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Exploring the Effects of Liminality on Corporate Social Responsibility in Interfirm Outsourcing Relationships

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9.1 Introduction

This chapter seeks to contribute to the corporate social responsibility (CSR) discourse of "doing well by doing good" in the domain of Global Information Technology Outsourcing (GITO). Matten and Moon (2008) define CSR as a "clearly articulated and communicated set of policies and practices of corporations that reflect business responsibility for some of the wider societal good" (p. 405). Authors including Bishop and Green (2008), Emerson (2003), and Porter and Kramer (2006, 2011) have all argued for a "doing well by doing good" approach to corporate social responsibility that utilizes pro-market strategies to increase returns on philanthropic investment. They posit that corporations that embrace social concerns create a "win-win" outcome for both parties (Falck and Heblich 2007). However, Ahmad and Ramayah (2013) highlight the controversy that exists, questioning whether ventures that devote resources and effort in trying to improve society will suffer in terms of performance, or whether enterprises that "do good" will also "do well," and thus be successful both financially and socially. This issue remains inconclusive, as prior studies have presented mixed results (Roper and Parker 2013), highlighting the need for further empirical research. Furthermore, prior studies have largely been situated within a firm hierarchy or strategic alliance, and there is a paucity of literature exploring how the "doing well by doing good" approach to CSR might prevail in market-based interfirm outsourcing relationships. GITO presents an interesting context in which to study this phenomena, as it involves the subcontracting of IT services by transacting partners (client to a vendor) with some or all of the tasks undertaken in a different country (Sahay, Nicholson, and Krishna 2003).

In response to the gap in the literature, this chapter presents an empirical case study that explores the sponsorship of an Indian school by staff from both a GITO client and provider. It draws upon anthropological concepts to analyze how the school creates a liminal space "betwixt and between" the two organizations (Turner 1969). In liminal spaces, the customary identities, routines, and rules of the formal organization are suspended, with new identities, routines, and norms emerging (Turner 1977). The liminal space may engender spontaneous and enduring communitas, defined as community spirit and feelings of great social equality, solidarity, and togetherness. These concepts are used as a lens to examine the research question: "How does the liminal space created by establishing a CSR project strengthen the ITO relationship and improve the probability of outsourcing success?"

This question is analyzed through an intensive empirical analysis that draws upon semi- structured in-depth interviews undertaken with actors in the respective client and provider firms. Interviews also took place with others in the ITO industry, and this material is supplemented with different types of secondary data. The experience of one of the authors as an active participant in the case over several years helped to develop a rich contextual understanding of this phenomenon.

The rest of this chapter is organized as follows: in Section 9.2 the background debates in the literature regarding outsourcing and the "doing well by doing good" discourse in CSR are explored. In Section 9.3 the research approach and methods adopted are outlined. In Section 9.4 the case is described and analyzed, with Section 9.5 presenting the contribution of the chapter for both theory and practice. Conclusions of the research are provided in Section 9.6.

9.2   Conceptual framework

The theoretical basis for the analysis rests on the foundational concepts of "doing well by doing good," ITO relationships, and the concept of liminality. Within the backdrop of these concepts, this section has three main subsections. First, the doing well by doing good discourse in CSR is discussed. In the second section ITO relationships are explored, with the third section introducing the concept of liminality.

9.2.1   Corporate social responsibility and "doing well by doing good"

Over the last decade, the "doing well by doing good" approach to CSR has gained momentum in both research and practice. The main proponents of this approach to CSR include Emerson's (2003) concept of blended value; Hart's (2005) *Capitalism at the Crossroads*, Bishop and Green's *Philanthrocapitalism* (2008), and Porter and Kramer's "Shared Value" (Porter and Kramer 2006, 2011). A central tenet of this discourse is the belief that the application of business

principles to CSR provides the ability to benefit both the business as well as good causes, thereby offering a "win–win" scenario (e.g. Pfitzer, Brocksette and Stamp 2013; Polak and Warwick 2013). However, critics of this approach argue that socially responsible firms experience lower profits and reduced shareholder wealth. Margolis and Elfenbein (2008) are particularly pessimistic, suggesting that "Research over 35 years shows only a weak link between socially responsible corporate behaviour and good financial performance" (p. 20).

Nevertheless, ITO clients and providers have increasingly embraced CSR issues. Babin and Nicholson (2012) trace the evolution of CSR in outsourcing from 2009, when the industry association, the International Association of Outsourcing Professionals (IAOP), established a CSR committee, with the goal of defining a CSR guide for the outsourcing industry which in 2010 included an evaluation of the CSR of applicants to the Global Outsourcing Top 100. In 2010 an IAOP survey on social responsibility in outsourcing found that "CSR is an important and growing issue for outsourcing customers and providers – 71 per cent say that CSR will become more important or much more important in future outsourcing contracts" (Babin and Hefley 2013). In 2012, IAOP unveiled an inaugural Global Outsourcing Social Responsibility Impact award, and in 2013, the same organization published the first "Outsourcing Professionals' Guide to Corporate Responsibility" (Babin and Hefley 2013).

9.2.2   Information technology outsourcing relationships

There is a substantial literature that has enabled a greater understanding of the management of ITO relationships. Rottman (2008) adopted a social capital framework in his case study presenting a US manufacturing firm outsourcing to an Indian software provider. This work focused on the hitherto poorly understood value that is created through social relationships. Kelly and Noonan (2008) examined the role of trust as a mechanism to reduce anxiety and improve psychological security between transacting partners. These findings concur with Sabherwal's (1999) conclusion that there is a need for trust in outsourcing projects which frequently requires the cooperation of strangers in tough, high-stress situations (Sabherwal 1999). Goo and Huang (2008) identified the role of commitment in outsourcing relationships and how commitment is linked to overcoming the adaptive limits of formal contracts. On a similar theme, Poppo and Zenger (2002) found that contracts and relational governance function as complements, not substitutes, determining that "customized contracts narrow the domain around which parties can be opportunistic" and "that managers tend to employ greater levels of relational norms as their contracts become increasingly customized" (p. 721). They further state that "relational governance may heighten the probability that trust and cooperation will safeguard against hazards poorly protected by the contract. Finally, relational governance may help overcome the adaptive limits of contracts: a

bilateral commitment to 'keep-on-with-it' despite the unexpected complications and conflicts" (p. 708).

Figure 9.1 provides a conceptual model that depicts relational governance as an interaction between outsource buyer and provider. This model is adapted from Kern and Willcocks (2000) who suggest that relational governance, which includes cultural adaptation and personal and social bonds, is equal in importance to contractual governance. Willcocks et al. (2011) found that outsourcing "relationships that generate trust offer an important competitive advantage over those that do not" and suggest that outsourcing practitioners should actively build the relationship advantage to create "a long term investment designed to benefit both parties" (p. 55). Similarly, Lacity and Willcocks (2012) in a review of 1,356 research studies found that "the best outsourcing relationships are based on sound contractual governance and on strong relational governance" (p. 23). The researchers identify communication and trust as key elements of relational governance. Global supply chain research regarding relational capital (Cousins et al. 2006) came to similar conclusions, "informal socialization processes are important in the creation of relational capital, which in turn can lead to improved supplier relationship outcomes" (p. 851). Returning to Figure 9.1, we posit that relational governance is enhanced by informal socialization in a liminal space which creates communitas; in the following sections we explain these concepts.

9.2.3 Liminality and liminal space

Anthropologist Victor Turner is largely credited with reintroducing the concept of "liminality" into anthropological discourse. The word "liminal," derived from "limen," the Latin word for threshold, was first employed by the French anthropologist Arnold van Gennep (1909) in his work *Les rites de passage.*
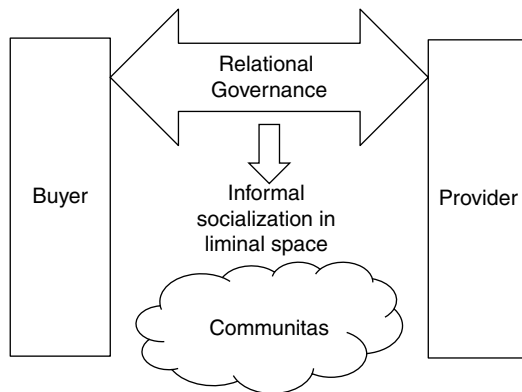

Figure 9.1   Communitas in relational governance

Liminality is a social space (liminal space) that is "betwixt and between the original positions arrayed by law, custom, convention and ceremony" (Turner 1977: 95). In anthropology, the concept is used to make sense of various rites of passage such as the rituals surrounding the ascendancy of a tribal chief (Turner 1977) but may equally be applied to other rites of passage including bar mitzvahs, marriage rituals, or fatherhood. Liminality is a component of what van Gennep distinguished as the second of three phases of a rite of passage: separation (divestiture), transition (liminality), and incorporation (investiture). Van Gennep describes the separation phase as the process that occurs when the individual or group subjected to the passage becomes separated from their previous social environment and way of life. During the transition phase, the person separated from their previous environment experiences the liminal space. During the final incorporation phase they enter a new group and begin a new phase in their life. Therefore, during the transitory or liminal phase, those involved are said to be "betwixt and between the positions assigned and arrayed by law, custom, convention and ceremony" (Turner 1977: 95), living "at the limits of existing structures" (Tempest and Starkey 2004: 507).

In an organizational context, a liminal space is created where the regular routines of the formal organization are suspended. While there is limited prior research drawing on liminal spaces in an organizational context, the concept of a space betwixt and between organizations has still proven useful in interpreting empirical data. Czarniawska and Mazza (2003) discovered that business consultants and their clients were neither part of one organization or another. Management consulting also formed the context for the study undertaken by Sturdy, Schwarz, and Spicer (2006), who analyzed shared dinners as the liminal space for political activity. Garsten (1999) and Zabusky and Barley (1997) both focused on temporary employees and professionals who identify neither with their organization nor occupational group, and those engaged in inter-organizational networks and projects (Tempest and Starkey 2004). Wagner, Newell, and Kay (2012) similarly focused on the liminal spaces for learning in teams implementing enterprise systems.

In different ways these earlier studies each draw upon notions of liminality in order to examine the implications of liminal spaces where previously settled organizational identities, routines, and rules disappear. Consequently, new blurred or transitional identities, routines, and norms are created (Garsten 1999). Activities occurring in the liminal space are performed "backstage," separated from mainstream organizational activities, allowing individuals and groups to think, act, and envision arrangements unconstrained by their existing work practices (Wagner et al. 2012). Participants are thus free from the existing institutional obligations (both technical and bureaucratic) specified by the organization, and are thus free to enter into new symbolic worlds and to transcend social structural limitations (Turner 1977).

9.2.4   Communitas

As a result of the rituals and symbols found in liminality, along with the suspension of normal institutional structures, an intense comradeship and egalitarianism develops where distinctions of rank and status disappear or are homogenized. This is indicative of what Turner refers to as communitas, based on affiliations of equality and solidarity. Communitas as experienced in a liminal space is representative of a society comprised of a relatively unstructured communion of equal individuals. This is in sharp contrast to the "structure" of society as secular and presenting a "differentiated and often hierarchical system of polito-legal-economic positions with many types of evaluation, separating [individuals] in terms of 'more' or 'less'" (Turner 1977: 360). The crucial component of a liminal space is acquired during rites of passage, through the rituals, ceremonies, and transient humility learned by the participants. Communitas may therefore be understood as the intense community spirit and solidarity created during the conditions of social equality, arising as people experience liminal spaces together.

Turner (2012) provides a number of familiar examples of how communitas has arisen in times of disaster, including the "Blitz spirit" that arose in the United Kingdom during World War II, and the rise of oppressed peoples as led by Mahatma Gandhi and Nelson Mandela. Communitas may also occur at festivals, during religious rituals, at work, or in times of stress, revolution, and in nature. The benefits of communitas, she writes, are the "quick understanding, easy mutual help and long term ties with others" (Turner 2012: 3). The communitas concept is also found in discourses of humanistic management, defining business organizations as a community of persons (e.g. Melé 2003).

For Turner (1969), communitas may emerge where social structure is absent. In essence, Turner asserts that the "ritual subject" is released from institutional norms, and once released from such structures into communitas, they will return to the given structure revitalized by the experience of communitas, suggesting that communitas is both spontaneous and temporary. However, Turner argues that communitas may endure even after the return to structure, arguing that "Communitas itself soon develops into a structure, in which free relationships between individuals become converted into norm-governed relationships between social personae" (p. 132). There are therefore two identifiable forms of communitas: i) existential or spontaneous communitas; and ii) normative communitas "where under the influence of time, the need to organize and mobilize resources and the necessity for social control among members of the group in pursuance of these goals, the existential communitas is organized into a perduring social system" (p. 132).

Table 9.1   Conceptual framework

Concept	Description	Key literature
Liminality	• Rites of passage	Van Gennep (1909)
	• Separation (divestiture)	Turner (1969, 1977)
	• Transition (liminality), the liminal space	Garsten (1999)
	• Incorporation(investiture)	Sturdy et al. (2006)
	• Role of liminal spaces "betwixt and between"	Wagner et al. (2012)
Communitas	• Structure vs. communitas	Turner (1969, 1977)
	• Spontaneous and normative communitas	Turner (2012)

9.3   Methodology

An interpretive case study methodology was adopted in this research (Walsham 1995, 2006). The project started with 52 semi-structured interviews undertaken with GITO buyers, providers, and advisers in order to examine the role of social responsibility in GITO. The sample included representatives from major banks, consumer product companies, a global mining company, an energy company, global outsourcing vendors, and outsourcing advisors. Six interviews with vendors were completed in Bangalore and Mysore, India, including the vice chair of NASSCOM, India's outsourcing trade association. Following this initial data collection, one of the authors enabled access facilitated by his position of Senior Manager in a UK-based bank, Co-operative Financial Services (CFS), and their ITO provider Steria, which has centers across India. Subsequent to this case study, CFS has changed its name to the Co-operative Bank. This relationship was selected for scrutiny for a number of reasons. First, ethical, environmental, and community matters hold a high priority in CFS's marketing literature and website, with its policies developed in consultation with their customers. Secondly, the ITO provider concerned is described as a "strategic provider" due to the importance of the outsourced project and the high level of contract spending, which amounts to an excess of £1M annually. Thirdly, the provider (Steria) has recruited the client (CFS) into the collaborative sponsorship of two schools in India. Finally, the authors were granted access to employees at both CFS and Steria for interviews and other forms of data collection.

9.3.1   Data Collection

One of the authors was Head of IT Sourcing Strategy at the client company until 2014 and managed introductions to the relevant client and provider staff. Twenty-three semi-structured interviews were then completed, and each interview was recorded and transcribed. Most interviews were conducted on-site over a two-week period, with interviewees being questioned at some

point during the course of their working day. A further two interviews were undertaken by telephone with the provider's CSR specialist in India, and one telephone interview was conducted with the provider's Marketing Director based in London. The interviews followed the guidelines provided by Myers and Newman (2007), engaging in the historical reconstruction of the ITO relationship, and drawing on a set of semi-structured questions. Each interview lasted approximately 45 minutes and interviewees were asked to describe both their past experiences and future expectations regarding CSR in the outsourcing relationship, and how they believed it would be relevant to their future IT outsourcing business operations. Specific questions were asked regarding the current and future CSR challenges and associated provider capabilities. In addition, questions were asked about the collaborative school sponsorship and the benefits consequently accrued by the respective organizations. All the interviews were tape-recorded and professionally transcribed. Detailed notes were also taken and these were written up in full as soon as possible, along with any additional comments and interpretations. Several of the interviewees had visited the school and reflected on their experiences. One of the authors had visited the sponsored schools on three occasions in his role as Head of Strategic IT Sourcing since 2007 and this experience provided a rich source of in-depth data on the events in India and also contributed to interpretation of the interviews and evolving theory as presented in this chapter. All the secondary information regarding strategies and practices for CSR with outsourcing providers was collected and triangulated with data drawn from the direct interviews. This secondary data included brochures, company reports, and newsletters as well as CSR documents found on both the client and provider websites. Internal documents, including those detailing the supplier ethical benchmarking process, were also collected.

9.3.2   Data analysis

The analysis of themes arising from the interviews began by the authors becoming immersed in the data gathered from the interviews followed by discussions during breaks between interviews. Subsequently, reading and re-reading of the transcripts, listening to the recordings to "relive" the experience, and reflecting on supplementary notes and observations led to the initial identification of themes, while in parallel, a more formalized and systematic approach was initiated. Each interview transcript was reviewed, and responses to questions that were not provided by more than one interviewee were discarded. Responses that were given in multiple interviews were clustered into categories representing the common themes. These themes were then coded to identify the frequency of each mention in the interviews, allowing the researchers to quantify and prioritize the key themes. This engagement with the research participants, collection of rich data, and discussion between the researchers

and participants formed the nucleus of the research approach and subsequent linkages to appropriate theories. Intensive discussion between the researchers took place both face to face and using Skype from our respective locations on the themes and theoretical analysis of the data. In addition, a report outlining preliminary findings was presented to key stakeholders at CFS and Steria, providing the initial analysis of the practices of collaborative CSR and the India school sponsorship. This was not part of an explicit action research strategy, but was nevertheless essential in obtaining and maintaining access, and provided a further point of discussion between the researchers and the interviewees. Finally, previous drafts of this chapter were presented at internal seminars at our respective universities and similar papers were submitted to conferences, all of which received critical feedback that proved essential in the analysis of the case.

9.4   Case Description

The outsourcing provider (Steria) employs over 20,500 employees across 16 countries, with offices located in Europe, India, North Africa, and Southeast Asia. Revenues in 2012 were over €1.8 billion. The client (CFS) is part of the UK Co-operative Group, a group of businesses with revenues of approximately £10.5 billion and with some 87,000 employees (2013). The outsourcing partnership is enduring, beginning in the 1990s. Today the providers' work is primarily focused on the maintenance and support of legacy applications.

The provider's CSR strategy consists of five categories relating to its priorities in relation to the environment, marketplace, workplace and community, access to IT and education. The school program, as part of the final category, is offered to selected clients on a partnership basis as a mechanism for injecting vital resources into schools located in the Indian cities of Chennai, Pune, and Noida, where the provider's centers are located. A total of 15 schools are supported by the provider, with clients presented with a variety of engagement options and associated costs. Clients are encouraged to communicate with the children in the school through mentoring, which may include email, video conferencing, and scheduled visits. When visiting India, client staff (usually but not exclusively high-ranking executives) are encouraged to visit the school that they sponsor.

Two schools are sponsored by the client described in this case. The first is Medavakkam High School located in the suburbs of Chennai, which has been sponsored since 2007. The second school is the Shri Ghanshyam Sharma Memorial High School in Dujana, Noida, which has been sponsored since May 2010. In both schools the pupils are from low-income families, such as farmers and laborers. The client budget in each school is £15,700 per annum, supporting the activities summarized in Table 9.2 below.

Table 9.2 Summary of sponsorship activities undertaken at the school

Computer center with 10 computers
Painting, woodwork, furniture, minor civil works for computer center and library
Library books, language software, and educational CDs, Internet connectivity
Sports equipment and coaching sessions for 1 year
Environment awareness campaigns – 4 per year
Theater workshops – including costumes and stage props – 4 per year
Mentorship sessions, sports day, study trips, other workshops and learning sessions
during the year

9.5   Case study

Analysis of the empirical data was undertaken by applying the three phases of
a rite of passage (separation, liminality, and incorporation) and the concept of
communitas.

9.5.1   Separation (divestiture)

For Turner (1977) the divestiture phase involves the separation and detachment
from the norms of the social environment and the previous way of life. The
findings indicate that the separation that arises during the occasion of travel
and the arrival at the school forms the basis for this separation. The school
visits are scheduled into the period when clients are invited to the provider's
offshore center for formal class-based training and less formal knowledge
transfer and social networking. These visits to India usually involve senior staff
staying for a few days (up to approximately one week), based in hotels close to
the Steria offices in Chennai and Noida, but may also involve more junior staff
staying longer term.

   Client interviewees' recollections describe how visits to the school involve
"leaving the normal routine" in the drive to the school, which is located some
20 kilometers away from the Steria center. This is formally timetabled as an
event, with the visit notable for its relatively informal dress code and by staff
traveling together to the school in shared cars. Interview participants revealed
that while the journey to the school from the provider center was relatively
short in distance, it actually necessitated over one hour of travel, due to the over-
crowded and potholed nature of India's roads. A client-side interview describes
this journey, revealing aspects of the separation it presents to participants:

   We emerged from air-conditioned five-star hotels and high-tech air-condi-
   tioned offices and embarked on a journey which highlighted starkly the
   huge wealth gulf between the economically disadvantaged lower castes of
   Indian society. Great poverty co-exists literally next to great wealth, with
   plush air-conditioned cars weaving between bicycles, often with two or

Figure 9.2   The school building described as a "bombsite"

three riders and noisy three-wheel taxis, cows, dilapidated lorries, motorcycles, and occasionally elephants. Traffic chaotically weaves across the road and sometimes onto the other side, attacking all the senses. When turning into the school's entrance it is, in contrast, relatively calm.

The school was described as Spartan and incomplete, or, as one CFS executive vividly put it, a "bombsite." The condition of the building is shown in Figure 9.2.

9.5.2   Transition: The school as a liminal space for communitas

Approached on foot, one interviewee described the school grounds as "eerily calm from the outside when compared to the preceding journey." The schools typically have large courtyards surrounded on all sides by one- or two-storey buildings. Often there are no visible doors or windows, just holes and spaces, presenting a very different architecture from that which clients visiting the school are used to. On entry into the school building, the visitors are presented with garlands of flowers placed around their necks and a tika applied to their foreheads. The tika consists of a bright dot of red color applied in the center of the forehead, close to the eyebrows. In Hinduism, the area between the eyebrows is said to retain energy and strengthen concentration, linked to the mystical notion of the "third eye."

From the outset such activities afford the event an almost sacred status, signifying the prestige attributed to the visitors.

Figure 9.3 CFS managers enter the school

Figure 9.3 shows the arrival of the senior managers at the school, receiving the tika and meeting the children for the first time. In the suspension of the structure in liminality, evidence of communitas was already apparent in the relaxed dress codes and familiarity and ease existing between CFS and Steria staff (Figure 9.4 below). The "celebrity treatment" given by the children to the visitors also affected the development of communitas, as their usual identity as clients and providers of outsourcing services became blurred into their new identity as benefactors or saviours of the children, while they were jointly engaged in poverty alleviation. This sentiment was echoed in a client interview:

> Whenever Jim (senior CFS Manager) goes out there (to Steria India), he goes down to the school and gets treated like some sort of rock star or big worldwide celebrity.

Quite soon into the visit, the suspension of normal dress codes promoted the creation of communitas. This was evidenced in some staff wearing Indian garments in the school and giving staff and children visible demonstrations of affection (Figures 9.4 and 9.5 below) which would not be commonly witnessed in the workplace.

The visitors would then typically proceed to a classroom where the relatively Spartan conditions in which the children are taught is evident (illustrated in Figure 9.6). Figure 9.6 shows the neat and respectful order the children sit in,

Figure 9.4   Communitas manifested in dress code and behavior

Figure 9.5   Communitas manifested in visible demonstrations of affection

as well as their well-kept and proudly worn uniforms, which are in contrast to the obviously Spartan conditions in the school environment, including a complete lack of desks and chairs for the children to use. The client has supported a number of schools by providing funding to allow the purchase of simple wooden boards that are placed across a child's knees while sitting, creating an improvised "desk."

The group proceeded to pose with the children and the new computer equipment, illustrating once again the paradox encountered in India, as visitors move from a schoolroom with no desks, chairs, or windows, into a brightly

Figure 9.6   The Spartan classroom

Figure 9.7   The symbolic shared sacrifice: the ceremonial role of the donated computer equipment

lit high-tech PC-equipped classroom. The equipment can be deemed to be a shared sacrifice enshrined with symbolic significance, examples of ritual ceremonial objects and artefacts used in liminal spaces as described by Turner (1977). The children demonstrate their aptitude on the computers by delivering short PowerPoint presentations to the visitors, articulating the value of the sacrifice to both the client and provider, uniting them in their identity of fighting poverty in a noble cause.

The visitors then move to the outside courtyard where the entire school population is waiting for them. Client-side interviewees describe their observations and feelings at this point:

> Lined up in perfectly straight lines, children are sitting cross-legged on the earth ground, neatly dressed in their uniforms, which are worn with obvious pride. There is no movement, talking, chitchat, or lack of attention; the children appear perfectly behaved.

> I was struck by the humbling welcome from the school (and sometimes) local village dignitaries. Being placed on a pedestal is something I am not used to and normally find uncomfortable.

The visitors mingled directly with the children as shown in Figures 9.8 and 9.9.

An interesting episode demonstrated the extent of communitas developed in this liminal space, in the performance of a dance by the children in which a senior CFS manager joined in the stage performance (illustrated in Figure 9.9). This behavior, that may have been interpreted as undignified in a routine work setting, was met with great approval from all the interviewees present.

The preparation for these visits is extensive, revealing the significance attached to them. In the liminal space, events, rituals, and ceremonies have a 'harmonizing effect' as participants begin to develop a collective identity as their defenses go down and they begin to empathize strongly with both the children and one another, a process many employees described as "humbling."

Figure 9.8   Senior CFS manager sits with school pupils

Figure 9.9   Senior CFS manager dances with school pupils as part of a production

Figure 9.10   Symbolic tree planting

After the dance event, teachers, Steria, and CFS staff then engaged in the symbolic planting of a tree in the school courtyard, which was witnessed by the children (Figure 9.10). This ritualized planting further symbolized the enduring nature of the relationship between the school, Steria, and CFS.

9.5.3   Incorporation (investiture) and institutionalization of communitas

Leaving the school boundary left one of the interviewees "with an uplifting feeling" before the visitors traveled back to the provider center and routine structures.

There is evidence that a longer-term effect of communitas is institutionalized into the structures and practices of the client and provider. This is legitimated in client statements about the desired relationship with outsource providers:

> We want a common set of values – to build more trust, [with] like-minded organizations, [where] we share something in common.

> ... We are trying to involve each other in those types of activity because it helps to embed the relationship in a way that just meeting around the table in the office doesn't do. ... It helps to embed the relationship and just make people feel like they are one community.

On his return home a senior client manager revealed that he always made informal presentations in the staff work area about the visit to the school, including showing photographs that are also published on the provider's website. Provider staff in India renew their connection with the school through the voluntary mentoring of the children, including visits to train teachers and children in the use of the donated computer equipment. Client staff on assignment in India for several weeks spend periods of time in the school computer lab and also participate in sports lessons for the children.

Furthermore, the provider has also introduced the Steria India Foundation Graduate Scholarship Scheme – SIFGSS – that funds a graduate degree college education for the brightest of the children from the sponsored school, a program known as "Steria Scholars." Client staff held a number of fund-raising events for the funding of Steria Scholars from their sponsored schools, including a cake sale at the Co-op offices. The provider also holds an event called the "One Day Challenge" that takes place on an annual basis to benefit the school and the SIFGSS, with photographs exchanged between the teachers, children, Steria, and Co-op staff. The principal sponsor of the scheme is the Cooperative Banking Group, and their logo is included alongside Steria on the materials prepared for the challenge. A member of the senior management team of CFS personally financially supports a teacher at the school, and despite his departure from the Co-op, he continues to pay the salary of the teacher to this day.

The lasting beneficial effect of this normative communitas on the relationship is demonstrated in two ways, concerned with i) communication networks and ii) attrition (staff turnover).

9.5.4 Communication networks

The liminal space at the school provides the opportunity for interaction and cross-linkage between the actors in Steria and CFS outside of the formal designation of rank and communication rules within each organization and as stipulated by the outsourcing contract. A Steria manager said:

> CSR initiatives have helped to diminish the formal communication hierarchy – it allows more junior staff to speak directly with their seniors on a CSR-related activity.

This greater degree of communication is coupled with the removal of structures, the "defences," that tend to exist in a contractual relationship, with the mutuality experienced in the school removing any sense of "us and them." Such leveling has an effect on knowledge sharing, with a Steria staff member revealing in an interview that CFS staff:

> Are closer to the action. They're closer to the internal discussion. It's not a standoff where "I'm protecting my IP mind-set. ... "

Similarly, another Steria executive said:

> These trips out to India (the school) are where you really get to know your customers. When you share different experiences with them, as you know, it puts your relationship on a very different plain. I think the closer that you work together, the more effective you are.

> It's about working with my main contacts; working with India enables me to understand what makes CFS tick, what makes the company tick.

> I would just say it massively helps with our relationship and how we work together, you also bring in teamwork and there are so many other things that come into it, other skills such as communication. You really get to know the people who you're working with, and when you see them out of a techie environment, it makes a huge difference.

This last quote shows the importance of building relationships outside of the formal work environment. The communitas created in the school acts to offer new network ties (Granovetter 1985) and knowledge about the organization that becomes useful when problems and crises are encountered. A Steria executive observed:

> So when you've been to these places and shared the experience with people, it does help form a very close relationship. ... Let's face it, in outsourcing

things don't go perfectly well over time because they don't and that's the reality of it. You're in a world where you're delivering projects and services. It's a fast-moving world and not all projects go perfectly well. Good relationships get you through in those situations. ...

9.5.5   Staff attrition

Communitas also has beneficial effects on staff turnover and motivation. Both CFS and Steria recognized the value of lower turnover in the Steria outsourced employees. A senior CFS executive confirmed:

> Turnover is the biggest thing for me. So we're not constantly losing staff in their area and bringing new staff in and letting it just start off with new skills which means projects have more of a success of delivery in the time schedule set ... that continuity with people on a program from start to finish was really hard but the turnover in Steria is lowest I've seen of all the Indian third parties.

While the Steria average attrition rate for 2010 was 16.5%, the attrition on the CFS project was 12%. In some areas, Steria attrition was as high as 25%, presenting a significant cost for the provider, who must hire and train replacement employees, which inevitably disrupts the service for buyers. Reducing attrition is therefore of benefit to both the outsource provider and the buyer, as the buyer gains continuous service from a knowledgeable outsource employee, while the provider keeps their training and recruitment costs low. Steria reported in 2010 that their average annual training cost was €691 per person, and that the average number of training days was 2.7 days per person per year. Several hundred Steria employees work on the CFS account, and therefore a 4.5% saving in attrition costs is significant. Steria executives commented that the Indian outsourcing market has a high level of employee turnover. Quotes from Steria executives regarding the challenge of keeping staff turnover low are provided below:

> India is going through huge attrition throughout each outsourcer ... it doesn't matter whether it's BPO, ITO. There is massive attrition because the labor pool is becoming far more switched on and they are moving to that extra three rupees or the promise of a different kind of education. ... India is booming again this year. And attrition is a massive issue for the industry ... attrition on the CFS account is really, really ... nothing compared to others, I mean it stands out ... what it is certainly linked to is the strength of the relationship between the two organizations, which is really visible to the guys in India ... you couldn't say the reason for the low attrition on CFS is solely because of what we do on CSR. But it's certainly part of the equation ... definitely a factor.

> We do have a lower attrition rate on the CFS account; I don't think it's purely down to the school sponsorship but I think it contributes. The ethical and social element does help. I wouldn't say it was THE reason why the attrition rate is lower but it definitely contributes.

Although the communitas developed in the liminal space associated with the school CSR project cannot be regarded as the only relevant factor, anything that lowers staff turnover is of benefit to both the buyer and provider. In an outsourcing relationship, where the service is delivered by well-trained and experienced staff, the advantages associated with a lower turnover of staff, which reduces costs and improves service, is a major benefit. The reduced staff attrition between CFS and Steria, which is partially attributed to the school project, would be a barrier and problematic for another provider to quickly reproduce, given the time and energy invested in the initial collaboration between the two firms.

Communitas is equally linked to the motivation of staff at both Steria and at CFS. The Co-operative Group Annual Report (2013) states that their aim is "to build a better society…to be an ethical leader; to be an exemplary employer." In a time when the challenges faced by the global financial industry have disrupted many national economies, this vision, which is clearly articulated through CSR projects, motivates employees. A senior manager at CFS explained how the CSR projects motivated employees:

> It's the fact that we've got thousands of people sitting down at lunch with each other talking about this stuff…engagement is the issue for me. If I've got engaged staff, they're going to stand up and step forward rather than sit back and be passive. I mean it's not just in the textbook; it's a fact you see. It exudes from the pores of the individuals working on a programme…engagement is the thing, everywhere you get more out of people and they get more out of you if you're engaged.

Another CFS senior manager shared the engagement benefit arising from the school project:

> I have people that come back happier, much more engaged, and feel they're actually doing something that fits in with the values of the companies. So I think the staff engagement, that's just a great thing to do upfront. …I see direct and immediate benefit there…they're coming back and they write blogs on it. So they write on blogs on what they saw – you know, the children that they met, what they are saying.

Productivity is a key consequence of creating motivated and engaged employees. Employees at CFS and at Steria, who were inspired by their working

environment sharing a vision that is more than simply increasing profits tended to work longer and with more dedication. Interviewees spoke of the energy and attentiveness of the employees who are engaged in the CSR projects shared between Steria and CFS. One Steria account manager explained that:

> People stay longer, sometimes they're investing a lot of their time and it's not paid, I won't necessarily see it on my bottom line, but you will see it on the productiveness of that project, of hitting targets, etc.

A CFS executive expounded on the motivation of Steria employees, who value the strength of the relationship with CFS:

> When you are under pressure of getting the tests done against a tight deadline, do you know what the guys say? Well, time to go home now, or do they stay until midnight? These guys stay until midnight and beyond and all night if necessary … the school [CSR] thing is just a little part of that – it just builds that.

9.6   Conclusion

Previous research employing the liminality concept (Garsten 1999; Tempest and Starkey 2004; Sturdy et al. 2006) demonstrates the positive gains accrued from the presence of liminality, although the effect on relationship building in long-term outsourcing alliances is hitherto unexplored. This study has applied the concept of liminality and communitas developed in a CSR project to examine its impact on relationship building among individuals. Research findings are summarized in Table 9.3.

The client and provider in the long-term outsourcing relationship meet in the liminal space of a collaboratively sponsored primary school in an area of rural India. Both parties visit the school, described as a "bombsite" by CFS executives, several times a year, meeting one another, the teachers and children, and viewing the computer suite that they have funded. In terms of liminality, there are rituals undertaken that resemble sacred ceremonies, involving the presentation of garlands of flowers, tika application, performances and singing by pupils and the overall treatment of representatives of the two companies like "rock stars." Furthermore, the newly built computer suite could arguably be seen as representing a shrine or altarpiece as a shared oblation to the children – although there is no suggestion that the children represented a deity – only to emphasize the ritual significance in liminality. Such symbolism continues in acts of tree planting, participative theater, and dancing with the children. Adopting Turner's (1969, 1977) conceptual lens reveals how the Spartan school, with its ceremonies, rituals, and participation acts to detach participants from

Table 9.3 Development of spontaneous and normative communitas

Rites of passage	Examples of rituals and symbols		Conceptual linkage
Separation	• Scheduled event to visit school in timetable • 20 km travel to school in heat of day in shared cars	• "Bombsite" school	• Preparing for liminality
Transition	• Garlands of Flowers • Tika application cf Puja • Altar like shared sacrifice of computer center • Demonstrations • "Rock star" treatment	• Theater production • Joining in • Sitting with children • Hugging and display of emotion • Tree planting • Indian dress	• Spontaneous communitas • "High experience the low" • Removal of structure
Incorporation and institutionalization	• Presentations back in CFS • One-day challenge • Cake sales to raise sponsorship: school bags with logo and gifts from children	• Blog writing • Junior staff on detachment in India form closer attachments and involved in fundraising • Continued personal sponsorship of teacher	• Normative communitas – widening the communitas

their normal structures, allowing them to enter into a liminal space and thus creates a sense of spontaneous communitas between Steria, CFS, teachers, and schoolchildren. Normative communitas is created by institutionalizing activities such as longer visits by staff on secondment, the "one-day challenge" sponsorship event, and cake sales. This group effect was also reinforced by individual actions such as that of a former senior CFS board director who continues to fund the salary of a schoolteacher in India several years after he has left the organization's employ.

There is a distinction between liminality as part a rite of passage and liminality that is a neutral space but not forming part of a rite of passage where participants are not giving up their previous state or role for a new one. In this chapter, the rite of passage offers a useful classification of the pre- and post-liminal practices encountered but there is no attempt to argue that participant's role or status was altered as a result. Instead our analysis focuses on

communitas in the neutral space of liminality offered by the school CSR project. Prior literature shows beneficial effects of informal socialization on outsourcing relationships involving hospitality trips to sporting events, theater, dinners, assault course team building, and so forth which have long functioned as a neutral spaces for executives from transacting organizations (e.g. Cousins et al. 2006). The findings here go beyond this prior literature in the following ways: first, by using the lens of communitas to demonstrate how a longer term commitment (several years versus a few hours in sporting events, dinners, etc.) may develop positive effects on the outsourcing relationship. The development of spontaneous and normative communitas under conditions of hardship is not new and the findings may be compared to informal socialization encountered on active leadership and team-building events (e.g. sailing, assault courses, etc.). Similarly, the school visits were not described as fun or entertaining by participants but instead emotionally exhausting and physically uncomfortable. However, what is novel is the explanation of how communitas developed between liminal participants encountering hardship who were also united in the cause of poverty alleviation as a result of the school CSR project.

The positive effects of liminality on the outsourcing relationship echoes with previous research that highlights the importance of trust in outsourcing projects "which frequently require the cooperation of strangers in tough, high-stress situations" (Sabherwal 1999). Other studies have described similar findings of higher employee engagement attained through participation in CSR projects. Bowman (2004, unpublished) inter alia describes the "intensifying search for meaning and purpose in work…and that employees are looking to business to answer questions about the meaning of life" and how "employees are looking for a sense of connectedness or community at work, and for their work to be an opportunity to contribute towards society" (p. 14). Others have similarly highlighted how social responsibility in the workplace boosts employee engagement, suggesting that "a sense of pride [garnered from social responsibility] is a major driver of both morale and results" (Amble 2007). While there may be nothing new in the finding that motivated employees are more productive, what is innovative about this research is that employees from both the outsource provider and client work collaboratively on CSR projects that they all support, contributing to an improvement in the spontaneous and normative communitas between the two groups, allowing them to collectively become more motivated and productive in their outsourcing work.

Furthermore, this analysis contributes to improving understanding of how a "doing well by doing good" approach to CSR may be achieved. The concept of liminality demonstrates how projects, such as the school in India, may be a site for the development of communitas between the individuals and organizations, formed as individuals become united in the act of "doing good." In this

sense this research contributes to the "doing well by doing good" discourse in CSR, transcending previous work (e.g. Porter and Kramer 2006) that assumes CSR is undertaken within the firm hierarchy. This study therefore introduces the concept of liminality into the CSR discourse in market-based outsourcing relationships. Earlier descriptions of liminality in the management literature (e.g. Wagner et al. 2012) have not considered the interfirm transactional relationships that transcend both firm and country boundaries. By arguing for their linkage, concomitant with processes of both spontaneous and institutionalized normative communitas, this analysis has provided a theoretically richer construct of liminality and the nature of liminal spaces in interfirm outsourcing. While the notion of community is not a new one in management literature, it is largely absent from the related literature on global outsourcing relationships. Melé (2003), in discussing the challenge of humanistic management, describes enterprises as "communities of persons, beyond being an instrument for profits and a sort of organism which tries to adapt itself to the environment. Firms are a part of society and interact continuously with it. They cannot be a parasite or a cancer for society but a pillar for social life" (p. 84). The findings presented here concur with this point and offer evidence of the pragmatic benefits associated with "doing well by doing good," where a strong sense of cooperation is necessary.

A limitation of this chapter is the basis on a single case; however, single case research design is generally accepted with many precedents (e.g. Eisenhardt and Graebner 2007; Levina and Vaast 2008) but sometimes criticized for generalization potential. Following Walsham (1995, 2006) guidance on generalization of interpretive cases, this chapter focuses on theoretical development and offering rich insight. This research offers evidence that a more humanistic approach to the management of GITO relationships may be relevant to ITO performance and future research may continue to explore this linkage. Another area of future research may be to further explore the role of liminality in differentiating the CSR of GITO, extend our understanding of the distinctive nature of the choices to be made in CSR projects and the pre-liminal, liminal, and post-liminal preparation.

9.7 Postscript

This case study research was conducted between 2008 and 2011. Co-operative Financial Services was selected for the study because of the organization's strong commitment to social responsibility. The Co-op began as the Rochdale Society of Equitable Pioneers in 1844, whose goal was to improve the social and domestic conditions of its members. Today the Co-op balances profitable operations with a "purpose beyond profit" and a commitment to corporate sustainable development.

Beginning in 2013, CFS faced two significant challenges to its reputation: first, a significant financial loss after a difficult merger with the Britannia Building Society resulting in a portfolio of bad commercial property loans, and secondly the resignation of its chairman over allegations of illegal drug abuse. As reported in the Telegraph (August 22, 2014):

> The Co-op Bank has endured a difficult 12 months. Last year, a £1.5bn black hole was discovered in its accounts, forcing it to raise emergency funds that saw hedge funds and institutions take control. Along with a drugs scandal involving its former chairman Paul Flowers, this has tarnished the bank's ethical reputation in the eyes of some consumers.

The results from the case study are unaffected by the recent CFS challenges. As the Co-op works to rebuild its financial strength and public reputation, it remains committed to CSR and continues to work in a highly collaborative outsourcing relationship with its provider Steria.

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