served.

The thematic grid used to record data included the following dimensions: club, club structure, CSR vision/mission, organisational objectives linked to CSR, CSR activities/programmes, organisational structure of CSR activities/programmes, characteristics of sponsors/partners involved in CSR activities/programmes, prominence of CSR information on website, and space for notes on further observations. In addition paralleling this exercise the websites of the professional football leagues (The FA Premier League, England; German Football League, Germany; Japan Professional Football League, Japan; Major League Soccer, USA), and the governing national football bodies (The FA, England; DFB, Germany; JFA, Japan; U.S. Soccer Federation, USA) were screened accordingly. Systematic data gathering and classification, understanding of the professional sports industry and national CSR contexts, as well as strategic management literature eventually allows me to conceptualise the way through which industry-wide CSR application leads to competitive benefits (see Chapter Eight).

The rationale for the case selection is underpinned by the premise that the chosen regions are influential contexts in which CSR practice and theory has developed, and that the respective football markets are representing traditional centres of the game on one hand and the most important new markets on the other hand. I believe that this overlap of relevance for the analysis of the role of CSR in professional football provides a realistic approach for an international comparative advancement of investigation into...
this topic, and that the four cases are “typical” (Yin 2003) in the sense that they are ambassadors of the general debate and application of CSR.

Discussions about CSR, its integration into business strategies and conduct, governmental policies, and academic research can be observed in almost every region around the world. However, England, Germany, the USA and Japan remain the most influential countries in respect to CSR. Arguably, the European Union is the most vibrant region in the terms of progression in CSR (Diamantopoulou 2005), with the UK and Germany in a leading role, demonstrated for example by the majority of worldwide CSR publications being published in the two countries (www.corporateregister.com). The USA is particularly influential in the academic CSR and stakeholder management area as a result of key theoretical and empirical investigations into the area and the production of substantive literature and research. Japan, together with Europe and the USA, is one of the world’s leading economies and has some of the most significant global players. Japanese firms have a unique and long history of CSR (Demise 2006), thus playing an influential role in shaping worldwide policies both through international governmental organisations and global business conduct.

In football, the English and German teams represent the traditional strength of the sport, rooted in the tradition of the sports club (‘societies’) system, and having a leading position in respect to the financial, cultural and institutional development of the game. The U.S. and Japan are rather new football markets with their professional leagues running under a franchise system - thus a planned sports business activity. They are important regions for the game’s economic development, as the allocation of the 1994 (USA) and 2002 (Japan/South Korea) FIFA World Cup demonstrate.

Roome (2005) argues that besides generic aspects of CSR (the adoption of new roles and responsibilities demand the process of organisational change and development of managerial routines) agendas and policies are influenced by cultural, economic, social and political - in short: context-specific – factors. Thus, different agendas and policies effect companies’ and industries’ approaches to manage CSR, and no company can claim mastery of it. Or putting it in Votaw’s (1972) words: CSR “means something, but
not always the same to everybody” (p 25). Therefore, it is a difficult phenomenon to research, with case studies being a suitable approach to attach meaning to the concept in its respective context of appearance. Consequently by doing so I also follow researcher calls for “concrete studies of real case studies” in the industry (Freeman and McVea 2001, p. 204).

The findings and conclusions of this sub-study are presented in Chapter Eight.

4.4 Comments on research in different languages and research ethics

This research was predominantly conducted in an international, mainly European environment and specifically British and German language. Those are comfortable environments for me due to extensive life experience in different cultures and languages. However, it needs to be noted that all translations and interpretations from German data into English were done by me and tailored to the context in which they were conducted. If necessary, where appropriate I drew on the user-driven online dictionary www.leo.org in order to find suitable translations.

Several ethical considerations had to be taken into account and dealt with, especially in regards to the management interviews conducted and the conference observations. Those are related to transparency, personal information/anonymity and confidentiality of informants. To deal with transparency, interviewees were given an introduction into what this research is for, how the researcher would conduct the actual interview, and how given information would be handled. Interviewees were aware of the fact that the interview is recorded for transcription and a scientific analysis. Tapes were deleted after transcription (according to the ethical approval documents for this research and assurance given to interviewees prior to the interviews). At the end of each interview interviewees were answered all their questions related to this research. They received a summary of preliminary findings in 2006 and were offered an abstract of the final, accepted thesis. At conferences I did not target specific individuals, but observed naturally occurring events and talk within the community of which I considered myself part of. I
was happy to talk about my research if asked about, but otherwise recorded my observa-
tions and experiences with a similar intention as other participants that may have taken
their own records in order to report to colleagues or audiences not present at the confer-
ence.

To deal with personal information/anonymity, names of individuals do not appear in
this thesis. Exact job titles are not linked to company names to prevent “indirect person-
alisation”. To deal with confidentiality, data deriving from none-public sources are dealt
with using most possible caution and are not attached in original. This includes tran-
scriptions of the interviews, which are kept by the researcher for verification towards
examiners only. In general, it can be assumed that the type of actors interviewed and
observed (mainly senior managers, directors, key decision-makers in large organisa-
tions) have experience talking to researchers (interviews) and interacting within profes-
sional communities (conferences). They can balance the above-mentioned (and possible
other) ethical issues relevant to their own or their companies’ interests as they go. Also,
it can be assumed that the type of data collected is unlikely to affect their personal and
professional sphere in any negative way, especially considering the time gap between
the data collection and actual publicly availability of this thesis.

4.5 Summary

Chapter Four presented the research design, methods and data analysis. The underpin-
nning rationale for my approach is the view that social constructionism offers a reward-
ing theoretical perspective within which to frame qualitative research in marketing. I
established myself as a self-conscious researcher and intellectual crafts person system-
atically investigating social phenomena along four interrelated layers of the CSR devel-
opment in Europe over the last five years. Those layers are represented through individ-
ual sub-studies into relevant business actor groups, aspects of CSR communication, the
role of CSR communities and insightful industry application of CSR. They were ap-
proached – in nature and in practice – as inquiries following a qualitative approach, uti-
lising multi-layer and multi-method design. I also commented on matters of conducting
research in different languages and ethical considerations.
While this chapter provides justification and background to the design, method and ways of data analysis of the empirical inquiries, unique findings and weighty conclusions of the respective sub-studies are presented in the following chapters Chapter Five to Chapter Eight. One can think of those four chapters as four different windows allowing insights into the same room, each providing a different perspective on the same phenomena: the emerging, constructing and making of CSR as a business concept. The first ‘window’ is Chapter Five, which shows how corporate CSR managers gradually framed the topic over the period of about three years and how they were a catalyst of the construction of CSR as a management idea.
CHAPTER FIVE

MANAGERS AS TRANSLATORS AND AGENTS FOR ORGANISATIONAL CHANGE

"Ideas are great arrows, but there has to be a bow."

(Bill Moyers)

5.1 Introduction

This chapter provides evidence for the way corporate CSR managers gradually framed and translated CSR in their respective organisations over the period of about three years. In Section 4.3.1 it was argued that actors not only have a passing interest, but also attribute meaning to their actions. Thus, this chapter reveals them as individual catalysts of the construction of CSR as a management idea, which retrospectively happened in periodical and distinguishable steps. Thereby, as an informally interconnected group they significantly influenced the inner-organisational sense-making of CSR and impacting on the general wider CSR space. Describing the creating of a social phenomena, and change in its constitution, needs to analyse “the reweaving of actors' webs of beliefs and habits of action as a result of new experiences obtained through interaction” (Tsoukas and Chia 2002, p 570). Therefore, the intention of this sub-study is to plot progress in the development of CSR as experienced by corporate managers in the context of their respective organisations. Context in this case is not only ‘background information’, but part of the environment and stage where the CSR discussion emerges. Conceptually, it is important to distinguish between firstly, exploratory and accompanying interviews; secondly, a first run of interviews; and thirdly, a second run of interviews. Primarily, such a research design provides the chance for changes to unfold during the gaps between interviews.

Generally, organisations and individuals contributing to the circulation of CSR have undergone a dramatic development during the last decade, as demonstrated in Chapter One, Two and Three. Governments, trade associations, business networks, certification
and standardization organizations, nongovernmental organizations (NGOs), investment banks, universities and business schools, consultancies, and law firms, among others, have aided in the advancement of CSR. Several efforts have been made to raise the awareness of the idea and to encourage and exhort corporations to increase their level of social responsibility. CSR standards, frameworks, and guidelines have been issued; reports on corporate misbehaviour have been published; rankings of socially responsible corporations have been inaugurated; research on CSR has been amplified; seminars, workshops, and conferences on CSR have been organized; and fora in which advocates and opponents could discuss the idea of CSR have been arranged. And still the list of CSR activities could be much longer.

The enormous number of initiatives and actions under the label of CSR and sustainability that have been instigated by organizations and individuals all over the world makes it an impossible task to cover them all. This chapter provides an analysis of how key actors within organizations have advanced CSR through their actions, while acknowledging the fact that several actor groups take part in the construction of an idea and that they reinforce each other. In particular, the chapter looks at the way corporate CSR managers and CSR consultants frame, express, and construct CSR, because they are “bows” for CSR mobilization and advancement. At the same time, this process is embedded in case studies their respective companies.

In the first part of the chapter, findings from the exploratory interview phase are presented, because they were influential in mapping dimensions of the field at the start of this thesis and can be seen as a starting point to compare later developments. The results were formally reported to respective interviewees at the end of 2005 in order to validate findings. Feedback – where it happened - supported both the general and the specific findings. In the second part, I provide insights into the five case studies and outline developments/changes between 2005 and 2007/8 in respect to their approach, inner-organisational behaviour and sense-making of CSR as a business-relevant concept. Themes were extracted based on multiple consolidating case screenings. They are presented as in-case and cross-case findings.
5.2 CSR themes: corporate managers’ and consultants’ views in 2005

The primarily purpose of exploratory research is to get a “feeling” for the field and to develop a further research program. Hence, I present company-centred cross-sample findings (focusing on agreements between interviewees) that are relevant for CSR activities in a multinational context, and leading to further inquiry in a longitudinal study spanning 2005 to 2008. CSR was not strictly defined before the interviews in order not to limit the meanings to which each actor ascribed the phenomenon. Not surprisingly, there was a soft common ground of agreement: CSR is seen as a manageable process of integrating impulses (mainly) from outside the company (especially from non-market relationships) with capabilities and business objectives of the firm. This is in order to obtain or balance long-term benefits (primarily) for all partners/institutions involved in the process. However, it has to be noted that CSR is very much a “cluster concept”.

Since all of the interviewed companies thrive on aligning their CSR efforts, there was a trend away from ascriptions to the “voluntarily” and “ethical” nature of CSR towards a self-conscious, proactive and strategic understanding within the management of large multinational enterprises. However, the comments of German directors/managers are more careful on this than the ones from their British counterparts:

Manager: “I think it is no longer a taboo to say that it also has to be a business case ... I think we have gone a great part of the way and it is no longer a taboo – and, by the way, this is truly understandable from the perspective of both the CSR practitioners and society to work together.”

5.2.1 General organisational themes

As shown in Chapters One to Three, Europe is the most active area of CSR discussion and practice: western and northern European countries account for approximately half of the world’s non-financial reporting. The historical development of CSR in both the UK and Germany can be described as “path-dependent”. Following different industrialisation experiences, socio-institutional patterns in Germany have traditionally demanded cooperative and long-term focused models of interaction. The UK, however, has tended
to be more explicit about the allocation of individual responsibilities and a culture of “arm’s-length relationships”. Despite the context-dependency of CSR, interview data revealed five generic themes about the state of CSR in early 2005:

- 1) **CSR leads to organisational change**: interviewees report that the resource allocation of CSR-aware organisations has changed considerably. In vanguard firms, structure follows strategy, such development may well be reinforced by the growing influence of CSR consultancies.

- 2) **CSR leads to increasing communications**: internal communications (aiming towards organisational change) and external communications (aiming to interact with stakeholders and the public in large) are essential for the effective manifestation of a company’s CSR approach.

- 3) **CSR reinforces the manifestation of the “stakeholder corporation” in business strategy and management**: external pressure and internal considerations open more channels for stakeholders to contribute to a company’s long-term success and vice versa.

- 4) **CSR offers sources of competitive advantage**: due to the dynamic nature of CSR, as well as the lack of full exploitation in most companies, markets and countries, it still offers sources of competitive edge - for example first mover advantages to build beneficial relationships.

- 5) **CSR activities become more localised**: currently, companies’ CSR programs become more localised especially when they are motivated through the consideration of effectively communicating with the regionally/culturally embedded customer base.

### 5.2.2 Specific CSR aspects

The following findings from the 2005 interviews were of preliminary nature, helping to map the area of research this thesis. By focusing on communalities, the interviews revealed ten aspects of CSR construction, mobilisation, communication and application. Those dimension were mapped as an empirical basis for further longitudinal case studies.
1) Company foundations, historical development and value set

In companies that were founded by individual entrepreneurs, today’s CSR approach might be traced back to philanthropic roots and a traditional set of values.

*Manager:* "(X) has always had a strong link to the community. You can trace through some wonderful quotes from (X) backing the need to be engaged with the community. The company is a long-standing culture with community engagement."

Looking back at a relatively short history of private ownership and operating in highly regulated markets, former state-owned firms have developed their CSR program more along governmental and public policies.

*Manager:* "Throughout all the turnarounds within our company, environmental protection has played a dominant role."

2) National contexts and strategic behaviour

There is strong support for the concern that a company’s CSR approach in general, especially CSR reporting, is biased towards the company’s head office. This may lead to competitive disadvantages on the home-markets of other players.

*Manager:* "So we have to recognize where you sit is generally where you are biased towards. And this is clearly a disadvantage for (X) because issues of sustainability are really emerging in Europe and Japan."

Interviewees perceived it as crucial that there is a shared and enforced understanding of the company-wide CSR approach, but how to balance centralisation/general guidelines with regional adaptation often remain open and contradicting comments are given.

*Manager:* "There are no different strategies. ... There is a need for regional approaches."

However, despite the assumption that UK-based companies may have taken the lead in integrating CSR into business strategy, global players – mediated by the growing number of CSR consultancies – tend to conform.
Consultant: “There are many companies that are particularly under the spotlight – and these are mostly global players, thus there is a tendency that they do conform.”

3) Competition and CSR

Strong competitive forces and highly regulated markets (thus, high political involvement) seem to enforce the professional recognition of modern CSR by firms.

Manager: “Today, appropriate sustainability or CSR activities of corporations or larger businesses are strongly demanded.”

Manager: “To be successful in long-term, we also have to take social responsibility.”

However, the case studies suggest some doubt on the mid-term and long-term development of CSR in general, as well as the professional and serious actions taken by companies in particular.

Consultant: “There are serious considerations of CSR as a ‘bubble’ – it means that it will soon become obvious who just ‘talks the walk’ and who ‘walks the talk’ in terms of implementation and action.”

Clear examples of competitive advantage though strategic implementation of CSR thinking are still rare. However, it seems that competitive edge can already be gained especially on regulated markets and opportunities are more obvious in eco-responsible solutions:

Consultant: “The example of the Toyota Prius and the opening of the Car Pool Lane in L.A. for this environmental friendly vehicle is probably one outstanding case.”

4) Internal communications and organisational change

A buzzword in the interviews in relation to internal communication was “creating awareness”. To be meaningful, CSR is seen to be an integrative part of the organisational culture (which in general is known to be a highly complex matter, especially in large multicultural organisations).
Manager: “The whole CSR endeavour can only be successful and efficient when all employees think and act in the same direction. ... I think, this is extremely important, because then every employee is an ambassador.”

Consultant: “It has to be integrated into the whole organisation. It is useless if it remains board talk and is not reflected through the involvement of the single employee.”

Organisational-wise, the management of internal communications media rarely falls into the responsibility of the respective CSR person, instead they provide content, which means that it has to “compete” with other topics for space.

Manager: “We from Corporate Citizenship participate in monthly meetings that for example is held by our colleagues from (X) television about new topics to pitch stories they might be interested in. I talk on a regular basis to our colleagues from our internal media (X), which is our employees’ magazine.”

5) External communications

Interviewee agreed that CSR must involve a wide range of external communications. Indeed, often the corporate communications department is responsible for CSR operations (especially in German companies) or – at least – both are very closely linked (whether formally or informally). It is suggested that CSR communications revolves around the firm’s capabilities for innovation.

Consultant: “The capabilities of a company have to be exploited effectively ... the heart has to be the innovative power of the company.”

6) Stakeholder management

Directors/managers seem not to be convinced by formal techniques of corporate stakeholder mapping and strategic planning. It is rather an incremental process of traditional contacts and emergence.

Manager: “In terms of identifying them it is pretty obvious ... It is not that difficult to find out who they are.”

The identification of individual stakeholders and the mapping of issues are suggested as two different parts in the process.
Consultant: “First thing we do is ‘issues mapping’, that is issues that are at all relevant to the individual company. A lot of firms don’t even know.”

As much as stakeholder forums are used to evaluate issues or develop understanding and solutions, it was mentioned that at times it could be impossible to bring different stakeholders to the same table because they are following their own agendas.

Manager: “The (X), which is our union in (X) ... refused to meet with an environmental group ... The (X) refused to meet with any who had an environmental or sustainability agenda ... Full stop, end of discussion, won’t meet.”

7) CSR performance and measurement

It appeared from the interviews that for CSR to achieve greater prominence internally it clearly has to show its value for the business.

Consultant: Sustainability has nothing to do with sales but a long-term increase in brand value. Sales will benefit from brand value later on. In general, it is a part of the update and modernisation of a brand, nothing else.”

Directors/managers are fairly sceptical about current CSR performance measurements and see this as one current obstacle for the promotion of the CSR idea in general (internally and among businesses). Nevertheless, a variety of (often self-constructed) tools are used – mostly based on multiple-stakeholder questionnaires/forums.

Manager: “We are talking about soft variables. For example, how can we measure if we support or increase our positive image through being a ‘responsible’ corporation? To measure this is extremely difficult ... We thought about conducting customer surveys, but basically they do not provide an objective picture – at least from our perspective.”

However, external ratings or “good” indexes are often referred to as “measurements”. If CSR programs include long-standing activities like sponsorship, then popular evaluation designs might be used.

Manager: “We are looking at external rating ... One measurement for us, the very immediate measurement for us, is the media output ... We firmly believe that you can measure the effectiveness of the programs that you sponsor.”

Reflecting on their daily business and the observation of CSR processes, directors/managers are convinced by the positive impact that CSR operations have on the
overall business performance, for example in terms of reputation, regulators’ policies, risk management, and knowledge feedback.

Manager: “We definitely believe it made a difference [the allocation of an important operating licence]. That is why the topic is part of the public affairs unit. Surely, this topic is used for lobbying.”

8) CSR or not CSR?

Some interviewees were less concerned about the exact label of the company’s CSR activities or their job positions than others (which varied largely between the companies).

Manager: “It doesn’t matter what you call it. It is about what you do.”

However, they are well aware of the possible impact of the label in the context of communicating the firm’s approach. The developing maturity of the CSR phenomenon leads to varying cross-regional and multicultural communicative contexts as well as changing interpretations within companies and respective societies (this seems to be of great concern to CSR directors/managers not located in the company’s global headquarters). In particular the meaning of “social”/“societal” is highly dependent on political arenas.

Manager: “I mean, the reason why we have never called it CSR in (X) was the fact that the words ‘corporate social responsibility’ do not translate well in the US. That would probably sound a bit like, you know, creeping red flag or those kinds of left wing behaviours or something.”

9) British vanguards

The British approach to “explicit” CSR strongly influences German CSR managers’ perspective. The CSR understanding of the European Commission reflects the UK perspective, too.

Manager: “Definitely, it is integrated into the culture of our British colleagues. It is an unquestioned issue (...) it is naturally in the UK – in Germany we are still behind. I think as a British subsidiary we have learned a lot during the last couple of years, and have made good progress, but we are still not where we would like to find ourselves.”
10) Director’s/ manager’s personal characteristics

Personal characteristics of CSR directors/managers suggest that CSR responsibilities are handed to mature personalities (often from within the company) to integrate business experience, contact networks as well as communicational stand and leadership.

*Consultant:* “It needs a lot human understanding, experience and knowledge of the context.”

5.2.3 Mapping themes and provisional conclusion as basis for further inquiry

The mapping of corporate managers’ and consultants’ views shows that CSR gained traction as an explicit management idea. Although there was confusion and inconsistency, actors tried to frame and conceptualise CSR in order to establish and mainstream the idea internally and externally, and to align it with a traditional understanding of business management. This was an actor-driven situation. Those actors within and outside companies linked the idea with strategy, communication and other areas of organisational value. Consultants helped the process by providing some of the rhetoric used (needed) to support concerned managers pushing the topic internally.

In summary, the themes emerged throughout the exploratory phase are aspects of content, context, resource and process dimensions of the genesis of the CSR debate and strategic organisational change (FIGURE 5.1). Content implies aspects of the nature of the CSR idea as framed and understood. Context describes aspects directly relevant to the CSR debate that lay within or outside the company. Resources are aspects of value and power that are/can be created and utilised by managers concerned with the development of CSR. Process is a reflection on the way developments happen and usually describe aspects of change. It is not possible to see these four formal dimensions isolated and exclusive, but as threads of a web of organizational reality, individual understanding and the construction process of CSR as a management idea. Issues and themes mapped around those four dimensions underlie the case inquiry and are presented next.
FIGURE 5.1: Themes from interviews with CSR managers and consultants in 2005 with key quotes

"It doesn’t matter what you call it. It is about what you do."

Company foundation, historical development, value set
Defining CSR
British vanguards

Localisation of CSR activities
CSR performance measurement
Manager’s personal characteristics

National context
Influence of political-economical environment on strategy

Internal/external communication
Organisational change
Stakeholder corporation/management

Resources

"And this [place of headquarter] is clearly a disadvantage for (X) because issues of sustainability are really emerging in Europe and Japan."

Continued...
5.3.1 German Telecom

**Change as normality**

Between 2005 and 2007 German Telecom replaced their CEO for the second time. This change was a result of slumping sales and the flight of customers to cheaper competitors, a reason why the company laid off more than 30,000 workers in 2005 and 2006. German Telecom has faced different business environments and market pressure ever since it became a public company in 1996. The CSR manager interviewed, being in the company for about 20 years, shrugged this off by pointing out that the organization “has seen many, many change” over the last decades and “there was always some reorganization under every new leader... When we talked two years ago, it was all about decentralization; now it is all about centralization”.

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**TABLE 5.1:** Synopsis of characteristics and opinions of managers about their role and the stage of the CSR development

<table>
<thead>
<tr>
<th>Profession &quot;by trade&quot;</th>
<th>German Telecom</th>
<th>British Telecom</th>
<th>SAP</th>
<th>Bertelsmann</th>
<th>O2 Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawyer, 10 years in communication</td>
<td>Marketing, brand and communication manager</td>
<td>Certified PR-manager</td>
<td>Communication manager</td>
<td>Certified PR-manager</td>
<td></td>
</tr>
<tr>
<td>CSR team, reporting to Head of HR (2005)</td>
<td>CR department, reporting to Secretary</td>
<td>CorpComm department, reporting to CEO</td>
<td>CorpComm department, reporting to CEO</td>
<td>CSR team, reporting to Head of Legal &amp; Regulations (2005)</td>
<td></td>
</tr>
<tr>
<td>CorpComm department, reporting to CEO (2007)</td>
<td></td>
<td></td>
<td></td>
<td>CSR department, reporting to Head of Corporate Center (2007)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CorpComm, reporting to Head of Corporate Center (2008)</td>
<td></td>
</tr>
<tr>
<td>Role definition</td>
<td>Spin doctor, catalyst</td>
<td>Catalyst, enabler, passionate advocate</td>
<td>Catalyst, communicator</td>
<td>Moderator, coordinator, information broker</td>
<td>Coordinator, pilot, “Mother Teresa of the company”</td>
</tr>
<tr>
<td></td>
<td>“I believe we are in a transition period and the topic will advance. But it is important to establish it in people’s heads.”</td>
<td>“It is still rising. It might be difficult to sustain in the mass mainstream, but in terms of a business topic, it is growing.”</td>
<td>“If a topic is important, it becomes natural part of a company’s bloodstream. CSR is such a topic. It won’t go away.”</td>
<td></td>
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</tbody>
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Historically a public held company, German Telecom was long focused on addressing environmental concerns and sustainability according to the public and political agenda. The interviewee him-/herself was trained as a state officer. Compared to the younger generation of managers and with corporate corruption scandals in large German firms (notably Siemens) around 2005 to 2008 as a backdrop he/she considered her training as a state officer as a valuable moral source and healthy ethical attitude:

"The younger generation approaches some aspects of work differently. And I don’t mean in a better way. They kick you under the table with smiling faces. ... They consider CSR as a good playground because one can get recognition and be laurelled, especially since our new CEO committed to the topic and wants business success not only be measured in pure numbers. In day-to-day business it is not always clear what he means by that. Anyways, certainly, CSR is only a transit area for many of the younger generation of managers."

CSR’s climb on the internal agenda

The manager pointed out CSR’s climb on the internal agenda by stressing the repeated public commitment of the new CEO, who also was the first CEO to talk at the Corporate Responsibility Day (held first in 2007 replacing the Sustainability Day). This also triggered the attention of a certain group of managers and between 2005 and 2007 CSR was subject of a power struggle between departments. CSR strategy and operations shifted from reporting to the Head of Human Resources in 2005 to become the CEO’s responsibility. However, as part of the restructuring the former Head of Sustainability – who oversaw CSR – became the company’s representative for climate change, and thereby a king without an empire. He no longer had his own budget and staff even though the topic as such moved up the corporate agenda. This left a power vacuum, which together with the centralization approach and the detachment from Human Resources opened up the struggle about the institutional future of CSR between remaining parts of the CSR unit and the Corporate Communications department. This didn’t come as a surprise, because early on the manager believed that the CSR people were seen as “a bit exotic” within the organisation, which was thought to have changed until 2005 because of their department leader as a great ambassador of the topic.
Defining CSR and the power of definition

Since the beginnings of formal and explicit CSR at German Telecom, it was seen as a 'technical' aspect (going back to the company's history in environmental management). Consequently, most parts of external and internal communication had to loop through Corporate Communications. However, "they have always approached CSR from this kind of sponsoring perspective, like the large sports and cultural sponsorships Telekom engages in." The tensions was already obvious in the 2005 interview, because it was stressed that one has to be follow the CSR debate very closely and engage in the CSR community to understand what it is about and which opportunities come with it.

"However, it is organisational reality that CC is better positioned at the moment, while we lost our head and were being moved out of the traditionally powerful HR section. So, while he (note: the former Head of Sustainability) is now a king without an empire and still has done very well for pushing the pressing climate change issue, we were exposed. Since the CC department is bigger and better connected and we didn't get support from other departments... even so we established reasonably good links and projects with for example marketing over the years... well, at the moment we are left with this mess, which I believe won't do the company good and certainly doesn't go down well among people outside the company that really understand what CSR is about."

Over the period of the interviews, the manager did become more determined to advance CSR both as an attitude and organisational reality. However, he/she also become more pragmatic, realising that formally establishing it within the organisational structure of a company is crucial. For example, in 2005 it was of high importance to clearly define and frame CSR. While the EU definition was used as guideline at German Telecom, they were unsatisfied with colleagues within their own firm and at other companies that used all sorts of names and labels, because it was thought that this inconsistency would hamper the acceptance of the business idea. Therefore, internal communications was seen as being part of this long-term project to manifest CSR and "a must to change perceptions and attitudes and make it to become a normal work routine". More than two years later, and with the possible loss of significance in mind, he/she commented not to care why people engage with "true CSR", be it because they are "150% behind the idea" for personal image and power reasons.
Constructing a link between CSR and competitiveness

While in 2005 questions about CSR and competitiveness did not feature highly during the interview, in 2007 the interviewee elaborated on the link. Especially with more market competition from new challengers, investment in CSR was believed to be of importance. For example, the UK was seen as driving the international debate, which was relevant because some of the new competitors were UK based and were much more strategic in using CSR for business ends.

He/she reflected that the developments at German Telecom were also due to the lack of critical feedback from shareholders and consumer watchdogs: “I thought our last reporting was poor, but no one outside seemed to care. We are actually still doing surprisingly well in ratings.” External CSR expert communities groups – “people that have a real interest in advancing the topic” – were of great support, because those meetings were traditionally non-competitive environments and cooperation happened beyond company borders. However, more hard-nosed facts and a more critical stakeholder environment was thought to have more direct influence on the level of pressure that is needed to draw executive managers' attention. It was mentioned that the climate change topic would be a good example of how fast internal resources could be pointed into a certain direction and parallel how people start to believe that this needs to be tackled for good business and moral reasons.

5.3.2 British Telecom (BT)

Building up substance and capacity

At BT the formal integration of CSR and explicit communication about it started relatively early in 2001, when the interviewed manager pulled together the community investment, environmental team, social reporting team and policy group. Ever since, the Corporate Responsibility unit reports to the company’s Secretary. In 2005 15 people worked in this unit with additional support from other departments. Throughout the following years “we got more pace, people involved, and a lot of people want to get into it”, suggesting a process in which CSR generally gained a stronger internal standing.
Key for this development internally was the framing of CSR as serious business concept, collecting evidence for its merits and communicating it accordingly:

"There are always some more sceptical people inside the company that are asking questions. Yes, let's say financial people might see it as 'less relevant'. But I don’t think there are any serious road blockers or growing trends on that. There is growing support and a healthy cynicism. You simply have to make the business case and you have to stay on top of its relevance. And the business case is growing stronger and stronger, so it is less likely you find somebody who is sceptical."

Business case rhetoric was evident in all interviews, but developed over time. For example, in 2005 it was expressed in a more textbook-like style that “CSR is certainly part of our brand and identity and is built into our values and so on – it is in our infrastructure”, while in 2007 the manager stressed the strategic link (“business strategy and CSR strategy are totally aligned”), implications (“CSR is a point of difference for us, especially as challenger brands on international markets and with large governmental tenders”) and market opportunities (“some of our innovative communication solutions already help other companies to be sustainable”). Having been an executive marketing and communications manager for all of his/her professional life, the interviewee obviously used a communications approach to establish and advance the topic internally and externally. The strong communications - and apparently less materialistic - approach was criticized by CSR managers from other companies taking part in this research.

Internal politics and mobilise resources for CSR

However, the BT manager pointed out the political nature of manifesting CSR in a company by saying that “it is hard to predict politics and especially change that comes with possible new leaders in the future”. Therefore, the business case argumentation also acted as a safeguard for criticism. This was achieved through a number of events, processes and methods:

- Getting support from other departments and therefore include them into the process (“We need to get in further into the bloodstream of the company and have tried to focus it much more on business opportunities”)
- Communicate progress and developments with the support of the Media Relations department and external PR agencies ("We have focused particularly on improving communications")
- Advocate for the topic by referring to larger trends and movements ("Global business can’t survive in its current form. This is where we can help with the kind of ‘you can join in’-message.")
- Create and benefit from resources that lay outside the company ("Our external panel of experts is a critical group of high-profile experts but helps us to manifest the importance of the work we do. … Feedback from analysts and being a member of sustainable stock market indices can move mountains.")

The value and the number of CSR programs at BT increased between 2005 and 2007. Hence, the CR unit’s own budget was increased while other departments helped to co-finance more activities. The manager was overwhelmed by the company’s “world class CSR momentum”, again showing that he/she saw his/her role that of a passionate advocate of the topic and engaging communicator. However, another milestone was the revised CSR strategy better aligned with the overall business strategy. In a rather vague fashion the development of CSR was compared to a “sustained long-term journey to enlightenment” with no radical change along the way. The climate change debate was seen as a winner for the acceptance of CSR, because it traced the urgency of a more sustainable approach to business. In order to institutionalize this relevance and urgency around the issue, a task force was created. Being partially unsatisfied about channels available to push CSR internally in 2005, the climate change phenomena thus helped to mobilise internal resources: “It is a quite competitive internal environment for messages and so on, but CSR has definitely done very well.”

Finding a language that communicates benefits from CSR

In regards to interviewee’s definitional approach, a shift in perspective - as in other cases - was not observed. He/she was still a pragmatic: “it is about finding a language for people to know what you are talking about” which essentially “really is about the benefits that it brings to customers and BT”. For him/her it became more obvious over the years that it was good to be a private company:
"I think the government and the public held companies are being slower really to stand up to the bar of their own responsibility. So I think it is a distinct advantage not to be in the public sector. I also think it is really much easier to make the business case within the private sector and build it into your brand and competitive position."

Aspects that the manager thought would became more important in the near future were firstly, reporting as the symbol of honesty, organisational transparency and accountability, but also as communication tactic; secondly, thinking different and being innovative in the development of CSR activities as a company; and thirdly, supporting industry-wide activities in areas that are not prone for competition like the climate change matter. He/she recognised that future advancement in CSR needs further external support and internal management buy-in.

5.3.3 SAP

Emancipating CSR

Traditionally, SAP had been linked with an array of sponsorships in the sports, arts, community and education area that in fact were driven by the philanthropic benevolence of their founders and partners. Therefore, CSR had to be emancipated against this association held internally and by the public. It only started in 2004 with personnel, resources and responsibilities emerging out of the Global Communications department that reported directly to the CEO. Right from the beginning, the CSR manager interviewed thought to focus straight on the areas of transparency and education, because this was seen as the key value and core service of the company’s products:

"CSR is not a generally new thing at SAP, but because we are coming from a very disconcerted effort in that area to a very focused effort now - which we are trying to communicate internally, to stakeholders and other concerned communities - to many this focus may be unusual to see. Our software brings ultimate transparency to governments and businesses. That means we support business with our efforts and programs to create a level playing field and new opportunities. Building relationships with the communities we work and live in, with stakeholders, with society, with customers is core."
The number of fulltime CSR staff did not change between 2004 and 2008, but more support was developed in the company’s overseas units, mainly along the regional Marketing and HR departments. It remained a regular, but informal cooperation across the company, with no formal meetings, which also led to some ‘maverick activities’ in individual countries. For example, the Asian region preferred a philanthropic approach, while US mostly supported corporate volunteering programs. Still, the principle guidelines around transparency and education had to be (and were) followed. However, the temptation to invest great amounts in classic sponsorship activities tainted efforts from the CSR team to realign and focus the company’s approach.

Obeying to the shareholder motto

Being a sales-driven organisation with booming business throughout its relatively young existence, business relevance was a dominant theme throughout all interviews. The CEO’s objective was that it needs to support sales activities and provide shareholder value. Consequently, the manager was looking for justification for his/her work that fitted this framework. He/she believed that a company’s prime objective is to make profit, but that this is not in conflict with CSR because it is about the way those profits are made.

"I think it does provide competitive advantages. For example, we became member of the Futsi4Good and Dow Jones Sustainability World. You might be aware of research that shows that companies in the sustainability indices outperform those that are not part of the index. This shows that our business is in line with society and makes us a better business. Generally I think the only true way to embed the topic in a company is by piggybacking on business thinking. Otherwise – and I much see this with certainly interested colleagues here – they remain to think it is about donating some money or so and simply feel good about it yourself."

In an interesting twist, the first interview was conducted with the CSR manager and partially his/her executive head at the same time. As it turned out two years later, the head’s job was on the line at the time of the first interview, which retrospectively explained the very PR-style of answers I received, spiced up with a touch of over-justification and defensiveness. As it turned out, the person lost the job eventually. This elucidates some of the different personal views. For example, in 2005 the head said that
the “our CEO wants to be included in virtually everything and senior management is consistently asking us to being involved in Corporate Citizenship activities”, while in 2007 the CSR manager commented that “it needs much work to convince people and get the CEO involved”. Similarly, it was stressed that the philanthropic efforts of the founders clearly were CSR – a view and approach the CSR manager was not satisfied with.

**Pressure building up**

The vulnerable internal standing of CSR, its weakness in the internal race for resources and the rather slow integration as accepted management concept is well documented with two examples. In 2005 SAP had not published a CSR report of any kind. Again, there was optimism and confidence in the talk about being able to measure activities, good feedback on work and good access to internal communications channels, even so it was seen as hard work to pitch stories at editorial meetings. However, in late 2007 SAP still had not published a CSR report, which at the time was quite unusual for a large German company. The manager commented that media output, surveys, prizes and external ratings did not fully convince key powerbrokers – or it even partially confirmed to them that one could achieve such recognition positively impacting reputation without formal measurement and documentation. As a consequence, reporting was delayed after multiple tries because of internal resistance, whereby it was seen as waste of resources, lacking business sense and risking dissemination of sensible information.

However, peer-pressure was accumulating. The firm was a laggard in Germany’s leading stock market index without a stand-alone report. In addition, SAP established a new business unit called Governance, Risk and Compliance and the company’s own approach to CSR and its reporting practice was suddenly seen as an important marketing tool. Furthermore, large governmental tenders SAP traditionally pitched for started to require reports as attachment. Eventually, SAP published a comprehensive report in late 2008.

“We don’t influence strategic decision-making yet. We follow. It is important for us to further increase communication around the topic. Most helpful is if customers start demanding CSR. So one of our tactics was to organise a
stakeholder dialogue including key customers. It was very important in order to position an understanding beyond philanthropy amongst a certain group of managers. ... The philanthropy and sponsorship approach is well suited for internal politics because of its high profile and image aspects. But confronting them with the climate change debate, activities on European Union level and the hot issue of corruption has shown some positive change. For example, while our CEO remains careful and does not comment on the topic publically, our CFO has good working relationships with Transparency International.”

Hence, at SAP CSR had been in competition and conflict with the high profile and well-accepted philanthropic approach. Both organisational culture and key personalities were inclined to accept that the company’s reputation and success emerged more from other aspects, like soaring business and sponsoring activities. Once tightly focused and positioned around the core internal belief system of shareholder value and sales support, the CSR idea gained some traction with people starting to realise opportunities that come with it. As another example, around 2007 it was realised that the company’s main rival, the American firm Oracle, was further behind with their sustainability agenda and were facing opposition from shareholders and analysts. This situation was thought to offer a cutting-edge advantage when pitching for some projects especially in Europe.

5.3.4 Bertelsmann

Downplaying the importance of CSR

At Bertelsmann much value is placed on the internal culture that derived from its post-war founder and owner Reinhard Mohn, which follows a Protestant worldview and work ethics. With progress around the CSR discussion in Germany in its early stages in 2005, the topic was much downplayed in the first interview. In fact, it was said that a “mini working group” only started to look into some aspects of the debate. But in general it was of less importance on the corporate level with no formal integration. Great value was placed on employee relations, supporting employees and enabling them to work in a self-directed fashion and take care of people and society. Also, not being listed on the stock market despite its size was seen as a privilege to be more independent from analysts’ pressure for more transparency in all kinds of ways. However, generally company policy was to operate ‘as if’ listed corporation.

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"Issues around risk management and strategy alignment of such matters are not that important in the media industry. So, I am not convinced that it always needs a business case. I think at Bertelsmann it is more a matter of corporate culture. That is the main driver for activities that others may define as CSR. It is rather selective what we do. And I don’t see any disadvantage with this approach, neither seems our board concerned in any way."

New framework emerging

The manager, working in the corporate communications department, also referred to the decentralised structure of the organisation that did not allow for much influence on operations in the six strong business units. There was one exception: the efforts from the HR people in the recruiting process, the trainee programs for future leaders and regular management development seminars were seen as pivotal to pass on organisational values to employees and thereby influence individual day-to-day decision-making in a way that would eliminate unethical behaviour (e.g. by testing potential business opportunities against the organisation’s own norms). Focus on environmental management was also rather weak, which generally was against the grain of the German system. However, individual business units faced unknown situations that had to do with the rise of NGOs and their pressure on businesses. Especially, the publishing arm of Bertelsmann had to learn cooperating with NGOs, managing stakeholders and improving transparency on issues like paper production. Hence, the matter of CSR started to move onto Bertelsmann’s radar screen in 2005 despite the organisation’s reliance on historical and fundamental values. Still, the manager was not seeking much advice or support from inside or outside the company in order to advance CSR.

Interestingly, the interview in late 2007 showed the great distance the internal discussion went and a new understanding at the manager’s end. Now, the starting point of CSR at Bertelsmann was said to be in 2003, because of the European Union Green Paper ("luckily no regulations came out of this – we don’t want to be driven by regulation in this area"). A full-time position was established within Corporate Communications about half a year before the interview and apparently about five people in various departments supported CSR work on a part-time basis.
"It was pretty much a bottom-up driven process. After 2005 we got an encouraging number of emails regarding the topic on an address we created exclusively for CSR and sustainability matters. We also gave two special presentations to the board, which was quite a milestone for the development. We still don’t talk about a business case, but it has become an issue when pitching for large projects and government tenders, when CSR reports, policies or guidelines need to be attached. So we are developing CSR – I guess currently more in a compliance type of fashion - alongside our traditional social values."

As another reason for the changed approach to CSR laid the power struggle between the past Head of Corporate Communications and her HR counterpart, which weakened more coordinated efforts to raise the topic on the corporate agenda. In addition, Corporate Communications was left without a leader for almost a year, which slacked access to the board level.

"We had many road blockers internally. May be we still do have problems on the resource and policy level. But external developments helped to justify dedicating more attention to the topic, for example the work of the German Sustainability Council, Ecosense and Global Compact. The very positive feedback we got from our employees for the tsunami aid was a good internal Eureka: I think they were proud and emotionally uplifted to work for a company that helped very substantial and quick. However, we are still in the process of defining CSR in our context and make sense of it for our business."

Using the ‘Trojan horse’ tactic to advance CSR

Influence across all business units still remained weak, but improved firstly by lifting the topic on the board level, and secondly thru the corporate reporting process as a ‘Trojan horse’ to disseminate guidelines. Also the whole company engaged in Bertelsmann’s vast national social marketing campaign ‘You are Germany’ in 2006 aiming to inspire national identity and intercultural integration amongst all people in Germany. The campaign was driven by the owner Mohn and the CEO publically committed to the duty of large companies to recognise their social responsibilities. Still, tensions were obvious between advocates in the German headquarter and the approach of powerful American subsidiaries, where executive managers thought “CSR strategy is a waste of time”. Hence, the interviewee wanted the new full-time CSR person to develop a more
focused new CSR strategy that spotlights business opportunities along the corporate value chain.

Still, the situation for CSR at Bertelsmann was vulnerable at the time of the second interview and their CSR framework remained ambiguous and only carefully advanced. For example, it was not seen that the great influence on the communications strategy of the company could also end up inducing CSR thinking into the business strategy anytime soon. Also, using internal communication channels too widely was approached with care: “Talking about CSR might be counter-productive when people fear the loss of their jobs, unfortunately a realistic situation in some business areas.” Such views may not surprise with the strong focus on historically inspired corporate stewardship of employees and talk about ‘the Bertelsmann family’. Hence, similar to the development of CSR in Germany as such, there was an intrinsic tension between the modern interpretation of CSR as a management concept and the traditionally strong employee focus in the German national system in general and patriarchal driven companies like the media giant in particular.

5.3.5 (Telefonica) O2 Germany

The impact of changing ownership: from knowledge transfer to political relevance

The case of O2 Germany exemplifies the influence of an international mother company on the development and nature of CSR integration and approach. Especially the fact that O2 changed ownership from being held and controlled out of the UK to become part of the Spanish Telefonica in 2006 left its mark over the period of the three interviews in 2005, 2007 and 2008. The manager interviewed had a professional communications background, but responsibilities for the topic were anchored at different spots within the organisational structure over the respective period. Those shifting anchorages are linked to the change of ownership, new executive managers at O2 Germany and internal politics.
In 2005, the small CSR team was part of Legal & Regulations because the topic became relevant to the organisation along issues of electro smog/pollution from antennas, youth protection from certain mobile content and debts, and aspects of environmental management. However, under the guidance and influence of the UK headquarters explicit CSR activities and programs developed. The manager described a steep learning curve within O2 Germany:

“There has been great influence from the UK to move the topic forward. It simply is part of the company’s business, blood, culture and routines in the UK. I think in Germany the topic was more driven by ethical and moral discussions that didn’t gain traction in business management. However, I believe we have learnt a lot from the UK mother company over the last few years. We now see the business case: CSR makes us a more attractive employer, according to research it is the most influential driver for corporate reputation, it helps us to size and enter new markets like solutions for handicapped citizens, and it provides competitive advantages for example in our lobbying activities. So we have learnt to approach CSR differently and are starting to realise its potential.”

Despite being only a two-person CSR team in 2005, the topic was explicitly dovetailed into the organisation the German Corporate Responsibility Committee that combined people from HR, Branding/Marketing, Communications and Health & Safety. The monthly meetings were seen as a good working environment that mobilised resources towards the activities of the CSR team. Coordination with the UK headquarter was a regular process, but generally more informal. The headquarter advised on using the measuring approach of the London Benchmarking Group, even so there were independent contributions from all international subsidiaries to the group-wide CSR report.

By 2007 CSR had established itself as a largely unchallenged topic for the company. It was moved up the ranks and the small unit now reported directly to the board. For one, this was driven by the constant work of the people concerned with CSR and their involvement into the process to become “a more mature organisation rather than a brand-driven challenger to established communication providers in Germany and other countries”. Generally of more influence seemed to be the take-over of the large Spanish Telefonica that aimed to become Top 10 in the Dow Jones Sustainability World. It an-
nounced that CSR was important and relevant to the business. The manager interviewed actually smiled pointing towards this new internal standing:

"People here are quite numbers-driven. At the same time, this helps. If someone challenges us, we only have to mention 'relevant for stock market performance' to stop a potential discussion. It simply makes it easier to justify. On a similar note: from the external we are greatly helped by the way the German government communicates about CSR. It has started to provide arguments for companies to realise the business implications. Since we operate in a very regulated market, managers from other departments also more and more see the need to be on our front foot."

Influence and symbolism of ‘Corporate Communications’

The manager also thought that advancements at other leading German companies, compliance issues, the advocacy of German Federal President Köhler, results from reputation analysis and the media awareness wouldn’t allow for CSR to drop off the business agenda. In regards to the take-over and its implications the Spanish culture was appreciated as being closer to the German culture than the British. This in turn created tension between the new Spanish owner and the – now - UK subsidiary in terms of CSR policy and guidelines in the internal International Corporate Responsibility Forum.

However, the new standing of CSR exposed it to internal power games. After the take-over, there was a general restructuring of operations. In 2007 reality seemed to have caught with comments the managers made in 2005, stressing the increasingly important role of communication in mainstreaming CSR. For example, he/she saw it being used ever more for PR and reputation ends. Two years later, it was seriously discussed to relocate CSR into the Corporate Communications department. Even so a communications professional him-/herself this was not seen as appropriate: “It would give it the touch of greenwash. It doesn’t go down well to have ‘Corporate Communications’ department on your business card”.

At the same time the interviewee was proud of the “hard work” to get access to all communication channels of the company as communications was seen to be key. For
example, by 2007 the CSR manager attended editorial meetings of internal and external company publications. Likewise efforts were made for continuous stakeholder dialogue, as Telefonica demanded this. Under the Spanish regime O2 Germany now had to produce their own CSR report. Another milestone was being closer to the CEO. Corruption scandals and corporate governance grievance in German industry helped to attract the board members’ attention, leading to regular briefing on the question ‘What are we doing in this area and what should we do?’.

In another twist, talking to the manager again in 2008, responsibilities for CSR were eventually moved into the Corporate Communications department. The new Head of Communications negotiated the topic as his because he already oversaw it in his previous position at Phillip Morris and Kraft. In an internal deal, the Head of Legal & Regulations got the lobbying team in return. The interviewee was highly sceptical and frustrated about this development, saw her work hijacked, and seemed to put her job on the line if the influence of media people were to become too strong. He/she had grown into a passionate advocate for a substantial approach to CSR over the period of the interviews. Beyond politics, the manager mentioned that they were happy to have achieved external certification for their last CSR report in order to further mobilise internal recognition and stakeholder support: “we placed much value on this aspect and are quite relieved now”. Also, the pressure from NGOs was getting stronger since both the organisation O2 and the topic CSR had matured. Finally, the CSR unit was getting more and more involved into new service offerings, environmentally friendly mobile phones and plans. However, the manager thought that more innovation around the CSR debate was needed, especially widening the spotlight from environmentally-friendly services to explicitly socially-friendly service innovations.

5.4 Cross-case findings: organisational aspects and changes in constructing, framing and sense-making of CSR amongst corporate managers 2005 to 2008

After insights into the individual cases of German Telecom, British Telecom, SAP, Bertelsmann and O2 Germany, some cross-case findings are now described. Beyond individual findings, cross-case analysis focuses on the nature of developments around
the emergence of CSR and managers impact on the CSR space rather than context-bound details of the organisations. With interviews spanning more than three years in total, a number of aspects of the construction of CSR are revealed. Those are clustered around dimensions and themes that primarily concentrate on commonalities rather than differences.

5.4.1 Engraving CSR

As obvious as it may sound in the first place, all case studies show that companies acknowledge CSR. Especially, this is manifested by the existence of managers with titles that include ‘CSR’, ‘Corporate Responsibility’, ‘Corporate Citizenship’ and the like. It is also institutionalised along organisational structures, reporting routines, dedicated company publications and regular communication about the topic in other ways, working parties, budget allocation, programs and more. Beyond those facts, the cases also provide insights into how companies are acknowledging CSR. Here, the general growth of resources and attention committed over the period of the interviews gives evidence for the spreading and advancing nature of the CSR idea. As individual findings show, this process was largely unstructured, yet dynamic. Between 2005 and 2008 CSR was framed more tightly with views and rhetoric converging towards business means and ends. Consequently, over the past decade or so CSR has expanded from a largely non-existent topic to an idea embraced by companies and a substantial portion of corporate leaders. More attention is being paid to the broad ideas behind the ‘label’ CSR and the fundamental role of business in society, which of cause has taken many forms.

The cases also reveal labour pains on the way from an idea to an acknowledged and integrated business framework. For one, CSR was a new idea on the fragmented inner-organisational ‘market’ for resources and power. The German Telecom manager mentioned that the CSR team was seen as “a bit exotic” at the beginning. They competed for the CSR idea to be accepted as driver of corporate reputation with more established managerial areas like corporate communications, branding and sponsoring. Hence, CSR had to be emancipated against other ideas and concepts of organisational value. It has been a relative newcomer to pitch for relevance and support:
• At SAP it had to emancipate itself against the historically strong concept of corporate sponsorship and philanthropic projects of its founding partners;
• Bertelsmann’s organisational culture has developed around religious ethics of the member and focused on stewardship of its employees;
• The young mobile communications provider O2 (Germany and plc) had to “mature” as an organisation and look beyond a brand-driven business approach;
• At British Telecom CSR at first was a cluster of separated issues before pulled together and restructured;
• German Telecom had a strong history in environmental management, which could be understood a compliance-driven management system.

But not only organisational culture and thinking had been a challenge for CSR to evolve, at those large international companies cultural differences in defining social responsibility hindered its mainstreaming. With external pressure on companies to perform ‘responsible’ wherever they operate and within their whole sphere of influence, the case findings reveal headquarters’ struggle to align, control and steer approaches in such diverse regions like the US (“strong acceptance of corporate volunteering”), and Asia (“much a philanthropic approach”) and Europe. Actually, within Europe the special circumstances of the O2 case showed the different focus and handling of CSR in the UK, Germany and Spain: tension arose between members of the internal international CSR working group around the future direction and kind of activities. That way, the cases provided evidence for the context-dependent concept and justified this thesis’ primary focus on one region in general (Europe) and two countries dominating the debate in particular (UK, Germany). In addition, the lack of influence from headquarters to guide and police activities of other company units under the CSR header suggests that it had not been accepted as a core and strategic business aspect by executive leaders, rather an activity in the sole discretion of local managers. This started to change slowly but noticeably between 2005 and 2007 according to the interviewees.

Interestingly, the five cases signal that CSR is becoming to be framed and institutionalised as a communications topic. Despite varying contexts and developments, CSR was or moved towards and eventually into the corporate communications departments of
those firms. The insights into O2 and German Telecom suggest that this movement represents a break with the past, where CSR was widely seen as a compliance or ‘technical’ (German Telecom) issue. In Chapter Three stages of CSR development and integration by different authors were presented, and findings in this chapter imply that CSR has indeed advanced to at least the stage of ‘engagement’, where the corporation actively manages the topic, embeds it into core management processes and wants “to mitigate the erosion of economic value in the medium term and to achieve longer-term gains by integrating responsible business practices into their daily operations” (Zadek 2008, 339). However, all interviewees confirmed that they were a long way away from formally influencing business strategy.

5.4.2 Constructing CSR

In regards to the adaption of CSR among corporations the cases demonstrate that corporations are no passive adaptors of CSR, rather contributors to its construction and proliferation. Like other organisations and together with other actor groups – for example governments, NGOs, academia as covered in other parts of this thesis – they picked up a thread that went to evolve into a web of institutionalised CSR. From an institutional perspective, case findings point out aspects of peer-pressure, imitation and adaption. More importantly in respect to the aim of this thesis, the cases provided insights into the role of CSR managers in the construction and manifestation of CSR within companies and beyond - both individually and as collective. Findings describe, illustrate and confirm their key role as advocates, catalysts, sense-makers and translators to only name the most important metaphors. Or to repeat the metaphor from the start of this chapter: if the CSR idea was an arrow to fly and hit the heart of a company, the CSR managers are the bow.

TABLE 5.1 summarises characteristics of the managers interviewed. All of them have a strong professional communications background, which profiles them as trained in bridging separated spheres like ‘the internal’ and ‘the external’; in knowing how to use communication channels as powerful tools; in translating ideas into arguments tailored to different audiences; and in using rhetoric to create realities. In fact, TABLE 5.1 provides quotes supporting their views that advancements of the CSR idea heavily depend
on using business thinking, frameworks and language. The longitudinal design of the case studies offers insights into events and processes that led to advance the CSR debate within companies and added to the construction of the business case view of CSR as the main thread of the general CSR debate. In particular the managers used communicative means and resources of power and support. However, they were also recipients and multipliers of a discourse happening outside corporations at the same time. For example, managers referred to the following actor groups:

- Consultancies that commercialised the CSR idea and framed CSR as concept to increase corporate performance;
- Governments that facilitated the CSR development, demanded a turn in businesses’ thinking and tried to make CSR more attractive by showing the business case (see also Chapter Two);
- Investors that started to see CSR as relevant in terms of transparency, risk management, moral reasons and marginally also a necessary fundamental change in capitalism;
- NGOs and pressure groups that scrutinized corporate behaviour;
- Media that constructed and re-constructed arguments of the CSR debate and thereby created wider awareness and penetration; and
- Scientist that provided ‘objective evidence’ for alleged links between CSR and business performance in general or aspects thereof (e.g. link between CSR and reputation).

Managers relied on pulling those external resources together in order to support their stand within their respective organisation and thereby co-created the understanding of CSR as a management idea that is based on the business case argument. Thus, the cross-referencing – also with their counterparts in other companies and CSR expert communities – foremost built a web of interconnected arguments that mutually benefited all interested actor groups and concerned managers. As the cases of British Telecom and German Telecom show, it was important for managers to draw on external resources and support in order to manifest their stand internally. However, while support was provided in the former, it was denied in the latter.
Events outlined in the individual case findings illustrate the processes at work whereby managers increasingly searched for affirmation for their views and their work as a means to mobilise resources and change internal thinking. As a start, managers we sent out to learn more about the CSR debate/movement at some point. For example, at SAP the manager went to a great number of conferences, workshops and meetings about a year before the first interview took place. He/she pulled this new knowledge together, framed his/her mind and also translated it into an initial understanding for the corporate environment. Whereby the first step was largely driven by then curiosity of the organisation, dragging the idea into the internal arena sooner or later triggered a number of consequences. As he/she tried to advance the topic and started to provide concepts and pitched for recognition, it challenged established thinking, structure, budget allocation and also power games. The emancipation struggle was already described above, but it is important to look at what resources manages activated to move the topic and their standing.

Especially the relevance to stock market performance was used as a powerful argument (except at Bertelsmann, which is not listed). With outsiders and external developments supporting the alleged link between CSR performance and company performance, already established shareholder value thinking and rhetoric was used to convince key people. Metaphorically, some executive managers were hoisted by their own petards. In the case of O2 Germany after the Spanish take-over, this was a case even more convincing, because the new owner clearly wanted to raise its international reputation by becoming member of top international sustainability indices. As other cases, like Bertelsmann, show managers tried to get access to the board level and penetrate the idea because CEO commitment – in the best case: public commitment – was perceived as the 'Holy Grail' of engraving CSR into the company. At German Telecom, the new leader was indeed a driver to advance the CSR idea, for example by talking at the first Corporate Responsibility Day 2007. However, the grown internal relevance of the topic raised awareness amongst groups of more established managers that longed for the prestige that could be gained and to widen their influence. Therefore it come not as a surprise that respondents felt to lose control over the future development of CSR, because it was formally pulled into the corporate communications area, as if their idea was hijacked.
Managers referred to three concrete drivers that helped to advance the topic internally: firstly, big tenders – often governmental tenders – started to demand from applicants to provide evidence for their responsible and sustainable business conduct; secondly, the extremely high-profile scandals around corruption in Germany (notably: Siemens) stirred up much internal debate about corporate governance issues; and thirdly, the climate change debate required companies to engage and perform with talk and walk. However, while those drivers helped to lift CSR on the business agenda, they have in common that firms and executives become careful with their communication and actually protective of the content, direction and flow of information. With managers themselves also stressing the importance of communication to CSR and using communication channels to disseminate their understanding of the topic, it may sound very reasonable and logical to move responsibilities for CSR to the corporate communications department, which were in those cases directly reporting to the CEO.

5.4.3 CSR content and future

A consequence of the dynamic and diverse nature of the general CSR debate and organisational changes at the five cases, companies and managers themselves were in a process of constant re-defining CSR in the years between 2005 and 2008. Especially in the German firms it was a process that can be described as ‘self-enlightenment’. It means that it was no passive development, but an active practice involving gathering information, meeting, talking, writing concepts, drafting strategies and the like that changed the sense of CSR. For example, at O2 it emerged parallel to the organisation maturing altogether, hence approaching CSR beyond compliance was another way to realise the organisation’s passage. In the other cases the process of self-enlightenment can be observed more in the fact that managers started to ‘see’ a bit of CSR in a lot of business activities, hence framing the topic in a way that tied its nature and intentions to the very understanding of doing business. Consequently, it does not come as a surprise that managers placed less importance on measuring CSR to objectify its existence, but on shifting perspectives and offering standpoints for others to change mindsets and see the business case. To this end, in the last interviews all managers believed that the CSR debate is in good swing and the business case will be accepted, even taken for granted, ever more in future.
“If a topic is important, it becomes natural part of a company’s bloodstream. CSR is such a topic. It won’t go away.” (Bertelsmann)

“And the business case grows stronger and stronger, so it is less likely you find somebody who is sceptical.” (British Telekom)

5.5. Summary and conclusion

This chapter set out to provide insights to organisational aspects as part of the emergence of CSR and the role of CSR managers in constructing the link between CSR and competitiveness. Findings from interviews in the German and UK firms showed that this had been a process with active contributions of corporate actors, most notably respective CSR managers. The managers concerned performed several roles. Most critical was in regards to the bigger picture of the CSR debate and its dominant discourse around the business case of CSR that they framed the idea in order to be applicable to companies’ needs – yet, challenging existing organisational thinking, culture and structure. Thereby they were agents and catalysts of change, utilising communicative means and political resources. However, their role can only be separated from the role of co-creators (e.g. actor groups outside corporations) on a conceptual level. Furthermore, and in the cause of events, the becoming of CSR as a management idea and business concepts has constituted itself on several levels as shown in the other sub-studies of this thesis. The nature of aspects and themes of the construction process extracted in this chapter show obvious continuation into other layers of the thesis, the conference sub-study (Chapter Seven) and the following Chapter Six in particular.

Organisational consequences of the emergence of CSR in general should be seen as provisional. While the idea is now accepted and grounded within organisations through the means of people and politics, the cases illustrate much flow in the way it is formally institutionalised. Beyond structural dimensions, the understanding of the exact content behind the ‘CSR label’ is not fixed and I agree with interviewees that CSR is in a transitional stage. The cases revealed that actors still vulnerable to change aspects of their understanding of CSR because of its freshness and vaguely bounded nature. Nevertheless, this chapter achieved to extract and describe (inter-)actions in the organisational
context that show how, why and when the framework of CSR as a business concept has become a largely unchallenged believe system.

While this chapter focused on actions and organisational aspects, the following chapter analyses the construction of CSR meaning through visual communication in company reports. It provides another perspective as part of the deconstructing nature of this multi-layered research design seeking to describe the formation of CSR as a management idea with strategic implications.
CHAPTER SIX

THE CONSTRUCTION AND PROMOTION OF CSR IN COMPANY REPORTS

"A photograph is usually looked at – seldom looked into."
(Ansel Adams)

6.1 Introduction

This chapter provides findings and conclusions of the way corporate reports are used as a translation of the CSR idea into digestible manifestations for internal and external audiences. An important way for companies to demonstrate and communicate their efforts to integrate wider societal concerns into their business activities is non-financial reporting. Formal reporting and strategic corporate communication about CSR is emerging as an intrinsic part of companies’ efforts to interact with their stakeholders and other audiences, and the number of publications in this area has grown over the last decade.

Beyond the higher number of publications (see Section 4.3.2), such widely received means of corporate communication and stakeholder interaction adds meaning and momentum to the debate around CSR and corporate performance. Hence, it is necessary to point attention to the fact that visual communication can be as important as words in order to create meaning, promote a new management belief, and make claims about companies’ non-financial performance. The role and relevance of images in the process of creating and justifying corporate behaviour is clearly overlooked so far. Based on existing literature on corporate financial reporting, this link was established in Section 4.3.2. Cross-industry cases from the UK and Germany were selected. This sub-study develops a typology of images that companies use to suggest to the reader their own understanding of CSR/sustainability; to show that its organisational integration is ‘real’; and, to imply that it adds to be(come) better businesses. With almost all large European companies now reporting on social and environmental performance, CSR reports have become a manifestation of CSR as a business concept. By showing the merits of CSR,
the idea is linked to (or thought to be linked to) companies' core activities and strategies.

Non-financial reporting is a largely unregulated terrain, with only a few exceptions - Denmark introduced a law on mandatory "Green Accounts" for large companies in 1995. France followed in 2002 with a legal act that obliges listed companies to include social and environmental evaluations in their annual reports. Hence, despite government encouragement, stakeholder demand and peer-pressure, reporting remains voluntary. This leaves a wide range of possibilities for companies on how to report in terms of what is said and in what fashion. However, the emergence of reporting standards such as the Global Reporting Initiative (www.globalreporting.org), United Nations Global Compact (www.unglobalcompact.org) and the AA1000 series (www.accountability21.net) provides an umbrella for most of today's individual approaches. It is important for non-financial reporting to mature, to be seen as reliable and that claims add up, because the financial community now "recognises the growing importance of non-financial disclosure in the overall assessment of a company's risk profile" (Standard & Poor's, SustainAbility and UNEP 2004, p 2).

Similarly, formal reports often form the basis for the decision of whether to include a company in prestigious sustainability indexes like the FTSE4Good or Dow Jones Sustainability Index and their rating by influential rating agencies. Likewise, awards – such as the CorporateRegister Reporting Awards – allow firms to position themselves as frontrunners in CSR and sustainability, and gain ground in the intra-organisational competition for recognition and resources. Amongst others, CorporateRegister also awards "creativity in communications", aiming to identify which report best harnesses creativity as a defining factor in communicating a company's corporate responsibility message (won by Coca-Cola Enterprises Inc. in 2008). It is a further indicator of the significance of the weight of non-financial reports in today's business communication environment.

On an accumulated level, it arguably is the large internationals that construct the meaning of emerging business concepts and paradigms. Thus, as shown in Section 4.3.2, I have systematically selected UK and German company reports as those two countries
are leading in non-financial reporting. A number of firms from those two countries strive towards a level of strategic and operational sophistication in terms of what CSR means to them; how to manage and integrate it; and, especially how to communicate it.

6.2 Counts

The number of images in all reports was counted in order to establish the extent to which they are part of the reports examined. Even though quantitative content analysis is not the focus of this sub-study, I believe that the absolute number of images on the one hand and the relative number of images per page on the other hand are useful for three reasons: firstly, they are helpful to explore the prolific use of imagery and open up avenues for future quantitative content analysis; secondly, to support our surprise that research into the use of images in non-financial reporting has been neglected by researchers so far despite being so obvious; and, thirdly, to contribute to the discussion of findings, because some of the categories developed throughout this sub-study rely on the repetitive use of certain visual keys in order to ‘inculcate’ the reader with a specific CSR message.

Images are an integral feature of the reports, as can be seen in TABLE 6.1. Interestingly, only two reports did not include any image at all, both from British companies (BT, GlaxoSmithKline). In contrast, the German cases show extensive use of images as a means of communication in the reports. There is an obvious difference with respect to the number of images in reports from UK (one image featured on every 3.1 pages on average) and German companies (1.6). Likewise, about twice as many full-page images were counted in reports from German companies. About two-thirds of the images show or include people, especially full-page images.

The extensive use of photographs of people strongly suggests that companies define and frame their CSR and sustainability approaches by human life. However, because the concepts of CSR and sustainability remain rather vague, and no definition has prevailed yet, there seems to be a clear claim made by the companies that what they do as a busi-
ness is relevant – in fact: positively influences – humankind. It is a ‘humanification of the corporate’. Collectively, this represents an effort to counter allegations that the only aim of corporates is to generate profits, and be run by numbers only. Obviously, this argument is not new in the debate about the legitimisation of the CSR concept in general. However, this theme shows how companies more or less attempt to establish their contribution to a wider stakeholder community or society at large by using images in non-financial reports. Certainly, other interpretations are possible and are encouraged to be investigated through further research.

From a comparative perspective, the difference in the amount of images used in German reports in comparison to British reports is worthy of note. It has been argued that the development and sophistication of explicit CSR is of a more advanced nature in the UK. This is evident by the fact that at least in the last decades there has been a more significant amount of non-financial reportage output in the UK than in Germany (CorporateRegister 2008), even though the UK economy is much than the German economy. Hence, have British companies developed a more rational, measurable and accountable way of reporting CSR? Is CSR as a concept and activity already more accepted within and outside companies in the UK that make claims about their ‘truth’ and ‘reality’ and consequently do not need as much visual support than in the German context? It might be that there is more confidence within British companies about the topic. Alternatively, it may also be a deliberate attempt to fight off criticism about “glossy story-telling” from prominent and influential media (e.g. The Economist 2004). Again, more specific research is encouraged.
The counts suggest and support three provisional conclusions: Firstly, the significant amount of images used in non-financial reporting justify the current research. Secondly, professionally shot full-page and cover-page images show the intentional and deliberate use of images as a means of communicating with the reader. Finally, companies frame their CSR and sustainability communication as human-focused.

6.3 Typology

Reports were first grouped by the dominant images used throughout the selected reports and then ordered into a typology that emerged throughout the data analysis process. Here, a type describes reports that use images based on similar semiotic characteristics and share a certain communicative approach. In the following, I explain the different types and provide illustrative examples.

6.3.1 Accountant: "We can be held accountable"

The 'Accountant' is a special type, because no images are used. It communicates a facts-driven, non-emotional and accurate meaning of how the company sees and integrates CSR or sustainability. Non-financial performance is measurable and the firm seems to invite benchmarking and market comparison based on the hard facts of their achievement. It appears like a statement of confidence and accountability. FIGURE 6.1 shows the first two pages from the GlaxoSmithKline report. The Accountant approach does not imply that no other means of visual communication are used (e.g. fonts as design features).
6.3.2 People: "We make life easier and people happier"

The great number of images that show people in one way or the other is paramount in reports that feature a vast number of smiling faces from, mostly, employees, customers and users of the firms’ products/services. There is an atmosphere of caring, happiness and optimism based on interaction, for example, between company staff and customers or company products/services and users. Likewise, specific CSR projects are depicted by showing the benefactors – again, mostly with a smile. The conceptualisation of CSR is that of making life easier and people’s life happier. The majority of full-page images are photographs of people, supporting the view that the images impact is thought to appeal to the audience’s sympathy. FIGURES 6.2 a/b/c show two typical examples. The image from the Bayer report shows doctors that use Bayer’s medicine and their patients. The Tesco report features a very enthusiastic retail employee. As a special case of the People approach, active measures fostering inclusiveness of societal minority groups is suggested by the handicapped boy laughing and choosing from the shelf.
6.3.3 Dream World: “Dream a dream with us”/ “We make dreams become reality”

The Dream World approach appears as an invitation to the reader to dream. CSR is about making dreams become reality and a collective effort, starting with embracing the company’s products/services, can make this come true. The images are clean, soft shots of objects, scenery or human features that create depth and space in people’s minds to imagine, to aspire and to feel included. Companies operating in the service industry might be more likely to use imaginative images, since services rely on a co-creation process between the company and the user. A constructionist perspective seems to underlie their CSR philosophy and integration, strategically using communicative processes and means to support claims about CSR and sustainability performance. FIGURES 6.3 a/b show examples from the banking and entertainment industry. An interesting case is the image taken from the British Airways report, showing dense rain forest in the context of sustainability (FIGURE 6.3 c). This is because the construction of the image shows how challenging different readings of images can be: while healthy rain forest certainly has positive connotations, the shadow caused by the plane is ambiguous and can also be read as if the airline casts a cloud over the future of this healthy ecosystem (caused by pollution from increasing air travel).
FIGURES 6.3 a/b/c: The Dream World Approach, exemplified by the Deutsche Bank (a) and British Sky Broadcasting (b) reports, with the image from the British Airways report (c) being a special case

6.3.4 Leadership: “We are/have the leaders”

This approach uses images to show the strategic and top-down integration of CSR/sustainability. The company’s executives are drivers and facilitators of organisational change, and the functional core of CSR is Corporate Governance. They buy into the concept of CSR and sustainability and by doing so validate its overall meaningfulness and importance. Similarly, external global leaders are shown as ambassadors of specific projects or to provide credibility to initiatives. The power individuals have or that the corporate accumulates altogether both justifies leadership, stewardship and responsibility. CEOs are portrayed in action, for example passionately and seriously discussing or explaining something. Boardrooms or other symbolic means of power and influence is also often featured. The leadership claim might reach beyond the company
and suggest best practice or the role as frontrunner in responsible business to the audience. Photographs are professionally staged. FIGURES 6.4 a/b/c are examples of the Leadership approach.

FIGURES 6.4 a/b/c: The Leadership Approach, exemplified by the Bertelsmann (a), BP (b) and E.ON (c) reports

6.3.5 Day-to-Day Business: "It is simply what we do all the time"

FIGURES 6.5 a/b show examples of the Day-to-Day Business approach. Images appear to be authentic, taken in the natural environment and context of the people portrayed. They show how it is about little things that contribute to society - inherent in the product/service offerings, customer or other stakeholder interaction. CSR and sustainability is lived and breathed throughout the company, it is described as something naturally part of the business and organisational culture. In the case of Deutsche Telekom, the images (of which FIGURE 6.5 a is only a part) tell a whole story of a customer service employee and her normal working routine. She is seen in many places (e.g. different neighbourhood settings) and with a variety of different customer groups (e.g. older citizens) that suggest inclusiveness – as the public and stakeholder might actually expect it from a former monopoly.
FIGURES 6.5 a/b: The Day-to-Day Business Approach, exemplified by the Telekom (a) and Vodafone (b) reports

TABLE 6.2 summarises the five types, describes their main features and outlines their core message to the reader and suggested meaning.

TABLE 6.2: Summary and description of typology

<table>
<thead>
<tr>
<th>Type</th>
<th>Core message</th>
<th>Meaning</th>
<th>Main image features</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant Approach</td>
<td>“We can be held accountable”</td>
<td>CSR is about accountability: facts, benchmarking, comparable, accurate, serious, honesty, integration by reporting</td>
<td>(Not applicable)</td>
<td>GlaxoSmithKline, BT</td>
</tr>
<tr>
<td>People Approach</td>
<td>“We make life easier and people happier”</td>
<td>CSR is about making people happy: interaction, happiness, supportive, caring, relationships, humanity, integration by stakeholder satisfaction</td>
<td>Smiling faces, eye contact with reader, “authentic” photographs</td>
<td>Tesco, Bayer</td>
</tr>
<tr>
<td>Dream World Approach</td>
<td>“Dream a dream with us” / “We make dreams become reality”</td>
<td>CSR is about dreams that become reality: imagination, emotion, inclusiveness, esoteric, aspire, make it happen, integration by imagination/construction</td>
<td>Soft colours, colour gradients, clean shots, “non-authentic”, no close-ups or profiles of people</td>
<td>British Sky Broadcasting, Deutsche Bank</td>
</tr>
<tr>
<td>Leadership Approach</td>
<td>“We are/have the leaders”</td>
<td>CSR is about leadership: strategic, corporate governance, powerful, change, top-down integration</td>
<td>Staged, highly professional photographs (“model”-like), features of power included in image, large format</td>
<td>BP, Bertelsmann</td>
</tr>
<tr>
<td>Day-to-Day Business Approach</td>
<td>“It is simply what we do all the time”</td>
<td>CSR is a way to do business: integration through organisational culture, little things our products and employees do every day</td>
<td>Show natural context and environment of people portrayed, casual appeal, revolving around product/service offering in combination with customer interaction</td>
<td>Vodafone, Deutsche Telekom</td>
</tr>
</tbody>
</table>
The typology of images and approaches chosen by companies in their non-financial reporting across the selected cases highlights the potential for creating and manipulating meaning of CSR and sustainability messages. This is by no means trivial, since some companies seem to intentionally utilise visual language and image-based story-telling to support claims and statements throughout their reports in particular and corporate branding in general. This is why they are not only ‘illustrations’ (with the function to decorate textual information), but meaning-carrying bedfellows to textual information. This becomes more obvious when one relates the use of images back to information provided in the text. Then, ‘the good, the bad and the ugly’ can be distinguished.

An example for ‘the good’ is the Vodafone report, in which images and text aim towards the same message, as expressed in the title “The potential of communication: Corporate Responsibility Report” and the claim that “The theme of the report is the potential of communications. Extending access to communications is the area where we feel Vodafone can make the biggest contribution to society.” One may argue about the substance of Vodafone’s CSR activities, but both images and text always refer back to the company’s core products and services, their use and their potential to enrich people’s lives. By doing so, text and images support each other, amplify the intended message and make a clear statement. Another example of thoughtful utilisation of consistent story-telling through both images and text is the report of Deutsche Telekom, as mentioned above. From that perspective, the label “Human Resources and Sustainability Report” is adequate, since the most presented cases and ‘evidence’ for non-financial performance revolve around the contribution of the company’s employees.

An example of ‘the bad’ is Barclays’ “Sustainability Review 07”. Images are scattered around the document and are generic rather than directly related to the actions claimed in the text. For example, a small picture of the United States Capital, in Washington D.C, is put next to the chapter about stakeholder interaction (in which governments and political parties are mentioned last in the list of stakeholders the firm engages with on an ongoing basis, starting with customers). Hence, the core claim of the report does not
resonate consistently through the report: “Being a sustainable bank means providing enduring returns for our shareholders, and the best possible services for our customers – building long-term relationships with our stakeholders. Being a responsible global citizen means more than making philanthropic donations, it includes our duty to manage the wider social and environmental impact of what we do, and our obligations as a responsible employer.”

The “Corporate Social Responsibility Report 2006” from Deutsche Bank can be described as another example of ‘the ugly’. By drawing on the Dream World approach, the banking giant lulls the reader and subtly invites them to imagine a prosperous and healthy world, including personal private success. Additionally, a number of images show older, wiser men in mentor or teaching roles with younger, less experienced, but an ambitious generation, suggesting a patriarchal self-image of the bank. Hence, images distract the reader from fuzzy statements like “acting with sustainability in mind is not just an issue of altruism” and “acting sustainably is not just a PR issue for Deutsche Bank, either… in fact, sustainability steadily influences our everyday business and our decision-making processes” that circumvent stating what CSR and sustainability actually means for the company and how it influences day-to-day business and decision-making.

6.5 Summary and conclusion

The findings from this sub-study reveal how pictures act as means of purposeful visual communication and distinct way of making CSR accessible to internal and external audiences. This is justified by providing quantitative and qualitative evidence from an analysis of systematically selected cases. Generally, CSR is portrayed as a relevant business activity and is constructed as a contributing factor to business success. Such prominent presentation adds to the discursive weaving process of tying CSR to competitiveness and constructing/manifesting it as management idea. However, while CSR and sustainability appear to be accepted business philosophies and practices, doubts remain about what they actually mean in a company’s business context and criticism/scepticism about non-financial performance communication exist. The literature review has doc-
umented the non-trivial aspects of companies' use of images. In fact, a general conclusion of the research is that visual information is intentionally used to establish the CSR/sustainability concept as true and as reality. It appears as if images take the role of 'functional evidence' of performance and cater to the need to re-assure both companies themselves and external stakeholders that a changing approach to business is emerging. The number of 'people' photographs aims to counter negative or sceptical perceptions of corporations as driven solely by shareholders and the bottom-line. At the same time this humanisation aims to secure the 'license to operate' from the public and local governments. With CSR being strongly associated with immediate and future human life, it is of no surprise that images are also used as "outcome documentation": showing how firms' claimed contributions positively influence people's lives.

While I observed a significant gap in the quantity of images used in reports originating from either British or German companies, the types of images used suggest that a common basis and internationally shared understanding of CSR and sustainability has emerged. However, I make no claim to which this shared level describes a certain form of superficiality and hollowness of the CSR concept in general and corporate communications in particular. Rather, we would like to direct researchers' attention to the potential of visual language in non-financial reporting that enables the construction and manipulation of what CSR means to whom, and how the judgment about 'performance' can be influenced by complementing text with images. Surely, practitioners see implications for the future construction of reports and messages from our reflection on types of images and approaches in reporting. Aligning visual and textual story-telling and evidence for non-financial performance adds to the impact of the reports, which in turn is relevant information for rating agencies, customers, governments and other important audiences.

In summary, this sub-study into the use of pictures and the distinct way of making CSR accessible to the reader shows that CSR is relevant to businesses and is constructed as a contributing factor to business activities and strategy. Elements of their visual communication suggest that companies take CSR seriously (especially in the case of the "Accountant approach"), link it to their business activities ("Day-to-day business approach"), and position themselves and their executives from within the company as leaders and drivers of the debate ("Leadership approach"). This acts as an expression of
rational thinking behind the adoption of the management idea as a business-enhancing factor. Pictures are used as a translation of the idea into digestible manifestations for internal and external audiences. However, the enthusiastic use of photos with people adds to stress the 'social', emotional and ethical elements of CSR. It follows the 'cunning' suggestion that people and planet rather than profit motivates the social responsibility of firms.

After exploring how CSR is visually presented in a business context in this chapter, the following Chapter Seven provides findings into the direction and formation of how CSR expert communities have significantly influenced the CSR debate by using conferences as promotion stage, power resource and meaningful translator for the CSR idea.
CHAPTER SEVEN

FRAMING, ADVANCING AND DIFFUSING THE BUSINESS CASE OF CSR THROUGH CONFERENCES

“It is necessary and important to attend such conferences, not only to network and all the like, but also to present our new outfit, and to gain acceptance and to get support throughout the expert community and political opinion-leaders.”

(Corporate manager at the 2nd International Conference on CSR in Berlin)

7.1 Introduction

If the business case for CSR is a socially constructed phenomenon, as this thesis seeks to show, findings from observational studies at CSR expert conferences should reveal relevant reoccurring themes, may be even a respective ‘leitmotif’. Conferences are both physical places and intellectual spaces and can be seen as ‘birthplaces’ for new ideas and their development. Furthermore, they constitute an arena in which an idea is translated through the negotiation of understanding, the generation of concepts and the presentation of applications and scenarios by the active engagement of actor groups. In Section 4.3.3 I have argued that this unique setting allows observations of how participants exchange information, knowledge and experiences – or, as a German CSR manager in 2004 and an Austrian participant in 2006 unanimously said: “All those discussions here are helpful in the process of making sense of CSR!” It is generally not unusual for conference organisers to explicitly note this aspect in their event promotion. For example, the inaugural Humboldt University CSR conference in 2004 featured the subtitle "a platform for multi-stakeholder dialogue". Similarly, the add-on ‘forum’ to the EnviComm conference series of the German consultancy Dokeo refers to a place where ideas about particular issues are exchanged, with its origin in the ancient Roman ‘fora’, a public square used for juridical or other business.

Consequently, CSR conferences tell us something about how CSR is actively framed, energised and advanced by participants including managers, politicians, academics, administrators, and other organisational actors. At the same time they provide insights
into how individual players present and "position" themselves in the CSR field and around CSR topics. In addition, the advantage of concentrating on entire conference series since their respective beginning lies in the opportunity to consider the changes within those series, which reflect the proliferation of CSR in general, the momentum of the debate, and the diffusion of the business case argument in particular. Hence, in the first sections of this chapter I provide an extract of the conference outlines. In the following sections I look into arguments and interactions by analysing conference themes, presentations, talk and observations. The chapter will conclude with a discussion of the three functions of conferences for facilitating the construction of CSR as a management idea: as a stage, as a resource and as a translator.

7.2 Conference outlines

The conference series considered for this chapter are regular annual (EnviComm) and biannual (International Conference on CSR) events. In fact, both conferences have maintained their duration over the years, with the EnviComm being a 2-day event and the International Conference on CSR being a 3-day event since its second year. This represents their increasing significance and expansion of CSR as an issue field. Both conferences have seen considerable growth in participant numbers and strengthened their pull for attendants from different countries and various sectors, especially corporate managers, academics, politicians and representatives of NGOs and organisations concerned with the standardisation of non-financial reporting/measuring (see TABLE 7.1).

<table>
<thead>
<tr>
<th>Type of organisations</th>
<th>1st EnviComm in 2005 (%)</th>
<th>4th EnviComm in 2008 (%)</th>
<th>3rd International Conference on CSR in 2008 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Larger companies</td>
<td>60</td>
<td>46</td>
<td>18</td>
</tr>
<tr>
<td>Smaller companies</td>
<td>12</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>NGOs/ NPOs</td>
<td>8</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Media</td>
<td>6</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Politics/ Administration</td>
<td>4</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Foundations/ Trusts</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Academia</td>
<td>10</td>
<td>6</td>
<td>46</td>
</tr>
</tbody>
</table>
Since both series were amongst the first conferences in Germany solely revolving around CSR, their growth has occurred parallel to the proliferation of CSR in Europe (TABLE 7.2 provides an overview of the conference series development). They were first established in the context of the European Stakeholder Forum on CSR. In July 2002, the European Commission announced its intention to establish the forum with the aim of promoting CSR through raising the level of understanding of CSR, and fostering a dialogue between the business community, trade unions, civil society organisations and other stakeholders. It published its final report and recommendations in June 2004 (EU Commission 2004), which helped in the lead-up to the first conferences.

TABLE 7.2: Details of the organisation of the two conference series

<table>
<thead>
<tr>
<th>Conference</th>
<th>Organiser</th>
<th>Duration</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International Conference on CSR (Berlin/Germany)</strong></td>
<td><strong>Institute of Management at the Humboldt University Berlin</strong></td>
<td>2 days</td>
<td>370</td>
</tr>
<tr>
<td>1st International Conference on CSR (2004)</td>
<td>Institute of Management at the Humboldt University Berlin</td>
<td>2 days</td>
<td>&gt;400 (+10%)</td>
</tr>
<tr>
<td>2nd International Conference on CSR (2006)</td>
<td>Institute of Management at the Humboldt University Berlin</td>
<td>3 days</td>
<td>350 (+30%)</td>
</tr>
<tr>
<td>3rd International Conference on CSR (2008)</td>
<td>Institute of Management at the Humboldt University Berlin</td>
<td>3 days</td>
<td>520 (+30%)</td>
</tr>
<tr>
<td><strong>EnviComm (Stuttgart/Germany)</strong></td>
<td><strong>TecComm (now: Dokeo)</strong></td>
<td>2 days</td>
<td>50</td>
</tr>
<tr>
<td>1st EnviComm (2005)</td>
<td>Dokeo, Ministry for Environment of the state of Baden Wuerttemberg</td>
<td>2 days</td>
<td>120 (+140%)</td>
</tr>
<tr>
<td>2nd EnviComm (2006)</td>
<td>Dokeo, Ministry for Environment of the state of Baden Wuerttemberg</td>
<td>2 days</td>
<td>160 (+30%)</td>
</tr>
<tr>
<td>3rd EnviComm (2007)</td>
<td>Dokeo, Ministry for Environment of the state of Baden Wuerttemberg, Global Reporting Initiative</td>
<td>2 days</td>
<td>350 (+120%)</td>
</tr>
<tr>
<td>4th EnviComm (2008)</td>
<td>Dokeo, Ministry for Environment of the state of Baden Wuerttemberg, Global Reporting Initiative</td>
<td>2 days</td>
<td>350 (+120%)</td>
</tr>
</tbody>
</table>

### 7.3 Conference organisation

Both conferences have seen relevant changes in respect to event venues and partners involved in organising the event that represent aspects of the (shifting) nature of CSR. While The International Conference on CSR has always been organised solely by the Institute of Management at the Humboldt University Berlin, the EnviComm has joint forces especially with the Ministry for Environment of the state of Baden Wuerttemberg. This reflects the increasing involvement of politics and governments as argued in Chapter Two. The last two conferences took place in the prestigious “Haus der
Wirtschaft" (Building of the Ministry of Economics of the state of Baden-Wuerttemberg) in the city centre of Stuttgart rather than in the Dorint Hotel Stuttgart in the suburb of Vaihingen. While participation at the EnviComm had multiplied by seven before the move and the event was in need of a larger venue, it also reflects the arguments presented in Chapter Two about how politics has embraced CSR and has taken over a role as facilitators and motivators. Likewise, the Berlin conference took place in the historic buildings of the Humboldt University only in its inaugural year, but has relocated all break-up sessions to the new, modern and secured parliament complex (Paul-Löbe-Haus) right next to the German Reichstag (FIGURE 7.1). The conference gala dinner is celebrated in the opulent Great Hall in the Red City Hall, a historic building hosting the governing major of Berlin, who is also the premier of the federal state of Berlin (FIGURE 7.1).

FIGURE 7.1: Participants of the 2006 International Conference on CSR mingling during a coffee break in the German parliament building ‘Paul-Löbe-Hause’ (left) and during the gala dinner in the Great Hall of Berlin’s Red City Hall (right; in the background: the famous painting "Der Berliner Kongress von 1878" by Anton Werner)

The privileged conference locations impressed many participants, both German and international, who commented that it empowered individuals. For example, in discussions during the 2006 Berlin conference with an academic participant and a representative of the German Council for Sustainable Development, the former mentioned:

"hosting this conference in a parliament building is quite impressive, but does not reflect the importance it yet has on the agenda."
The latter responded:

"I think it communicates to people already involved [in CSR] and organisations that many think should get involved, that CSR is taken as a serious topic and backed by a bunch of quite influential people."

As a further sign of political engagement and support, the organisers of the EnviComm have attracted very high-profile politicians as keynote speakers in the last years (see TABLE 7.3). In 2006, Reinhard Bütikofer, Chairperson of the Green Party (Bündnis 90/Die Grünen) delivered the keynote speech (FIGURE 7.2). In 2008, it was Dr. Gerda Hasselfeldt, Vice-President of the German Parliament who addressed the participants.

FIGURE 7.2: Reinhard Bütikofer, Chairperson of the Green Party at the 2nd EnviComm

Both conference series have also attracted a growing number of sponsors and partners, especially industry partners (see TABLE 7.3). Large international corporations like Daimler, Deutsche Bank, Kraft, SAP, Siemens, Ernest & Young and e-on have used the opportunity to sponsor conferences and by implication their commitment to CSR. Ample material from corporate sponsors and other partners of the organisers, for example administrative or political institutions (e.g. “Capital region Berlin-Brandenburg: your place for investment”), was available for free for participants (e.g. at small stalls/tables as part of a ‘CSR fair’ or poster exhibition) and also part of the conference package that
each attendant received. The organisers themselves also used those printed media to promote their institutions (e.g. “Humboldt-Universität zu Berlin: A reform university striving for excellence”) and operations (e.g. “TecComm: creating awareness for your company’s innovativeness”).

Besides the above mentioned organisations, both conference series have been cooperating with a number of media partners, especially leading national current affairs newspapers (e.g. Frankfurter Rundschau), business media (e.g. Handelsblatt), CSR specific media (e.g. Glocalist) and scientific/academic media (e.g. call for papers for Responsible Organization Review). For conference organisers, as well as the CSR community in general, media is an important translator of the idea into the public sphere and the mainstream business field. Specific announcements have been generated before and after particular events, and cooperating with media/individual journalists contributed to articles around CSR issues around the year. For example, the Frankfurter Rundschau regularly featured long, award-winning articles about CSR and sustainability (e.g. Berguis’ 2007 award winning feature: “The long path to responsibility”). The influential business-focused newspaper Handelsblatt (2005) provided a 4-page supplement “Corporation – Responsibility”.

Media carries expert discourses into a wider public, for example, after the 2004 International CSR Conference in Berlin the nationally well-received Frankfurter Rundschau concluded that at the end of the conference it remained unclear how CSR will develop in Germany, but suggested that the need for such CSR movement was unchallenged even though experts were fundamentally confused (http://www2.wiwi.hu-berlin.de/institute/im/CSR/en_konferenz_konferenz2004-presse.html). The journalist’s observation in regards to “confusion” was a reflection of the early stages of the CSR debate, and the tension between explicit approaches to CSR as in the UK and the more implicit tradition in Germany (see Section 1.4.1). Nevertheless the conference contributed to foster the dialogue about CSR: invited academics, practitioners, politicians, representatives of governmental organisations and NGOs were engaged in meaningful discussions and added to the grounding of CSR discourses as well as the momentum of the diffusion of the idea.
<table>
<thead>
<tr>
<th>Conference name/location(s)</th>
<th>Theme</th>
<th>Sponsors/ partners</th>
<th>Keynote speakers/ opening words/ dinner speakers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International Conference on CSR (Berlin/Germany)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1st International Conference on CSR (2004)</strong> Humboldt University Berlin, Dinner reception in the Museum of Natural History</td>
<td>None (Sub-title “Platform for multi-stakeholder dialogue”)</td>
<td>Schering, HypoVereinsbank, WestLB, DaimlerChrysler, Olympus, Deutsche Bank, Berlin Partner, Kraft, Bertelsmann (all industry), Frankfurter Rundschau, selective intelligence (all media)</td>
<td>Jan Jonker Professor of Management, School of Management, University of Nijmegen Charles Fonbrun, Exec. Director, Reputation Institute and Prof. (emeritus), New York University Peter Eigen, Chairman Transparency International</td>
</tr>
<tr>
<td><strong>2nd International Conference on CSR (2006)</strong> Humboldt University Berlin, Paul-Loebe-Haus (German parliament building), Gala dinner in Berlin City Hall</td>
<td>Globalisation and corporate responsibility</td>
<td>German Telecom, German Rail, Piepenbrock Verlagssuppe, culture ink, ALBA, SAP, WestLB, Siemens, e-on, Kraft, Deutsche Bank (all industry), esmt, IMD, University of London, Centrum fuer Corporate Citizenship Deutschland (all program partners), Handelsblatt (media)</td>
<td>Bradley K. Googins, Boston University Simon Longstaff, St. James Ethics Centre, Australia Karin Schubert, Mayor of Berlin Jürgen Wilhelm, Director General German Development Service (DED) C. B. Bhattacharya, Boston University, Boston, USA</td>
</tr>
<tr>
<td><strong>3rd International Conference on CSR (2008)</strong> Humboldt University Berlin, Paul-Loebe-Haus (German parliament building), Gala dinner in Berlin City Hall</td>
<td>Corporate responsibility and governance</td>
<td>e-on (main industry sponsor), The Global Compact, Centrum fuer Corporate Citizenship Deutschland, Corporate 20/20, eons, Boston College Centre for Corporate Citizenship, University of Virginia Darden School of Business, esmt, Ausschmitt (all cooperating institutions), Wirtschaftsweste, Globalist, Stiftungstv (all media)</td>
<td>Michael Spence, Nobel Laureate Economic Sciences, Stanford Univ. Eric Dephtus, Chief Responsibility Officer, E.ON AG, Germany Jagdish Bhagwati, Columbia University, USA Ehrhart Körting, Senator, representing the Governing Mayor Klaus Wawereit of the City of Berlin and Head of the Bundesland Berlin Peter Eigen, Chairman of the Board, Extractive Industries Transparency Initiative (EITI) Edward R. Freeman, Professor of Business Administration, University of Virginia, USA Sandra Waddock, Professor of Management, Boston College, USA</td>
</tr>
<tr>
<td><strong>EnviComm (Stuttgart/Germany)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1st EnviComm (2005)</strong> Dorint Hotel Stuttgart</td>
<td>None (sub-title “Forum on environmental protection, sustainability and CSR for corporate decision-makers and communicators”)</td>
<td>DaimlerChrysler (industry), UmweltDialog (media)</td>
<td>No key note</td>
</tr>
<tr>
<td><strong>2nd EnviComm (2006)</strong> Dorint Hotel Stuttgart</td>
<td>Sustainability – or is it just PR?</td>
<td>DaimlerChrysler, TechniData, Climate Partner (all industry), macondo (media)</td>
<td>Reinhard Bütikofer (Chairperson, Bündnis 90/Die Grünen)</td>
</tr>
<tr>
<td><strong>4th EnviComm (2008)</strong> Building of the Ministry of Economics of the state of Baden-Württemberg in Stuttgart</td>
<td>Sustainability and strategy</td>
<td>Ernst &amp; Young (main sponsor), Bionade, TNS Infratest, Delinat Switzerland, Flower Label Program, MEMO, Blumen Sonn (all private sector), CSR-News, Forum Nachhaltig Wirtschaften, Frankfurter Rundschau, Globalist, Natur+kosmos, UmweltDialog (all media), B.A.U.M., deokeo CSR-Akademie, econsense, IHK Region Stuttgart, VBU, WIV (all cooperating partner institutes)</td>
<td>Dr. Gerda Hasselfeldt, Vice-president of the German Parliament Reinhard Bütikofer, Chairperson, Bündnis 90/Die Grünen</td>
</tr>
</tbody>
</table>
All conferences were structured to provide ample time and space for participants to meet and mingle outside input sessions. Such opportunities need be seen as an important feature of conferencing for emerging topics, especially in its early stages. In their invitations the conferences were explicit about making contacts and networking as an aim of the event and a prime motivation for participants. This was mainly achieved through welcome drinks/nibbles around conference registration on the first day, coffee and lunch breaks and official conference dinners. The Berlin conference also organised events on the day before and after the conference, for example a boat trip and golf tournament. In all cases, representatives from different organisations used those opportunities to exchange information and discuss CSR-related topics, concrete and potential joint projects, and else. They also used those opportunities to meet or get introduced to new contacts and to get to know people on a more personal basis. Hence, the interaction between interested and active participants outside input sessions was a significant driver to shape the CSR community.

During conferences of both series, participant from various backgrounds assured that especially this current event is one of the best arenas to make valuable contacts. For example, at the 1st EnviComm, they were pleased with the hands-on approach of the forum, trying to foster the development of one overall strategic framework through joint discussions. In general, the ‘spirit’ of the conferences was about cooperation and integration in a non-competitive environment. Participants seemed to be attracted in particular by the mix of organisations and sectors present (FIGURE 7.3). One corporate manager commented:

"Few decisions are made during such conferences. What we get presented can be too broad, remote or superficial compared to what I do in the company. But, big 'but', here I get to know more people in the area and can set up some of the things I have in mind because I can straight away talk to representatives from different organisations that might be relevant for those issues and see how they tick and what their philosophy is. For example, I can test the water."

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7.4 Conference themes and topics

Organisers arrange conferences around themes, aims and headings that act as displays in the public domain and formally structure the exchange of information and the facilitation of discussions. At the same time, this ‘agenda-setting’ directs discussions during the event, and ‘labelling’ of individual CSR issues shapes perceptions of the idea. We should also be sensitive to the thought that conference promotion material may influence concerned/interested non-participants, because titles and headlines act as a representation of the event and the nature/state of the CSR in general. Hence, the analysis of major conference themes and topics provides relevant context to the collective engagement with CSR.

Despite being one event, each conference was divided into more or less sub-events, because break-up sessions offer multiple forums to communally engage with particular discourses within the CSR idea. Those break-up sessions (parallel tracks) have headings, so do keynote speeches that are not challenged with alternative program option in order to attract all participants at the same time. At conferences, speeches are elemental.
Messages are condensed and reflected in the heading of particular plenary sessions. Speeches and the headings constitute a level the whole community engages with simultaneously. Consequently, it is important to turn attention to the types, forms and content of oral and visual presentations (e.g. PowerPoint slides, pictures in conference brochures), because of their incremental impact on the framing of meanings of CSR.

In order to track the development of CSR themes of the two conference series, I clustered all headings of sessions and presentations. While it would go beyond the size of this thesis to present a full list, FIGURE 7.4 shows the most important ongoing and emerging themes. The major themes identified can be assumed to have framed the CSR community’s dominant discourses due to the prime focus they were given in keynote speeches, tracks and panels. At the same time participants shaped and energised the debate around those topics by engaging in discussions in the plenary setting (discussions between individual participants were also extend into coffee breaks and the like). Despite ambiguous headings, the major themes identified within the conference series emerged both because of the quantity of respective presentations/speeches and their influential nature in discussions/post-conference media reviews. Consistently, during the 2004 to 2008 period and across both conferences series, business case arguments and industry practice were given very much attention. Consequently, organisational activities and consequences rather than letting ideas, topics and discussions ‘float away’.

FIGURE 7.4: Major conference themes 2004 to 2008

<table>
<thead>
<tr>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<tbody>
<tr>
<td>Strategy/business case, cases/industry application, success factors</td>
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<tr>
<td>Conditions, regulation</td>
<td>Communication</td>
<td>Partnerships, relationships, cooperation</td>
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<tr>
<td>Programs, outcomes</td>
<td>Awareness, assessment</td>
<td>Corruption, governance</td>
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<tr>
<td>Process, future, change</td>
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TABLE 7.4 provides an elaborated account of the identified themes and presents examples of track names, headings, speakers and presentation titles. While they reflect a variety of understandings of what CSR is about for individual presenters or actor groups in detail, they support the clustering into major themes. In practice, those themes and headlines play an important part in participants’ selection of which sessions they want to attend, they translate aspects of the CSR idea and they frame minds in order to direct discussions. Hence, in the next section I present observational data. A prime objective of the research design was to be involved in discourses, the joint process of creating understanding of CSR within the expert community and the activity of sense-making by participants in order to contextualise the occurrence and development of those major themes.

TABLE 7.4: Major conference themes with examples of track headings and titles of speeches and presentations

<table>
<thead>
<tr>
<th>Major conference themes</th>
<th>Examples of track names and headings</th>
<th>Examples of speakers and presentation titles</th>
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<tbody>
<tr>
<td><strong>2004, 1st International Conference on CSR (Berlin/Germany)</strong></td>
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<tr>
<td>Strategy and business case</td>
<td>CSR – The business case</td>
<td>&quot;CSR - From Slogan to Strategy&quot; (Tell Münzing, SustainAbility Ltd., London, UK)</td>
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<td></td>
<td>Legitimation and significance of CSR for companies</td>
<td>&quot;The Globalized Economy and CSR&quot; (Rick Molz and Carol-Ann Tetrault Sirsly, John Molson Concordia University, Montreal, Canada)</td>
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<td></td>
<td>Globalisation, MNE and CSR</td>
<td>&quot;More Than Just Compliance - Making CR Part of Your Business&quot; (Gabriele Hartmann, SAP AG, Walldorf, Germany)</td>
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<tr>
<td></td>
<td>How to make CSR strategic? Embedding and implementing CSR in the structure of the company</td>
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<tr>
<td>Conditions and regulation</td>
<td>Corporate social responsibility versus corporate social regulation</td>
<td>&quot;European Development in Corporate Social Responsibility&quot; (Keynote speech: Jan Jonker, Professor of Management, School of Management, University of Nijmegen)</td>
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<td></td>
<td>Cross-cultural differences in CSR General conditions for the social engagement of companies</td>
<td>&quot;The Legal Framework - Enabler or Obstacle?&quot; (Carolin Welzel, Bertelsmann-Stiftung, Berlin, Germany)</td>
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<td></td>
<td>&quot;The role of national authorities in promoting CSR&quot; (Christoph Schumacher-Hildebrand, Ministry of Economic Affairs and Employment, Berlin, Germany)</td>
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<tr>
<td><strong>2006, 2nd International Conference on CSR (Berlin/Germany)</strong></td>
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<tr>
<td>Strategy and business case</td>
<td>The Link Between CSR and Company Performance: The Business Case</td>
<td>&quot;Does it Pay to be a Good Citizen? A Market Based View&quot; (Keynote speech: C. B. Bhattacharya, Boston University, Boston, USA)</td>
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<tr>
<td></td>
<td>How to do CSR Strategically? Stakeholder-Management: How Companies Deal With Their Stakeholders</td>
<td>&quot;Managing for Stakeholders: Making CSR work&quot; (Keynote speech: R. Edward Freeman, University of Virginia, USA)</td>
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<td></td>
<td>The role of Leaders, Entrepreneurs and Managers for CSR Strategies</td>
<td>&quot;Emerging Strategies for Corporate Social Responsibility&quot; (Michel van Pijkeren, Jan Jonker, Radboud University Nijmegen, Arnhem, The Netherlands)</td>
</tr>
<tr>
<td>Activities and outcomes</td>
<td>Different Facets of Sustainable Strategies – Cases: How Companies Act to be Responsible Reputations</td>
<td>&quot;Social Responsible Future Leaders: Is There any Road Map?&quot; (Nora Karassavidou, Niki Glaveli, Aristotle University of Thessaloniki, Greece)</td>
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<td>Communicate CSR? What is the Role of Consumers in the Discussion of Corporate Responsibility of Companies? Do and Will Consumers Foster CSR? Measurement of CSR – Does it Make Sense and is it Possible? Is Economic Reasoning the Key to CSR?</td>
<td>&quot;Emerging Strategies for Corporate Social Responsibility&quot; (Michel van Pijkeren, Jan Jonker, Radboud University Nijmegen, Arnhem, The Netherlands)</td>
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<td>&quot;Dancing with the Devil: Responding to the Risk of Corporate 'Greenwash'&quot; (Keynote speech: Simon Longstaff, St. James Ethics Centre, Australia)</td>
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<td>&quot;Companies' Responsibilities in the Age of Globalization&quot; (Executive Panel Discussion: Manfred Krüper, Member of the Board E.ON, Germany; Frank A. Dassler, General Counsel, adidas Group, Herzogenaurach, Germany; Frank Trüper, Common Purpose, Frankfurt, Germany; Dirk Matten, Director Centre for Research into Sustainability (CRIS), School of Management, Royal Holloway, University of London, UK: Moderation: Michael Backfisch, Deputy Editor in Chief, Handelsblatt)</td>
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<td>&quot;Responsibility for Tomorrow - Corporate Responsibility at Deutsche Telekom AG&quot; (Ulrich Lissek, Deutsche Telekom, Germany)</td>
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<tr>
<td>2008, 3rd International Conference on CSR (Berlin/Germany)</td>
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</table>
| **Business case, success factors/cases** | **Creating Sustainable Value for Stakeholders** (Keynote speech: Edward R. Freeman, Elis and Signe Olsson Professor of Business Administration, University of Virginia, USA)  
"Corporate Social Responsibility by InBev" (Kai Falk, Director Corporate Affairs, InBev Germany Holding GmbH, Germany)  
"Broadening a Sport Sponsorship - From Olympic Games to Olympic Ideas." (Uwe Kleinert, Head of CR, CocaCola Germany)  
"Corporate Social Performance: Stakeholder Coalitions, Politics, Strategy and Performance" (Punit Arora, Syracuse University, USA)  
"Corporate & Public Perceptions of Priorities in Sustainability: Implications for the Choice of CSR Strategy of Multinational Companies" (Ralf Barkemeyer, Frank Figge, Queen's University Belfast, United Kingdom)  
"Harness the Power of Online Communities to Actively Engage Your Stakeholders" (Peter Conlon, CEO, ammado Internet Services Ltd., Ireland; Anna Kupka, co-founder, ammado Internet Services Ltd., Ireland) |
| **Change, process and future** | **Sustained High Growth Strategies and Dynamics: Critical CSR Inputs to the Process** (Keynote speech: A. Michael Spence, Nobel Laureate in Economic Sciences, Stanford University, USA)  
"The Future of CSR in a Globalizing World" (Pietra Rivoli, McDonough School of Business, Georgetown University, USA)  
"The Changing Face of Global Capitalism. Is CSR the Leading Edge or the Lagging Indicator?" (Executive panel: Eric Depluet, Chief Responsibility Officer, E.ON AG , Germany; Thomas Kaiser, Vice President Corporate Responsibility, Siemens AG, Germany; Gerhard Prötiorius, Head of Coordination CSR and Sustainability, Volkswagen AG, Germany; William Valentino, Vice President CSR of Greater China, Bayer AG, China; Chair: Bradley K. Googins, Director, The Boston College Center for Corporate Citizenship, USA)  
"CSR in Countries in Transition - The Case of India" (P. D. Jose, Indian Institute of Management, India)  
"Developments in Corporate Governance: Top to Bottom." (Kwang Ryu, Research Associate, Boston College Center for Corporate Citizenship, USA) |
| **Corruption and governance** | **CSO and CSR in Global Governance** (Dinner speech: Peter Eigen, Chairman of the Board, Extractive Industries Transparency Initiative)  
"Anti-Corruption and Organizational Architecture" (Joachim Schwalbach, Director, Institute of Management, Humboldt-Universität zu Berlin, Germany) |
| **Communication** | **Commerce in technology and environmental management as advertising message: the global image campaign of DaimlerChrysler** (Dr. Andreas Dahms, DaimlerChrysler AG)  
"A chronological account of the campaign against diesel-soot-filter from the perspective of environmental protection agencies" (Jürgen Resch, Deutsche Umwelthilfe e.V.)  
"Quo Vadis - Sustainability communication: opportunities and trends in firm and organizational communication" (Wolfgang Scheunemann, TecComm GmbH) |
| **Cases** | **Risk & opportunities: CSR challenges** (Tell Münzing, Sustainability Ltd)  
"New approaches to CSR at SAP" (Gabriele Hartmann, SAP AG)  
"International sustainability rating systems" (Prof. Dr. Jürgen Schäffer, Stuttgart University)  
"PPP-projects as win-win-situation for firms and Third World Countries" (Rolf Gerber, German Development Agency) |
| **Business case and case** | **Responsibility as part of corporate strategy: does CSR provide considerable business advantages?** (Dr. Michael Inacker, DaimlerChrysler)  
"CSR in a global company and its local application" (Dr. Hartmut Feucht, IBM Germany)  
"Stakeholder management process – communicating sustainability focused on themes" (Dr. Jens Clausen, Borderstep Institute for Innovation and Sustainability) |
| **Partnerships and** | **Cooperating with companies – the view of WWF Germany"** (Dr. |  |
relationships and foundations
Building partnerships with the media
Limits of responsibility: supply chain relationships

Bernhard Bauske, WWF Germany
“Cars from the jungle, paper from the plantation, t-shirts from the cotton wool paradise: PR or duty of journalism?” (Dr. Wolfgang Storz, Frankfurter Rundschau)

2007, 3rd EnviComm (Stuttgart/Germany)

| Awareness and assessment | Launch of the German GRI G3 guidelines
|                         | Perceptions and quantification
|                         | CSR and communication
|                         | “CSR reporting – much mass, less class: necessary steps from the stakeholder perspective” (Expert panel: Jermyn Brooks, Transparency International; Uwe Brekau, Bayer; Joachim Ganse, Deloitte; Marlehn Thieme, Nachhaltigkeitsrat; Dr. Paschen von Flotow, European Business School, Sustainable Business Institute; Ralph Thurm, Global Reporting Initiative (GRI))
|                         | “Energize CSR reports: what needs to be done?” (Prof. Dr. Andreas Troge, Umweltbundesamt)
|                         | “How sustainability creates financial added value for companies” (Edoardo Gai, SAM-Group)

2008, 4th EnviComm (Stuttgart/Germany)

| Industry application of CSR | CSR in the fast moving consumer goods industry
|                            | CSR in the electro technology industry
|                            | CSR in the construction material industry
|                            | CSR in the financial industry
|                            | “CSR practice in fund management” (Steffen Merker, LBBW)
|                            | “Reliability of service provision versus climate change” (Joachim Löchte, RWE)

| Cooperating for CSR | CSR between companies
|                     | CSR cooperations between companies, NGOs and the public sector
|                     | Cooperations between businesses and governments
|                     | Alliances for responsibility
|                     | “You can’t lean against your own shoulder – A plea against egoism” (Dr. Florian Langenscheid, Langenscheid)
|                     | “Opportunities and risks in cooperations with NGOs” (Joachim Tomesch, UNICEF)
|                     | “From the producer to animal proband N – CSR in supply chains” (Dr. Gerhard Prütiorius)

7.5 Conference talk and participant observations

7.5.1 2004/2005: Creating momentum

In Chapter Two the development of CSR in the context of activities of the European Commission was analysed. One intention of, especially, The European Multi-Stakeholder Forum was to mainstream CSR across Europe. For example, there were considerable and widespread discussions about a regulatory framework for CSR, which was heavily opposed by business organisations (and still is). At the same time, in order to build the case for CSR and make it meaningful for businesses, the business case discourse emerged. Hence, exactly those two topics built the core of the 1st International Conference on CSR in 2004, which took place a few months after the European Commission published its final report and recommendations in (EU Commission 2004).

In 2004 a large majority of CSR experts, NGO representatives, general public, business journalists and Labour MPs at least in the UK agreed to the question “Industry/commerce do not pay enough attention to their social responsibilities” (MORI 2004). With Labour governments in power in most of Europe’s big countries it may not
surprise that the topic also gained traction on a national level, most notably in the UK and Germany. The political agenda behind the proliferation of CSR is discussed elsewhere in this thesis (for national debates see Section 1.4; for the European debate see Chapter Two). However, the MORI (2004) survey also indicated that especially investors and ‘captains of industry’ did not agree with the need for more corporate responsibility at that time. Creating and advancing CSR expert conferences and was one way of promoting the topic to business leaders as relevant, necessary and innovative.

In the early days of the CSR development in Germany, there was a perception that CSR - especially in its explicit form and providing added business value – was more advanced in the UK. According to the organisers, an important aim of the inaugural Berlin conference was to clarify the meaning for CSR and create shared understanding (www2.wiwi.hu-berlin.de/institute/im/ csr/en_konferenz_konferenz2004.html). Hence, it may not come as a surprise that then-senior advisor Tell Münzing from SustainAbility, a British sustainability and CSR consultancy founded by John Elkington, provided distinguished presentations at both the 2004 Berlin conference and the 1st EnviComm in 2005. At the latter event, his presentation “Risk & opportunities: CSR challenges” was heavily referred to during forum discussions and coffee breaks. He also provided one of SustainAbility’s reports aimed to accelerate change CSR leadership “The Changing Landscape of Liability – A Director’s Guide to Trends in Corporate Environmental, Social and Economic Liability” (2004), which provides the following summary:

“A key message from this investigation is that the longstanding debate over the balance between voluntary and mandatory requirements is increasingly academic. (...) Companies that cling chiefly to technical compliance as their business strategy are unlikely to prevail in the court of public opinion even if they succeed in the courts of law. Instead, we argue for a proactive, trust-based approach, firmly grounded in a deep understanding of emerging societal expectations for responsible corporate behaviour.” (p 9)

This publication was the successor to the report “Buried Treasure: Uncovering the Business Case for Corporate Sustainability” published in 2001, which sought to uncover evidence to test the premise that responsible business is value enhancing. In his presentation Münzing pointed out:

“Good news first: Sustainability has become mainstream. (...) The bad news: Most of today’s corporate activities are not linked to their core business and
integrated with strategy. (...) Generally, still many CSR professionals get hung up with the fine-tuning of old firm approaches, philosophies and activities. (...) Certainly, there are different contexts and currently – a variety of CSR schools of thought that require different practical approaches to implementing CSR. However, Anglo-Saxon firms are well advanced and have come up with innovative adaptations. With many global companies facing similar global business situations, they need to catch up. Otherwise, those remain laggards while others already integrate sustainability into their strategy and improve their bottom lines.”

Awkwardly similar to Mr. Münzing, wearing a badge stating that I am a researcher from an Anglo-Saxon country (New Zealand), I was asked for my opinion, research results and international views on CSR more often than I expected (FIGURE 7.5). After all, at this 1st EnviComm I was relatively young and a grasshopper with the intention to observe CSR in action.

FIGURE 7.5: Author (2nd right) in discussion with the Manager Sustainability Communications at Ford of Europe (1st right), the Director MATC-Europe at Motorola Germany (middle) and a Environmental Safety and Compliance Manager at Boehringer-Ingelheim Pharma (left) during a coffee break at the 1st EnviComm in Stuttgart/Germany

Corporate managers in some way appeared to appreciate the vagueness of what CSR means. Most of them attended CSR conferences in order to find out more about this relatively new star on the business horizon and judge its value and meaning for their respective organisations. They were pleased with presentations concluding with CSR
being relevant for business strategy and conduct in the changing world of markets, politics and social life at the beginning of the 21st century. Talking to a corporate manager she was happy with the range of arguments and examples provided at the conference:

“This is what I need. I need that knowledge to tell the people [inside my organisation] that others take CSR quite serious already, that it is in their organisational veins and hence that they are doing a better job than us in some way. Last year we have decided to totally re-think our CSR approach. We have started systematically working towards implementing a new form of CSR only recently, and therefore the whole process is in its beginning. I think the whole organisation, including people immediately concerned, needs to learn more as we go. And, it is hard to predict how all this turns out over the next years.”

Conceptually, pragmatic individual conclusions did not resolve the confusion amongst German managers in particular over the meaning and content of CSR. Presentations by academics seemed to distract sense-making, bounded by organisational realities on the part of corporate managers, who looked for reasons and means to justify what they were doing already and - at the same time - energise and mobilise further developments. However, the development of CSR continued in conference outlines, presentations, and speeches, in which various views of CSR and a multitude of activities were presented.

As one example, I was told of a keynote speaker at another CSR conference who asked the audience to stand up, close their eyes and turn towards what they think is north. Apparently, individuals ended up facing random directions and the speaker reminded the expert community of the need for a shared approach in order to walk into the same direction, which she found was necessary to create much impact in the future. As far as it concerns the first conferences in 2004 and 2005, the portfolio of presentations and the headings chosen by the organisers pointed towards a practice-driven, non-regulated approach to CSR with focus on relevance for business and the application of the CSR idea in doable activities. This was reflected in presentations that included phrases like “win-win”, “from slogan to strategy”, “opportunities and trends” and “effective, but not expensive".
7.5.2 2006/2007: Maturing field

With national and EU policy encouraging best practice and self-innovative developments based on stakeholder dialogue, the next phase of conferences (2006 International Conference on CSR in Berlin and the 2006/2007 EnviComm) mainly focused on three aspects:

- Implementing CSR into business reality;
- Making initiatives happen through relationship facilitation;
- Proving its value-adding abilities by taking evaluation and communication serious.

Consequently, the 2nd EnviComm revolved around reputation as a prime value function from CSR. "What kind of relationships can be built and how to communicate CSR activities for image and reputation to benefit?" was asked in a pre-conference newsletter, aiming to motivate participation.

During the years 2006 and 2007 the EnviComm positioned itself as a high-profile, practitioner-orientated platform. It focused on relationships, partnerships and CSR activities, most obvious by providing the forum for the launch of the German Global Reporting Initiative G3 guidelines, one of the exceptionally few influential worldwide guidelines for evaluating and reporting CSR. Speeches and presentations no longer doubted that there is a business case for CSR - or at least that there can be value-added benefits if only approached, integrated and managed right. Conference speeches became more concerned with pushing CSR forward as a management idea ("How sustainability creates financial added value for companies"), generally, and as functionally parts ("Energize CSR reports: what needs to be done?")

At the 2nd International CSR Conference in 2006, the major themes revolved around 'strategy and business case' and 'activities and outcomes'. Even though presenters liked to add question marks to the title of their speeches (e.g. "Does it Pay to be a Good Citizen?") , usually the answer was 'yes' or 'yes, if' pointing out that there is a business case if only companies and entire industries manage it right. The two keynote speeches by distinguished international marketing and management academics at the conference
suggested evidence that this discourse about CSR was about constructing a reality, albeit embracing an intellectual oxymoron: there is a business case if only you make it happen. R. Edward Freeman from University of Virginia suggested in his speech "Managing for Stakeholders: Making CSR work" that (normative) stakeholder philosophy is key. More output-oriented, C. B. Bhattacharya from Boston University provided a market view:

"Since market forces drive much of the momentum behind CSR initiatives, from a management perspective, it is essential to understand when, why and how CSR works and subsequently monitor stakeholders' reactions to a firm's social efforts. (...) But adopting simplified views of the returns to social initiatives might not be prudent for companies, given the complex nature of the link between CSR initiatives, stakeholder response and firm market value. (...) Using research results from my recent studies, I will examine the conditions under which corporate social initiatives yield positive returns and propose a framework for measuring the effectiveness of such initiatives."

Keynote speeches were delivered in the “Cinema Hall” of the historic senate house of the Humboldt University, and in front of a large screen. At the beginning of Bhattacharya’s speech he presented the audience with a slide listing business benefits from CSR as described in Chapter Three of this thesis (see FIGURE 7.6). There was not much reflection about those; they were rather taken as true and achievable. Similarly, other presenters provided lists of business advantages – usually in the front part of their presentations and with an intonation as if it was a mere duty to include it: ‘ok, well, we know by now from research and so on that these are potential benefits from CSR – the real question is how to make it happen for your context’.

FIGURE 7.6: Keynote speaker C. B. Bhattacharya on stage with a list of potential business benefits from CSR management at the 2nd International CSR Conference in Berlin
More than the inaugural conference, the 2006 event provided particularly presenters from firms and NGOs a platform to showcase their activities and advancements in the area. A then recently-published report from the established German Environmental Management Association (B.A.U.M. 2006) was provided in the conference kit, including contributions from many important institutions of Germany’s ‘social market economy’ and presenting 30 “Best practice examples for Corporate Social Responsibility”.

In the foreword, the then-Minister of the Environment pointed out the link between resource efficiency, competitive positioning and environmental conservation. The Deutsche Bank, one of the cases presented as ‘best practice’, used the headline “Sustainability as business case” and stated a reiteration of the list of benefits potentially gained from CSR activities as presented throughout expert conferences:

“Corporate sustainability is not at all about altruism. Corporate sustainability is a commercial necessity that creates added value: the organisational capabilities to innovate is fostered, e.g. (...) Corporate sustainability offers an important opportunity to minimize reputational, market, financial and operational risks.” (p 44)

In line with keynote speaker Bradley Googins’ unconcerned statement “CSR, corporate citizenship, corporate responsibility - call it what you like”, corporate representatives from mostly communications, marketing and dedicated CSR departments explained their engagement and often rather lukewarm “proven” success factors. In general, some of the ‘carefreeness of youth’ and curiosity around the CSR field on the part of the participants that I experienced in 2005 had changed into a more tactical approach to conferencing. In parts, the conference had turned from a platform into a catwalk. A corporate communications manager of a large European telecommunications company concerned with CSR communications after his presentation commented:

“It is necessary and important to attend such conferences, not only to network and all the like, but also to present our new outfit, and to gain acceptance and to get support throughout the expert community and political opinion-leaders.”

Interestingly, this particular company was about to move CSR responsibilities from a unit dedicated to sustainability and CSR to the corporate communications department that was already in charge of sponsoring (mostly sports and cultural sponsoring). Dur-
ing this time of significant internal controversies, the firm’s CSR manager tried to make use of the CSR expert community as external power resource for his internal struggle. According to this manager, a senior executive decided that the corporate communications department was to present at the conference. The longstanding CSR expert audience received the presentation very critical anyhow, because the company’s focus on a sponsorship approach to CSR. But in private talks, the CSR manager asked selected participants - that he knew being advocates of a more substantial and reflective approach to CSR - to further publicise critics about the ambivalent picture of the firm’s recent CSR activities. Obviously, he initiated a tactical manoeuvre by spreading the word amongst external stakeholders (e.g. contacts from media and NGOs) about the unprofessional, unconcerned and inconsistent CSR approach of the company as presented on the conference. Hence, this example illustrates how CSR expert communities were utilised by managers as resources of support to sway corporations during the maturing of the CSR field.

Participants also often mentioned the non-competitive nature of the “CSR family” and the mutual support people provide in order to mobilise and advance CSR in general throughout their respective organisations and in general. This came across somehow proudly and in contrast to the apparently strong competitive nature of business. ‘Business’ in this context seemed to be referred to as something that was done in other departments, while workers in the CSR department were concerned with wider issues. However, at the same time I experienced that firms and individuals tried to position themselves in a CSR leadership role, for example by referring to awards won, best practice notions, membership of sustainable indices, and seemingly personal responsibility for rapid change and increasing CSR influence within their respective organisation. A CSR executive from a major British telecommunication firm stated:

“Being a leading member of major sustainability indices and so on is certainly an advantage and we do take it very seriously. We provide information and evidence - and internationally compared with others we have probably done very well, because it is not just based on questionnaires, it is based on evidence that you are actually doing the things you are saying you do.”

As reflected in the major conference themes and topics presented in Section 7.4, in 2006/2007 there was a focus on outcomes, awareness and assessment of CSR activities.
Companies' CSR activities mostly initiated very few years ago were now due for follow-up, justification, evaluation and future planning. The director sustainability at a leading German insurer clearly expressed his situation during discussions a break-up session after the presentation of a study about quantitative CSR program assessment sponsored by his department:

"I need hard facts for the internal battle for resources. You have to recognise that this is an insurance company, very numbers driven and this is the prime dimension people think in here. To be honest, a lot of the talk, also here at the conference, has limited benefit for my work in this particular company. This is why my people have to translate CSR and sustainability into hard facts and reports. Then I can go to my colleagues and say: 'Here, have a read!'"

7.5.3 2008: Mainstreaming CSR

By 2008, the idea of CSR had proliferated across Europe as could be seen for example by the number of academic publications, company reporting, business and general media coverage (see e.g. CorporateRegister 2008; Lockett, Moon and Visser 2006). Business conferences included CSR tracks and expert conferences grew in number and attendance, for example the International CSR Conference in Berlin by more than 70% compared to its inaugural event four years before and the EnviComm by staggering 700% (see Section 7.2). Climate change had climbed to the top of the sustainability debate and arguably dominated the field in a way that hurt specific and important CSR discussions. However, the European Commissions explicitly linked CSR to competitiveness and confirms commitment to provide political impetus and the practical support to all stakeholders engaged in CSR in the European Competitiveness Report 2008 (European Commission 2008).

Invitation newsletters to both conference series stated the obvious, likely to convince laggards of the CSR movement and economic traditionalists. Wolfgang Scheunemann, founder and head of Dokeo claimed that

"CSR has gone from niche to mainstream: we now see it on the title pages of magazines."
Similarly, the organisers of the Berlin conference series tried to maintain momentum, mobilise further interest, suggest that CSR has really gained traction in modern management and invited competitive academic papers for the upcoming conference. Professor Joachim Schwalbach, Director of the Institute of Management and host of the conference, welcomed the CSR community accordingly in the conference program that was part of participants' conference kit:

"The numerous scientific publications in recent years, the growing number of sustainability and environmental reports published by corporations as well as the efforts undertaken by various national governments and the European Commission underlined the importance of the topic. (...) The 3rd International CSR-Conference organised by the Humboldt-Universität zu Berlin has established itself as the world's premier international forum for exploring the global themes of corporate social responsibility in all its manifold dimensions. (...) [brought on by globalisation] the complex nature of these transnational challenges means they no longer be addressed by individual actors... Relying on global exchange and scientific discourse (...) so let's seize the opportunity to interact and make this conference a truly stimulating event."

Also, the corporate sponsor of the conference seized the opportunity to welcome participants. Thereby Dr. Eric Deplut, Chief Responsibility Officer E.ON, fostered the company's image of being in the forefront of the partnership aspect of business in general and CSR in particular:

"E.ON understands CR as a continuous process based on long-term considerations requiring a constant learning and an intersectoral debate."

Keynote speaker Bradley K. Googins reminded the audience to remain critical, cautious and proactive despite apparent successes for the CSR idea:

"We live in an age of transparency. Social issues define business models. So, there is no question of having a CSR office. It is a question of how to mainstream and integrate it. Unfortunately, I can't see many serious discussions in boardrooms today. And if the CEO and board is not committed it will not go any far. It is influence from outside and support of those CSR agents inside the organisation that drives internal change. However, how exactly to deal with it inside remains a field to work on for practitioners, academics, consultants and so forth."
In 2007 and 2008 a number of corruption affairs got revealed or peaked, in the particular the enduring Siemens scandal was most prominent because of its international nature. Consequently, the link between corporate governance and CSR was topical at both conferences. For example, EnviComm keynote speaker Reinhard Büttikofer Chairperson of the German Green Party was disappointed with the gap between firm’s declarations and activities. He demanded that if companies demand a voluntary approach to CSR, then they would have to deliver otherwise governments might establish a regulatory framework.

In Berlin, the 2008 conference was guided by the motto “Redesigning Corporate Governance for the 21st Century”. Discussions and presentations elaborated on the link between good corporate governance and sustainable business success. In some way a traditional model of management and organisational behaviour was reiterated, namely leading from the top. In a plenary panel discussion with international academics and executives, it was consistently argued that both corporate governance and CSR should be based on stakeholder dialogue, which means to strategically strengthen corporate culture and decision-making resulting in better business and market effects. Lise Kingo, Executive Vice President and Chief of Staffs at the Danish Novo Nordisk (note: a company described as ‘best practice in CSR’ in many publications, e.g. Morsing and Beckmann 2006), stressed the organisation’s dogmatic way of management:

"We shall seek an active dialogue with our stakeholders to help us develop and strengthen our business."

The major theme of presentations at both conferences again was to strengthen the idea how and where CSR adds value to the business. However, presenters focused more on the industry- and context-specific factors (e.g. “CSR practice in fund management”, "Broadening a Sport Sponsorship - From Olympic Games to Olympic Ideas"). Half of the 132 presentations in breakout sessions in Berlin were provided by representatives of corporations (e.g. BMW, Unilever, Coca-Cola), consultancies (e.g. Deloitte, Brunswick Group, Hengler Mueller Law Firm) and NGOs (e.g. Save the Children, Streetfootball-world, Max Planck Institute for the Study of Societies).¹ In many tracks, academic and

¹ By leader author/speaker
other contributions were mixed. Because conflicts were largely avoided in conference debates or smoothened out by respective chairs or moderators seeking to comprise different arguments under the header of the track, corporate, consulting and academic perspectives appeared to easily support and justify each other – hence, flow, merge and blur. For example, the track “CSR as a Differentiating and Success Factor”, chaired by the CEO of a small business consultancy:

- It started with the presentation “Corporate Social Responsibility by InBev” by the international brewery’s German Director Corporate Affairs;
- Followed by the confirmation of the business case for CSR by the consultancy founder of Steinbach Strategies (“CSR as Revenue Source – Managing Sustainable Innovations”);
- Finished by a research team from the Institute of Management at Humboldt University looking at “Urban Returns – Beyond the One-Dimensional Financial Scale of Success”.

Despite being insightful from a practical perspective, the track “The Role of Partnerships in Fostering Corporate Responsibility – Challenges and Success Factors (I)” was similarly leading since two of the represented organisations are partners (FIFA and streetsoccerworld), and BMW supporting a similar initiative as part of their activities to Save The Children’s work. The chair, board member of a German civil society organisation, introduced the session accordingly with the following presumption:

“Partnerships between business and civil society organisations play a growing role within successful CSR activities. Good and strong partnerships seem to enlarge the ability to meet the dual challenges of social cohesion and economic competitiveness.”

Besides stressing ‘success factors’ that generally mediate sense-making amongst managers because of their convincing and “proven” abilities to make an idea work, ‘success processes’ and aspects of change come up as a major theme throughout the conference. CSR was presented as an opportunity rather than obstacle in change processes and the dynamic world of business. Keynote speaker Michael Spence, Nobel Laureate in Economic Sciences, provided his views on the changing economic conditions in which CSR can be applied and add to better outcomes. Likewise, a panel of Vice Presidents of ma-
Major internationals offered their learnings from the at the time dramatically changing business climate. It was reflected on stages of CSR development, consequently, conference debates were also concerned about how to implant, teach and institutionalise the CSR idea into the future of business (e.g. management education) and the future of economies (e.g. developing countries). A French professor commented:

"I believe you know Camus' Le Mythe de Sisyphe. So let's be frank: if we can't get the idea into the heads and hearts of future leaders - business or other -, it will be hard work to keep the CSR spirit up. But why shouldn't it work? CSR fits with current good management frameworks, so we don't need a revolution. I believe it has to do more with knowledge about issues, and personal qualities like willingness to consider those environmental and social issues."

Speakers often used visual rhetoric to demonstrate the changing conditions for business in society as well as their own arguments and showcases. The significance of visual communication is discussed in great depth in Section 4.3.2 and Chapter Six in the context of corporate reporting. In conference presentations dramatic, humoristic, encouraging or thoughtful visuals were presented to provide (suggest) contextual information in a quick'n'easy fashion and to capture the audience's attention (see FIGURE 7.7). Managers presenting their company's CSR case frequently included slides with images from their advertising campaigns or even commercial clips. NGOs, consultancies or development agencies also included slides that were of promotional nature either for their cause or work. Thus, visual presentation offered especially corporations the chance to enhance their branding with ideas of social responsibility, and shape perceptions of the relevance and importance of CSR to business.

Occasionally, visuals were also used as critical statements, even though conflicts and hot-tempered discussions were extremely rare at the conferences I attended. The 4th EnviComm even finished with a declaration ("Stuttgart Declaration"), demanding responsible business and condemning misconduct.

FIGURE 7.7: Examples of visuals used in presentations (top left "Earth provides enough to satisfy every man's need, but not every man's greed"; top right "Climate change proof")
7.6 Summary and conclusion

Conferences are important events revolving around a given idea and attracting an expert community that is actively involved in discussing and developing that idea. They are institutionally bound, but publically indicate circumstances/direction of how intellectual space is filled. In this arena the active engagement of actor groups leads to the generation of frameworks and concepts, which can be adopted by managers and adapted in their respective organisational context. Participant observation at two international CSR conference series in Germany and the consideration of their organisation and context revealed motivations to participate as well as functions and processes used by community members (for details see FIGURE 7.8). In general, individuals and collective actor groups advanced CSR inside and outside companies using conferences as a resource. Beyond those properties, a number of conclusions in regards to the development of the CSR idea can be drawn.
Firstly, the conferences drew attention to CSR through their mere existence, hence they were part of the proliferation of CSR and its mainstreaming in modern management. Organisational representatives at the conferences displayed their interpretations and views of CSR in speeches and talk, in which they advocated their practices, work, and frameworks of CSR. It can be said that in this sense, the conferences functioned as "fashion catwalks", in which forms of the socially responsible corporation were both presented and questioned. However, in this way notions and images of a "responsible corporation" were shaped and reinforced, and judgments of appropriate and inappropriate CSR practices were passed.

Secondly, groups of actors with disparate opinions met at the CSR conferences in order to mobilise ideas about the social responsibility of business and to engage in a discourse about understandings and forms of CSR. Although different groups of actors partici-
participated at the conferences, and although the events aimed to be “multi-stakeholder forums”, a great part of the participants represented corporations. The predominance of corporations demonstrates the fact that the business community, along with other organisational groups, played an important role in mobilising CSR. Corporate representatives could listen to others, while taking advantage of the opportunity of presenting their organisation as socially responsible; and thereby setting the agenda for the interpretation of CSR.

Thirdly, the conferences were an important venue for the participants to further their own translations of CSR. However, the major theme within conferences was the establishment of the ‘business case’ for CSR. All actor groups used presentations about strategy, industry applications and case study-based success factors for good CSR as ‘mediators’ to build a chain of arguments for the positive competitive implications of CSR embracement. Participants from all kinds of backgrounds mutually supported each other in putting CSR on the business agenda and in stressing its commercial relevance. One could say that the business case idea has emerged as the glue that holds together the debate about CSR and thereby positions it in business leaders’ minds as important management idea.

In presentations and natural occurring talk consultants played the role of prompters by stressing the strategic value of CSR. Academics sought to reveal the conditions under which CSR should be managed. NGOs promoted their own causes as a platform for CSR activities of firms. Hence, because of joint interest in moving CSR forward into the mainstream and in order to meet and establish contacts with new customers and partners, the conferences were neither the site for hot-tempered debates and conflicts nor a place to find the anti-CSR faction. It was generally accepted that CSR is a cross-sectoral approach, but at the same time corporations were described as an important force that needed to contribute to a better society. By serving noble causes and investing in CSR activities, it was argued that corporations would not only contribute to a better society, but become more profitable in the long run.
Fourthly, strategies and related activities designed to influence CSR space at/through conferences were observed. Mainly, this included the promotion of collective action, the articulation of meaning of CSR, and the creation and advice on CSR products and services as shown in FIGURE 7.9:

FIGURE 7.9: Strategies and related activities designed to influence the CSR space at/through conferences

Fifthly, no common definition of CSR had yet been developed, which suggests that discussion does not always lead to clarification. In this respect, the construction of ideas does not necessary imply that the idea is constructed into a precise and common definition; rather vagueness is maintained. This makes it possible for the idea to spread, to develop, and to flourish into different contexts. Because CSR lacked a set definition, it could be translated into various corporate practices, frameworks, management tools, and meanings, which fit with different interests and organisational and geographical contexts. Consequently, on the one hand, CSR continued to be vague and it took ambiguous forms. On the other hand, the discourse about its business case acted as the main framework to glue it all together. Therefore, international conferences have materialised the CSR idea and have been a microcosm of the emerging field.

Finally, expert conference showed aspects that were influential for the proliferation of CSR, the shaping of the CSR idea, the constitution of the CSR space and the develop-
ment of CSR within companies (FIGURE 7.10). Conferences acted as translator in an institutional perspective, because they established and constructed properties that materialise the CSR idea. As gatherings of the cross-sectoral expert community they also were stages to present new CSR ‘outfits’ and claim progress through rhetorical/communicative means. Most importantly for organisational advancement, conferences were strategically used as power resources in order to gain reassurance, extra-organisational support, and to mobilise, energise and mainstream the relevance of CSR for business in general. Thus, conferences were not static environments in which CSR was a mere topic, but a sphere for discourses, social interaction and crafting of a phenomenon in the making.

FIGURE 7.10: Conferences as dynamic sphere, translator, stage and resource combining communicative/rhetorical, institutional and power aspects
Moving on from important findings and conclusions of individual and collective elements of the construction process in Chapter Five to Chapter Seven, the following Chapter Eight provides empirical evidence for the competitive implications of adopting CSR on an industry level, exemplified by an industry that had been already been seriously threatened to loose its 'license to operate'. It provides another layer to the development of CSR and its construction process, because it locates the talk about CSR in a real commercial setting. Hence, this chapter provides further substance to the 'reality' of CSR in modern global business and gives evidence that denies CSR as only a fad or extra.
CHAPTER EIGHT

APPLYING CSR TO CREATE VALUE ACROSS AN INDUSTRY – THE EXAMPLE OF PROFESSIONAL FOOTBALL

“Put the argument into a concrete shape, into an image, - some hard phrase, round and solid as a ball, which they can see and handle and carry home with them, - and the cause is half won.”

(Ralph Waldo Emerson)

8.1 Introduction

This chapter provides another perspective on the development of CSR and its construction process, because it locates the talk about CSR in a real commercial setting, thereby denying CSR as only a fad or extra. Success stories like these and examples of industry application help to manifest the shared understanding of the business case of CSR. Today, virtually all industries are heavily engaged in the discussion, development and implementation of CSR. This chapter conceptualises and empirically illustrates how CSR offers strategic direction to managers who want to enhance their organisation’s performance and competitiveness by exploring the application of CSR in the professional football industry (see Section 4.3.4). It demonstrates that a pragmatic adoption and application of the CSR idea can indeed lead to a stronger competitive situation of an industry. Thereby, this layer of the general discourse provides substance to the ‘reality’ of CSR in modern business around the globe. Methodologically, a line of arguments is presented based on meta-analysis of literature that leads to a model, then supported by findings and conclusions mainly from the analysis of Internet sites. It shows how a management idea is growing in a specific industry and how the application of CSR throughout a whole industry has the potential to manifest the business case scenario of the idea.

CSR receives scattered attention in the field of sports management and sports marketing. Having seen the dramatic professionalisation of many sports in the last two decades - football in particular is now without doubt an industry by itself. Consequently, sports
managers are fully appraised and aware of developments in the wider world of the socio-political-economical environment just as corporate managers in other industries are increasingly tracking and engaging with stakeholders and their growing range of interests.

Lead by the question of how different approaches to CSR fit into the organisation of professional football and where it creates value to the industry, the unit of analysis in this sub-study are CSR-related strategies and tactics across four professional leagues, of which two are traditional centres of the game (England and Germany) and two represent rather new, franchise-based national leagues (USA and Japan). I show the benefits of utilising strategic CSR management for the competitiveness of both individual actors and the game of football in general. The findings outline the benefits of the mutual beneficial interplay of professional football and its socio-economic-political environment.

8.2 CSR and its relevance for value creation in sports management: model development

The understanding of how and where CSR can contribute to achieve organisational objectives in the football industry is grounded in what is known as the 'resource-based view of the firm' in strategic management (Fahy 2000; Barney and Arikan 2001). This approach stresses the value of intangible and interactive assets of a company as main competitive factors leading to competitive advantages in the marketplace. Adopting the same approach, Freeman (1984) outlined the concept of 'stakeholder management' as a way of thinking and acting for managers who saw themselves confused by the dynamic nature of environmental changes. The author explains the idea of CSR as one building block for the stakeholder concept (Freeman and Vea 2001). On the other hand, the stakeholder concept is referred to as most being the most influential in management studies on CSR (Beckmann, Morsing and Reisch 2006).
Hence, there is close intrinsic connection between the two concepts. The stakeholder concept itself has since been treated as a foundation for the theory of an organisation (Donaldson and Preston 1995; Post, Preston and Sachs 2002) and a framework for relationships of business and society (Rowley 1997). This is what Granovetter (1985) described in general terms as ‘embeddedness’ of economic actions in social relations. In the sports context, such ‘embeddedness’ in social relations can, for example, easily be found in the traditional concept of clubs (‘societies’) for example in England and Germany, which are heavily intertwined with other social networks. Thus the idea of stakeholders is hardly new to football.

CSR as I have argued is the focus of a growing attention in the management and marketing literature (Bowd et al. 2003; Lockett et al. 2006), and many organisations across a variety of sectors have begun to integrate CSR into their business strategies and planning. Risk management, institutional relevance, organisational functioning, market positioning, and ethical assumptions are said to be core reasons why businesses get involved into CSR management (Paine 2003). This, as well as Brown, Crabbe and Mellor’s (2006) list of motivations for English football clubs to get involved with their communities (ethical/ideological, business, political/legal motivations) overlaps significantly with Garriga and Mele’s (2004) map of the CSR territory along ethical, instrumental, political and integrative approaches. Hence, it provides us with a solid conceptual base to develop a model of value creation in professional football through CSR.

Despite its increasing relevance, the little direct attention CSR has received in the field of sport management is not surprising given the widespread understanding of sport as being a hobby, positioned in the centre of social life, and as a quasi per definition contributing to the benefit of society due to policies drawing on the inclusiveness of sports (Green, 2006). Even this may still hold truth for grassroots activities, Brown, Crabbe and Mellor (2006) challenge this presumption in the context of football clubs and their community relations in England, where the organisation of the game “over the past 15 years [has] actually contributed to the exclusion of some groups in society, especially on economic grounds” (p 9). Furthermore, most prominently professional men’s football has created a global industry of its own right worth billions in broadcasting rights, merchandising and sponsoring. It comprises a cooperative activity, which relies on fi-
nancial, human and social capital (Morrow 2003). Even some may argue that foot-ball is unique because of the way it touches people’s everyday lives (Branston, Cowling, Brown, Michie and Sugden 1999), professional clubs are hardly different from any other medium-sized, multi-national company: they consist of tangible, financial, and intangible assets that are professionally managed and marketed (Yang and Sonmez 2005). Hence its modern management and governance should not be treated different to other production or service activities (Branston et al. 1999). TABLE 8.1 shows the difference between professional clubs'/teams' main business segments before 1990 and today.

TABLE 8.1: Main business segments in professional football (Matusiewicz 2000; adapted and extended)

<table>
<thead>
<tr>
<th>Source</th>
<th>Clubs/Teams (since 1990s)</th>
<th>Clubs (before 1990s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Football team</td>
<td>&gt; Tickets and merchandising</td>
<td>&gt; Tickets and donations</td>
</tr>
<tr>
<td></td>
<td>&gt; Development and sale of players</td>
<td>&gt; Sponsoring and advertising</td>
</tr>
<tr>
<td></td>
<td>&gt; Sponsorship and advertising</td>
<td>&gt; Broadcasting rights</td>
</tr>
<tr>
<td></td>
<td>&gt; Broadcasting rights</td>
<td>(all above relatively low-key)</td>
</tr>
<tr>
<td></td>
<td>&gt; Secondary spend</td>
<td></td>
</tr>
<tr>
<td>Premises</td>
<td>&gt; Multi-purpose facilities, especially stadiums</td>
<td>&gt; Publicly-owned facilities</td>
</tr>
<tr>
<td></td>
<td>&gt; Hospitality and services</td>
<td></td>
</tr>
<tr>
<td>Brands</td>
<td>&gt; Promote non-football goods and services (e.g. credit cards, insurances, mobile services, gambling)</td>
<td>&gt; Club membership fees</td>
</tr>
</tbody>
</table>

Research at club level has confirmed the increasing need of stakeholder management in order to demonstrate sound governance and strategic management (Szymanski 1998; Bale 2000; Cannon and Hamil 2000; Barn and Baines 2004). It highlights the maturity and professionalisation of the football industry. This changing nature was driven by internal motivations for growth as well as external events (including serious scandals and crises), which made organisations in the sport recognise “its expanding economic, social and even political significance” which also includes “dealing with matters outside its immediate sporting sphere of activity” (ILO 2003; italics added).

I see four main reasons that support this argument: firstly, the recognition of professional football clubs and bodies as business entities under European law linked with the ‘Bosman’ judgement of the European Court of Justice in 1995 which ended the times “of innocence when football blithely assumed that it was immune from intervention of
law” (Foster 2000, p 39) and subsequently led to closer relationships between the Commission, FIFA and UEFA because of the cultural, economical and social importance of sport in general and football in particular as laid down in the Treaty of Amsterdam; secondly, globalisation of trade, marketing and sourcing encouraged clubs to look for players, promote their brands, sell media rights, licence merchandising, and acquire investors and sponsors from all the regions of the globe; thirdly, the need to redevelop urban areas and local communities urged football to go into mutual beneficial partnerships, especially through investment in infrastructure, supporting ‘place marketing’, and acting as ambassadors for worthy campaigns; and finally, with governments increasingly acting as allocators and regulators rather than direct providers of public services (Harris and McDonald 2004), functioning as a public agent has been regarded to open spaces for improving the sports competitiveness and making the game relevant for society.

These four areas of change in terms of socio-economic-political matters of professional football highlight the increasing complexity managers find themselves in, in order to achieve profits through business activities, competitiveness against other sports or forms of entertainment, raise participation in the game to sustain its future, and gain institutional relevance to impact on governmental regulations and actions. Oughton (2004) and Tacon (2005) have concluded that the growing commercialisation of professional football over the past two decades has increased risk in the football industry. At the same time, new forms of partnerships and public spaces opened up by governments offer considerable opportunities to benefit enormously from adopting sustainable business models (Oughton, Mills, McClean and Hunt 2003) and integrate CSR in their long-term planning (Deloitte and Touche 2005; qtd. in: Holt, Michie, Oughton, Tacon and Walters 2005).

By doing so, football can create values for their external stakeholders and position itself as a highly relevant and influential social, economic and political agent. On a conceptual basis, I see four distinct areas (FIGURE 8.1): football as agent to create human value (e.g. by supporting supra-national organisations in nation building and efforts to increase quality-of-life); football as a business agent creating financial value for other industries (e.g. broadcasting, sports clothing industry, sponsors); football as a social
agent fostering cultural value (e.g. social and personal identification); and football as a functional agent to create reassurance value and foremost the game’s capability to act as means of connecting commercial or political actors with people (e.g. through social marketing campaigns and support of football infrastructure).

FIGURE 8.1: Value creation through CSR in professional football

FIGURE 8.2 brings together the conception of CSR and its potential impact for professional football. Crucially for sports management, it captures the opportunities for the development of the game in an economic, cultural, humanitarian and integrative sense. The four areas also show the strategic possibilities arising from the growth of CSR in other industries: for example, football is a great beneficiary of donations, sponsorship money, governmental support, investment in social campaigns and volunteering. Hence, if clubs/teams, leagues and bodies manage its agency role strategically, they can increase the competitiveness of the game against other sports in the commercial market-
place and political arena through their high and distinct relevance for society. The potential weight of the game in the public arena is very evident in the notion that professional football is seen as an ambassador for supporting the integration process of the European Union (Forster and Pope, 2004).

FIGURE 8.2: Model of the role of CSR in professional football

Note: Limitations of the model

The model is limited in the sense that it encapsulates the use of a broad definition of CSR and integrates a range of CSR approaches and groups these along separate functions. By doing so it leaves the specific definition of CSR up to the context where it might be applied in and conceptually disregards that individual organisations usually embrace different goals at the same time (Cyert and March 1963). While this helps to conceptualise advancement in understanding the role of CSR in professional football, it causes difficulties in actual operationalisation in empirical research as is evidenced in the case studies used in the study. This problem has frequently been raised as criticism against system theoretical thinking – and structural-functionalism or functional-structuralism in particular – but neglects the meta-level of analysis implied by such theories. Consequently, the overwriting advantage of the approach outlined is that it points out distinct areas that organisations may want to focus on when integrating CSR and stakeholder management.

The model clearly allocates areas in which professional football organisations can utilise value derived from integrating CSR thinking and actions in order to develop the game. After establishing a model from the literature conceptualising how different approaches to CSR fit into the organisation of professional football and linking them to
their potential value-creating role in the business, I now move on to provide evidence for the value approach and business case of CSR through four case studies.

8.3 CSR in professional football: the evidence

8.3.1 The “home” of football – CSR in English and German football

European football is the epi-centre of the global game. At the same time, the EU is the most vibrant area for CSR debate, discussion and consequent development (Diamantopoulou, 2005). Football is deeply rooted in the English and German society, the following cases provide in-sight into the grown complexity of relationships, and its linkages to different national modes of CSR.

TABLE 8.2 provides insight into the specifics and differences of CSR agendas for each national context. General characteristics of the CSR debate in the UK and Germany (also the USA and Japan) were presented in Chapter One.

TABLE 8.2: Overview of general and professional football’s CSR agendas in England, Germany, USA, Japan

<table>
<thead>
<tr>
<th>England</th>
<th>Germany</th>
<th>USA</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Organisational governance</td>
<td>&gt; Organisational governance</td>
<td>&gt; Urban development</td>
<td>&gt; Financial transparency</td>
</tr>
<tr>
<td>&gt; Club ownership</td>
<td>&gt; Player rewards</td>
<td>&gt; Local community involvement</td>
<td>&gt; Promotion of diversified ownership</td>
</tr>
<tr>
<td>&gt; Racism</td>
<td>&gt; Relation to politics</td>
<td>&gt; Development of grassroots football</td>
<td>&gt; Management responsibility</td>
</tr>
<tr>
<td>&gt; Hooliganism</td>
<td>&gt; Racism</td>
<td>&gt; Social inclusion</td>
<td>&gt; Organisational governance</td>
</tr>
<tr>
<td>&gt; Regional development</td>
<td>&gt; Resource efficiency of stadiums</td>
<td>&gt; Youth education</td>
<td>&gt; Support for retiring players</td>
</tr>
<tr>
<td>&gt; Local community involvement</td>
<td>&gt; Safety of new arenas for 2006 World Cup</td>
<td>&gt; Charity/ donations</td>
<td>&gt; Urban development</td>
</tr>
<tr>
<td>&gt; Youth education (inside and outside the</td>
<td>&gt; Youth education (inside the game)</td>
<td></td>
<td>&gt; Development of grassroots football</td>
</tr>
<tr>
<td>game)</td>
<td>&gt; Foster volunteering</td>
<td></td>
<td>&gt; Social inclusion</td>
</tr>
<tr>
<td></td>
<td>&gt; Neighbourhood rights</td>
<td></td>
<td>&gt; Youth education</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>&gt; Charity/ donations</td>
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<td></td>
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<td>&gt; Financial transparency</td>
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<td></td>
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<td></td>
<td>&gt; Promotion of diversified ownership</td>
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<td></td>
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<td>&gt; Management responsibility</td>
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<td></td>
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<td></td>
<td>&gt; Organisational governance</td>
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<td></td>
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<td>&gt; Support for retiring players</td>
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<td>&gt; Urban development</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>&gt; Development of grassroots football</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>&gt; Create model of community sports for whole family</td>
</tr>
</tbody>
</table>
England is considered by many the home of football – and may well be the home of the modern football business, too: West Ham United introduced a shareholder structure as early as 1900. Korr (1986) has illustrated how the limited company’s ownership structure led to alienation of the club from its local community, eventually resulting in a clash of business with supporter interests (see also Cannon and Hamil 2000). In the 1990s these controversies peaked, driven by the (attempted) take-over of clubs from media companies, most notably in the ‘Shareholder United’ against BSkyB case (Crick 2001). As a result, the government backed the supporter-shareholder movement with ‘Supporters Direct’ becoming fully operational in 2000 (Smith 2001). In another attempt to bring the game, especially professional clubs, back into the community, supporters’ trusts were established, mainly in lower leagues. These have been seen as important to foster beneficial dialogue with a number of stakeholders and the local community above all (Holt et al. 2005). Holt’s et al. (2005) surveys looking into the links between supporters’ clubs and the football club initiative ‘Football in the Community’ show that these relationships are often still weak and need to be further strengthened in order to provide real mutual benefit and gain.

Over the last decade, a steady decline in the number of leading clubs in the top echelon of the game as a result of a growing in balance in terms of clubs’ financial capabilities has threatened the broad natured and open status of English football (Smith 2001). In the 1990s the transformation of football into a business accelerated as a result of the floatation of clubs listed on the stock market, the increasing importance of the game for non public sector media expansion (and in turn, media sales for expanding the game), and as a result setting off major debates over the future of the game in the public policy arena, including TV viewer access (Hamil, Michie, Oughton and Warby 2000). Interestingly, these debates occurred primarily outside the traditional regulatory bodies of the game, but were instead within parliament, governmental committees (e.g. the Monopolies and Merger Commission), the EU Commission, boardrooms of international media companies and investor roundtables, which emerged as the decision-making and regulatory entities. Football seemed to be no longer in charge of its own game or destiny (Hamil et al. 2000) and lost its leverage and power in the policy making process.
As a result of being increasingly under political and media attention, football has moved up the public agenda and has seen calls for an independent regulator of the national game (Sutcliffe 2000; Taylor 2000) as well as growing recognition that professional football faces a number of critical issues (House of Commons 2003):

- Governance at club and association level;
- The treatment of supporters in terms of ticket prices, accessibility to matches, merchandise, recognition as stakeholders by their various clubs;
- The football transfer system;
- The national football stadium in Wembley;
- Football hooliganism and crime;
- Racism in football;
- The financial divide between football’s elite and medium to smaller size clubs.

In a coalition of interests, the Football Association (FA) as well as individual clubs has joined forces to tackle the above listed problems and has started to implement stakeholder-driven CSR activities as an effective method to address football’s relation to society and its traditional roots. To date, it includes various campaigns, programmes, schemes and charities (see www.premierleague.com). The FA itself strongly believes that football has a unique place in British society and can act as a power for good off the pitch in a number of policy areas and has stated on CSR that “we also think that the Government can and should use the power of football to this effect” (The FA 2005, p 33).

Drawing on recommendations from the ‘Taylor Report’, Bale (2000) outlines four reasons for the changing relationships between football and its communities after the Hillsborough disaster: firstly, a number of clubs relocated themselves; secondly, stadiums have been significantly upgraded; thirdly, multi-functional, thus revenue generating stadiums are now across England; and finally, a growing number of stadium communities emerged. Football stadiums are symbolic places to change the face of the game and to bring it back from the board-rooms/committees in the community. Professional clubs have become valuable players in social development (www.bitc.org.uk) and regional economies and regeneration (Sandy, Sloane and Rosentraub 2004), particularly in terms of place marketing. Urban decay in the 1980s is seen as the stimulus for CSR
in England and the establishment of its explicit model of CSR (Moon 2005). With organised crime and hooliganism in and around the stadiums as social consequences, football as well suffered from urban decay (Sudgen 2002). Football has been offering itself as a public agent to help to solve such problems in a win-win partnership with local communities (House of Commons 2005b), most notably through education schemes under the umbrella of ‘Football in the Community’.

In addition to creating economic and societal value, at the same time, there is the potential to leverage and use the power of brands of professional clubs through community involvement. A good example is the ‘Arsenal Double Club’, a programme by the Arsenal London Club and Arsenal Stadium, combining literacy and numeracy with football in after-school, holiday and curriculum-time classes (Arsenal 2005; www.bitc.org.uk). For more than two decades the club has had an ‘Arsenal in the Community’ department. With racism on the top of the international and national agenda, the club is engaged in anti-racism campaigns.

Diversity is an issue on England’s CSR agenda and plays an important role in terms of competitiveness of English football – Arsenal, for example, signed the biggest club sponsorship deal in English football history (Arsenal 2005) with a Dubai-based airline allowing the building of the new ‘Fly Emirates Stadium’. Here, the economic interest supports the potential for the club and the local ad-ministration to initiate CSR activities in a new environment. Thus, the governmental call for football as partner (Pendry 2000) in community development offers professional football the chance to integrate the public agenda with its own organisational goals through self-enlightened CSR that brings the modern game back to the English community.

Germany – football and political endorsement

Germany has a traditional sports club and professional body system that organises and governs football. Clubs are communities of interests, granted certain rights to govern their matters and tax reductions from the public. Until 1998 only football teams from such ‘incorporated societies’ were allowed to be members of the German Football Association (“Deutscher Fussball-Bund” – DFB) is the world’s largest national single
sports association with 6.3 million members) and takes part in the national competi-
tions. Clubs as well as governing bodies have always had strong links into the local
community with high-profile public administrators involved. For example, Gerhard
Mayer-Vorfelder, former president of the DFB, was a state minister, president of a first
league club and member of DFB and UEFA committees at the same time. This special
relationship has been strongly expressed by the president of the standing sports commit­
tee of the German parliament, who has emphasised the crucial role sport plays in demo­
cratic societies and politics, seeing it as a duty of politics to strongly support sports af­
fairs and particularly in relation to the 2006 FIFA World Cup held in Germany
(www.bundestag.de/ausschuesse/a05/grusswort.html).

In its statutes, the DFB proclaims that football has an immense impact on society and
the environment at large (www.dfb.de). It sees as its foremost purpose the initiation and
development of ‘social activities’ which are primarily largely charities, volunteer campa­
igans, support of disadvantaged people and humanitarian projects. It acts as an agent of
public concerns about violence and discrimination and public health and even helps to
re-integrate criminal offenders into society. And with sustainability and global warming
being 21st Century popular policy imperatives in the 2006 World Cup, the DFB pro­
moted the implementation of an environmental protection scheme called ‘Green Goal’,
a sustainable development objective that reflected the general German attitude towards CSR.

Inside the national game DFB’s challenge consists of balancing and backing the interest
of the professional clubs against generally much broader and traditional goals. In the
last six years especially the “Deutsche Fußball Liga GmbH” (DFL) has become an in­
fluential voting-member of the DFB. The DFL is responsible for the licensing of clubs,
promotion of the two professional national leagues and collectively selling their media
rights. In contrast to its English counterpart, the DFL is not involved in any major CSR
activity. However, it cooperates with social marketing campaigns mainly driven by the
DFB (“Keine Macht den Drogen“).
Other dynamics impacting upon German football’s objectives and position in recent years were driven by both marketing effort and public pressure. Clubs started to seek more aggressively new sources of revenue from box office sales, merchandising and retailing and thus promoted football as entertainment to new groups of customers and consumers. With football hooligan-ism raising public concern and threatening the image of the game, the attraction of new groups of supporters (e.g. women, families) along with stricter observation of rules and bylaws were used to squeeze out unwanted disruptive groups and supporters.

Professional clubs rarely mention CSR related activities on their website, but are much present as ambassadors of cause-related marketing campaigns of their sponsors’ or public programmes. Bayern Munich, a public listed company 90% owned by the club and 10% by its long-standing partner Adidas, now has bundled together its formerly scattered activities in the charity organisation ‘FC Bayern Hilfe e.V.’. The aim is to actively and openly communicate social activities of the successful club (www.fcbayern.t-com.de). To prevent alienation of professional football from its supporters and re-assure local roots through symbolic means of their connections and heritage a good example is regular appearance of Bayern Munich players jumping into Teutonic folklore leather pants.

As a result of the difficulties associated with developing Munich’s new stadium, the restructuring of CSR related activities and mindful media targeting at Bayern Munich reflects the implementation of a new and more focused business-like organisation which recognises the critical importance of external affairs and engaging with its stakeholders. The club had seen its home ground, the stadium of the 1974 Summer Olympics, as being increasingly uncompetitive in comparison to other leading European clubs in economic and sporting terms. Eventually, it needed strong backing from the local and state government to push the need for new stadium through, including a local referendum. The bulk of opposition to the new development came about as the new arena is a private investment worth approximately EUR 350 million supported by Germany’s leading insurer Allianz to develop the business objectives of the club and with the city and state building the surrounding infrastructure with public money worth about EUR 200 million. However, such joint venture projects typical of German corporatism are now in-
creasingly questioned by regulating bodies such as the European Commission as to what extent public financial support of new private premises are illegal subsidies and or are anti-competitive activity (Financial Times Germany 2002).

In contrast to England, German political opinion and policy makers and less suspicious about the new football businesses because they are seen as coherent groups of people and a vehicle to achieve common good for citizens and society. A good example of this is that equipment and trainers sent to Afghanistan by the DFB are seen as Germany’s humanitarian contribution to nation building. Arguably, politics has paternalistic feelings towards football, thus supporting the game and new infrastructure for its own glamour (Financial Times Germany 2002). Certainly, the public pressure on professional football to explicitly embrace CSR is less than in other industries. Even with the growing interconnectivity of German football and politics, the importance of the game in terms of social cohesion and increased positive public support post the 2006 World Cup, CSR has so far been widely neglected as an organisational management objective.

8.3.2 Same game, different business – CSR in Japanese and U.S. football

Japan and the U.S. have a relatively short history of professional football. Nevertheless, both markets have prospered and established significant organisational and cultural roots for the future development of the game, both countries developed their leagues virtually from scratch. In each case the leagues run under a franchise - thus explicitly business-driven - system. In addition they face strong competition from other, incumbent sports, for instance, NFL in the US. Thus football CSR activities, especially the investment into local infrastructure, have been strategically used to get a stake in the communities, and at the same time foster support for the game.

Japan - “Making the country happier through sport.” (100 year vision of J.League)

The professional J.League was launched in 1993 as a successor to the amateur Japan Soccer League which comprised non-professional company teams. Birchall (2000, qtd. in: Dobson and Goddard 2001) has described the creation of the J.League as “perhaps one of the greatest mass-marketing events even Japan, probably the world, has ever
Leading Japanese companies were involved in promoting and sponsoring the league from the start using it as a marketing platform, but also reacting to the need to re-integrate with society (Demise 2006) and governmental policies for "lifelong partnerships in sports" by jointly developing sports environments (MEXT 2007).

The J.League runs under a franchise system comparable to professional U.S. sports leagues, and centrally markets the league through several of its enterprises. Football competes against baseball as the most popular sport in the country and the game remains in a subsidiary position in schools curricula (Dobson and Goddard 2001). However, "rather than competing in a narrow, sport-specific market, league franchises now compete in a broader entertainment market" (Mason, 1999, p 406). Hence, the launch strategy included the creation of strong community partnerships that jointly play a significant role in urban redevelopment. In the mission statements of the Japan Football Association and the J.League it says: "To raise the level of Japanese football and promote the diffusion of the game through the medium of professional football. (…) To foster the development of Japan's sporting culture, to assist in the healthy mental and physical growth of Japanese people" (www.jfa.or.jp, www.j-league.or.jp).

Contributing to society is totally obligatory for J.League teams as is prescribed in the league's regulations. These regulations demand involvement and active participation in urban redevelopment. Clubs are expected "to unite with the community, familiarise people with the sport-oriented lifestyle, and contribute to the physical and mental well-being and pleasure of local society… [as well as] players' participation in these activities". By modelling the concept of 'community sports', referring to the German tradition, the aim of the J.League is "to establish sports clubs deeply rooted in the community" (www.j-league.or.jp). Team names must refer to their hometowns, thereby gaining instant nationwide prominence and attract further economic benefits.

Football acts as a medium for public objectives by establishing football as part of the redevelopment of community life and building mutual relationships with city councils, supporter groups and the media. This is reflected in the club philosophy of one of the most successful clubs Urawa Red Diamonds: "I.Urawa Red Diamonds aims to contri-
bute to the healthy growth of youth, and the fostering of valuable, conscientious members of society. 2. [...] strives to provide an arena for healthy recreation for the local community. 3. [...] aims to be Saitama's [the clubs home town] window to the world” (www.urawa-reds.co.jp). A commentator reports that “there's red everywhere” on match day, which forms an atmosphere that motivates gathering for the sporting entertainment as well as buying merchandise and other goods (Walker 2005). The club’s philosophy to be 'Saitama's window to the world' contains the idea of improving city image through sports for regional economic benefits (Sandy, Sloane and Rosentraub 2004).

CSR initiatives range from inviting children in special care facilities to attend the league’s official football schools for parents and children, coaching clinics at schools, visits to welfare facilities and hospitals, participation in local events and environmental clean up campaigns, co-operation with various charities, fund-raising activities, cooperation with campaigns organised by administrative bodies and other community work. In respect to club’s public accountability, in 1998 a league crisis saw the introduction of tangible guidelines for club management and measures to promote financial stability: including joint public disclosure of all club accounts, establishment of a management advisory committee, and the promotion of diversified share-holding (www.j-league.or.jp).

USA – “Establish soccer as an institution in the United States.” (MLS mission)

Football in the U.S. (“soccer”) had a kick-start with hosting the 1994 World Cup. A year later, fulfilling demands from FIFA, the Major League Soccer (MLS) was established. It aims to “continue to make exciting and important strides to establish soccer's viability as a business, an entertainment property, and most importantly, as an institution in the United States” (www.mlsnet.com). Thus, it perceives football as an agent for change and the development of American culture and societal cohesion.

In 1994 The U.S. Soccer Foundation opened its doors with an endowment of almost $50 million drawn from the surplus from the World Cup. The underpinning of its range of initiatives "is to enhance, assist and grow the sport of soccer by seeking out and sup-
bute to the healthy growth of youth, and the fostering of valuable, conscientious members of society. 2. [...] strives to provide an arena for healthy recreation for the local community. 3. [...] aims to be Saitama's [the clubs home town] window to the world” (www.urawa-reds.co.jp). A commentator reports that “there’s red everywhere” on match day, which forms an atmosphere that motivates gathering for the sporting entertainment as well as buying merchandise and other goods (Walker 2005). The club’s philosophy to be ‘Saitama’s window to the world’ contains the idea of improving city image through sports for regional economic benefits (Sandy, Sloane and Rosentraub 2004).

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porting new community partnerships and programmes.” (U.S. Soccer Foundation 2005, p 6). The foundation’s ‘Grants Programme’ at the core of its philanthropic activities provided resources to over 345 projects across the country, supporting the development of fields, players, coaches and referees with an increasing focus on economically disadvantaged urban areas.

Despite being a popular game among children, and Hispanic and European immigrants, professional football has been less successful in economic terms than the ‘big four’ of basketball, American football, ice hockey and baseball. Teams from these sports are powerful partners in relationships with their host community and can “extract financial inducements from cities that are either fearful of losing an existing franchise, or desperate to gain the status of being considered a ‘Major League City’” (Mason 1999, p 409). Thus, football’s CSR strategy especially aims towards principles of social inclusiveness and diversification and the development of facilities in social spaces neglected by other sports.

Enhancing football’s competitiveness is based on building new sorts of relationships that reach the base of people more immediately than other high-flying professional sports. Pitches are built and neglected sites are redeveloped to get a physical and symbolic stake in communities. Urban sociology stresses the meaning of space with symbolised power and influence, as well as the impact on consumption (Castells 1978). Thereby, the game gains institutional relevance and provides exposure for sponsors through physical investment and becomes a partner of urban development (e.g. Hudson River Park’s Pier 40 Athletic Field in Manhattan/New York). It may help though that U.S. Soccer is lead by a former high-profile public administrator still networked through fellowships in various organisations.

The MLS franchisees act as the games local, regional and national ambassador for several branded schemes and programmes:

- ‘Passback’ (nation-wide): a donating programme under the header of “Share the equipment – share the game”;

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• ‘SCORES’ (nation-wide): an after-school programme offering inner-city public school students the opportunity to play football while learning how to express themselves through creative writing and community service;

• ‘United Drives’ (D.C. United): this programme benefits worthwhile non-profit organisations by collecting much-needed items to help with each beneficiary’s mission (dcunited.mlsnet.com);

• ‘Kicks for Kids’ (MetroStars): a programme that enables companies to show their commitment to community service by supporting underprivileged children by giving them the opportunity to experience MetroStars games at Giants Stadium (metro-stars.mlsnet.com). Here, football aims to be provider and profiteer of CSR thinking;

• ‘The Galaxy Shuttle’ (Los Angeles Galaxy): a mission to increase awareness of the Los Angeles Galaxy through the participation at community events such as football tournaments, community festivals and pre-game festivities (la.galaxy.mlsnet.com);

• and collectively teaming up with the MLS, the National Education Association, and America SCORES for ‘Get the kick out of reading’: a local, bilingual programme to show kids nationwide how much fun reading can be (www.getakickoutofreading.org).

In summary, corresponding with the state of development of football and its strong competition with other sports, its CSR approach is directly linked to the development of facilities as a medium to make the game relevant within the public sphere. Kick-start like, this was generously supported from the international football family, notably by the allocation of the right to host the 1994 men’s World Cup, in order to open this market for the otherwise global game.
8.4 Strategies and tactics used to develop aspects of professional football through the integration of CSR

The cases of professional football in England, Germany, the U.S. and Japan illustrate how football is trying to establish itself as a social agent of change through application of the idea of social responsibility. It seeks to compensate for the negative aspects of (post-)modern life, and offers key functions to governments and communities who see traditional state providers retreating from their former role as direct public service providers. Paralleling this process football follows its intrinsic motivation to foster and flourish in a commercial environment for the financial and other benefits to people within the football family and the coalitions of interest surrounding the game.

The four cases support the conceptualisation captured in the value-creation model (FIGURE 8.2) and exemplifies the following CSR approaches:

- The political approach is very present in the 'old' football countries that are rooted in the 19th Century club tradition, but is alternatively used strategically by the planned business activities operated by the franchise systems of Japan and the USA.

- The integrative approach is outlined in the English and German cases, where expectations and demands are linked with football affairs and its relevance to social life. Here, professional football thrives through competitiveness by positioning itself as relevant in an institutional sense and an effective medium of public functions within the societal network.

- The ethical approach is evident in the social activities and societal involvement of the DFB rooted in the paternalistic, Christian-humanitarian tradition (DFB, 2003).

- The instrumental approach of e.g. using free coaching training for schoolteachers in the U.S. (investment in competitive context) or cause-related marketing activities (e.g. joint activities like DFB and the brewery Bitburger, raising money from every crate of non-alcoholic beer sold to redevelop/build street football pitches) is evident in all cases.
8.5 Summary and conclusion

This sub-study is relevant because it analyses the business benefits of applying CSR to and by a whole industry. It provides evidence for the increased competitiveness that is gained if football clubs, leagues and associations turn the reality of their social activities into the new emerging rhetoric around CSR. The proposed model I have developed using a deductive approach (FIGURE 8.2), syntheses the core findings from my four case studies into four national professional football contexts. For the sake of established strategic management thinking, it is underpinned by the premise that resources determine the performance and outcome of value creating processes (Fahy 2000; Barney and Arikan 2001). The professionalisation and commercialisation of professional football and its high public profile create a demand to integrate CSR into the game.

Four kinds of approaches emerged from the case studies: integrative, functional, ethical, power-related. Based on further research into professional European football, Hovemann, Breitbarth and Walzel (2009) have fundamentally confirmed the relevance of those approaches, but re-conceptualised them as ‘integrative-political’, ‘functional’ and ‘ethical-emotional’. However, if implemented and managed rightly, these approaches can create specific sources of value among stakeholders, which can lead to significant benefits for the game itself: growing participation in football, increasing institutional relevance, (financial) profits, and thus strategic advantages in terms of competitiveness. In order to realise such healthy future development, sports management needs to widen their perspective and acknowledge the ‘embeddedness’ of their organisational actions into social relations, where economic actions are only a special, if important, part of society (Granovetter 1985). The investigation shows that a number of football organisations, especially German clubs, have yet to strategically utilise the concept and language of CSR. As argued, thinking strategically about this increasingly important concept offers great value - and in turn manifests CSR as a contributor to organisational competitiveness.

Chapter Eight presents the last of the four sub-studies that, in a layered design, offer different interrelated perspectives of the making and constructing of CSR as a socially constructed phenomenon. Chapter Nine now sets out to conclude this thesis by bringing core themes and findings of the empirical work together, relate them to the research
questions, and suggest how future studies can expand the contributions of this present research.
CHAPTER NINE

CONCLUSION AND FINAL REFLECTIONS

"Any object of thought is both 'more than what we think, and different'.”

(Alfred Korzybski)

9.1 Introduction

This thesis describes the evolution of the business case for CSR in Europe. More specific, it is a sceptical account of the construction of a social phenomenon presented as thick and critical description based on a multi-theory, multi-layered and multi-method approach. In contrast to other studies into the domain of CSR, it is contesting rather than testing; multi-dimensional rather than one-dimensional; it places value on contextual understanding, embeddedness and interconnectedness rather than prejudiced reduction; it embraces an immediate empirical research style rather than an arms-lengths mode; and it is longitudinal rather than one-off research. By doing so, its fundamental achievements are that it captures the idea of CSR in action; it examines interrelated actors, properties and applications of the recent development process; it follows the construction process over time in a rarely seen longitudinal manner; and it provides tentative conclusions about the nature and significance of the process.

In Chapter One I have shown that the discussion about the social responsibility of business has been raised frequently since the development of markets and corporations. Thus, fundamentals of the current debate are by no means novel. However, Chapter One has also outlined the new circumstances under which the idea labelled as CSR has proliferated in the last decade. Several types of organisations and actors have been involved in the construction process. Importantly, it has shown that the CSR idea is becoming new. Yet, the debate remains complex with regional/national differences, but the European context was justified as a most suitable focus. Therefore, Chapter Two pointed out the important political dimension of the debate, and described implications of governments/public sector institution involvement in general and the role of the European Union in particular. Those ramifications suggest non-market actors as one set of drivers.
of the CSR development, which, arguably, requires a change in fundamental strategic management thinking. Nevertheless, and despite the progress of the debate, few attempts have been made to describe and explain the emergence of CSR as a management idea from a longitudinal, multi-layered perspective.

In Chapter Three, I have analysed the nature of management ideas and their shared and meaningful construction. Especially suggestions of how an idea gets translated and becomes accepted within the business context turned out to be fruitful and insightful to further develop the argument that ideas change perceptions, which create enacted realities. Throughout Chapter Three and Chapter Four in particular, I have argued that using a multi-theory lens helps to understand the interconnectedness of institutional (adaption processes), power aspects (ownership of an idea) and rhetoric elements (creating reality) within a social constructionist framework. In order to capture selected, but highly relevant parts of the construction process in the years 2004 to 2008, I have explored components of translation, resources, rhetoric and application in four largely separate sub-studies (Chapters Five to Eight). The sub-studies and the analysis of the CSR development in Europe (mainly Chapter Two), individually, represent relevant academic contributions to the CSR research agenda (see Breitbarth and Harris 2008; Breitbarth, Harris and Aitken 2009; Breitbarth, Harris and Insch 2010). This thesis has provided ample empirical evidence of how the intensifying CSR debate has influenced organisational change and impacted on corporate culture and communication, which has lead to more cohesion between business and society in the bigger picture.

I now continue to examine the merits of the layered investigation and linking findings back to the multi-theory approach of the thesis. At the same time, it becomes clear that the thesis provides an explicit answer to the research objective formulated in Section 1.6: the business case of CSR developed through a process of translation amongst different concerned actor-groups, and it proliferated and manifested itself because the discourse linking CSR and competitiveness creates shared understanding and operates as 'glue' between interconnected actor-groups. Hence, the assumption of the business case of CSR is the vital core of the evolution of CSR in Europe. Describing and highlighting those mechanisms is the main contribution of this thesis. A summary of contributions follows towards the end of this chapter.
The first part of the chapter looks across the empirical findings and is concerned with the development of the business case argument as the dominant and vital discourse within the CSR debate. In the second part of this chapter, I summarise how all six individual research questions have been addressed and draw out the implications of the findings in the context of the broader academic literature and future research directions. I also reflect on the implications of empirical findings, explicitly map the contributions to academic knowledge of the thesis as a whole and of some of its parts, and provide directions for future research. The chapter concludes with a final remark.

9.2 Extracting key themes from the findings

In this thesis, CSR is conceptualised as an idea that has taken form and has been proliferated through translation processes, which are creative in nature and enable the materialisation and application of the idea. The management interviews allow for insights into the agency situation of managers and how they utilise internal and external resources in order to encourage and to support organisational change. The analysis of visual communication in non-financial reporting illustrates the active involvement of corporations in the CSR construction process. Observations at CSR expert conferences and their potential to reinforce individual discourses allow us to outline them as resources available to CSR experts/managers in different ways. The conceptual and empirical analysis of CSR in the professional football industry reminds us of the inherent value of CSR application and the importance of "walking the talk" in order to actually trigger those organisational/industry-wide benefits, leading to more competitiveness.

Across those layers of the CSR development, this study has shown that the idea itself is open to multiple expressions. The concrete meaning of CSR needs to be approached from the respective translation process and from within the organisational context that it emerges. At the same time, this study has also argued that the CSR debate offers various discourses, of which the discourse about CSR and competitiveness has surfaced as the most dominant and crucial one. It is dominant and crucial because multiple relevant actor groups refer to it (e.g. academics, managers, consultants); it prevails in discussions within the CSR expert community (e.g. at conferences); it is necessary in order to moti-
vate corporations to engage in CSR; and, it unites agendas of different actor groups. Despite fundamental complexity and non-unified approaches to CSR, it is jointly promoted as an important business topic, which provokes, requires and involves organisational action. It is articulated as an opportunity-driven concept. Hence, the contribution of this thesis also lies in approaching the CSR debate in general and organisational involvement in CSR in particular from an opportunity-driven 'epistemology'. This follows respective appeals from scholars (e.g. Perceval 2003; Morsing and Beckmann 2006) and is in contrast to research that conceptualises the CSR debate as inherently reactive and problem-driven. However, this shift of perspective is partially due to the 'maturing' of the CSR debate and actors from approximately 2005 onwards, evidenced in the interview and conference findings presented in earlier chapters.

The empirical findings identified two important themes related to the construction of CSR as a business idea, which I will further explore next:

- The translation process connecting different players and different conceptual levels;
- The relevance of rhetoric in shaping CSR meaning and reality of 'competitiveness'.

9.2.1 Translation processes

While this research has concentrated on corporate actors, the empirical findings demonstrated that a number of organisations and individuals participated in the construction of CSR. For one reason or another, those players had an interest in actively advancing CSR in the long term. Furthermore, they reinforced each other firstly by drawing attention to the CSR idea in general, and secondly by efforts to manifest CSR in corporate thinking and acting with the business case argument as a 'Trojan horse'. A core assumption of this thesis is that while executive managers generally regard CSR as a positive development in their corporation’s portfolio of activities (McKinsey 2009), this does not alter the fact that whatever resources are made available for CSR, they are employed as the means to support the attainment of commercial objectives. The interview findings justify this assumption and the focus on the discourse about competitiveness in the present research.
This thesis has provided evidence of the active involvement of mainly managers and corporations, consultancies, governments and governmental organisations, and CSR expert communities at conferences made up from various sectors like academia, NGOs and media (see FIGURE 9.1). Therefore, we can conclude that the activation and translation of CSR involved actors from different sectors of society, even though they have been lacking a shared concrete understanding of the idea. Hence, the empirical findings confirmed suggestions in Chapter Three, where it was argued that the 'openness', vagueness and ambiguity of an idea actually helped its rise, embracing and approval. This is relevant in particular for the corporate context. Here, CSR had to be presented as a concrete concept on the one hand, but it also needed to remain adaptable enough to satisfy the context of individual firms and executives on the other hand. CSR managers required a degree of freedom to frame their minds appropriately in order to successfully travel between aspects of peer imitation, pressure from external and internal sources as well as tailoring and communicating the idea according to corporate cultures.

FIGURE 9.1: Interconnected organisations/actors actively involved in the creation, translation and reinforcement process

Findings from this research in combination with existing studies into the involvement of different actor groups in shaping the CSR debate (see Fernandez Young, Moon and Young 2003 for consultants; see Truscott, Bartletta and Tywoniak 2009 for peak bodies; Arenas, Lozano and Albareda 2009 for NGOs) support the view that there has not been one single or one dominant sector, or alone actor, that drove the rise of CSR. What can be said is that governmental organisations, especially the European Union and many national European governments, entered the CSR debate with some delay at the start of the 21st Century, but have since been increasingly encouraging, facilitating and partially mandating actors. This aspect was covered comprehensively in Chapter Two and the relevance for high-level European policy was stressed, as were the benefits that European firms can enjoy if they engage with the policies and networking offerings of the
Commission. Also, politicians and governmental organisations started to embrace the two international conference series in Germany analysed in Chapter Seven, fostering the advancement of the topic and using it as a stage for their specific CSR agenda.

While a multiplicity of organisations and sectors played their role in constructing and proliferating CSR, in the end, it has been the corporations that are the ones that have to 'do' CSR. In other words: for CSR to become 'reality' beyond rhetoric levels and firms are the ones that have to practically apply it. They have been a central player and the key recipient within the whole CSR scenery. In the European context one could argue that they developed their comprehensive and active role as largely influenced from the regulation threat by the European Commission at the start of the 21st Century. They sought to develop CSR on their own terms rather than being forced to address it in a particular way as put forward by other players. Hence, firms took action in various ways, for example they sent out managers to interact with the CSR expert community and translate the debate into their respective organisation along concrete projects, policies and concepts; they signed up for initiatives like the Global Compact; and, they started to measure their activities, strategies and progress; they communicated their objectives and actions in reports, on websites and by responding to requests from media, academia, investors and other groups. The empirical multi-layered findings demonstrate in various ways that corporations were not passive adopters, but rather essential co-creators.

In conclusion, the process described through this research goes beyond what in traditional institutional theory is described as organisational isomorphism, structuring and adaption (DiMaggio and Powell 1983). The analysis shows that various sectors and players were involved in the construction of CSR; that they did not necessarily have identical definitions of CSR; and, that they had different underlying agendas. Still, together, they contributed to the proliferation of CSR, especially by 'agreeing' on the business case discourse as the main thread in order to motivate the CSR uptake by business (this is not to say that other issues were totally neglected, see analysis of major conference themes in section 7.4, FIGURE 7.4). This confirms the claim made by institutional constructivists that in order to make ideas appealing and to motivate actors' engagement, ideas must be presented in accordance with dominating values and norms.
in a specific context (Campbell 2004) – here: the business environment. Campbell (2004) also stresses that we need to identify those actors that make ideas influential by studying the emergence of ideas from different viewpoints. However, in the bigger picture and in line with arguments presented in section 1.3 (see TABLE 1.2) and section 3.4 (see TABLE 3.4), the cause of making CSR appealing was also likely to be helped by a general changing philosophy of capitalism and new conceptualisations of strategic management in the new Millennium.

9.2.2 Rhetoric and reality

In Chapter Three I have argued that rhetoric is a way by which realities are constructed. Social interaction and communication - be it through the means of words (see Chapter Five and Seven) or pictures (see Chapter Six) - craft perceptions and understandings that establish belief systems and ways we ‘see’ the world. The empirical findings illustrate that one key element of the rhetoric used in CSR debate was what Collins and Porras (1996, in Clarke and Clegg 2000, p 58) calls ‘the genius of the AND’. With the dominance of neo-liberal market behaviour during the rise of globalisation, where companies to some degree pitched economic progress against social contributions, the reconciliation of the two apparent antitheses ‘shareholder corporation’ and ‘stakeholder corporation’ was articulated in the form of ‘and’ rather than ‘or’.

The ‘tyranny of the OR’ (Collins and Porras 1996, in Clarke and Clegg 2000) can be traced throughout the history of the debate about the social responsibility of businesses and the role of business in society (see Section 1.3). The list of CSR definitions provided in Section 1.2 (see TABLE 1.1) shows greatly different paradigmatic views on this matter, for example from Bowen (1953) and Friedman (1970) on the one hand, and even more distinct Carr (1996, in Lantos 2001) on the other hand. Consequently, not only scholars but also managers and politicians conceptualised those viewpoints as extremes in a polarised debate (see e.g. Bowd, Harris and Cornellisen 2003).

Contributions to reconcile different views were already made, for instance by Sethi (1974, in Carroll 1977). Yet, it was based on very relative grounds, suggesting that social responsibility implied “bringing corporate behaviour up to a level where it is
congruent with the prevailing social norms, values, and expectations of performance” (p 4). However, the middle ground position gained more substance and momentum with the interconnected group of actors from various sectors engaging in an arguably reawakened, but intrinsically new debate starting at the end of the last century. Actually, CSR was now presented as ‘enlightened self-interest’ (Bowd, Harris and Cornellisen 2003), based for example on the position of the European Commission (2001; 2004). As findings from all sub-studies have shown, this middle position between ‘profits’ and ‘people/common good’ has since formed the dominant discourse within the debate. In interviews (Chapter Five), conference talks/material (Chapter Seven) and company reports (Section 4.3.2, see TABLE 4.4) the ‘and’ was often used explicitly in order to articulate individuals’ or organisations’ understanding and approach to CSR. The semiotic analysis of pictures used in corporate non-financial reports confirmed the visual expression of business ‘and’ society (Chapter Six). Implicitly, the study of CSR application is based on this assumption (Chapter Eight).

Especially corporate ‘success stories’, cases of CSR application and negative examples of ‘this is going to happen to your business if you don’t change behaviour’ (e.g. drawing on the Shell Brent Spar example) materialised the belief in the truth of CSR as a business idea (see Chapter Seven). This way, the conceptual link between CSR and competitiveness was wrapped in a cyclic reconfirmation process, where such stories and cases started to validate the assumptions that they were based upon. Part of this construction has been that, for example, alleged business benefits like improved reputation and better risk management are mainly judged upon (in research and in practice) by the very stakeholder community, which sought to convince corporations of the genuineness of the claim (e.g. NGOs, governments).

Therefore, I have argued that the reality of the business case is constructed through the interrelated, yet non-identical agendas of multiple actors that together control the discourse (FIGURE 9.2). It follows arguments of researchers who focus on explicitly political or interest-laden discourses and seek to identify genres or recurrent patterns of interests, goals, and shared assumptions that become embedded in persuasive texts (e.g. Freedman and Medway 1994) or ‘arguments in use’ in order to be persuasive and achieve acceptance/legitimacy (Suddaby and Greenwood 2005). In the strategic man-
agement literature, Farjoun (2002) describes such an interconnected construction process of competitive gains involving concerned field actors as ‘interactive flow’, which conceptualises strategic management as organic rather than mechanic.

FIGURE 9.2: Link between CSR rhetoric and reality

Further, I have argued with Benders and van Veen (2001) that the intensity of this discourse challenges organisations and induces change. Claims about business benefits acted as an inspiration for concerned managers, who translated it as opportunities into their organisational context. From a business perspective, realising opportunities is of strategic relevance. Hence the intensity of the opportunity-driven CSR debate since 2004/5 has slowly advanced the implementation of CSR for competitive reasons. Fundamentally, this is not new: management ideas tend to be adopted by firms if they build on prevailing norms about rationality and progress, and promise improved outcomes (Meyer 1996; Sahlin-Anderson and Engwall 2002). However, in the present research it is an important characteristic in order to understand the development of CSR, driven by the implicit ‘agreement’ between interconnected actors on one discourse as ‘glue’ tightening the CSR debate. Nevertheless, we should be sensitive to findings from the case studies of companies (Chapter Five) and the conceptualisation of CSR application (Chapter Eight), suggesting that CSR as a business idea still tended to be incorporated on a rhetorical rather than a practical level when empirical research for this thesis ended.
In conclusion, and in addressing the main objective of the research, CSR was constructed by multiple, interconnected actors through translation processes that draw on the discourse about the business case of CSR, thereby using rhetoric to create reality in a cyclic reconfirmation process (FIGURE 9.2). This has also lead to organisational change, with empirical findings also suggesting that corporations - European firms in particular - build up skills and capabilities that help them to engage more effectively with their stakeholder communities. However, the second part of this chapter will now summarise how all research questions have been individually addressed throughout the thesis.

9.3 Meeting the research objective and answering the key questions

In order to demonstrate how each of the six research questions of the thesis have been addressed, this section is divided into seven parts as per the respective question cited in Section 1.6. In summary, by answering the research questions, this thesis has made several contributions to the CSR field, which will be summarised afterwards.

9.3.1 Research question 1: CSR in Europe

--- How has CSR been evolved in the European context and what are consequences for business management?

This thesis has focused on the development of CSR within the European context, and in particular the UK and German context. Generally, this is justified because CSR has noticeable historical roots in European countries like the UK and Germany (see Section 1.4.1); of the extent and depth of the modern CSR discussion in this region (see Chapter Two); the significantly different characteristics of the debate compared with other countries/regions (see Section 1.4); and, the rise of companies and industries that actively engage with the topic, for example, illustrated in the amount of non-financial reporting (see Section 4.3.2) and strategic moves to apply CSR (see Chapter Eight).
In Europe, CSR has developed in a non-regulated fashion, but with national governments and the European Union Commission increasingly facilitating, partnering and endorsing advancements in CSR because of its high-level policy implications. The EU links CSR to its process of sustainable development, based on the Lisbon agreement. Chapter Two provides a comprehensive analysis of measures on the European level. The analysis of the CSR conference series in Germany in Chapter Seven demonstrates a way national governments try to facilitate the formation of powerful expert communities, for example, by helping to raise awareness of the topic and providing exclusive locations for conferences to be held. As Chapter Two has shown, the active role of governments, especially the European Commission, has important consequences for business management. Mainly by creating an enabling environment, companies are forced to advance their corporate culture, communication and capabilities. However, they are rewarded with a better competitive situation compared to companies from outside Europe.

Because of its unregulated nature, European companies have actively developed CSR on their own terms, but under close scrutiny of other players like NGOs and media. However, within companies, 'modern' CSR first was to be emancipated, as case studies in this thesis have shown (see Chapter Five). However, firms have cooperated in many ways in order to 'make sense' of the topic and adopt it for their local context. According to the general theme of the thesis, several chapters have shown how the development was influenced by assumptions and rhetoric concerning business benefits from CSR. One conclusion for management from the momentum behind CSR in Europe is that policy and non-market aspects have become very relevant aspects for strategic management and corporate marketing/communications.

The study of themes at two international conference series in Germany between 2004 and 2008 provided more another layer of analysis to the debate of CSR in the European context. It has traced its increasing relevance from 'creating momentum' in 2004/05 and 'maturing of the field' in 2006/07 to 'mainstreaming CSR' in 2008.
9.3.2 Research question 2: link between CSR and competitiveness

--- Why and how has CSR been linked to competitiveness in recent years and what are key elements of this dominant and vital discourse?

The thesis has shown that rhetorical strategies were used in order to make CSR appealing to businesses. In the period of this investigation, CSR was framed and translated into an economic opportunity in a construction process involving multiple sectors and actors. Especially governments, consultants and researchers provide arguments that corporations would not only contribute to a better society, but also become more profitable in the long run (see Section 3.5). Conferences reinforced this discourse (see Chapter Seven) and companies implicitly confirmed the business and market relevance of CSR, for example, through their use of pictures in non-financial reporting (see Chapter Six). However, studies trying to measure the business case of CSR have until now produced inconclusive results, which may also be influenced by various methods used and the 'wrong' frameworks applied (see 10.3.1 below).

In Chapter Three and Chapter Nine the role of translation processes has been analysed. Ideas need to be presented in accordance with the dominating values and norms of a specific context in order to receive acceptance. One could argue that former debates that tried to influence business behaviour and engage them in a process to show social responsibility (e.g. claims made based on ethical and moral grounds), were not ‘positioned’ right and were not adoptable enough in the business context. However, generally, the philosophy of capitalism has changed (see Section 1.3) and new forms of politics involving civic players have developed. Hence, an interrelated group of concerned sectors and actors has realised the potential to advance their own social agendas through mobilising CSR. Companies adopted the rhetoric through the translation by managers (see Chapter Five).

I argued that the dominant and vital discourse around competitiveness was crucial for advancing CSR in the years 2004 to 2008, because it acted as the ‘glue’ holding the otherwise multi-faced debate together. The research design in this thesis, based on qualitative inquiries, was helpful in order to trace and illustrate the role of managers, the role of communication, the role of expert conferences and communities, and the role of
application as relevant elements of the construction process on a conceptual level. While individuals drive discourses, it is the manifestation, for example, through organisational change, means of corporate communications and industry application that provide substance to the existence of an idea. This way, I have also dismissed arguments labelling CSR as a temporary management fashion.

9.3.3 Research question 3: managers framing and translation

--- How have managers framed and translated CSR into the local context of their respective organisation and how did this impact on the development of CSR within the organisation?

Actors not only have a passing interest, but also are vested contributors to the construction of social phenomena that attribute meaning to their actions. Focusing on CSR and the corporate environment, managers were conceptualised as translators, agents of change and gatekeepers (see Section 4.3.2). I have argued that their knowledge, interpretation and belief of CSR has a key influence on how companies (i.e. other managers, most importantly top managers) perceive CSR and that this leads to degrees of organisational change (see Chapter Five).

Findings have shown that CSR managers do in fact find it challenging to make sense of CSR by combining the expert debate external to the organisation and inner-organisational conditions. In order to frame and translate CSR they adopted rhetoric, especially from the discourse about business benefits. Through managers, the discourse resonated within companies, but at the same time, managers actively involved strengthening this discourse, for example, by presenting best practice and case of CSR application at conferences (see Chapter Seven). In turn, this worked to their own benefit, because the rhetoric provided one resource in the internal struggle for recognition and support. Other resources utilised by managers to advance their case were negative external pressure and positive recognition (especially from the financial market, like membership in sustainability indices).
The advocacy of CSR managers contributed to organisational change processes, because they succeeded (more or less) in spreading new perceptions about business conduct and market innovation. Chapter Five has shown that CSR was emancipated and matured against traditional internal perceptions of ‘doing good’ through, for example, philanthropy and sponsorship. At the same time, it was manifested, for instance, in new job positions, regular internal communication, corporate non-financial reporting (also see Chapter Six) and more direct access to the CEO and board.

9.3.4 Research question 4: company communication

--- How have companies communicated their interpretation and application of CSR as a business idea in their reporting?

Communicating CSR has become a tactical and strategic means for companies to interact with their stakeholder community. In the present research this aspect is exemplified in the study of the role of imagery in corporate non-financial reporting (Chapter Six). Section 4.3.2 argues that language and visual presentation impact on the creation and perception of, especially, a young and contested idea like CSR. Research into the writings of corporate reports and the use of pictures in financial reports suggests that truth claims can be constructed through various rhetorical means. Findings from this case study confirm that companies use imagery to suggest to the reader their own understanding of CSR/sustainability; to show that its organisational integration is ‘real’; and, to imply that it adds to being/becoming better businesses.

Differences in the relative amount of pictures used in reports from British and German companies can be linked to stages of maturity in integrating and communicating ‘explicit’ CSR. However, more importance was placed on the semiotic analysis. A typology of five distinctively different approaches/core messages is suggested. Generally, companies in the selected cases rely much on human appeal, this means pictures with customers/consumers, top managers/staff and beneficiaries of their activities characterising CSR. With CSR being strongly associated with human life, it suggests that images are also used as “outcome documentation”: showing how firms’ claimed contributions positively influence people’s lives. Such documentary style partially replaces the efforts to measure activities, because it implicitly acts as ‘evidence’ and ‘proof’. The analysis
has also shown that in some cases visuals and writings in reports do not correspond, potentially confusing the intended message.

Another means of how companies communicate CSR is also discussed in connection with expert conferences. Findings demonstrate that companies and managers use expert arenas as stages to present their philosophy and application of CSR (Chapter Seven). That this is by no means incidental is evidenced in the fact that managers intentionally used expert communities as a resource of support. However, by actively engaging with expert communities, corporate managers also influenced the shape of the debate, for instance by providing 'success stories', industry cases and application examples that other actors may have used to frame their understanding and meaning of CSR.

9.3.5 Research question 5: role of expert conferences and communities

What has been the role of CSR expert conferences and communities in creating the business case argument for CSR and reinforcing its acceptance?

Conferences and expert communities contribute to the formation and development of a field in several ways (see Section 4.3.3). Most notably it is the interaction between vested actors that colonises 'intellectual space' and forms networks that are sources of reaffirmation and the proliferation of an idea. The two international conference series analysed in Chapter Seven were both initiated just after the multi-stakeholder dialogue of the EU put the topic on the agenda, and efforts to regulate and mandate CSR on European level eventually failed. As a result, the European Commission and national governments re-defined their role, and as findings show, conferences were one tactic to facilitate and to endorse the acceptance and proliferation of CSR.

However, findings show that CSR was discussed controversially, yet without hot-tempered arguments at conferences. Rather those events were arenas, where individuals from various sectors and countries interacted in search for reaffirmation of the relevance of CSR. The analysis of major conference themes provides good arguments for the primacy of the business case discourse (see Section 7.4). I argue that articulating CSR in economic terms was a necessity in order to make the idea appealing and 'digestible' for
corporations. At conferences, this translation process was constantly built on and virtually taken for granted in recent conferences.

In summary, the findings present evidence that conferences promoted collective action, articulated meaning of CSR and created/advised on CSR products/services as means to filling the CSR space. Beyond being a dynamic sphere for translation, they were also stages and resources for managers that sought to advance CSR in their respective organisations. In particular, they adopted the rhetoric available and mobilised the expert community if needed in order provoke mild external pressure on the firm (see also Chapter Five).

9.3.6 Research question 6: industry application

--- How can competitive benefits from industry-wide CSR application be conceptualised?

Ideas that are claimed to have business benefits need application to demonstrate their potential for managers and to have sustained recognition and acceptance (see also Chapter Five and Chapter Seven). I argue that strategically applying CSR on an industry level provides substance to the debate, and vice versa helps to confirm its relevance in the debate. As an example, the link between CSR and competitiveness has been conceptualised in the context of sports management and the professional football industry in particular, because the recognition of CSR remains weak and therefore it has been terrain ‘unspoiled’ from potentially fashionable management talk and action (see Section 4.3.4 and Chapter Eight).

The findings support the view that CSR does not lead to competitive benefits per se, but needs adoption to industry and local context. Within the chosen context, the traditional resource-based view of the firm has proven to be suitable in order to provide strategic direction. This is institutional relevance and gains from CSR engagement per se, because the sport industry is both demanded to integrate CSR and is a beneficiary of CSR activities of organisations from other sectors. Consequently, competitive benefits from
industry-wide CSR application in the selected context can be conceptualised along four integrative, functional, ethical, and power-related approaches.

9.4 Contributions, implications and future research directions

The above findings have several implications for and contributions to academic knowledge. What is a contribution? Ladik and Steward (2008) investigate ‘the contribution continuum’ and suggest three domains in which an author might make a contribution: the conceptual domain (explanation of a phenomenon of interest; known as the theory component), the methodological domain (a new approach to study a phenomenon), and the substantive domain (range of the phenomenon of interest, also known as the study’s context). I claim that this thesis as a whole and split into its parts offers significant contributions to academic thinking and the research community.

• In terms of context, highlighting the construction of the business case of CSR as the vital core of the evolution of CSR in Europe offers the main contribution of this thesis.

• In terms of theory, this thesis puts forward translation processes as suitable lenses to describe and clarify the adoption of a new management idea, considering institutional, political and rhetoric elements.

• In terms of methodology, introducing a multi-layered longitudinal research design has proven to be rewarding and fruitful in order to analyse complex social phenomena.

Furthermore, parts of the thesis that are mainly concerned with CSR content offer the following contributions, which may have already resulted in separate journal publications:

• Accounting for the political role of the European Union in the CSR debate, in particular the implications for management within and outside Europe considering CSR as a ‘soft barrier to trade’.

• Specifying the role of CSR managers as translators and agents of change with their respective organisations.
• The (semiotic) analysis of pictures in corporate non-financial reporting revealing imagery as a means to shape perceptions about CSR and the firm.
• The exploration of expert conferences as 'birthplaces' of new management ideas, influencing the CSR space and as dynamic sphere, translator, stage and resource.
• The conceptualisation of CSR in professional football, including empirical evidence of the strategic benefits of industry-wide CSR application.

While there have been a number of significant contributions and insights resulting from this research, it has also raised several questions that should be the subject of future research. Even though the aims of this thesis and all research question are adequately addressed, every academic field shares attributes with a ‘journey’. Surely, the relatively new CSR field still offers plenty territory to explore. Thus, the present findings could be expanded upon in a number of ways. I provide some directions for the overall topic of the thesis as well as the four sub-studies that cover distinct threads within the CSR research arena.

9.4.1 Overall thesis research

The thesis research has shown that the proliferation, dissemination and understanding of a management idea is a complex matter. CSR cannot simply be described and dismissed as management fashion in the way Abrahamson (1996) and others have seen it. Such researchers overly emphasise the limiting mindset that such concepts and ideas are frivolous and mainly of aesthetic nature. Rather the analysis has shown that management ideas lead to substantial change, even though they are only adopted for ‘fashionable’ reasons. In this regard, the argument of Zorn and Collins (2007), Beckmann and Morsing (2006) and others are supported.

In order to understand the social construction of the link between CSR and competitiveness, a multi-layered and multi-theory approach has shown its merits. Utilising different established theories (institutional, power, and rhetorical theories) as intellectual starting points has allowed me to engage open-mindedly with the topic and actors. Multiple lay-
ers have shown how one discourse can penetrate various relevant levels of the general debate and how the direction of this discourse impacts on those levels. Generally, more and more research tends to recognise rhetorical means as more important than practical means in the construction and integration of management ideas. Hence, discursive methods are promising directions for further research. They offer critical analysis on multiple levels of a debate, and thus may reveal the interconnectedness of players’ underlying agendas, belief systems and interpretations of respective social interactions. This would also allow emphasising the struggles and tensions around ownership of an idea and definitional dominance. In the case of CSR, I remember NGO hardliners at conferences in 2005 and 2006 that did not want companies to take ‘ownership’ of the CSR label and to colonise its intellectual space, because it would weaken and dilute the impact of – in their view: highly necessary – campaigns of NGOs and pressure groups against corporations. Hence, the process of translation is always linked to meta-levels of control and conflict that can have real consequences. Here, more studies should be encouraged into the emerging of CSR.

While CSR has been explicitly conceptualised as a social construction in this thesis, one could argue the same for ‘competitiveness’. On the organisational and industry level, generally, competitiveness can be described as the strength of an organisation in comparison with its competitors. However, recognising a shift in strategic management towards co-creation, relationships and cooperation, traditional concepts of competitiveness become vulnerable. Chapter Three provides an overview over different schools of thought. Consequently, CSR research into corporate performance and strategy needs to ‘open-up’ and recognise these new trends and paradigms. If CSR continues to be studied in old paradigms and conceptualisations of markets and economies, then it is likely to become a slack and static business issue. Recently, Vilanova, Lozano and Arenas (2009, p 65/66) have argued in a similar fashion and also see a growing tension within CSR-strategy research, if the processes of strategic reflection and implementation, stakeholder management and accountability are neglected:

"Thus, we argue that to explain the nature of the relationship between CSR and competitiveness, we should centre on framing and interpreting how companies manage their paradoxes, rather than the results, impacts or outputs generated from CSR policies."

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Thus, seeking to provide ‘easy’ evidence for the business benefits from engaging with CSR based on concepts of competitiveness and strategy that have come of age, is likely to provide increasingly marginal contributions to academic (and practical) progress sooner or later. However, as the thesis has shown, in recent years (i.e. 2004-2008) the business case discourse has been the main driver for companies to ‘accept’ the idea and engage with it. Future research studying years to come, either in real-time or retrospectively, may observe a changed discourse and a new conceptualisation of CSR, of dominant management belief systems and of strategic management issues.

9.4.2 Sub-study 1: CSR managers and organisational adaption

The sub-study of CSR managers in selected large UK and German companies sought to shed light on the role of managers as translators and agents of change in the CSR context. What people think and do is vital for the creation and meaning of social phenomena. This is by no means a new approach of research and literature provides ample findings and suggestions of the role of managers as ‘change agents’, ‘linkers’, ‘champions’ and ‘gatekeepers’ (e.g. Rogers 2003; Zbaracki 1998). However, the sub-study has contributed to the research aims of this thesis, because it enhanced our understanding for the challenges CSR managers faced and the tactics they used in order to advance the organisational integration of a new business idea. As they actively took over the role of CSR ambassadors within their respective firms, their beliefs and actions must be assumed to have had a significant influence on the overall stance and approach those companies take in regards to CSR. Still in 2009, researchers have been complaining, “yet the manager as an agent of corporate bureaucracy has been substantially missing from both the analytical and conceptual literature dealing with CSR” (Hine and Preuss 2009). Hence, the findings of this sub-study moderately contribute to the broader CSR research agenda, but played a relevant part in the context of this thesis.

Actually, the longitudinal design of the interviews spanning about three years is not usual for PhD work, because of time constraints. My experiences from conducting interviews in several runs over a number of years confirm to me the importance of time as an important component in the observation of social phenomena: gaps allow processes and social action to unfurl. This promises more understanding of dynamics at
work than one-off research designs. Thus, I support process, change and constructionist scholars in their call for longitudinal research in the organisational context (e.g. Pettigrew 1990; Tsoukas and Chia 2002). In the present case, insights into the translation process of CSR could be gained through such a study approach. The findings imply that more research especially into the emancipation process against other traditional elements of what-was-seen-as-CSR would add to our understanding of the inner-organisational acceptance of CSR. Here, a long-term and in-depth approach similar to Zbaracki's (1998) study of the integration of TQM is promising.

Particularly interesting - even though accidentally - has been the case of (Telefonica) O2 Germany. In Chapter One I provided a regional view of the CSR debate, which illustrates differences in the nature of CSR and its actualisation in various regions/countries. Hence, the impact of new owners residing in corporate headquarters not only on corporate culture in general, but in particular on the CSR momentum within subsidiaries might be of interest to researchers interested in the organisational consequences of mergers and take-overs.

9.4.3 Sub-study 2: company reports and visual construction

Beyond the context of this thesis, this sub-study makes the case for including visual communication in the CSR research agenda. To my current knowledge, this type of study is still novel in the CSR field. As shown, it adds to the creation of a reality by reiterating and visually supporting the business case rhetoric within the CSR debate. In combination with written statements and claims about activities and the integration of CSR in firms, research into the visual presentation of CSR is expected to be even more insightful. It is envisioned that future studies embracing discourse analysis could reach further and deeper than this sub-study in order to deconstruct meaning of both text and images. Future research could also add to a developing body of knowledge by adopting this sub-study’s approach to analyse several industries and countries. While my research has only looked at CSR/sustainability reports, case studies are suggested to look at individual company’s alignment of CSR reports and other communication/branding measures. This could lead to answers to the important question of whether the development
and mainstreaming of CSR leads to a new evolving form of 'language' used in corporate and stakeholder communication.

Both qualitative and quantitative content analysis provides viable directions, with the results and typology presented in this sub-study as starting points. Researchers leaning towards positivistic methods may find it appealing to test the impact and acceptance of claims made about non-financial performance in reporting by different stakeholder audiences (e.g. by measuring attitudes towards claims presented with different types of imagery). By doing so, a 'hard' measurement model to assess the quality and impact of reports could be established.

9.4.4 Sub-study 3: conferences and birthplaces of new ideas

In this sub-study I have explored and described the role of conference series in influencing the CSR space and as dynamic sphere, translator, stage and resource utilised by actors from multiple sectors. Researching conferences is not novel, but this sub-study looks beyond conferences as mere events. Instead, it approaches conferences with participants from multiple sectors as arenas and 'birthplaces' as part of the creation and translation of an idea. It is the interplay and tension between concerned and vested organisational actors that craft and reinforces discourses – in this case mainly the discourse about the business benefits from CSR. Hence, conferences are part of a larger process and embedded in an issue field that is not organisationally bounded. I therefore suggest including conferences and similar events to the research agenda not only as manifestations of the reality of an idea, but as a dynamic sphere that is linked to the wider debate through its participants/actors. For example, one avenue would be to follow the rhetoric and claims at conferences and how it disseminates into organisations.

Conferences also create and shape expert communities. Such communities are important contributors to the agenda-setting and pace of a topic, because they inhabit 'intellectual space' by claiming expert knowledge and thereby define and largely control characteristics of the professionalisation of a field (Suddaby and Greenwood 2001). In this regard, the findings from this sub-study show that managers used conferences and respec-
tive expert communities as resources in order to help their inner-organisational struggle for recognition and emancipation. Hence, studying conferences from a resource perspective promises to further understanding in why managers attend conferences and – more importantly – what they ‘do’ with those resources. This would allow researchers interested in aspects of power and politics to look beyond the implications of knowledge transfer at conferences. Instead, components like rhetoric, relationships and resource mobilisation would become more prominent. Certainly, the development of a new business idea like CSR is a suitable case, and would deepen our understanding of the CSR evolution.

9.4.5 Sub-study 4: professional football and the industry-wide application of CSR

In this sub-study I have brought together existing academic work from the areas of traditional strategic management, CSR, marketing and sports management. It is by its nature limited because of its meta-analytical approach to the role of CSR in professional football. Nevertheless, I believe the case studies relate the presented model of value creation through CSR to empirical contexts. This has been achieved primarily through an analysis of organisations’ websites, i.e. secondary data reflecting the self-perception of organisations.

On another note stretching beyond the context of this thesis, I believe that future research specifically into different sporting and national CSR contexts will help embed the present work in a broader understanding of how and where CSR can be applied in sports management and sports marketing. I see at this stage explorative, in-depth studies into the complexity and dynamics of organisations and their stakeholder environment as providing the best method for building research in this area. In addition, surveys and interviews covering whole leagues, and other sports systems are necessary to map the terrain, and can help to compare different sports and regions. By doing so, sports management researchers can also contribute to the general discussion of CSR management, which has emerged as a distinctive academic field (Lockett, Moon and Visser 2006). The guiding principle should be to understand the role of sports management and sports bodies in the public arena and how the concept of CSR can prove to be of strategic
value for organisations that turn their minds to the more general discourse about the 
business case of CSR by adopting the concept and thereby specifying its understanding.

Beyond the context of this thesis, I hope that this sub-study encourages more investiga-
tion into the role of CSR in professional sports in general and football in particular (see 
Breitbarth and Harris 2008). Recently, more substantial research into CSR in profes-
sional football and its strategic management implications has been published: Breit-
barth, Hovemann and Walzel (2011) provide a framework to measure strategic CSR in 
professional European football; Rouvrais-Charron and Durand (2009) explore the link 
between ethics and strategy; Walters and Chadwick (2009) show how strategic benefits 
can be delivered through stakeholder engagement. However, the conceptualisation of 
business benefits from CSR application; its managerial relevance; and, organisational 
value were established in my sub-study. Despite being a major topic of interest in other 
industries, it has been largely ignored by international sports management until recently. 
Yet, it is becoming of increasing relevance as we look for the legacy of major sports 
facilities, clubs and activities for their communities and enhanced competitiveness in an 
increasingly global world.

I see key implications from this sub-study for sports managers who have not yet con-
sidered the CSR concept as part of their business. Drawing on ideas from strategic man-
agement, I argue that football organisations can take the role as social change agents - 
they can take over and utilise this role for the further growth and development of the 
game. In addition, the underlying reasoning of the value creation model through CSR 
and stakeholder management can be utilised by managers in other sports that have the 
critical mass and that have established professional, industry-like structures. Historically 
what has come to be called the football business (previously game) was reluctant to take 
responsibility outside the gate in the first instance and even seemed to ignore public 
policies, but more recently has begun to respond to the growing demands of stakehold-
ers. This osmosis of attitude and approach can be seen in other industries, where com-
panies move from the stage of rejecting engagement with their communities and stake-
holders through more and more involvement and commitment to strategic sustainable 
business approaches (Benn and Dunphy 2004). Consequently, I reiterate the motto of
other CSR advocates by hoping that this sub-study encourages football managers to embrace CSR as an opportunity-driven rather than problem-driven concept.

Finally, having suggested directions for further research into a number of exciting areas I now end my thesis with a final remark.

9.5 Final remark

I have experienced this research - including writing this thesis - as an adventurous, yet exciting expedition. CSR itself has often been described as a 'journey' by scholars, practitioners and in company reports. Similarly, the process and progress of seeking academic knowledge and understanding in every field of research contains elements of travelling. This is even truer for relatively new fields of intellectual engagement. Currently, the CSR research map still has many blank patches. In this respect, my motives for this thesis were threefold: firstly, to assure myself of the fact that 'the map is not the territory' by actively and adventurously engaging with the topic of my research and to become part of the academic and practitioner CSR community myself; secondly, rotating and flipping the existing map in front of the readership several times in order to stimulate different viewpoints and likely gain new perspectives; thirdly, drawing a few new roads, hills and water streams based on systematic surveying in order to help making those blank patches on the map smaller.

However, I believe - in the bigger picture - the true relevance of CSR theory and practice can only be judged over the years to come. Quite rightly, De Schutter (2008) argues that it is now time for the market, most notably consumers, to incentivise organisations that invest and engage substantially in a paradigmatic shift towards CSR (i.e. not only punish bad boys occasionally). Otherwise, our intellectual CSR journeys and the CSR 'travel itineraries' widely talked about by companies and others will not lead us into a sustainable future. Because, not much is gained if our research and the reality of business find themselves in a situation like this:
The Minister travelled for days by train and car and boat to one of the furthest islands in the nation.

As he surveyed the bleak but inspiring landscape, he turned to a local villager and said:

"You're very remote here, aren't you?"

She responded:

"Remote from what?"
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