HOW THE WORLD AND ORGANISATIONS CHANGE EMERGING STRATEGIC ORGANISATIONAL APPROACHES TOWARDS CORPORATE SOCIAL RESPONSIBILITY

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About the author

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1 Acknowledgement. Putting my name here first identifies me as the only author. This does not hold true. This contribution was and is the work of ongoing collaboration with many people. I’d like to thank five of them in particular: Marco de Witte, David Foster, Michiel Schoemaker, Michel van Pijkeren and André Nijhof. They all have provided me with ideas, concepts and material to make this contribution materialise. Without them, academic and business life wouldn’t be such an exciting endeavour. It goes without saying that I am entirely responsible for the present text.
At the same time, over the past decades business has become the most powerful group of institutions on the planet. We take the view that dominant institutions in any society need to take responsibility for the whole, not only for specific fields of interest. But business has never developed such a tradition despite many ... This growing and changing responsibility requires a new role, new functions and new knowledge. At present this new role is not always well understood or accepted. Based on the concept of free enterprise, from the beginning of the industrial age the assumption was that the actions of individual companies responding to market forces were moving in a ‘progressive’ direction guided by an ‘invisible hand’. Somehow this would add up to desirable outcomes - for companies and society as a whole. But in the last decades of the previous century it became clear that the ‘invisible hand’ is faltering and that the idea of ‘progress’ has lost its meaning as a guiding ‘great story’. Moving towards progress was an idea grounded in a broad consensus of overarching meanings and recognised values. This idea has been sent to the ‘rubbish heap’. As a result we have entered the 21st century with neither guiding principles nor an overarching vision for the years ahead. Instead, given their power and impact, we turn to organisations. On the one hand this is because they seem to have caused many of the problems that we are now well aware of, and on the other hand because they ... the many issues at hand not only on a local but also a global scale. Yet, many issues at stake are not purely business driven but focus on the common good domain. If this is the case, organisations now have to develop a new tradition, one they have never had throughout the history of capitalism: to organise with a triple-aim in mind. This means not only sharing responsibility for the economic side of the enterprise but also taking into account social and ecological issues in a wider societal context. It means sharing responsibility for the whole and not just one’s own organisation.

At the same time, over the past decades business has become the most powerful group of institutions on the planet. We take the view that dominant institutions in any society need to take responsibility for the whole, not only for specific fields of interest. But business has never developed such a tradition despite many philanthropic and self-enlightened initiatives. This growing and changing responsibility requires a new role, new functions and new knowledge. At present this new role is not always well understood or accepted. Based on the concept of free enterprise, from the beginning of the industrial age the assumption was that the actions of individual companies responding to market forces were moving in a ‘progressive’ direction guided by an ‘invisible hand’. Somehow this would add up to desirable outcomes - for companies and society as a whole. But in the last decades of the previous century it became clear that the ‘invisible hand’ is faltering and that the idea of ‘progress’ has lost its meaning as a guiding ‘great story’. Moving towards progress was an idea grounded in a broad consensus of overarching meanings and recognised values. This idea has been sent to the ‘rubbish heap’. As a result we have entered the 21st century with neither guiding principles nor an overarching vision for the years ahead. Instead, given their power and impact, we turn to organisations. On the one hand this is because they seem to have caused many of the problems that we are now well aware of, and on the other hand because they seem to have the capability to address the many issues at hand not only on a local but also a global scale. Yet, many issues at stake are not purely business driven but focus on the common good domain. If this is the case, organisations now have to develop a new tradition, one they have never had throughout the history of capitalism: to organise with a triple-aim in mind. This means not only sharing responsibility for the economic side of the enterprise but also taking into account social and ecological issues in a wider societal context. It means sharing responsibility for the whole and not just one’s own organisation.

Introduction

Our world has changed fundamentally in the decades just past. From being based on the concept of nations with a finite geography it is turning rapidly into a networked society where everything and everybody is (inter)-connected. All things nowadays seem to happen simultaneously, leaving hardly any space for distance or reflection. We also have only recently and rather painfully discovered our vulnerability and interdependence when it comes to societal, ecological and economic issues. Terrorism, new social divides and epidemics with a global impact are just a few of the many examples that illustrate the societal transformation we are in. Instead we become members of networks or particular social groups, propelled by values that try to raise particular issues and sometimes even want to restore the past with violence. As a consequence, social cohesion has risen high on the agenda of nation states and intergovernmental bodies. Amidst this transformation a sense of belonging is becoming scarce. No wonder many people have become footloose and governments around the world are struggling to provide a sense of direction for the future.

A taken for granted balance between the institutions in our society is in need of re-balancing. Actors such as governments, organisations and civil society (represented by e.g. NGOs) are searching for the role and function they have to undertake in this changing societal landscape. This forms the fundamental quest for corporate (social) responsibility (CSR). Organisations are moving from being social factors to becoming social actors - mandatory and voluntary. CSR is perceived as an organisational - institutional phenomenon, a movement supported by many debates trying to address the issues at hand. In essence all these debates, under different headings and performed with different vocabularies, address how to restore the balance between the organisations, and the different contexts in which it operates. This contribution identifies some of the drivers and subsequent transitions that have taken place during recent decades in order to answer the question of “why” CSR has emerged. The major drivers that have been identified are: risk, reputation, responsibility, regulation and results. An attempt is being made to ‘strategise’ CSR on the basis of ongoing research. So far six strategies have been ‘discovered’ ranging from ‘Philanthropy’ to ‘Social Innovation’. Each of the strategies will be presented. This contribution ends by making some suggestions as to how the actual CSR-debate could be fuelled by new initiatives in which companies take a leading role.

Introduction

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3 This part was inspired by and adopted from a text written Willis Harman (The World Business Academy, US). Unfortunately I haven’t been able to trace the original source.
When facing these challenges, companies take radically different approaches. Some organisations try not to change and just continue with the same practices. Others identify themselves with issues such as sustainability, health or social cohesion and commit to this based on competencies they possess. Again others regard the societal transformations as opportunities to open up new markets, thus gaining new competitive advantage. This paper argues that all decisions and actions taken in order to adapt the organisation to its changing context are strategic in nature. Choices and decisions directly relate to organisational design - and processes and the relationship with the wider societal context.

Nowadays, in response to all this, corporations tend to make more and more promises, not only financial, but also regarding the way they are being managed (corporate governance), their use of natural resources (ecological) or their contribution to societal issues in general (safety, risk, health). This in turn has led to a transformation and reinforcement of public expectations about the role and responsibility of corporations. Commonly this is called the quest for ‘corporate social responsibility’ (CSR). This contribution has four aims: (a) to identify the key players in the CSR debate, (b) to identify a number of organisational drivers behind CSR (c) to show how organisations attempt to organise this into strategic choices and (d) finally to make some suggestions as to how the actual debate on CSR could be stimulated by constituencies in order to create new thinking and knowledge. The contribution is based on an international comparative research focusing on how stock-listed companies around the world report their activities and strategies in the field of CSR. This research raises the question of to what extent do these strategies really enable the embedding of CSR into the value-proposition of a company? Are all these new promises really translated into everyday practices? Despite a vigorous debate under the heading of CSR around the globe, we think it still too early to come to this conclusion. Most companies are in the middle of a process of discovery, of trial and error, trying to find out what their new responsibilities are and how to address them. This contribution addresses the issue of the kind of additional knowledge that is needed in order to make the CSR movement progress and expand. It finishes by making some suggestions in that direction.

Locating the debate on CSR
Before moving any further, it might be good to identify which parties are actually involved in driving the contemporary CSR debate. Where is it taking place, who is involved and how is it progressing? We think four parties can be identified: (a) academia, (b) business, (c) governments (especially EU) and finally (d) a variety of multi-national NGOs (MNNGOs). We’ll describe the role of each of these briefly.

- Academia
Over the past decade it can be observed that academia around the world has (re) discovered the subject of corporate responsibility. While a previous upsurge took place in the 1960’s, it now can be observed that around the world academics are actively engaged in ... mandatory courses have been created. Looking at all this recent movement, the observation can be made that there is now an established yet small international community of academics working in the field. A special feature of this community is the upsurge in recent years of colloquia, conferences and workshops. Although this is a promising development, it can’t be said that academia has a strong and focused impact on how the actual CSR debate is developing. Too many times the debate among them revolves around definitional questions, thus questioning the ’raison d’être’ of CSR.

- Business
The history of the (contemporary) business enterprise shows that there has always been attention to the wider societal context. Still it appears as if this interest has been fuelled first of all by the interest of the companies themselves in the light of continuity and productivity. Companies like Shell, Philips or Sphinx (just to name a few from the past) have been known for their enlightened approach to issues regarding education, housing and health. This all started to change gradually over the 1970s. It was during that period that the ecological impact of business activities became known and discussed, due to a succession of groundbreaking reports. As a consequence of this, the quest for environmental issues emerged and became an established issue for companies. Only at the beginning of the 1990s were social issues then added to the debate. Just 10 years ago the first CSR report appeared - produced by Shell as a consequence of the Brent Spar affair.
Since then companies across the world have discovered CSR. Making a tour around websites of companies, it can be seen that almost all of them are paying attention to issues such as the environment combined with novel attention to social issues while all using similar jargon to express their concern and engagement in these matters. We now can see that companies have started to organise themselves internally, in value chains or in ‘interest groups’ such as the WBCSD (Switzerland), Econsense (Germany) or EIABIS (Belgium). Through these newly created institutions they are actively engaged in all kind of global debates. Still it remains rather difficult to assess what is actually going on at the heart of companies. Are all these observable movements pure linguistic window-dressing or is it possible to say that progressive companies really have come to grips with their new role and functions in society?

- Governments
One could state that governments are by definition institutions created to create and protect the common good. Mainly based on democratic principles and practices, they have been at the service of their national public at large. That at least was the spirit in which the concept of the nation state was created during the 18th and 19th centuries. Could it be that their role has changed and as a consequence the concept of the nation state is being put under pressure? While originally based on unity of geography, population and culture, we must now draw the conclusion that the concept only functions in part. Since its creation, the world has fundamentally changed; becoming more open, more vulnerable, more interconnected. Problems - be it economic, social or ecological - can often no longer be solved within the boundaries of the national territory. Many trans-national (especially in Europe) or global institutions and arrangements are trying to address this transition, sometimes with success, but very often with observable difficulty. When looking across Europe it can be stated that some countries e.g. Finland, Demark, the UK, or even Holland are relatively active in promoting CSR. At a European level it is remarkable that the EU wants to play an active role in the CSR debate through stakeholder fora, white- and green papers and an active policy regarding the funding of many initiatives. However, many of the policy documents that now can be found promote CSR as a voluntary activity by business.

It looks as if governments, either national or transnational, promote CSR but do not draw the inevitable conclusion that this promotion needs to be supported by juridical, fiscal or other measures. It is clear that the words and intentions of governments are there but that, given the many issues that have grown beyond the scope of the national focus, these do not seem to be supported by active engagement.

- NGOs
Non-governmental organisations (NGOs) is a curious label for a hybrid collection of organisations operating between business on the one hand and government on the other. In recent years an exponential growth of these organisations can be observed around the world. From just a few in the 1950s, some say that they have now grown into the hundreds of thousands. This can only have happened since there seems to be a ‘market’ for NGOs. It should be clear that not all of these are focused on CSR or related issues. Many NGOs only have a limited scope and life-cycle; once their aim is fulfilled they simply cease to exist. On the other hand we can also observe a new breed: the multi-national NGOs. Often these are highly professionally managed, rather impressive organisations, operating around the world. Typical examples are: Greenpeace, the WWF, Transparency International or Friends of the Earth. Although they certainly have an impact on the debate it remains difficult to assess what that impact actually is. Companies nowadays have all embraced the notion of ‘stakeholder dialogue’ but it is certainly not clear in what way the practise of dialogue is having any impact on the progress of the debate or the actual practices of organisations themselves. So, are NGOs a factor of importance? We think they are, but for now rather marginal than central. Often they still have to develop themselves into professionally led and focussed institutes developing the competence to have dialogues in different discourses, and establishing credibility, not only in addressing issues at hand, but also helping to resolve them.
In essence this development is questioning the fundamentals of the corporation, giving way to an emerging paradigmatic debate. The accepted dictum of profit maximisation seems to be increasingly scrutinised and is gradually being replaced by profit-optimisation. We believe these evolutionary developments have now gone so far that a fundamental reconceptualisation of the corporation is required, along with a re-examination of the means by which the benefits of corporate activity should be generated and distributed in the 21st century. The approach taken here is that corporations should be judged on the basis of how they create and distribute wealth, whether that wealth is tangible or intangible. Of course, the activities of the enterprise can either create or destroy such wealth. Balanced wealth creation for an array of stakeholders thus becomes a key issue in this debate.

Organisations

For more than a century the business enterprise has been a successful and widely adopted functional instrument - a deliberate institutional arrangement - for creating and distributing economic and social wealth. However, this wealth generation has come at a high price. Over the past decades the growing power, its non-democratic character, the purpose(s) of corporations and their use of different capital types (human, natural, etc.) have been increasingly questioned and debated. Looking at these debates from a distance it appears as if the entire (global) business system is being challenged. Scandals and natural catastrophes caused by corporations have fuelled an array of debates on corporate governance, modes of management and the hidden costs of wealth creation. The economic function of profit generation is no longer seen as a sufficient focus for private corporations; the use of and contribution to the various forms of capital are slowly being seen as appropriate issues to be addressed. Corporations and society at large have become aware of their growing interdependence. This perceived and growing interaction between global economic growth and global social challenges has gradually led to changes in the behaviour of corporations, be it in words or actions.

Where does this short overview lead? Who is actually leading the contemporary debate on CSR and more importantly, what can be said about the way it is progressing? Despite the many voices and debates in different arenas, what strikes first is that most constituencies are talking about each other, not with each other. Companies organise themselves in value-chains and new associations but are often not engaged in a one-to-one debate with relevant stakeholders. Governments certainly try to address the issue of CSR but their room to manoeuvre seems to be either too small or driven by a lack of vision that helps to guide the way. NGOs have a tendency to ‘dictate’ the issue they defend towards companies without wanting to engage in a profound dialogue on how to address company-specific matters. Trans-national arrangements and conventions often seem too weak to exercise real impact. Let’s also remember that in many of the debates the voluntary nature of CSR seems key. All this leads to a situation where talk about CSR is rather abundant, but the actual practices remain difficult to discern let alone measure. It is in this situation that companies are often taking the lead. They engage proactively, trying to shape a direction that suits their business purposes better. That should come as no surprise if we remember the economic role of the contemporary business enterprise in our society. But wasn’t that role in transition?

CSR and its drivers

CSR has since the beginning of the 1990s (re)appeared on the agenda of many organisations, in particular multi-national companies across Europe and worldwide. While often seen as a predominantly voluntary initiative - one that can be tackled by philanthropic activities - some companies - but very few - have been able to ‘translate’ and incorporate what they in their specific business line consider the best of all options. There are quite some lists circulating, providing all kinds of ‘benefits’ and ‘profits’ once CSR has been engrained into the core of the company.
Most of these lists contain items on which issue can be taken, such as: cost efficiency, competitiveness, reputation, enhanced share prices, pressure from stakeholders, compliance with and anticipation on regulation, innovation, new market opportunities, motivation of employees, less vulnerability towards hostile communication etc. etc. Although intuitively all this and more might be true, it is often difficult to provide solid proof for any of these claims. Many of them focus on intangible values that make it difficult to assess - let alone measure - them. It should therefore come as no surprise that CSR is regarded by the critics as ‘full of promises without substantive proof’. Yet at the same time these benefits are used as drivers to support the case for CSR. Although tempting, we do not want to engage in an additional debate on how the value(s) of a company can be measured. Depending on the line of business a business is in, and its assumed or perceived impact (that can be either high or low), five drivers seem to dominate. These drivers are: (1) risk, (2) reputation, (3) responsibility, (4) regulation and (5) results. Depending on a particular context and aligned with the overall business strategy, the business proposition and affiliated policies and practices, each company has to decide individually what the ‘weight’ and importance is of each of these factors. There is no ‘golden rule’ prescribing what should be taken into account and how to contribute different weights to this. Ultimately this leads to a ‘drivers’ profile’ for each individual company. They are able to use such a profile in order to adopt their strategy, or deploy specific activities in one or more domains.

The risk of focussing just on the drivers is that it becomes an ‘outside-in’ approach where a particular company is trying to adopt its policies and practices reactively to external ‘demands’. While positive in a certain sense, this leaves untapped the possibility of adopting an ‘inside-out’ approach in which the company is developing and debating its ‘worldview’ with constituencies in the external world. This second approach demands a company to develop a stance on how CSR should be organised. Connecting vision, innovation and pursuing smooth implementation enforces the strategic impact of CSR in an organisation. In order to materialise CSR intentions and efforts, they need to be embedded in the strategic configuration of activities that shape the value proposition. It is through the value proposition that an organisation demonstrates its response to the needs and expectations from the environment. Only through the value proposition does it become clear how an organisation is organising the creation or destruction of value, which stakeholders needs are addressed, to what extent this is based on particular drivers. Conceptualising the organisation of CSR creates the foundation for all of this.

Organising CSR

In order to describe how CSR can be organised a management model has been developed (See Figure 14). This model is based upon the assumption that clusters of organisational activities are framed by the process of strategising and implementing CSR. These clusters of activities are grouped into five different elements: identity, means, transactivity, accountability and the value proposition. Most of these elements have already been touched upon previously. The model allows for a ‘snapshot’ of the organisation by identifying and clustering activities that organisations bring forward under a CSR heading. When applied to specific cases, it illustrates how CSR is organised in the heart of the company, whether or not a deliberate configuration of strategically chosen activities is involved, or what is given specific emphasis. The way activities are clustered clearly shows how CSR is embedded in the value proposition in a specific case. The outcomes of a specific application allow a preliminary insight into the degree of strategic anchorage.

Structure of the model

The model distinguishes between a business and a societal context in which an organisation operates simultaneously. It appears that the business and societal contexts are becoming more and more intertwined, developing into a complex and dynamic arena of contacts and contracts. It is assumed that the values that an organisation creates or destroys in the process of creating entail many aspects. Besides the conventional economic value, organisations also create or destroy social and environmental value. The business context consists of those parties having an economic interest in the organisation, such as customers, competitors, suppliers and potential partners. These actors are recognised as the... the focus of organisational activities is fuelled by customer preference, profit margins and the desire to outperform competitors. While positive in a certain sense, this leaves untapped the possibility of adopting an ‘inside-out’ approach in which the company is developing and debating... in the external world. This second approach demands a company to develop a stance on how CSR should be organised. Connecting vision, innovation and pursuing smooth implementation enforces the strategic impact of CSR in an organisation. In order to materialise CSR intentions and efforts, they need to be embedded in the strategic configuration of activities that shape the value proposition. It is through the value proposition that an organisation demonstrates its response to the needs and expectations from the environment. Only through the value proposition does it become clear how an organisation is organising the creation or destruction of value, which stakeholders needs are addressed, to what extent this is based on particular drivers. Conceptualising the organisation of CSR creates the foundation for all of this.

4 The model emerged out of an research collaboration with Claudia Appels and Lisette van Duijn during 2004. Since then it has provided the basis for various other projects. As a result the model has progressed to its present status. In 2006 two books where published in which the model plays an important role. These are ‘Management Models for Corporate Social Responsibility’ (Springer Verlag - Germany) and ‘The Challenge of Organising and Implementing CSR (Palgrave - England.)
The distinction between two kinds of contexts adds value for understanding what kind of needs and expectations are brought forward by different constituencies. It also shows that an organisation is forced to consider different value orientations. Of interest here is how the organisation is embedding demands and requirements in its configuration of organisational activities. It is only when looking at this organisational 'translation' that it becomes apparent to what extent the organisation is translating needs and expectations into a deliberate strategic approach. We call this the process of strategising CSR. The way this is done should become observable through a final customised model as it appears in an individual case.

Elements of the model

The first element of the model is transactivity. Transactivity is used to describe the dynamic connection between the organisation and its contexts. It entails those activities that are employed for the purpose of organising the interface between the organisation and the societal context. Interaction and dialogue with this second group of actors is mainly driven by experience, feeling and a different set of values. Numerous cases indicate that an organisation cannot ignore these needs and expectations from a broader societal context. If the organisation disregards these, it will not only miss opportunities but also run the risk of not being attuned, leading to loss in economic value.

The societal context consists of those actors having broader societal and ecological interests in the organisation, such as non-governmental organisations (NGOs), labour unions and local communities. The organisation is solicited to get involved in diverse issues advocated by actors from this societal context. Interaction and dialogue with this second group of actors is mainly driven by experience, feeling and a different set of values. Numerous cases indicate that an organisation cannot ignore these needs and expectations from a broader societal context. If the organisation disregards these, it will not only miss opportunities but also run the risk of not being attuned, leading to loss in economic value.
This becomes obvious in the use of environmental systems such as ISO 14001 and the forthcoming ISO 26000, or the more conventional ISO 9000. It also materialises in the way issues like talents and competence development are approached. Ideally, in order to foster innovation, a tight relationship between the information gathered through transactivity and the various means should be established.

The element accountability entails the way an organisation accounts for its value-creating and -distributing activities. Within the element generally, a distinction is made between standards, certification, (voluntary) reporting and accounting. Standards can be considered as behavioural sets of normative prescriptions. Standards originally have an industrial background (e.g. DIN, ISO or SAS) but have expanded into all walks of organisational life. Certification entails independent auditing and certification of organisational processes, according to pre-defined standards that cover various issues. Examples are voluntary initiatives such as the Fair Labour Association (FLA) or Clean Clothes Campaign but also SA8000, AA 1000 or the forthcoming ISO 26000. Reporting focuses on the way organisations voluntarily report on their performance in what they consider to be issues under the umbrella of CSR. These reports are increasingly structured on frameworks such as the GRI or the UN Global Compact. Accounting concerns the way the organisation reports on its financial performance. Increasingly this is done on the basis of agreements and standards within the industry led by institutes such as the Institute of Chartered Accountants (ICC). Organising accountability in an encompassing way leads to improving ‘transparency’.

The fourth element of the model is identity. It entails the central perception an organisation has of itself and the way this is being cultivated. Identity is grounded in the values of an organisation. These values are the ‘guidelines’ for the day-to-day actions and decisions of employees. Values are often ‘translated’ into codes that guide this behaviour. At present we are witnessing a whole new generation of codes either at company level, value-chain level or sector level (e.g. chemicals, water, oil, tobacco). Values are core-artefacts of culture and shape behaviour connect necessary talents to the organisation and provide the groundwork for the desired identity. Identity helps people to identify themselves with the organisation and everything it stands for. Furthermore it shapes the way an organisation presents itself to external parties. Identity becomes traceable in principles or codes often ‘translated’ or used to formulate a mission statement and vision. Statements are the basis for, or enforcement of the strategic direction and value proposition. Organisational identity is increasingly becoming the binding factor for organisations, especially where hierarchical structures are substituted by horizontal networks.

We assume that the four elements of the model cover those activities that create the value proposition of an organisation. It is through the actual activities that the value proposition appears. The value proposition itself is a declaration - a set of promises. The central question is if the value proposition is connected and corresponding to current and future stakeholders’ needs and expectations. The real test for a strategy is its capability to translate promises into organisational practices in an integrated way. We consider CSR integrated when it can be found in all activities - tangible and intangible - of the organisation.

**Strategic approaches**

Organisations make different choices in the process of strategising CSR. These choices result in a strategic configuration of organisational elements. Different configurations can be analysed, resulting in a classification of approaches towards CSR. An ongoing research within stock-quoted companies shows that companies employ fundamentally different approaches towards CSR. In general, most CSR-related activities are positioned at the periphery of an organisation and located within a particular department. Examples of activities are community involvement, stakeholder dialogues and CSR-reporting. These results show that integrating CSR into the strategy and value-proposition is not yet common practice. Generally, a more or less coherent set of activities is employed to respond to demands from an influential stakeholder. This response, in terms of specific activities, does not have a noticeable impact on the strategic direction or the value-proposition. Adidas, for example, has implemented a code of conduct forcing its suppliers to adopt certain regulated labour practices. How suppliers live up to this code is audited via independent organisations. The code was implemented due to fierce public protests against the labour practices in the clothing and footwear industry, leading to the threat of consumer boycotts. By implementing this code the labour issue seems to have been dealt with. However, these activities have not impacted on the central value proposition of Adidas. The business model is still based on low cost production, smart logistics and a sophisticated marketing mix. Some business examples, however, do provide evidence that it is possible to link CSR to the strategy and value proposition of an organisation. Although differences between the organisations do exist, they have succeeded in integrating CSR into their value proposition through innovative concepts.
Several researchers participating in the ongoing research project which this contribution is based on have sought to identify strategic CSR approaches based on activities reported by companies. In this section, an overview of the different approaches towards CSR is presented:

- **Risk approach**
  CSR is driven by fear of reputation and economic losses. Often, this approach is triggered by some critical incidents that provoke public protest. As a reaction, the company focuses on external communication and securing processes via management systems. Companies with a high-risk profile, such as chemical companies, or with high brand awareness, frequently employ this risk approach.

- **Sponsor and Community approach**
  This approach is based on the tradition of charity and community involvement. Many companies are driven by fundamental principles that stress the importance of giving something back to the community and the society from which their success originates. This is done through donations or active employee involvement in community projects. In such a way, a company contributes to societal development without changing its own organisation. This approach typically reflects a ‘profit first’ orientation towards CSR.

- **Identity approach**
  CSR is driven by the ideological stance of owners and management. The values and culture of those organisations are the explicit basis for strategic decisions and the deployment of organisational means. Often these companies serve a niche-market in which consumers are willing to pay a price premium for responsible or ethical products.

- **Differentiation approach**
  CSR is attributed to a certain product or service in the wide portfolio of the company. In this way, the company anticipates the specific consumer demand for green or ethical products or services. Mostly, these CSR products make up a marginal part of the realised turnover, but the roots for innovation and new business models are planted here.

- **Innovation approach**
  CSR is regarded as an opportunity to establish a distinguishable business model that generates market potential and blended value. Contextual signals are proactively sensed and translated into innovative business concepts that have the potential to adjust the value-proposition. These organisations aim at creating value for a wide range of stakeholders.

These approaches are not as straightforward and demarcated as they appear here. Organisations can expand from one approach to another. From a sponsor’s approach, a company can link its donations and involvement to its strategic direction. These relations can develop into full-blown partnerships that in turn can lead to product differentiation and eventually innovation. It appears that many drivers and starting points for a particular CSR approach are traceable. The context and the value proposition of an organisation are important determinants for the choice of starting points. They determine how CSR is approached and the means and methods by which it is configured in concrete activities. This process, in which the organisation gradually makes sense of CSR through concrete activities and results, requires time, determination, patience and, mostly, leadership.

**Some reflections**

In a more theoretical sense the line of reasoning presented here addresses the broad quest for answers to confront the problem of the relationship(s) between CSR and (business) strategy. The contemporary CSR debate holds the promise of addressing the redefinition and subsequently the reorganisation of the role of business in society. Based on commonly held values such as sustainability, social justice and even democracy, companies are solicited to behave as social actors - either mandatory or voluntarily. It is assumed here that acting upon this solicitation leads to a company-based strategic approach - either intuitively or explicitly. But these implications and assumptions only seem to be true to a limited extent, for many organisations do not deal with CSR at all or - if they claim to do so - only on a superficial level. So far different research projects have identified a number of additional questions that need to be addressed.
Challenging the future

Despite the critique that has been seeded across the previous pages, the social movement of CSR holds a strong promise for the future. It is the only debate that addresses the role, function and position of the contemporary business enterprise in society. It is the only global public ‘debate’ in which a variety of constituencies participate. Those are strong points! We should therefore avoid allowing the promise of this debate to be ‘hijacked’ by one of the constituencies and modified to their own liking. Instead the intensity and scope of what have been debated and practised could be widened in order to better understand what it is that has to be created in terms of knowledge and practices. This is a task not for just one dominant stakeholder but for all those involved. The ongoing attempts at dialogue seem to be a good start in that respect, but mark only the beginning of a process of discovery enabling us to find ways to handle CSR as it should be.

This contribution has demonstrated how CSR could be addressed as an organisational phenomenon, one that is anchored in the core activity of the business enterprise, its business proposition, its policies and practices. Still there are some miles to go before we will have reached a point where the strategic embeddedness of CSR has become part of the daily routine of organisations. Advanced business leaders have long since discovered the importance of a worldview that meets the needs of present and future generations. No need to convince them. But maybe they could play a more prominent role in showing others the way. When trying to assess the importance - the real strengths - of the present CSR debate no other conclusion can be drawn than that it takes place in a ‘community’ that is dangerously small in size. Let’s try to avoid this leading to another social divide; one in which the happy few of CSR are preaching something that isn’t practised.

So, how do we go from here? Do we leave the debate to the ‘invisible hand’ hoping for somehow desirable outcomes? Or do we see it as our common responsibility to inject the present movement with fresh knowledge and ideas in order to speed up the process of discovery? If CSR is to ‘survive’ and prosper at least for the short term its connotation should change from a ‘cost-factor’ to at least something else. This might be innovation, it might be new business propositions (such as the Bottom of the Pyramid) and of course strategies.

What these research projects primarily show is how a limited number of companies successfully deal with CSR. The real research problem emerges when the ‘claimed’ CSR activities of a broader range of organisations start being observed. Then a rather confusing image appears, of organisations claiming real organisational commitment to CSR while omitting to provide substantive proof, organisations that seem to do nothing with respect to CSR, and organisations claiming to already use CSR in an intuitive way. Given the amorphous nature of the ‘concept’ of CSR, this is not surprising.

It is assumed here that businesses need to develop a fit with their contexts through organisational development in order to stay in business. Given the variety and changing nature of the contexts, businesses employ different approaches towards CSR to cope either intuitively or deliberately, thus creating a contextual fit. Existing or new models and strategies are continuously being altered and adapted to meet specific expectations of customers, shareholders and other stakeholders. How this fit is actually established through concrete actions - and what the nature, volume, structure and impact of these actions is (although the focus of this research) - can’t be sufficiently demonstrated.

The management model actually does not predict how the process of strategy making evolves. It is rather a picture-frame in which an organisation is outlined by clustering its observed organisational activities. The central assumption underlying the model is that the value-proposition becomes obvious in picturing the activities as brought forward by the companies themselves. How these activities are linked to the value proposition in a specific case is the interpretation of the researchers. This leads to subjectivity. This subjectivity is partly addressed by repeating the research across a very large sample of companies. Still, hardly any company in the sample claims to have an identifiable CSR strategy in place.

The primary sources of information used to develop the model and identify the different strategies are CSR Reports and affiliated documents provided by the companies. Despite the strong danger of self-referencing and the incompleteness of these documents, no other direct sources are available on an international scale in which companies account for their deployed activities in the field of CSR. Real in-depth case studies could tackle this methodological issue - but even then it remains questionable whether the validity of the data collected on site really provides a ‘true’ insight into a specific strategy.
If the latter is what we are aiming for we should not leave things only to voluntary initiatives but join forces in order to create volume and focus. There are various ways in which this could be achieved. Some suggestions:

There are thousands of young men and women out there who are more than interested in the subject of CSR, and willing to invest (free) time and valuable creativity. There are also roughly five million companies at least in Europe, of which a substantial part is looking for answers and directions when it comes to CSR. Why not create a new grant scheme at least for Europe through which, on an annual basis, a number of initiatives and questions can be addressed through projects of a short duration (say one year). Such a grant scheme could be called: Young Innovation Talent for CSR. Companies could bring means, energy and funding to this grant scheme. Academia could support this scheme by providing supervision and maybe even create a number of dedicated part-time chairs. NGOs can participate in various ways from providing themes to participating in committees and boards. Governments, either national or trans-national, could help by providing support, funding and of course projects. The results of such a scheme could be presented in the many conferences, colloquia and workshops that are taking place already. Furthermore it could be imagined that around the outputs of this scheme a dedicated annual conference could be organised. In order to make this happen companies that are well underway when it comes to CSR could take a leading role, especially when they operate on a European scale. Would that be something worth pursuing?