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DESIGNING AND IMPLEMENTING CORPORATE SOCIAL RESPONSIBILITY:

AN INTEGRATIVE FRAMEWORK GROUNDED IN THEORY AND PRACTICE

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Abstract

This article introduces an integrative framework of corporate social responsibility (CSR) design and implementation. A review of CSR literature—in particular with regard to design and implementation models—provides the background to develop a multiple case study. The resulting integrative framework, based on this multiple case study and Lewin's change model, highlights four stages that span nine steps of the CSR design and implementation process. Finally, the study identifies critical success factors for the CSR process.

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Introduction

Corporate social responsibility (CSR) has attained a high enough profile (de Bakker, Groenewegen, & den Hond, 2005; Lockett, Moon, & Visser, 2006; Margolis & Walsh, 2003; Walsh, Weber, & Margolis, 2003) that many consider it a necessity for organizations to define their roles in society and adhere to social, ethical, legal, and responsible standards (Lindgreen & Swaen, 2004; Luo & Bhattacharya, 2006). From a CSR perspective, organizations provide the drivers that can construct a better world (Friedman & Miles, 2002) and therefore experience pressure to demonstrate accountable corporate responsibility (Pinkston & Carroll, 1994). Organizations must deliver profits to shareholders but also frequently are subject to broader stakeholder interests and the need to demonstrate a balanced business perspective. Thus, organizations develop and update programs and policies in an attempt to measure their social and environmental performance while also engaging in consultations with stakeholders and, during this process, communicating their values to employees, environmental groups, local communities, and governments.

The pressures are real, as industry leaders including Exxon, Nestlé, Nike, and Pfizer can attest; these corporations encountered severe blows to their reputations because of their failure to maintain quality, ethical, and other socially responsible standards. In contrast, organizations such as The Body Shop and Ben & Jerry's base their business model explicitly on ethical foundations (Pearce & Doh, 2005). In this sense, CSR has moved from ideology to reality and represents an important dimension of contemporary business practices. Literature contributes

to the definition and characterization of the CSR phenomenon (De Bakker et al., 2005; Garriga & Melé, 2004), as well as discussions of best CSR practice (Esty & Winston, 2006; Savitz & Weber, 2006), yet CSR design and implementation processes remain largely unexplored. On the basis of a multiple case study, we develop an integrative framework to help guide managers and identify critical success factors for the CSR process.

The remainder of this article is organized as follows: First, we review CSR literature, in particular existing design and implementation models. Second, we outline the methodology and provide details about the three cases developed for the study. Third, we present the study's findings, including an integrative framework of CSR design and implementation and the critical success factors for the CSR process. Fourth and finally, we discuss the study's theoretical and managerial contributions, along with possible avenues for further research.

Literature Review

Definition of CSR

Since it first emerged in the 1950s (De Bakker et al., 2005), CSR has developed from relatively uncoordinated and voluntary practices to more explicit commitments in response to stakeholder pressures and, recently, ongoing future commitments. Although a significant body of literature exists, the problem of a singular definition remains (Clarkson, 1995), such that alternative conceptualizations currently represent various aspects of the same concept of corporate "doing good" (cf. Kotler & Lee, 2005).

We choose to define CSR as a stakeholder-oriented concept that extends beyond the organization's boundaries and is driven by an ethical understanding of the organization's responsibility for the impact of its business activities, thus seeking in return society's acceptance of the legitimacy of the organization (cf. Gray, Owen, & Adams, 1996). This definition relies on the stakeholder concept and calls for the actual integration of CSR into the organization's strategy. In addition, it emphasizes that CSR results in a win–win situation for the organization and its stakeholders.

Stakeholders

The concept of stakeholders is central to CSR. Stakeholders may be defined as "groups and individuals who can affect, or are affected by, the achievement of an organization's mission" (Freeman, 1984: 54) or alternatively as "those groups who have a stake in or a claim on the firm" (Evan & Freeman, 1988: 97). Furthermore, the stakeholder concept may extend to a wider perspective and include all those entities that maintain a "critical eye" on corporate actors (Bomann-Larsen & Wiggen, 2004). Stakeholders thus form the link between the aims and ambitions of the organization and the expectations of society (Whetten, Rands, & Godfrey, 2002).

Stakeholder theory also emphasizes that organization survival and success hinges on the organization's ability to generate sufficient wealth, value, or satisfaction for its primary stakeholders, though not exclusively for shareholders (Clarkson, 1988). For example, Post, Frederick, Lawrence, and Weber (1996) consider those whose direct relationships are essential for the organization to realize its mission in producing goods or services for customers to be the primary stakeholders. Secondary stakeholders include social and political

actors who support the mission by providing their tacit approval of the organization's activities, thereby making them acceptable and giving the business credibility. Such secondary stakeholders may include local communities, governments, and nongovernmental organizations (NGOs).

CSR development and implementation

Corporate social responsibility strategy development and implementation could be considered an organizational change process (i.e., moving from a present to a future state; cf. Georges & Jones, 1995) or as a new way of organizing and working (Dawson, 2003). Its aim is to align the organization with the dynamic demands of the business and social environment by identifying and managing stakeholder expectations.

In addition to change, CSR involves learning over time and the ability to understand the specific context and confluence of stakeholder expectations. Although there is no best way to bring about change (Burnes, 1996), enhanced learning about stakeholder expectations and the specifics of the context help ensure that the change is beneficial and supported by appropriate mechanisms (Burnes, 2004). Therefore, managers must understand and remain actively aware of both the context and expectations, as well as recognize that any changes they implement will shape the environment in turn (Mitleton-Kelly, 2003). The development of CSR practices therefore can entail evolutionary and recursive activity that acts on and reacts to and with the business environment.

Literature offers various insights into how CSR might be implemented; we summarize existing frameworks for designing and implementing CSR in Table 1. However, most studies

focus on limited aspects (Maignan, Ferrell, & Ferrell, 2005), and a framework has yet to be offered that integrates the development and implementation of CSR into the organization's strategy, structure, and culture (Bhattacharya & Sen, 2004; Smith, 2003). For example, studies tend to base their definition of CSR strategy on existing corporate norms and values, such that the frameworks proposed by Maignan et al. (2005) and Panapanaan, Linnanen, Karvonen, and Phan (2003) stress the role of stakeholders and their concerns. Yet these frameworks differ in their emphasis on the role of stakeholders for either providing input into the development and implementation of CSR the activities or offering feedback to improve the process. The concept of process improvement, which regards CSR implementation as cyclical, is consistent across many frameworks. To integrate the different perspectives of CSR design and implementation into a single framework, we develop a preliminary model that we test and refine though multiple case studies of IKEA, Philips, and Unilever.

Insert Table 1 about here

Methodology

The qualitative case study approach is particularly useful when concepts and contexts are ill defined, because it enables the derivation of in-depth understanding and explanation (Blaikie, 1993; Eisenhardt, 1989), as well as when change in the study context is radical and unpredictable (Matthyssens & Vandenbempt, 2003). Thus, our research is inductive, in that we seek to augment our preliminary framework with in-depth understanding that will enable us to develop a framework of the design and implementation of CSR practice, as well as elicit the factors that may contribute to its successful implementation.

We select the cases for our study using theoretical sampling (Strauss & Corbin, 1998). All three represent different business sectors but also are global and have strong reputations based on their investments in CSR. IKEA possesses a long history and experience in the CSR area and has had to respond to several CSR-related crises and criticisms, which have enabled the organization to develop structured policies and a range of collaborations and initiatives with stakeholders. Philips ranks at the top of the Dow Jones Sustainability Index and also is the sector leader in the 2006 Covalence Ethical Ranking (Covalence, 2007), partly because it produces a highly regarded annual sustainability report. Finally, Unilever publishes a detailed social and environmental report, ranks sixth in the food industry category of the Dow Jones Sustainability Index, and holds the leading position across all sectors of the Covalence Ethical Ranking (Covalence, 2007).

In conducting our case studies, we undertake extensive research to understand the contextual issues that surround each organization. The aim of our data collection process was to develop rich, in-depth case histories of the CSR development and respective implementation processes in these organizations. To improve methodological rigor and understanding, we obtain secondary data and conduct interviews to assist in the development of rich insights and improve generalizability. In particular, we interview senior managers—responsible for the organizations' CSR programs—who provided additional documentation and archival records, which is important as a means to gain stable and exact data (Yin, 2003) that we can cross-check against other data sources to reduce selectivity and reporting bias. In addition, we review news articles, Web pages, scientific literature, promotional material, and other literature sources, and we spend time at each case site, which provide us with additional information through short conversations, observations, and other *in situ* techniques.

To analyze the cases, we use Eisenhardt's (1989) method of within- and cross-case analysis. Within-case analyses summarize the data and develop preliminary findings; thus, we gain a richer understanding of the processes each organization underwent to move toward its CSR vision. The outcomes of the within-case analyses get compared and contrasted during the cross-case analysis to improve the rigor and quality of the results. That is, each organization achieves a different degree of CSR success, so we compare the cases to analyze their similarities and differences and gain a greater understanding of the processes involved. Cross-case analysis is essential for multiple case studies (Yin, 2003). At the same time, we elaborate on theoretical categories during the open and axial coding procedures (Strauss & Corbin, 1998). Finally, to obtain a holistic and contextualized comprehension of how organizations approach CSR development and implementation, we tack back and forth during our analysis between the literature and the collected data (Spiggle, 1994). Overall, the process enriches the preliminary framework shown in Figure 1 and indicates some factors important to CSR implementation.

To improve the quality of our research, we adopt various methods throughout the study. Consistent with recommendations from interpretive researchers (Lincoln & Guba, 1985), grounded theorists (Strauss & Corbin, 1998), and previous case-based research in business-to-business marketing (Beverland, Napoli, & Lindgreen, 2007; Flint, Woodruff, & Gardial, 2002), we apply the criteria of credibility, transferability, dependability, confirmability, integrity, fit, understanding, generality, and control. Specifically, we solicit experts to help us select the cases, develop independent interpretations of the findings on an individual basis, and allow respondents to provide feedback on the initial findings. The same interviewer

conducted all the interviews, and colleagues performed independent coding of the transcripts, which helped minimize potential bias (Lincoln & Guba, 1985; Strauss & Corbin, 1998).

Findings

We develop the framework in Figure 1 using Lewin's (1951) force field model of change, which characterizes change as a state of imbalance between pressures for (driving) and against (restraining) that change (Wilson, 1992). By changing the equilibrium between driving and restraining forces by creating pressure in favor of change, managers can effect change (Burnes, 2004; Lewin, 1951). Several recent change models also use Lewin's (1951) model (e.g., Bamford & Forrester, 2003; Beverland & Lindgreen, 2007; Bullock & Batten, 1985), which consistently presents change as a finite activity. Lewin's (1951) model consists of three stages: unfreezing, moving, and refreezing.

Insert Figure 1 about here

In the first stage, the process requires managers to unfreeze past practices associated with the *status quo*. Unlearning is critical to a learning orientation and the development of a CSR orientation and requires uncovering long-held, unchallenged, cultural assumptions about the "right way to do things" (Schein, 1992). Such assumptions, often held subconsciously, must resurface through a change intervention—unfreezing process—and may result in energetic forces against change (Wilson, 1992). Barriers to the development of a CSR orientation include threats to stability, fear of change, the belief that a CSR orientation is inappropriate for the organization, or the belief that focusing on CSR will result in the organization losing sight of its core values.

In the moving stage, the organization is guided toward a new set of assumptions (Lewin, 1951). Identifying the need to adopt a CSR orientation therefore is just the start of the change process. Our literature review identifies several practices that may be involved in the development and implementation of a CSR orientation.

In the third stage, to effect a new state, managers must refreeze the new cultural assumptions. Depending on the degree of change necessary, refreezing even may involve wider changes that build structures and processes to support the new ways (Katz & Kahn, 1978). Critically, a learning orientation again is necessary to ensure the refreezing of CSR-oriented cultural values, because an organization's learning orientation represents a resource that influences the quality of CSR-related behaviors. That is, in a learning organization, employees understand how to learn (generative learning), which involves constantly reflecting on past strategies and approaches to business rather than just learning through adaptation (e.g., trial and error) (Bell, Whitwell, & Lukas, 2002).

We also include a fourth stage: sensitizing. In this stage, which precedes the unfreezing stage, top management becomes aware of the importance of sustainability issues. A person, or group of people, also seeks to overcome resistance to change.

The four stages incorporate nine steps: raising CSR awareness inside the organization, assessing corporate purpose in a societal context, establishing a working definition and vision for CSR, assessing current CSR status, developing an integrated CSR strategic plan, implementing the CSR integrated strategic plan, maintaining internal and external

communication, evaluating CSR-related strategies and communication, and institutionalizing CSR policy. We discuss these steps in more detail next.

Step 1: Raising CSR awareness inside the organization

Increasing organizational sensitivity to the organizational environment in general and CSR issues in particular can be defined succinctly as the result of the influence of four key drivers: economic, social, political, and individual. The three first drivers may be market based, in that they initiate when an organization anticipates or respond to a risk associated with the societal impact of its particular business practice (Mazurkiewicz, 2004), whereas individual drivers appear to be value based and highlight the CEO's role in orienting the ethical norms of the organization (Agle, Mitchell, & Sonnenfeld, 1999; Waldman & Siegel, 2005) and the presence of employees' values in the workplace (Robertson, 1991). Our framework considers both top-down (top manager awareness, which influences CSR strategy and implementation) and bottom-up (awareness of employees and workers, who induce their employers to include CSR practices) processes.

The development and integration of a genuine CSR vision often is triggered by an evolution in the way management actually perceives its business and societal environment. This modification in managerial perceptions may be characterized as either reactive and resulting from external environmental pressures, such as damaging media coverage, NGO pressures, or activists' or communities' protests (e.g., child labor issues faced by IKEA during the 1990s, disclosed in the media), or proactive, such as when the personal values of some individual or groups inside the organization gain increasing weight, in which case CSR is driven by a sense

of personal morality, inspired by managers' or employees' socially oriented personal values (Hemingway, 2005; Hemingway & Maclagan, 2004).

Step 2: Assessing corporate purpose in its societal context

Uncovering corporate norms and values

Corporate values play critical roles as prerequisites for proactive CSR. To improve organizational fit, a CSR program must align with the values, norms, and mission of the organization (Maignan, Ferrell, & Ferrell, 2005), which demands awareness and understanding of the organization's vision and values and their relationships to the organization's core business practices. In turn, it becomes particularly relevant to recognize the organizational values and norms that likely have implications for CSR. Because they guide behaviors and decisions within the organization, corporate values support organizational efficiency in the organization's efforts to reach its vision and objectives. Furthermore, by articulating corporate values and embedding them in management practices, organizations may hope to "reinforce behaviors that benefit the company and communities inside and outside the firm, and which in turn strengthen the institution's values" (Van Lee, Fabish, & McGaw, 2005: 4). To define or redefine corporate values, organizations might consider existing credos, corporate charters, mission statements, reports, Web sites and other documents.

For instance, IKEA summarizes its corporate values and organizational culture as follows (IKEA, 2004: 13): (a) doing more with less: since its foundation, IKEA tries to avoid wasting all sorts of resources; (b) daring to be different: questioning how and why things are the way they are, which often opens up new avenues of approach; (c) humanity and criticism: respect

people, opinions and skills, be able to admit own mistakes and learn from those and those of others, and be able to accept constructive comments; (d) learning by listening: not only to experienced or enlightened people, but also to nongovernmental organizations; and (e) honesty is the best policy: to enable IKEA to build and enjoy long-term, close relationships, IKEA has to be honest in its communication towards employees, customers, and in its relationships with suppliers.

In this sense, the organization must align its CSR goals and decision making with its overall goals and strategies, so that taking CSR considerations into account becomes as natural as taking customer perspectives into account (Government of Canada, 2006). In addition to finding existing norms, CSR activities, and values inside the organization, companies must create new norms and values with respect to CSR. Lyon (2004) emphasizes that to incorporate CSR into long-term strategies and decision-making criteria, organizations must transition from a target-driven to a value-driven culture. Thus, organizations must build on their corporate values to create an organizational culture that is receptive to change and can sustain a CSR strategy over the long run.

Identifying key stakeholders and critical stakeholders' issues

A difficult dilemma for all managers facing the integration of CSR is defining which stakeholder categories the organization should cooperate with and include. The organization's primary objective is to understand the continuously changing objectives, values, demands, and expectations of those people with stake in the businesses (Freeman 1984; Jonker & Foster 2002). The dilemma managers face thus involve not only the choice of stakeholders but also the great diversity in stakeholder groups and their various (intrinsic) and often conflicting values, objectives, expectations, and demands, all of which have to be satisfied at a minimum.

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Clearly identifying the organizations' stakeholders avoids the misallocation of resources to non-stakeholders or to stakeholders with no legitimate interests or concerns. Mitchell, Agle, and Wood (1997) suggest three key attributes that identify stakeholder categories: (1) the stakeholder's power to influence the firm; (2) the legitimacy of the stakeholder's relationship with the firm; and (3) the urgency of the stakeholder's claim on the firm. Managers analyze the presence of these three attributes and thus can define the salience or "degree to which managers give priority to competing stakeholder claims" (Mitchell et al., 1997: 854) and prioritize their respective issues. Driscoll and Starik (2004) adapt Mitchell et al.'s (1997) model by adding proximity as a fourth attribute that refers to the distance between the organization and the stakeholder type. Bryson (2004), Bryson, Cunningham, and Lokkesmoe (2002), and Eden and Ackerman (1998) provide various tools and methods for mapping and identifying critical stakeholders along the dimensions of power, interest, and influence.

For example, Unilever identifies seven important stakeholder groups (Unilever, 2001: 4): (1) shareholders, (2) employees, (3) consumers, (4) suppliers and trade customers as business partners, (5) government, (6) local communities and societies where Unilever does business, and (7) academics and others with whom Unilever conducts research. Unilever researches these stakeholders to gather their opinions about its values and planned practices and activities (Cormack, 2002), which enabled the organization to develop its CSR methodology, adapted according to stakeholders' views.

Furthermore, CSR issues and the influence of stakeholders likely vary both within and across industries and countries (Swaen & Maignan, 2000). For example, U.S. organizations must pay attention to small investors' demands, but this is not the case in most European countries,

where stock ownership is not as widespread. As another example, a manufacturing company's concerns about its environmental record depend on whether it deals with corporate or end-customers. In the latter case, the company might be especially wary of negative media publicity or consumer boycotts, whereas in the former case, it could be more worried about maintaining a good reputation among its few business partners (Swaen & Maignan, 2000).

Step 3: Establishing a vision and a working definition for CSR

After it clarifies its internal values and norms, as well as its key stakeholders and their issues, the organization can define a common meaning for CSR that promotes a socially responsible shared vision that includes stakeholders' expectations and is compatible with the organization's long-term strategic goals. Developing a working definition for CSR is essential if managers and stakeholders are to work in the same direction and to establish the foundations for subsequent CSR assessment (Government of Canada, 2006). According to Maignan et al. (2005), a working definition of CSR or CSR commitments should shed light on two key elements: (1) the motivation supporting the commitment to CSR and (2) the stakeholders and issues identified as most important to the organization. The working definition for CSR also must establish a constructive, socially responsible vision.

A strong leader might create a vision for the future aligned with the demands from the environment; this leader also must communicate the vision in an inspiring way so that employees act accordingly. Moreover, this socially responsible vision must be formulated and declared by top management and then formalized and communicated through official documents, such as annual reports, corporate brochures, and online postings. It also should be

designed carefully by top management in accordance with identified corporate values and formulated to fit with the current personal values of employees (Werre, 2003).

Step 4: Assessing current CSR status

Auditing current CSR practices

Existing mission statements, policies, codes of conduct, principles, and other operating documents provide logical candidates for review, as do external documents associated with programs or initiatives in which the organization is involved. In addition, consultation with key managers who represent key business functions inside the organization and with CSR and industry experts can offer further insight. Thus, working with a consulting firm that can scrutinize the organization's current policies and practices might be an appropriate approach (O'Connell, 2004).

The objective of an audit of current practices is to identify organizational characteristics related to five key CSR aspects: (1) the social and (2) environmental dimensions and impacts of organizational activities, (3) corporate governance issues, (4) corporate commitment to sustainability, and (5) the societal dialogue process.

Another practical CSR audit methodology, suggested by Morimoto, Ash, and Hope (2005), relies on an analysis of current CSR literature and interviews conducted with various interested and knowledgeable stakeholders. This methodology appears especially relevant because social auditing that engages stakeholders through dialogue can in turn help build trust, identify commitment, and promote cooperation among stakeholders and corporations (Gao & Zhang, 2006).

The complexity and scope of CSR concept requires a variety of procedures to assess the level of an organization's responsibility, including, as just a few examples, SA8000, AA 1000, and the Global Reporting Initiative.

Benchmarking competitors' practices and CSR norms and standards

Benchmarking CSR practices allows the organization to continue to highlight what it should keep to support its competitive advantage, as well as identify inappropriate activities. The benchmarking criteria must accord with the characteristics of the industry sector under scrutiny. The process of benchmarking competitors' CSR practices consists of three broad steps: First, the organization identifies the best performers on each CSR-related issue on the basis of its industry knowledge about industry-specific issues and recognized CSR champions for more general CSR issues. Second, the process requires identifying the norms and standards used or developed by competitors and then measuring the performance of the best-in-class organizations against each of these benchmarks. Third, the organization should compare its performance with that of the best performers to measure the gap.

Learning from peers and sharing experiences may be possible through networks that offer business managers opportunities for learning, benchmarking, and capacity building. Furthermore, such learning can provide the possibility of creating a dialogue between the organization and its stakeholders, such as policymakers, governments, investors, social partners, civil society, and academics. In Europe, the leading CSR business network boasts more than 60 leading multinational organizations as members (including Unilever), and since its inception in 1995, CSR Europe has embraced as its mission the effort to help organizations integrate CSR into the way they do business. For example, CSR Europe (2003) launched a

European Roadmap for sustainable and competitive enterprises that provides a set of goals and strategies organizations can use to integrate CSR into their daily business practices. In addition, the group offers daily practical assistance and information on demand, business seminars related to practical solutions about issues such as diversity and employability, access to more than 250 CSR best practices, and engagement with stakeholders.

Step 5: Developing a CSR integrated strategic plan

Many organizations want to invest in CSR activities but face some problems, as the following quote exemplifies: "In any company, drawing up short- and longer-term strategies is a familiar procedure. What is often still missing up till now is the integration of the three P's (planet, people and profit) into the strategy and the action plans which derive from it" (Cramer, 2005: 588)

The first step involves translating values, visions, or policy statements into commitments, expectations, and guiding principles (e.g., codes of business conduct and ethics). Goal setting occurs simultaneously with the development of targets and performance measures. Other supports include the development of an integrated CSR-enabling structure, such as designating a senior official or a committee responsible for overall CSR implementation, improving interfunctional coordination, building CSR responsibilities into employees' job descriptions and performance evaluations, recruiting people knowledgeable in CSR with appropriate attitudes and skills, and developing regular forums in which to share issues and knowledge across the organization. At the U.K. retailer Marks & Spencer, for example, the CSR policy comes from the CSR committee, which is led by the company chairperson and comprises key directors and managers. In addition, this committee relies on the CSR team to

embed policy throughout the business, which enables it to "make sure that there's a link between decisions made by the CSR committee and the operational side of the business," because as Ed Williams, head of corporate responsibility, notes, "Nothing will happen if it just remains with the CSR committee. We make sure that our people are in touch with stakeholder expectations and that they're developing their policies and actions accordingly to achieve a win-win" (cited in Walker, 2005: 30).

Step 6: Implementing the CSR integrated strategic plan

Several organizations already have developed guidelines for successful CSR implementation; for example, the Canadian government offers useful, relevant, and detailed guidelines and checkpoints for helping organizations during CSR implementation (Government of Canada, 2006). The Canadian guide mentions the importance of employees and key stakeholders for successful implementation efforts. Although top management determines the CSR direction and strategy, middle management and employees must implement it in reality. Therefore, middle management's role is "to put into effect the direction established by top management by making sure that resources are allocated and controlled appropriately, monitoring performance and behaviour of staff, and where necessary, explaining the strategy to those reporting to them" (Johnson & Scholes, 2002: 552), as well as communicate and enforce the top-down vision and CSR implementation.

As the organization's human face, employees can act as ambassadors, advocates, and sources of new ideas and information; if not properly engaged, they also can be a source of problems. Therefore, good communication must exist between top management and employees about the CSR strategy and implementation. Engaging employees in implementation requires

focusing on awareness and ensuring that they understand the context and background of the organization's CSR approach, including the motivation, reasons for adopting a specific approach, relevance to the organization, how it fits with existing organizational objectives, any changes to current approaches, and other implications. By involving employees in discussions of CSR implementation, the organization ensures that these stakeholders develop a sense of ownership of and pride in their organization's CSR activities (Government of Canada, 2006).

Employees' CSR training also might create awareness and help employees understand how CSR issues affect them and their immediate environment. For example, IKEA's Co-worker Environment and Social Responsibility Training program, created in response to the company's first environmental action plan in 1992, covers IKEA's worldwide environmental and social policies, programs, goals and performance, and all aspects of business operations, including suppliers, transportation waste management, CO_2 emissions, product design, and packaging. The program thus is designed to show employees how they can help the company achieve its goals in these areas.

Regular progress updates often help create enthusiasm about a CSR program. Alternatively, organizations can provide incentives, such as rewarding employees for relevant suggestions and incorporating CSR performance elements into job descriptions to reward employees for CSR-related achievements (and punish them for nonconformance). Only when incentives are compatible with a more comprehensive view of stakeholder expectations and contributions will managers' values change, which in turn enables the organizations to create more sustainable organizational wealth (Sachs & Ruhli, 2005).

Corporate and employee' activities that counteract or fall outside CSR principles and the designed CSR strategy should be detected early, because they can damage the image of the organization. Mechanisms and processes must be in place for early detection, reporting, and resolution of problematic activity. Organizations might consider anonymous hotlines, e-mail boxes, or ombudspersons (Government of Canada, 2006), but regardless of which method they choose, they must ensure that these mechanisms are designed well to deal with problems and that they cannot be the option of last resort. For example, a senior manager should take responsibility to investigate and report about compliance with CSR issues.

Step 7: Communication about CSR commitments and performance

Continuous internal communication about CSR commitments increases awareness of CSR. The internal communication plan should identify the communication means, such as newsletters, annual reports, meetings, and training. Furthermore, during the moving phase, communication will consist of reporting on changes and reassuring employees by informing them about the program's progress, as well as clarifying any misconceptions. Thus, top management and the CSR team can solicit input about the effects of the implementation process, enhance knowledge among all supervisory management personnel, and clearly identify and delineate role relationships and expectations (Klein, 1996). During the refreezing stage, communication needs center more on publicizing and demonstrating the success of the CSR program, as well as anchoring the CSR vision in the day-to-day activities of the organization (Klein, 1996).

Using collateral media, such as newsletters, magazines, or other frequent delivery modes, can be particularly useful, especially in the refreezing stage, to celebrate success and

institutionalize the process, and moving phase, to maintain regular and continuous information dissemination. With regard to external communication, organizations face greater demands for detailed information about the social and environmental impacts of their activities (Burchell & Cook, 2006). In response to these increasing demands for transparency, many organizations publish information about how they fulfill their responsibilities to stakeholders (Dawkins, 2004), including 'annual reports that provide nonfinancial information and separate reports on social and environmental activities, even though there is no legal obligation for them to do so (Bollen, 2004).

IKEA's media advertising to the general public demonstrates its minimal communication about its CSR commitments; the nine key messages IKEA conveys to its customers ('IKEA concept,' 'IKEA product range,' 'home furnishing specialist,' 'low price,' 'function,' 'right quality,' 'convenient shopping,' a 'day out for the whole family,' and 'Swedish'; IKEA, 2006; Lewis, 2005) contain no reference to CSR. Instead, IKEA stresses family and the environment, its Swedish roots, and thus the solidarity and egalitarianism traditionally associated with Sweden. Explains Jean-Louis Baillot, CEO of IKEA France, "people consider that IKEA has an environmental behavior" because of its Scandinavian roots, which means that "it is ultimately not inevitably necessary to speak about it" (Comité 21, 2004). However, IKEA stores' brochures contain information about various products' environmental impact, and catalogs once featured two pages devoted to CSR themes, though that information has disappeared in the latest editions. Inside stores, customers can read about IKEA's cause-related marketing campaigns and cooperative actions with Save the Children and UNICEF, as well as review "green panels" that advise them about good consumption practices. Information about the organization's CSR polices also appear in its public codes of conduct, brochures, and annual reports, available through the national IKEA Web sites.

IKEA's first social and environmental responsibility report, published in 2004 for the year 2003, described how IKEA had incorporated CSR into its supply chain and its collaborations with various NGOs. Anders Dahlvig, CEO of IKEA, declared at the time that IKEA's partners "have been eager to start working seriously with these issues and have progressed step by step, but it is only now, when we have accomplished a little more, that it seems right to start telling the rest of the world about it." The CEO also stressed that it was best to remain humble about what the organization had accomplished so far, "because there is so much more that still remains to be done" (IKEA, 2004: 36). IKEA thus has chosen to be cautious in communicating its CSR to avoid promoting "itself as a target for anti-globalization organizations who focus on big brand names like ours despite our many community- and environment-friendly policies and contributions" (Marianne Barner, quoted in Lewis, 2005: 175).

More clearly involved in a refreezing process, Philips recently provided detailed CSR reports, which the company views as valuable tools for "maintaining a dialogue with a variety of interested parties, including shareholders, customers, business partners, governmental and non-governmental organizations and, of course, Philips employees around the world, who work daily to improve the organization's performance" (Philips, 2005: 2). Unilever, for its part, considers its Web site the central means to provide annual updates about its progress and explain how it is implementing CSR principles across its whole business (Unilever, 2007: 24).

As these three cases illustrate, organizations must be ready to communicate externally what they have realized and what they still hope to achieve. Corporate decisions related to the nature and the level of communication about CSR practices remain complex, because

communication needs vary across stakeholders, the priority they place on CSR issues, and their potential harmful impact or influence. Thus, the clear identification of key stakeholders and their expectations, as well as continuous CSR dialogue, remain cornerstones of the CSR communication strategy.

Step 8: Evaluating CSR integrated strategies and communication

To improve the CSR program, evaluations should be based on measuring, verifying, and reporting, with the objectives of determining what works well, why, and how to ensure it will continue; investigating what is not working well and why; exploring barriers to success and ways to overcome them; and revisiting original goals or establishing new ones as necessary (Government of Canada, 2006).

Regular formal reviews of CSR activities enable stakeholders recognize progress and activities and make activities both visible and transparent. The audit process provides just such a mechanism and thus becomes the threshold for matching performance and expectations. The value of such audits increases if the process appears rigorous, which may be achieved by involving external auditors or publishing the performance results compared with the target standards. Finally, stakeholders should be invited to verify the organization's CSR performance.

Step 9: Institutionalizing CSR

With the introduction of any new strategy, a question arises: How can we maintain our momentum and ensure the continuation of the initiative? An initiative that starts with

enthusiasm may not survive in an organization, especially in times of economic recession that create huge risks (Cramer, 2005).

To be sustainable, activities must be institutionalized into the organization and considered part of the culture, because they have been adopted as the long-term strategy and decision–making guide. Committing resources and establishing rewards/penalties for achievement provide powerful and symbolic indications of this dedication to the initiative.

Continuous stakeholder dialogue

To align with stakeholders' interests and create long-term value, organizations must develop, apply, and maintain necessary managerial competences and capabilities to deal with stakeholder concerns (Ayuso, Rodriguez, & Ricart, 2006). When developing the CSR program, initiating a structured CSR dialogue can identify and help respond to expectations and address key concerns in advance. Ensuring consensus about the working definition of CSR and the socially responsible vision of the organization also is crucial (Draper, 2006).

During the implementation phase, ongoing stakeholder dialogue and deeper collaborations with key stakeholders encourage the development of knowledge and know-how about specific issues faced by the organization. For example, IKEA paid considerable attention to its relationships with the World Wildlife Fund and UNICEF, entering into ongoing dialogues, establishing trust, and making compromises along the way, which resulted in highly successful relationships. This example demonstrates the importance of involving external stakeholders in the monitoring process, because that involvement indicates that the

organization is willing to change its CSR policies and signals its credibility to the outside world.

During the evaluation of CSR policies, transparent stakeholder dialogue drives future improvements. Such transparency also plays a positive role in determining stakeholders' attitudes toward the organization (Maon, Swaen, & Lindgreen, 2006). Stakeholders who are engaged in a regular and transparent dialogue with an organization demonstrate less skepticism than do others.

Moreover, continuous, constructive dialogue during the refreezing phase helps fix any weaknesses and correct any deficiencies, which promotes the institutionalization of the CSR vision and processes and increases the credibility of published results. Philips continuously keeps in touch with its stakeholders through exchange and dialogue mechanisms that are tailored to the categories of stakeholders, including surveys, focus groups, networking practices, meetings, and so forth, depending on the nature of the relationship, as we depict in Table 2.

Insert Table 2 about here

In Table 3, we summarize the different factors that play key roles in the CSR implementation process. Factors critical for CSR implementation, therefore, reside at the managerial level, the organizational level, and the corporate level.

Insert Table 3 about here

Discussion

Our article addresses several questions. First, we identify Lewin's (1951) planned change model as a means to capture the dynamics associated with adopting a CSR orientation. Second, we combine planned change theories with limited research on implementing a CSR orientation. On the basis of three case studies, we identify four stages in the process of developing and implementing CSR in an organization and posit that these stages encompass nine steps whose the role and importance vary across the stages. Our findings are supported by real-time industry data that offer the first examples of change process toward CSR orientation. As such, our article both identifies new insights and extends extant theory by building on previous research (Cramer, 2005; Hardjono & de Klein, 2004; Khoo & Tan, 2002; Maignan et al., 2005; Panapanaan et al., 2003; Werre, 2003). Third, we identify those factors that are critical to the successful development and implementation of CSR orientation. These factors span the corporate, organizational, and managerial levels.

The findings in turn give rise to several insights into the practice of CSR. First, the four-stage model of change in Figure 1 provides an initial road map for managers seeking to implement CSR-oriented change. Our framework also could be adopted by organizations that require more evolutionary change efforts. For example, organizations that already possess a set of CSR-oriented values but struggle to implement them effectively can use this framework to recognize that they need to address issues of refreezing immediately by, for example, building feedback systems and identifying short-term wins. Second, our findings indicate that because many functions must work in unison to execute a CSR program successfully, managers need to invest in internal marketing programs that educate organizational members about the CSR

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program's success, as well as CSR-relevant activities. Such internal marketing programs should be reinforced with a reconfigured human resource control systems that helps ensure buy-in to the CSR program.

Our article also highlights the imperative to develop even more comprehensive frameworks when it comes to the design and implementation of CSR policies. From that perspective, our developed framework represents the result of extensive effort to synthesize key challenges and facilitators in the CSR design and implementation process. The next essential step should be to bring reflections about CSR practices to a relevant and constructive operational level.

As is the case for most research, our study has several limitations that affect our interpretations. A real-time or longitudinal study of CSR processes could offer insights beyond those we obtain by relying on historical information and respondent recall. Similarly, instead of relying on the recall of a few organizational members, further research could conduct interviews with a range of stakeholders, which might help identify the tensions involved in managing the CSR program across different stakeholders. Our results also focus on radical planned change efforts, though more evolutionary, emergent efforts also exist, such as among organizations that already come close to a CSR orientation. We further rely on examining CSR programs for three organizations in very different industry sectors. Additional research should carry out case studies that might challenge our findings though generalizing across industry sectors can be difficult. These limitations should be considered when interpreting our results; however, even despite them, we believe our study offers several important contributions.

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TABLE 1 Existing frameworks on CSR design and implementation

	CSR Conception	**CSR Integration Process**	**Stakeholders' Role in the Process**
Cramer (2005)	Cramer uses the WBCSD definition of CSR: "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life" (Cramer, 2005: 583)	Six non-sequential CSR implementation activities: 1. Listing the expectations and demands of the stakeholders. 2. Formulating a vision and a mission with regard to corporate social responsibility and, if desired, a code of conduct. 3. Developing short- and longer-term strategies with regard to corporate social responsibility and, using these, to draft a plan of action. 4. Setting up a monitoring and reporting system. 5. Embedding the process by rooting it in quality and management systems. 6. Communicating internally and externally about the approach and the results obtained.	The emphasis is on the importance of dialoguing with stakeholders, but the model remains unclear on their role and engagement in the process of organizational CSR development.
Khoo & Tan (2002)	Business commitment to CSR should "envelop all employees (i.e. their health and well-being), the quality of products, the continuous improvement of processes, and the company's facilities and profit-making opportunities" (Khoo & Tan, 2002: 196). Sustainable manufacturing and development is further defined as "the integration of processes, decision making and the environmental concerns of an active industrial system that seeks to achieve economic growth, without destroying precious resources or the environment" (Khoo & Tan 2002: p. 197)	Based on the Australian Business Excellence Framework, the authors consider four cyclic stages involved in transforming the organization from its initial state to a socially responsible and sustainable organization in a continuous perspective: 1. Preparation (involving leadership and strategy planning). 2. Transformation (involving people and information management. 3. Implementation (involving the embedment of sustainability in the company processes). 4. Sustainable business results (involving the review of the system's performance).	Stakeholders' concerns and roles are not integrated into the framework, which refers only to addressing the well-being of employees and the needs and expectations of customers.
Maignan et al. (2005)	Business commitment to CSR is viewed as, "at a minimum, adopt values and norms along with organizational processes to minimize their negative impacts and maximize their positive impacts on important stakeholder issues" (Maignan et al., 2005: 958). The CSR	Eight steps to implement CSR from a marketing perspective: 1. Discovering organizational values and norms. 2. Identifying stakeholders and their respective salience. 3. Identifying the main issues of concern to the identified key stakeholders. 4. Assessing a meaning of CSR that fits the organization	The framework highlights the importance of two feedback loops to gain stakeholders' feedback: • Stakeholders' feedback to be used as input for the next audit. Consequently, the sequence linking steps five to eight

	of an organization is issue-specific. Also, commitment to CSR is best evaluated at the level of an individual business unit.	of interest. 5. Auditing current practices. 6. Prioritizing and implementing CSR changes and initiatives. 7. Promoting CSR by creating awareness and getting stakeholders involved. 8. Gaining stakeholders' feedback.	should be performed on a regular basis (bi-annual audits of current practices bi-annually). • Stakeholders' feedback as an input to reassess the first three steps of the CSR management process in the long-run (approximately every four years).
Panapanaan et al. (2003)	CSR "encompasses three dimensions—economic, environmental and social" (Panapanaan et al., 2003: 134)—and is about "doing business sustainably and ethically as well as treating or addressing stakeholders' concerns responsibly" (Panapanaan et al., 2003: 135).	Two preliminary steps conditioning the commitment to CSR management precede five essential activities for CSR management: 1. Assessment of CSR (identification of the main CSR areas and identifications of the relevant CSR parameters). 2. Decision whether to proceed in managing CSR • Organization and structure. • Planning. • Implementation. • Monitoring and evaluation. • Communication and reporting	The authors mainly insist on step (1) and emphasize the critical role of social risk assessment by considering stakeholders' clusters (employees, community, customers, community, suppliers) and their issues. The five "essential activities" in step (2) are only evoked. The framework doesn't consider any stakeholders' role from that perspective.
Werre (2003)	Corporate (social) responsibility is used in a general sense, referring to "the strategic choice to take responsibility for the impact of business with respect to economic, environmental and social dimensions" (Werre, 2003: 260).	Four main phases in a Corporate Responsibility (CR) implementation model: 1. Raising top-management awareness. 2. Formulating a CR vision and core corporate values. 3. Changing organizational behavior. 4. Anchoring the change.	Importance of internal communication and employee's involvement is underlined. But external stakeholders' involvement is not mentioned, except in their role in raising top management sensitivity and in external certification processes.

TABLE 2 Stakeholder Dialogue at Philips

Stakeholders			Means of Interaction	Dedicated Interface		
				Divisions	*Countries / Regions*	*Corporate*
Primary stakeholders	**Buyers**					
	Customers	B2B	Advisory boards, co-R&D, co-strategy development	X	X	
		B2C	Surveys (trend related, customer satisfaction-related, application research), complaint resolution, focus groups			
	Suppliers					
	Suppliers/business partners		Supplier days (local, global), co-R&D, industry membership	X		
	Financial service providers		Ongoing *ad hoc* involvement, financial ratings			X
	Internal					
	Employees		Employee engagement surveys, town hall meetings, People performance management system, compliance management system, (local) ombudsman	X	X	X
	Social investors		Surveys			X
	Mainstream investors		Road shows, analyst (face-to-face) meetings, ratings			X
Secondary stakeholders	**Lateral**					
	Academia		Co-R&D, exchange programs, local networking		X	X
	Nongovernmental organizations		Surveys, project development, *ad hoc* involvement		X	X
	Communities		Social investment activities focused on education and health, local networking		X	
	Regulatory bodies		Local networking (business / community driven), participation in advisory bodies, cooperation in community projects		X	X
	Media		Local networking, surveys	X	X	X
	Competitors / other corporations		Industry membership, network for best practices (e.g. WBCSD, Global Compact)	X	X	X

TABLE 3 Critical success factors in the CSR process

	PLAN	*DO*	*CHECK / IMPROVE*	*MAINSTREAM*
CORPORATE LEVEL	o **Connecting** CSR vision and initiatives with organization's core values and competencies o **Formalizing** CSR vision through official documents		o **Considering** mistakes as an opportunity to learn and improve CSR programs and policies	
	o **Getting** key people's commitment (directors, owners, senior managers) o **Engaging** participation of key stakeholders in the CSR process			
ORGANIZATIONAL LEVEL	o **Building** upon existing organizational structures and process	o **Ensuring** the organization has internal skills to make the transformation o **Training** of employees in CSR-related issues	o **Considering** mistakes as an opportunity to learn and improve CSR programs and policies	o **Emphasizing** relationships between new organizational behavior and success
	o **Fostering** the presence of moral / CSR champions o **Thinking** in terms of long-term engagement rather than quick fix solutions			
MANAGERIAL LEVEL		o **Creating** enthusiasm and credibility around CSR (by providing regular updates on progress)		o **Rewarding** people that create CSR successes
	o **Leadership role**			

FIGURE 1 Proposed integrative framework for designing and implementing CSR

| SENSITIZE | UNFREEZE | MOVE | REFREEZE |

| PLAN | DO | CHECK / IMPROVE | MAINSTREAM |

2. Assessing corporate purpose in a societal context

4. Assessing current CSR status

Social drivers

Political drivers

Managers' personal values

Economic drivers

Uncovering organizational systems, as well as corporate norms and values

Identifying key stakeholders and critical stakeholder issues

1. Raising CSR awareness inside the organization

3. Establishing a vision and a working definition for CSR

Auditing current CSR norms, standards, and practices

Benchmarking competitors' CSR practices, norms, standards, and practices

5. Developing a CSR-integrated strategic plan

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Embedding CSR in organizational strategy

6. Implementing CSR-integrated strategic plan

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Implementing organizational initiatives and strategies linked to CSR

8. Evaluating CSR integrated strategies and communication

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Evaluating, verifying, and reporting on CSR progress

9. Institutionalizing CSR

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Anchoring changes into organizational systems, as well as corporate culture and values

7. Communicating about CSR commitments and performance

Continuous stakeholder dialogue

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