

Making Sense of Corporate Social Responsibility

Jacqueline Cramer
Jan Jonker
Angela van der Heijden

ABSTRACT. This paper provides preliminary insights into the process of sense-making and developing meaning with regard to corporate social responsibility (CSR) within 18 Dutch companies. It is based upon a research project carried out within the framework of the Dutch National Research Programme on CSR. The paper questions how change agents promoting CSR within these companies made sense of the meaning of CSR. How did they use language (and other instruments) to stimulate and underpin the contextual essence of CSR? Why did they do that in this particular way? What were the consequences of this approach for shaping the process of CSR in their company? Did their efforts contribute to a new way of thinking and acting or was it merely putting old wine in new barrels? A preliminary conclusion is that change agents use above all linguistic artefacts (words and notions) and carry out practical projects while constructing meaning. Still, the meaning of meaning itself remains highly intangible, situational and personality related.

KEY WORDS: CSR

Introduction

Corporate social responsibility (CSR) is gradually becoming a leading issue in business. A growing number of companies embraces the concept and feels the need to make clear what it actually means. They take a variety of initiatives all aimed at making sense of CSR. This also holds for 18 Dutch companies that joined the programme of the Dutch National Initiative for Sustainable Development (NIDO) called "From financial to sustainable profit". The objective of this programme was to initiate and support change processes among companies wishing to create a link between their financial performance and their record in ecological and social matters (Cramer, 2003). The approach was as

follows: NIDO organised monthly meetings for the participating companies to exchange experiences, discuss common problems and interact with external stakeholders. Moreover, every company carried out its own project during the period January 2001–July 2002. The programme ran from May 2000 till December 2002. The representatives of the 18 companies involved in the NIDO programme were all actively engaged in putting the concept of CSR into practice. They were the change agents to promote the concept within their company and were usually personally motivated to take up this task. They were the ones to convince both their company's management and personnel of the importance of this endeavour. In doing so, they expressed the meaning of CSR in language and subsequent actions that were attuned to the company's culture and could elicit the enthusiasm of the people. As the meaning of CSR is not clear cut yet, a variety of interpretations were possible.

This paper questions how these change agents developed a process leading towards making sense of CSR within the specific context(s) they were operating in. Central hypothesis is that without developing a specific "customised" meaning leading towards dedicated and useful actions for the people involved, CSR as an overarching notion does not make sense. How did change agents develop the process and what are its characteristics? How did they use language to grasp the essence of CSR within that particular context? Why did they choose to communicate in a particular way and what were the consequences thereof? Did their efforts contribute to a new way of thinking and acting in the company or was it merely putting old wine in new barrels?

Answers to these questions are provided on the basis of information gathered during the course of the NIDO programme. In addition 18 in depth



interviews were held with the 18 companies' representatives that participated in the programme. To prepare these interviews an analysis was made on the basis of annual reports and other written documents of each company over the past 5 years. Moreover, a protocol was formulated to structure the interviews. This contribution provides only preliminarily results since the research project is still in progress.

Translation of intentions into language and actions

In 1995 Karl Weick wrote the landmark book "Sense-making in Organisations". He states: "... sense making is about such things as placement of items into a framework, comprehending, redressing surprise, constructing meaning, interacting in pursuit of mutual understanding, and patterning" (Weick, 1995, p. 6). In particular the remarks regarding "placement of items in a framework" and "constructing meaning" are relevant here. CSR offers first and for all a framework in which people can construct meaning. "To talk about sense making is to talk about reality as an ongoing accomplishment that takes form when people make retrospective sense of the situations in which they find themselves and their creations. There is a strong reflexive quality to this process. People make sense of things by seeing a world on which they already imposed what they believe. People discover their own inventions ..." (Weick, 1995, p. 15). Thus, sense-making is an interpretative process that is necessary "... for organisational members to understand and to share understandings about such features of the organisation as what it is about, what it does well and poorly, what the problems it faces are and how it should resolve them" (Feldam, 1989, p. 19 quoted in Weick, 1995, p. 5). Among the change agents of the 18 companies involved in the research project a comparable process of sense making took place. They translated their intentions regarding CSR into language and actions, and in acting in such a way they structured their own views of the issue(s) involved.

When asking the respondents what they mean by CSR a rich and very diverse variety of answers came up. One respondent associated CSR with developing another relationship with stakeholders leading

towards another company image than its present technical focus on purely environmental issues. A second respondent talked about CSR in terms of a search for balance between People, Planet and Profit and taking more responsibility for societal issues. A third respondent considered CSR as a mental shift in communicating (internally and externally) and being transparent as a company, towards employees, clients and other stakeholders. For yet another respondent the meaning of CSR related to developing a clear policy on the basis of the requirements of clients, society and own personnel.

The way in which these change agents described the meaning of CSR was clearly shaped by their own scope, personality, functional position, circle of influence and available instruments. Their functional position in the company varied, both in terms of responsibilities and tasks. For instance, some worked at a public relations and communication department, a special CSR or quality assurance unit or a marketing department. Others were internal consultant to the Board of Management or belonged to the Board itself. All respondents admitted that they had acquired a broader picture of the concept of CSR through participation in the NIDO programme. However, in their daily practice they interpreted CSR through their own "lenses", taking into account the – continuously changing – company-specific context. They tried to legitimise the relevance of CSR by creating linkages among people in the organisation around the issue at stake. Generally speaking their approach was not top-down but targeted at specific people in the organisation. They used dedicated language that was recognised by the target group.

As a result, the change agents made sense of CSR in various ways, depending on the objectives and people they wanted to reach. For instance, the change agents sometimes used a broad interpretation of CSR in terms of Triple P and interactive communication with stakeholders. In such cases CSR functioned as a mobilising concept. The change agents referred to other key actors having adopted this notion in order to legitimise their own intentions and actions within the company. Mentioning influential persons and reports which expressed the need to take CSR seriously, helped to create an awareness of the importance of the issue. The terminology they used to underpin CSR did not carry a

specific meaning but reflected general, yet context-based notions. In this sense CSR was used as a “garbage can word”: the meaning varied depending on the situational company context and the personal intentions of the change agents. As one of the company representatives stated: “I refer to the broad concept of the three P’s as a vehicle – an overall framework – to catch the attention and sell the concept within the organisation”. Some respondents specifically used a broad interpretation of CSR in lectures or training programmes for employees. In such situations they were expected to inform members of the company about the broader framework within which the concrete company activities regarding CSR should fit.

A number of respondents preferred to avoid the use of CSR as a mobilising concept. They argued that this would be ineffective. The main reason was that their company had already introduced a more or less similar concept that also covered the intention of CSR. For instance, one company had adopted the word “sustainability”, while another had implemented a company specific catch-word (“Coca-Cola Cares”) worldwide. In one case the company representative did neither use CSR nor a comparable alternative. He argued that managers embraced the principle, but did not like to work with terms like CSR. For the company representative this was not considered a problem. He argued that many activities were carried out in his company that fitted in the CSR framework.

The experience of most respondents was that the broad concept of CSR was adopted more easily by top managers than by line managers and their personnel. Generally speaking, top managers were engaged in developing and communicating the broader picture and the overall reputation of the company. They were invited to give lectures about CSR and were confronted with media and other stakeholders to explain the company’s strategy towards CSR. Line managers usually focussed on their day-to-day performance and the financial bottom-line. Therefore communicating with these latter people required another approach: more pragmatic and down to earth. Line managers wanted to know what they were expected to do and what the specific merits of CSR were for their particular business. They were held responsible for good financial results and seldom made accountable yet by their top management for their performance on the three P’s. The

personnel of specific departments responded along similar lines. From the change agent they expect practical cues on how to translate ideas in order to contribute to CSR. Clearly, they needed to be convinced of the benefits of concrete actions within the particular context in which they were operating. Abstract or general stories about the importance of CSR did not elicit a positive response among these people. They were interested in practical measures and instruments that could be implemented within their scope of influence. As a result the change agents put a lot of effort in adjusting the CSR message to the particular audience they wanted to involve in the process. For example, one representative stated: “The discussion about CSR in our company was elicited from a pragmatic perspective. We asked the people with which issues they were confronted and searched for promising opportunities. You need momentum and luck”. A second representative considered himself the broker. “I translated CSR to business-related issues”. Yet another representative emphasized the need to make people in the organisation aware of the activities already being carried out by the company in the context of CSR and started developing new initiatives from there. This made people more receptive to CSR and enabled them to relate their present work to what is expected from them in the future.

Throughout the interviews it became clear that the company representatives acting as change agents spent most of their time on developing actions and adopting or adjusting instruments that could create awareness and support for CSR in a practical manner. For instance, at the start of the NIDO programme all company representatives carried out a zero self-assessment of the present state of affairs concerning CSR. The objective was to get a first impression of how the participating companies currently performed in terms of the three pillars of CSR: people, planet and profit. Through this initiative a variety of people within the organisation got involved in the process because they were asked to provide specific information. This made them aware that their work was linked to CSR. It also made clear to those involved what kind of information should be collected in order to be able to report on CSR. The next step in the process was to define concrete actions that could improve the present Triple P performance. In this phase the activities of

the various companies diversified tremendously. This made clear that the actions themselves did not have a prescribed logical order. The choice of actions and priorities depended much on the assessment of the particular change agent. On the basis of his or her personal interest and sphere of influence he or she determined which initiatives would be most promising in the context of the particular company. As a result the actions taken could be initiatives to improve the internal or external communication concerning CSR. But these could also focus on attempts to set up a dedicated monitoring and reporting system, to embed CSR in management and quality systems or to formulate a vision, mission and/or code of conduct with regard to CSR. In fact, all change agents started the process of CSR according to their own interpretation of CSR which was shaped by the context in which they were operating. They gradually realised that in the end all aspects of CSR as mentioned above should fall into place like a jigsaw puzzle. However, first of all they focused on those activities that seemed easy for them to realise and did not require the support from groups in the organisation that were difficult to involve. To conclude it can be stated that the process of sense making as it developed within the 18 organisations, can be characterised as rather “muddled”. Change agents searched for suitable language combined with activities that made a (temporary) fit with existing ones. Nor the language, neither the actions themselves have a kind of prescribed “hidden” order, a determined logic. So it becomes clear that the art of making sense is based upon developing configurations of words and deeds; thus developing the process of sense-making in action.

Process of sense making

On the basis of the research so far some general observations can be made as to how and why change agents translate their intentions regarding CSR into language and actions in the way described above.

Observation 1

CSR clearly is a new buzzword with which companies are confronted. They are urged to adopt this

buzzword, although it's meaning is still open for debate. Making sense of the specific meaning of CSR in an organisational context is a process that takes time. At present the meaning(s) attached to this word are interpreted in very diverse manners within companies. By carrying out concrete activities and reflecting upon its contributions to the broader CSR perspective, a company can gradually develop a focused view of CSR, shared by its members. Only then CSR gets a company specific meaning with respect to its emotional, functional or practical value. This meaning provides the (implicit) arguments and (boundary) value(s) with which the company's members can agree or disagree (adopted from Collins Cobuild, 1987, p. 900). The companies that joined the NIDO programme are not in this stage yet. Before CSR has really entered the hearts and minds of “all” people in the organisation, the organisation will be fairly far in the process of developing a specific meaning of CSR.

Observation 2

Each company uses a specific, well-determined and collectively understood vocabulary (for instance, hidden rules of the game and company-specific language). It is with this vocabulary that people are constructing the organisation each day. Changing the vocabulary means – in a particular way – changing the organisation. In order to mobilise the interest of people in the company, change agents are inclined to adapt their language to what is linguistically well understood by their colleagues. As most companies' culture is pragmatic, the change agents feel the need to translate the abstract, multi-interpretable concept of CSR into very concrete language, thus giving way to dedicated actions that fit a particular situation.

Observation 3

Once (new) terms and notions are entering the company's vocabulary, some words gradually start influencing and changing the behaviour of people, but certainly not all. Some words are only adopted in a superficial manner and seem to have no other function than replacing already existing words. One

could call this re-labelling or the updating or placebo effect of language. In this way it is merely a case of adapting the company's vocabulary to a more current jargon. While saying other things (and thus using other words) the meaning itself remains relatively unchanged. This phenomenon is also known as "green-washing" or "linguistic hijacking".

Observation 4

Words are the necessary "instruments" through which meaning is constructed and can be transferred. Words are the carriers of meaning but do not represent meaning itself. The change agents involved in the NIDO programme used broad notions about CSR (e.g. Triple P, sustainability and balancing the three P's.) as a way to legitimise its importance towards the Board of Management and also externally (e.g. annual reports, mission statements etc.). They also found it valuable – often especially for themselves – to develop and use these broad notions. This offered them the "big picture". At the same time they were hesitant to use these notions throughout the organisation because they feared to be considered as a kind of company "guru". For many colleagues within the organisation it did not seem to be necessary to know the big picture. For them it was already difficult enough to act upon a limited (and even dedicated) set of words and notions derived from this big picture. Therefore the change agents mainly used limited (or context-customised) terms and notions, which were attuned to a particular situation (e.g. a specific business unit, plant or target group). The respondents brought forward that choosing the right words (limited enough in their scope and meaning) in a particular situation was extremely important to mobilise internal support.

Observation 5

Language can be deliberately and explicitly used as an "instrument" to promote and foster the change necessary to develop a contextual meaning of CSR. CEO's and change agents can start using different language (literally) deliberately in order to demonstrate (in person) the changes they promote. In this way they "force" the organisation to rethink their

present way of acting and impose a new vision. This top-down approach only works positively under certain conditions and implies a careful assessment of the language used. For instance, a charismatic CEO can use CSR as a management mantra. In changing the terminology he proclaims (and even gives an impetus for) change in the organisation.

Observation 6

There seems to be a common managerial belief that changes in organisations comes about through a rational process of adopting a clear mission, vision and related strategy. This belief does not hold on the basis of the preliminary results of this study. Instead, the process of sense making appears to be rather "messy", using a variety of (temporarily suitable and useful) "instruments" such as concepts, words, notions and incremental actions leading towards the construction of a conceptual configuration that fit the needs of the people involved. We could characterise this process as the principle of "equifinality".

Observation 7

While searching for a sense of meaning or even some guiding principles leading towards a overarching sense of direction, it became clear that the personality of the change agent involved – his/her position, scope of influence, perceptions etc. – is a determining factor in starting and shaping the process. This inevitably leads to the observation that CSR as a process can start at almost any level in the organisation using almost any subject or issue. It is neither the way to start nor the issue at stake that determines a successful kick-off, let alone further progress of the process.

Theoretical reflection

The observations mentioned above imply that the process of sense-making of CSR – in order to be successful – finally needs to enter the heart and minds of all people within the organisation. All companies included in the analysis presented here did not reach this stage yet. Instead they tried to grasp the essentials

of CSR by setting concrete actions in motion and by building up the overall framework step-by-step in an incremental way. Implementing CSR from a quantum-leap approach did not seem to be appropriate or relevant.

Can we, on the basis of the insights provided by the research in progress so far, conclude that the CSR efforts contribute to a new way of thinking and doing things in a company? Or should these be merely considered as attempts to put old wine in new barrels? The research shows that making sense of CSR requires choices at three levels (Wood, 1991):

- (a) *Principles*: How, as a company, can you find a sensible balance between the pillars of profit, planet and people? And which normative/ethical principles can be applied to weigh one pillar against the others?
- (b) *Processes*: Which internal and external processes do you set in motion to implement CSR? In other words: how can a company shape CSR through management systems, organisational arrangements and steering concepts? And what (potential) influence do stakeholders have on the policy of companies regarding CSR? Which social expectations and wishes should companies take seriously?
- (c) *Results*: What concrete results do companies achieve with respect to CSR, expressed in quantitative and qualitative indicators? What economic benefits does it deliver for the company itself and society at large?

Making these three types of choice is by no means an easy task, as confirmed by the experience of the companies participating in the NIDO programme. However, the companies' practice showed that while the content was framed, a set of norms and values was being developed simultaneously. These implicitly guided the trial and error process of constructing the meaning of CSR in the given context. This implies that the meaning of CSR will always be context-specific. In general terms consensus may be reached about the notion as such, but the proof of the pudding is in the eating; the meaning is coloured by the specificities of the company at stake. As long as the companies are still in the process of sense making, the new way of thinking is often not

coming to the forefront very clearly. It may seem new at the level of the process, but not yet at the level of norms and values and outcomes, or the other way around. However, in the end the link between the three levels should be apparent and transparent.

Literature learns that facts themselves do not lead to action or sense making. This may result in an understanding that action should be taken or that a better understanding of the event or situation is needed. However, it does not automatically imply that people actually take action, knowing the facts of the situation that is at stake. Or, stated in a very blunt way: people obviously know what needs to be done, but – armed with that knowledge – don't always do it (adopted from Pfeffer and Sutton, 2000). In order to link knowledge with sense making and action, a crucial step still needs to be made: providing appropriate sensible cues. Action is based upon four interlocked assumptions (adopted from Porac, Thomas and Baden-Fuller, 1989: quoted in Weick 1995):

- (1) Activities and structures of organisations are shaped (in part) by local micro-momentary actions of its members. The present results of the ongoing research demonstrate this point rather clearly. All organisations are using primarily customised configurations of changing micro-actions while constructing the process of CSR.
- (2) Action is based on a process in which people perceive cues in the (local) environment, interpret the meaning of those cues and externalise the interpretation of those cues via concrete actions. Cues linked to the development of CSR are provided internally and/or externally. They are linguistically initiated leading sometimes – but not necessarily always – to dedicated action. It is the sensible interpretation of those cues that give way to formulating and executing specific actions.
- (3) The meaning of the term "action" in itself can either refer to physical (to do something literally), verbal (to talk as an act) or mental [to think about a particular subject in a specific (new) manner] constructs. These constructs – also called mental frames of reference – are the drivers of individual behaviour. Through the results of the interviews it becomes clear that

change agents “played” with those three different levels of actions in order to foster and stimulate change regarding the people involved. They demonstrated an array of activities that seemed to have no coherence at first sight, but could clearly be categorised in one of those three categories of “action” (Jonker and Eskildsen, 2002);

- (4) Meaning is created when cues are linked to already known – or developing – valuable mental structures or maps. The users, given the context in which they are operating, first of all determine the value of those maps. Meaning is thus person-bound and context-bound; this creates the foundation to act upon. Therefore meaning is always meaning-in-action linked to a specific local situation (Pfeffer and Sutton, 2000).
- (5) People have [potentially] the capability to verbalise their interpretations and the underlying processes they use to generate this meaning.

In trying to interpret the process of sense-making it becomes apparent that it is based on five interlocked (sub) processes: (1) there needs to be a perceived and agreed upon sense of necessity or usefulness derived from a variety of cues, (2) there also needs to be a (implicit) sense of direction (e.g. improvement) leading to “satisfaction”, (3) people engaged in the process of sense-making need to have a sense of capability regarding the execution of the process itself and its potential outcomes (4) furthermore, once the outcomes are achieved there needs to be a sense of contribution regarding the priorities and choices to be made and finally (5) their needs to be a sense of accommodation given the previously introduced notion of equifinality.

Epilogue

In this contribution an attempt was made to unravel the process of sense-making in particular with respect to the introduction of CSR within an organisational context. The presented results in this contribution are based on interviews with change agents who have been asked to look at the process of implementing CSR in the past 4–5 years. It became clear that this process could be characterised as a rather “messy”

one. Assumptions concerning the linear and strategic nature of this process need to be replaced by an unfolding and emerging process shaped through trial and error. The character of this emerging process of sense-making is dominated by “play” and not by “game”; people construct meaning through “actions”. The notion of “action” itself is three-fold, referring to a dynamic and thus changing combination of the use of language, thoughts and (physical) activities. It is within this ongoing process of action that people gradually create meaning while developing a context-suitable configuration. In the “construction” of this process the change-agent plays an important – yet not always dominant – role. He or she can be considered as the agenda-setter, language-creator and moderator. Actions initiated by the change agent only have impact insofar they lead to a process of sense making on an individual level firstly. It is through building the capacity and capability on this individual level that the organisation as a whole acquires understanding of the implications and thus the local (collective) meaning of CSR.

The next step in the ongoing research project will – given the outcomes so far – focus in particular on how organisations move from the initial phase of sense-making to the phase in which CSR becomes a more mature and fully fledged concept. Furthermore, specific attention should be devoted to the practical implications of the results of the research project.

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Jacqueline Cramer
Erasmus Centre for Sustainability Management,
Erasmus University Rotterdam,
PO Box 1738,
3000 DR Rotterdam,
The Netherlands
E-mail: jmcramer@xs4all.nl

Jan Jonker
Nijmegen School of Management,
University of Nijmegen
PO BOX 9108,
6500 HK Nijmegen,
The Netherlands
E-mail: janjonker@uws.nl

Angela van der Heijden
Erasmus Centre for Sustainability Management,
Erasmus University Rotterdam,
PO Box 1738,
3000 DR Rotterdam,
The Netherlands
Email: vanderheijden@fsw.eur.nl