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"Doing it the right way" a qualitative study of the development of corporate social responsibility among U.S. Fortune 500 global companies

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"DOING IT THE RIGHT WAY"

A QUALITATIVE STUDY OF THE DEVELOPMENT OF CORPORATE SOCIAL RESPONSIBILITY AMONG U.S. FORTUNE 500 GLOBAL COMPANIES

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Doctor of Education in Organizational Leadership

by

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TABLE OF CONTENTS

Page

LIST OF FIGURES

Page

DEDICATION

"Life isn't about finding yourself. Life is about creating yourself."
- George Bernard Shaw

I dedicate this study to my children, Max and Zoe, and to their generation. They are the precious future of innovation, collaboration, creativity, evolution, and creating higher meaning and purpose as individuals and as a collection of souls. Protection of the planet, our people, and the exceptionally remarkable living systems around us powerfully rests in their able hands and strong minds.

Another turning point a fork stuck in the road
Time grabs you by the wrist directs you where to go
So make the best of this test and don't ask why
It's not a question but a lesson learned in time

It's something unpredictable but in the end it's right
And I hope you have the time of your life
- ***Time of Your Life*****, Green Day**

ACKNOWLEDGEMENTS

I am most inspired by my husband, Eric, and my kids, Max and Zoe. They challenge me, motivate me, keep me on my toes, and keep me laughing. I hope that I am building a legacy of which they can be proud and, in turn, be inspired to create their own legacies. I certainly want to be part of creating more authentic and courageous leaders in the world who exhibit higher levels of consciousness and more holistic approaches to business' role in society. I would be thrilled to do my part in changing the business model, and I would love to see my kids and their friends grow up to lead organizations that move away from the myopic, unilateral stress of trying to deliver unrealistic financial goals every three months, and instead are being run in the spirit of the more sustainable and creative social capitalism.

I want to send out heartfelt gratitude to the remarkable people that have been incredibly supportive, wildly inspirational, and beyond influential in my development. I will do my best to *give forward* in my ongoing pursuits of learning, growth, and development: Dean Weber, Dr. Rocco DellaNeve, and Judge John Tobin - my wonderful chairperson and committee who have my undying gratitude and appreciation for their energy, commitment, kindness, and encouragement; my mom - whose poise and grace under pressure will always impress me, and who taught me a thing or two about manners counting… a lot; to my precious Aunt Aliki and Uncle Harris – for their unconditional love throughout my life; Janice – for her incredible positive energy and enthusiasm for all things; the whole Reyes family – whose love, friendship, care, and commitment to my family are invaluable in our lives and in this journey; Randy Nornes – for taking my calls, supporting my efforts, and restoring my faith in top executives; Corbette Doyle –

who will always be one of my biggest role models; Merlin Clark – for being so appreciative of my efforts, all the while really having given me great opportunities to look within myself; Brad Sparks, George Rose, John Rego and John Davies – for not knowing too much about me, but reaching out to their network anyway and connecting me to make this study possible; Dennis McNamee – for his availability, guidance, and expertise; my 85Broads friends - De'Ann Weimer and Andrea Sparrey – for their interest, support, and network; Laurie Deitch – one of my oldest and dearest friends who had the brilliant foresight to get a Masters in English that would one day lead to her new designation of editor and life-long pal extraordinaire; my Pepperdine pals for life - Heidi Sublette, Dawn Garrett, Maryam Rostami – with whom I have shared many laughs and some cries, many creative bursts and a couple writers' blocks, innovative ideas and jib jab; the GOWs – whose consistent friendships are cherished and never cease to go unappreciated; my colgate crew – who go beyond sisterhood and have claim to laying some of the foundations for who I am today; my MB friends – who are caring, encouraging, fun, and keep reminding me that life cannot be taken too seriously; and to all my dear family and friends – for keeping it real, challenging me, joining me, and living life with me.

I want to do a special shout-out to the eight participants who made this study possible. I wish I could name them because they were all incredibly gracious, accessible, reliable, and supportive. In and of themselves, they embodied the characterstics of the core values about which they spoke for each company. In our short time together, all by phone, I would have gone to work for any of them! They too restored my faith in the quality and intelligence in the executive suite. The kindness of strangers cannot be

underscored enough and I will carry that gift with me always. I also have to point out that I reached three of the eight participants rather blindly through *LinkedIn*. As a former skeptic of the professional benefits of social media, I can say today that I was the recipient of the power of social media, and in this day and age wherein collaboration and "co-creation" are being trumpeted, I say there is value in engaging with social media, being plugged in, and sharing wisdom that is exceptionally unique to each giving person.

It was on a trip to India in 2011 with Dean Margaret Weber that I became inspired by the limitless possibilities of corporate social responsibility (CSR). I was struck the most by a conversation with Sarita Dahl, corporate social responsibility consultant to NGOs, government, private organizations and multinational corporations, when she said, "corporate social responsibility is like teenage sex. Everyone says they are doing it, but only half are really doing it, and of the half, only half are really doing it right." First, I love that quote and its slight irreverence.

Secondly, it brilliantly captures the essence of CSR progression, to the point where it elicits a chuckle of understanding and agreement from every expert in the space with whom I have spoken. I became fascinated with what "doing it right" meant, how it looks internally to an organization, how it manifests externally, and how leaders shift fundamental vision and behavior throughout the DNA of behemoth, global organizations. Thirdly, it highlights the immense opportunity to harness the strengths of global corporate innovation, research and development, marketing power, and global reach across cultures and communities.

I have further been intrigued by conversations among leading scholars about mindfulness, purpose, and corporate soulfulness. Is there a sense of higher purpose driving leadership in the organizations that are "doing it right?" Is it even possible for a higher purpose to exist within a corporation? Can a corporation have a soul? I did not think so, based on my years of experience in the corporate world. I certainly was one of the most ardent skeptics about the idea of a publicly-traded organization having a higher purpose and some kind of soul.

However, if we believe that people have souls, that they predominantly live by certain guiding principles, then why would we not think that corporations, comprised of people, also have a soul? Maybe corporations can have a soul or should have a soul; maybe some used to have a soul and some lost sight of their soul; certainly, now more than ever, there is emerging thinking that would indicate that they all must have a soul. The visual of the Lion in the Wizard of Oz getting courage comes to mind. Are our global corporations on that proverbial yellow brick road toward becoming a more soulful, compassionate, participatory, and responsible stakeholder in the well-being of our world?

It is my hope that this research contributes to the body of literature on CSR and that it helps in constructing the bridge for more global corporations to move the dial towards the sophisticated, integrative, holistic, advanced, genuine, and transformative levels of CSR that I call *it*CSR. And it is every bit my intention to spark curiosity and interest among corporate leaders to create a way of being that benefits multiple layers of the global eco-system for generations to come.

Finally, I would be doing this dissertation a disservice if I did not circle back to my husband, Eric, with a bit more praise and recognition. He supported this massive undertaking, he took a leap of faith with me, and he suggested that I head to India. I am so appreciated. I certainly know that neither of us expected to take our own *journey to*

impact together when we met in college, and I love that we have grown together, continue to laugh together, and push the envelope for each other. I cannot imagine all of this accomplishment without you being here to back it up! Also, thank you, Max and Zoe, for giving me the space when I needed it, and for your gift of being my children. I am, and will always be infinitely proud of both of you. You are incredible people with so much opportunity ahead of you, and I am always here to support you and advocate for you. I love you both to the moon, the stars, and back again… and then some.

Thank you, Dean Weber, for exposing me to the richness of the Indian culture, the depth of CSR, and your inspirational leadership. Thank you, Sarita, wherever you are today for sparking this interest in me.

I have lived for love
But now that's not enough
For the world I love is dying
And now I am crying
And time is not a friend
No friend of mine
As friends we're out of time
And it's slowly passing by
Right before our eyes.

We light the deepest oceans
Send photographs of Mars.
We're so enchanted by
How clever we are.
Why should one baby
Feel so hungry she cries,
Saltwater wells in my eyes.

- ***Saltwater,* Julian Lennon**

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ABSTRACT

This qualitative, phenomenological study provides a detailed look at corporate social responsibility (CSR) among selected U.S. Fortune 500 global corporations that show evidence of advanced stages of CSR development, herein referred to as *it*CSR. While CSR broadly conveys business' role in society, *it*CSR is a construct meant to indicate business' ideal contribution in society that epitomizes meaningful triple bottom line (TBL) impact. Using the Global Leadership Network Framework of business strategy, leadership, operational excellence, and engaged learning, this research explored what motivates executives to develop *it*CSR and the success strategies for instituting *it*CSR practices at America's largest publicly-traded multinational corporations (MNCs). The findings are particularly relevant in comparing the values, practices, initiatives, and drivers of *it*CSR development among the leading American global companies. Consequently, this study identified 10 U.S. Fortune 500 global corporations that met the *it*CSR criteria for this study from an analysis that included (a) cross-referencing five indices/lists that measure various parameters of the *it*CSR criteria, and (b) evaluating total trailing financial returns for 1-year, 3-year, and 5-year periods compared to the S&P 500 Index results. Overarching themes from the study include: a) a strong presence of core ideologies has been in place from the origin of each company and represent the essence of the corporate character, and thus its soul; b) the core ideologies are centered on improving life and communities and are grounded in circular wisdom, eudaemonics, and virtuousness, all tied to ethical governance and a moral consciousness; c) there is purposeful connectivity cultivated by leadership for all levels of employees to engage in a shared responsibility; d) executive efficacy in *it*CSR efforts and undertaking cannot be underscored enough, even though leadership may manifest in different ways; e) it is necessary to embrace and promote *it*CSR development as a continuous, never-ending, imperfect journey; f) it is necessary to activate all aspects of the business' operations, and at the same time, recognize that the process is more of an art than a science; g) including the customer on the *it*CSR journey is predicated on authenticity, vulnerability, and risk-taking; h) developing multi-stakeholder partnerships is proactive, strategic, selective, action-oriented, focused on collaborative learning, and absolutely designed for meaningful and sustainable triple bottom line impact; and i) *it*CSR development operates from a platform of innovation.

Keywords

corporate social responsibility, corporate citizenship, sustainability, shared value, corporate culture, triple bottom line, multinational corporations, organizational change, organizational development, action learning, multi-stakeholder collaboration, corporate soul, leadership

Chapter 1: Introduction and Problem

"We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly."
– Martin Luther King, Jr. ("Martin Luther King, Jr. quotes," n.d., para. 1)

Introduction

An Ancient Greek proverb tells of a society growing great "when old [people] plant trees whose shade they know they will never sit in" (Werbach, 2009, p. 54). This proverb conveys an ethereal message with a real and practical derivative in contemporary times for large, global corporations (Werbach, 2009). Increasingly, individuals around the world are calling on leaders of multinational organizations to contribute their cross-cultural resources, engineering skills, project planning capabilities, logistics management, business acumen, and financial fortitude (Jimena, 2008) toward social and environmental solutions for a sustainable future (Haugh & Talwar, 2010). This trend has given rise to the over-arching notion of corporate social responsibility (CSR), which is, in the broadest sense, an umbrella concept meant to convey business' role in society (Werther & Chandler, 2011). Indeed, the world needs the involvement of global corporations in social and environmental challenges because society's problems are escalating on a scale that puts the planet at risk and jeopardizes society's ability to thrive in generations to come (Visser, 2011; Werbach, 2009).

For example, the global population is growing and causing demographic changes; unchecked and increasing energy consumption is draining our limited natural resources; and the Earth's ecosystem is shrinking approximately 3% each year, affecting both climate and biodiversity (Gjolberg, 2009b; Idowu, 2009; Mainwaring, 2011; Pink, 2011; Prahalad, 2005; Zadek, 2007). Meanwhile, half of the world's people live on less than two dollars per day, approximately 33% of the world's workforce is unemployed, 840 million people go hungry each day (more than two times the population of the U.S.), and more than one billion people lack access to potable water (Senge, Shley, Laur, Smith, & Kruschwitz, 2008; Werbach, 2009; Zadek, 2007).

Historically, people in government agencies have shouldered the burden of addressing societal and environmental issues, but now government's ability to make a global impact is restricted (Googins, Mirvis, & Rochlin, 2007) by economic recession, scope of jurisdictional authority in the global arena, nationalistic agendas, and the delicate legislative balance between the free market and government regulation (Senge et al., 2008; Werbach, 2009). The limitation of governments' capabilities coupled with corruption in many developing countries gave rise to non-governmental organizations (NGOs). Many NGOs have been influential sources of power for change, whether incremental or large-scale, and seem to have earned institutional trust more than other organizations (Senge et al., 2008; Zadek, 2007).

Organizations like Greenpeace have been at the forefront of raising awareness about environmental destruction of critical wildlife and ecosystems, building powerful coalitions that have forced environmental changes and shaped public policy on critical issues. Similarly, organizations like Amnesty International have rallied people across the globe to stand up to human rights abuse (Mainwaring, 2011). However, as with the government, the abilities of NGO leaders are limited. Operational business skills are inconsistent and, particularly in recessionary times, budgets are tight and resources become overstretched (Albareda, 2010).

As a result, many individuals and small entrepreneurial companies have adopted a heightened responsibility in the business community to leave the world a better place than when they entered it. They are independently taking a more conscious and active part in creating a sustainable future by designing innovative solutions, products, and services that counteract the bleak future predicted by scholars, scientists, and activists (Birch, 2003; Senge et al., 2008; Visser, 2011). In fact, social entrepreneurs - social and environmental individuals who have started companies like Patagonia, The Body Shop, TOMs, Seventh Generation, and Timberland - have been cited across the board as early adopters, innovators, and catalysts in defining a movement in the business community towards a more holistic, ethical, transparent, strategic, and advanced business model, one that gives life to Elkington's (1998) pivotal business approach, "the triple bottom line" (TBL) construct (p. 37). This kind of business model is referred to in this research as *it*CSR, which is broadly meant to convey the ideal contribution of business in society. According to the European Commission (as cited in Kleine & von Hauff, 2009), this kind of business model "is a fundamental concept whereby companies integrate social and environmental concerns into their business operations and in their interactions with their stakeholders on a voluntary basis" (p. 517). Furthermore, *it*CSR represents a more contemporary, *balanced scorecard* approach to measuring corporate success rather than the traditional one-dimensional approach of exclusively evaluating financial results (Savitz & Weber, 2006).

Contemporary approach to corporate success. Elkington's (1998) TBL construct stresses equal attention to and care of the planet, people, and profit (*the three Ps*) as the emerging drivers in the success of any business (Bhattacharya, Korschun, &

Sen, 2011; Eccles & Krzus, 2010; Elkington, 1998; Googins et al., 2007; Mainwaring, 2011; Prahalad, 2005; Renaud-Coulon, 2008; Savitz & Weber, 2006; Waldman & Siegel, 2008; Werther & Chandler, 2011). As context for what is meant by *the three Ps*, Werbach (2009) provides a useful definition: (a) planet equates to environmental sustainability and “protecting and restoring the ecosystem” (p. 9), e.g., preservation of natural resources; (b) people connects with protecting and valuing society, culture, and the conditions that affect all members, e.g., human rights; and (c) profit is associated with economic viability of people and businesses, e.g., securing basic needs and comforts to survive as well as creating financial stability to continue to thrive. Visser (2011) concurs that business must develop an “integrated, systematic approach…that builds, rather than erodes or destroys, economic, social, human, and natural capital” (p. 7). “Profits with purpose” (Anderson, 2000, p. 7) and “doing well by doing good” (McWilliams & Siegel, 2011, p. 1482) also convey the TBL business construct. Finally, Porter and Kramer (2011) advocate the notion of *creating shared value* between business and its stakeholders that has measurable benefits throughout the ecosystem, and thus demonstrates meaningful TBL impact.

Several models propose a maturity continuum for the development of *it*CSR. Googins et al.’s (2007) Five Stages of Corporate Citizenship Framework, shown in Figure 1, is one of the prominent maturity models and is used herein to describe the development process in an organization. The five stages are: (a) elementary, (b) engaged, (c) innovative, (d) integrated, and (e) transforming. In combination with meaningful TBL impact, the highest levels in this model – the integrated and transforming stages – serve to provide context to the development of *it*CSR.

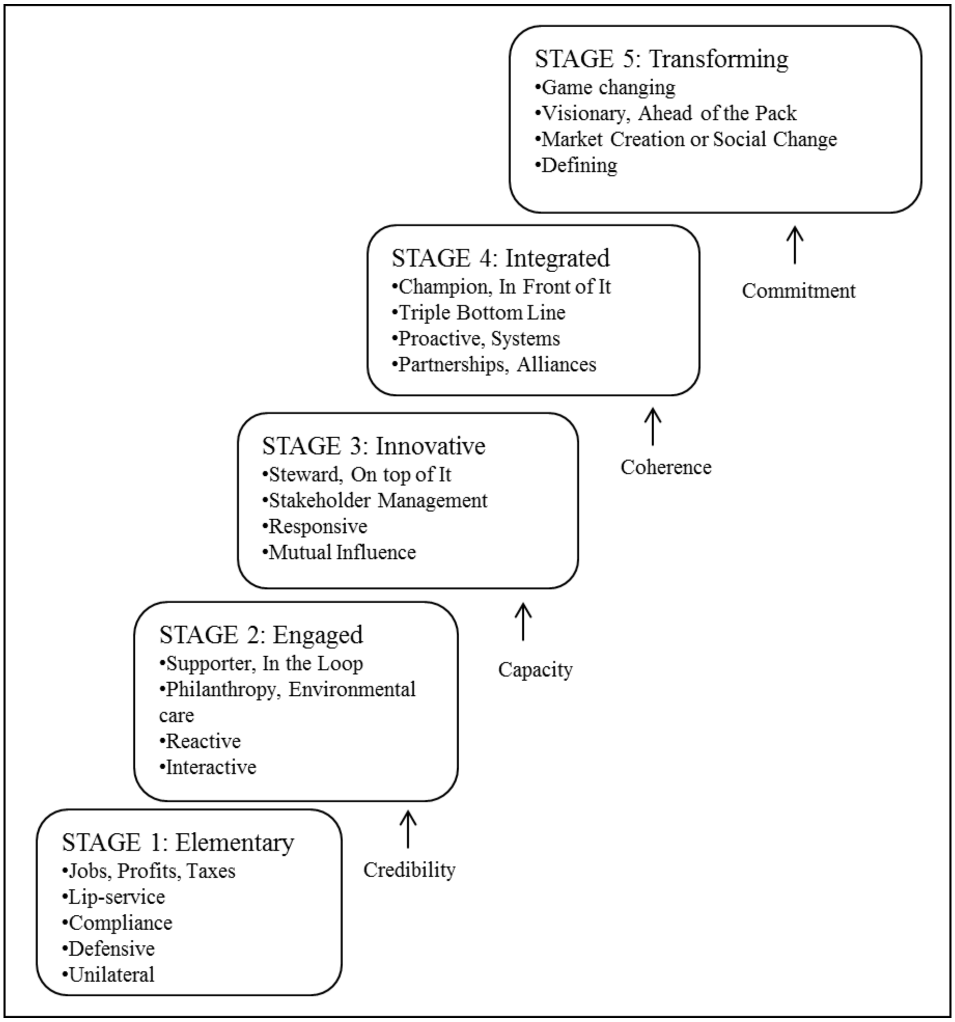

Figure 1. Stages of corporate citizenship, key characteristics and "triggers." Adapted from *Beyond Good Company: Next Generation of Corporate Citizenship* (pp. 78, 90), by B. K. Googins, P. H. Mirvis, & S. A. Rochlin, 2007, New York, NY: Palgrave Macmillan. Copyright 2007 by Palgrave Macmillan. Adapted with permission.

In other words, *it*CSR is marked by a company's proactive efforts to create meaningful TBL impact, such that harm is minimized and shared value is created legally and ethically among multiple stakeholders in the business community, society, and government (Googins et al., 2007; Porter & Kramer, 2006; Werbach, 2009; Werther & Chandler, 2011). It is further represented by: (a) being a champion or visionary leader in the field, (b) being out in front of innovation and or leading the industry, (c) proactively building multi-stakeholder partnerships, and (d) strategically creating shared value and social change throughout the value chain (Googins et al., 2007; Porter & Kramer, 2011; Werther & Chandler, 2011). These highest levels are characterized in the literature as strategic, authentic, sophisticated, advanced, highly developed, evolved, robust, holistic, conscious, virtuous, purposeful, dynamic, revolutionary, visionary, inventive, innovative, inspirational, genuine, multi-faceted, collaborative, multi-dimensional, significant, methodical, game changing, profitable, and the best form of CSR (Carroll & Buchholtz, 2012; Googins et al., 2007; Mainwaring, 2011; McElhaney, 2008; Visser, 2011; Werbach, 2009; Werther & Chandler, 2011; Zadek, 2004, 2007).

Consequently, leaders of multi-dimensional businesses are being called upon to make “intellectual and behavioral shifts...[and] for the entire private sector to come together as a third pillar of social change, working with governments and philanthropic organizations to advance the well-being of all” (Mainwaring, 2011, p. 6). Specifically, more than 50 global corporations rank in the top 100 largest economies in the world (Googins et al., 2007; Zadek, 2007). Employing more than 90 million people and producing 25% of the world’s gross product, these global corporations are among the largest consumers of the Earth’s resources, and the beneficiaries of many people’s talents and output (Googins et al., 2007).

Furthermore, leaders of these global corporations can bring tremendous assets to the equation: forward-thinking capabilities, project management know-how, business acumen, a global footprint, and multi-stakeholder clout. The executive leaders of these global corporations have the ability to partner with governments, cross boundaries, bolster the bandwidth of NGOs, and develop innovative global solutions that help both people and the planet (Coulter & Erikson, 2012; Bhattacharya, Sen & Korschun, 2011;

Grayson et al., 2008; Howard, 2010; Kanter, 2009; Mainwaring, 2011; Prahalad, 2005). As Mainwaring (2011) points out, "it is not logical that corporations would want to support a version of capitalism that weakens people rather than turning them into strong, prosperous, and loyal customers" (p. 13). For these reasons, business – and big business in particular – is uniquely poised to be an agent of positive social change and an innovative partner in bringing about critical solutions (Googins et al., 2007; Howard, 2010; Kourula & Halme, 2008; Senge et al., 2008; Werbach, 2009; Visser, 2011).

Background

The early concept of CSR, also commonly referred to as corporate citizenship or sustainability, grew from the seminal 1987 Brundtland Report, commissioned by the United Nations. This report was the first to describe sustainability in environmental terms as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (as cited in Werbach, 2009, p. 8). Soon after, Carroll (1991) developed the seminal definition of CSR (see Figure 2): "The total corporate social responsibility of business entails the simultaneous fulfillment of the firm's economic, legal, ethical, and philanthropic responsibilities" (p. 43).

The notion of corporate citizenship grew out of Carroll's study of CSR and was adopted as the preferred terminology by the World Economic Forum's (WEF) 2002 joint statement with 34 of the world's global corporate CEOs. Corporate citizenship was defined as being "a good company…taking serious steps to minimize the harms of business activity and maximize the benefits not only to shareholders but also to a broader set of stakeholders" (Googins et al., 2007, p. 21). However, corporate citizenship lacked uniform conceptualization as its own unique concept. As a result, it was believed to be no different than Carroll's definition of CSR (Matten & Crane, 2005).

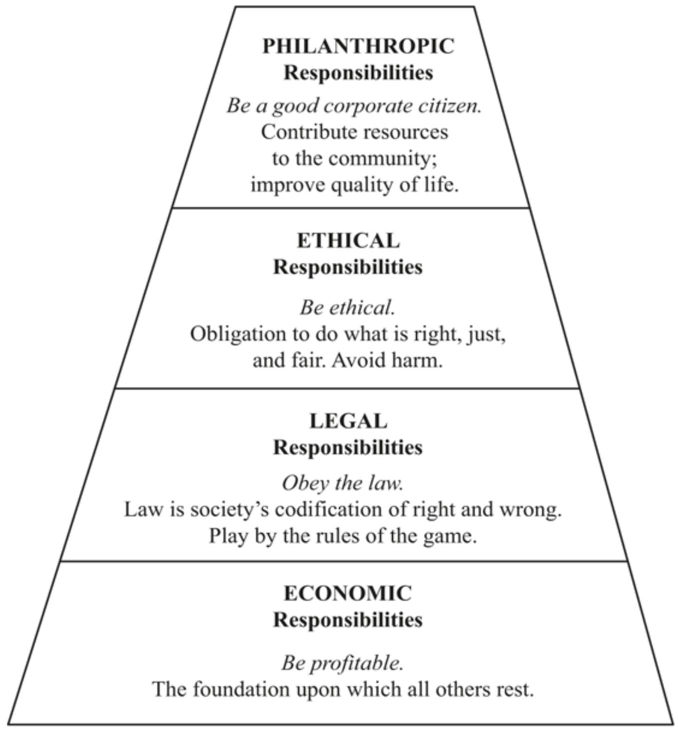

Figure 2. Pyramid of Corporate Social Responsibility. Reprinted from "The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders" by A. B. Carroll, July/August 1991, *Business Horizons,* p. 42. Copyright 1991 by Elsevier. Reprinted with permission.

Thus, Matten and Crane (2005) extended the theoretical conceptualization of corporate citizenship and put forth the idea that a company's objective should be to administer citizenship rights. Matten and Moon (2008) posited that this includes having "clearly articulated and communicated policies and practices…that reflect business responsibility for some of the wider societal good" (p. 405).

Additionally known as sustainable capitalism, on the premise that any business' output is another business' input (Elkington, 1998), CSR has also become synonymous with social capitalism, social responsiveness, sustainable development, sustainable business, ethical business, business responsibility, environmentally responsible business, global business citizenship, community engagement, corporate stewardship, strategic philanthropy, socially responsible business, resilient business, green business, conscious capitalism, stakeholder capitalism, natural capitalism, creative capitalism, conscientious capitalism, new capitalism, collaborative consumption for sustainable brands, purpose branding, meaningful brands, and brands with belief (Carroll & Buchholtz, 2012; Googins et al., 2007; Mainwaring, 2011; McElhaney, 2008; Senge et al., 2008; Werther & Chander, 2011; Williams, 2012), and the latest term "capitalism with a conscience" (Horovitz, 2013). As a result of the various terminology and nuances of definitions, "conceptual confusion" ensued in academic and business circles (Matten & Crane, 2005, p. 174). Googins et al. (2007) point out that "confusion over definitions and a proliferation of terms are common in any field where the territory is changing rapidly and new ideas and entrants from many disciplines are, in some sense, competing for space" (p. 21). The variance in terminology and definitions, coupled with underdeveloped measurement metrics, diluted the universal intention and application of the TBL construct in CSR (Elkington, 2011; Googins et al., 2007; Werbach, 2009). So, "everybody, it seems, is for it whatever 'it' means" (Werbach, 2009, p. 8).

At this point, determining the difference between the terms largely represents a debate in semantics (Rundle, 2012). Instead, what is important is that a company focuses equally on developing social and environmental initiatives, and "building a genuine culture of 'doing the right thing'" (Kanji & Chopra, 2010b, p. 266). However, in so doing, some people might question whether the economic pursuits of an organization can co-exist with social and environmental strategies.

Fundamentally, corporations cannot neglect profitability. Senge et al. (2008) point to U.S. Senator Gaylord Nelson's comment that "there can be no healthy economy without a stable and vibrant social order—just ask businesspeople trying to do business in corrupt, lawless, or extremely poor societies" ("A New Context," para. 2). The World Business Council for Sustainable Development (WBCSD) notes that if society does not thrive, then business will have no place to prosper (Mainwaring, 2011; Senge et al., 2008). However, if business does not prosper, society will fail (Porter & Kramer, 2006). Furthermore, "if the company ceases to create and protect wealth, no matter how socially responsible it is, it ceases to be a company and will eventually go out of business" (McElhaney, 2008, p. 42). Finally, former President Clinton adeptly noted, "the perception that businesses must choose between turning a profit and improving the communities where they operate is outdated and irrelevant in our interdependent world" (Mainwaring, 2011, p. 32). Consequently, the viability of business and society are inherently intertwined in an increasingly tighter weave of dynamic parts as the world's challenges grow (Carroll & Buchholtz, 2012; Idowu, 2009; Kanter, 2009; Mainwaring, 2011; Schumpeter, 2012).

Accordingly, Zadek (2007) believes that "the role of business in society is the 21st century's most important and contentious public policy issue" (p. 9). Sarita Dahl, CSR consultant to NGOs, government, private organizations, and corporations, believes this is because of the disconnect between the potential contribution that business can have in society versus what they are actually doing: "Everyone says that they are 'doing CSR,' but really only half of those corporations are really 'doing it,' and of that half, only half are 'doing it the right way'" (S. Dahl, personal communication, April 14, 2011). As evidenced by ample literature on the topic, many people are focused on studying what it means to *do CSR the right way*, or otherwise, discovering what it takes to have meaningful TBL impact and *it*CSR.

*It*CSR is aligned with business goals and is embedded in the corporate culture and DNA of every business unit; it is upheld by the board of directors and employees alike, and it is practiced and promoted externally throughout the supply chain and industry, with customers, and in government interaction and multi-stakeholder collaboration (Boehm, 2011; Googins et al., 2007; Kanter, 2009; Kytle & Ruggie, 2005; Mainwaring, 2011; Rundle, 2012; Werbach, 2009; Zadek, 2007). *It*CSR embodies the early constructs of CSR, sustainability, and corporate citizenship. Therefore, it represents a company's proactive efforts to contribute equally to people/social/cultural, planet/environmental, profitable/economic well-being, such that harm is minimized and shared value is created legally and ethically among multiple stakeholders in the business community, society, and government (Googins et al., 2007; Porter & Kramer, 2006; Werbach, 2009; Werther & Chandler, 2011).

Problem Statement

Although a few executive leaders in large corporations have developed an *it*CSR consciousness, i.e., a high degree of awareness about the potential disastrous impacts of untouched business practices (Mainwaring, 2011), and are making strides to develop *it*CSR, many other executive leaders are only superficially committed to *it*CSR principles (Elkington, 2011; Werbach, 2009) and are therefore not moving along the maturity continuum to *it*CSR levels at which meaningful impact occurs. Leonard (as cited in Epstein, 2008) notes that developing *it*CSR is at a critical juncture.

> There are two forms of corporate social responsibility (CSR) programs: the kind where corporate leaders talk a lot about what their firms are doing (but don't actually do very much or generate much impact), and the kind where socially responsible activities are being carried out on a material scale and significant results are actually being achieved…Sadly, at this stage in our history, there is still far too much of the former—and not nearly enough of latter. ("Forward," para. 2)

Some companies are simply doing all that they can to respond to competitive pressures (McElhaney, 2008; Zadek, 2007). Other executive leaders have modeled only the philanthropic components of *it*CSR (McElhaney, 2008). Another group of executive leaders claim to support *it*CSR when, in fact, they merely are complying with minimum regulatory standards around transparency reporting. Finally, certain executive leaders have used a general CSR construct merely as a band aid to cover and heal the wounds created from past unethical, greedy, and or exploitive corporate behavior that resulted in a loss to corporate reputation (Senge et al., 2008).

As Werbach (2009) contends, "it has become almost obligatory today for executives to claim that they have developed toward CSR and that it is 'connected to the core' of corporate strategy…In truth, even ardent advocates of sustainability struggle to identify more than a handful of examples" (p. 71). These pursuits – philanthropy, marketing, and public relations (PR) – are only facets of *it*CSR; they are not the drivers of *it*CSR development (Kourula & Halme, 2008), nor are these facets going to build a level of engagement throughout the company that changes behavior and is reflected in day-to-day operations (McElhaney, 2008).

Even the *good* companies are only superficially contributing to social and environmental care, protection, and preservation (Googins et al., 2007). For most global corporations, gaining traction for the *it*CSR mindset to exist and endure is a complicated and deliberate process for leaders to pursue (Lindgreen & Swaen, 2010; Werther & Chandler, 2011). In particular, there is a dearth of knowledge about implementation approaches among U.S.-domiciled Fortune 500 global corporations that embody *it*CSR and serve as standards for other companies to move along the maturity continuum (Gjolberg, 2009a; Grayson et al., 2008). In fact, the issues are so complex that implementation across the board is challenging, and "practitioners and experts alike are overwhelmed by the information, interests, level of detail, and the ethical character of CSR" (Kleine & von Hauff, 2009, p. 521).

The problem is further complicated by a lack of uniformity among organizational conditions. A company's *it*CSR practices will be unique to each organization and depends on the nature of its operations, the industry, and socio-economic/political influences (Filho, 2009; Puffer & McCarthy, 2008; Waldman et al., 2006; Zadek, 2007). In Lindgreen and Swaen's (2010) summary of several scholarly journal articles on this topic, they confirm that leaders are unclear about the optimal approaches to integrate *it*CSR principles and activities into an organization's strategy, culture, and *DNA*, and whether an incremental approach or a radical approach makes a difference in *it*CSR development. The authors further note that "the need for a systematic, interdisciplinary literature review on CSR implementation and change models thus is clear" (Lindgreen & Swaen, 2010, p. 2). Increasing the knowledge about this *it*CSR development will result in social change that is the *result* of business instead of being the *responsibility* of business (Klein, 2012).

Statement of Purpose

The purpose of this qualitative study is to explore the successful strategies among certain U.S. Fortune 500 global corporations in developing *it*CSR, marked by a company's proactive efforts to create meaningful TBL impact, such that harm is minimized and shared value is created legally and ethically among multiple stakeholders in the business community, society, and government (Googins et al., 2007; Porter & Kramer, 2006; Werbach, 2009; Werther & Chandler, 2011). It is further represented by: (a) being a champion or visionary leader in the field, (b) being out in front of innovation and or leading the industry, (c) proactively building multi-stakeholder partnerships, and (d) strategically creating shared value and social change throughout the value chain (Googins et al., 2007; Porter & Kramer, 2011; Werther & Chandler, 2011). Therefore, the research focused on gaining an understanding of the reasons that compel executives in the selected U.S. Fortune 500 global organizations to develop *it*CSR and the strategies they use throughout their multi-dimensional organizations as well as externally in their products, services, and practices.

U.S. Fortune 500 global corporations were identified through (a) an analysis of lists/indices that measure CSR/sustainability/corporate citizenship, and (b) financial returns over 1-year, 3-year, and 5-year periods. Using Googins et al.'s (2007) Global Leadership Network Framework as a model for business-to-society considerations, this study explored *it*CSR development along four corporate domains: business strategy, leadership, operational excellence, and engaged learning (Googins et al., 2007). By compiling these insights, the research contributes to building the body of knowledge about how U.S. Fortune 500 global corporations, in particular, can develop *it*CSR, and helps reinforce the business case for corporations to have a significant impact in the world.

Research Questions

This study explored the following research questions:

1. What motivates the executives of the selected U.S. Fortune 500 global corporations to develop itCSR?
2. What strategies are used in the selected U.S. Fortune 500 global corporations to develop itCSR?

Theoretical Basis

Googins et al. (2007) provide the strategic framework for this study's exploration of optimal approaches in developing *it*CSR. The four domains that make up the framework are shown in Figure 3.

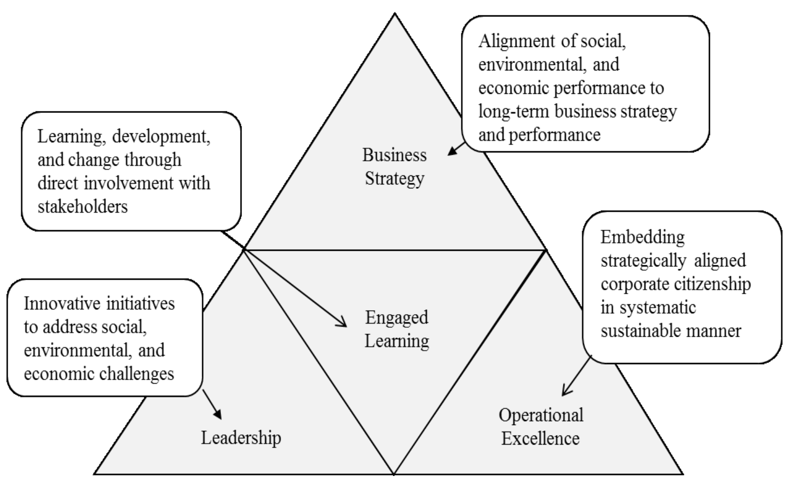

Figure 3. Global leadership network framework. Reprinted from *Beyond Good Company: Next Generation of Corporate Citizenship* (p. 125), by B. K. Googins, P. H. Mirvis, & S. A. Rochlin, 2007, New York, NY: Palgrave Macmillan. Copyright 2007 by Palgrave Macmillan. Reprinted with permission.

Significance of the Study

While there are emerging examples in the literature of *it*CSR among publicly traded firms, the majority of these examples are either companies that are not in the U.S. (Lindgreen & Swaen, 2010) or medium-sized firms with operations only in the U.S. However, the largest, U.S. Fortune 500 global corporations represent a critical group necessary for *it*CSR to spread exponentially (Gladwell, 2002; Rogers, 1995, Senge et al., 2008). Furthermore, Novacovici (2012) reports that 95% of the world's 250 largest global corporations report on CSR activities, but two-thirds of these companies are domiciled outside of the U.S. (Novacovici, 2012). In fact, cross-cultural and socio-economic differences, such as governmental regulation, labor rights, social agencies, and market activities, make up an added dimension when looking at *it*CSR development among global corporations (McWilliams & Siegel, 2011).

Only a few U.S. publicly traded Fortune 500 global corporations appear ubiquitously in the literature as examples of developing *it*CSR. Consequently, this study focused on identifying U.S. role models and increasing the knowledge of *it*CSR development for other U.S.-domiciled global corporations to follow suit in building meaningful TBL impact that permeates the corporate culture, governance, operations, and external market focus (Boehm, 2011; Grayson et al., 2008; Lindgreen & Swaen, 2010). "Today's companies that have pioneered sustainability, made it part of their culture or 'DNA,' have a true significant advantage over the competitors and over those many organizations still figuring out what it all means" (Boehm, 2011, p. 4). Studying the U.S. Fortune 500 global corporations that show evidence of *it*CSR is significant for two reasons: (a) there is a mismatch between supply (number of corporations practicing itCSR)and demand (amount of consumers who prefer products and services from companies practicing *it*CSR) in the U.S. marketplace (Grayson et al., 2008), and (b) there is potential for momentum to swing toward a critical tipping point (Senge et al., 2008) that can produce profound effects on the sustainability of the Earth and the vitality of humanity.

First, Gjolberg (2009a) studied CSR from the perspective of national cultural influences among 20 countries. This study found that the United States fell in the bottom five (out of 20 countries studied) in terms of results-oriented, meaningful, and impactful CSR initiatives. In fact, a 2011 KPMG report of 3,400 global companies found that American firms are predominantly only superficially engaged in implementing any kind of *it*CSR (Novacovici, 2012). Googins et al. (2007) found that in looking at the ratings of more than 100 companies, the majority of U.S. big businesses are somewhere between stage two and stage three. However, the U.S. ranks the highest in consumer interest among 10 leading western countries with 45% of its consumers interested in buying from socially and environmentally reputable corporations (Grayson et al., 2008). In 2009, Edelman's Good Purpose survey of 6,000 consumers across 10 countries revealed a large number of people who would support a corporation’s efforts in making a better world. For example, 61% of consumers have bought from a brand that supports a good cause even if it was more expensive, 65% put more trust in a brand that is socially responsible and ethical, and 67% report that they would switch brands to a product of like quality because it supported a good cause (Mainwaring, 2011).

Secondly, social entrepreneurs have been at the forefront of capitalizing on the synergy between innovation and large-scale social and environmental problem solving.

However, executive leaders of large, established, multinational corporations trail behind, partly due to the inherent complexities of their dense and multi-dimensional business models (Gladwell, 2002). Creating change in complex, multifaceted global corporations is complicated, difficult, and potentially expensive (Black & Gregersen, 2008). Nevertheless, these companies are no less significant in shaping social and environmental issues in the world. Applying Rogers' (1995) seminal Diffusion of Innovations theory from 1962, which explains how, why, and at what rate new ideas spread, it stands to reason that *it*CSR represents a movement toward a holistic and innovative approach to global business (McElhaney, 2008; Senge et al., 2008) that follows an adoption cycle. Figure 4. illustrates Rogers' (1995) curve of adoption over time as well as the typical rate of adoption.

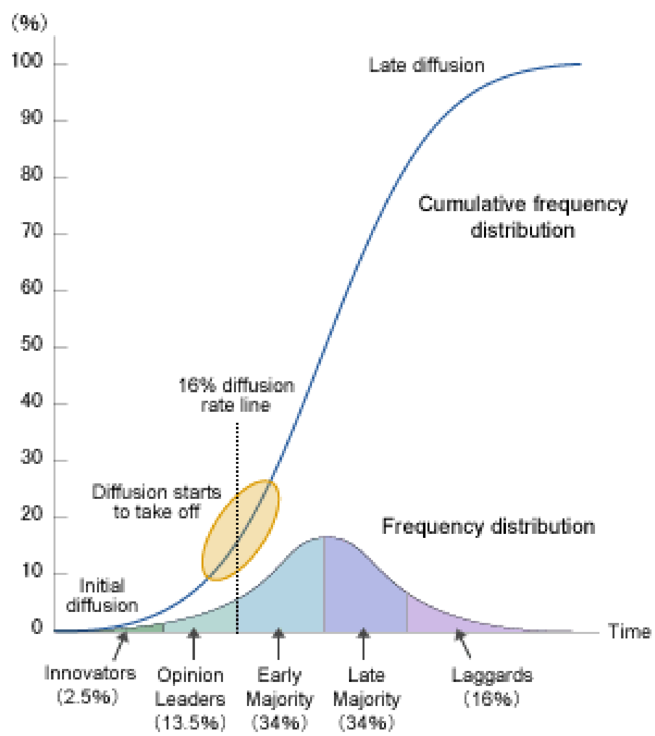

Figure 4. Diffusion theory chart. Reprinted from "The Innovator Theory," by Mitsui-Links, 2011, retrieved from http://www.mitsue.co.jp/english/case/concept/02.html. Copyright 2011 by Mitsui-Links. Reprinted with permission.

Consequently, social entrepreneurs are classified as trendsetters and innovators (Senge et al., 2008). They tend to be small, nimble, fluid, adventurous, and agile fledgling enterprises that generally design their businesses, products, and services around social and or environmental goals (Gladwell, 2002; Senge et al., 2008). In fact, most of the organizations that are heralded for achieving *it*CSR are those founded by innovative thinkers who prioritized sustainability and or social good (Senge et al., 2008). Consequently, they skip the low levels of development altogether (Senge et al., 2008) and form adaptable business structures to respond to social and environmental needs (Porter & Kramer, 2011).

The "Early Adopters" (Gladwell, 2002, p. 197) and opinion leaders include mainly small and medium enterprises (SMEs, businesses with fewer than 500 employees) that have incorporated *it*CSR qualities rapidly into and throughout their organizations (Senge et al., 2008). They are well-respected, thoughtful, action-oriented opinion leaders (Gladwell, 2002). These innovators and early adopters "are showing how to create a different future by learning how to see the larger systems of which they are a part, and foster collaboration across every imaginable boundary" (Senge et al., 2008, "All Real Change Is," para. 8). Social entrepreneurs have been at the forefront of recognizing a synergy that exists between innovation and social and environmental problem solving (Epstein, 2008; Senge et al., 2008; Werbach, 2009).

It is the "Early Majority" (Gladwell, 2002, p. 197), however, that this research investigated. This group can be classified as the executive leaders of large global companies who want to prioritize *it*CSR development, but are deliberate and skeptical in doing so. In 1991, Moore (as cited in Gladwell, 2002) wrote about diffusion theory and characterized the differences between the groups:

> The first two groups are visionaries. They want revolutionary change… They are willing to take enormous risks. The Early Majority, by contrast, are big companies. They have to worry about any change fitting into their complex arrangements with suppliers and distributors. (p. 198)

This Early Majority group is essential to establishing acceptance and widespread appeal of *it*CSR business practices in the corporate world. According to Moore's (1991) Chasm Theory about technology adoption, it is actually in the Early Majority where critical momentum builds toward a "tipping point," described as "that magic moment when an idea, trend or social behavior crosses a threshold, tips, and spreads like wildfire" (Gladwell, 2002, back cover). Not only is adoption among the Early Majority a point along the curve where the rate of the adoption increases substantially, but also those in the Early Majority are recognized as market leaders within the overall majority of adopters. In *it*CSR development, those in the Early Majority establish influence as market leaders by creating substantial change in the economic business model among large, multinational organizations ("Mitsue-Links," 2011). Senge et al. (2008) concur that this group is a critical component for cementing further change.

Although scholars and businesspeople have conducted studies and written about what it takes for a company to be *great* (Collins, 2001), only a few of these leading corporations have actually developed *it*CSR. Great companies have been cited as consistently demonstrating a strong vision, positive financial returns, innovative thinking, collaboration and learning, and resilience and agility for change (Kanter, 2009; Zadek

2007; Collins & Porras, 2002) – only a few of these leading corporations have actually developed *it*CSR.

> The models and suggestions available to managers are unclear (Porter and Kramer 2006), and, to the best of our knowledge, studies into developing and implementing a CSR orientation focus on relatively limited aspects and dimensions (Maignan & Ferrell, 2004; Matten, Crane, & Chapple, 2003). For example, whereas some authors argue that CSR implementation happening through either incremental or transformational organizational change processes (Dunphy et al., 2003), others argue that changes come by radical, transformational approaches (Doppelt, 2003). (Lindgreen & Swaen, 2010, p. 2)

Therefore, it behooves organizations to examine this Early Majority (Gladwell, 2002). The few executive leaders in the U.S. who have undertaken *it*CSR development have had to design, change, and build their *it*CSR corporate structures on their own. These leaders have been cited as wishing there were more role models among the U.S. Fortune 500 global organizations (Weinreb, 2011). The literature reveals very little uniformity and guidance in *it*CSR implementation (Kleine & von Hauff, 2009; Peloza & Shang, 2011). Zadek (2007) concurs that "market leaders are important in edging us into these markets, but considerably more is needed for this generation of developments to mature" (p. 21), especially as *it*CSR momentum has been slow (Clinton, 2012).

Nonetheless, failure to accept social and environmental duties will expose a company to serious legal and reputational risks, and these reputations, once damaged, are difficult if not impossible to rebuild (Altschuller, 2011). Therefore, philosophically, *it*CSR is one of the most important issues today (Horrigan, 2010), and a complicated one at that. *It*CSR development is an iterative process (Werther & Chandler, 2011), never perfect, and in a constant state of evolution in response to the changing complexities and dynamics in the world (Werbach, 2009). While there will never be a perfect template, creating benchmarks and building the knowledge base among like-minded organizations is valuable in establishing a roadmap of approaches for others to use in developing their own *it*CSR platforms, and the executive leaders are role models with much to teach about their early experiences (Kanter, 2009). As a result, it is vital to understand why some large U.S. corporations have shifted their business models to develop a commitment to *it*CSR, and how their business strategy, operational excellence, leadership and organizational learning are structured for successful *it*CSR implementation. As such, these corporations quite possibly hold seeds that can collaboratively cultivate a better society.

Operational Definitions

While one might wish to argue the nuances of various terms in order to explain the overarching notion of CSR, for the purpose of this research, CSR is the term of choice and is intended to be interchangeable with corporate citizenship and sustainability. In fact, Paul (2008) found that *social responsibility* (in comparison to corporate citizenship and sustainability) was the primary term most visible on corporate websites. The following additional terms are also used throughout the study.

Business: "The collection of private, commercially-oriented (profit-oriented), organizations…in this collective sense, we include businesses of all sizes and in all types of industries" (Carroll & Buchholtz, 2012, "Business Defined," para. 1). However, it is customary that *business* implies big business since large corporations are the most visible and well known (Carroll & Buchholtz, 2012).

CSR: In the broadest sense, an umbrella concept meant to convey business' role in society. More specifically, "a view of the corporation and its role in society that assumes a responsibility among firms to pursue goals in addition to profit maximization and a responsibility among a firm's stakeholders to hold the firm accountable for its actions" (Werther & Chandler, 2011, p. xii).

Environmental: "Relating to or being concerned with the ecological impact of altering the environment" ("Environmental," n.d., para. 1).

Executives: Senior people within an organization who are appointed and given the responsibility to manage the affairs of an organization and the authority to make decisions within specified boundaries ("Executive," n.d.).

*It*CSR: In the broadest sense, conveys the ideal contribution of business in society and *doing CSR the right way*. Specifically, *it*CSR is the construct for a company's proactive efforts to create meaningful triple bottom line (TBL) impact by contributing equally to (a) people/social/cultural, (b) planet/environmental, and (c) profitable/economic well-being, such that harm is minimized and shared value is created legally and ethically among multiple stakeholders in the business community, society and government (Googins et al., 2007; Porter & Kramer, 2006; Werbach, 2009; Werther & Chandler, 2011). It is further represented by: (a) being a champion or visionary leader in the field, (b) being out in front of innovation and or leading the industry, (c) proactively building multi-stakeholder partnerships, and (d) strategically creating shared value and social change throughout the value chain (Googins et al., 2007; Porter & Kramer, 2011; Werther & Chandler, 2011).

Large organizations: Publicly traded global Fortune 500 corporations with more than 500 employees. (Senge et al. (2008) define small-medium enterprises (SMEs) as having fewer than 500 employees.)

Non-Government Organization (NGO): “Any nonprofit, voluntary citizens’ group that is organized on a local, national, or international level to perform a task that supplements government efforts, usually in the health, environment, or human rights arenas” (Mainwaring, 2011, p. 99).

Philanthropy: “Contributions by firms that benefit stakeholders and the community, usually through financial or in-kind donations to non-profit organizations” (Werther & Chandler, 2011, p. xii).

Responsibility: “Our ability to respond…It is a choice…[and] the counterbalance to rights. Taking responsibility is the way of taking ownership in our lives, of acknowledging our own hand in the shaping of destiny…and making a positive contribution in the world” (Visser, 2011, p. 4-5.)

Society: “A community, nation, or broad grouping of people having common traditions, institutions, and collective activities and interests” (“Society,” n.d., para. 1).

Stakeholders: “A stakeholder in an organization is (by definition) any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman, as cited in Maon et al., 2009). These include: customers, employees, shareholders, suppliers, competitors, and communities (Young, 2011).

Triple Bottom Line (TBL): An organization's equal attention to and care of the planet, people, and profit (*the three Ps*) as the emerging drivers in the success of any business (Bhattacharya, Korschun, et al., 2011; Eccles & Krzus, 2010; Elkington, 1998; Googins et al., 2007; Mainwaring, 2011; Prahalad, 2005; Renaud-Coulon, 2008; Savitz & Weber, 2006; Waldman & Siegel, 2008; Werther & Chandler, 2011).

Assumptions

The researcher assumed that the participants in this study would answer all interview questions openly and honestly, without illusion of manageability bias (Das & Teng, 1999). In addition, the respondents were people in positions of authority on the subject of CSR and leadership. Ideally, they were all people in positions of influence in the evolution of their company's CSR principles and activities to progress to *it*CSR. Finally, it is assumed that the researcher framed all questions objectively and without prior hypotheses bias (Das & Teng, 1999).

Delimitations of the Study

This study was bound by the criteria used to develop the sample population, which yielded a limited number of qualifying data sources. There is no patented or uniform analysis to pre-determine exactly who could or should be classified as the models of *it*CSR. Developing *it*CSR is not a perfect science, nor will it ever be (McElhaney, 2008), so the researcher drew upon several measurement tools to make this analysis as objective as possible. For this research, the corporations that were interviewed appeared on at least three of the five indices/lists that measure sustainability and CSR, were classified as U.S.-domiciled Fortune 500 global organizations with operations in more than five countries, and have demonstrated positive trailing financial returns as of selected snapshots in time. There are many methodologies in constructing a financial analysis. In this case, the researcher consulted two finance professionals to adhere to the market standard.

Furthermore, it can be argued that there is bias and subjectivity inherent in each of the indices. Some companies may not have provided the requisite data for evaluation and inclusion on a particular index, but they may be *it*CSR-minded. At the same time, the indices used for this analysis do serve as qualified indicators for the business community, scholars, and external stakeholders (Heyns, 2012). Moreover, the use of multiple indices serves to reduce the bias of any one index. Additionally, the websites of the companies that comprise the data sources were reviewed for robust information concerning their CSR strategies and activities.

Furthermore, it is commonly understood that interviewing executive leaders naturally yields some limitations and reservations. The researcher assumed that the participants were candid, supportive, and fully engaged in the study. It is also assumed that the researcher interviewed comparable people, in terms of seniority, from one firm to the next. Due to differing titles and interpretations of functionality, consistency in seniority was difficult to discern, but it seems that in all cases the people interviewed had direct involvement with c-level executives at their respective companies. Finally, the coding is bound by the themes identified by the researcher from the review of literature and in interpreting the data.

Summary and Organization of the Study

In conclusion, there are many reasons why *it*CSR is critical to overall global sustainability: globalization of business and politics, pressure from government, interconnectedness and activism of consumers, population growth, demographic changes, and unchecked consumption that is eroding environmental stability (Mainwaring, 2011). Despite the value propositions to society and the environment, *doing CSR the right way* – that is, *it*CSR – is still at the early stages of being firmly embedded within the global business community, and in particular within the U.S. business community. Providing role models among the U.S.'s largest multinational corporations and gathering knowledge of their implementation practices serves as a basis of inspiration for others to journey toward *it*CSR.

Chapter 1 introduced the subject, the problem, purpose of the study, significance of the study, and theoretical framework for strategic business-society contributions. Chapter 2 provides a review of the literature on CSR, background information, as well as a review of *it*CSR development. The literature review also provides *it*CSR information in the context of the Global Network Leadership Framework's four domains: business strategy, leadership, operational excellence, and engaged learning. Chapter 3 describes the methodology and includes the research design, instrumentation, analysis and selection of sample, and data collection and analysis procedures. Chapter 4 presents the findings of why the selected U.S. Fortune 500 global corporations have developed *it*CSR in the context of corporate soul. Chapter 5 presents the findings on how the selected U.S. Fortune 500 global corporations have developed *it*CSR in the context of impact. Finally, chapter 6 provides a summary of the findings and conclusions from the study.

Chapter 2: Review of Related Literature and Research

"For what shall an organization profit if it should gain the world but lose its soul"
- paraphrase Matthew 16.26, King James vers. (Bolman & Deal, 2003, p. 394)

This literature review includes an overview of *it*CSR development and a synopsis of *it*CSR in the four domains of Googins et al.'s (2007) Global Leadership Network Framework: (a) business strategy, (b) leadership, (c) operational excellence, and (d) engaged learning. Accordingly, background and historical context are provided, as well as assessments of the advancement of *it*CSR constructs, the broad criticisms of CSR, and the benefits of *it*CSR.

Background

The exclamation by various members of society made in developed economies that the "free-sky era is over" (Werbach, 2009, p. 65) is representative of a growing coalition of believers that the socio-biological ecosystem has reached an unsustainable level. While individuals are making efforts to solve some of today's environmental and social challenges, organizations are being called upon to take part in stabilizing and reversing the effects of their unchecked consumption and historical abuses (Werbach, 2009).

From an environmental standpoint, if the entire world population consumed as many resources and produced as much waste as the one billion citizens of the large developed economies do today, it would be equivalent to the consumption level of 72 billion people on Earth. While the earth's population will not actually reach 72 billion anytime in the near future, by 2050 it is estimated that the global population will reach approximately nine billion, and even at this level, there simply are not enough resources to satisfy everyone's interests, let alone meet minimum needs (Mainwaring, 2011; Werbach, 2009).

Furthermore, technological advancements are exponentially draining energy resources. Electricity needed to power Internet servers and data centers alone is trending to exceed the electricity used to light all the homes in the world in the next 10-15 years (Senge et al., 2008), and "while it took thirteen years for TVs to reach fifty million viewers, it took the Internet less than four years to reach the same number" (Werbach, 2009, p. 54). Some scientists have projected that carbon emissions need to be reduced by 80% in the next 40 years to slow down drastic climate changes (Werbach, 2009).

Humanity itself has its own immediate hardships as well. The annual income of the 200 richest people in the world exceeds the total income of the world's 2.5 billion poorest inhabitants. Half of the world's population lives on less than two dollars per day, approximately 33% of the world's workforce is unemployed, 840 million people go hungry each day (more than two times the population of the U.S.), and more than a billion people lack access to potable water (Senge et al., 2008; Werbach, 2009; Zadek, 2007).

These pressures are exacerbated by ethnic conflicts, human rights violations, exploitation, and public health pandemics due to either natural or environmental causes. In addition, the global economic recession is affecting critical funding associated with long-term global preservation and even prosperity, particularly in areas such as education. Education – especially in STEM (science, technology, engineering and math) fields – is vital to future innovation and healthcare needs of a population whose life expectancy has increased in age from the low 40s to the upper 70s just in the 20th century

(Bolman & Deal, 2003; Googins et al., 2007; Mainwaring, 2011; Pink, 2011; Werbach, 2009; Zadek, 2007). The list of frightening statistics about a grim future for the world and society seems endless, and there are many scientific predictions about the unsustainability of humanity that will resonate with even the ardent naysayers. These dynamic complexities have intensified an already tenuous relationship among business, society, and the environment. As a result, there is increasing pressure on the private sector, and in particular big business, to take greater responsibility and holistically balance a mindset around financial returns with a mindset that considers broader stakeholder interests (Haugh & Talwar, 2010).

In particular, the U.S. makes up approximately 5% of the world's population, but is consuming upwards of 25% of the world's fossil fuels (Senge et al., 2008). As a result, the U.S. is considered to be one of the three primary "ecological debtors, with [a footprint] greater than [its] national biocapacity" (Visser, 2011, p. 9). This disconnect is rather consistent with the country's cultural framework. This disconnect is rather consistent with the country's cultural framework. In Geert Hofstede's National Dimensions framework, every country has been evaluated for their cultural orientation according to six dimensions, with culture representing the collective mindset which serves to generally distinguish one group from another: a) power distance, b) individualism versus collectivism, c) masculinity versus femininity, d) uncertainty avoidance, e) long-term versus short-term orientation, and f) indulgence versus restraint (but this sixth dimension has recently been added and has not yet been evaluated). According to this framework, the U.S. culture is oriented toward: a) a lower power distance, which supports the country's protection of equal rights; b) an extremely high degree of "individualism" that results in self-reliance; c) a masculine inclination that brings forth *best-in-class* and competitive thinking; d) a comfortable amount of uncertainty acceptance; and e) short-term thinking and perspectives (Hofstede, 2012).

Essentially, the U.S. scores very high in individualism and short-term thinking and results, and people's approach to their role in society is focused on the self; they look after themselves and close family members, first and foremost (Hofstede, 2012). Waldman et al. (2006) support the notion that businesses from wealthier countries, like the U.S., are less likely to consider community welfare and are more likely to focus primarily on the immediate presence of shareholder value. Generally, in an individualistic framework, societal issues are believed to fall under the domain of government or non-profits. As a result, CSR in the U.S. largely consists of "voluntary, self-interest driven policies, programs and strategies" (Matten & Moon, as cited in Carroll & Buchholz, 2012, "Global Corporate Citizenship," para. 8).

However, the role of *it*CSR in U.S. corporations must be examined within a global context. Globalization and technological advancement has created a level of inter-connectivity and interdependence in society that affects all aspects of living, working, and growing (de Geus, 2002; Senge et al., 2008; Werbach, 2009). It is possible that the individualistic and short-term orientations of the U.S. culture might not translate successfully in the global arena. As a result, environmental and societal issues cannot be examined through any one parochial lens or viewpoint. The economic and political landscapes are shrinking as a result of globalization, and companies that do not adopt a holistic approach to their business "might become the endangered species – pushed back into isolated, small niches" (de Geus, 2002, p. 199). Business must have a multi-dimensional strategy that includes operational performance and value-chain performance (Kashmanian, Wells, & Keenan, 2010). Consequently, corporate America in particular is being challenged by the public to focus its resources and capabilities toward social and environmental well-being (Murray & Robertson-Textor, 2012).

Historical context. Early contemporary evidence of corporate interaction with society's needs arose during the 19th century and early part of the 20th century in the form of prominent philanthropic efforts by some of the great businessmen in American history. Well-known for their giving, business moguls such as John D. Rockefeller, Andrew Carnegie, Cornelius Vanderbilt, Milton S. Hershey, and Henry Ford were in society's small upper echelon of wealth and abundance. Many successful businessmen of this caliber were driven by a notion of paternalism, wherein big business took care of the immediate community in which it operated. Unfortunately, other business tycoons were engaged in philanthropic activities to buffer anti-big business sentiment arising from alleged dubious operational practices (Carroll & Buchholtz, 2012).

However, the most notable philanthropists, such as Carnegie and Rockefeller, were driven by a higher sense of purpose (Visser, 2011), establishing significant foundations that continue to positively impact society today. In fact, Visser (2011) calls their era the "age of philanthropy" (p. 50) and believes that it was influential in setting the tone for philanthropy in business that continues to prevail today. It was an era in which companies were focused on the small, local communities in which they operated (Porter & Kramer, 2011) and business was conducted on a handshake – symbolic of mutual trust (Ariely, 2009). Thereafter, corporate philanthropy expanded and formed into strategic giving. Selecting the best grantees, gaining traction by partnering with other funders, coaching and mentoring to improve the performance and effectiveness of the grantee, and setting an example to advance knowledge became elements of successful philanthropy, and, in fact, are still present among giving circles and foundations today (Porter & Kramer, 1999).

In the meantime, as business entered the 1920s and 1930s, the critical concept of "trustee management" (Amao, 2011, p. 56) emerged, and brought with it socio-political and legal implications for corporations. Essentially, this concept broadened the notion of business ownership and control, and hence liability, to include individual directors and managers. This fueled a debate between two leading scholars at the time, Adolf Berle and E. Merrick Dodd, which lasted for decades. Berle argued that the directors of a company have the sole duty to protect the investments made in a business by shareholders, minimize risks, and maximize their profits. Dodd, on the other hand, believed that corporate leaders are accountable to stakeholder interests in the community, in addition to their fiduciary responsibilities (Amao, 2011). This debate between financial and broad-spectrum concerns would continue to rage over the coming decades between scholars, economists, politicians, and businesspeople, and persists today.

In addition to the development of trustee management, the 1930s was also witness to the market transitioning from a *laissez-faire* approach toward business, where government operated largely in a *hands off* manner, to one in which government took a more extensive role in regulating trade (Carroll & Buchholtz, 2012). In response to worldwide economic depression and turmoil, the U.S. federal government stepped into a central role in designing programs for the recovery and reform of business and agriculture and relief measures to improve the welfare of society. In particular, U.S.

President Franklin D. Roosevelt's New Deal ushered in a new era of tension between government and business ("Franklin D. Roosevelt," 2012). Heightened government regulation in business and impositions on the wealthy culminated in a marked change to U.S. constitutional law. For the first time, it was declared that the government could "legally regulate the economy" ("Franklin D. Roosevelt," 2012, para. 7).

Simultaneously, greater global public awareness was building about human rights, unfair as well as harmful working conditions, and employee abuses. In the 1930s and 1940s, Aldous Huxley (as cited in Birch, 2008) wrote about a lack of a sense of charity in business. In this case, he used a broad meaning of the word charity to imply morality. Furthermore, in the 1950s, work by Howard Bowen (as cited in Carroll, 1999) made an early argument for modern day CSR, claiming that it held important truths for guiding business in the future.

Meanwhile, following two world wars and the Great Depression, political, social, and economic interdependence grew among the world's nations and gave rise to the formation of the United Nations (U.N.) in 1946 (Lawrence & Beamish, 2013). The Universal Declaration of Human Rights was adopted shortly thereafter by the U.N., and natural rights theory (rights to which all human beings are entitled) was introduced on a global scale, largely as a result of World War II (Amao, 2011). The U.N. was formed to serve four purposes: to protect the world from war, to uphold human rights and dignity for all, to uphold justice according to international law, and to promote freedom and social progress (United Nations, n.d., "Preamble").

Several decades later, in the 1960s and 1970s, the U.S. government largely looked after societal needs while business looked after the economy. Liberalization of global trade gave rise to multinational business and the early stages of global companies (Googins et al., 2007). World trade had increased 12-fold since World War II (Zadek, 2007). Internally, the "vertically integrated" structure of a business organization changed, bringing in a new reliance on other institutions as companies extended their operations (Porter & Kramer, 2011, p. 66).

In the 1960s, the concept of a company being an *organization* took hold as a paradigm shift, an idea coined by philosopher Thomas Kuhn (Drucker, 1993). Corporations as organizations were not some kind of conspiracy, as previously espoused by some of his predecessors. In fact, they were similar to other institutions, such as churches, armies, universities, and hospitals. Drucker (1993) noted that "only very recently has it been realized that they all belong to the same species; they are all 'organizations…' they are the man-made environment, the 'social ecology' of post-capitalist society" (p. 52). This notion became increasingly significant when the paradigm of the organization began to shift toward the concept of a living system.

In the 1970s, Judge Robert Bork published a seminal work that criticized antitrust laws in the U.S. and shifted general thinking about antitrust toward a *consumer welfare* perspective, otherwise known as the economic efficiency point of view (Lande, 2012). However, Lande (2012) has recently argued against this predominant thinking.

> This name was Orwellianly deceptive, unless one deemed cartels and monopolies "consumers." In fact, under Bork's approach the interests of real consumers were ignored in favor of a hypothetical 'total' welfare of the society that in practice came down to maximizing corporate profitability. When consumers were forced to pay higher prices for goods and services, this transfer of wealth to cartels and

> monopolies wasn't even considered in Bork's analysis. Nor did it matter when monopolies or cartels restricted the choices of consumers in the market. (para. 4)

In the meantime, CSR was largely an academic construct in the 1960s and 1970s, apart from an inkling of some modest corporate environmental programs (Googins et al., 2007; Mainwaring, 2011; Yunus, 2010), as well as compliance with legislation around occupational health and safety, civil rights, and workplace practices (Googins et al., 2007). Academics like McGuire postulated that business' responsibility needed to extend beyond economic and legal interests to include an interest in politics, welfare of the community, education, and even the happiness of its employees (Carroll, 1999). In 1966, Thurow (as cited in Birch, 2003) wrote about the unsustainability of unchecked capitalism and moving away from a "consumption ideology to a builder's ideology" (p. 315). Prominent universities were engaging in CSR more readily. Columbia University endowed a new Professorship in the 1970s, called the Garrett Professor of Public Policy and Business Responsibility. The first Chair, Courtney Brown, called for organizations to *move beyond the bottom line* and shift from the singular profits-only thinking to a business approach that incorporates "the multiplicity of purposes" (as cited in Birch, 2003, p. 30). He argued that the "'corporate quest' only for improving efficiency, competitive success and maximized profits is simply no longer sufficient" (Birch, 2003, p. 5).

The public voice was starting to grow at the same time. For example, one *BusinesssWeek* editorial of the time stated,

> The terms of the contract between society and business are, in fact, changing in substantial and important ways. Business is being asked to assume broader

> responsibilities to society than ever before and to serve a wider range of human values. (Carroll & Buchholtz, 2012, "Business Response," para. 9)

In the 1970s, the public began to develop a heightened scrutiny for human rights abuses. The Global Sullivan Principles, drafted by Reverend Leon Sullivan to push American companies to treat their South African stakeholders the same as their U.S. counterparts, is just one example of the public's efforts to drive more corporate accountability (Rudolph, 2011).

Nevertheless, corporations held on to the ideology that getting involved in societal issues would undermine the free enterprise-driven, capitalistic business framework (Oketch, 2005). Consequently, corporations fell deeper into the financially-driven values of Wall Street, as laid forth by 1976 Nobel prize winning economist Milton Friedman, who firmly believed that "business has one responsibility – to maximize the profits of its owners or shareholders" (Carroll & Buchholtz, 2012, "Classical Economics," para. 1). Friedman espoused that profitability within the context of societal order is businesses' primary responsibility and role (Googins et al., 2007; Kanji & Chopra, 2010a; Mainwaring, 2011; Savitz & Weber, 2006; Valente & Crane, 2010; Zadek, 2007), and that business should not be involved with social issues (Carroll & Buchholtz, 2012). Supported by agency theory that would imply that CSR is a not an essential use of corporate resources (Waldman & Siegel, 2008), Friedman went so far as to declare that social and environmental activities at the expense of profits are "tantamount to fraud" (Googins et al., 2007, p. 27).

This narrow-minded thinking drew from Adam Smith's concept of the *invisible hand*, which postulated that society drives what it needs via the marketplace. Although

Friedman had also softened his argument by stipulating that profitability should conform to both the law and to society's ethical norms, his strong economic emphasis still provided a basis for business to keep its distance from society's needs. The business community accepted Friedman's convincing arguments that (a) business does not have the expertise in social concerns, (b) involvement would dilute business' core purpose and would restrict global competitiveness, and (c) business has too much power as it is and should not be engaged in social matters (Carroll & Buchholtz, 2012; Carroll & Shabana, 2010).

As a result, through the 1980s and early 1990s, the spread and influence of Multinational Corporations (MNCs) grew and extended outward into the supply chain, the customer base, and all areas of the global map (Porter & Kramer, 2011). However, these global corporations were largely operating with an imperialistic mindset (Prahalad & Lieberthal, 2003), especially during periods of surplus and excess in the financial markets that were prominent during those decades (Mainwaring, 2011). MNCs spread their operations wider, and started to adopt a global perspective on business. The number of corporations that developed substantial international operations doubled and the scope of their operations tripled (Googins et al., 2007).

The marked growth was further supported by *Reaganomics* and *Thatcherism*, national government economic approaches that promoted free market economics and competition. Known as a neo-liberal revolution, the 1980s and 1990s marked a time when government cut back on its role in the economy (Matten et al., 2003). Even the companies that were sensitive to public opinion were still playing by the rules of "stock market capitalism," wherein the only marker of success is shareholder value as measured by share price (Handy, 2002, p. 50). This type of measurement gained a foothold in society as stock options entered executive compensation packages, growing in this period from 2% of the overall compensation to virtually 60% of the standard executive compensation plan. Furthermore, stock market capitalism brought about an inflation of corporate worth versus actual value, and the market valuations of publicly traded companies were being bid on average more than 64 times earnings in the stock market (Handy, 2002).

Hence, Visser (2011) classifies the 1980s as the *decade of greed*, with its exploding mergers and acquisitions, short-term exponential stock increases, and investment scandals around junk bonds and *savings and loans* investments (Renesch, 2005; Visser, 2011). At the same time, corporate lobbying grew, thereby giving the business sector more of a power base in the political landscape and pushing the envelope of corporate political rights vis-à-vis accountability (Matten et al., 2003).

However, with globalization came international economic and socio-political forums, and the United Nations was heavily active in ramping up environmental protection and social reforms. In 1987, commissioned by the United Nations, the seminal Brundtland Report was published. It described sustainable development as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (as cited in Werbach, 2009, p. 8). This came on the heels of Freeman's (as cited in Matten et al., 2003) stakeholder theory published in 1984, which outlined the relationship between a company and different groups in society and supported the belief that a corporation had a greater responsibility to the world than just profitability alone.

> Stakeholder theory claims that the corporation has a responsibility to all those groups who are harmed by, or benefit from, the company and or whose rights will be affected either positively or negatively. (Evan & Freeman, as cited in Matten et al., 2003, p. 110)

As a result, while the conceptualization of CSR as a social obligation began in the 1950s, it was not until the 1990s that it began to be honed around the theory that business has multiple stakeholder obligations (Maignan & Ferrell, 2004). Stakeholder theory grew deeper roots in the mid-1990s when Donaldson and Preston developed more descriptive and instrumental arguments around plausibility, and the consideration of smaller sub-sets in society began to be viewed as representative samples of the larger society. They believed that business performance could be improved around the idea that leaders are more apt to have an affinity toward smaller groups in need, as opposed to society as a whole, despite the central normative notion in stakeholder theory that corporations have a definitive moral obligation to all stakeholders (Matten et al., 2003). The notion of stakeholder theory grew academically throughout the 1990s, and in 1998 Elkington coined his seminal classification of businesses' stakeholder obligation around people, planet and profits, the TBL (Bhattacharya, Korschun, et al., 2011; Eccles & Krzus, 2010; Elkington, 1998; Googins et al., 2007; Mainwaring, 2011; Prahalad, 2005; Renaud-Coulon, 2008; Savitz & Weber, 2006; Waldman & Siegel, 2008; Werther & Chandler, 2011).

Shortly thereafter, based on his 1991 Pyramid of Corporate Social Responsibility, Carroll introduced a seminal definition for CSR that, until very recently, became the most widely cited (Gjolberg, 2009b): "the social responsibility of business encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time" (Carroll, 1991, p. 40). In 2000, the term *profits with purpose* appeared in the Association of Superannuation Funds of Australia (ASFA) policy on ethical investment in their debate regarding socially responsible investments (SRIs). The term was applied as the tagline at the inaugural Ethical Investment Association, wherein the value of SRI as a new investment style was hotly debated (Anderson, 2000). At the same time, corporate philanthropic efforts increased and many corporations even started their own separate foundations for this purpose. However, the public largely viewed these efforts as expanded charity and good PR, driven by tax-deductibility (Mainwaring, 2011), in addition to perceiving this expanded philanthropic activity as the new corporate norm merely arising out of peer pressure (Carroll & Buchholtz, 2012; Crittenden et al., 2010).

Simultaneously, another abuse in the marketplace was unfolding: *green washing* – a term used to imply exaggeration about the eco-friendliness of a company (Mainwaring, 2011; Porter & Kramer, 2002), or "the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service" (Werther & Chandler, 2011, p. 109). Corporations were once again proving their dishonesty by positioning their products and services as being environmentally friendly. In 2007, a study by Terrachoice (as cited in Werther & Chandler, 2011) tested the environmental claims of more than 1,000 product labels; only one proved to be true and or risk-free of misleading the public.

Therefore, very little, if any, *it*CSR development was having a widespread impact on corporate norms that might have helped mitigate the market bust that ensued at the turn of the 21st century. A rash of widespread corporate scandals at companies such as Enron, Worldcom, Arthur Anderson, and Tyco, had devastating and irreversible effects on individuals and businesses. Billions of dollars were lost in the marketplace, corporate credibility became an oxymoron as trust between consumer and supplier was destroyed, and public opinion of corporate executive leaders was at an all-time low (Carroll & Buchholtz, 2012; Googins et al., 2007). These occurrences were classified as reckless, amoral disasters that showcased a lack of integrity in executive corporate leadership (Waldman & Siegel, 2008). "As *BusinessWeek* observed, 'watching executives climb the courthouse steps became a spectator sport'" (as cited in Carroll & Buchholtz, 2012, "The Business and Society Relationship," para. 3). Once again, after a long period of distant engagement, the government stepped in to impose regulation where self-regulation was lacking. As a result, the Sarbanes-Oxley Act of 2002 (SOX) was born, one of the biggest pieces of legislation to force corporate compliance around financial reporting, transparency, and ethical conduct (Savitz & Weber, 2006).

However, this regulatory activity in the early part of the decade did not prevent even more corporate disasters from ensuing. Toward the end of the first decade of the 21st century, additional large corporate drivers in the U.S. economy declared bankruptcy. Some of these companies, such as Lehman Brothers, closed their doors entirely. Other companies, such as AIG, benefited from government intervention and sizeable bailouts to the tune of $700 million. The resulting financial turmoil was a contributing factor in a global recession that was on par with the Great Depression of the 1930s. Wall Street and big American businesses were at the epicenter of the economic crisis that not only brought about recessionary times in the U.S., but also affected the global economy (Carroll & Buchholtz, 2012).

As a result, public outrage was reignited and this time all parties involved were implicated. The government was criticized for scaling back regulation too much since the 1980s' economic boom. The Federal Reserve was reproached for producing too much access to easy money. The public was in shock about the mismanagement of finances and debt among the people who worked in real estate. In the end, "most critics pointed to Wall Street and the businesses themselves as being central to the financial collapse" (Carroll & Buchholtz, 2012, chap. 1, para. 4). The economy and American business were on a downward spiral when President Obama addressed the country during his 2009 presidential inaugural speech:

> Our economy is badly weakened, a consequence of greed and irresponsibility on the part of some but also our collective failure to make hard choices and prepare the nation for a new age of responsibility. (Carroll & Buchholtz, 2012, chap. 1, para. 7)

Notable abuses, unethical behavior, and independent project failures alienated consumers, devastated local communities, increased regulator activity, and fostered a culture of doubt among employees toward employers (Carroll & Buchholtz, 2012; McElhaney, 2008; Valente & Crane, 2010). In fact, there was a universal understanding that the private sector needed to massively overcome public mistrust of business and its leadership (Valente & Crane, 2010), because "the unsavory actions of top executives in companies hurt numerous stakeholders, including employees, shareholders, suppliers, and customers, and sometimes posed a threat to financial and economic systems" (Puffer &

McCarthy, 2008, p. 304). Yet, the traditional approach to evaluating corporate success continues to persist throughout the global arena (Mainwaring, 2011; Zadek, 2007).

Consequently, an explosion of interest in clarifying exactly what is meant by *CSR* and its efficacy has ensued. Furthermore, the advent of social media has played a significant part in creating a global CSR platform and a place to more publicly call out organizations who have not properly focused on *closing the gap* between "high-minded statements of vision, mission, and values, and intentions and every day ground-level practices" (Mirvis, Googins, & Kinnicutt, 2010, p. 322), or are "cause-washing" – engaging in the false public promotion of involvement in a cause (Mainwaring, 2011, p. 49). Ordinary consumers have turned into activists, establishing websites such as change.org wherein individuals can come together around common concerns. "These stakeholders come from every corner of the world, armed with both the traditional media and that global megaphone called the Internet" (Savitz & Weber, 2006, "Introduction," para. 21).

Stakeholder influence is now far-reaching, yielding global implications. Levels of connectivity and technological advancement the likes of which society has not seen previously have put CSR squarely on the agenda of business executives and corporate boards (Mainwaring, 2011; McElhaney, 2008). For example, "stakeholder power has been driven by quantum increases in information combined with rising societal expectations about health and the environment, leading to a tighter interface between business and civil society" (Laszlo, 2008, ch. 9, para. 3). Consumer expectations are further compounded by the incoming generation of young adults that highlight a new level of social consciousness and demand for participation in nonprofit affairs from their employer (Kanter, 2009; Tapscott, 2009). They are driving what Mainwaring (2011) calls "contributory consumption" (p. 3). A Harris poll found that 97% of "GenY," also known as "Millennials," who were born between 1982 and 1999, up to 2004, and are at the early stages of their career trajectories, want to have an impact on the world and belong to an organization that is serving the greater good (Bornstein, 2007; Horovitz, 2013). In addition, the 2006 Cone Millennial Cause Study found that 89% of Millennials would switch to a brand that was linked to a cause and nearly 80% want to work for a company that cares about society and is contributing to its well-being by showing a deep commitment to improving the world (McElhaney, 2008). Horovitz (2013) supports this trend and states, "This trend-setting, if not free-spending group of 95 million Americans, …are broadly convinced that doing the right thing isn't just vogue, but mandatory" (para. 4).

In addition, the emergence of social entrepreneurs has been instrumental in setting higher expectations about the influence an organization can have on societal issues. In fact, "social entrepreneurship is the new black…The idea of not choosing between profit & purpose seems to be gaining traction as America continues to cultivate a new sense of philanthropic virtue" (Paisner, 2012, para. 1). Social entrepreneurs and small-medium enterprises (SMEs) have been the innovators and early adopters who entered the business world with innovative designs that both matched consumer interests and provided solutions to environmental and social concerns (Mainwaring, 2011; Senge et al., 2008; Visser, 2011; Zadek, 2007). In particular, environmental sustainability initiatives were the first to gain traction, especially as these initiatives were able to be quantified and produce measurable results for the financial shareholders. Werbach (2009) notes that "in the short term, the killer app for sustainability might be the savings in energy use that a company can find by looking…After all, saving money and increasing productivity is easy to measure and value" (p. 141).

Between social media activism and innovations by social entrepreneurs, a new consumerism was born, and the public started to take a more active, conscious, and in some cases, punitive position against corporate avarice, greed, exploitation, and even neglect (Googins et al., 2007). This web-mediated consumer activism continues to expand as customers increasingly weigh in on the implications of their purchases in a global social media forum, and they are unwilling to tolerate corporate largesse, selfishness, advertising manipulation, and corporate detachment from society (Kanji & Chopra, 2010a). In fact, consumer activity is now a significant change agent (Boehm, 2011), and consumers are in the powerful position of having their choice of products and services from global individuals, small companies, entrepreneurs, inventors, and big corporations. Digital connectivity has brought about new forms of corporate "democratization, networking and monitoring" (Horrigan, 2010, p. 340).

In fact, a leading public relations firm, Cone, Inc., (as cited in Googins et al., 2007), conducted a survey in 2004 on corporate citizenship and found that 90% of all consumers (including employees and shareholders) would switch products and services away from an unethical company. More than 80% would encourage others away from a company that exhibited *bad behavior*, and more than 75% of people would refuse to work for the company and or invest in the organization. According to the survey, 70% of consumers would switch brands to one with a good cause, all things being equal (Bhattacharya, Sen, et al., 2011). Furthermore, the 2009 Edelman Good Purpose survey found that 66% of 6,000 people surveyed globally want corporations to demonstrate better balance between profits and purpose (Mainwaring, 2011). This influence is not to be taken lightly in the face of the increasingly powerful voice of the consumers through web-enabled channels (Mainwaring, 2011; Tapscott, 2009).

However, companies have been slow to catch up with consumer demands due in large part to the necessary change in the fundamental shareholder value construct in big business (Lake & Calandro, 2012). Key findings in a survey conducted by GlobeScan and SustainAbility in 2012 concerning the state-of-affairs for global sustainability and CSR are unsatisfactory: (a) there has been less progress than expected in advancing environmental and economic well-being in the past 20 years; (b) this slow movement is largely due to weak political will; (c) there is weak political will because there is a gap in executive leadership across all public and private institutions that can forward a powerful agenda; (d) the economic system will need to change; (e) the experts believe that change can only happen through a more collaborative, multi-sector type of leadership; (f) the private sector must engage and cannot continue to sit on the sidelines, especially in three particular leadership areas – partnerships, performance and policy; and (g) tenacity will be critical for success as there are very few easy problems when it comes to sustainable development (Clinton, 2012). Particularly in the U.S., firms need to catch up with the demand from U.S. consumers for socially conscious business, practices, and products, let alone corporations domiciled in other countries that lead *it*CSR development, such as those in Scandinavia (Gjolberg, 2009a).

Consequently, companies have begun to strategize their business around an authentic social transformation as a means to build business opportunities and better alignment with consumer and social needs. These companies are collaborating with NGOs, government, and even with industry competitors, and gaining traction among consumers through cause-marketing of their products and services that goes beyond publicity and instead conveys the company's true efforts for social impact (Porter & Kramer, 2002; Mainwaring, 2011).

> In fact, CSRWire's 2009 summary of corporate social responsibility characterized the progress we have recently seen as follows: Perhaps the biggest CSR development of the year was not readily visible, as it was an idea: that CSR represents not just a trend or professional discipline, but a social movement. In other words, CSR is not a random collection of ad hoc, discrete actions to revise corporate behavior, but rather a coherent aggregation of sustained, widespread efforts to reform (or even revolutionize) the role of corporations, shifting from negative to impacts on society, environment, and economy. (Baue, as cited in Mainwaring, 2011, p. 222)

CSR has officially made its way down the proverbial hall from a discussion around the water cooler at a back office in PR, Human Resources (HR), marketing, or legal departments, and into the agendas at the corner offices and meeting rooms in the executive suites (Mainwaring, 2011). Furthermore, the CSR movement nowadays is markedly different than the one that began in the 1960s (Galan, 2006). Therefore, the notion of developing *it*CSR requires companies to "heal American capitalism" by shifting focus away from shareholder value, restoring executive authenticity by eliminating stock-based compensation, improving governance by reinventing the role of board members, regulating market "parasites" such as hedge funds, which make money as a result of market volatility, and "institutionalizing a more expansive social goal for business executives" (Martin, as cited in Leavy, 2012, p. 6). This undertaking begins with the idea of the social contract and expands into the context of a multi-dimensional, globalized economy and world order.

A global social contract. In 1762, Jean-Jacques Rousseau, one of the leading political philosophers of the time, introduced the world to the notion of the social contract (Rousseau, 1920, 2010). Described as a forerunner of modern day political theory, Rousseau's (1920) social contract provided a solution for finding:

> a form of association which will defend and protect with the whole common force the person and goods of each associate, and in which each, while uniting himself with all, may still obey himself alone, and remain as free as before. (p. 10)

His social contract was based on his account of the civil state, which represented an inherent passage of mankind from animalistic instinct to morality-centered justice and "moral liberty" (Rousseau, 1920, p. 15).

Though this seminal work has been interpreted through many different lenses in political debates, two fundamental constructs have withstood the test of time. First, the social contract supposes that members of a civil state, the people, have expressly or tacitly, presently or in the past, consented to being led by a form of government. The extension of this design by lawyers advocates that there are mutual obligations between government and the people. Secondly, the social contract binds agreement within the order among its various members (Cole, 2010).

While other political philosophers of that time period, such as Hobbes, Grotius, and Locke, made significance contributions to the evolution of the social contract, Rousseau's work brought out "the real nature of 'social ties'" (Cole, 2010, p. xxix) and a discourse on general will, the law, sovereignty, legislation, government, and political economy. Essentially, the social contract is "the fundamental principle of political association, the basis of the unity which enables us, in the State, to realize political liberty by giving up lawlessness" (Cole, 2010, p. xxx). In other words, the social contract is the unspoken agreement among people to be governed by law, and overseen by a governing entity.

> The point of the Social Contract theory, as Rousseau states it, is that legitimate society exists by the consent of the people, and acts by popular will…The State is not a mere accident of human history, a mere device for the protection of life and property; it responds to a fundamental need of human nature, and is rooted in the character of the individuals who compose it. (Cole, 2010, p. xliv)

This foundational understanding of the social contract serves as the platform for contemporary theories that are based on the fusion of *civility* and the fundamental business construct of profitability (Zadek, 2004).

> Thus far, the social contract has been presented as a normative theory by which to identify the terms of an agreement that would be acceptable from both a rational bargaining perspective and an impartial standpoint – that is, from the point of view of any whatever stakeholder. However, social contract theory can also furnish a reconstruction – understood as a 'potential explanation' – of how bargaining may give rise to a firm with both fiduciary duties towards the owners and social responsibility (i.e., further fiduciary duties) towards all the stakeholders. (Sacconi, 2006, p. 275)

As previously mentioned, globalization has progressed rapidly since the Industrial Revolution, fostered by the proliferation of automation and digital media (Mainwaring, 2011). In addition, the growing voices of activists, the rise of NGO activities, and the endless statistics around environmental and societal risks from every corner on the planet, have drawn local issues into the global arena (Kytle & Ruggie, 2005), placing significantly more accountability on businesses than in the past (Mainwaring, 2011; Savitz & Weber, 2006; Zadek, 2004). In fact, Savitz and Weber (2006) have called this time the *Age of Accountability,* wherein corporations are now being held more accountable for their activities, not only by their shareholders, but also by the influence of social media, politicians, employees, community activists, class-action lawyers, human rights advocates, public health organizations, and of course, customers.

Nonetheless, at the same time that globalization has brought accessibility to small communities of a broader marketplace, these smaller communities still cannot compete under the weight of insufficient governance, infrastructure, or basic capital. In these cases, the result can be increased unrest with a widening of the inequality gap between the wealthy and the poor (Googins et al., 2007). This social risk presents an inherent paradox of interdependence. The greater the interdependence between society and business, the more stability and structure society will want in order to control the parameters and bring greater efficiency, effectiveness, and control (Kytle & Ruggie, 2005; March, 1999). Furthermore, interdependence also breeds greater social risks and vulnerability (Kytle & Ruggie, 2005), as well as an increasingly complex juxtaposition of regulation and freedom under the social contract (Rousseau, 2010).

For multinational businesses, the development of technology, shifts in manufacturing jobs to low-wage countries, and capital relocation are examples of recent globalization that have "occurred largely without regulation as there are few rules in the global economy to govern the conditions of production" (Collingsworth, 2006, p. 250). When it comes to issues such as forced labor, unsafe working conditions, or polluting local communities, international law remains somewhat ineffective as it is neither explicitly nor implicitly applicable to any one federal law (Collingsworth, 2006). Some pundits therefore argue more forcefully than ever regarding the laws' efficacy regarding multicultural events: in other words, cross-border socio-economic activities such as those undertaken by MNCs ("Organizational Irrationality," 2009). In contrast, another school of thought believes that globalization necessitates neo-liberal policies and deregulation in order to foster competition, market efficiency, and economic performance (Campbell, 2007).

Thus, most countries struggle to manage the risks of multinational business within the confines of their own regulations. Also, there is an inherent risk that country governments themselves do not feel beholden to exercise enforcement of any global practices, and or pick and choose which international laws to observe. This lack of one global legal authority exposes two areas of focus: soft law (or informal law) and host-country government culpability (Amao, 2011).

Soft law "refers to rules that are neither strictly binding in nature nor completely lacking legal significance…In the context of international law, soft law refers to guidelines, policy declarations or codes of conduct which set standards of conduct" ("Soft Law law," n.d., para. 1). *It*CSR is inextricably linked with soft law efficacy. By its nature, the actions taken to care for the planet and its people will extend beyond the corporation's binding legal obligations, and will result in fostering new norms within the global landscape. For example, a corporation may have the ability to bring its resources and business knowledge to develop innovative solutions in local communities. It may provide training and education, take a stand against corruption, and influence healthcare, but its accountability and its actions' recourse in the global context remain ambiguous (Mainwaring, 2011). Indeed, MNCs have acquired a great deal of influence in the global economy, but this has resulted in an "ambiguous relationship between MNCs and international law" (Amao, 2011, p. 24). The distinct possibility exists that global corporations do not feel connected or beholden to international soft laws, especially since they have not had a role in establishing them (Amao, 2011). In contrast, web-enabled and web-mediated consumerism is putting more pressure on corporations to be involved in establishing inter-firm partnerships regarding codes of conduct that support and can influence the soft laws and international business norms (Albareda, 2010; Pies, Beckmann, & Hielsher, 2010).

Therefore, host governments are tasked with managing corporate behavior. Consequently, because soft law is not binding, the international community increasingly expects national governments to do their due diligence to monitor corporate actions taken by their multinational organizations (McCorquodale & Simons, 2007). While international law is taking shape, but remains unbinding in many ways, there is precedent for any one country to invoke its authority and mandate corporate accountability for actions taken inside its borders as well as outside of the country. In fact, this precedent was established after World War II when a British Military Court convicted two top leaders of the firm that supplied Zyklon B to the Nazi gas chambers as accessories to war crimes (Amao, 2011).

Here in the U.S., the Alien Tort Statute (ATS) has been a prominent driver in the federal government's efforts to make MNCs more accountable for their actions in the global economy (Collingsworth, 2006). The ATS is particularly challenging because it is intended to allow for cross-border protection against human rights violations of the *law of nations* - the foundational construct of all international law practices, by the U.S. Congress and Supreme Court, including suits for torts brought by *aliens* (non-citizens). The ATS was first passed in 1789, but found fame in 1980 in the *Filartiga v. Pena-Irala* case, which set the precedent in international human rights law by allowing the family of a victim in Paraguay to bring suit against one of the offenders who resided in the U.S. (Cassel, 2008; Collingsworth, 2006). *Filartiga* opened the door for many other cases, such as the case that found the Philippines' former dictator Ferdinand Marcos liable for human rights atrocities (Collingsworth, 2006).

However, the efficacy of the ATS has come under attack as more and more cases involving the U.S.'s largest organizations began to barrage the legal system in the early 2000s. As Exxon Mobil, Unocal, and Coca-Cola led the effort to nullify the ATS on the basis that it constrained their ability to compete in the world marketplace, there was clear evidence of contradiction on the part of other U.S. multinationals who filed their objections to the ATS while publicly advocating protection of human rights (Collingsworth, 2006). As a result, the interpretation of *aiding and abetting* (to assist or encourage) in wrongdoing became the subject of much debate, as well as the question of whether federal or international law had priority in dictating the interpretation applied to multinationals. Legal uncertainty became more evident. In 2008, the Supreme Court "failed to muster a quorum in a case that might have clarified the extent to which there is corporate liability for aiding and abetting under the ATS [(U.S. Alien Tort Statute)]" (Cassel, 2008, p. 304). As a result, federal law was viewed as faltering when it came to protecting human rights beyond U.S. borders (Macklem, 2005).

This controversy culminated in recent U.S. Supreme Court activity involving the 2010 ruling in the Kiobel case. In a controversial decision concerning Royal Dutch Shell and members of the Onogi people in Nigeria, the Second Circuit ruled that only individuals, not corporations, could be sued under the ATS. This contradicted a decision a year earlier that imparted *personhood* on corporations in the context of political campaigns (Weiss, 2012). That Supreme Court decision in *Citizens United v. Federal Election Commission* in 2010 granted to corporations the same rights as individual people vis-à-vis spending on political campaigns, whereas previously an organization was defined as an arrangement or a structure (Drucker, 1993). The implications of this case raise questions about corporate legal responsibility and culpability (Amao, 2011) and could cement the construct of a corporation as being similar to that of a citizen (Moon, Crane, & Matten, 2005), in that "the nature of the corporation and emerging jurisprudence…has moved [the corporation] from being just an artificial person to something similar to a natural person" (Amao, 2011, p. 102). Furthermore, human rights advocates have been outraged by the contradiction in rulings on this notion of personhood, and they point to the discrepancy that "corporations have extensive rights but few responsibilities under American law" (Weiss, 2012, para. 8). At the same time, other activists are concerned about the implications of bestowing personhood on a corporation, in that it could then lead to all rights of individuals for a corporation, e.g., the right of the corporation to vote in elections (J. Tobin, personal communication, January 8, 2013). In fact, at the same time that corporate personhood could create equality it would "permit corporate appeals to justice that result in human injustice" (May, Cheney & Roper, 2007, p. 190).

> Corporate personhood has brought about our current political predicament whereby corporate agents exercise government-backed rights to undermine the will of citizens working through democratic processes to protect their families, their communities, their natural environment, and their republican form of government. (May et al., 2007, p. 201)

The world continues to struggle with multinational law, raising fundamental questions that drive the debate; whose law supersedes others? Who is in charge of international law efficacy? Is knowledge of a crime evidence of violation, or should there also be intent? Who defines aiding and abetting? Are all federal governments holding up international law standards uniformly? For example, corporate executives are deemed not to be immune to international legislation around criminality, in that International Criminal Law holds accomplices accountable for criminal wrongdoing (Cassel, 2008), whereas each individual country's laws vary. This breeds significant discussion around the notion of *actus reus*, i.e., the conduct of the person, versus *mens rea*, i.e., the person's mental state as it relates within an organizational context. The issue regarding the extent of wrongdoing and corporate executives' role in a corporation's bad behavior is convoluted, raising the question about whether mere knowledge of a possible offense constitutes a crime versus having a clear purpose in facilitating the offense (Cassel, 2008).

Resolving these foundational legal constructs to develop binding global laws is a complicated matter. As a result, government agencies and cross-border collaborative efforts have been established to design appropriate guidelines that have universal appeal. For example, they continue to develop international human rights guidelines, best practices, and declarations that will gain maximum traction across borders. Although these are not viewed as legally binding, they serve to guide and strengthen global activism ("Corporate social responsibility and informal law," 2006). Various pieces of legislation and global treaties can be invoked by a large number of protective organizations with the right clout and execution (McCorquodale & Simons, 2007).

Thus, the realities of the current world dynamic call for a new social ethic grounded in universal intentionality of morality and ethics (Birch, 2003), a sentiment that supports pluralistic thinking. Drucker (1993) points out that in a society that follows pluralism, the expectations of all members of society ought to be intertwined with business in global, political, social, environmental issues. Indeed, "The business–government relationship…has become more complicated in the 21st century. The goals and values of a pluralistic society continue to be complex, numerous, interrelated, and difficult to reconcile" (Carroll & Buchholtz, 2012, "A Clash of Ethical Belief Systems," para. 6). Nevertheless, Drucker (1993) advocates for pluralism during this transformational period in history:

> Every few hundred years in Western history there occurs a sharp transformation...Within a few short decades, society rearranges itself—its

> worldview; its basic values; its social and political structure; its arts; its key institutions. Fifty years later, there is a new world. And the people born then cannot even imagine the world in which their grandparents lived and into which their own parents were born… We are currently living through just such a transformation. (p. 1)

Global corporations can no longer stand at a distance from playing a substantive and integral part in taking care of the planet and its people. Savitz and Weber (2006) refer to this as preserving the natural inheritance for future generations, which brings to light the notion of citizenship and moves its construct beyond a political theory application:

> Citizenship consists of a bundle of rights conventionally granted and protected by governments of states…The more that governmental power and sovereignty have come under threat, the more that relevant political functions have gradually shifted towards the corporate sphere — and it is at this point where "corporate involvement" into "citizenship" becomes an issue. (Matten et al., 2003, p. 109)

The corporation as a citizen, therefore, has global legal responsibilities that are intertwined with political, social, environmental, cultural, and economic issues. Carroll and Buchholtz (2012) argue that "legal responsibilities reflect society's view of 'codified ethics' in the sense that they embody basic notions of fair practices as established by our lawmakers…it is businesses' responsibility toward society to comply with these laws" ("Legal Responsibilities," para. 1). Business leaders need to actively institutionalize the values that promote "new global governance frameworks that effectively secure civil market behavior, globally (Zadek 2007, p. 19).

Accordingly, Rousseau's notion of finding a balance between freedom and independence among people versus a dependency among people based on their needs (Cole, 2010) is a basis of balance between power and responsibility that inherently resides in the social contract. This notion is extended to business' part in the social contract between society and government as well as extending beyond the confines of any one country (Carroll & Buchholtz, 2012). To this end, the U.N. has been instrumental in designing global norms and codes of conduct, and in gaining voluntary buy-in and traction among large global corporations. In 2000, the U.N. launched The Global Compact, an entirely voluntary leadership platform that builds greater alignment between the international community and business. Its 10 principles are based on human rights, fair labor, environment, and anti-corruption. More than 8,000 organizations have subscribed to the Compact thus far, representing over 135 countries ("Corporate Sustainability," 2011). While these stipulations are not technically enforceable by any one law, they establish a global moral compass and strengthen the efficacy of the soft laws through members' shared commitment and global activism ("Corporate Social Responsibility and Informal Law," 2006).

While many other foundational organizations are driving the global social contract, the U.N. Global Compact simply "is the world's largest voluntary sustainability initiative" ("Corporate Sustainability in the World Economy," 2011, para. 2). Annually, the U.N. also convenes a conference on sustainable development with global leaders in government, the private sector, NGOs, and academia, who "come together to shape how [to] reduce poverty, advance social equity and ensure environmental protection on an ever more crowded planet" (United Nations, 2011, para. 1). However, it is also criticized for being too ambiguous, unreflective of some of the international norms, possibly too onerous in setting expectations, and having no recourse for failure to comply. At the same time, "its most important contribution may be its reinforcement of the idea that there is a moral purpose to business" (Amao, 2011, p. 40).

The Organization for Economic Cooperation and Development (OECD) is a leading international economic agency. Formed in the 1970s with businesses, trade unions and public groups, it develops global guidelines for acceptable corporate behavior. Even though the OECD's guidelines were officially adopted in 1976, it was not until the 1990s that international codes for corporate behavior were realized as critical in the realm of globalization. As a result, the OECD developed what is arguably one of the most comprehensive documents on CSR codes of conduct to date (Amao, 2011). Today, 42 countries adhere to the OECD Guidelines. Additional global initiatives are beginning to take hold and other prominent global think tanks are driving the mutuality of today's social contract, such as the World Business Council for Sustainable Development (WBCSD), the World Economic Forum (WEF), and SustainAbility. The WBCSD is a CEO-led organization founded in 1991, almost a decade before the release of the U.N.'s Global Compact, that advocates for, and constructs shared solutions to secure a more sustainable future (World Business Council for Sustainable Development [WBCSD], n.d., "Overview"). Even before the WBCSD was founded, the WEF was established in 1971 as an international non-profit designed to bridge leaders in the public sector, business and academia to shape global and industry-wide agendas ("World Economic Forum," n.d.).

SustainAbility (n.d.) is another strategic group working on business leadership related to sustainability innovation. Additionally, other organizations like AccountAbility have been establishing frameworks over the past decade to enable better measurement of global marketplace impact (Zadek & McGillivray, 2008). In fact, Pascal Larny (as cited in Zadek & McGillivray, 2008), Director-General of the World Trade Organization, advocates for the role of these groups "in identifying the need for 'forward looking corporate strategies, innovative public policies and engaged and vibrant civil societies'" (p. 72).

Finally, introduced in 1999 by CERES, the Global Reporting Initiative (GRI), a non-profit organization mostly representing private interest groups, has become the most prominent approach to environmental reporting (Epstein, 2008; Grayson et al., 2008; Werbach, 2009). CERES also builds strategic partnerships with other like-minded organizations, such as the OECD, and they have had a sizable impact on corporations in more than 75 countries (Global Reporting Initiative [GRI], n.d.a). Most significantly, these associations are driving protection of the common good by laying forth certain levels of ethical standards that are now followed by many of the world's most influential corporations.

> In one sense, changes in ethics or values precede the establishment of laws because they become the driving forces behind the initial creation of laws and regulations. For example, the civil rights, environmental, and consumer movements begun in the 1960s reflected basic alterations in societal values and thus were ethical bellwethers foreshadowing and leading to later legislation. (Carroll & Buchholtz, 2012, "Ethical Responsibilities," para. 2)

Collectively, all of the people in these groups have the power and influence to strengthen a new social contract (Mainwaring, 2011), establishing that "people seeking to participate in a society must agree to yield some of their natural rights in exchange for the benefits and protections that society provides them" (Mainwaring, 2011, p. 177). However, the benefits and the protection are not driven by any one country, but rather by global agreement and enforceable international law, and this necessitates a high degree of global cooperation (Horrigan, 2010). In fact, Zerk (2006) believes that this may even be a period in time during which international soft law could develop into some hard laws, but the biggest hurdle is a political one more than it is legal. To overcome the multicultural political landscape, only a broader perspective and sense of mutuality will bring forward the role of business (Sacconi, 2006). Therefore, some MNCs have established their own individual codes of conduct that dovetail with the overarching global guidelines established by the global government agencies. As a result, certain MNCs have taken on the responsibility of juggling local laws, international regulations, and compliance with global standards and norms such that individual codes of conduct and reporting have started to become the norm. For example, nearly all of the top global corporations publish policy and reporting statements (Johnston, 2011).

Campbell (2007) advocates for more institutions "to facilitate socially responsible corporate behavior…with the rise of a more globally oriented economic environment and more intense international competition" (p. 963), citing the influence of the organizations like the WEF that have highlighted the countries with the strongest ethical foundation and the greatest economic viability. The trend is heading in this direction with many initiatives and institutions emerging to help build agile and innovative businesses that promote products and services around social and environmental impact. "Overcoming the resistance of backward looking business and political interests will require innovative collaboration that combines smart public policies, with aligned and business and civil society strategies, creating a new generation of market practices, norms, and standards" (Zadek & McGillivray, 2008, p. 77). A new, global social contract can build "social efficiency" from an economic standpoint, and from a legal standpoint, provide the basis for understanding the fiduciary responsibilities of corporate leaders, including board directors of corporations, toward multiple stakeholders (Sacconi, 2006, p. 277).

Constructing the *it*CSR Value Proposition

Carroll's work in the 1990s to define CSR and establish a framework for it was progressive at the time, particularly the Pyramid of CSR that served as a corporate version of Maslow's hierarchy of needs. Included in the work was Davis' five propositions for CSR management: (a) social responsibility comes from social power; (b) business is a two-way, open system that should be transparent to the public; (c) social benefit/cost should be contemplated for every activity; (d) the consumer should pay the social costs in products and services; and (e) businesses are citizens and need to apply their competencies to social needs (Birch, 2003). CSR as a broad-based movement has largely advocated corporate values around sustainability, transparency, ethical behavior, and human rights (Strugatch, 2011; World Business Council for Sustainable Development, as cited in Hoebink, 2008),

Unfortunately, the challenge with Carroll's framework, evidenced in historical context, is that although corporations can be economically, legally, ethically, and philanthropically responsible to society, many of these companies' philanthropic efforts turn out to be only PR gimmicks; they have no greater impact on society's well-being than check-writing or compliance (Kytle & Ruggie, 2005; Kourula & Halme, 2008; Renaud-Coulon, 2008; Savitz & Weber, 2006; Werbach, 2009). As a result, CSR as a universal business paradigm has remained largely in its infancy and corporate motivations behind CSR continue to be misaligned from their intended impact on society and the environment (Werbach, 2009).

Consequently, scholars and businesspeople alike have made numerous efforts in the past few years to improve the framework of what constitutes a robust CSR strategy, with the hope of guiding business toward having a significant impact. Essentially, they strive to give more understanding to Carroll's top of the pyramid: philanthropic responsibilities. In 2008, businessman/entrepreneur/contemporary philanthropist Bill Gates defined CSR as akin to a new form of capitalism. He called this "creative capitalism" wherein "governments, nonprofits, and businesses work together to stretch the reach of market forces so that more people can make a profit, or gain recognition, doing work that eases the world's inequities" (McElhaney, 2008, sect. IX, para. 2). This kind of new *social capitalist* thinking imagines a corporate world in which experience, education, self-regulation, and a different mix of motivations and incentives drive results and measurement of results (Cohen, 2012). This thinking, in fact, moves away from both modern economic models of capitalism and socialism, which are based on a form of materialism, and arguably, do not serve most of the global population well (Renesch, 2005).

As a result of these efforts to build a better understanding of the impact expected of corporations, three over-arching themes begin to emerge from the literature. First, the activities around philanthropy, compliance, marketing, and PR are not to be discounted or rebuked entirely. On the contrary, they are necessary business practices that can be foundational and even valuable when they are found in organizations that practice *it*CSR development (Googins et al., 2007; Mainwaring, 2011; Visser, 2011; Zadek, 2004, 2007). Second, the genuine essence of responsibility emerges from values and principles that society considers virtuous (Cameron, 2011), and it is embedded throughout the DNA of the business strategy, operations, leadership and ongoing learning (Googins et al., 2007; Kanter, 2009; Mainwaring, 2011; Mirvis et al., 2010; Senge et al., 2008; Visser, 2011; Zadek, 2004, 2007). Only then can the business functions of philanthropy, PR, and marketing genuinely augment the other aspects of *it*CSR development. Accordingly, these values and principles drive "being a good corporate citizen" and can be achieved by pursuing true sustainability in four equally important areas: social, environmental, economic, and cultural (Werbach, 2009, p. 9). This is similar to the TBL concept in which the people, the planet, and profits are on equal footing (Elkington, 1998). Although Werbach's (2009) construct produces a "quadruple bottom line," in either case both constructs represent a "sustainable bottom line" (p. 111). Visser's (2011) concurs by stating that "CSR is the way in which business consistently creates shared value in society through economic development, good governance, stakeholder responsiveness and environmental improvement" (p. 7). Simply, any level of activity short of this puts a company's *it*CSR commitment in jeopardy of being realized (Campbell, 2007).

Third, developing *it*CSR in any organization does not happen overnight. In fact, to embrace *it*CSR is to accept it as a journey or expedition (Grayson et al., 2008; Lake & Calandro, 2012). The Merriam-Webster dictionary defines an expedition as a "sending forth" and a journey undertaken by a group of people with a specific purpose ("Expedition," n.d., para. 1). Furthermore, much like other endeavors to explore new territory, each organization's expedition is unique to itself. Categorically, *it*CSR development is an undertaking, both in frame of mind and in strategic intent, and is influenced by where an organization starts, where it wants to go, and how quickly it wants to get there. There are moral, rational, and economic arguments for undertaking an *it*CSR expedition. Morally, a business must assume that it does not exist in a vacuum and must act congruently with societal values. Rationally, an organization wants to minimize operational and financial constraints. Economically, a business must ensure long-term viability and legitimacy (Werther & Chandler, 2011).

In addition, the nature of the organization, the industry, its products, services, corporate culture, capabilities, inherent dependencies, and external socio-economic and political influences are relevant factors in determining why, where, and how to take on the expedition (Filho, 2009; Puffer & McCarthy, 2008; Waldman et al., 2006; Werther & Chandler, 2011; Zadek, 2004, 2007). However arduous, once an organization has ventured toward the higher levels represented by *it*CSR and *it*CSR becomes embedded into the corporate culture, momentum begins to build (Senge et al., 2008). This movement can be likened to Collins' (2001a) metaphor for the fly-wheel; at first, it is a gradual, somewhat methodical inventive process, but once the changes start unfolding, the development of *it*CSR will gain traction by generating increasing energy, enthusiasm and commitment for more initiatives.

Therefore, as previously discussed, developing *it*CSR (a) depends on a foundation of virtuous responsibility; (b) necessitates sustainable bottom line thinking found in the

TBL construct; and (c) is a continuous, ever expanding expedition that produces an inherent ongoing symbiotic energy between business and society. It changes the level of business engagement from short-term strategies or fads (Filho, 2009) to long-term meaningful impact in the world. These three foundational elements of *it*CSR are further explored in the subsequent sections.

Virtuous responsibility. Visser (2011) speaks of responsibility as a virtue that all humans and organizations should promote, and defines responsibility as "an ability to respond" and a "counterbalance to rights" (p. 4). Taking responsibility is akin to exercising personal freedom and is an expression of confidence in oneself, but it can often be a burden when one takes on too much and feels a sense of loss for that freedom (Visser, 2011).

> Accepting too many responsibilities is, in fact, irresponsible – for it compromises [an] ability to respond…Do few things but do them well is the maxim of responsibility...Taking responsibility is a way of taking ownership in our lives, of acknowledging our own hand in the shaping of destiny…Responsibility is being conscious of the oneness of existence. (p. 5)

Virtuous responsibility is subsequently reviewed with respect to eudaemonics, corporate soulfulness, and trust.

Eudaemonics. A term of Greek origin, eudaemonics is commonly called virtue ethics, otherwise known as the *Aristotelian ethic* of eudaemonia. In essence,

> virtues on which one prides oneself in personal life are essentially the same as those essential to good business – honesty, dependability, courage, loyalty and integrity. Aristotle's central ethical concept, accordingly, is a unified, all-

> embracing notion of… eudaemonia, translated as "flourishing" or "doing well." (Solomon, as cited in Bolman & Deal, 2003, p. 399)

Eudaemonia is grounded in self-determinism wherein the basic needs of autonomy, competence and relatedness are necessary to create a state of well-being (Ilies, Morgeson, & Nahrgang, 2005).

In an organizational sense, eudaemonics is a foundation for the principles outlined in Cameron, Dutton, and Quinn's (2003) positive organizational scholarship (POS), which is also grounded in Seligman and Csikszentmihalyi's (2000) work on positive psychology (Ilies et al., 2005). Positive psychology and POS focus on vitality, joy, strengths, and health, rather than weakness and despair (Cameron et al., 2003). In addition, eudaemonics feeds Wheatley and Kellner-Rogers' (1998) theory of the organization being a living system, and this living system functions with a sense of shared significance and the strength of the human spirit to be free, create, and develop organically (de Geus, 2002). "In a sense, these are organizations…whose products, processes, business models, and management philosophies are based on the idea of a future in which business operates more and more like the other living systems of nature" (Senge et al., 2008, "Business with a Mission," para. 2). The construct of an organization being a living system is particularly relevant now as the value of a business moves away from the Industrial Age's definition of business that was tied to physical assets (Senge et al., 2008), and toward a definition that is tied to intellectual property created by the organization's members (Handy, 2002). Pink (2011) calls this new era the *Conceptual Age* (p. 2).

Corporate soul. Eudaemonics is at the core of Bolman and Deal's (2003) notion of corporate soul: "a bedrock sense of identity, a deep confidence about [what the company is], what [the organization] cares about, and what [the organization] deeply believes in" (p. 396). While some might have doubts about whether an organization can have a soul, Renaud-Coulon (2008) argues that the essence of soul is based on moral responsibility that comes from conscience; corporations technically do not have consciences, but their leaders and employees do. As such, people and organizations are intertwined and a corporate soul is thus manifested in the aggregation of the cultural values, norms, traits and nuances – its core ideologies – that are brought about by the individual members (Bolman & Deal, 2003).

In fact, Birch (2008) highlights this point in his discussion of Morris' book from the late 1990s, titled *If Aristotle Ran General Motors: The New Soul of Business*. Even before Bolman and Deal's (2003) work, Morris (as cited in Birch, 2008) was "encouraging us all to engage in 'reinventing the corporate spirit,' recognizing that 'the key to sustainable success in the world today…is provided by some of our most ancient wisdom'" (p. 26). The reemergence of corporate soul is a valuable construct in *it*CSR. It serves corporations at this juncture when issues of accountability and transparency, multi-stakeholder collaborations, and the viability of TBL thinking are all central to the discussion about best practices for *it*CSR development (Birch, 2008). The characteristics of soulfulness driving a corporate culture are linked to a keen awareness of the organization's meaning and a guiding moral authority (Bolman & Deal, 2003).

Trust. In fact, *it*CSR cannot exist without a strong ethical foundation, of which trust is the essential ingredient (Zadek, 2007). However, building trust, having trust and earning trust are complicated, volatile concepts. Especially today, with much of the public feeling economically and socially drained by bad corporate behavior, the identity of successful organizations must be based upon an uncompromising ethical foundation of honesty, trust, transparency, and accountability (Andriof & McIntosh, 2001; Eccles & Krzus, 2010; Haugh & Talwar, 2010; Puffer & McCarthy, 2008). Additionally, trust is harder to build when short-term profit goals still prey on organizational behavior (Zadek, 2007). So, ethics aside, many CEOs are simply not motivated to go beyond those immediate economic goals, especially if they think of their position as a temporary 3-5 year stepping stone (Polman & Ignatius, 2012). In fact, in a recent poll, 80% of executives stated that they would err on the side of presenting smooth earnings over getting involved in a value-creating project (Werbach, 2009). Yet, a 2010 Accenture/U.N. Global Compact survey found that over 80% of CEOs say they are embedding CSR into their strategy and operations (Bhattacharya, Sen, et al., 2011).

As a result, the 2006 Edelman Trust barometer revealed that people simply do not trust any type of corporate communications. The same survey also revealed that U.S. customers, in particular, will not buy from a company that is distrustful, nor will they invest in it or work for it (McElhaney, 2008). Additionally, Edelman's 2011 Trust Barometer survey showed that only about half of U.S. consumers trusted corporations, ranking "'transparency and honest practices' and 'a company I can trust' as the two most important factors in a company's reputation, far above 'financial returns,' which came in last place" (Mainwaring, 2011, p. 16). Simply put, citizens are frustrated by and intolerant of irresponsible actions by business leaders and these citizens have become more watchful and publicly active as a result (Idowu, 2009).

Therefore, forging deep trust requires companies to be fully committed to taking a hard introspective look at their culture, vision, mission, and values (Mirvis et al., 2010) and building a soul that is undeniably rooted in eudaemonics, ethics, and morality (Bolman & Deal, 2003).

> CSR is a reflection of an organization's soul. It is the core or "essence" of the organization. If in its soul, the organization believes that the only responsibility it has is to its shareholders, then its adoption of CSR is likely to be skin-deep and probably insincere. If an organization believes at its core that it has obligations to society, then it is more likely to behave accordingly. (Milward-Oliver, 2011, p. 77)

Increasingly this might mean forming new relationships with entities that have already established institutional trust and can swing public opinion, such as NGOs (Zadek, 2007). Furthermore, collaboration between multiple stakeholders creates a shared value (Porter & Kramer, 2011). Partnership-based business models "have created new links between business innovation and social development… Companies and NGOs are increasingly going into business together, pursuing scale and profits, social equity, and empowerment as part of an integrated value chain" (Brugmann & Prahalad, 2007, p. 84). Collaboration can happen differently depending on the issue. There are company-NGO efforts, company-company partnerships, and single-industry or multiple-industry partnerships (Buckingham & Al-Shawaf, 2012). In addition, by working with NGOs, governments and other interest groups will optimize corporate opportunity, rebuild trust in the private sector, and keep exploitation at bay (Kanji & Chopra, 2010a). Effectively, engaging in *it*CSR means that the company is building strong levels of commitment, trust, and cooperation (Birch, 2003).

Triple bottom line. Drucker (as cited in Senge et al., 2008) once said:

> Profit for a company is like oxygen for a person. If you don't have enough of it, you're out of the game…But if you think your life is about breathing you're really missing something'…Unfortunately, most businesses operate as if their purpose is breathing. ("Businesses with a Mission," para. 1)

His statement is similar to thinking by de Geus (2002) that refutes earlier thinking about an "insoluble dilemma" regarding profits versus longevity: "Corporate success and longevity are fundamentally interwoven, in a way that, nowadays, is qualitatively different from the relationship between success and longevity in the economic environment of five decades ago" (p. 15). However, Idowu (2009) and Porter and Kramer (2002) support the thinking that there is no inherent contradiction between a company's competitive pursuits and "making a sincere commitment to bettering society" (Porter & Kramer, 2002, p. 685). As a central tenet of *it*CSR, TBL thinking guides companies away from a myopic focus on the financial bottom line.

Furthermore, some scholars draw a direct line between TBL responsibility and morality. For example, Handy (2002) believes that business has a moral obligation to move beyond the goals of maximizing profit or maximizing earnings per share to satisfy shareholders above all other stakeholders. Additionally, Leavy (2012) concurs with the notion of moral obligation, and adds that share price valuation is finite. A drive to constantly increase shareholder value eventually will fail because "the only 'sure way' of increasing shareholder value is to keep raising future expectations…[and] executives can't do that indefinitely" (p. 3).

In addition, not only does the TBL thinking promote an equal focus on people, the planet and profits, but also, if done well, it breeds innovation, new revenue streams, and increased profitability (Bhattacharya, Sen, et al., 2011). TBL is a type of balanced scorecard approach in which the Return on Investment (ROI) is evenly applied, from the use and preservation of natural resources, such as water, gas, oil, electricity, to the use and protection of social resources, such as employees, their talents, government perks, local community involvement, and ultimately the underlying profitability from operations (Savitz & Weber, 2006). A ROI should exist on all three fronts (Savitz & Weber, 2006) to create *it*CSR value.

Most literature on CSR cites the TBL concept (Bhattacharya, Sen, et al., 2011; Savitz & Weber, 2006). Although Elkington (2011) himself has been vocal in cautioning corporations against using TBL reporting as a mere form of compliance; clearly, this is not its intention (Werbach, 2009). Simply put, TBL's intention is meant to fundamentally affect corporate culture and convey the viability that "there is more to making money than making money… at least the traditional way" (Scott, 2012b, para. 1).

The path to itCSR. Werther and Chandler (2011) describe the purpose of developing *it*CSR as building a lasting "holistic perspective within a firm's strategic planning and core operations, whereby the interests of a broad set of stakeholders are considered in order to achieve maximum economic and social value" (p. xiii). Several scholars have outlined versions of the stages or levels through which a corporation might evolve. Prominent models, presented alphabetically, include: Frederick's Three Stages for CSR Consciousness (as cited in Carroll & Buchholtz, 2012), Googins et al.'s (2007) Five Stages of Corporate Citizenship, Mainwaring's (2011) Seven Stages to Brand Consciousness, Porter and Kramer's (2006) Corporate Involvement in Society Framework, Senge et al.'s (2008) Five Stages and Emerging Drivers, Visser's (2011) Five Ages of CSR Development, and Zadek's (2004, 2007) Five Levels of Organizational CSR Learning. However, Visser's framework for the Five Ages of CSR development is unlike the other frameworks in the sense that it reviews organizational behavior in the context of historical development: the age of greed, the age of philanthropy, the age of marketing, the age of management, and the age of responsibility. This framework tracks what has been happening in business and the economy in the historical context, and characterizes the development of a more responsible CSR (i.e., *it*CSR) as the next phase in globalization.

Googins et al.'s (2007) model has been extensively cited and incorporated into the thinking at several leading CSR associations, such as Boston College's Center for Corporate Citizenship (BCCC; Renaud-Coulon, 2008). This model, depicted in Figure 1, outlines five stages of corporate citizenship: elementary, engaged, innovative, integrated, and, at the highest level, transforming.

> Top companies progressing through these stages advance by more openly engaging in social issues and becoming more open and mutual in dealings with stakeholders…In order to successfully link business and society in their strategies, companies must first approach issues from the outside in…This requires 'gathering intelligence on social, political and cultural issues that bear on the

> business' and identifying the risks and opportunities those issues present for both business and society. (Wilson, 2012, para. 3)

In addition, Googins et al. (2007) propose measuring the degree of *it*CSR development using the following variables: the definition prescribed by the organization for *it*CSR activities, the purpose, leadership support, business structure and operations, issues management, stakeholder relationships and transparency, credibility, capacity for the causes, coherence, consistency and clarity of commitment, and the degree to which *it*CSR is embedded throughout the DNA of the corporate culture.

Zadek's (2004, 2007) Five Levels of Organizational CSR Learning model also shows progression, but starts at a defensive (denying responsibility) level and moves from there into compliance (doing the minimum required), then to managerial (integrating CSR into some practices), next into strategic (embedding CSR into the strategic discussions), and finally into the civil level (promoting CSR firm-wide and industry-wide). Zadek (2004) promotes the merger of corporate civility and new governance behaviors with business economics to build accountability. His civil level is akin to Googins et al.'s (2007) transforming stage wherein the organization takes on the mindset of, "we need to make sure everybody does it" (Zadek, 2004, p. 127). Werther and Chandler (2011) use this model to depict movement toward a level of *strategic* CSR. Zadek (2007) further summarizes his five stages into three generations of CSR development that are similar to Googins et al.'s (2007) five stages of development: the first generation engages in compliance and risk management; the second generation focuses on strategy and innovation, and third generation transforms markets.

Senge et al. (2008) prescribe a model for operational excellence in *it*CSR development by assessing the value chain for ecological, social, and business concerns at each stage: (a) do nothing/non-compliance, (b) compliance, (c) beyond compliance, (d) integrated strategy, and (e) purpose/mission. This evolutionary cycle is presented as movement from compliance to innovation, with the most significant part being movement beyond stage three.

> Once companies enter stage four or five, they step into the role of influencing not just their own future but the futures of others in the larger systems in which they operate…They see the connection between their survival, opportunities to prosper, and the health of the environment [in which] they operate. ("From Compliance to Innovation," para. 13)

Figure 5. An Assimilation of Frameworks provides a visual representation of the key *it*CSR development models.

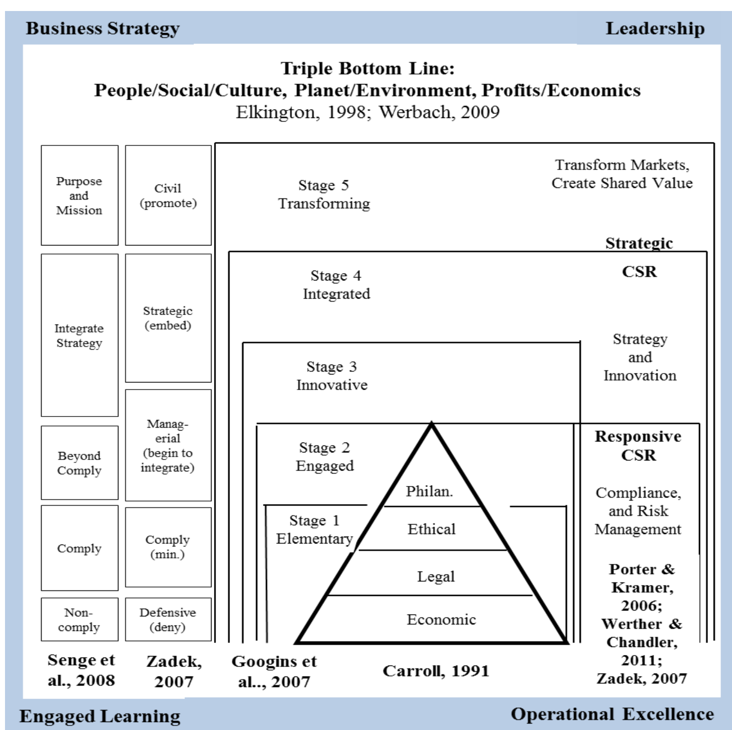

Figure 5. An assimilation of theoretical frameworks.

Senge et al. (2008) argue that the difference between stages four and five is inconsequential because the behaviors and motivations to create a thriving ecosystem are largely the same. However, they also recognize that movement beyond stage three is much more difficult for big businesses to achieve: "for public companies, moving to stage five means taking on the challenge of continually demonstrating that they can and must be profitable" (Senge et al., 2008, "From Compliance," para 10).

Finally, Mainwaring's (2011) Seven Stages to Brand Consciousness is another model that provides stepping-stones to *it*CSR achievement, but in the context of branding. The levels are: (a) bottom rung corporate self-interest; (b) self-directed engagement mostly to avoid bad publicity; (c) corporate reflection with leader engagement; (d) consumer-facing self-interest, widely publicized but not institutionalized throughout the organization; (e) self-directed reform beyond brand preservation; (f) stewardship of the brand as a shared value and publicity as a CSR leader; and (g) "brand-nation consciousness" (p. 146) that is characterized by a high level of self-awareness permeating throughout the entire organization, from the board of directors to all levels of employees, and where the development of products and services is inextricably linked with strategies of taking care of the planet and its people, above short-term gain priorities. This stage yields "a virtuous ecosystem that brings in strong revenues that provide shareholders with substantial returns" (Mainwaring, 2011, p. 146). Mainwaring's (2011) approach looks at the connectivity between organizations and customers through strategic and honest branding.

Although there are other models, the ones discussed herein are the most contemporary ones for *it*CSR development and advancement. Among all the models, several themes emerge as necessary precursors in the path to *it*CSR: consciousness, ethics, agility, authenticity, action orientation, collaboration, holistic intention, and courage.

Consciousness. In effect, *it*CSR development represents the dawn of a new era. Russell (1995) speaks of an "Age of Consciousness" replacing the Information Age (as cited in Renesch, 2005, p. 19), which is similar to Savitz and Weber's (2006) aforementioned Age of Accountability. For Renesch (2005), this Age of Consciousness represents full responsibility in whatever might be created, and according to Hubbard (as cited in Renesch, 2005), the Age of Consciousness depends on the "co-creative society" that "is nurtured into being by increasing the connections and coherence among those already initiating vital actions…It emerges when we collectively overcome the illusion of separation that has divided us" (p. 22).

Starbucks founder Howard Schultz (as cited in Googins et al., 2007) wrote that "a company should lead with its heart and nurture its soul as it makes money. It should inspire other companies to aim high. It should do more than simply avoid doing harm; it should consciously seek to do good" (p. 35). In this new era, business strategy is based on the creation of a conscious organization, co-creative partnership, and the notion of possibility instead of inevitability (Renesch, 2005). Starting with the CEO and extending throughout the organization, members need to explore stronger ethical constructs, values, cultures, sociology, and psychology, which are especially necessary for multi-stakeholder collaboration (Googins et al., 2007) and building a conscious organization. Renesch (2005) believes that "the conscious organization is one that continually examines itself, committed to becoming as conscious as it can…It possesses the collective will to be vigilant, the collective commitment to continuous evolution, and the collective courage to act" (p. 71).

Brown (2010) talks about the ability to have self-compassion and give compassion as a function of one's own vulnerability, and "in order for connection to happen, we need to be seen, really seen" (TedTalks Director, 2010, 5:30). Furthermore, Brown's (2010) research on vulnerability indicated, an absence of vulnerability yields a feeling of being numb, which robs people of joy, gratitude and a sense of purpose. When that happens, people become afraid, and then they seek to turn uncertainty into myopic certainty. And that certainty breeds fixation, stickiness, and deeply embedded mental models that are hard to shake. This behavior, this absence of vulnerability and compassion, do not bode well along the path to *it*CSR development because, as previously described, *it*CSR requires agility, a consciousness, courage to step into the ring, to get messy, to be imperfect, to show humility, to accept uncertainty, and to put the corporate resources on the table. *It*CSR requires vulnerability.

Ethics. First and foremost, there will be no authentic *it*CSR achievements without authenticity and integrity. A strong moral and ethical foundation must be at the epicenter of the organization and its leadership in order to facilitate the development of *it*CSR (Andriof & McIntosh, 2001; Carroll & Buchholtz, 2012; Eccles & Krzus, 2010; Hoebink, 2008; Kanter, 2009; Logsdon & Lewellyn, 2000; Mainwaring, 2011; Renaud-Coulon, 2008). This means that companies need to adhere to the growing body of international soft laws as well as the latest efforts to construct a global moral compass, transparency standards, and multi-dimensional reporting guidelines, such as the GRI

(Andriof & McIntosh, 2001; Carroll & Buchholtz, 2012; Eccles & Krzus, 2010; Haugh & Talwar, 2010; Mainwaring, 2011; Tapscott, 2009; Waddock, 2001; Werbach, 2009).

Agility. In developing *it*CSR, the organization experiences continuous change (Lake & Calandro, 2012; Marshak, 2004), much like on any geographic expedition. This fosters resiliency in the business culture, leaving the organization better equipped to cope with constant flux (Stoltz, 2004). *It*CSR development is a dynamic, evolutionary, iterative process; it is not something that is turned on like a light switch from one day to the next. Rather, it requires a corporation to develop a culture around agility, coordination, and forward-thinking capabilities among the different levels of employees (Boehm, 2011; Coulter & Erikson, 2012; Grayson et al., 2008; Kanter, 2009; Kourula & Halme, 2008; Kytle & Ruggie, 2005; Louche, Idowu, & Filho, 2010; Marshak, 2004; Pink, 2011; Savitz & Weber, 2006; Werbach, 2009; Zadek, 2004, 2007). Therefore, *it*CSR demands continuous morphing and the collective mindset among the people toward ongoing and cumulative, progressive consolidation of firm-wide business, cultural and financial strategies (Googins et al., 2007; Lake & Calandro, 2012; Marshak, 2004; Zadek, 2004).

Authenticity. *It*CSR development requires leaders to establish a strong corporate vision, mission, and values (Mirvis et al., 2010). These leaders ensure that the vision, mission, and values are uniformly and consistently carried out at all levels and throughout all business units of the organization (Grayson et al., 2008; Kanji & Chopra, 2010a; Savitz & Weber, 2006). Consequently, leadership must make a genuine, public commitment, beyond philanthropy or PR, to embed the virtues of *it*CSR into the whole organization and each business unit in order to achieve both financial and non-financial long-term benefits (Kourula & Halme, 2008; Kytle & Ruggie, 2005; Mainwaring, 2011; Werther & Chandler, 2011).

Action orientation. An acute action orientation exists at the high levels of *it*CSR development (Carroll & Buchholtz, 2012). This action orientation is not reactive, but rather inventive, creative, and regenerative (Senge et al., 2008). A company's DNA, which is the essence of its corporate culture, is critical to its sustainability (Crittenden et al., 2010). Fostering action throughout the culture comes from continuous learning and an open forum that breeds innovation to address societal and environmental challenges (Coulter & Erikson, 2012; Boehm, 2011; Grayson et al., 2008; Kanter, 2009; Kourula & Halme, 2008; Kytle & Ruggie, 2005; Louche et al., 2010; Marshak, 2004; Pink, 2011; Savitz & Weber, 2006; Werbach, 2009; Zadek, 2004, 2007).

In addition, promoting employee well-being correlates with *it*CSR. A company should be a place where people can find purpose and a higher sense of meaning through their work. It is contradictory for an organization to stifle its employees' pursuits of meaning in their work, and then turn around and promote meaning and purpose externally (Amabile & Kramer, 2012). Furthermore, a decade ago, "a BusinessWeek/Harris poll revealed that a stunning 95% of the public believes that companies should not only focus on profits for shareholders but should also be responsible toward their workers and communities" ("Too Much," as cited in Carroll & Buchholtz, 2012). To this end,

> People are more creative, productive, committed, and collegial in their jobs when they have positive inner work lives. But it's not just any sort of progress in work that matters. The first, and fundamental, requirement is that the work be meaningful. (Amabile & Kramer, 2012, para. 2)

Collaboration. Partnership with various stakeholders is an essential ingredient in the *it*CSR construct. In fact, the GlobeScan/SustainAbility 2012 survey of more than 700 participants in over 70 countries indicated that focus on single-issue collaboration is expected to grow in the next 5 years. Collaboration will largely depend on (a) the ability to access diverse perspectives and expertise, and (b) having a shared purpose and transparent exchange of information (Buckingham & Al-Shawaf, 2012). Where adversarial relationships once existed between government, NGOs, and big business, now there is movement to strategize and design solutions together and use the best of what each sector has to offer (Bhattacharya, Sen, et al., 2011; Coulter & Erikson*,* 2012; Grayson et al., 2008; Kourula & Halme, 2008; Mainwaring, 2011). Zadek (2007) believes that this is a time when people will need to re-learn how to learn in different ways, rather than just learning about new things; he believes taking an action-learning approach that engages multiple stakeholders is the formula for doing so.

Until recently, NGOs viewed corporations as too competitive, opportunistic and exploitive (Kanji & Chopra, 2010a; Kourula & Halme, 2008; Wadham, 2007). Corporations need to work extra hard at undoing the negative public perception about big business that has resulted from substantive independent corporate project failures (Valente & Crane, 2010) and unethical behavior, e.g., a Coca-Cola project in India that interfered with the community's potable water, in order to build a level of trust (Savitz & Weber, 2006; Zadek, 2007). Therefore, the value proposition – the notion that each of these sectors has competencies and knowledge that can be leveraged by working together – is too great an opportunity to ignore (Brugmann & Prahalad, 2007). Baur and Schmitz (2012) are advocates of "co-optation" (p. 11): the idea that corporations are supportive of

NGOs' independence and capacity. Borrowing from Trumpy (as cited in Baur & Schmitz, 2012), they define co-optation as "the ability of a corporation to 'bring the interests of a challenging group into alignment with its own goals'" (p. 11). In addition,

> Cross-sector collaboration occurs when an organization in one sector realizes it does not have the constituency, capacity, legitimacy, or all three to carry out its mission. To remedy this, the organization collaborates with one or more organizations in other sectors to fill the gaps. When these collaborative endeavors are successful, they not only produce better products and services, but also can change the network of governance itself. (Dienhart, 2010, p. 725)

Big business is poised to provide assistance in areas of deficit for governments and bolster the bandwidth of NGO capabilities, while simultaneously turning a profit for itself (Prahalad, 2005). Corporations offer engineering skills, design of low-cost business models, project planning, logistics management, technological resources, business acumen, and financial fortitude (Jimena, 2008). They can also exercise their private authority to implement best practices for business standards and protocols, develop inter-firm codes of conduct and business associations, promote their alliances to build even greater horsepower behind NGOs, and influence international soft law (Albareda, 2010).

NGOs are strategically positioned locally to get to the root of the issues and work with business to represent the interests of the community in the product design as well as to help corporations to build trust (Hoebink, 2008). Additionally, these smaller organizations that have very limited resources have mastered viral marketing and now more than ever can enter the marketplace with high impact (Brugmann & Prahalad, 2007).

While global corporations have the resources and global connectivity, NGOs have acquired in-depth knowledge and skills required to operate in small, rural communities (Haugh & Talwar, 2010). They also have earned local credibility (Brugmann & Prahalad, 2007). For example, they can assess whether gaps in social or environmental needs are caused by missing public services or by a complicated economic or political component (Valente & Crane, 2010). Furthermore, local NGOs tend to have better knowledge regarding what style works best in the local community, and can work with business to respect and preserve the local culture and way of life (Pless & Maak, 2009).

Multi-stakeholder partnerships are new constructs on the scene, and are founded on transparency and democratic participation where each party is equally accountable. Many corporations might be reticent to move into impoverished communities, perhaps not fully understanding them, fearing reputational risk, or not believing in their beneficial potential (Wadham, 2007). Movement towards cooperative management between sectors, such as agriculture, manufacturing, services, financial sector, retail, and extractive sectors, promotes better decision making through expertise sharing gives a voice to the underrepresented, creates trust and mutual benefits, and develops an approach that builds shared power and exponential innovation (Prahalad, 2005).

However, arranging for the various constituents to work together, especially those that have not worked together historically, can be a challenge. A core group of people is necessary to initiate discussions and set the tone for convening, listening, and nurturing shared commitment (McElhaney, 2008; Senge et al., 2008). In fact, "while sustainability started as an environmental term, it soon became clear that without social justice and economic development (not necessarily growth), the environment would be in peril"

(Dienhart, 2010, p. 725). As a result, there is increasing evidence of collaborative arrangements in today's marketplace and growing demand for cross sector collaboration between business, government, and civil society organizations (Dienhart, 2010). In addition, where once there was only competition, there is now greater collaboration between businesses themselves. Product Red, an organization that ties together many businesses that produce their goods under the Product Red banner, is one example of the way companies join together to raise mass awareness among consumers and bring them together to help solve problems on a scale that otherwise could not be addressed single-handedly (McElhaney, 2008).

In effect, multi-stakeholder collaboration to create shared value is a form of collaborative governance, and an underlying assumption in the globalization of the social contract construct (Senge et al., 2008). It also is grounded in stakeholder theory. Donaldson and Preston (as cited in Benn & Bolton, 2011) break down stakeholder theory into three parts: descriptive, instrumental, and normative. Carroll and Buchholtz (2012) also make a significant contribution to this theory by noting the increasing number of special interests and stakeholders in a growing pluralistic society, and pointing out the necessity for businesses to understand their constituents' perspectives and strategically manage them. It is understood from Freeman's (as cited in Benn & Bolton, 2011) stakeholder theory that government, competition, future generations, owners, investors, customers, suppliers, political groups, the media, environmentalists, and professional trade associations can all be stakeholders, both individually and collectively.

In this highly collaborative construct between business and society, corporations create strategies around social and environmental engagements with NGOs, SMEs, government, and or other local interest groups to offer goods or services that fit the community's needs and have synergy with the corporation's business offerings. Thus, collaborative governance has emerged and is now known as "new governance" (Moon, as cited in Kourula & Halme, 2008, p. 557) or "civil governance" (Albareda, 2010, p. 76). Irrespective of terminology, the advantage to this co-creation in collaborative partnerships is profound when executed with thoughtful intent, and "the successes and stumbles of [partnerships] will be watched closely, including by those who understand that such partnerships will be crucial for our common future" (Senge et al., 2008, "The Risks," para. 9). Ultimately, the outcome of the model of partnering with NGOs is a win for both consumers and society (Gomez & Chalmeta, 2011), and, as previously described, the innovation required to tap the emerging markets is also a breeding ground for new profit streams to emerge (Prahalad, 2005).

Holistic intention. There is further agreement among scholars that the higher levels of *it*CSR development are holistic, integrated, strategic, and transforming (Googins et al., 2007; Werther & Chandler, 2011; Zadek, 2007). When properly applied, *it*CSR principles, activities, and purpose are embedded in the corporate culture throughout all business units; they are practiced and promoted externally through the supply chain, industry, customers, government, and academia (Kytle & Ruggie, 2005), and they create shared value among multiple stakeholders (Porter & Kramer, 2011). McElhaney (2008) believes that "companies make a big mistake with their CSR efforts when they don't build a sustainable strategy that is tied to the business objectives of the company" (p. 48). The entire organization, from the board of directors to the employees, from operations and financial reporting to human resources, are activated, and members of the organization at all levels then extend their CSR externally throughout the industry, the supply chain, consumers, and society (Boehm, 2011).

Courage. Being courageous in a business context equates to bold action that makes changes happen in the overall marketplace. For example, in a groundbreaking move, Unilever, the U.K.-domiciled global consumer goods corporation, stopped providing quarterly financial reports to the investment community, and thereby stood up to Friedman-style economic thinking. Unilever believes that providing the marketplace with only biannual earnings allows them the capacity to be more balanced in their focus throughout a given year between social, environmental, and economic concerns. The CEO of Unilever believes that quarterly reporting puts an unbalanced emphasis on the short-term economic component.

However, changes such as this one need to happen from a systems thinking approach. The CEO of Unilever believes that many organizations have not changed because their leaders are simply trying to keep things afloat in a tough economy during the three to five years that they have the c-level office; they are not approaching the business from a strategic, long-term, integrative mindset (Polman & Ignatius, 2012). Despite the financial crises that have occurred in the past two decades, it is surprising to CSR experts and practitioners that a new financial market that supports and rewards long-term thinking has not yet emerged (Cramer, 2013). Nevertheless, *it*CSR development means that the organization is a market leader rather than letting the market define the organization (Lake & Calandro, 2012), and long-term thinking, even beyond the tenure of any c-level executive (Polman & Ignatius, 2012), is a necessary component.

Critical eye on CSR. A great deal of criticism about CSR efficacy stems from the deterioration of a universal meaning as a result of misinterpretation, misuse, over-use, and inconsistent application of CSR, sustainability, or corporate citizenship (Hopkins, 2011; Werbach, 2009). From a lack of definition, with everyone having his/her own concept, to CSR being used as a public relations ploy, to it being a pseudonym for philanthropy, to it being considered a sham for self-regulation, the term CSR breeds controversy (Hopkins, 2011).

As a result, entering a conversation about CSR can evoke anything from negativity, criticism, and skepticism to enthusiasm, inspiration, and energy. In some circles, using *sustainability* primarily implies an association with environmental well-being (Gobble, 2012), so these circles prefer to use the term *corporate citizenship*. However, to others, corporate citizenship implies a compliance mindset (M. Boehm, personal communication, March 28, 2012), so they prefer to use the term *corporate social responsibility*, which connotes to other groups the more traditional, one-dimensional models of philanthropy. In any given discussion of terminology, establishing a common underlying understanding is crucial to a productive outcome (M. Crooke, personal communication, September 12, 2012), because there are still strong suspicions that corporations have ulterior motives that are not virtuous (Novacovici, 2012). In fact, many corporations will put together CSR programs as a response to external pressures; these initiatives are viewed as a necessary expense as opposed to a vital opportunity (Porter & Kramer, 2011).

Meanwhile, social responsibility is the third highest attribute in its ability to predict reputation, but it is the attribute about which consumers know the least

(McElhaney, 2008). The Reputation Quotient (RQ) was designed to capture clarity on the public's perception of big businesses. In evaluating the RQ, emotional appeal had the highest predictive ability for brand reputation, followed by quality of goods and services. However, when people were ranking reputation attributes for a familiar company, CSR came in last (Carroll & Buchholtz, 2012).

Secondly, there is an inherent challenge "in closing the 'execution gap' between strategy and actual performance" (Maggs, 2012, para. 1, p. 1), which is directly related to size of the corporation. The larger the business, and the more diversity of products and services, the more difficult it is to commit to *it*CSR development and successfully implement the initiatives. This is due in part to the level at which business performance takes place. Execution of any business strategy does not reside with the CEO and other c-level executives, but rather it happens on *the field*, at the level of the employees. The same is true for *it*CSR implementation. In fact, it can be a cumbersome undertaking when a new social construct takes root in its practical application (Maggs, 2012).

Furthermore, universally accepting *it*CSR as the construct for business at a large organization can take 5-10 years of reorganization, shifting behavior and mindset throughout the company, developing new routines, competencies, processes, and rituals, and building a new understanding of the world (Maggs, 2012). Even with many members of the organization, while the pace of developing *it*CSR can be steady, it is nevertheless a slow, cumbersome process that requires task forces, unyielding commitment, focused approaches, strategic integration, and a mindset of "learning before leaping" (Lake & Calandro, 2012, p. 422). Consequently, Novacovici (2012) rhetorically asks, "How many organizations…have actually shifted the way they are doing business, and consider sustainability a core business value?" (para. 5). Schulkin (2012) likens *it*CSR pursuits to a famous 1970s experiment involving marshmallows in that most executives will say that *it*CSR is important to the long-term viability of the business.

> However, just as children understand that two marshmallows are better than one…. how long can [a business] wait before giving in to temptation? The benefits of sustainability investments may not be visible for many years to come, and meanwhile the marshmallow of short-term profits is just sitting there in front of them, asking to be eaten. (paras. 2-3)

Additionally, there is no universal agreement on what it means to develop *it*CSR. Lindgreen and Swaen (2010) summarize from their review of literature the lack of clarity in five areas of *it*CSR advancement: (a) corporate communication strategies around CSR development and firm-wide commitment lead to tenuous results and can even raise public skepticism, (b) there is no agreement whether implementation is an incremental or radical process, (c) there is no uniform practice of managing stakeholder relationships, (d) there are no best practices in measuring *it*CSR development across its multi-dimensions, and (e) the basic business case for *it*CSR requires further evidence. Scholars agree that the activities in the high levels of *it*CSR are good for business because *it*CSR can: (a) create competitive advantages, (b) build better image and reputation, (c) develop customer loyalty, (d) improve employee relations, and (e) provide financial benefits such as tax write-offs. In a survey conducted by the World Economic Forum of more than 1,300 companies, CEOs overwhelmingly espoused the belief that CSR is good for managing reputation and brand, attracting and motivating talented employees, protecting the license to operate, and enhancing market position and competitiveness (Roselle, 2011).

However, these are all classified as extrinsic motivations that tie back to economic results for the corporation (Bhattacharya, Sen, et al., 2011; Lindgreen & Swaen, 2010). There are both implicit and explicit forms of *it*CSR development. Implicit CSR is tied into the social contract among business, society, and government, and is represented by values, norms and rules. In contrast, explicit CSR is driven by external influences on strategic decision-making for a firm (Angus-Leppan et al., 2010; Matten & Moon, 2008). Matten and Moon (2008) argue that the U.S. system, which emphasizes individualism, operates in a more explicit CSR framework, whereas the European system, based on collectivism and social obligation, is more conducive to implicit CSR. Angus-Leppan et al. (2010) found that explicit CSR is not as deep or genuine of a commitment as implicit CSR, but it is the more dominant form of the two.

Campbell's (2007) work around institutional theory for CSR proposes three explicit CSR factors that drive *it*CSR development: (a) a company will only commit to social responsibility if the company is doing well economically; (b) too much or too little competition will drive *it*CSR adoption in a firm; and (c) external pressure from monitoring agencies such as the government, NGOs, or industry regulation will influence commitment to *it*CSR. Matten and Moon (2008) posit that both explicit and implicit elements of CSR are necessary to respond to multiple socio-cultural expectations worldwide. Furthermore, various stakeholders believe that trust in the social contract between government, business, and people can only be formed when there is intrinsic motivation in addition to extrinsic motivation, and *it*CSR development becomes revealing as the soul or true character of a company (Bhattacharya, Sen, et al., 2011).

Aside from the complexities in having a universal terminology, some experts believe *it*CSR should only encompass that which can be measured. For example, there are quantifiable results in environmental areas, but less so on the social side (J. Babaiak, personal communication, August 14, 2012). However, more and more companies are starting to measure social value. For example, "by investing in employee wellness programs, Johnson & Johnson has saved $250 million on health care costs" (Porter & Kramer, 2011, p. 71). For some global corporations, this emphasis has simply meant an attempt to not be intentionally harmful (Campbell, 2007). Nevertheless, CSR "is an ambiguous and complex umbrella term of contested meaning" (Matten & Moon, as cited in Angus-Leppan et al., 2010, p. 190).

As a result of this lack of consistency, there is confusion about executive leaders' commitment to embedding *it*CSR throughout corporate culture and shifting multi-dimensional organizational behavior (Epstein, 2008; Filho, 2009).

> The best conceptualizations of CSR remain embryonic. Despite the well-accepted belief that CSR is important for organizations to meet their stakeholder obligations, various unresolved issues exist in the literature, including an incomplete understanding of how organizations realize their CSR policies. (Lindgreen, Swaen, & Johnston, 2009, p. 303)

Furthermore, there are still many business leaders who simply continue to subscribe to Friedman's economic philosophy and his views about the role of business in society. Despite efforts dating back to the 1990s to quantify financial performance as a result of social responsibility, many businesspeople still believe that a relationship between social and financial obligations only exists in certain circumstances, but that they cannot co-exist simultaneously (Carroll & Shabana, 2010; Husted & De Jesus Salazar, 2006). Some have argued that a true synergy between economic responsibility and corporate responsibility does not contradict Friedman economics, as long as the *it*CSR components do not come at the expense of financial results long-term (Gobble, 2012).

Many business leaders are heavily investment driven, are paranoid about quarterly reporting, and still exhibit greedy and impulsive behavior (Mainwaring, 2011; Polman & Ignatius, 2012). These leaders simply do not know how or why they should change (Birch, 2003). Others ridicule CSR as the latest business fad that will eventually lose its momentum. Visser (2011) argues that, to date, CSR might be predominantly falling short of the intended impact on social and environmental well-being because most companies' CSR practices are about being *less bad* rather than being good and affecting holistic and systematic change (Visser, 2011). Even some of the attempts at building collaborative initiatives have been known to produce a lot of talk with very little follow-through and action (Senge et al., 2008).

As discussed, there are many reasons why companies choose to develop *it*CSR. A company's leaders might choose to pursue *it*CSR because of truly authentic intentions to make a positive impact in society. Or, they may have constructed the company's *it*CSR platform as a result of a crisis, such as the one created by the Tylenol recall in the 1980s, which led to stricter standards for bottling medication (McWilliams & Siegel, 2011). Some companies may have started moving toward *it*CSR, but are still operating at a lower, fundamental stage, trying to leverage minimal philanthropic activities or boasting about their achievements in compliance to regulations (Carroll & Buchholtz, 2012). Today, however, it almost does not matter what prompted the organization to look toward developing *it*CSR happened in the past. Instead, what matters is the impact going forward and if this movement will reach the critical tipping point (Gladwell, 2002) wherein universal belief in *it*CSR's constructs replaces any misgivings that CSR is any type of fad or short-lived trend (Filho, 2009). In addition, Waldman and Siegel (2008) and Lindgreen and Swaen (2010) call for more research on the link between leadership behavior and the development and implementation of *it*CSR.

Benefits of *it*CSR. Carroll and Buchholtz (2012) enumerate the following advantages of *it*CSR: enlightened self-interest, warding off government regulations, putting resources to broader use, proactivity versus reactivity, and public support. The business case for *it*CSR, grounded in the notion of enlightened self-interest, means that that business needs to ensure its long-term viability by developing a healthy environment in which to operate in the future (Carroll & Buchholtz, 2012).

Another significant advantage of developing *it*CSR is employee management and relations (Carroll & Buchholtz, 2012; Eccles & Krzus, 2010; Zadek, 2007). Sound practices inside the firm will fuel satisfaction with work, intrinsic motivation among the employees, and a solid reputation in the marketplace. This, in turn, enables the firm to attract top talent (McWilliams & Siegel, 2011).

> Today's cosmopolitan consumers and high-value employees are networked globally. They increasingly assess their purchasing habits and employment choices on the basis of information channeled to them through an array of non-traditional communication pathways, from relatively stable sources such as environmental and human rights groups and their faith communities, through to

> increasingly anarchic blog-using vigilante groups bent on revealing the latest corporate and political scandals. (Zadek, 2007, p. 12)

Particularly important, interconnected and universally applicable technology, such as social media and digitally-connected activist communities, gives consumers and employees greater influence and power in the development of products and services. The members of the public are demanding corporate accountability and visibility in their communities (Mainwaring, 2011; Savitz & Weber, 2006; Werbach, 2009).

Employees, particularly GenY (a.k.a., the Millennials), those between 18 to 34 years of age, "prefer collaboration to competitiveness, sharing to hoarding, connection to isolation, bottom-up decentralization to top-down centralized authority, diversity to homogeneity, free expression to control, and 'free' to having to pay for something" (Mainwaring, 2011, p. 40). They demonstrate an increased desire for a sense of purpose in their work (Amabile & Kramer, 2012; Tapscott, 2009). More significantly, tapping into individuals' intrinsic motivation builds loyalty among precious talent and builds a creative and innovative workforce (Mainwaring, 2011; McElhaney, 2008; Pink, 2011; Savitz & Weber, 2006; Tapscott, 2009). In addition to bolstering employee recruitment and retention, employees feel good about corporate efforts to spark activism and volunteerism among the organization's members (Bhattacharya, Sen, et al., 2011; Mainwaring, 2011).

In fact, having a good reputation is instrumental to fostering trust between a corporation and its stakeholders that, in turn, builds overarching norms. The pursuit of a reputation as a driver in the social contract is a rational incentive for a corporation, but it must be grounded in ethical governance. Otherwise, the punishment from the public will be worse than it would be in the absence of such pursuits (Sacconi, 2007), though Frances-Gomez and del Rio (2008) argue against Sacconi's (2007) thinking that corporations are driven to provide explicit codes of conduct for fear of public punishment and that corporations suffer more in the eyes of the public if they do not comply with their codes.

*It*CSR can also help customer relationships by building loyalty and brand reputation, and can improve business performance by surfacing new revenue streams and creating a positive marketing image (Carroll & Buchholtz, 2012; McWilliams & Siegel, 2011) because "People want to build relationships with strong brands…They want to give them their business, and they want to work for the winning team" (McElhaney, 2008, p. 36). Thus, *it*CSR generates innovation, creativity, and ongoing learning that continue to push the organization and society to new initiatives and solutions (Amabile & Kramer, 2012; Werbach, 2009).

Carroll and Buchholtz (2012) discuss the top 20 beneficial actions in which companies can engage, such as making products safe, role modeling adherence to the laws in all aspects of the business, and promoting honesty and ethics. They also address committing to a safe workplace, advertising from a place of authenticity (not deception), eliminating discrimination, protecting the employees, using environmentally-friendly packaging, and promoting energy conservation through action. Furthermore, in case a corporation is unsure about developing its *it*CSR niche, in 2012 the Sustainability Experts devised a list of ways that companies can contribute to sustainability: contribute to technological development and innovation, work with governments to establish a regulatory environment that supports sustainable development, improve internal sustainability performance, influence customers toward positive behavior change, participate in multi-sector partnerships, mobilize suppliers around sustainability initiative, and engage employees (Clinton, 2012).

Finally, a growing body of literature substantiates better financial performance for those companies that are practicing the higher levels represented in *it*CSR (Byus, Deis, & Ouyang, 2010). Numerous studies have demonstrated that values-based corporations outperform their peers, to the tune of a double-digit difference in most cases (Zadek, 2007). In 2012, the Adam Friedman Associates global survey of over 70 Fortune 1000 corporations found that there is indeed a link between profits and CSR and that many executives are measuring and tracking the relationship between these two variables ("Adam Friedman," 2012). Firms that operate consistently with the Dow Jones Sustainability Index's (DJSI) criteria for social and environmental contributions show a higher gross profit margin than non-DJSI companies. Using regression models, it was found that both income statements and balance sheets are positively affected by sustainability practices. It is believed that the gains are as a result of greater customer loyalty, trust within communities, and positive brand name correlation (Byus et al., 2010), "but this is only possible when they make profits" (Oketch, 2005, p. 32), and when companies are managing their firm-specific risks properly (Luo & Bhattacharya, 2009). To this end, recently WRI has developed and piloted the *sSWOT* analysis to help corporations identify their unique risks. This analysis adds a *sustainability* component to the traditional Strengths-Weaknesses-Opportunities-Threats business analysis method instead of treating this factor separately (Metzger & Putt del Pino, 2012).

Furthermore, corporations on the DJSI gain better access to investment capital, which breeds prestige and brand recognition as global leaders in sustainability and good investments. Consequently, DJSI stocks have "outperformed the market since the launch of the index in 1999" (Savitz & Weber, 2006, "Business Support," para. 6). One analysis found that the growth of socially responsible investing (SRI) did better than the S&P 500 in 2008 and in 2009. The Social Investment Forum, a trade group, analyzed 160 SRI funds and found that 65% outperformed their benchmarks in 2009 (Roselle, 2011).

It is not easy to make the list; corporations must complete a substantial questionnaire and provide documentation to the Sustainable Asset Management Group (SAM), which analyzes the information, interviews employees, and looks at media coverage, stakeholder reports, and press releases to determine acceptance (Savitz & Weber, 2006).

> Reto Ringger, the President of Sustainability Asset Management, in his explanation of the thinking behind the Dow Jones Sustainability Index: "It is our thesis that companies which are better managed environmentally indicate more sophisticated management throughout the company…And good management is the single most important factor in corporate profitability, growth, and future earnings." (Zadek, 2007, p. 94-95)

Additionally, in 2012, three scholars were awarded the Moskowitz Prize for SRI, the only global prize for quantitative research in SRI. Elroy Dimson, Oguzhan Karakas, and Xi Li studied corporate environmental, social, and governance issues over a 10-year period and showed evidence of positive returns for U.S. companies from *it*CSR activism, particularly with engagements in corporate governance and climate change (First

Affirmative Financial Network & Center for Responsible Business at The Haas School of Business, 2012). This ROI means that *it*CSR can improve shareholder value by being attractive to consumers in areas of strategic social action, such as ethical sourcing, employee development and satisfaction, introducing renewable energy sources, raising barriers to entry, self-regulating to avoid costly litigation, involvement in government regulations or fielding NGO complaints, and increasing transparency (Martin, 2011).

Thus, in all the literature, *it*CSR's importance is measured by its influence in all aspects of a company's operations; however, the critical success factor is authenticity.

> Consumers want to buy products from companies they trust, suppliers want to form business partnerships with companies they can rely on, employees want to work for companies they respect, large investment funds want to support firms that they perceive to be socially responsible, and nonprofits and NGOs want to work together with companies seeking practical solutions to common goals. (Werther & Chandler, 2011, p. 19)

*It*CSR's relevancy is more pronounced today than ever before because of five trends that indicate its growing importance: growing affluence, ecological concerns, globalization, automation, and branding (Mainwaring, 2011; Pink, 2011; Werther & Chandler, 2011).

From a company's perspective, Lindgreen and Swaen (2010) develop four arguments in the business case for *it*CSR: *it*CSR (a) reduces cost and risk, (b) strengthens legitimacy and reputation, (c) builds competitive advantage, and (d) creates win–win situations. Furthermore, development of *it*CSR "reflects the influence of various theories, including agency theory, institutional theory, the resource-based view of the firm, stakeholder theory, stewardship theory and the theory of the firm" (p. 1), along with adaptation theory and complexity theory (Benn & Bolton, 2011).

Some may argue a narrow perspective that the business case for *it*CSR is only connected to financial performance. Others may argue for a broader view that *it*CSR opportunities present a convergence of financial and social returns because effective *it*CSR strategies are employed and "only when companies pursue *it*CSR activities with support from stakeholders can there be a market for virtue and a true business case for *it*CSR (Lindgreen & Swaen, 2010, p. 5). Others will base their argument on the wisdom of the ancient Greek philosopher, Heraclitus, who said that the only constant is change itself, and, therefore, organizations and people can either fight against the inevitability of change or they can simply adapt. At this point, the issue becomes the speed by which any organization adapts (Harkins, 2011).

The remainder of this literature review covers *it*CSR strategies in the context of Googins et al.'s (2007) Global Network Framework's four domains: business strategy, leadership, operational excellence, and engaged learning**.**

Global Leadership Network Framework

Business strategy. Werther and Chandler (2011) define business strategy in terms of how the organization competes in the marketplace and the company's overall direction. As discussed previously, *it*CSR development reflects a movement away from the prominent economic philosophy espoused by 1976 Nobel Prize-winning economist, Milton Friedman. Widely embraced across the business sector for several decades, Friedman's economics defined the corporation's role in society as one of profit bearing; Friedman asserted that government and non-profit organizations were responsible for everything else (Kanji & Chopra, 2010a; Kleine & von Hauff, 2009; Mainwaring, 2011; Savitz & Weber, 2006; Oketch, 2005; Zadek, 2004, 2007).

Instead, *it*CSR development, through the lens of achieving Elkington's (1998) TBL and Werbach's (2009) sustainable bottom line constructs, is the new economic approach to business that redefines the corporate role, placing it squarely as an equal contributor to society's well-being guided by the assumption that "profits involving a social purpose represent a higher form of capitalism, one that creates a positive cycle of company and community prosperity" (Porter & Kramer, 2011, p. 75). However, the basis of *it*CSR has been lacking in business strategy, and there is a growing sentiment that "if your business has no strategy for sustainability, then its current strategy has already passed its sell-by date, and it's time to rethink your plans" (Werbach, 2009, p. 16). Furthermore, a corporation needs to ensure that *it*CSR development will be an offensive strategy in building social opportunity, as opposed to a defensive one, meant to only protect the brand (Boehm, 2011; Werther & Chandler, 2011).

Business strategy around *it*CSR must also consider all the dynamics in a firm, such as leadership, organizational behavior, reporting relationships, incentives, operations, human resources, research and development, corporate structure, performance management, learning, product development, marketing, PR, advertising, branding, and finance (McElhaney, 2008; Porter & Kramer, 2006; Senge et al., 2008). Furthermore, "whereas strategy addresses how the firm competes in the marketplace…CSR considers the firm's impact on relevant stakeholders… [and] it is essential that executives understand the interdependent relationships among a firm, its strategy and its stakeholders" (Werther & Chandler, 2011, p. 86). Kleine and von Hauff (2009) propose an integrative sustainability triangle in looking at application of the *it*CSR process and development of the business strategy. This triangulation takes into consideration (a) the desire to create win-win solutions; (b) the proper focus of activities that take into consideration the company's dynamics; (c) methods to anchor the implementation, such as codes of conduct; and (d) communicating valid reporting and information (see Figure 6).

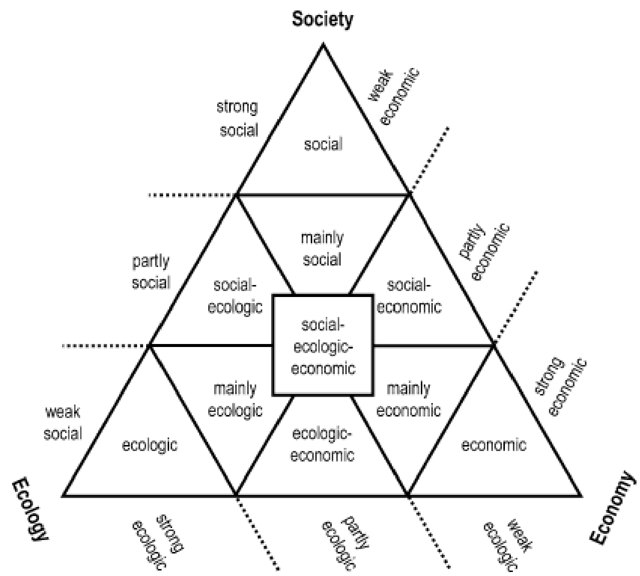

Figure 6. Fields of the integrative sustainability triangle. Reprinted from "Sustainability-driven implementation of corporate social responsibility: Application of the integrative sustainability triangle" by A. Kleine and M. von Hauff, 2009, *Journal of Business Ethics, 85,* p. 523. Copyright 2009 by Springer Science and Business Media. Reprinted with permission.

Concurrently, consistency of purpose is necessarily established by setting up a strong vision and mission around central and clear values for the organization (Mirvis et al., 2010). Furthermore, building a sense of shared vision is necessary to design and nurture "governing ideas" of the organization (Senge, 2006, p. 199). Maon et al. (2009) concur that *it*CSR development is a form of organizational change that depends on continuous learning and systems thinking. Proactive engagement is also required in *it*CSR development that is largely an iterative, never perfect, step-by-step process (Senge et al., 2008; Werther & Chandler, 2011) and is in a constant state of evolution in response to the changing complexities and dynamics in the world.

Werbach (2009) believes in seven tenets based on which a strategy for *it*CSR must develop: (a) natural resources will become increasingly scarce and expensive; (b) massive demographic change is occurring; (c) people are the most important renewable resource; (d) cash flow matters more than quarterly earnings; (e) every organization's operating environment will change as dramatically in the next 3-5 years as it has changed in the past 5 years; (f) a chaotic, external world requires internal cohesion and flexibility; and (g) only the truly transparent will survive.

In other words, a business' strategy "must be evaluated through a CSR filter to assess its impact on the organization's stakeholders" (Werther & Chandler, 2011, p. 87). In the old, traditional capitalistic model of business strategy, a firm's value to society was evaluated based on making a profit, supporting employment, driving consumption, making investments, and paying taxes (Googins et al., 2007; Porter & Kramer, 2011). In the new model, wherein the aim is to develop *it*CSR, looking at business through the CSR Filter means creating shared value and "reconceiving products and markets, redefining productivity in the value chain, and building supportive industry clusters at the company's locations" (Porter & Kramer, 2011, p. 67).

This new business model starts with a conceptualization of the needs, benefits, and risks related to society and the organization's products and services, and setting up the mindset to have executive level discussions in the business community regularly as the landscape continuously changes, evolves, and shifts (Porter & Kramer, 2011). Furthermore, leaflets, reports, posters and minimal training efforts will not result in the fundamental shift in mindset, purpose, value system, and business strategies necessary to create *it*CSR (Haugh & Talwar, 2010). Marketing gimmicks are superficial and "assets are just dead objects. They have nothing to do with the innate spirit that moves and propels a company" (de Geus, 2002, p. 78). The key is to build a deep sense of mission and purpose around which shared values are created and internalized (Senge, 1999a).

CSR Filter. Werther and Chandler (2011) present the Firm Strategy and CSR Filter provided in Figure 7. The CSR Filter (Werther & Chandler, 2011) represents a systems thinking process in that "competencies molded into strategy and supported by an efficient structure are necessary minimum conditions for success…It is vital that firms also consider the societal and stakeholder implications of their strategy and operations…The CSR Filter is a conceptual screen" (pp. 91-92). From the CSR Filter, it is clear that developing *it*CSR depends on a strong, central vision that has *it*CSR principles at its core in order to drive the business strategy and long term goals (Googins et al., 2007; Grayson et al., 2008; Howard, 2010; Kanji & Chopra, 2010a; Maon et al., 2009; McElhaney, 2008; Mirvis et al., 2010; Savitz & Weber, 2006; Werther & Chandler, 2011). Werther and Chandler (2011) believe that developing a sound *it*CSR position that is embedded in the vision statement will engage key stakeholders, help resolve conflict, give clarity about CEOs' endorsement and active support, reinforce *it*CSR's importance, and provide the basis for implementation policies, day-to-day business conduct, rewards and sanctions.

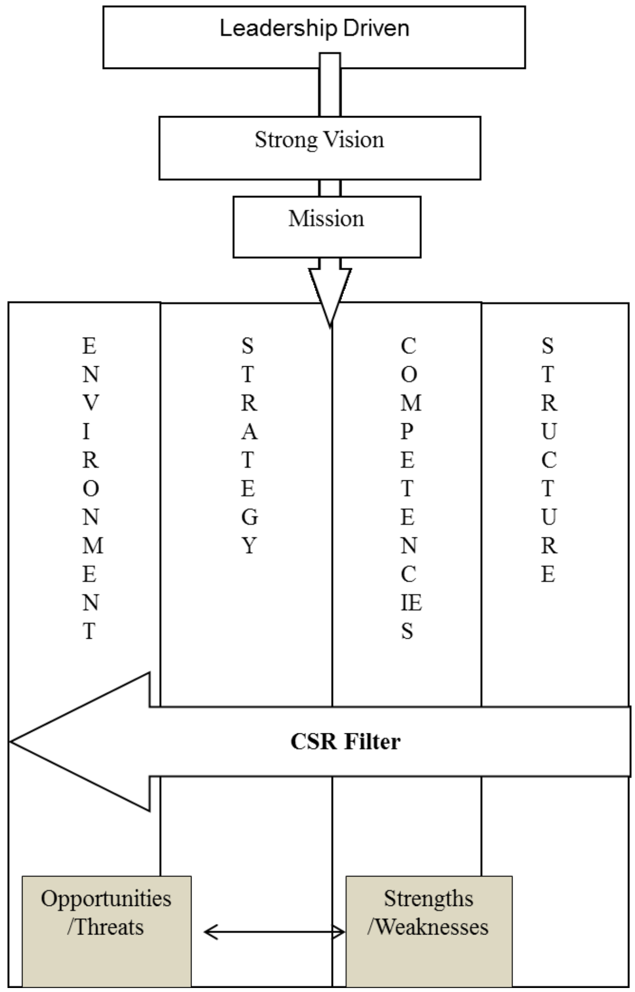

Figure 7. Firm strategy and the CSR filter. Adapted from *Strategic Corporate Social Responsibility* (2nd ed.; p. 88), by W. B. Werther Jr. and D. Chandler, 2011, Thousand Oaks, CA: Sage. Copyright 2011 by Sage. Adapted with permission.

Systems thinking. Significantly in *it*CSR business strategy, "systems thinking" (Senge & Sterman, 1992, p. 353) is an applicable conceptual framework to look at how the different disciplines affect one another and the overall business (Senge, 2006). According to Senge (2006), "It is a discipline for seeing wholes…It is a framework for seeing inter-relationships rather than things" (p. 68). It is intertwined with building shared vision, operational excellence, and ongoing team learning. Systems thinking highlights the ideal of small, well-focused action producing the most significant and sustainable results (Senge, 2006). Consequently, systems thinking is a holistic frame of reference in *it*CSR business strategy. Single-solution approaches in *it*CSR run the risk of failure of producing only superficial results, but today's complexities require organizations to be mindful of their actions in addressing problems, and taking into consideration any psychological, philosophical and or physiological impact of strategic decisions. (Benn & Bolton, 2011).

The concept of systems thinking is formulated on seeing patterns versus events or forces, and goes hand in hand with having an understanding of mental models (commonly held beliefs or assumptions) ("The Learning Organization," 1991). An integration of reason and intuition emerges that serves a larger purpose and helps to break down many of the incorrect or unproductive mental models that are held by the members of organizations (Senge, 2006). Hoffschwelle (2011) cites two key points about how business organizations need to change strategically: (a) leadership behaviors and mental models need to be revitalized, and (b) corporate change for *it*CSR must include better long-term strategic business models based on innovation. The degree to which strongly-held mental models exist in a company and among the employees influences the organization's ability or inability to adapt to changing needs (Smith, 2001), and mental models are important to understand and address; they represent the influences on each person's worldview, beliefs, values and internal drivers (Senge et al., 2008). They need to be opened and exposed in order to re-orient members of the organization in a new direction (Smith, 2001).

This strategic approach to looking at the whole system is also related to the notion of "taking both an outside-in and inside-out approach to citizenship" (Googins et al., 2007, p. 126), which means engaging internal stakeholders on the basis of vision, values, and purpose of the organization, as well as developing competencies in engaging external stakeholders (Carroll & Buchholtz, 2012; Googins et al., 2007; Porter & Kramer, 2006). Furthermore, a business strategy for *it*CSR development means taking an integrative look at hard and soft systems and tackling issues such as centralization or decentralization. SustainAbility is a key researcher in this area, and has indicated that there is no uniformity in approaches between corporations so it is virtually impossible to predict at this time if centralization or decentralization is the optimal strategy.

In addition, the corporate culture, business model, nature of the products and services, inherent risks, and location of operations dictate the *it*CSR development strategy (Maggs, 2012). Secondly, industry-wide practices have been proven to influence a company's *it*CSR focus. In a study of 495 U.S. companies, across 19 industries and 5 years, Moura-Leite, Padgett, and Galan (2012) found that *it*CSR was influenced by both firm-wide and industry-wide factors simultaneously, in effect breaking down the new global government-business-society social contract to a more specific and individual construct. Furthermore, the nature of addressing *it*CSR changes constantly and is a moving target (Vogel, as cited in Galan, 2006). Society's needs change over time, science and technology advance, and corporate offerings will shift naturally.

> CSR must be regarded as a complex, multi-faceted and multi-disciplinary approach that requires various foci depending on the situation (Kakabadse et al., 2005, p. 286). Philosophically speaking, the characteristics of CSR reflect post-traditional societies and a global scope of action, where there are hardly any generally applicable solutions. (Kleine & von Hauff, 2009, p. 519)

The necessity for a business strategy that can continuously adapt underscores the company's survival going forward (Porter & Kramer, 2006).

Innovation. Peters and Waterman's (2004) seminal research on the best-run companies in America is based on eight fundamental principles of management to create excellence: (a) a bias for action and "getting on with it" (p. 13), (b) being close to and learning from the customer, (c) fostering innovation through a culture of autonomy and entrepreneurship, (d) honoring productivity by respecting the individual, (e) being hands-on and values-driven, (f) staying close to the business they know, (g) structuring the organization with a simple form, and (h) creating balance between decentralization versus centralization around a few core values. Peters and Waterman conclude that, "above all else, the intensity itself, stemming from strongly held beliefs, marks these companies" (p. 16).

Many of these qualities are also present in constructing a business strategy for *it*CSR development. In fact, scholars agree that engaging in *it*CSR development leads to innovation and increased competition through more sustainable, and thus desirable, product design (Nidumolu, Prahalad, & Rangaswami, 2009). Grayson et al. (2008) provide steps for fostering long-term strategic business planning with a focus on innovation as the driver for agile business and new products and services. Embedding *it*CSR into the vision is step one. Their other steps include driving sustainability throughout the entire organization, *walking the talk*, empowering an *it*CSR committee, setting up fundamental rules, engaging all stakeholders, fostering learning, and joining networks. Werbach (2009) provides similar thinking in his Ten Cycle approach, a positive feedback loop of transparency, engagement, and networking after establishing one central, over-arching goal.

However, leaders and members of an organization continue to struggle with implementing and developing *it*CSR. Partly this is because they have not taken a systems thinking approach and connected *it*CSR throughout the core business. Lack of successful implementation can be due to any number of factors such as poor communication, managerial complacency, executive hypocrisy, corporate isolation, and staff apathy (Werbach, 2009). Werbach (2009) notes that

> Some people almost feel guilty talking about sustainability as a business driver. But that's exactly the approach that would allow them to make the biggest change in the world. Their sustainability initiative must be…bold, not bolted on, not 'feel good once a year' for employees. (p. 37)

Sirsly and Lamertz (2008) discuss Burke and Logsdon's five strategic dimensions of *it*CSR, the first three dimensions of which are: centrality, specificity, and visibility. Centrality, a resource-based perspective, means that social and environmental initiatives must meet strategic objectives of the organization in order to be prioritized. Specificity is the notion that initiatives need to exclusively benefit the firm, in the form of economic or resource gains, reputation, or legitimacy. For example, specificity justifies the risk that goes along with a first-mover advantage, defined as a firm's ability to earn profits as a result of some unique attribute or luck (Sirsly & Lamertz, 2008). The notion of visibility brings with it the external manifestation of social responsibility. These dimensions are underlying concepts of economic and social benefit combined, but they stem largely from the vantage point of creating a first-mover advantage (Sirsly & Lamertz, 2008). Building business strategy around *it*CSR development points to a deeper construction of "the social enterprise" (Birch, 2003, p. 3). It means being visionary, such as the *built to last* companies studied by Collins and Porras (2002), which operate from their core values and a strong sense of purpose that goes beyond making money (Birch, 2003).

Therefore, developing a strategy that fosters innovation is central in developing social and environmental solutions. Arguably, innovation is the "sweet spot" of a business strategy that is designed for *it*CSR development (Savitz & Weber, 2006, "Where Profit Meets the Common Good," para. 8). Porter and Kramer (2006) concur with this sentiment, asserting that "CSR can be much more than a cost, or a charitable deed – it can be a source of opportunity, innovation, and competitive advantage" (p. 80). With this in mind, sustainability can be a way of doing business; however, "what may not be quite clear, as yet, is how it becomes a way of doing innovation" (Gobble, 2012, p. 64).

Nevertheless, innovation and *it*CSR are inextricably linked because "true sustainability requires innovation – fundamental, disruptive, system-wide innovation" (Gobble, 2012, p. 65). In fact, Luo and Bhattacharya (2006) found that low ability to be innovative leads to lower customer satisfaction and hurts market value. Simply put, innovation is mutually beneficial. As the WBCSD (as cited in Gobble, 2012) has noted, "innovation is at the core of creating a sustainable human society" (p. 65). Porter and Kramer (2006) believe that every company needs to start by integrating the best practices of *it*CSR development. However, ultimately each company will have to move beyond these practices to invent unique solutions. In essence, this represents the transition from Googins et al.'s (2007) integrated stage to the transforming stage.

Business-stakeholder alignment. A corporation developing *it*CSR has to be vigilant about choosing the optimal issues to tackle because it is virtually impossible for a business to address all the ever-changing challenges. "Strategy is always about making choices, and success in corporate social responsibility is no different (Porter & Kramer, 2006, p. 91). These choices will be holistic and strategic in nature. The choices will also tie into the core business operations, the culture of the firm, and whether it creates a shared value that is meaningful to the corporation as well as to society (Porter & Kramer, 2006).

In addition, the business strategy needs to take into consideration the need for today's organizations to be agile, nimble, resilient to risk taking, easily understood, and able to keep up with the changing landscape (Grayson et al., 2008; Werbach, 2009). Werbach (2009) contends that "companies that incorporate sustainability into their core business strategy have figured out that to achieve sustainability, they must create an organization prepared for adaptation and growth…Organizational qualities are far more important than any absolute goal" (p. 83).

The business strategy has to move the organization beyond a compliance focus. According to Werbach (2009),

> the ongoing problem with compliance, as we've seen, is that it often manifests as complacency—the enemy of innovation…Compliance implies that you are meeting the base standards…There is a profound difference between moving away from the bad and going toward the good. (p. 114)

In fact, the value proposition that drives the overall business strategy needs to incorporate social impact (Porter & Kramer, 2006).

If *it*CSR is embedded into the strategic objectives of the organization from the beginning, then there is inherent alignment among business strategy, social impact, and organizational purpose (Howard, 2010: Porter & Kramer, 2006). Furthermore, "resources (tangible and intangible) and capabilities are valuable, rare, hard-to-duplicate, and non-replaceable, they can constitute a source of sustainable competitive advantage" (Moura-Leite, Padgett & Galan, 2012, para. 10). Additionally, "according to these criteria, resources that may lead to a competitive advantage include socially complex and causally ambiguous resources such as reputation, knowledge assets, long-term relationships with suppliers and customers" (Moura-Leite et al., 2012, para. 11). McWilliams & Siegel (2001) put the frame around resource-based theory relative to *it*CSR by arguing that *it*CSR can be a resource or capability that leads to a competitive advantage, such as in the case of two companies that offer like products but one manufacturer adds a social benefit that customers find appealing (Moura-Leite et al., 2012).

The strategic advantage also extends to collaborations among government, business, and society, particularly in areas such as energy use and logistics, resource use, procurement, distribution, employee productivity, and location optimization. Cluster development has to do with creating local impact and stimulating innovation around key issues by bringing together business, academic institutions, trade associations, service providers, and community public affairs. "When a firm builds clusters in its key locations, it also amplifies the connection between its success and its communities' success" (Porter & Kramer, 2011, p. 73). In fact, "creating shared value represents a broader conception of Adam Smith's invisible hand" (Porter & Kramer, 2011, p. 77).

Therefore, developing *it*CSR throughout the organization is about optimizing the company's core competencies and drawing on the resources and capabilities that are unique, competitive, and valuable (Werther & Chandler, 2011). In addition, these unique core competencies must be matched with the various stakeholder groups because:

> There is a demand for integrative concepts to provide a simple and supportive yet comprehensive and conclusive argumentation. A meaningful implementation of the CSR concept adapted for corporate use will strongly depend on dialog[ue] and the communication structure that exists among the various stakeholders. (Kleine & von Hauff, 2009, p. 522)

Werther and Chandler (2011) provide a stakeholder model that puts the various stakeholders into three groups: organizational, economic, and societal (see Figure 8). Zadek and McGillivray (2008) call this multi-dimensional stakeholder thinking a "responsible competitiveness" (p. 72) approach that moves an organization beyond simply responsible behavior into a role that impacts how markets reward and penalize companies for social and environmental action (p. 72). Responsible competitiveness also relies on a strategic collaboration for policy and action among business, government, and civil society (Zadek &McGillivray, 2008).

Companies that can work with the government and various constituents to design innovative products and services drive the industry and create a tipping point in terms of *it*CSR adoption, wherein *it*CSR becomes exponentially the norm among large corporations (Gladwell, 2002).

> [Otherwise,] money that could be going to innovation goes instead to bolster defensive lobbying, public relations campaigns, or legal actions against proposed

> regulatory changes. By contrast, when enough businesses truly lead and enough citizens and government officials reach out to work in partnership, self-reinforcing cycles of innovation can potentially draw in all sectors (businesses, civil society, and government) as partners in developing ever-higher business practices and regulatory standards. (Senge et al., 2008, "Creating Positive Change," para. 21)

Fundamentally, however, multi-stakeholder partnerships necessitate a strong code of ethics, considered to be the "heart" of *it*CSR (Dion, 2001, p. 119). This code includes: integrity, honesty, justice, equality, objectivity, loyalty, devotion, respect, prudence, and tolerance, and can become the "soul" of an organization (Bolman & Deal, 2003). Klein and von Hauff (2009) also discuss the importance of both horizontal integration (collaboration across multiple stakeholders) and vertical integration (collaboration from the top-down) to ensure sustained *it*CSR efforts.

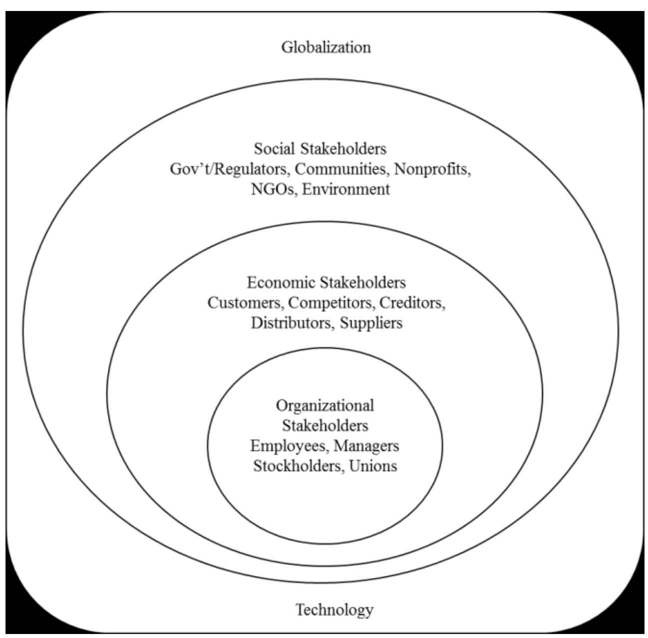

Figure 8. A stakeholder model. Adapted from Strategic Corporate Social Responsibility (2nd ed.; p. 151), by W. B. Werther Jr., and D. Chandler, 2011, Thousand Oaks, CA: Sage. Copyright 2011 by Sage. Adapted with permission.

Leadership. A leading concern in the literature is the extent to which executive leaders are willing to embed *it*CSR across business sectors, due in large part to questionable commitment in the business community to *it*CSR development (Mirvis et al., 2010). A 2007 McKinsey survey of CEOs confirmed the existence of this performance gap. Over 75% of CEOs worldwide advocate sustainability as an important component of their financial success, but only 35% have made strides to embed sustainability strategies into their business practices (Grayson et al., 2008; Mirvis et al., 2010). Yet, when Waldman et al. (2006) evaluated 500 CEOs across 17 countries, they determined that a strong stakeholder orientation is more long-term visionary than a strong economic orientation. Furthermore, the leaders in the study who were stakeholder oriented were actually from the more financially successful firms, thereby establishing a link between stakeholder orientation and financial outcome. "CSR, therefore, is a competitive differentiator for a firm, as well as a form of brand insurance, in which the brand represents the perception of the company by each of its key stakeholder groups (Werther & Chandler, 2011, p. 112). However, scholars and experts alike express confusion regarding why more CEOs are not implementing strategies around a strong stakeholder orientation, given that this approach is actually beneficial to profitability (Grayson et al., 2008). This disconnect is particularly disconcerting in light of the literature that recognizes the critical role that c-level leadership plays in developing *it*CSR (Werther & Chandler, 2011).

Many scholars and businesspeople are studying the field of *it*CSR leadership today (Weinreb, 2011), and there is an over-arching conclusion about the importance of the role of the executive, particularly the role that the CEO plays, in developing *it*CSR.

Active ownership by the CEO is central and the CEO must exude the values of the corporation in order to foster multi-stakeholder collaboration (Grayson et al., 2008; Werther & Chandler, 2011). Thus, two aspects of *it*CSR leadership are coming into focus: (a) without the full commitment of the firm's executives, especially the CEO, *it*CSR cannot progress to the highest stages of development; and (b) simply having a department called *CSR* does not ensure its inclusion in the strategic objectives of the corporation.

The role of the executives. The social contract that extended to business used to be fairly straightforward and parochial: pay taxes, obey the law, treat people fairly, and donate to worthy causes (Googins et al., 2007). However, the evolving social contract places a greater, more global responsibility on business to co-create with government and NGOs. This multi-sector engagement among business, government, and NGOs takes courageous leadership in order to engage a business' power, resources, and global reach constructively, and to break away from traditional business thinking to build a financially prosperous company that has high standards of integrity and social innovation (Googins et al., 2007). It also stands to reason that the style of leadership, particularly within multi-cultural organizations, must arise from a strategic decision that takes into consideration both the degree and style of authority (e.g., centralized or decentralized) and the nature of the leader's actions vis-à-vis nature of operations and activities (Zander & Butler, 2010).

As it becomes necessary to look at the role of business in society, the study of how corporate leaders have effectively blended social conscience with commerce is also significant (Oketch, 2005). Consciousness-raising is a growing component necessary for executive leadership, in particular for CEOs and other c-level executives, in order to raise the bar to *it*CSR. Consciousness-raising is its own hierarchy that begins with "knowing thyself." This opens a person up to identifying his/her own identity, values, and priorities. The next step is learning to "understand the other," which bridges experiences and forges connections between leaders and the members of the organization. Thirdly, "connecting to the world" requires internalization of some of the world's problems, in order to make the process of *it*CSR development real and tangible for the executive. Fourth, raising consciousness means intertwining business acumen with a sense of "higher purpose," wherein businesses are being led both intellectually and emotionally (Googins et al., 2007, pp.155-158).

Renesch (2005) agrees with the notion of consciousness-raising for executive leaders who are directing *it*CSR, and adds emotional well-being, dreaming and inventing, respecting the fragility of life, obeying the law or changing it, finding passion, associating with optimists, reducing consumption, and conducting oneself authentically and responsibly. Furthermore, through individual consciousness-raising, organizational consciousness can be achieved (Renesch, 2005) by setting in place vision, mission, and values around *it*CSR impact. With these established, the leader can guide the business and give meaning to the various stakeholders who are engaged with the business (Googins et al., 2007; Mirvis et al., 2010). Many scholars agree with Kanter's (2009) belief that "with the right leadership and values, companies can make unique contributions to help produce a better world" (p. 7). Sharmer (2009) suggests that creating change starts with leadership that is a collective representation of the company's strategic consciousness, capacity, and intentionality among all of the members of the organization, from the board of directors down through the organization.

Waddock (2001) describes mindfulness and integrity as akin to the notions of social consciousness and awareness, and believes that these represent new demands of leadership. Waddock defines integrity as “soundness,” and defines an organization with integrity as one wherein “the systems work together towards the common purpose identified by the vision and end (core) values of the core ideology” (p. 29). Business integrity depends on systems thinking and bringing consistency to interdependent parts. Waddock defines mindfulness as “wisdom,” which depends on a degree of maturity and insight and “demands that individual decision-makers acting on a company’s behalf function at relatively high-development levels, not only cognitively, but also morally and emotionally” (Waddock, 2001, p. 32). Therefore, moral development and emotional intelligence (EI) are embedded in the development of consciousness-raising among executives (Waddock, 2001).

Regarding moral development, Carroll (2001) outlines seven habits of moral leaders: (a) they have a passion to do right, (b) they are morally proactive, (c) they consider all stakeholders, (d) they have a strong ethical character, (e) they are passionate about fairness, (f) they undertake principled decision-making, and (g) they integrate ethics wisdom with management wisdom. An integration of ethical and managerial wisdom challenges the notion that addressing social problems and being profitable are mutually exclusive (Carroll, 2001). May et al. (2003) assert that “moral courage is the leader’s fortitude to convert moral intentions into actions despite pressure from inside or outside of the organization to do otherwise…Moral resiliency is the ability to positively adapt in the face of adversity or risk" (p. 255-256). Unfortunately, there is no quantifiable way to construct an ROI around morality; there is only a clear case of noticing it when it is missing (Lennick & Kiel, 2006). In fact, a lack of morality can be attributed to the loss of billions of dollars and the demise of several large corporations in the past decade (May et al., 2003).

Goleman's (1998) seminal work describes five key attributes of EI: (a) self-awareness (understanding moods and emotions, being realistic, possessing self-confidence, having a sense of humor), (b) self-regulation (characterized by trustworthiness, integrity, comfort with ambiguity, and resilience to change), (c) motivation (passion to work that goes beyond money and status, energy and persistence, optimism, and commitment), (d) empathy (feeling for someone but not out of pity, cross-cultural sensitivity, talent development, working with clients), and (e) social skills (which includes persuasiveness). Furthermore, EI goes hand-in-hand with authentic leadership; an authentic leader has a great deal of EI and also integrates all aspects of life and work together. An authentic leader has a variety of interests; he/she forges relationships in the community, and acts consistently in both work and personal activities. Adjectives describing the qualities of the authentic leader include: genuine, truthful, trustworthy, reliable, consistent, honest, optimistic, confident, energetic, ethical and moral, balanced, transparent, positive, courageous, resilient, fair-minded, competent, and inspiring (Bolman & Deal, 2003; Drucker, 2006; George, 2003; George, Sims, McLean, & Mayer, 2007; Groves & LaRocca, 2011; Howard, 2010; Kouzes & Posner, 2007; Mainwaring, 2011; May et al., 2003; Puffer & McCarthy, 2008; Stone, Russell, & Patterson, 2003; Tager, 2004; Waldman et al., 2006).

The principles of authentic leadership also correspond with attributes found in positive psychology, such as the study of strength and virtue (Seligman & Csikszentmihalyi, 2000). Authentic leadership is thus closely aligned with Rogers' and Maslow's work from the 1960s on self-actualization (Avolio & Gardner, 2005), and later, the work of Seligman and Csikszentmihalyi (2000) on building a science around identifying the best that the human condition can provide. Positive psychology "is about work, education, insight, love, growth, and play" (Seligman & Csikszentmihalyi, 2000, p. 7). In addition, authentic leaders are critical to the viability of *it*CSR because they are broad-minded and engaged in the world around them, as individuals, first and foremost, and then as corporate businesspeople. They are described as being appreciative and grateful, pragmatic, pro-social, humorous, and vulnerable. They exude vitality, joy, and strength of character. These leaders care about their health and enjoy exercise, hobbies, music, the arts, meditation, and having a fun and fulfilling life. They are interested in leaving a legacy as a precedent to spark others to pursue their own significance in life (Bolman & Deal, 2003). Furthermore, according to Ilies et al. (2005), the state of eudaemonia is linked with authentic leaders, who have the power to affect followers and their state of well-being.

In addition, authentic leadership and EI are tied to social intelligence and a leader's ability to influence team dynamics by creating shared behaviors (Goleman & Boyatzis, 2008). Through "mood contagion," a construct from neurobiology, a leader has the ability to drive positive energy, empathy and "positive feelings in the people whose cooperation and support you need" (Goleman & Boyatzis, 2008, p. 2). Having social intelligence is an extension of EI and is defined as a "set of interpersonal competencies built on specific neural circuits (and related endocrine systems) that inspire others to be effective" (Goleman & Boyatzis, 2008, p. 3). In a review of recent findings in behavioral neuroscience, Goleman and Boyatzis (2008) assert that: (a) followers will mirror their leaders; (b) there is tremendous value in having good instincts; and (c) social skills, a necessary component in business success, can be developed and refined in any person who may lack them but exhibits a willingness to change. Furthermore, social intelligence can be measured. In conjunction with the Hay Group, which studied top-performing leaders, Goleman and Boyatzis named seven criteria by which to measure social intelligence: empathy, attunement, organizational awareness, influence, developing others, inspiration, and teamwork.

Authentic leaders have been studied for their ability to be *great* leaders, in that great leaders are visionary, disciplined, innovation-focused, humble, and soulful. In fact, in a review of 1,000 studies to define the characteristics of great leaders, authenticity was the only attribute in common (George et al., 2007). Leaders of great corporations tend to be transformational, but many are also self-aware, humble, emotionally intelligent, authentic, open, disciplined, relationship-oriented, transparent, ethical, purposeful, fair-minded, resilient, courageous, optimistic, honest, consistent, positive, soulful, and empowering (Kanter, 2009; Zadek, 2007). They put the team and business ahead of their own individual gain; empower those around them and spotlight others' strengths; and they are employee-oriented and customer centric (Collins, 2001b; Drucker, 2006; George, Sims, McLean, & Mayer, 2007; Goleman, Boyatzis, & McKee, 2002; Kouzes & Posner, 2007; Waldman et al., 2006).

Authentic leaders demonstrate a high degree of positive internal focus and "discover great personal meaning when they act consistently with their own beliefs in adverse situations" (May et al., 2003, p. 256). Furthermore, Collins (2001b) studied corporate leadership and found that the defining variable between a good leader and a great leader is humility, an authentic leadership attribute that can be found in both the transformational and servant leader constructs (Avolio & Gardner, 2005). Humility is a notion that dates back to Aristotle. In fact, Avolio, Gardner, Walumbwa, Luthens, and May (2004) discuss its historical significance:

> A significant emphasis…grew out of the idea that the positive qualities and emotions of people and in turn leaders had been mentioned throughout the literature of leadership dating back to Socrates and Plato, if not before…For centuries, authors have written about the importance of honesty, trust, ethics and their influence on leadership, followership, organizations, communities and nation states…By starting where the Greeks left off, we hope to rediscover the lessons on authenticity that the Enron's, Worldcom's and Global Crossing's have unfortunately forgotten or ignored. ("Conclusions," para. 12)

Authentic leadership is a cornerstone of *it*CSR development because of its positive influence on an organization's individual followers, their attitudes, and their behaviors (Avolio et al., 2004). Authentic leaders have a strong sense of core purpose, which "may be the most practical lever for impactful leadership... because purpose is transformational" (Cashman, 2010, p. 7). This kind of leadership is a necessary component in developing *it*CSR. Furthermore, authenticity is linked to effective leadership in that one's leadership style is an extension of oneself and one's personal mastery. Authenticity allows a leader to bring his/her full self to work, thereby maximizing Aristotle's notion of flourishing, happiness, and well-being (Dhiman, 2011). The idea that personal and business lives are separate is archaic, and the antithesis of authenticity (Bhattacharya, Sen, et al., 2011; Bolman & Deal, 2003; Cameron, Dutton, & Quinn, 2003).

Furthermore, Bennis' (1999) view of leadership describes similar characteristics to that of authentic leadership and EI in that humility, building trust and mutual respect, and having a strong sense of purpose, direction, and meaning are significant components. He enumerates 10 traits of the dynamic leader: (a) self-knowledge, (b) openness to feedback, (c) interest in self-improvement, (d) curiosity, (e) focus, (f) learning from adversity, (g) having balance between tradition and change, (h) engaging in an open style, (i) working well with systems, and (j) serving as a role model and mentor. In addition, Bennis asserts that great leaders encourage an entrepreneurial spirit and risk taking; they accept failure as part of the innovation process. These leaders are forward-thinking, flexible, agile, and change-oriented. In this regard, they foster a sense of inquiry and discourse alongside organizational learning and growth (Avolio, Gardner, Walumbwa, Luthans, & May, 2004; Collins & Porras, 2002; Drucker, 2006; Grayson et al., 2008; Groves & LaRocca, 2011; Howard, 2010; Kouzes & Posner, 2007; May, Chan, Hodges, & Avolio, 2003; Tager, 2004).

A study of the perceptions of CSR in 15 different countries found that economics, demographics, culture, and CEO leadership style had the biggest influences on successful *it*CSR movement and traction (Waldman et al., 2006). In addition, Googins et al. (2007) spent 2 years researching 50 executives from leading global firms and found that "visible, active, top-level leadership appears on every survey as the number one factor driving citizenship in a corporation" (p. 6). Unfortunately, Googins et al. (2007) found that many leaders were not passionate about putting significant effort toward influencing social change; mostly they wanted to minimize harm and risk to the firm's reputation. Waldman et al. (2006) coined the expression *neo-charismatic* leadership to symbolize a leadership style that uses strong imagery and intellectual capacity to stimulate innovation and high performance toward *it*CSR goals.

A call for a new kind of global corporate leader is present in contemporary literature. That leader needs to exhibit the strength of an honest, trustworthy, and authentic character, self-mastery that includes integration of physical, spiritual, moral and emotional dimensions, and a commitment to serving society (Howard, 2010) that forms a connection among leadership morality, transparency, and corporate outcome (Mirvis et al., 2010; Waldman & Siegel, 2008; Werbach, 2009). In fact, Bolman and Deal (2003) cite research that concluded, of all the attributes, being able to inspire trust and honesty as well as building relationships were the top priorities among people's needs from their leaders. Cameron (2011) refers to this new leadership style as "responsible leadership" or "virtuous leadership" (p. 25).

Cameron (2011) ties this often-overlooked notion of *responsible leadership* to eudaemonics, inherent value, and *amplification*, the idea that "virtuousness creates and fosters sustainable positive energy…It is elevating and self-perpetuating, and it requires no external motivator for its pursuit" (p. 29). In fact, virtuousness can never be overdone. Instead, it builds positive momentum and energy, and "compassion begets gratitude,

gratitude motivates improved relationships, witnessing good deeds leads to elevation, elevation motivates prosocial behavior" (Cameron, 2011, p. 27).

Responsible leadership is not to be confused with effective leadership, a basis on which most CEOs are selected, which emphasizes accountability and dependability. Responsible leadership has characteristics that align with stakeholder theory and caring for multiple constituents. Furthermore, Angus-Leppan et al. (2010) and Cameron (2011) discuss Pless' work on responsible leadership and note that responsible leaders play multiple and extensive roles. They can embody different leadership constructs: characteristics of transformational and charismatic leadership in terms of driving innovation and being a change agent; and servant, authentic and or ethical leadership in terms of driving a culture of morality, ethics and trust. Finally, a responsible leader engages in active listening and observation of people, practices, and mindsets in order develop solutions *with* the community, not *for* them (Pless & Maak, 2009). This sensibility was described at the 2012 Rio +20 Conference as "creating 'coalitions of the willing' [in recognition] that 'all issues are inter-connected' and cannot be viewed in silos" (Confino, as cited in Buckingham & Al-Shawaf, 2012, p. 3).

Kanter (2009) believes that the new model of authentic leadership is based on leaders finding symbols that create meaning for the members; for example, Werbach (2009) advocates tapping into cultural components of the organization, such as storytelling, to engage people. Furthermore, while *it*CSR leaders can be visionaries, storytellers, architects, or coaches (Cameron, 2011), or philosophers, craftsmen, politicians, novelists, or teachers (Nonaka & Takeuchi, 2011), when examining core traits of responsible leadership, Cameron (2011) suggests that responsible leadership is about being appropriate, or otherwise, being virtuous.

Virtuousness is an orientation toward being good and doing well. However, there is scholarly debate about whether virtuousness can be codified. Cameron (2011) notes that virtuousness is seldom associated with leadership and rarely used to describe an organization. Secondly, few studies have investigated virtuousness empirically. Virtuousness is different from character strengths in that the latter can have positive or negative impact. Instead, virtuousness embodies “the best of the human condition” (Cameron, 2011, p. 28) and the eudaemonic assumption that moral goodness is an inherent ethical human quality (Cameron, 2011).

Because of the ambiguity and complexity of *it*CSR development, Angus-Leppan et al. (2010) advocate for *shared leadership*. They believe that shared leadership can improve sense-making capabilities, as well as identify emergent leaders who are not necessarily formally appointed into a leadership role but exhibit leadership characteristics nonetheless. In fact, some of the leaders of *it*CSR initiatives may not even be readily identifiable at times (Senge et al., 2008). They may be people within an organization who have no real power of authority. They may not even be very visible, but they are often:

> Open-minded pragmatists, people who care deeply about the future but who are suspicious of quick fixes, emotional nostrums, and superficial answers to complex problems. They have a hard-earned sense of how their organizations work, tempered by humility concerning what any one person can do alone. (Senge et al., 2008, “A Final Word,” para. 1)

As another construct in *it*CSR leadership, Nonaka and Takeuchi (2011) examine the notion of the wise leader to counterbalance the effects of poor business ethics. They believe that wise leaders have six abilities: (a) they can judge goodness from a wealth of experience; (b) they can grasp the essence of a situation; (c) they create shared contexts that foster collaborative learning; (d) they communicate using story, metaphor, and context to draw people and build collective knowledge through the many lenses of experience; (e) they bring people together; and (f) they foster wisdom in others. This does not mean that wise leaders have all the answers. Rather, *it*CSR leaders must be prepared to ask questions for which they do not have the answers. This is a different way of thinking in comparison to the past, when leaders were respected for appearing to have all the answers. *It*CSR leaders must become vulnerable and shift their thinking to a multi-stakeholder, team approach. They need to be long-term thinkers, and they need to be thought leaders in their industry to promote forward thinking: 5, 10, or even 20 years ahead (Senge et al., 2008).

In addition, Beer, Eisenstat, Foote, Fredberg, and Norrgren (2011) call for higher ambition leadership, which describes leaders who strive to achieve more than quarterly financial returns. These higher ambition leaders want to achieve superior economic and social value simultaneously. Furthermore, they are creating social value at deeper levels than mere philanthropy:

> By superior economic value, these leaders typically mean that the company consistently meets or exceeds short-term performance expectations, outperforms its industry peers for a meaningful period of years, and does both in a way that contributes to long-term advantage. By superior social value, our leaders mean

> that they are building lasting institutions that both contribute to the social good (building a better world) and create social capital (relationships with employees, customers, communities, and others characterized by distinctive levels of trust and mutual commitment). Higher-ambition leaders understand that these two dimensions of social value are mutually reinforcing. Contributing to the social good builds trust and commitment. (Beer et al., 2011, "Introduction," para. 4)

In studying 36 CEOs that exhibited higher ambition attributes, Beer et al. (2011) found common themes: they all exhibited humility with none claiming perfection or knowing it all; they spoke with candor; many of the leaders took opportunities to promote their teams publicly; they were thoughtful practitioners of a leadership mindset that is distinctly different from predecessor models; and they all showed an uncompromising commitment to developing *itCSR*. There is no denying that business leaders have the means, resources, tools, and global range to drive social and environmental change, but too often "there is no consensus among…top executives about if, when, and how to use them" (Googins et al., 2007, p. 228).

Consequently, shared leadership, wise leadership, and higher ambition leadership serve to cement virtuous leadership, a central tenet in fostering *it*CSR development. Maggs (2012) supports these leadership principles and outlines six success factors for leadership: (a) leading strongly from the top; (b) supporting, engaging, and partnering with diverse thinkers; (c) excelling in creative approaches to performance management; (d) holding key people accountable; (e) coordinating and communicating across multiple dimensions; and (f) influencing behavior as widely as possible. In addition, Maggs (2012) adds that virtuous leaders, in particular, demonstrate clarity in decision-making, especially in times of uncertainty, and also produce better organizational performance, according to several studies.

Angus-Leppan et al. (2010) posit that authentic leadership is necessary to build implicit *it*CSR and authenticity throughout the firm. Most significantly, virtuous authentic leadership has the potential to unlock "virtuous outcomes" wherein more people are flourishing in the world (Seligman, as cited in Cameron, 2011, p. 32). However, Angus-Leppan et al. also advocate for consideration of transformational leadership to augment authentic leadership, at least during some implementation phases, because of transformational leadership's orientation toward innovation.

Joshi, Lazarova, and Liao (2009) propose that inspirational leadership, a sub-factor of transformational leadership, can create the necessary shared vision to rally the organization toward "outcomes of relevance to the team entity" (p. 241), especially among geographically dispersed teams such as those found in global corporations. Regarding research separately conducted by Ellemers et al. (2004) and Turner and Haslam (as cited in Joshi et al., 2009), Joshi et al. note that inspirational leadership draws on social identity theory in that these leaders have the ability to build strong connectivity between an individual's self-concept and that of the social group. Trust and commitment are at the epicenter of developing team effectiveness across highly dispersed operations (Joshi et al., 2009).

At the same time, this does not mean that leaders need to be soft. In fact, they must be able to dominate the market, aggressively pursue innovation, compete for pricing power, and lobby government. However, they have high aspirations that go beyond economics (Kanter, 2009). They are able to bridge morality, humility, and ambition

(Lennick & Kiel, 2006). Kanter (2009) has found that leaders at companies developing *it*CSR possess the following traits and abilities:

- Intellect – systems thinking
- Action-orientation – taking initiative
- Relationships – persuasion and diplomacy
- EI – self awareness and empathy
- Spirituality – values-driven

Senge (2006) posits that "leaders must function as stewards of organizational vision, incorporating the desires and needs of everyone within the organization towards a uniform notion of success and forward movement" (p. 11). Leadership becomes a good predictor of *it*CSR values, social purpose, and encouraging a culture of collectivism (Waldman et al., 2006). Senge et al. (2008) believe that the CEO and executive leadership are responsible for setting the necessary vision and are accountable for seeing it through, noting that "visions that truly make a difference come from the heart as well as the head" ("Zero Seems Like," para. 9). Shamir, House, Waldman, and Yammarino (as cited in Waldman et al., 2006) have studied leadership and agree that "leadership can be a significant, firm-level force in shaping of follower values and behaviors" (p. 828). Epstein (2008) concurs that the CEO is key to convincing the various members of the organization and its board of directors about making *it*CSR a corporate goal. The CEO will lead discussions and make critical decisions about corporate commitments, strategy, and priorities (Epstein, 2008).

The CEO and executive leadership must take ownership of the institutionalization of an *it*CSR culture. It must be visibly sponsored within the organization from the top down in order to have authenticity (Werther & Chandler, 2011). In fact, Wood (as cited in Carroll & Buchholtz, 2012) combined Carroll's original theory on CSR with Wartick and Cochran's (as cited in Carroll & Buchholtz, 2012) three-part notion of principles, processes, and policies, as well as Swanson's (as cited in Carroll & Buchholtz, 2012) research on corporate culture, to conclude that the executive's values, ethics, and sense of morality are at the epicenter of *it*CSR development (Carroll & Buchholtz, 2012).

However, Basu and Palazzo (2008), along with Waldman, Sully du Luque, Washburn, and House (2006), believe that there are unexplored antecedents of *it*CSR, along the lines of societal level values and leadership behaviors that trigger corporate responsibility. The missing link is that "most CSR studies, especially those of an empirical nature, have ignored the role of corporate leaders in formulating and implementing CSR initiatives…The lack of attention to the nature of the relationship between CSR and strategic leadership is unfortunate" (Waldman & Siegel, 2008, p. 117-118). Lindgreen and Swaen (2010) concur by asking about "the effects of leader values, ethics and style in regard to CSR" (p. 8). Waldman and Siegel (2008), in particular, see "a need for theory that will help guide managers in their balancing of instrumentality and intuition and values in the pursuit of socially responsible leadership practices" (p. 129).

The role of a CRO-type leader. Werther and Chandler (2011) provide a basic construct for an *it*CSR leadership position, that is "a catch-all, to include risk management, ethics, crisis management, brand building/insuring, and beacon bearing, stakeholder engaging, conflict resolving, rewarding, reinforcing, policy implementing, innovating and strategy formulating" (p. 130). The Chief Responsibility Officer (CRO), otherwise known as a Chief Sustainability Officer (CSO) or some derivative thereof, is a change agent, a catalyst, and someone who is resourceful and comfortable with ambiguity (Cameron, 2011; Weinreb, 2011) because "managing sustainability is the clearest leadership challenge today" (Graf, as cited in Weinreb, 2011, p. 9). This is quite a substantial list of competencies.

Furthermore, this is a new leadership role and it is one of influence, but often with no direct power. Calandro (2012) believes that a CRO/CSO-type can wear five hats as a result of this unique dynamic: (a) catalyst, (b) engineer who drives the organizational change, (c) scout who identifies and stays in front of emerging trends, (d) connector who brings outside perspectives to share into the organization, and (e) collaborator who works across business units and accepts that *it*CSR development is slow and methodical. Senge et al. (2008) describe how an executive can inspire *it*CSR learning and provide the notion of an *animateur,* a type of professional that institutionalizes a way of thinking and acting that moves conversations from concept to action and creates a stronger sense of purpose around doing good.

Companies that have a CRO/CSO are cutting-edge. Of 7,000 publicly traded companies studied for the 2011 report, only 29 had a CRO/CSO-type titled person (Weinreb, 2011). The attributes that define such a role include:

- Knowing and understanding the business;
- Having a strong external affairs background, e.g., marketing;
- Possessing operational freedom and authority with a budget, but not necessarily a P&L (profits and loss responsibility);
- Sitting in close proximity to the CEO and ideally reporting directly to the CEO;

- Being involved in overall corporate decision-making;
- Having a naturally collaborative style to be able to work through the organization without necessarily having any direct reporting authority;
- Possessing organizational development experience.

In addition, the company should be comfortable with the person as an external face who represents of the organization and its values. Finally, a CRO/CSO person should be courageous and inventive (Weinreb, 2011). Clearly, the CRO/CSO-type position encompasses diplomacy, learning development, knowledge of organizational behavior, marketing, public relations, and a can-do attitude.

A person in a CRO/CSO-type position must: have passion to breed innovation, enthusiasm, and commitment to build positive energy; be a big picture thinker to create solutions in the context of the overall system; and have an ability to connect with people and collaborate across boundaries (Weinreb, 2011). Senge et al. (2008) adds the following common themes for successful CRO/CSO leadership instinct: (a) the ability to see a problem sooner than others, (b) an understanding of the severity of the problem, (c) a combination of deep concern and sense of possibility, and (d) different ways of thinking to yield new actions that result in a more holistic approach to business in society. Additionally, this type of leader has adopted a continuous learning mindset that includes systems thinking about how to see larger patterns and interrelationships. This type of leader understands the importance of collaborating across boundaries, disciplines, and stakeholders. Finally, this leader moves from reactive problem-solving to creative design for the future (Senge et al., 2008).

Visser (2011) sees 10 emerging roles for CROs/CSOs as change agents: platforms for transparency, brokers of volunteerism, champions of *it*CSR, advisors of business, agents of government, reformers of policy, makers of standards, channels for taxes, partners for solutions, and catalysts for creativity. Furthermore, these change agents will often find that they need to start small and build critical mass slowly by developing networks for collaboration and action. They will also face problems that others in the organization will shun, but this will force people "out of [their] intellectual and institutional comfort zones" (Senge et al., 2008, "Collaborating Across Boundaries," para. 2). Visser (2011) believes that the position of CRO/CSO will become more significant and "will be the responsive glue that holds society together in turbulent years ahead" (p. 244). It will require patience and courage (Senge et al., 2008). It is possible that CRO/CSOs are the wise, higher-ambition shared-purpose leaders, and therefore exemplify virtuous leadership, wherein they help the organization rethink its strategic identity, build a community of shared purpose, and lead with courage, positive energy, morality, and determination (Beer et al., 2011; Leavy, 2012).

Operational excellence. Werther and Chandler (2011) posit that implementation begins with the annual strategic planning process. They put forward a plan of implementing *it*CSR that includes: a CSO in close proximity to the CEO and board of directors, a strong vision that embodies *it*CSR, goals and measurement system, audit with transparent results, code of conduct, an internal ombudsman to nip bad behavior, organizational structure that builds innovation, stakeholder involvement, a PR message that is genuine and substantive, transparency and accountability at the core of governance, and corporate activism. Nevertheless, "the ultimate test of a firm's CSR…is its actions…And for those actions to rise above mere window dressing" (Werther & Chandler, 2011, p. 143).

*It*CSR is moving from ideology to reality as more and more scholars build the business case that doing good also leads to doing better (Bhattacharya, Sen, et al., 2011; Lindgreen & Swaen, 2010). Lindgreen and Swaen (2010) describe five important organizational levels of analysis: communication, stakeholder engagement, implementation, measurement, and building the business case around (a) reducing cost and risk, (b) legitimacy and reputation, (c) gaining competitive advantage, and (d) creating win-win solutions through shared value creation (Carroll & Shabana, 2010; Lindgreen & Swaen, 2010). Crittenden et al. (2010) propose three central constructs to develop *it*CSR, using Resource-Advantage Theory as a framework: (a) corporate DNA, which includes core ideology, engagement, and dynamics; (b) internal and external stakeholder involvement in strategic planning and decision-making; and (c) performance management plans that capture social and financial metrics. Googins et al. (2007) describe operational excellence according to how *it*CSR is embedded in the governance of the organization and how the coordinative mechanisms are established. Accordingly, the following sub-sections more thoroughly examine cultural integration, corporate governance, and external partnership.

Cultural integration. Developing *it*CSR is a strategic process of looking at culture and day-to-day operations to achieve excellence through the TBL lens. When, how, why, where, and who are all questions at the forefront of *it*CSR. Schein (1986) defined organizational culture as "the pattern of basic assumptions that the group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, and that has worked well enough to be considered valid" (pp. 30-31). With this in mind, Schein (2001) also recognizes that the phenomenon of culture is rich with variables, and it, in and of itself, is difficult to narrowly define. He goes on to suggest that organizational culture can be viewed as "accumulated shared learning of a given group, covering behavioral, emotional, and cognitive elements of the group members' total psychological functioning" (Schein, 2001, p. 372).

Truly, however, "a company's tendency toward sustainability is a result of its DNA. That is, DNA holds the deeply rooted set of values and beliefs that provide behavioral norms that trigger or shape sustainability activities" (Crittenden, Crittenden, Ferrell, Ferrell & Pinney, 2010, p. 6). Having a core purpose and core values will breed the development of a culture that has *it*CSR in its DNA. This will happen because the leaders of the organization will foster learning around *it*CSR core competencies, skills, routines, best practices, and rituals (Werbach, 2009).

Operational excellence is crafted by strategically aligning *it*CSR throughout the firm in a systematic manner, and it is necessary to engage employees as citizens of *it*CSR development (Googins et al., 2007). Developing a *shared vision* is an essential construct in building a long-term commitment throughout the organization (Senge, 2006). Senge (2006) defines shared vision as "shared 'pictures of the future' that foster genuine commitment and enrollment rather than compliance" (p. 9).

A firm can build this genuine commitment among its members by securing human resource functions, such as work-family support, diversity, health, and wellness. A corporation can inspire its employees to serve their communities, volunteer their skills and time, and become advocates for social good. A company's development of *it*CSR can motivate employees to deliver results that exceed what is expected or anticipated. This depends on an HR value chain that includes hiring and talent development strategies that are aligned with the *it*CSR goals (Galpin & Whittington, p. 2012) and the shared vision that has been developed as part of the strategy and in the implementation phase through ongoing learning (Senge, 2006).

> Results show that companies' internal departments have significant influence in the CSR process. Following the C-suite and board of directors, respondents said the legal (51%) and public relations (45%) departments were both involved nearly half the time when setting CSR strategies, and the sales (24%) and marketing (30%) departments were involved nearly a quarter of the time…In terms of external audiences, the opinions of customers (73%) and investors (69%) were the most important considerations when measuring CSR strategies. More than half the time, companies evaluated the company's media coverage (51%) and government feedback (52%) to assess the success of their CSR programs. Responses indicate that both internal and external audiences have crucial involvement in the measurement process. ("Adam Friedman," 2012, sect. "who counts," para. 2, 3)

Furthermore, employees are a critical factor in developing *it*CSR and can be an important differentiator in the marketplace for a firm. *It*CSR is intertwined with investments in employees and talent development that builds productive and motivated people, which, in turn, fosters hiring of better talent (McWilliams & Siegel, 2011). The better the talent among the employees, the more the company can thrive. The more the company thrives, the better chance the employees have to thrive. This is important because the employees are the closest to consumers and can influence the marketplace (Googins et al., 2007). According to Spreitzer, Sutcliffe, Dutton, Sonenshein, and Grant (2005), "when people are thriving, they feel progress and momentum, marked both by a sense of learning (greater understanding and knowledge) and a sense of vitality (aliveness)" (p. 537). Accordingly, thriving occurs with or without adversity; it has a more specific meaning than the notion of flourishing as it is centered upon learning and vitality, and it is more common to achieve than self-actualization (Spreitzer et al., 2005). O'Toole and Bennis (2009) suggest that building candor in an organization improves performance. Though honesty is harder to come by than it seems, particularly in an organization with transparency problems and a culture that has conditioned employees to hoard information or hide their ideas.

These transparency problems breed *groupthink*, a business syndrome in which people act and think alike and stifle creative, alternative approaches to problems. As a result, people are discouraged from disagreeing with one another constructively and productively, and the group stifles the opportunity to create shared value (O'Toole & Bennis, 2009) and create innovative approaches to the business. Creating the space for dialogue, communication, and trust to grow are the necessary components to foster information sharing and knowledge development (Schein, 1993), which are essential in innovation and developing *it*CSR (Googins et al., 2007; Porter & Kramer, 2011; Werther & Chandler, 2011).

Deliberate discourse is one technique that can be used to spark creativity and promote innovation. It is a process that invites constructive disagreement and criticism without judgment. There are five rules of engagement in deliberate discourse: (a) eliminate hierarchy in the room; (b) say *no, because*, with the explanation based on real situations as opposed to any one person's personal anecdote; (c) invite diverse perspectives into the discussion; (d) focus on a common goal to minimize *argument for argument's sake*; and (e) keep it fun (Sobol, 2012). Introducing deliberate discourse into the dialogue builds trust and creates the space to map possibilities, as.research suggests that coming up with good solutions requires coming up with many possibilities (Lehrer, 2012).

Additionally, skills that O'Toole and Bennis (2009) believe build trust include: telling the truth, encouraging people to speak the truth with no hierarchical barriers, rewarding those that challenge assumptions, practicing unpleasant conversations, diversifying sources of information, admitting mistakes and vulnerabilities, and setting information free. In fact, a 2002 study by Dirks and Ferrin (as cited in Galpin & Whittington, 2012) found trust to be positively correlated to job satisfaction and commitment.

Senge (1998) cites Schein's belief that "most top executives have little understanding of the task of developing culture" ("Leaders' Role," para. 2). In fact, de Geus (2002) speaks to the culture of an organization having characteristics of personhood, such as goal-orientation, consciousness of itself, openness to the outside world, and alive with a finite lifespan. For too many years, large companies have not had a reputation for excellence. Many leaders have allowed staff apathy to invade organizational culture. In addition, "corporate isolation" has taken root in American business, wherein disconnect with society has formed, "as evidenced by such gaffes as executives flying on corporate jets while begging for bailout money" (Werbach, 2009, p. 82). Werbach (2009) contends that pressures of the stock market erode operational effectiveness.

> Public companies set the fiscal year's budget and then obsess maniacally over quarterly earnings to demonstrate superior performance…The ends of quarters and the end of a fiscal year can take on a Monte Carlo feel, with money either sloshing about or completely withheld, depending on expenses. (p. 27)

Kanter (2009) describes vanguard companies as role models with respect to how to build enduring culture, how to enable continuous change and renewal, as well as flexibility and responsiveness, how to use values and principles as a guidance system, and how to construct a strong social purpose and connection with society that breeds innovation. Senge et al. (2008) concur that organizations need to be adaptive and apply a systems thinking lens to a global focus on innovation, solutions, and approaches. Kanter's vanguard company offers a paradigm for business that fosters a sustainable foundation for *it*CSR to develop and thrive, exhibiting five critical qualities: focused, flexible, fast, friendly and fun. Bolman and Deal (2003) concur that in order to build operational excellence corporations must construct meaning through the use of symbolic expressions, such as stories, ceremonies, rituals, music, and icons.

> An organization without a rich symbolic life grows empty and sterile. The magic of special occasions is vital in building significance into collective life. When ritual and ceremony are authentic and attuned, they fire the imagination, evoke insight, and touch the heart…Stories give flesh to shared values and sacred beliefs. (Bolman & Deal, 2003, p. 406)

Furthermore, Kanter (2009) proposes 10 ways for corporations to achieve vanguard status: (a) set a vision and make values a daily conversation; (b) see work as part of a larger system around it; (c) stress innovation; (d) think in terms of networks; (e) create consistent processes; (f) stress projects over positions; (g) treat employees as though they are volunteers; (h) cultivate empathy and respect; (i) invest in human community and people engagement, interaction, and fun; and (j) allocate time for external service.

> The vanguard model turns organizations upside down and inside out. They become less hierarchical and more driven by flexible networks. They become more open and transparent to the outside world while bringing society and its needs inside. As an ideal and an aspiration, the vanguard model attempts to reconcile contradictions: to be big but human, efficient but innovative, respecting individual differences while seeking common ground, global in thinking but concerned about local communities. (Kanter, 2009, p. 266)

Corporate governance. Characteristics of responsible *it*CSR development include transparency, accountability, engaging stakeholders, risk management, product stewardship, and reporting performance (Shoop, 2011). *It*CSR development should have a system of measurement and rewards that includes an audit to capture meaningful impact. A central vision and mission, along with codes of conduct, will drive accountability across the value chain and stakeholder involvement that fosters mutual relationships. Transparency and accountability are necessary components of corporate governance concerning *it*CSR development (Werther & Chandler, 2011). After studying sustainability reporting among Fortune Global 250 companies, Kolk (n.d.) concluded that these large corporations are offering greater amounts of information in their efforts to be more transparent and accountable. Furthermore, while many of these organizations provide a separate sustainability report, businesspeople continue to debate the validity of integrated reporting (Sherman et al., as cited in Kolk, n.d.). In fact, Eccles and Krzus (2010) believe that traditional annual reports are convoluted, static, retrospective, and un-engaging, whereas a new kind of integrated report that they propose is a comprehensive, networked, real-time representation of corporate health.

Essentially, *it*CSR must be integrated into the governance of the company, as both a risk-mitigating tactic and opportunity-seeking strategy (Epstein, 2008). Society and business are better off when companies are strategically connected to *it*CSR rather than being driven by altruism or coerced egoism. Borrowing from Husted and De Jesus Salazar (2006), an altruistic approach will be genuine and sincere, but may disregard how activities affect the bottom line. This approach is not necessarily sustainable for the organization. Coerced egoism will result in socially responsible activities that mainly emanate from a need to comply with regulations or public pressure, for example, non-discrimination in employment practices (Waldman & Siegel, p. 2008).

In fact, developing a strategic approach to *it*CSR increases the corporation's "social output" by aligning incentives and maximizing motivation (Husted & De Jesus Salazar, 2006, p. 86). Strategic approaches to *it*CSR can also offset the need for government influence and legislation and can offer businesses a way to balance unchecked capitalism (Werther & Chandler, 2011). In addition, the business case for *it*CSR needs to have as much of an intrinsic component as an extrinsic one (Bhattacharya, Sen, et al., 2011). In fact, if people need to distinguish between moral and strategic decisions, authenticity in stakeholder engagements will be undermined (Lindgreen & Swaen, 2010). Instead, keeping moral and strategic decisions intertwined links to a corporation's ability to provide clear and simple methodologies for measuring social and environmental and financial results (Lindgreen & Swaen, 2010).

Werther and Chandler (2011) advocate a methodical implementation of *it*CSR that includes the following elements: (a) the CEO is actively engaged; (b) nomination of a full-time executive to an *it*CSR officer position; (c) a strong and clear *it*CSR vision; (d) systematic measurement and rewards for *it*CSR commitments; (e) *it*CSR reporting; (f) genuine and meaningful code of conduct; (g) an independent third party ombudsman; (h) an organizational structure that demonstrates clear commitment and oversight from top management, executives, and the board of directors; (i) strategic stakeholder engagement; (j) management of the message; and (k) activism that supports economic viability of the firm. However, these are no universally accepted implementation practices, and an organization's actions, as well as how much those actions go above and beyond mere public relations and or compliance, often seem to be the only true identifiers of its *it*CSR, and (Werther & Chandler, 2011).

Nevertheless, a sound implementation strategy is essential to creating any change in organizational culture; otherwise, the best intentions become misguided attempts. As Trice and Beyer (2001) note, "cultural change involves a break with the past; cultural continuity is noticeably disrupted" (p. 414). Therefore, it is important to fully and thoughtfully execute the change along many elements, but at the same time, maintain some continuity. Establishing new symbols, rituals, language, and stories serves as a socialization tactic to establish *it*CSR norms during the implementation process. In addition, the more innovative the leadership is, the better will implementation balance some of the enduring elements of the old culture with learning around the new vision (Trice & Beyer, 2001).

Another aspect of corporate governance that can drive *it*CSR implementation properly is the effectiveness of the board of directors. Werther and Chandler (2011) believe that the board has two responsibilities: (a) to give strategic advice from their variety of experiences, and (b) to provide oversight as representatives of shareholders. The board can play a critical role in holding the executive leadership accountable for the company's *it*CSR actions. One other important aspect of operational excellence is the external motivator of incentives. Unfortunately, the general consensus seems to be that organizations have not implemented financial incentives to help systematically drive *it*CSR. This could be due to the fact that excessive executive remuneration and incentives have been criticized as part of the business community's demise. In effect, such bonuses have become synonymous with irresponsibility and lack of authenticity. However, in recent surveys, the trend for executives to recommend some kind of sustainability bonus for employees is starting to enter the c-level discussions at leading global corporations. However, skepticism still abounds and any kind of financial incentive tied to *it*CSR will depend on a strategic evaluation of firm-specific issues and goals to ensure proper alignment between the incentives and performance (Kolk & Perego, 2012).

At the heart of building organizational excellence in developing *it*CSR is a cultural change and an acknowledgement of the organization as a living system (Senge et al., 2008). Engaging employees in *it*CSR principles and activities, developing standards and metrics for measurement, and benchmarking against other organizations will improve performance (Kashmanian et al., 2010). Additionally, Doppelt (2010) proposes seven approaches in pursuit of a cultural change toward *it*CSR: (a) change the mindset, (b) rearrange the system, (c) revise the goals, (d) restructure engagement, (e) alter the structure for the flow of information, (f) change feedback loops and communication, and (g) adjust parameters. Senge's (2006) systems thinking is necessary to foster collaboration. In the end,

> A healthy living company will have members, both humans and other institutions, who subscribe to a set of common values and who believe that the goals of the company allow them and help them to achieve their own individual goals. Both the company and its constituent members have basic driving forces: they want to survive, and once the conditions for survival exist, they want to reach and expand their potential…The nature of the underlying contract creates trust, which results in levels of productivity that cannot be emulated by discipline and hierarchical control. (de Geus, 2002, p. 200)

Visser (2011) discusses creativity, scalability, responsiveness, *glocality*, and circularity as key principles of *it*CSR development. Without creativity, there is stagnation. At the same time, creativity does need some degree of balance and discipline, lest the chaos of invention lead to its own destruction (March, 1999; Visser, 2011). In terms of scalability, Visser notes that products and services need to be put in context for each targeted customer base in order to drive the intended behavior changes in each marketplace. Responsiveness only succeeds through cross-sector partnerships and collaborative initiatives (Visser, 2011).

The notion of "glocality" is intended to convey "global localization" (Visser, 2011, p. 257) and the importance of companies understanding local contexts for local solutions, "without forsaking universal principles" (Visser, 2011, p. 259). Local context can include cultural traditions, politics, socio-economic priorities, governance, and crisis responsiveness, whereas global drivers include market access, international regulative initiatives, investment incentives, activism, and supply chain integrity (Visser, 2011). For example, in 2012, the California Transparency in Supply Chains Act of 2010 went into effect: a local effort, as part of a global concern, to eradicate slavery and human trafficking. Not only companies domiciled in California, but also all retailers and manufacturers with gross profits of $100 million worldwide who do business in California are expected to comply with the disclosure requirements outlined in the Act for specific operational activities. This type of local legislation is complicated to track and monitor, and as such measures for non-compliance have not yet been fully identified, and compliance largely depends on self-reporting and any overlapping international soft law influence (Verité, 2011; "What is the California Transparency," n.d.). More significantly, this type of soft law gathers momentum when other regions or countries model these initiatives, as the U.K. is doing (Osgood Sustainability Consulting, 2012).

Finally, the principle of circularity is constructed against the backdrop of Earth as a "spaceship" with finite resources and the necessity to function as a "cyclical ecological system" (Visser, 2011, p. 291). Indeed, as Sachs (as cited in Horrigan, 2010) notes, "The defining challenge of the twenty-first century will be to face the reality that humanity shares a common fate on a crowded planet" (p. 339). Choyt (2013) discusses the relevance of circularity in the context of *circle wisdom.* Leaders need to move away from a hierarchical/triangular approach to business and instead adopt nature's more circular approach to how systems function and thrive. In addition, "[businesspeople] have to start working like nature and think about profit that is regenerative to communities" (Choyt, 2013, "Fragmentation," para. 2).

Engaged learning. Transitioning to the higher stages of *it*CSR necessitates a transformation to a conscious organization, but this transformation is not sudden. Rather, it is iterative and requires a company to become agile with respect to change (Boehm, 2011; Coulter & Erikson, 2012; Grayson et al., 2008; Kanter, 2009; Kourula & Halme, 2008; Kytle & Ruggie, 2005; Louche et al., 2010; Marshak, 2004; Pink, 2011; Savitz & Weber, 2006; Werbach, 2009; Zadek, 2004, 2007).

> To the extent that the company can plan for or around disruptive events, it will have a greater capacity to adjust. Furthermore, by engaging in scenario planning, a company can ask what-if questions to think more strategically over the long term. (Kashmanian et al., 2010, p. 116)

In order to create this kind of agility, individual and organizational learning are necessary, which comprises the fourth domain of *it*CSR development (Googins et al., 2007). Organizational learning is a construct that extends beyond the corporation to engage multiple stakeholders (Senge, 2006) and drive industry change (Googins et al., 2007).

The learning organization. The five components of the learning organization that form part of *it*CSR development are: (a) evaluation of vision and strategy that also yield insight into the prevailing *mental models* (commonly held beliefs and assumptions) held by the existing executive team; (b) personal mastery, which helps to focus energy around the vision as well as develop objectivity and patience; (c) opening up shared mental models that drive the current culture; (d) taking the vision to a shared vision in which the values of the employees align with organizational values; and (e) building team learning and open discourse ("The Learning Organization," 1991). Haugh and Talwar (2010) propose similar components in their four recommendations about the learning aspect of *it*CSR development: (a) learning should be companywide, and not limited to the executives and senior leaders; (b) learning must focus on cross-functional collaboration; (c) learning needs to be technical and action-oriented for employees to gain practical experience of initiatives and increase their knowledge as well as their interest and commitment to *it*CSR principles; and (d) *it*CSR must be integrated into the long-term learning strategy of the organization such that renewal of knowledge and growth are built-in.

At the heart of organizational learning is the creation of agility, balance, and coordination. As Zadek (2004) points out, "organizations' learning pathways are complex and iterative…Companies can make great strides in one area only to take a few steps backward when a new demand is made of them" (p. 126). It is not an easy undertaking to develop a culture of *it*CSR, as it represents complicated, multi-faceted, slow, continuous, and seamless change (Googins et al., 2007; Zadek, 2004). Furthermore, leaders of large global organizations will readily find "an inability or unwillingness to learn something new because it appears too difficult or disruptive" (Schein, 1993, p. 86).

However, a culture that is established around learning and change can produce innovation and adaptability (Scott-Ladd & Chan, 2004) and foster collaboration (Martin, Quigley, & Rogers, 2005). Essentially, this culture is based on learning how to learn, which includes reflection and planning (Maon et al., 2009). Zadek (2007) suggests that *it*CSR develops by learning differently versus merely learning about different things. An organization that embraces engaged learning as a core ideology will be more adept at using systems thinking to improving performance and bringing about innovation. This kind of organization will be able to move through the various stages and levels of CSR development (Zadek, 2004).

In addition, organizational learning to develop *it*CSR depends on the concept of sharing knowledge among members and multiple stakeholders, representing a shift in the mental model in American business that knowledge is a commodity to be acquired and possessed (Senge, 1998). Senge (1998) highlights a distinction between knowledge and information, suggesting that the line between the two has been blurred inadvertently so that businesspeople have been conditioned to hoard knowledge. Rather, he believes that information is something that can be acquired and passed along or held, whereas knowledge is defined as "the capacity to effect action" (Senge, 1998, para. 5). Senge highlights the difference between knowing something and knowing how to do something, noting that "sharing knowledge occurs when people are genuinely interested in helping one another develop new capacities for action…creating learning processes" (para. 7) generates collective action. Successful knowledge building happens as a result of patience, practice, and relationships based on mutual trust (Senge, 1998).

Porter and Kramer (2011) suggest that there are three ways in which companies can combine economic and social benefit in the learning framework, in such a way that those benefits are mutually reinforcing: (a) reconceive products and markets, such as developing different solutions for emerging economies; (b) reimagine the value chains and productivity constructs that can give life to micro-entrepreneurs within organizations; and (c) develop supportive industry-wide clusters around related activities that improve overall competitiveness and generate connection and "multiplier effects" (p. 74).

It is important to note that developing a learning organization is not a fixed destination. Rather, it is about accepting the organization as a living system that is in a constant state of flux and is influenced by people's beliefs, traditions, habits, and norms (Senge, 1999a). De Geus (2002) calls the process of learning in a living system as "play" (p. 77), wherein people enter and leave projects, but the overall team's capabilities improve and the learning process continues. "Because organizations are products of the ways that people think and interact…sustaining any profound change process requires a fundamental shift in thinking and action…We need to think of sustaining change more biologically and less mechanistically" (Senge, 1999b, p. 59).

Creating organizational learning fosters a corporate culture wherein mental models are challenged to open the system for new knowledge to be absorbed and to construct a bridge for new behaviors to emerge throughout the organization (Senge, 2006). Maslow (1998) illustrates that good management practices include the components of continuous improvement and empowerment and the assumptions of McGregor's Theory X and Theory Y, which deal with managerial leadership and assumptions about what motivates people to perform. Theory X portrays leaders as authoritarian, versus Theory Y, which portrays them as collaborative and trustful. "The assumptions [that] management holds about controlling its human resources determines the whole character of the enterprise" (McGregor, as cited in Maslow, 1998, p. 69).

The key is to build a culture in which people are trusted, motivated, and willing to contribute of their own accord (Maslow, 1998). Creating a culture of ongoing learning helps people become adept at handling continuous change (Sheehan, 2004) and resilient to the flow of society's dynamics, needs and interests (Zadek, 2004). A culture of organizational learning develops and allows for the emergence of new competencies (Marshak, 2004). For example:

> A generation ago, most people didn't think tobacco was a dangerous health threat. Just a few years ago, obesity was seen as a combination of genetics and unhealthy lifestyle choices – certainly not the responsibility of food companies. Today, ageism is rarely seen as a corporate responsibility issue beyond compliance with the law – but in an era of dramatic demographic shifts, it soon will be. The trick, then, is for companies to be able to predict and credibly respond to society's changing awareness of particular issues. The task is daunting, given the complexity of the issues as well as stakeholders' volatile and sometimes under-informed expectations about business' capacities. (Zadek, 2004, p. 127)

Organizational learning helps cultivate knowledge that supports the shared values of the organization, and an action-learning approach gives employees practical experience, making learning interesting and experiential (Haugh & Talwar, 2010). Roberto and Levesque (2005) propose several processes that build organizational learning: (a) chartering to define purpose and scope of initiatives; (b) boundary-setting and team design; (c) learning based upon information gathering and experimentation; (d) mobilizing around storytelling, symbolism, and metaphors to capture people's interest; and (e) re-aligning around job design and performance management.

In fulfilling the engaged learning component of *it*CSR, it is necessary to align action-learning with Knowles' framework of andragogical learning (Knowles, Holton & Swanson, 2005). Widely accepted as the universal essence of andragogy, Knowles' elements of adult learning are based on the assumption that adults are self-directed learners. Adults require the following components in any learning situation in order for the learning to be meaningful, impactful, and applied: to know why they need to learn something, to be viewed as independent, to draw upon their world experiences in the learning process, to have the learning's timing and readiness match with their social and developmental roles, for learning to be centered around performance, and to have their motivation fueled by internal needs. In essence, for adults, learning takes place from the inside out (Knowles et al., 2005).

In addition, motivation is a key ingredient of adult learning. Theories of motivation first came to life in Maslow's (1954) hierarchy of needs, represented by a pyramid. At the base of the pyramid are physiological needs that represent basic sustenance. Once these needs have been met, safety becomes the next level in Maslow's hierarchy. The third level represents needs for belonging and love, the fourth level is self-esteem and respect, and the fifth level is self-actualization. Inspired by Maslow's work, many theorists emerged with situational applications of his hierarchy. Noteworthy when examining big business, McGregor (as cited in Saffterstone, 2005) indicated in the 1960s that leaders must appeal to the higher levels of Maslow's hierarchy of needs by creating conditions that motivate employees to give their full support and maximum output.

Goal setting plays a big part in motivation. Again in the 1960s, Vroom (as cited in de Jong, 2011) applied expectancy theory to business. Expectancy theory gives perspective to the intrinsic value of goals, which means that motivation grows if the goals fulfill an individual's beliefs in a positive correlation between efforts and performance (de Jong, 2011). Building on motivation theory, intrinsic motivation was further developed in 1987 by Keller (as cited in Schein, 1993), who postulated four components of motivation: arousing interest, creating relevance, developing an expectancy of success, and producing satisfaction through rewards. In order for people to learn, they must first process why they need to change, and believe that their current ways of work are no longer applicable or working properly.

The learning process is designed to motivate employees to support important programs and gain an intrinsic understanding of how *it*CSR affects them. This means looking at how *it*CSR initiatives are communicated, how and when to celebrate the short-term wins that demonstrate momentum and impact, and how to design the environment to encourage organic innovations. As previously described, addressing existing mental models towards Friedman economics helps produce the requisite re-framing of issues in order to develop new attitudes and approaches in business (Schein, 1999; Senge, 2006).

Schein (1999) leans on Lewin's theories of change to support the idea of re-anchoring people and organizations around a new context. This is particularly relevant in large global corporations that have many sub-cultures, and communication across boundaries needs to be facilitated and nurtured. This process occurs naturally in the development of *it*CSR as members of the organization learn from their experiences of launching new initiatives and receive positive feedback from customers, stakeholders, and other members. The leaders discover for themselves that they can unleash enormous energy by taking steps to align their purpose and mission around *it*CSR core values that resonate with their workforce (Senge et al., 2008). In turn, the workforce is better prepared for long-term careers that assimilate profitability with a socially conscious value system at work to create a cycle of continuous development. "Consider, for example, the Swedish word for 'work' – *Narings Liv*. Literally translated, it means 'work that nourishes you for life' – a value system that should be at the heart of the CSR movement" (Weissman, 2012, para. 6).

External partnership. Implementation of *it*CSR through engaged learning represents "a transition from a buffered dependence on stakeholders towards a bridging dynamic interdependence between a firm and its surroundings as well as with its influential stakeholders" (Zadek, 2001, p. 221). To build stakeholder partnerships, the corporation must move from reactive compliance to proactive engagement between business and society, from environmental constraints to partnerships with stakeholders, and from dependence to interdependence among strategic relationships (Zadek, 2001). There are several reasons for creating strategic multi-stakeholder relationships: (a) to build shared knowledge, (b) to co-finance projects, (c) to combine competencies, and (d) to improve communications, each having its own distinct result such as incremental adaptation, life-cycle learning, or trust-building (Zadek, 2001).

With this in mind, Zadek (2001) discusses the importance of *new social partnerships*. Zadek and Nelson (as cited in Zadek, 2001) identify a number of dynamics present in effective and efficient partnerships: acknowledging the shared drivers and triggers that brought the stakeholders together; clarity and openness about the expectations and agendas to create agreement around a common purpose; mutual understanding of the scope and complexity of what is to be addressed, as well as the range of outcomes and timeframes; nominating a neutral individual or entity as the leader and to inspire, mediate and facilitate; understanding the resources, skills, and capacities of each partner; arranging organizational and leadership structure for the common good; leading with transparency and accountability; and communicating regularly with dialogue, feedback, and conflict resolution (as cited in Zadek, 2001, p. 203).

Kotler and Lee (2005) highlight some of the challenges with external partnerships: choosing a social issue, selecting an initiative by which to address the issue, developing an implementation plan, and evaluating success both for the corporation and the beneficiary. They provide 25 best practices for "doing the most good for the company and the cause" (p. 235), which can be summarized as follows:

- Choose a few social issues that have synergy with the vision, mission and values, and business goals, and are of concern to the local relevant communities and constituents;
- Choose issues with clear long-term objectives that leverage the organization's resources and those of the partners;
- Communicate buy-in and evaluation of results and *wins* for both the company and the cause;
- Monitor status and adapt to changing social needs (Kotler & Lee, 2005).

Ultimately, it is a straightforward decision of choosing which external partnerships create shared value around the issues that matter and pertain most strongly to the business (Werther & Chandler, 2011).

Conclusion

*It*CSR is not a current business fad or trend. Rather, *it*CSR is the logical by-product a globalized economy (Hoebink, 2008; Gjolberg, 2009b; Strugatch, 2011). However, as Mullerat (as cited in Shestack, 2011) said, "it has not taken root in our consciousness" (p. 126). Martin (2011) notes that, while there is evidence of progress, *it*CSR development is moving at a slower pace than desired by society. Society needs corporations to pick up momentum and aim for the integrated and transforming levels of CSR.

> It is clearer than ever that sustainable development is both a collective challenge and opportunity – and if we don't succeed, it will be our collective failure. This understanding should not beget finger-pointing, but rather lead to action, as the accountability and impact are universal. (Clinton, 2012, p. 1)

Chapter 3: Methodology and Procedures

"Man's mind stretched to a new idea never goes back to its original dimensions."
- Oliver Wendell Holmes, Jr. ("Oliver Wendell Holmes Jr. quotes," n.d., para. 1)

Introduction

The purpose of this qualitative study is to explore the successful strategies among certain U.S. Fortune 500 global corporations in developing *it*CSR, marked by a company's proactive efforts to create meaningful TBL impact, such that harm is minimized and shared value is created legally and ethically among multiple stakeholders in the business community, society, and government (Googins et al., 2007; Porter & Kramer, 2006; Werbach, 2009; Werther & Chandler, 2011). It is further represented by: (a) being a champion or visionary leader in the field, (b) being out in front of innovation and or leading the industry, (c) proactively building multi-stakeholder partnerships, and (d) strategically creating shared value and social change throughout the value chain (Googins et al., 2007; Porter & Kramer, 2011; Werther & Chandler, 2011). The research focuses on gaining an understanding of the reasons that compel the executives in the selected U.S. Fortune 500 global organizations to develop *it*CSR and the strategies they use throughout their multi-dimensional organizations as well as externally in their products, services, and practices.

From the literature, the researcher found a need in the marketplace for more knowledge about *it*CSR implementation practices among the U.S. global corporations. Therefore, this study identified the U.S. Fortune 500 global corporations that closely match the characteristics of *it*CSR by (a) cross-referencing five indices/lists that measure various parameters of the *it*CSR criteria, and (b) evaluating total trailing financial returns for 1-year, 3-year, and 5-year periods. The research explored why and how the selected

U.S. Fortune 500 global corporations developed *it*CSR in order to help other U.S.-domiciled large, multi-dimensional organizations foster their own *it*CSR. The research followed a phenomenological qualitative approach designed to explore, describe, and gain understanding of *it*CSR development from the perspective of a senior executive in charge of *it*CSR at these companies. The chosen methodology, description of the study, research design, and role of the researcher are addressed in this chapter, including the process for selecting the data sources, interview protocol and procedures, the interview questions, and an overview of data collection and protection of human subjects.

Restatement of Research Questions

This study explored the following research questions:

1. What motivates the executives of the selected U.S. Fortune 500 global corporations to develop *it*CSR?
2. What strategies are used in the selected U.S. Fortune 500 global corporations to develop *it*CSR?

Research Design

This qualitative study followed a strategy of inquiry using open-ended questions in a semi-structured interview designed to capture the essence of developing *it*CSR at U.S. Fortune 500 global corporations (Creswell, 2009). This method used an inductive approach to identify why these corporations developed *it*CSR and the strategies used throughout their multi-dimensional organizations. Data were drawn from interviews conducted with a senior executive responsible for CSR in each of the organizations that met the criteria for selection. This studied used a qualitative approach in order to understand the mechanics behind how U.S. Fortune 500 global corporations developed *it*CSR, and unearth fresh details (Corbin & Strauss, 2007; Roberts, 2010) on the evolutionary change that these organizations underwent.

Furthermore, a phenomenological approach was used to describe details, explore the central concepts of *it*CSR development, and get in-depth data (Roberts, 2010). Therefore, this approach was used to provide the varied narratives of the experience, rather than characteristics of the overall group or any statistical generalizations (Polkinghorne, 1989) in Googins et al.'s (2007) four areas of the Global Leadership Network framework: (a) business strategy, (b) leadership, (c) operational excellence, and (d) engaged learning. Phenomenological research is known to be descriptive and, at the same time, it has the structure to "produce meaning in consciousness" (Polkinghorne, 1989, p. 44).

Therefore, this study was constructed to provide insight into what it means to *do CSR the right way*, and to add to the body of literature regarding *it*CSR development among the large U.S.-domiciled global corporations. This format of research falls under the social constructivism worldview, which is based on complex meanings and personal views of experiences. The survey questions were purposely broad so that participants had the latitude to construct the meaning of the situation. The researcher then interpreted the findings to make sense of the shared experiences among the participants (Creswell, 2007).

In order to make a phenomenological study meaningful, Polkinghorne (1989) has asserted that data need to be collected from a minimum of three data sources (Creswell, 2007), and the researcher aimed to collect data from as many of the 10 selected data sources as possible. Interviewing the most senior people in charge of CSR at each company provides consistency among the data sources (Roberts, 2010). It is important to survey current leaders in *it*CSR development at cutting-edge organizations that have a great deal of experiential expertise. This knowledge of the field has the potential to lend credibility to the findings and conclusion.

Drawing from Moustakas (1994), the research explored two broad questions centered on (a) understanding what the study participants have experienced in terms of *it*CSR development (this studies the *how*), and (b) what factors have influenced those experiences (this studies the *why*). This naturalistic inquiry process typically takes place in a natural setting, wherein the instrument is the researcher, and participants' *multiple realities* are considered equally legitimate (Golafshani, 2003; Isaac & Michael, 1995).

Process for Selection of Data Sources

There is currently no universal agreement for an exact measurement of *it*CSR. As Cowe (2012) points out, "there are no neat league tables showing wins, draws, defeats and points scored to pinpoint the best. There are as many ways of judging a company as there are judges" (para. 3). Therefore, outlined herein is the analysis used for this research to identify and obtain a purposeful sampling (Isaac & Michael, 1995) of the organizations that have developed *it*CSR commitment and closely model *it*CSR.

1. Only U.S- domiciled companies were used in order to capture the American *it*CSR experience;
2. A cross-analysis of five indices/lists known globally for recognizing corporate sustainability, CSR, and corporate citizenship was performed, and only the U.S.-domiciled corporations that appeared on at least three out of the five lists

were chosen, with one of the lists being the DJSI 2012 World List or the FTSE4Good 2012 Index;

3. From the companies that passed the aforementioned cross analysis, only corporations that appeared on the Fortune 500 listing and had a global scope of operations were chosen;
4. Of those remaining, a financial analysis of 1-year, 3-year and 5-year total trailing returns was performed, and only those corporations that demonstrated this economic viability fulfilled the criteria for the data sources (Elkington, 1998; Googins et al., 2007; McElhaney, 2008; Savitz & Weber, 2006; Visser, 2011; Werbach, 2009; Zadek, 2007).

While it can be argued that bias and subjectivity are inherent in each of the indices, at the same time the indices serve as benchmarks for the corporations and externally among stakeholders (Heyns, 2012). In the aggregate, using a cross-reference between five indices served to reduce some of the bias and also provided greater evidence of social and environmental efficacy and balance between these two components. In short, the indices provided “useful ways for companies to conceptualize and to monitor their triple bottom line performance” (Googins et al., 2007, p. 124).

U.S. domicile. It is important to note that this research solely focuses solely on U.S.-domiciled corporations and excludes corporations domiciled in other countries in order to provide a closer uniformity of assessment. Therefore, the data sources were all companies headquartered in the U.S. Studying U.S.-domiciled corporations can provide development insight for other U.S. corporations. At present, there is a disconnect between the United States’ place in the bottom five among 20 countries in sustainability

(Gjolberg, 2009a), versus its top position among five leading Western countries in terms of consumer demand for sustainable products (Grayson et al., 2008).

Cross-analysis of indices/lists. The data sources were chosen by the researcher after reviewing five official lists/indices known to capture and monitor the top global corporations in terms of financial as well as non-financial corporate social responsibility/ sustainability criteria: (a) the 2012 DJSI, containing nearly 60 U.S. corporations of the total 500 (companies are watched and added / dropped periodically); (b) 2012 FTSE4Good Index, wherein 150 U.S. corporations have been identified of the total 720 global companies; (c) CR's 100 Best Corporate Citizens 2012, which evaluates the top U.S. corporations; (d) Corporate Knights' 2012 Global 100 Most Sustainable Corporations in the World, which features only nine U.S. global corporations in total; and (e) the Boston College Center for Corporate Citizenship 2011 CSRI 50, of which the majority are U.S.-based. To be recognized on an index is indeed value generating and leads to even greater recognition; companies on these lists have demonstrated an approximately 2.1% increase in value (Robinson, Kleffner, & Bertelsmann, 2011). The role that these intermediary assessments play is significant in flushing out the organizations that are focused on the *window dressing* of public relations, marketing, or compliance versus meaningful TBL impact (Robinson et al., 2011). The public views these indices as being fairly objective and professional (Dubbink et al., as cited in Robinson et al., 2011; Fowler & Hope, as cited in Robinson et al., 2011). Therefore, firms with a good reputation for sustainability have an upper hand in the marketplace (Roberts & Dowling, as cited in Robinson et al., 2011).

Though each is different from the others, every index/list stands on its own merits and each is globally reputable. For example, the DJSI and the FTSE4Good Index are globally pre-eminent because they are cited as rigorous indicators of sustainability performance (Christofi, Christofi, & Sisaye, 2012). In addition, both indices highlight companies that are focused on developing *it*CSR and sustainability investing and, in fact, outperform various market indices (Savitz & Weber, 2006). The DJSI is quite prestigious, detailed in its selection process, and regarded as the foundation index for a corporation to gain support from the global marketplace and to be viewed as an industry leader (Cantoria, 2011; Gjolberg, 2009a; Robinson et al., 2011). It represents eight billion dollars in the global marketplace (Robinson et al., 2011) and is based on a *best-in-class* approach since its 1999 inception (Gunther, 2012). Due to the long-term positive correlation between share price and market reaction, inclusion on the DJSI is desirable, despite the rigorous application process, and is used as a key performance indicator and strategic goal by many corporations (Robinson et al., 2011).

The FTSE4Good Index is particularly noteworthy because of its transparency; it publicly provides all the criteria for evaluation of a company's inclusion; provides a risk matrix that helps evaluating companies vis-à-vis their industry; involves external experts for support in developing the criteria as well as refining it; includes several layers of validation; and finally, works with companies that are not on the list to facilitate their development, as well as give them a forum for their appeals (Sadowski, Whitaker, & Ayars, 2011). Both the DJSI and the FTSE4Good Index focus on TBL criteria in their assessment process, have global scope, involve a minimum of a hundred organizations, and have reliable data available at the country level (Gjolberg, 2009a). A more detailed explanation of each of these lists is provided in Appendix A. All in all, these five lists represent a valid, reliable, defensible, balanced approach by which to identify the corporations that are advancing *it*CSR.

The goal of performing this selection exercise was to identify U.S. corporations that appear on a majority of the lists, with a minimum inclusion rate on at least three of the five, and one of the lists being the DJSI or the FTSE4Good Index. This selection process resulted in 19 U.S.-domiciled corporations that have been validated as being committed to CSR development by the virtue of the fact that they appear on the majority of the five reputable lists.

Evaluation of U.S. Fortune 500 and global scope of operations. The 19 U.S.-domiciled corporations identified on at least three of the five indices/lists in the aforementioned cross-analysis were further vetted to reflect only those that are publicly traded, 2012 U.S. Fortune 500 organizations. The Fortune 500 list is a ranking of the largest publicly traded U.S. corporations according to revenue, using annual reported data as of January 31, and it is highly regarded as the yardstick for measuring corporate size. Since this study examined the largest U.S. publicly traded global corporations, this chosen indicator further vetted the identified data sources. In addition, the corporations had to operate in more than five countries outside of the U.S. to qualify as global corporations. As a result, one company was removed, resulting in 18 corporations eligible for the economic analysis.

Financial results. The researcher reviewed financial reports from Morningstar for the 1-year trailing total returns, 3-year trailing total returns, and 5-year trailing total returns. The returns are known to fluctuate based on the day of evaluation. Therefore, this analysis captures a moment in time in the short-term returns and captures sustainable financial results in the long-term returns (D. McNamee, personal communication, September 5, 2012). The researcher conducted this analysis in November 2012. The trailing total returns for each company were compared to the financial return of the S&P 500 Index over the same periods. The S&P 500 Index is considered to be the most widely used market-cap weighted index of 500 U.S. corporate equities (Istock Analyst, 2008). Using this approach, positive 1-year trailing financial returns, positive 3-year trailing financial returns, and 5-year financial returns that exceed those of the S&P 500 have been used as the markers of sustained financial profitability (D. McNamee, personal communication, April 30, 2012).

The S&P 500 Index showed 1-year total returns of 16.76% on November 20, 2012 (Morningstar, n.d.). Since industry standards allow for a swing in a benchmark evaluation on the one-year returns against the S&P 500 Index's returns, the researcher accepted any individual corporate 1-year trailing total return of 1% or higher (D. McNamee, personal communication, September 5, 2012). On the 3-year analysis, the researcher accepted a trailing total return of 5% or higher, as an acceptable comparative range to the S&P 500 Index total returns of 10.64% for the same 3-year period. Finally, on the 5-year analysis the individual total trailing returns had to surpass those of the S&P 500 Index returns of 1.50% for the same period. These three measurements of positive financial returns demonstrate financial strength, stability and sustainability (D. McNamee, personal communication, September 15, 2012).

Moreover, these three analyses are significant in confirming viability and longevity of corporate profitability, while still allowing for times of adversity, economic recessions (such as the one that took place in in 2008), and ebbs and flows in operations (C. Doyle, personal communication, August 8, 2012; D. McNamee, personal communication, April 19, 2012; D. McNamee, personal communication, August 28, 2012.) Since TBL reporting is an important construct in the sophisticated models of corporate citizenship, and the literature underscores universal agreement to the importance of sustainable profitability, then studying the corporations that have demonstrated multi-year financial success is an essential ingredient of *it*CSR. Senge et al. (2008) point out:

> For public companies, moving to stage five means taking on the challenge of continually demonstrating that they can and must be profitable and successful as business in order to make a sustained positive contribution to a regenerative society and environment. ("From Compliance," para. 12)

Demonstrating *it*CSR commitment requires corporations to be industry leaders in shaping social and environmental policy with competitors, customers, suppliers, governments, and communities, all the while demonstrating economic viability. Each of the identified corporations is engaged in issues both externally and globally (Googins et al., 2007; Mainwaring, 2011; Senge et al., 2008; Zadek, 2007). The proposed analysis was performed in November 2012 and yielded ten U.S. Fortune 500 global corporations. Of the ten, eight agreed to participate. Additionally, all of these companies subscribe to the GRI reporting guidelines for global corporations, which are important in establishing credibility and transparency in reporting within the global community (Epstein, 2008; Grayson et al., 2008; Global Reporting Initiative, n.d.b).

Data Gathering Instruments

Eight interview questions serve as the instrument used in this qualitative study (Creswell, 2007; see Appendix B). The researcher conducted one-on-one open-ended interviews with each of the participants to encourage “rich, vital, substantive descriptions…of the experience” (Moustakas, 1994, p. 116). The four domains in Googins et al.’s (2007) Global Leadership Network Framework guided the construction of the interview questions. Therefore, the questions presented to the participants included the areas of business strategy, leadership, operational excellence, and engaged learning. Each question was thematically and dynamically constructed, meaning that its purpose was to contribute to knowledge development and promote good rapport with the participants. The questions were constructed to be easy to understand and allow for probing, specifying, or re-confirming with follow-up questions (Kvale & Brinkmann, 2009). The first question was directed toward business strategy. The second question bridged business strategy and leadership. The third question focused on leadership. The next three questions addressed operational excellence, and the last two questions addressed organizational learning.

Validity and Reliability of Data Gathering Instruments

Validity refers to trustworthiness of the data analysis in a qualitative study (Roberts, 2010) and verifies that what was measured was what was intended to be measured (Joppe, as cited in Golafshani, 2003). Creswell (2007) believes that validation is a process of assessing the accuracy of the findings, in as much as the findings are a representation made by the researcher. The researcher conducted a peer review - an external debriefing to ensure the method, meanings and interpretations made sense and the integrity of the process was maintained. The peer review included an in-depth evaluation of the significant statements (the horizontalization results), the grouping of the items, the themes, and the organization of the nodes. Both parties kept a written account of the debrief (Creswell, 2007). This process ensured that the four-part criteria for establishing trustworthiness in phenomenological studies were met: (a) ensuring credibility that the findings are believable, (b) confirming transferability such that the findings can be applied to other settings, (c) safeguarding dependability around consistency, and (d) *confirmability* that the process and results have been reviewed by external sources (Isaac & Michael, 1995).

Reliability refers to the research and its replicability (Golafshani, 2003). Care was taken to be as consistent as possible from one interview to the next. As there has been no pre-existing study of this kind, the researcher held three mock interviews to practice the experience, determined the best approaches to building rapport at the start of each interview, reviewed each question to confirm if the questions gathered the intended data (and made modifications accordingly, prior to IRB), and reviewed dialogue about the IRB consent. The mock interviews were conducted with industry experts and tested for the validity and reliability of the construct, as well as to identify the presence of any biases (Bryman, 2008). Furthermore, the researcher used the mock interviews to finalize the protocols (Creswell, 2009).

Gibbs (as cited in Creswell, 2009) provided suggestions to further ensure reliability: (a) the researcher protected against “drift in the definition of codes” (p. 190) – which can lead to a shift in the meanings – by regularly comparing the data with the codes and keeping the integrity of the definitions of the codes; and (b) the researcher cross-checked the codes and any amendments made to the codes, i.e., all codes were analyzed with the peer reviewer. In addition, the researcher explored the participants' experiences and strived to refrain from bias that results from being a researcher in the field. In other words, this study was designed to capture the participants' perspectives arising from the meanings that were derived from the literature and knowledge on the topic with as little personal bias as possible (Creswell, 2007). The integrity of a phenomenological study is protected by *epoche*, the Ancient Greek word symbolic of setting aside pre-conceptions, knowledge, and judgments. Instead, the researcher will be revisiting the phenomenon "freshly, naively, in a wide open sense" (Moustakas, 1994, p. 33). As a result, each experience was considered independently, and then the entire phenomenon was described anew (Moustakas, 1994).

Data Gathering Procedures

Asynchronous email communication served as the platform from which contact with target participants was launched. Each participant in the study was contacted via email to introduce the researcher and the nature of the study. Third parties in the researcher's network facilitated introductions and *LinkedIn* was used as a conduit of intial communications. Thereafter, in some cases, a brief introductory telephone conversation was held in order to provide additional context for the study, its relevance, and to discuss protocol, procedures, timing, next steps, and informed consent. The informed consent was then sent to each participant. It outlined the options for the participants in terms of anonymity guidelines. Each participant also received an overview of the dissertation's purpose, a biography of the researcher, and the instrument.

Each participant's interview was arranged at a convenient time for him/her. It was most important that the environment for the interview suited the needs of the participant in order for him/her to feel comfortable to respond honestly and completely (Moustakas, 1994). The interviews ranged between 45 minutes to 2-hour telephone conversations that were recorded and transcribed. The interviews took place in early 2013, immediately upon IRB approval.

Description of Data Analysis

Moustakas (1994) and Polkinghorne (1989) provide the framework for data analysis in a phenomenological study, which the researcher followed. The responses to these questions were evaluated based on Polkinghorne's (1989) assessment that the contents of an experience on which analysis is performed include perception, memory, imagination, and feeling. The first step in the analysis of these contents of the experience was the application of *horizontalization* (Moustakas, 1994), in which information from the interviews and transcriptions was examined for "'significant statements,' sentences, or quotes that provide an understanding of how the participants experienced the phenomenon" (Roberts, 2007, p. 61). This was a process of consciousness-raising and awareness and knowledge building (Polkinghorne, 1989). This first step in the data analysis was conducted by manually reviewing the transcriptions from each interview and highlighting significant statements. The researcher then created a manual spreadsheet of the significant statements by re-reading all the interviews and highlights. The statements were cross-referenced to produce over 50 items for research question one, why *it*CSR developed at the selected organizations, and over 120 items for research question two, how *it*CSR is developed at the selected organizations.

In the second step of the analysis, the statements were grouped into themes that provided the framework for writing the description of what the participants experienced (the textural description) and the context that influenced their experiences (the structural description). The software tool NVivo 9 was used to help in the coding of the data and in constructing the themes for optimal deep-level analysis of this non-numerical and unstructured data. By following the guidelines for NVivo 9, the materials from the interviews, such as the audio transcripts and text documents, were properly imported. The software allowed the researcher to create various classifications of the data, develop *nodes* (places to store ideas from the analysis), and develop evidence-based relationships between the various items and concepts, by reviewing again each interview and grouping the significant statements under each node.

Using the software's search engine capabilities, the researcher was able to test theories and identify trends ("NVivo 9 Basics," 2010). Furthermore, the theories and trends were vetted by revisting the transcripts and themes from the intereviews. As a result, composite descriptions that represent the phenomenon are provided (Creswell, 2007; Moustakas, 1994; Roberts, 2007), and the researcher discusses the findings in chapters four and five. The findings capture the "real life" complexities in developing *it*CSR and provide details on optimal approaches according to the data sources (Creswell, 2007, p. 46).

IRB Approval

As this study involves humans, privacy and fairness are of utmost importance. Informed consent documents were prepared for the participants and stated the purpose of the study, intentions of sharing aggregated research findings, and duration of the research. Their vested time to participate in the interview and possibly review discussion analysis to confirm accuracy was not expected to be onerous, and therefore, presented only minimal risk. There exists a remote possibility that interview statements made about a corporation could be disclosed should confidentiality be breached through theft of the coding schedule.

Nevertheless, the Informed Consent form outlined that participation was entirely voluntary and that the researcher would be maintaining confidentiality throughout the coding process. Thereafter, the coding schedule would remain under lock and key, held by the researcher alone, and will be destroyed sometime after the study is complete. The researcher is the sole proprietor of the coding schedule. In addition, the researcher maintained all written correspondence in a protected e-folder. All telephone or face-to-face conversations were recorded and the researcher safeguarded the transcripts as well. The participants were also informed that they could receive an advance copy of the final report. The researcher submitted an application of exempt status to the IRB as required, stating the nature of the study, the design, the risks, and the benefits of this study to the human subjects.

Summary

This research followed a phenomenological qualitative approach to gather information about the experiences of developing *it*CSR among the U.S. Fortune 500 global corporations. Open-ended questions were used in interviews with senior executives in charge of CSR at the corporations that met the criteria for selection. This study sought to provide meaning regarding why and how large, multinational American corporations develop *it*CSR throughout their multi-dimensional cultures, and how they practice and promote *it*CSR externally. This research aimed to provide insight into this particular class of business as knowledge for other U.S. Fortune 500 global corporations to develop *it*CSR.

Chapter 4: "Have Impact?" How Select U.S. Fortune 500 Global Corporations Are "Doing CSR the Right Way"

"All truths are easy to understand once they are discovered; the point is to discover them." - Galileo Galilei ("Galileo Galilei quotes," n.d., para. 1)

This paper provides a detailed look at corporate social responsibility (CSR) among selected U.S. Fortune 500 global corporations that show evidence of advanced stages of development, hereinafter called *it*CSR. The Global Leadership Network Framework - focused on business strategy, leadership, operational excellence, and engaged learning - is used as a model for evaluating how America's largest organizations engage in *it*CSR development.

Introduction

A multitude of tales can be written about America's Fortune 500 global corporations and their imprints upon the world's economic landscape. These accounts of America's multinational corporations (MNCs) aggregate to reflect business in contemporary society, much like the way individual stories in Chaucer's *The Canterbury Tales* come together to give readers a glimpse into society from the latter part of the Middle Ages. Many of these corporate non-fiction stories are lessons about mistakes made and actions to avoid. A rash of widespread corporate scandals at companies such as Enron, Worldcom, Arthur Anderson, and Tyco, had devastating and irreversible effects on individuals and businesses at the turn of the 21st century. Billions of dollars were lost in the marketplace. Corporate credibility became an oxymoron, while trust between consumer and supplier was destroyed, and public opinion of corporate executive leaders reached an all-time low (Carroll & Buchholtz, 2012; Googins et al., 2007). These occurrences were classified as reckless, amoral disasters that showcased a lack of integrity in executive corporate leadership (Waldman & Siegel, 2008). "As *BusinessWeek* observed, 'watching executives climb the courthouse steps became a spectator sport'" (as cited in Carroll & Buchholtz, 2012, "The Business and Society Relationship," para. 3). Some companies, such as Lehman Brothers, closed their doors entirely. Other companies, such as AIG, benefited from government intervention and sizeable bailouts to the tune of $700 million. The resulting financial turmoil was a contributing factor in a global recession that was on par with the Great Depression of the 1930s, and Wall Street and big American businesses were at the epicenter of the economic crisis that affected the global economy (Carroll & Buchholtz, 2012).

However, this study found that other American MNCs worked to create a different story, one that describes a genuinely holistic approach to business, characterized by high stages of *it*CSR. In the broadest sense, CSR is an umbrella concept meant to convey business' economic, legal, ethical, and philanthropic role in society (Carroll, 1991; Werther & Chandler, 2011), and it is often interchanged with sustainability and or corporate citizenship (Rundle, 2012). Specifically, the *it*CSR construct represents the ideal contribution of business in society and *doing CSR the right way*. It represents a company's proactive efforts to create a meaningful triple bottom line (TBL) impact by contributing equally to (a) people/society/culture, (b) planet/environment, and (c) profitable/economic well-being, such that harm is minimized and shared value is created legally and ethically among multiple stakeholders in the business community, society and government (Googins et al., 2007; Porter & Kramer, 2006; Werbach, 2009; Werther & Chandler, 2011). Therefore, *it*CSR development epitomizes Elkington's (1998) TBL and Werbach's (2009) *sustainable bottom line* constructs, and exemplifies a new economic approach to business that redefines the corporate role, placing it squarely as an equal contributor to society's well-being.

The early concept and the formation of a map for CSR, also commonly referred to as sustainability and or corporate citizenship, developed from the seminal 1987 Brundtland Report for the United Nations. This report was the first to describe sustainability in environmental terms, as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (as cited in Werbach, 2009, p. 8). Arguably though, the idea of CSR, the spark for a different business journey, began a couple decades beforehand when authors like Lester Thurow (as cited in Birch, 2003) wrote about the unsustainability of unchecked capitalism and the need to move away from a "consumption ideology to a builder's ideology" (p. 315). Simultaneously, scholars like Courtney Brown called for organizations to move beyond the bottom line and shift from the singular profits-only thinking to a business approach that incorporates "the multiplicity of purposes" (as cited in Birch, 2003, p. 30). Brown argued that the "'corporate quest' only for improving efficiency, competitive success and maximized profits is simply no longer sufficient" (Birch, 2003, p. 5).

CSR represented a movement away from the prominent economic philosophy espoused by 1976 Nobel Prize-winning economist, Milton Friedman. Widely embraced across the business sector for several decades, Friedman's economics defined the corporation's role in society as one of profit bearing; Friedman asserted that government and non-profit organizations were responsible for everything else (Kanji & Chopra, 2010a; Kleine & von Hauff, 2009; Mainwaring, 2011; Savitz & Weber, 2006; Oketch, 2005; Zadek, 2004, 2007). At the time, many people questioned whether the economic pursuits of an organization could coexist with the private sector's strategies to develop social and environmental well-being.

Nevertheless, cementing a path for CSR began when Carroll (1991) developed a widely accepted definition of CSR (see Figure 2): "The total corporate social responsibility of business entails the simultaneous fulfillment of the firm's economic, legal, ethical, and philanthropic responsibilities" (p. 43). Thereafter, the notion of corporate citizenship grew out of Carroll's study of CSR and was adopted as the preferred terminology by the World Economic Forum's (WEF) 2002 joint statement with 34 of the world's global corporate CEOs. Corporate citizenship was defined as being "a good company…taking serious steps to minimize the harms of business activity and maximize the benefits not only to shareholders but also to a broader set of stakeholders" (Googins et al., 2007, p. 21). However, corporate citizenship lacked uniform conceptualization of its own unique concept. As a result, it was believed to be no different than Carroll's definition of CSR (Matten & Crane, 2005).

As the path evolved, there was universal agreement that corporations could not neglect profitability, and that profits could not be mutually exclusive from social and environmental attention. Senge et al. (2008) point to U.S. Senator Gaylord Nelson's comment that "there can be no healthy economy without a stable and vibrant social order—just ask businesspeople trying to do business in corrupt, lawless, or extremely poor societies" ("A New Context," para. 2). Furthermore, the World Business Council for Sustainable Development (WBCSD) noted that if society does not thrive, then business will have no place to prosper (Mainwaring, 2011; Senge et al., 2008). However, if business does not prosper, society will fail (Porter & Kramer, 2006). Furthermore, "if the company ceases to create and protect wealth, no matter how socially responsible it is, it ceases to be a company and will eventually go out of business" (McElhaney, 2008, p. 42). Bhattacharya et al. (2011) indicated that "creating social value is a prerequisite to creating business value" (p. 195), and at the same time, there was no need to hide that one of the motives of a company is to set themselves up to be profitable for the long-term. Finally, former President Clinton adeptly concluded that, "the perception that businesses must choose between turning a profit and improving the communities where they operate is outdated and irrelevant in our interdependent world" (Mainwaring, 2011, p. 32).

Consequently, there has been an explosion of studies about the viability of business and society being intertwined, especially with an increasingly tighter weave of dynamic parts as the world's challenges grow (Carroll & Buchholtz, 2012; Idowu, 2009; Kanter, 2009; Mainwaring, 2011; Schumpeter, 2012). As a result, attitudes in the business community about CSR/sustainability/corporate citizenship have been changing as executives are confronted with a juxtaposition: while historical corporate greed and recklessness have tarnished corporate America's reputation and trustworthiness, some American companies have successfully adopted a holistic strategy and are viewed as *vanguard* organizations that use values and principles as a guidance system in constructing a strong social purpose (Googins et al., 2007; Kanter, 2009).

Businessman/entrepreneur/contemporary philanthropist Bill Gates reinforced the idea of the inherent interconnectedness of social, environmental and economic concerns when he defined this business construct as akin to a new form of capitalism. He called this "creative capitalism" wherein "governments, nonprofits, and businesses work together to stretch the reach of market forces so that more people can make a profit, or gain recognition, doing work that eases the world's inequities" (McElhaney, 2008, sect. IX, para. 2). This kind of new *social capitalist* thinking imagines a corporate world in which experience, education, self-regulation, and a different mix of motivations and incentives drive results and measurement of results (Cohen, 2012). This thinking, in fact, moves away from both modern economic models of capitalism and socialism, which are based on a form of materialism, and arguably do not serve most of the global population well (Renesch, 2005). Guided by the assumption that "profits involving a social purpose represent a higher form of capitalism, one that creates a positive cycle of company and community prosperity" (Porter & Kramer, 2011, p. 75), *it*CSR principles reflect a change in how capitalism is being defined now and for the future (Carroll & Buchholtz, 2012; Mainwaring, 2011; McElhaney, 2008; Senge et al., 2008; Werther & Chander, 2011; Williams, 2012).

Developing the *it*CSR path

Several models have been constructed that propose a maturity continuum for the development of *it*CSR. Each model assumes that all companies are on this journey, but they are operating at different stages along the *it*CSR path (Googins et al., 2007). Googins et al.'s (2007) Five Stages of Corporate Citizenship Framework is one of the prominent maturity models and is used herein to describe the development process in an organization. The five stages are: (a) elementary, (b) engaged, (c) innovative, (d) integrated, and (e) transforming. In combination with meaningful TBL impact, the highest levels in this model – the integrated and transforming stages – provide the context for the development of *it*CSR. Consequently, *it*CSR is further represented by: (a) being a champion or visionary leader in the field, (b) being out in front of innovation and or leading the industry, (c) proactively building multi-stakeholder partnerships, and (d) strategically creating shared value and social change throughout the value chain (Googins et al., 2007; Porter & Kramer, 2011; Werther & Chandler, 2011).

These highest levels are further characterized in the literature as strategic, authentic, sophisticated, advanced, highly developed, evolved, robust, holistic, conscious, virtuous, purposeful, dynamic, revolutionary, visionary, inventive, innovative, inspirational, genuine, multi-faceted, collaborative, multi-dimensional, significant, methodical, game changing, profitable, and the best form of CSR (Carroll & Buchholtz, 2012; Googins et al., 2007; Mainwaring, 2011; McElhaney, 2008; Visser, 2011; Werbach, 2009; Werther & Chandler, 2011; Zadek, 2004, 2007). Werther and Chandler (2011) describe the purpose of developing *it*CSR as building a lasting "holistic perspective within a firm's strategic planning and core operations, whereby the interests of a broad set of stakeholders are considered in order to achieve maximum economic and social value" (p. xiii). The *it*CSR construct is shown in Figure 5, the assimilation of theoretical frameworks, and developed from the leading scholarly literature.

Interestingly, scholars and businesspeople alike have spent years conducting studies and writing about what it takes for a company to be *great* (Collins, 2001), and they have identified quite a few large multinational corporations (MNCs), accordingly. They have also cited common characteristics of great companies, such as consistently demonstrating a strong vision, positive financial returns, innovative thinking, collaboration and learning, and resilience and agility for change (Kanter, 2009; Zadek 2007; Collins & Porras, 2002). However, only a few great corporations represent the high stages of *it*CSR. Lindgreen and Swaen (2010) point out:

> The models and suggestions available to managers are unclear (Porter and Kramer 2006), and, to the best of our knowledge, studies into developing and implementing a CSR orientation focus on relatively limited aspects and dimensions (Maignan & Ferrell, 2004; Matten, Crane, & Chapple, 2003). For example, whereas some authors argue that CSR implementation [happens] through either incremental or transformational organizational change processes (Dunphy et al., 2003), others argue that changes come by radical, transformational approaches (Doppelt, 2003). (p. 2)

Consequently, Zadek (2007) believes that "the role of business in society is the 21st century's most important and contentious public policy issue" (p. 9). Developing *it*CSR changes the level of business engagement from short-term strategies or fads (Filho, 2009) to long-term meaningful impact in the world.

This study focuses on increasing the knowledge of how *it*CSR was developed at the selected U.S. Fortune 500 global corporations that have been identified for *doing CSR the right way*, and how they built meaningful TBL impact that permeates the corporate culture, governance, operations, and external market focus (Boehm, 2011; Grayson et al., 2008; Lindgreen & Swaen, 2010). The findings presented herein contribute to the understanding of the integrative development of *it*CSR and provide practical evidence of the successful strategies used in the selected U.S. Fortune 500 global corporations. This study informs scholarly work in organizational development and furthers the knowledge about CSR/sustainability/corporate citizenship and the evolution of the role of American MNCs in society.

The importance of studying U.S. publicly-traded MNCs

Many executive leaders are only superficially committed to the *it*CSR principles, as previously defined (Elkington, 2011; Werbach, 2009). Leonard (as cited in Epstein, 2008) notes that developing *it*CSR is at a critical juncture.

> There are two forms of corporate social responsibility (CSR) programs: the kind where corporate leaders talk a lot about what their firms are doing (but don't actually do very much or generate much impact), and the kind where socially responsible activities are being carried out on a material scale and significant results are actually being achieved…Sadly, at this stage in our history, there is still far too much of the former - and not nearly enough of the latter. ("Forward," para. 2)

As Werbach (2009) contends, "it has become almost obligatory today for executives to claim that they have developed toward CSR and that it is 'connected to the core' of corporate strategy…In truth, even ardent advocates of sustainability struggle to identify more than a handful of examples" (p. 71). These pursuits – philanthropy, marketing, and public relations (PR) – are only facets of *it*CSR; they are not the drivers of *it*CSR development (Kourula & Halme, 2008), nor are these facets going to build a level of engagement throughout the company that changes behavior and is reflected in day-to-day operations (McElhaney, 2008).

Furthermore, while there are emerging examples in the literature of *it*CSR among publicly traded firms, the majority of these examples are either companies that are not in the U.S. (Lindgreen & Swaen, 2010), or they are medium-sized domestic firms with operations only in the U.S. For example, Novacovici (2012) reports that 95% of the world's 250 largest global corporations report on CSR activities, but two-thirds of these companies are domiciled outside of the U.S. (Novacovici, 2012). In fact, cross-cultural and socio-economic differences, such as governmental regulation, labor rights, social agencies, and market activities, make up an added dimension when looking at *it*CSR development among global corporations (McWilliams & Siegel, 2011).

Studying the U.S. Fortune 500 global corporations that show evidence of *it*CSR is significant for two reasons: (a) there is a mismatch between supply (number of corporations practicing itCSR) and demand (amount of consumers who prefer products and services from companies practicing *it*CSR) in the U.S. marketplace (Grayson et al., 2008); and (b) there is potential for momentum to swing toward a critical tipping point (Senge et al., 2008) that can produce profound effects on the sustainability of the Earth and the vitality of humanity.

First, Gjolberg (2009a) studied CSR from the perspective of national cultural influences among 20 countries. This study found that the United States fell in the bottom five (out of 20 countries studied) in terms of results-oriented, meaningful and impactful CSR initiatives. In fact, a 2011 KPMG report of 3,400 global companies found that American firms are predominantly engaged only superficially in implementing any kind of *it*CSR (Novacovici, 2012). However, the U.S. ranks the highest in consumer interest among 10 leading western countries with 45% of its consumers interested in buying from socially and environmentally reputable corporations (Grayson et al., 2008). In addition, the U.S. makes up approximately 5% of the world's population, but is consuming upwards of 25% of the world's fossil fuels (Senge et al., 2008). As a result, the U.S. is considered to be one of the three primary "ecological debtors, with [a footprint] greater than [its] national biocapacity" (Visser, 2011, p. 9).

This disconnect is rather consistent with the country's cultural framework. In Geert Hofstede's National Dimensions framework, the U.S. scores very high in individualism and short-term thinking and results, and best-in-class approaches to development (Hofstede, 2012). Waldman et al. (2006) support the notion that businesses from wealthier countries, like the U.S., are less likely to consider community welfare and are more likely to focus primarily on the immediate presence of shareholder value. Generally, in an individualistic framework, societal issues are believed to fall under the domain of government or non-profits.

However, globalization and technological advancement has created a level of inter-connectivity and interdependence in society that affects all aspects of living, working, and growing (de Geus, 2002; Senge et al., 2008; Werbach, 2009). It is possible that the individualistic and short-term orientations of the U.S. culture might not translate successfully in the global arena. As a result, environmental and societal issues cannot be examined through any one parochial lens or viewpoint. The economic and political landscapes are shrinking as a result of globalization, and companies that do not adopt a holistic approach to their business "might become the endangered species – pushed back into isolated, small niches" (de Geus, 2002, p. 199).

Secondly, while social entrepreneurs, especially in the U.S., have been at the forefront of capitalizing on the synergy between innovation and large-scale social and environmental problem solving, executive leaders of large, established, multinational corporations trail behind, partly due to the inherent complexities of their dense and multi-dimensional business models (Gladwell, 2002). Creating TBL momentum in complex, multifaceted global corporations can be likened to any complex change in organizations; change is complicated, difficult, and potentially expensive (Black & Gregersen, 2008). Nevertheless, these companies are no less significant in shaping social and environmental issues in the world. Applying Rogers' (1995) seminal Diffusion of Innovations theory from 1962, which explains how, why, and at what rate new ideas spread, it stands to reason that *it*CSR represents a business movement that may follow an adoption cycle. The cycle of adoption in the private sector can be mapped to Rogers' (1995) curve shown in Figure 4, the diffusion theory chart.

Social entrepreneurs are classified as trendsetters and innovators (Senge et al., 2008), and they have been at the forefront of recognizing a synergy that exists between innovation and social and environmental problem solving (Epstein, 2008; Senge et al., 2008; Werbach, 2009). The "Early Adopters" (Gladwell, 2002, p. 197) and opinion leaders include mainly small and medium enterprises (SMEs, businesses with fewer than 500 employees) that have incorporated *it*CSR qualities rapidly into and throughout their organizations (Senge et al., 2008). These innovators and early adopters "are showing how to create a different future by learning how to see the larger systems of which they are a part, and foster collaboration across every imaginable boundary" (Senge et al., 2008, "All Real Change Is," para. 8).

However, the Early Majority group is essential to establishing acceptance and widespread appeal of any innovation, and *it*CSR business practices in the corporate world are no exception. According to Moore's (1991) Chasm Theory about technology adoption, it is actually in the Early Majority where critical momentum builds toward a "tipping point," described as "that magic moment when an idea, trend or social behavior crosses a threshold, tips, and spreads like wildfire" (Gladwell, 2002, back cover). Not only is adoption among the Early Majority a point along the curve where the rate of the adoption increases substantially, but also those in the Early Majority are recognized as market leaders within the overall majority of adopters. In *it*CSR development, those in the Early Majority establish influence as market leaders by creating substantial change in the economic business model among large, multinational organizations ("Mitsue-Links," 2011).

Therefore, the largest U.S. Fortune 500 global corporations represent a critical group necessary for *it*CSR to spread exponentially and cementing its principles (Gladwell, 2002; Rogers, 1995, Senge et al., 2008). The researcher believes that the selected U.S. Fortune 500 global corporations represent the Early Majority. Studying the selected corporations provides practical insight on implementation of *it*CSR particularly as the literature reveals very little uniformity and guidance in *it*CSR implementation (Kleine & von Hauff, 2009; Peloza & Shang, 2011). Zadek (2007) concurs that "market leaders are important in edging us into these markets, but considerably more is needed for this generation of developments to mature" (p. 21), especially as *it*CSR momentum has been slow (Clinton, 2012).

Methodology

The research focuses on gaining an understanding of what strategies the executives in the selected companies have used throughout their multi-dimensional organizations as well as externally in their products, services, and practices in the development of *it*CSR, marked by meaningful TBL impact and representative of: being a champion or visionary leader in the field, being out in front of innovation and or leading the industry, proactively building multi-stakeholder partnerships, and strategically creating shared value and social change throughout the value chain (Googins et al., 2007; Porter & Kramer, 2011; Werther & Chandler, 2011). This study identified the U.S. Fortune 500 global corporations that closely match the TBL characteristics of *it*CSR by (a) cross-referencing five indices/lists that measure various parameters of the *it*CSR criteria, and (b) evaluating total trailing financial returns for 1-year, 3-year, and 5-year periods compared to the S&P 500 Index results for those time frames.

First, a cross-analysis of five indices/lists known globally for recognizing corporate sustainability, CSR, and corporate citizenship was performed, and only the U.S.-domiciled, Fortune 500 global corporations (having operations in more than five countries) that appeared on at least three out of the five lists were chosen, with one of the lists being the DJSI 2012 World List or the FTSE4Good 2012 Index. The five lists were the 2012 DJSI, the 2012 FTSE4Good Index, the Corporate Responsibility's (CR) 100 Best Corporate Citizens 2012, the Corporate Knights' 2012 Global 100 Most Sustainable Corporations in the World, and the Boston College Center for Corporate Citizenship 2011 CSRI 50. To be recognized on an index is indeed value generating and leads to even greater recognition; companies on these lists have demonstrated an approximately 2.1% increase in value (Robinson, Kleffner, & Bertelsmann, 2011).

There is currently no universal agreement for an exact measurement of *it*CSR. As Cowe (2012) points out, "there are no neat league tables showing wins, draws, defeats and points scored to pinpoint the best. There are as many ways of judging a company as there are judges" (para. 3). While it can be argued that bias and subjectivity are inherent in each of the indices, at the same time the indices serve as benchmarks for the corporations and externally among stakeholders (Heyns, 2012). In the aggregate, using a cross-reference between five indices served to reduce some of the bias and also provided greater evidence of social and environmental efficacy and balance between these two components. In short, the indices provided “useful ways for companies to conceptualize and to monitor their triple bottom line performance” (Googins et al., 2007, p. 124). The role that these intermediary assessments play is significant in flushing out the organizations that are focused on the *window dressing* of public relations, marketing, or compliance versus meaningful TBL impact (Robinson et al., 2011). The public views these indices as being fairly objective and professional (Dubbink et al., as cited in Robinson et al., 2011; Fowler & Hope, as cited in Robinson et al., 2011).

Secondly, a financial analysis of 1-year, 3-year and 5-year total trailing returns was performed, and only those corporations that demonstrated this economic viability fulfilled the criteria for the data sources (Elkington, 1998; Googins et al., 2007; McElhaney, 2008; Savitz & Weber, 2006; Visser, 2011; Werbach, 2009; Zadek, 2007). This analysis captured a moment in time in the short-term returns and revealed sustainable financial results in the long-term returns (D. McNamee, personal communication, September 5, 2012). The researcher conducted this analysis in November 2012. The S&P 500 Index is considered to be the most widely used market-cap weighted index of 500 U.S. corporate equities (Istock Analyst, 2008) so it was used as the financial benchmark. The S&P 500 Index showed 1-year total returns of 16.76% on November 20, 2012 (Morningstar, n.d.). Since industry standards allow for a swing in a benchmark evaluation on the one-year returns against the S&P 500 Index’s returns, the researcher accepted any individual corporate 1-year trailing total return of 1% or higher (D. McNamee, personal communication, September 5, 2012). On the 3-year analysis, the researcher accepted a trailing total return of 5% or higher, as an acceptable comparative range to the S&P 500 Index total returns of 10.64% for the same 3-year period. Finally, on the 5-year analysis, the individual total trailing returns had to surpass those of the S&P 500 Index returns of 1.50% for the same period. These three measurements of positive financial returns demonstrate financial strength, stability and sustainability (D. McNamee, personal communication, September 15, 2012).

Moreover, this 3-part financial analysis is significant in confirming viability and longevity of corporate profitability, while still allowing for times of adversity, economic recessions (such as the one that took place in 2008), and ebbs and flows in operations (C. Doyle, personal communication, August 8, 2012; D. McNamee, personal communication, April 19, 2012; D. McNamee, personal communication, August 28, 2012.) Since TBL reporting is an important construct, and the literature underscores universal agreement to the importance of sustainable profitability, then studying the corporations that have demonstrated multi-year financial success is an essential ingredient in *it*CSR development. The analysis yielded ten U.S. Fortune 500 global corporations. Eight of the ten participated in this research. Additionally, all these companies subscribe to the GRI reporting guidelines for global corporations, which are important in establishing credibility and transparency in reporting within the global community (Epstein, 2008; Grayson et al., 2008; Global Reporting Initiative, n.d.b).

The research followed a phenomenological qualitative approach designed to explore, describe, and gain understanding of *it*CSR development from the perspective of a senior executive in charge of *it*CSR at these companies. The phenomenological approach was used to describe details, explore the central concepts of *it*CSR development, and get in-depth data (Roberts, 2010). This approach was used to provide the varied narratives of the experience, rather than characteristics of the overall group or any statistical generalizations (Polkinghorne, 1989). Googins et al.'s (2007) four areas of the Global Leadership Network framework were explored to provide insight into what it means to *do CSR the right way*: (a) business strategy, (b) leadership, (c) operational excellence, and (d) engaged learning. This format of research falls under the social constructivism worldview, which is based on complex meanings and personal views of experiences. The survey questions were purposely broad so that participants had the latitude to construct the meaning of the situation. The researcher then interpreted the findings to make sense of the shared experiences among the participants (Creswell, 2007).

Experiences from the Journeys

Similar to the characters in *The Canterbury Tales,* who provide unique and rich accounts of their journeys and lives, so too do each of the U.S. Fortune 500 global corporations that participated in this research of *it*CSR development. From a review of literature, Lindgreen and Swaen (2010) suggest that more research is needed to clarify *it*CSR development in five areas. Therefore, these companies' experiences are presented in these five areas: (a) the basic business case requires further evidence, b) corporate communication strategies around CSR development and firm-wide commitment lead to tenuous results and can even raise public skepticism; (c) there is no agreement whether implementation is an incremental or radical process; (d) there is no uniform practice of managing stakeholder relationships; and (e) there are no best practices in measuring *it*CSR development across its multi-dimensions. This study provides practical evidence of *it*CSR development strategies.

The basic business case. ***"…because it seems like the right thing to do…" - is not exactly "it."*** Among the eight U.S. Fortune 500 global corporations, there may, in fact, be no such thing as "the business case" for *it*CSR in the traditional sense of having a clear, pre-negotiated, statistically-driven, "just-the-facts" realistic and achievable goal-oriented reason for subscribing to *it*CSR principles. In fact, *it*CSR at these companies was not even a design that was retro-fitted into the organizations through some version of a traditional change model. In all eight cases, foundational core values that date back to the origin of each company and each mission developed by the founding leader(s) play a significant role in why these corporations came up in the analysis as *it*CSR companies. *It*CSR companies can be associated with Kanter's (2009) notion of the vanguard company, which is described as a role model in building an enduring culture, using core values and principles as a guidance system, and constructing a strong social purpose and connection with society that breeds innovation.

Arguably, the essence of *it*CSR at these companies became rooted in something deeper than just the activities and strategies, because the essence of *it*CSR was maintained (and even strengthened, in some cases) through changes in CEO leadership, global expansion efforts, entirely new product lines, mergers, and even economic recessions. Participant 1 (P1) referred to it as "the personality of the company" and Participant 3 (P3) said, "it is baked into the company." For all participants, "it" meant a core commitment to a high level of shared responsibility for society and the environment that is of virtuous origin. The participants provided evidence of an innate moral compass that was first driven by the founder and the original executives, and has been upheld by successive leaders, in some cases spanning over a century of operations.

This moral compass can be akin to Collins and Porras' (as cited in Crittenden et al., 2010) idea of core ideology which is defined as "the glue that [holds] the company together – the enduring character of the organization" (p. 75), and it represents shared beliefs and norms among a community of people (Trice & Beyer, as cited in Crittenden et al., 2010). The participants indicated the existence of a core ideology at each company and felt that developing *it*CSR was never about making an either or decision. Specifically in four cases, it was cited that the nature of the products draws such an emotional response among customers and other members in society that it would be impossible to conduct business any other way and expect to thrive and profit. Consequently, four participants thought that "building the business case for CSR" is cliché or rather reactive thinking, and possibly superficial. Two participants, in fact, questioned the motives and how authentic a firm's CSR strategy is when they hear people say that they engage in CSR because it is "the right thing to do" or "it is a way for the company to give back." Participant 2 (P2) stated:

> I do not like those phrases at all, and in fact I challenged my staff to never let me hear them say this year that we are doing this because we are giving back. It assumes that we have all taken, and I think it devalues the contribution, and the impact, and the good that the companies can bring to society. We are not giving back because we have taken. We need to look more at this as an opportunity for

> partnership, and when you partner, each party in the partnership comes away with something better.

Instead, the participants spoke about applying the corporations' resources, capabilities, and core values to make significant impact in the world to ensure society's – and, as a result, businesses' - long-term viability, prosperity, and survival.

Circle wisdom. As a result, there seemed to be an up-front acceptance of the long-term qualitative benefits of *it*CSR development. In the literature, this thinking is called "circle wisdom," or "circular wisdom," or *circularity* (Choyt, 2013; Visser, 2011). The principle of circularity is described metaphorically using a spaceship to represent Earth, and as such, the people live in a defined space, with finite resources, and a critical understanding of functioning in a "cyclical ecological system" (Visser, 2011, p. 291). Those in the spaceship must "face the reality that humanity shares a common fate on a crowded planet" (Sachs, as cited in Horrigan, 2010, p. 339). Essentially, all eight participants alluded to circularity, and they all indicated that developing *it*CSR reflects a corporate spirit to connect deeper in the world. P3 said that it is an understanding and an acceptance of "what goes around comes around." Circularity is a holistic way to develop business that is based on broad system-thinking and non-linear designs in product and service development (Visser, 2011). For example, "all waste equals 'food' for future production" such that the business concept of looking at the value chain of products and services from "cradle-to-grave" moves toward "cradle-to-cradle" thinking and product development (Visser, 2011, p. 282).

Employing circularity principles in business does not mean that these companies are blindly giving time, money, and resources. It does not suggest that they are not being strategic or that they are not seeking impact from their activities. Finally, it does not indicate that they are in perfect sync and balance all the time, and that they never make mistakes. On the contrary, it means that they innately understand and accept the qualitative aspects of *it*CSR development, some of which cannot be measured; they uphold their values tenaciously; and they are positioned to employ quantitative aspects of the equation to support their inherent circular wisdom, if and when it makes sense within overall business approaches that are unique to each organization. As a result, some of the participants employ the six-sigma management strategy that engages all aspects of the firm in measuring quality and effectiveness to eliminate inefficiencies and imperfections. So, these companies look at *it*CSR development through a six-sigma lens. As pointed out by Kourula and Halme (2008), there are different approaches, with unique outcomes, to developing *it*CSR. So, while development of *it*CSR has been deeply embedded throughout each organization, the steps and activities vary, indicating that there is not one template or instruction.

At the same time, these companies share a common thread, irrespective of their nuances in approaching *it*CSR development. It is evident from the research that the leaders in these eight corporations do not approach business decisions from a hierarchical or triangular approach, but instead look at their business much in the circular and regenerative way that nature works (Choyt, 2013). In other words, things in nature do not "roll up," the way traditional business models are designed; instead, things in nature come back around. In fact, all of the participants specifically commented that the overarching mission of the firm, upheld by management and employees alike, has always been to improve lives and the well-being of communities, which, if done ethically, transparently, and strategically, leads to the enhanced longevity of the corporation. So in summary, there is not always a prescribed business case, per se, in upholding a firm-wide collective mindset, but there is an intentional thinking emanating from a clear core ideology.

Innovation sustains itCSR. Circularity is predicated on innovation, and in order to be innovative, there has to be an assumed risk of failing with the latitude to make mistakes, recover, reflect, learn, develop, and get it right. All eight participants confirmed the idea that innovation is entwined with *it*CSR development. However, it would be a mistake to assume that all innovative companies exhibit *it*CSR development; a square may be a rhombus, but a rhombus is not necessarily a square.

Innovation can initiate *it*CSR, and if it does, then *it*CSR inspires innovation. Some of the participants believed that the inherent nature of their business was to lead innovation in their field, and this core orientation advanced their development of *it*CSR activities. That culture of innovation, coupled with the ubiquitous exercise of clear core values, vision, and mission, reinforced the necessary ingredients to further promote innovation, risk taking, exploration, idea generation, and solving the world's needs. Participant 8 (P8) said, "We are known as an innovative company but it is not just a company that creates product, but more importantly, it is a company that cares for community."

Furthermore, all eight corporations seem fully committed to applying innovative approaches and resources in a culture of collaboration, learning, co-creation, and agility toward the ideals of improving lives and community, as much as they applied them toward designing the next invention. P3 notes:

> Every business has to deal with P&L and make sure that they are profitable and have the economic component in the analysis, but some companies do everything for the economic. They innovate because they want to be profitable. They are going to make strategic decisions because of profitability. But we are not like that. We somehow balance all three components. So, it is either because there is a deeper need to connect in the world or simply because, way back, doing right in the world and what goes around comes around was instilled in the company's spirit.

Essentially, innovation is a vital component in fostering a corporate culture with a firm-wide commitment to *it*CSR vision, mission, and values.

Corporate culture, DNA, and the soul. For all the participants, *it*CSR development is consistent with Mirvis et al.'s (2010) discussion about vision, mission, and values as guideposts for aligning an organization with *it*CSR principles. Every participant spoke about the guiding values of the corporation. These values are cultivated, nurtured, and sustained across all venues and activities of the company. High ethical standards, transparency and maintaining trust with the various stakeholders – employees, customers, government, NGOs, and the like – are of utmost importance and are reinforced by multiple layers of leadership daily. P1 commented, "When I interviewed with the company for the job, everyone talked about the values, everyone talked about the core culture, everyone talked about the DNA of the company and how values were embedded into that." P1 explained that the company's values-based focus is responsible for employees being freer to innovate and make mistakes along the way; it helped put the company ahead of the market; it pulled the company through hard economic times; and it actually created a spirit of collaboration that has prevented certain breakdowns in the supply chain that would otherwise lead to immense inefficiencies and costs.

P3 stated that their values are “the north-star” in how the company behaves and how the employees are expected to work and act as corporate citizens. Other participants cited corporate values as being the essence of creating a higher purpose onto which people latch and to which their employees commit. In all cases, the participants had something descriptive to offer about the essence of their companies, with comments regarding the core ideologies that made their organizations distinctive, especially in the publicly traded arena. They used words such as “remarkable,” “unique,” “exciting,” “pride,” “natural,” and “unbelievable.” P6 provided the following insight: “There is nothing more important to us than our guiding principles - our values, and how we go about doing things. Vision, yes. Strategy, yes. All those things are critical to the competencies, but in the end, it is the values that really guide us.”

The findings reveal that all of the participating companies developed their core ideologies by practicing circle wisdom throughout the culture the organization, not only in the physiological aspects of the corporation that extend into its DNA, but also in a metaphysical way that conveys presence of a soul of the organization and its people (Bolman & Deal, 2003; Mainwaring, 2011; Googins et al., 2007; Kanter, 2009; Mirvis et al., 2010; Senge et al., 2008; Visser, 2011; Zadek, 2004, 2007). Crittenden et al. (2010) lend clarity to the notion of corporate DNA: “[a] like-begets-like process resides in [each] DNA, which [consists of] the biological instructions that make each species unique…These DNA instructions are the messages passed along to an organism that enable it to develop, survive, and reproduce" (p. 81). The DNA of each corporation, like any organism, will be unique from company to company. Crittenden et al. (2010) indicate that "the dynamic capabilities of a company's DNA focus on what the company does in understanding and integrating social and environmental considerations into its assessment of market risks and opportunities when developing new products" (p. 76).

This study confirms the existence of a common denominator across all eight companies, irrespective of industry. As mentioned, the core ideology of each company drives a spirit, energy, and a collective mindset to improve lives and communities. Consequently, these companies' *it*CSR legacies are not necessarily predicated on building a business case. They also may not be driven by a principle of "giving back" and the idea of reciprocity wherein one party owes another party for a favor. Instead, the findings demonstrate evidence of a philosophy of (what this researcher calls) *giving it forward*. This common denominator that represents a deeper essence quite possibly is indicative of a metaphysical strength of purpose and the existence of corporate soul that runs even deeper than the biological and physiological makeup and DNA of the firm. Bolman and Deal (2003) define the corporate soul as "a bedrock sense of identity, a deep confidence about [what the company is], what [the organization] cares about, and what [the organization] deeply believes in" (p. 396).

It is further evidence of the possibility of Cameron, Dutton and Quinn's (2003) positive organizational scholarship (POS) discipline, a business mindset that puts emphasis on vitality, joy, strengths, and health, rather than weakness and despair. It can be argued that these eight companies have shared a common purpose for traveling on the path of *it*CSR development, and they have all subscribed to cementing the pathway and following it, even though they each take different footsteps. This notion of corporate soul and why the selected U.S. Fortune 500 global corporations developed *it*CSR is explored further in the parallel article, “Have Soul?”

Communication strategies and firm-wide commitment. Without a doubt, each of the eight companies is firing on all cylinders. Their tales are rich in detail of organizational development and success: a) they cite the significance and absolute imperative to connect with the employees and create shared responsibility, and they use multiple approaches to reach deep into the organization and throughout the different operations, subsidiaries, and geographical and cultural spread; b) the participants believe that an unwavering connection to the core values of the corporation from the *bottom up* is evidenced when there is a *groundswell of activities* that cements the notion of *giving it forward* and builds necessary momentum; and c) all eight participants talked about (what this researcher calls) *executive efficacy* necessary for establishing the tempo of *it*CSR development. Most importantly, there is genuine evidence of *it*CSR when all three of these aspects – shared responsibility, employee momentum, and executive efficacy – are intertwined and all simultaneously engaged. Only then are results genuine and public skepticism kept at bay.

Shared responsibility. Seven of the eight participants spoke of how their organizations place a premium on connecting with the employees at all levels and involving them in ongoing dialogue about community, the environment and their own well-being. Connecting with the employees came across as paramount to the development of the organization’s holistic intentions to do well and collectively thrive. Building employee momentum also seemed to play a part in upholding corporate core values during acquisitions, economic recession, and managing *it*CSR across geographies and various socio-political environments.

Six of the eight corporations specifically referenced that *it*CSR activities and principles are part of everyday conversations with and among employees. This may also be the case at the other two companies, because of the cultural tendencies to which they alluded as well as the examples they gave of firm-wide initiatives. One participant, who did mention that it is part of everyday conversation, specifically said that they do it naturally and effortlessly: "They do it without thinking about it because it is embedded already.

Seven of the eight participants were particularly proud of the systems that they have put in place to listen to the voice of the employees and create active engagement, from establishing intranets that promote idea generation, to regular surveys that gauge employee interests and concerns. They also referenced mechanisms to better connect and understand, from the employees' perspective, the needs of the local customers and communities. They have established cross-disciplinary activities that maximize the expertise to specifically generate an industry-wide solution, and they have created challenges (internal competitions) for employees to develop innovative design options. P1 indicated that they connect with the employees because:

> Creating that two-way communication helps to motivate the employees to become more engaged, and also helps them understand that we are listening to them at the big corporate headquarters. There is always that risk of isolation at the corporate level that you make decisions on high that you have really no idea of the impact

> they are having on the folks at the local levels who interface with the customers. So we try to create as many conduits as we can to move that forward.

Participant 6 (P6) was convinced that "companies can do [*it*CSR] when they are serious about listening to their employees and what is important to their employees, because in the end - I do not want to make it a cliché - but anytime you bring two people together, you have brought a part of society together." In all cases, there is a deep commitment running through the organizations to engage the employees in developing *it*CSR, but it manifests distinctively for each company, and it spreads differently within the various facets of each company.

First, these seven participants felt that their companies believed that connecting with employees is an ongoing process requiring continuous work. A couple participants admitted that the level of management that owns the day-to-day Profits and Loss (P&L) of the operations was the more challenging group of employees. P1 discovered that the most successful approach to engaging this layer of employees was using the operations' own language to articulate *it*CSR principles. P1 felt that this approach borders on "making the business case," but not exactly. It was important in this layer of employees to "reverse the conversation." Therefore, instead of building momentum by arguing that sustainability is "just good business," P1 gave these employees practical ideas on how *it*CSR can help them achieve their business goals. For example, by educating them on best practices in water use reduction they were able to understand the impact on cost. P1 believed that having these types of conversations helps create shared responsibility and develops a wider base of internal champions among a segment of employees that subscribes to the core values but needs just a bit more "proof."

Using different strategies to build employee momentum is an important success strategy. P2 provided this insight:

> We decided that based on what we had seen that in order for us to be a truly sustainable company, we really needed to make sure our employees were engaged and involved, because we could not just have a small group of leaders say, "Here is what we need to do, and let us make some changes in our operations, and okay, voila, there we are, we are a sustainable company." It does not work like that. So we knew that each individual employee needed to understand this and get involved in it. And we are still on that journey.

Werbach (2009) advocates for this kind of "reversal of conversation" and believes that people can easily forget to connect *it*CSR to the *modus operandi* of the business and establish the practical aspects of the "input to output connection" (as cited in Crittenden et al., 2010, p. 80).

Second, each community in which any MNC operates has its own unique needs, challenges and opportunities; in order to connect across the board with customers, employees, and the public sector, it is actually a necessary component in *it*CSR development to tailor it to the various segments of society. Visser (2011) calls this *glocality* to convey "global localization" (p. 257). Three participants alluded to the glocality principle and the importance of understanding local contexts for local solutions, "without forsaking universal principles" (Visser, 2011, p. 259). Local context can include cultural traditions, politics, socio-economic priorities, governance, and crisis responsiveness, whereas global drivers include market access, international regulative initiatives, investment incentives, activism, and supply chain integrity (Visser, 2011). P6 indicated that they practice *it*CSR development "with the same global ideals, but it is done in a way after our local folks said this is what is most important to us and this is what we feel is right for us here."

These corporations, in fact, referenced that they have universal guiding initiatives, such as an overarching commitment to the development of safe, affordable housing. At the corporate level, the company has established a firm-wide partnership with a NGO. At the local level, that partnership may or may not be the one of choice. This depends on how the local subsidiary(ies) feel that their community(ies) are best served, within the overall mission and context of helping to develop safe, affordable housing. Therefore, balancing an entrepreneurial spirit and energy with discipline and systems focus is important in these MNCs, naturally from a business sense, but also for *it*CSR development strategies.

Third, including the customer on the journey was cited as important for building momentum by four of the participants. Practices included creating channels to listen to the customers' ideas, engaging the "voice of the customer" to help orient strategic decision-making, as well as providing opportunities to educate people and their communities on making better choices. It seemed that this created an ongoing feedback loop that further engaged employees to connect with their customers and allowed the corporation to understand customer behavior at a grassroots level and design their products according to the way the customer will most naturally interface with them. P1 provided this insight:

> We have seen time and time again that bringing people on the journey with you and being transparent about it is such a valuable tool and so much more valuable

> than saying here is our goal, check back with us in 5 years and we will let you know if we met it or not. People will stew on the issues. They will not understand and therefore will not trust, but we discovered that having that transparency really creates that level of trust for us to journey on the same path. What it has also given us is permission to fail along the way. And, if we are being transparent, we know we have the opportunity to fail along the way because we are telling people that we are on that journey together and it is not going to be a smooth ride all the way.

For example, all of these companies proactively recycle and reduce their energy consumption. They measure their own impact from these types of quantifiable activities, but a few of the participants specifically spoke about how they have been encouraging behavioral changes from their customers to have an even broader impact in reducing their overall carbon footprint. Furthermore, a couple participants even spoke of prioritizing the well-being of consumers when it seemed counterintuitive (from a traditional corporate economic mindset). Occasionally, they will make a conscious choice to promote a certain behavior at the expense of an increase in their product usage. A generic example of this strategy is promoting and elevating nutritional standards over consumption of consumer favorites that are not as wholesome. Of course, they do not do this 100% of the time. They strive to strike the delicate balance of having appealing products available to a wide base of constituents while introducing more nutritional products to which consumers adapt over time. They believe that their impact can be made through phases of change versus radical disruption to their constituents. Furthermore, they want to be ethical and honest in their platforms. For example, P3 stated that they do not declare their products as “green” because they believe this is window dressing. Their products are not 100% green, but they are “greener” than competing products, so that is the message they convey.

Fourth, two participants indicated that it is their culture to push the envelope beyond the industry’s minimum standards or basic levels of certification. They proactively step back to analyze the entire system to determine if their products are optimally designed to meet their ideal goals. For example, one company’s products are designed to automatically reduce energy whenever they are in use, unlike their competitors, who design products with a specific feature or setting that must be activated in order to achieve any energy reduction. Another company labels their product as recyclable according to the recycling capabilities of communities in which their product is used, unlike competitors who indicate that the physical construction of their product is recyclable. These examples become levels of engagement that are directly focused on consumer behavior and require systems-thinking approaches. The concept of systems thinking is formulated on seeing patterns versus events, and it integrates reason and intuition to serve a larger purpose by breaking down many of the incorrect or unproductive mental models that are held by the members of communities (Senge, 2006).

Fifth, due to the breadth of operational functions in global corporations – such as manufacturing, procurement, sales, marketing, service, research and development, initiatives to connect *it*CSR need to be customized to fit the different work parameters. For example, a management employee or a subject matter expert (SME) will likely have greater latitude to volunteer their time in the community during the work day than the day-to-day skilled employee who operates machinery in a plant and cannot leave the manufacturing line. One participant indicated that opportunities for these skilled employees to help the community should be created and brought to them at the facilities in which they work. If, for example, the firm is assisting a community in building a youth center, assembly of smaller pieces of furniture and painting can be done at the plant and then delivered to the center.

When occupied by this customization of engagement around a common purpose, the firm can maximize the use of its capabilities, competencies, and resources to fill in societal gaps, raise awareness, and build momentum among employees.

Employee momentum. Half of the participants mentioned that success for them was evident when initiatives that supported their core ideologies happened organically, with a groundswell throughout the company. In some cases, this occurred naturally and effortlessly, and in other cases, it took a bit more effort at the corporate level to guide the local operations by teaching them how to create a shared value and have impact. Certainly in both approaches, and the spectrum in between, bottom-up activities are recognized for being just as important as top-down momentum because, as P1 stated, “you know it hits that critical mass of people within the company who are influencers [across a wide spectrum of people].”

The participants indicated that employee momentum creates ownership and empowerment, which then fosters creativity, innovation, opportunities, and solutions. For example, P2 commented on one of the initiatives.

> It was really a fun thing to watch because it did come from the ground up, and we took the approach of “let 1,000 flowers bloom.” We let the employees define what they were going to work on, and what they thought was a behavior change

> that made them better or made their society and the company better. And there were a lot of really common things that came out of it, and there were some things that were kind of off the wall. That is okay too, because these have driven an abundance of change in this company.

Employee momentum can also be reinforced by Human Resource (HR) functions. However, there are inconsistencies in the results of the research concerning which HR activities make the most sense. For example,

- Two companies provide onboard training to indoctrinate new employees on the vision, mission and values of the corporation.
- One participant indicated that they review both *how* someone does a job as well as *what* they do in order to observe the employees' values, interests and overall fit with the company's culture.
- Four companies cited ongoing training and development on critical business issues that serve as the foundation for ensuring authenticity in *it*CSR development, such as ethical sales and marketing practices, diversity and inclusion, and supply chain codes of conduct that enforce company policies against practices like child labor.

On the other hand, there is one area to which all eight corporations spoke extensively: their volunteer programs. Each company proactively promotes collaborative and engaged volunteering by all employees, and the research gives evidence of multiple volunteer activities from employees in each company. Googins et al. (2007) point out that citizenship matters to today's employees. So, it is meaningful to move from "best practice" to "next practice" and take "people to the heart of the world's problems through journeys to communities – and environments – in-need" (p. 7). Each organization's approach to volunteerism is unique.

Several companies promote individual employee goals regarding the individual's own wellness, improvement and betterment, and at the same time, they encourage teams of people to develop group goals. These programs are further supported by a robust intranet interface for tracking all of these goals, and in one case in particular, they have also tried to assign some kind of quantitative measurement to some of the qualitative aspects. For example, an employee can measure how much the carbon footprint is reduced by eliminating the use of plastic water bottles. Goals can range from something as simple as making a commitment to connect with a family member on a prescribed regular basis, or they can be more elaborate like a team of people committing to clean a marsh that has grown toxic and converting it to a protected wetland. Part of this process, in either case, is developing specifics around the goal to create some kind of understanding of impact. In the case where the individual wants to connect with family, the understanding of impact is not only knowing if the employee contacted family as much as he or she desired, but also did the nature of that connection produce the intended outcome of developing closeness with family. While the algorithm might not be perfect for some of the more abstract goals, the system is designed to build momentum by providing some kind of evidence of impact to the employee.

Each company has its own unique way of promoting volunteerism, but in all cases volunteerism is promoted throughout the organization, and it creates an added dimension of depth in the understanding of each corporate character. These eight companies are highly disciplined about harnessing this aspect of collective giving. Furthermore, they not only advocate employee involvement in their communities, they celebrate it. Three of the companies specifically cited large-scale, companywide competitions that foster innovative thinking and product design among teams of employees to solve a societal or environmental problem. For example, a couple of the participants referenced how their facilities have created alternative forms of fuel, and as a result, the design was replicated in the organization by other teams. This is positive psychology at work. People in the organization foster strength and virtue (Seligman & Csikszentmihalyi, 2000), over greed and punishment.

Seven companies specifically spoke of awards and rewards to recognize employees who have made exceptional contributions in the communities in order to reinforce the message of giving, whether that is giving of time, money, solutions, or resources. The incentives run the gamut from giving any and all employees a donation to give to their organization of choice, if the employee has met a certain threshold of volunteering, to being honored at a companywide annual celebration. A couple of the participants also spoke of the importance for them in communicating internal success stories regularly to constantly raise awareness within the entire firm. While a couple of them publish a newletter, all of them indicated use of an intranet to keep the employees connected and showcase stories around the company of (what this researcher calls) *involvement, innovation, and impact (iii)*. Bhattacharya, Sen, et al. (2011) believe that stories are powerful alterative tools to metrics, for showcasing overall impact and generating energy. Furthermore, these companies also believe that offering rewards, awards, incentives and or recognition creates momentum, and one person's idea, or a group's idea, sparks another person or group to also engage and "step up their game."

Executive efficacy. The literature reveals a widespread recognition among scholars that the executive-level (e-level) leadership plays a critical role in developing *it*CSR (Werther & Chandler, 2011), and specifically values-driven leadership (Googins et al., 2007). This includes the chief executive level (c-level), such as the CEO, Chief Financial Officer (CFO), Chief Operating Officer (COO), General Counsel (GC), and the like, plus the second level of executives that manage the various operations and disciplines of the company, such as Human Resources, Procurement, and subsidiary presidents. The leadership of the organization has to be critically connected to making *it*CSR happen and develop. This recognition of e-level engagement is an extension of scholarly studies on authentic leadership. An authentic leader has a great deal of emotional intelligence and integrates aspects of life and work together. An authentic leader has a variety of interests; he/she forges relationships in the community, and acts consistently in both work and personal activities. Adjectives describing the qualities of the authentic leader include: genuine, truthful, trustworthy, reliable, consistent, honest, optimistic, confident, energetic, ethical, moral, balanced, transparent, positive, courageous, resilient, fair-minded, competent, and inspiring (Bolman & Deal, 2003; Drucker, 2006; George, 2003; George, Sims, McLean, & Mayer, 2007; Groves & LaRocca, 2011; Howard, 2010; Kouzes & Posner, 2007; Mainwaring, 2011; May et al., 2003; Puffer & McCarthy, 2008; Stone, Russell, & Patterson, 2003; Tager, 2004; Waldman et al., 2006).

For *it*CSR development, leaders of global corporations need to exude honesty, trustworthiness, authenticity, and self-mastery that includes integration of physical, spiritual, moral and emotional dimensions, and a commitment to serving society

(Howard, 2010) that forms a connection between morality, transparency, and corporate outcome (Bolman & Deal, 2003; Mirvis et al., 2010; Waldman & Siegel, 2008; Werbach, 2009). Cameron (2011) refers to this new leadership style as “responsible leadership” or “virtuous leadership” (p. 25). The participants in this study concur with the thinking in the literature. P2 summarized the executive role best.

> It is imperative that you have c-level support. Now support is an extraordinarily broad term. I have heard many people say that you cannot create an effective CSR/ sustainability program unless it is driven from the top. I think if you take that stance you are giving companies an excuse to not do anything, because I do believe it is very possible to drive change without it being driven from the top. Having said that, nothing will be sustainable and successful in a company if you do not have the c-level support and commitment.

Interestingly, in all eight cases, the core ideologies of these companies came from the founder, whether the company was founded in this century or over 100 years ago. Every participant spoke about the legacy of the founder: his (in all cases, male) strong values around community care, and his strong vision that the company had a responsibility to operate as a good citizen relative to society and the environment.

On the other hand, the findings from this study indicate that current leadership approaches with respect to the CEO vary between these eight organizations. For example, while one CEO is very engaged and is the force in challenging the e-level to create ambitious long-term goals that create systemic change in society, another CEO is involved, supportive, and takes cues from the other executives on how best to engage. Four participants specifically mentioned that their CEOs are instrumental in maintaining the organizations as values-driven during difficult economic times, and are the primary drivers in reinforcing the companies' social and environmental commitments and agendas. These CEOs were at the helm when the companies had to make extraordinarily challenging decisions, and were out in front explaining these decisions to all their constituents. They evaluated the economics within a broader context, and were firm about upholding the core ideology. P1 pointed out that the company had to let go of some very good employees during the 2008 recession, and

> Those were painful moments, but the continued commitment and drum-beat to values you heard over and over again during this recession…gave us clarity about what was on the table and what was off the table when we were all tasked with saying you need to reduce your budget by X amount, or you need to do certain things to bring efficiency to your organization. There were many paths those leaders could take to obtain those efficiency goals and to achieve those reduced cost targets, and frankly, by having that clarity to say, we are not going to sacrifice our values, it helped take things off the table and helped us understand what was still on the table.

It was also noted that some of these CEOs are responsible for making *it*CSR a distinct management competency, driving long-term perspective in the capital markets, and vocally engaging in public policy to represent the wider stakeholder interests. Courageous came to mind in describing P1's CEO.

> We started trying to use the company as a conduit towards some of the problems we have all been experiencing around lack of leadership from our elected officials at the federal level to move the country…We have really tried to harness the

power of our company to do our part in addressing some major issues in the absence of congressional leadership.

Despite nuances in the personalities of the CEOs that were revealed, all participants confirmed the magnitude of *executive efficacy* as a key ingredient in the development of the company's *it*CSR. The common denominators mentioned were the following.

- The CEO "walks the talk," whole-heartedly, visually and vocally. They are front and center on promoting initiatives. Whether they are the driving force behind *it*CSR or they are a supportive force, they talk about responsibility, community and environmental care at all venues. They consistently reinforce and uphold commitments as well as support the people in charge of the initiatives. They lead by example through their own volunteering and action in the communities. Furthermore, each and every one of them has their own passion for certain causes on which they are front and center. They are approachable. They are committed to defending the values of the company, and they inherently subscribe to circle wisdom and understand that the entire system is not sustainable without a deep-seeded investment in society and environmental concerns.
- The e-level understands, values, and embraces its responsibility to set the tempo on integrating social, environmental, and economic priorities to achieve the meaningful TBL impact. This researcher calls this the *leadership metronome*. Therefore, not only is the CEO's role vital, but the entire e-level efficacy is crucial to setting the direction and tempo for creating meaningful TBL impact. In all eight cases, e-level leadership upholds and promulgates the core ideologies,

and in turn, gives permission throughout the organization to make values-based decisions.

It is this values-based leadership metronome that sparks the firm-wide commitment to *it*CSR. All participants indicated characteristics of executive efficacy: they lead by example; participate in learning and activities that make them approachable to all levels of employees; serve on companywide committees that focus on the strategies and development of environmental sustainability and community well-being; sponsor different company initiatives and provide guidance, insight, and direct involvement with key external stakeholders; lead strategy efforts on project-based teams; engage in the philanthropic foundations and ensure consistency with core values and focus on impact; champion various expert teams and foster collaboration and innovation, such as diversity and inclusion of working teams who have cross-disciplinary goals. It is evident from the study that executive efficacy comes by being collaborative, and as Googins et al. (2007) notes, practicing shared leadership and upholding ethical standards and conduct.

In each of these companies there is a belief that *it*CSR development will not thrive if only one or two people are champions of the thinking and day-to-day activities. Instead, various executives need to support the goals around sustainability and community well-being, especially since the next layer of executive leadership and the people who report to that layer know the inner workings of the business and what will resonate with the greatest impact. P6 comments that "there just is not a magical answer that says here is how we are going to create a business process that guarantees you have got all three [Ps – people, planet, and profits] aligned in the right way. It goes back to the character of your leadership, the history and origins of your company, and the commitment of your leadership to do the right thing."   P1 believes:

> When it comes to very specific programs it is not necessary to have the whole executive team to drive those initiatives. It is one member of the executive team that owns and drives those initiatives, makes the financial commitments necessary, builds it into the strategic plan, and the rest of the executive team is on board with the strategy.

P2 believes in the synergy between top down and bottom up and provides insight into this calibration:

> We first tried this to be only bottom-up without any kind of leadership, and what was interesting, and I guess in retrospect it should have been obvious, is employees did not like that either because they wanted to know that what they were doing was okay with leadership. They did not necessarily want to be told what to do, but they did want to know that they were not going to get in trouble and that it was okay to form teams to go around at the end of the day and turn off everybody's lighting, for example.

In terms of involvement among the Board of Directors in the development of *it*CSR, the findings varied, with not a great deal of descriptive information. One participant indicated that the board is not involved by choice because of the strong CEO role in governance. Another participant advised that they report to a committee on the board three times a year on social and environmental activities, while another one confirmed involvement of the corporate secretary on the board in terms of interfacing on shareholder inquiries. Other participants stated that their boards are involved at a public policy level and touch on issues like sustainability requirements, international labor standards, and supply chain management. So the board, in these cases, is more engaged around the compliance components of *it*CSR. A participant felt strongly about keeping board members regularly apprised of *it*CSR activities in order for the board to have a better understanding of the companywide pursuit of better governance. In total, the board of directors at each company seemed to be supportive of *it*CSR principles, but their level of activity and engagement in the finer details differed from one to the next.

Finally, the results from this study would be remiss without addressing the influential role of specific *it*CSR leadership on executive efficacy. The findings reveal that *it*CSR leadership has its own persona in each of the companies. However, there are some common characteristics. It seems that these large companies have a group of individuals working on sustainability strategies and community affairs. These individuals are evidently the ringleaders when it comes to keeping the strategies of *it*CSR evolving in the corporation, whether they are housed under one umbrella group or spread across a couple of corporate units, and whether they report to the CFO, the GC, Public Relations and Communications, or the COO.

In fact, there does not appear to be any evidence of best practices in the reporting structure of these teams. The reporting line ranges from external affairs to legal, from the chairman and CEO to the CFO. There could be numerous discussions about the optimal reporting structure for *it*CSR leadership, with debate around the implications of each of the options. In any case, this research finds that it is imperative that the *it*CSR team is an executive function and has authority to interface at the highest levels of the firm, and does so on a regular basis. P2 provides the best summary:

> It can be run out of different areas in every company - out of HR, from legal, but we really felt like if our intent was to truly look at the things that are the intersection between businesses and society, we needed to understand what the issues were in society. If you put it in legal, then it becomes a compliance issue. If you put it in - and I am talking about newer programs – in PR, then I would suspect that the NGOs and the critics would look at that and say, "Well, you just, this is just a PR program. Is it really changing your operations?" So a more mature program can be run out of any department and be run extraordinarily well if it is a little more mature, but if you are just starting out I think it is really important that you think hard about the core interests that are driving why you are doing what you are doing, and then have that help you decide where you locate it in the company.

The literature is rich in describing the skills necessary in *it*CSR leaders. However, after putting all of the competencies together, one comes to believe that such people must be mythical creatures akin to corporate demi-gods. According to the literature, *it*CSR leaders are humble, yet decisive. They are intelligent systems thinkers, yet creative and inventive. They are good communicators, and at the same time adept at analysis. They are persuasive, but in a sensitive and nurturing way. They are risk managers and policy implementers, and at the same time they are comfortable with ambiguity. They are resourceful and know how to move conversation from concept to action (Calandro, 2012; Cameron, 2011; Senge et al., 2008; Visser, 2011; Weinreb, 2011; Werther and Chandler, 2011). They are mavens who find collective solutions (Gladwell, 2002), and they are the connectors to outside resources, building both internal collaboration and external partnerships. They are patient, genuine, richly knowledgeable about the organization, and informed on public policy. They are strategic, insightful and intuitive. They are spokespeople for the organization and they are focused on action-learning to progress *it*CSR (Calandro, 2012; Cameron, 2011; Senge et al., 2008; Visser, 2011; Weinreb, 2011; Werther and Chandler, 2011). With this list of competencies, one could easily question if such a person exists and if this role is merely a smokescreen for some ordinary person who is gifted with a little bit of trickery, like the Wizard of Oz.

Instead, this study finds that these competencies are indeed embodied in the *it*CSR leaders and practitioners who were interviewed for this research. Some practical correlations between these participants emerged:

- *It*CSR leadership is not owned by just one person. There is not one proverbial Wizard of Oz. Usually there is a team of people at these large organizations, dedicated to delivering on all the competencies listed above, and more. In some cases, the team is actually comprised of two separate groups: one for environmental sustainability and one for citizenship and community affairs. In other cases, both are housed in the same overall group.
- *It*CSR leadership is a corporate-level function with direct interaction with the c-suite, the P&L executives, and the employees throughout the organization. In a couple companies, there are also designated sub-*it*CSR leaders by region, globally; some of these regional leaders are 100% dedicated *it*CSR employees, and some others have this responsibility in addition to their day-to-day operational functions.

- The *it*CSR team is responsible for establishing goals, looking for opportunities to quantify the benefits, educating internal and external constituents on the developments, advising on the qualitative aspects of *it*CSR, developing the *it*CSR components to the strategic plans, and continuously moving the objectives forward.
- The *it*CSR team provides the "look over the horizon" in terms of environmental and social trends and links with external experts and resources to help with trending, projections, and building best practices.
- The *it*CSR team is made up of very intelligent, highly accomplished, strategic, and business-minded people. Six participants' backgrounds are in the area of public policy or environmental policy, and several of the participants also have PR/communications experience. They all have rich professional leadership experiences.
- They are entrusted with a great deal of accountability. They regularly interface with the c-suite and travel to meet with day-to-day operations. They are a critical bridge throughout the system and know the organization, its resources, and its expertise to reach deep and form collaborative cross-sectional opportunities. They are in the trenches to understand the business and also make sure that the qualitative elements that drive *it*CSR are continuously being promoted.
- They believe strongly in their purpose and their identity and role in the organization. They do so with a degree of humility that was evident in the interviews. P2 said, "I have a hard time seeing how anybody in this job doing it, in what I think would be the right way, would be irreplaceable, because I should

be sharing my knowledge, I should be sharing what I learn, and it should be spreading out to the company."

- They lead efforts to collaborate with NGOs, government agencies, non-profits, international trade associations, consultants and experts in the field, customers, supply chain, communities, and competitors to help identify what "impact looks like" and build the plan to deliver it.
- The *it*CSR team members have an organizational behavior consciousness. They balance the nuances of glocality. They appreciate and focus on incremental adjustments and changes in organizational culture to keep momentum building. They look for gaps in the organization and figure out what role and actions are necessary to fill in the gap and keep the end game in sight. They evaluate external stakeholders' influences on the organization, their views, messages, and actions, and determine the degree of engagement. P2 pointed out that,

> You have to know the business. I would be pretty suspect of bringing a leader into a major company who, let us just say, had degrees in corporate social responsibility. The importance of success for a business' sustainability is in understanding the business. We have to operate this business for the long term in concert with society. If I do not know this business, and if I do not understand its impact on society, and if I do not understand how society affects this business operation, I cannot make those decisions.

Implementation – incremental or radical? ***The road to Canterbury…***

Universally, the participants reported that *it*CSR development is a never-ending journey, one that is not perfect and will never produce a state of utopia. P3 surmised that "because citizenship is a journey, we are always trying to more completely embed citizenship and sustainability into the DNA of the company. There is always more that you can do. There are always new challenges that a company faces, and we have to constantly re-examine the areas of focus and whether we are handling them properly." Due to the nature of their widespread operations, there is always something that can be expanded from a regional focus to a global effort. They all felt that there is always something that they could be doing better, always an area where they could generate even more momentum, always an area that they could be more focused on measuring impact. Despite how unique each company's stories are, there seems to be recognition and acceptance that *it*CSR development is a dynamic business model in organizational development. In fact, Googins et al. (2007) point to a "catalytic" model of organizational change that is in stark contrast to the "traditional, top-down" business model. A catalytic model is a) adaptive and responsive, b) multidirectional, c) strategic and catalyzing, d) emergent, and e) lacks predicatability.

This study supports the aspects of literature that have identified *it*CSR development as an evolutionary and iterative process, in which the organization continuously "morphs." Stebbings and Braganza (2009) provide context: "morphing organizations are viewed as ones whose interdependent resource network configuration lasts only as long as it continues to satisfy definitive stakeholders' expectations" (p. 45). Morphing represents "comprehensive, continuous change in products, services, resources, capabilities, and modes of organizing through which firms seek to regenerate competitive advantage under conditions of hyper-competition" (Rindova & Kotha, as cited in Marshak, 2004, p. 14).

The advantage to such a continuous change model is that it has very few sharp, radical, or disruptive equilibrium moments. So, a company that is agile and set up for continuous change is paradoxically simultaneously breeding stability (Marshak, 1994, 2004). Kanter (2009) describes the vanguard companies as role models in enabling continuous change and renewal, as well as showcasing flexibility and responsiveness. Furthermore, creating a culture that promotes ongoing learning and evolving helps people become resilient to the flow of society's dynamics, needs and interests (Sheehan, 2004; Zadek, 2004), and a culture of organizational learning and morphing allows for the emergence of new competencies (Marshak, 2004).

Therefore, according to these eight participants, *it*CSR development is not something predominantly radical and disruptive that is turned on like a light switch from one day to the next. Rather, it requires a corporation to develop a culture around agility, coordination, and forward-thinking capabilities among the different levels of employees (Boehm, 2011; Coulter & Erikson, 2012; Grayson et al., 2008; Kanter, 2009; Kourula & Halme, 2008; Kytle & Ruggie, 2005; Louche, Idowu, & Filho, 2010; Marshak, 2004; Pink, 2011; Savitz & Weber, 2006; Werbach, 2009; Zadek, 2004, 2007). *It*CSR demands continuous morphing and the collective mindset among the people of ongoing and cumulative, progressive consolidation of firm-wide business, cultural and financial strategies (Googins et al., 2007; Lake & Calandro, 2012; Marshak, 2004; Zadek, 2004). These findings, therefore, indicate that *it*CSR development is incremental and always in a state of balance, reaching toward the next thing, and catching on through activities that build upon themselves *like a snowball,* rather than gaining traction through significant *watershed moments.*

Wheatley and Kellner-Rogers' (1998) theories on the organization as a living system support the concept of continuous morphing, and they propose that an organization functions with a sense of shared significance and the strength of the human spirit to be free, create, and develop organically (de Geus, 2002). "In a sense, these are organizations…whose products, processes, business models, and management philosophies are based on the idea of a future in which business operates more and more like the other living systems of nature" (Senge et al., 2008, "Business with a Mission," para. 2). The construct of an organization as a living system is particularly relevant now that the value of a business is moving from the Industrial Age's definition of business that was tied to physical assets (Senge et al., 2008), and toward a definition that is tied to intellectual property created by the organization's members (Handy, 2002). Pink (2011) calls this new era the *Conceptual Age* (p. 2).

On the surface, this thinking counters previous theories by scholars like Thomas Kuhn, who indicated that the acquisition of knowledge is not steady and cumulative, but rather a result of "punctuated disequilibrium," which are sudden bursts of transformational changes (Marshak, 2004; Stebbings & Braganza, 2009; Werbach, 2009; Zadek, 2007). Furthermore, it raises a debate that originated with the ancient Greeks: Plato and Aristotle argued that change is motion created by a cause, while Heraclitus asserted that change is part of the natural order and the only thing that is constant (Marshak, 2004).

However, having an overall incremental, continuous approach to developing *it*CSR does not necessarily mean that “punctuated disequilibrium” moments do not exist. In fact, as P1 noted, unintentional benefits can result from certain crises. Even the best tales about the journey along the itCSR path can be fraught with harrowing experiences arising from a crisis, a mistake, or a bad decision. Nevertheless, the findings in this study reveal three things about crises that can lead to a positive outcome.

First, these crises can be a catalyst to prioritizing some aspect of the strategy that was on the list, but simply not at the top of the list. So, what seems like a road-block, an impasse, or a complete divergence from the mission can actually help to add one more layer of crystallization to *it*CSR development. Secondly, depending on the level of authenticity on the leaders’ part to address the crisis or mistake, there exists an opportunity to foment champions out of those people who were originally naysayers, and build stronger partnerships that are founded on transparency. Thirdly, these moments are opportunities to recognize some of the qualitative, immeasurable risks, and determine the advantages of protecting these qualitative aspects at other times in the journey. P1 noted that “crises have a way of driving things, and often if all you have are qualitative metrics, crisis is one of the primary metrics for moving the needle on certain aspects... A crisis issue is a hot topic, but it breeds negative publicity in the process that then the company not only has to deal with the issue at hand, but also the repercussions of the negative publicity. Even that in and of itself is a balance when making decisions.”

The participants each indicated that there is no scenario wherein a company will ever be perfect. There will always be dynamic forces at play. People will come and go. The economic, environmental, social, political, cultural, and geographical landscapes will shift, and there will be varying levels of sophistication internally within a large, multi-dimensional organization. Furthermore, the private sector, as a whole, is on a CSR journey. From the literature, Dhanda (2013) points out:

> Given investor and NGO interest and media and public exposure, the bar of sustainability expectations appears to be moving up each year. Added to this fact is that there are more companies voluntarily joining or motivated to join the fray of the so-called sustainable or green corporations…The task of a company maintaining its sustainability performance [is] daunting." (p. 14)

In effect, *it*CSR development is a journey that is being mostly undertaken by these eight participants simultaneously and organically, as part of the organizational development of the company's brand, products, and services. *It*CSR development, therefore, never stops and it does not run on a separate path; it shares the same path as the entire business. This supports Googins et al.'s (2007) insights.

> A select set of big businesses and entrepreneurs are moving beyond the tiresome terrain where shareholders' interests are pitted against other corporate responsibilities. At this socio-commercial frontier, companies are using time-tested strengths – risk management, R&D, market prospecting, innovation, brand differentiation, and continuous improvement – to bring corporate citizenship from the margins of their agenda into their mainstream business. (p. 1)

Although there are various degrees of how *it*CSR is integrated into the different aspects of strategic planning, implementation, interface with employees, and customer satisfaction and loyalty among the eight companies, it is evident that *it*CSR development is about continuous improvement.

This is not easy work since there is not just one change strategy to employ with a definitive start and finish timeline. Furthermore, as P6 noted, the decisions are tough decisions, but if they are led by core values, it is akin to parenting.

> In the area of anything that is hard… A lot of times you have to do what you know is right, and you need to take a step back and talk about it and analyze it. To me, that is the most important part of getting to the TBL, balancing out the areas, doing what is right, do what you know is innately in your values, and a lot of times do it instinctively, but always have a point in time where you take a step back, think about it, and have discussions inside of the company.

In fact, this supports Googins et al.'s (2007) findings about the magnitude of the work. They cite Interface's CEO, "I don't know the entire process of becoming more sustainable; you have to get lots of different points of view…This is a mountain higher than Everest…[and] everything connects to everything" (p. 140).

There will always be an inherent challenge "in closing the 'execution gap' between strategy and actual performance" (Maggs, 2012, para. 1, p. 1), which is directly related to size of the corporation. The larger the business, and the more diversity of products and services, the more difficult it becomes to mobilize efforts quickly in *it*CSR development journey. While the literature informs that *it*CSR development at a large organization can take 5 to10 years of reorganization, requiring shifts in behavior and mindset throughout the company, developing new routines, competencies, processes, and rituals, and building a new understanding of the world (Maggs, 2012), it seems that at these eight corporations, the efforts have sprung from corporate histories rooted in values, with holistic intentions and conscientious commitments to continuous improvement, betterment, and innovation for all. Yet even with this highly engrained commitment, the pace of developing *it*CSR in these companies is a slow, cumbersome process that requires task forces, unyielding commitment, focused approaches, strategic integration, and a mindset of "learning before leaping" (Lake & Calandro, 2012, p. 422).

For example, specifically addressing the new legislation about trade with countries where conflict minerals are produced, participants noted that the companies have been at the forefront of responding to and validating the requisite certification. It has not been an easy process, though, and they cite that operational checks and balances to be able to reach through the supply chain for that level of transparency is a learning opportunity, in and of itself, as the corporation figures out how to adapt, adeptly, to the changing dynamics in the world. In fact, as P6 pointed out, "there are a lot of things, that if you take [the TBL] philosophy and you take a longer-term approach, it is amazing how ultimately it balances itself out, but if you take a hard stop at any point along the journey, there are times that you do not balance all three in the short-term. You have to have more of that longer-term viewpoint."

Several participants acknowledged what Googins et al. (2007) point out, that *it*CSR is about reworking the social contract to co-create value and constantly moving the business agenda to "explore the limits of what a principled enterprise can achieve" (p.228). However, as pointed out by President Franklin D. Roosevelt (and versions of the same by other people who preceded him and succeed him, "great power involves great responsibility" ("Franklin D. Roosevelt quotes," n.d., para. 1)... and consequently, great exposure, as pointed out by a few participants, like P7.

> With each hurdle you cross, there is a bit of discomfort…and we want to make sure we are as transparent as possible, and that we are moving these things forward as much as possible, but there is this perception - that is valid, that the more you are out there talking about these things, the bigger a target you are putting on yourselves and that is tough sometimes, because things are going to happen that are never going to be perfect, and there are going to be mistakes in the system.

In all cases, handling imperfections comes from an underpinning of transparency. P1 said that transparency is the bridge that opens the dialogue to explain to stakeholders that progress is not made with a flip of a switch, and that often, the most correct way to make systemic changes in society and create the most sustainable solution is not necessarily the answer that is provided in a singular discussion or meeting, or even within the base-line global certification standards. P1 added that "[transparency] has given us permission to take our time necessary to do it right instead of just giving [our stakeholders] platitudes." So, transparency is a core tenet, even at the risk of some set-backs. P3 commented that they go to great lengths to ensure that the areas of focus are represented externally in a thorough way for all stakeholders. P2 indicated that they provide information on all of their activities, but they tend to be strategic about what they choose to publicly amplify, based on the interests of their constituents, versus which aspects they simply do not actively publicize. Other participants tend to be quieter about their activities; they are still transparent and informing, but less proactive about using external communications and PR. As P6 noted, "there is a difference between transparency and PR" and there seems to be a consciousness at each of these eight corporations around honoring that distinction.

The perception that this is a *soft science* is valid, and at least five of these *it*CSR leaders understand that perception can very easily become reality. So, they work hard at changing the conversation from a place of authenticity and transparency of purpose, and they find approaches that redefine success and push the envelope for everyone. Furthermore, they are mindful of external messaging of *it*CSR activities and principles. P6 said, "You have to have enough PR and communications for the reputation of the company to be deservedly understood, but if you cross that line to manipulate the reputation of the company, I think that is where it becomes PR gimmicky. I do not know of any science that tells you where that line is. It is only when you have leadership that has an internal moral compass that says where it is and you abide by it." As a result of a deep-seeded commitment to accountability, each of these eight corporations are transparent in externally reporting their activities, actions, advocacy, and partnerships. The participants spoke freely, enthusiastically, and knowledgeably about what civil groups they support and the competencies that they bring to the equation.

Action learning orientation. Another important element that makes up each company's journey along the *it*CSR path is the presence within the corporate culture of continuous learning. This recalls the earlier description of the organization as a living system that is in a constant state of flux and is influenced by the constant changing dynamics in a business and around the world. De Geus (2002) calls the process of learning in a living system as "play" (p. 77), wherein people enter and leave projects, but the overall team's capabilities improve and the learning process continues. "Because organizations are products of the ways that people think and interact…sustaining any profound change process requires a fundamental shift in thinking and action…We need to think of sustaining change more biologically and less mechanistically" (Senge, 1999b, p. 59).

Active, action-oriented learning is at the epicenter of creating firm-wide momentum and deep levels of commitment to *it*CSR. Action learning comes in many forms in any organization. However, specifically, *it*CSR gains a great deal of traction through employee engagement within the local communities in which the organization operates and or in areas of the world in which the organization believes it has a responsibility to make an impact through its products and services.

Employee engagement on a local and global scale, according to a couple of the cases in this study, is mutually exclusive. However, in most instances, action is carried out in the spirit of engaging in shared value creation. As a result, action learning is instrumental in catalyzing additional activity. P6 noted that, "you can stumble on an opportunity where you were helping your employees do something and then realize an unintended consequence, like they have gotten so engaged with it that they are having a bigger impact in the community with it than its original intention." Developing people's passion has bred innovation and a greater impact for these organizations. Participants observed the results: someone became a national thought leader; another person brought skills back to a developing country and was a catalyst to better education, home, and trade conditions; another group of cross-discipline experts worked together to look at the entire supply chain and solved for the recyclability of soiled and used product; another group derived a solution out of a critical oversight that ended up being easy to implement, better for society, and more cost effective. P1 indicated that

> We are very transparent when we talk to our stakeholders and in saying look, this was a failure and this does not work and this is a bump in the road, but it was a great learning experience for us too and it gives us the opportunity to know what paths we should not take, in addition to which paths we should take. And it is giving us that permission to fail in the issue and giving us the permission to take the time necessary to solve this issue in a real way and not a fake way.

Four participants, in particular, alluded to a learning organization as an important trait embodied in both *it*CSR leaders as well as an agile organization. For example, P1 pointed out that part of being an agile organization is its receptivity to constructive criticism and openness to ideas from anywhere that, at the onset might seem ridiculous, but in reality, represent a future trend that the organization should embrace, build, and deliver ahead of the market.

Each company's journey on the path of *it*CSR development embodies exploration. As P2 stated, "The more you do, the more you learn. And so, I am not even convinced we know it all today. You just have to discover, you have to follow leads, and you have to ask questions." It was noted that an attribute of exploration is reflection. There was strong evidence among seven of the eight participants that they often stepped back and reflected in order to identify what they could do better, to ask for feedback from various stakeholders, to take a minute to think about whether a course of action is genuinely producing impact or if it has more superficial ramification, to engage with experts in order to benchmark and gain valuable external perspectives, and to invite criticism. Four participants indicated that they even have an internal process for correcting inconsistencies in the system and reinforcing learning.

Managing stakeholder relationships. ***Designing for impact.*** The *it*CSR principles in all eight companies are upheld by having some kind of proactive focus on creating meaningful impact, both qualitatively and quantitatively. They are, in fact, driving and designing meaningful impact by choosing to collaborate with the partners that they believe are the most suitable and have the most promising capabilities, in order to deliver on the shared intentions. Googins et al. (2007) refer to such an approach as being strategic and integrative in co-creating value and picking partners that have a focused discipline. A couple of participants even indicated that they engage in a lengthy "courting process," that in some cases span years, before the partnership is firmly established.

The findings revealed that three companies were not always consistently proactive in seeking impact. As a result, they each had to retrench and build better methods of accountability to ensure a more proactive approach to achieving meaningful impact. One participant reported that they went through a period where they slipped in their momentum. Consequently, they sensed a real loss in the customers' experience, and at the same time, felt that the market was increasingly commoditizing their products and services. Essentially, they lost a competitive advantage and a position of leading the market in unique social and environmental designs.

Another participant spoke about the immense costs that they almost incurred had they not made strides to move from a reactive to a proactive mindset. In all of these situations, by getting ahead of the market and proactively designing their engagement, they were able to avoid foreseen and unforeseen expenses that would have impacted the bottom-line economics of the firm. The approaches they used to become more proactive included: a) a full-scale, non-negotiable re-focus on core values that was driven by the CEO, and b) vigilant attention throughout all levels of the organization to apply the same high standards of quality in products and services to designing social and environmental impact. From the literature, proactive societal engagement between NGOs and businesses can be cemented by making sure that the business is connected with civil society and governments and that it is connected to understanding the needs of the communities (Isdell, as cited in Crittenden et al., 2010).

Interestingly, in two cases the philanthropic aspects of the company are quite significant, and were specifically referenced as not necessarily being of "shared value." According to Porter and Kramer (2011) the shared value concept focuses on the intersection between economic drivers and societal drivers that improve society and the environment, while simultaneously enhancing the competitiveness and longevity of a company. Instead, the philanthropic engagement at these two companies involved casting a wider net to deliver their products, services, and even financial aid to parts of the world where the company does not have operations. Their philanthropic approaches were intentional and representative of the companies' core values of improving lives in communities, no matter where they are located. They believe strongly that the mission of helping improve the lives of a group of people by making their products accessible does not just extend only to those communities where the company operates, but must extend to that segment of the population worldwide in order to truly create universal impact across this segment of society. P3 stated:

> We have many partnerships with NGOs, some that have been partners for 20 to 25 years. But, we are working in spaces that make sense for us as a company and make sense for us in terms of the unique expertise that we can lend. So, we do not entertain a lot of new requests from NGOs that are cold-calling and looking for funding. Instead, our approach is to make programmatic and systematic change in the intervention areas where we want to make a difference and change lives.

They believe it is the right application of the company's assets to elevate the global society and build sustenance and prosperity overall. Consequently, it seems that this level of philanthropy is still quite strategic and focused on creating meaningful impact for these two companies. The participants indicated that there is a great deal of scrutiny regarding who they select as their partner to ensure that their donations are used in the way they are intended. This lends further insight to the literature and the general consensus among scholars that *it*CSR development is predicated on strategic investments in key stakeholder relations. While charity-type philanthropy, by and large, can be negatively associated with shareholder value, there are a few instances where philanthropy can be strategic (Kourula & Halme, 2008).

The remaining six of the eight companies spoke extensively about why they choose certain partners and how they collaborated with them around shared value. It is surmised that these eight corporations all currently manage their engagement with stakeholders on a very proactive and strategic level. While each corporation has quite a few non-profit partners, six participants indicated that they are highly strategic and "picky" in selecting their areas of focus, with an eye on creating shared value. The other two participants, who are with organizations that have a more philanthropic angle to their partnerships, are also strategic in that they are laser-focused on key issues that they support, but they are likely to give more broadly in those specific areas than the other six participants.

Consequently, when looking at all eight corporations, the common theme among their philanthropic focus is (what this researcher calls) *designing for impact*. All eight participants believed that strategic investments in society – all the way down the food chain – would ultimately yield positive results for the corporation. Furthermore, they believed that they must work with NGOs and government in the crusade for a better environment and community well-being. In fact, P1 summarized it best.

> We significantly value non-profits, and NGOs, and their place in society. If you look at sustainability, specifically, and I think CSR in the general sense, the necessary triumvirate to make the world a better place between private sector, between government, and between NGOs is essential. And, it is essential that all three of those players have a strong presence and have a strong say in shaping society. So, it has never been an either or in engaging with NGOs because they are an essential part of - if you want to use a cliché - in saving the planet, from a sustainability perspective. And, NGOs provide accountability that is necessary in the corporate world, and they provide the sunshine that is necessary to both the corporate and the government worlds to inform the citizenry of what is happening in those worlds. They also, for us, and this is one of the value-adds for us, some of the more active NGOs, also provide that "look over the horizon."

NGOs provide a level of credibility that corporations would not be able to achieve on their own accord (Brugmann & Prahalad, 2007). This was confirmed in detail particularly by P1 who felt that NGOs provide verification of corporate data and conclusions on a specific topic, and they help build the metrics and the system for evaluating impact. They provide a knowledgeable sounding board, they connect to civil society better than anyone else, they help to disseminate knowledge, and they provide advocacy for the plans. Conversely, several participants indicated that they are also engaged in helping the NGOs with their own strategic planning.

In exploring what designing for impact represents in the broadest sense, it implies the creation of external momentum that improves lives and communities. One of the participants referred to it as “collective impact.” Another participant referred to it as “investing in things and organizations that will move the needle.” In all cases, these companies subscribe to (what this researcher calls) *the power of three* - - that the private sector, plus civil society, plus the public sector can have the power to design and realize meaningful impact that is greater than the sum of their individual parts. One of the participants gave the example that they can create shared value with many different NGOs who align with the mission of the corporation, its resources, and its core competencies; however, choosing the optimal partner is a strategic process that ensures that their products that are distributed through the NGO network end up with the intended recipients and are used correctly.

Designing for impact was well described by P2 who provided the image of a triangle to explain how the corporation ends up with their priorities. The triangle represents everything that falls within a shared value context, and there are many items included. Some of the things in the triangle demand attention, such as the recent legislation around conflict minerals. Other items the company does address but it does not create any fanfare around them. At the top of the triangle are two categories:

> Below the very top there is a category that I like to consider to be engagement opportunities, those things that externally we know that there are certain segments of the market that really care about them, and they are pretty big segments. So, those are the things that require greater visibility on our part. And then, at the very tip top, and I think this is important for any company, represents the tip of the spear and the area where we choose to lead. For us it is education because it is a serious business issue. It has an impact on the economy, it has an impact on jobs, it has an impact on social society, and it has the impact on our business...and then we drill down from there on which aspect of education we find we can have the most impact.

The focus on education among the participants is noteworthy. Education is at the tip of the spear for six of the eight participants. That is not to say that education is not a focus for the other two participants, but it did not come up in the interviews as their main driver. Among the six education-focused participants, five were engaged specifically in Science, Technology, Engineering and Math (STEM) learning development and recognize that the jobs in STEM fields are growing at the same time that there is a growing talent shortage. In a couple cases, this focus included developing technical skilled labor and the talent that will go on to operate the machines in factories, in addition to developing future scientists, engineers, biologists, mathematicians. These companies believe that they play a critical role in helping develop the next generation of employees and that corporate involvement is critical to the livelihood of the organization in the long-term.

It is clear that these companies are each selective in aligning their partnerships around the company's core competencies, and are interested in breaking down the obstacles that historically prevented the public sector and civil society from working together to design collaborative solutions. It was further acknowledged by three participants that the NGO partnership is not always comfortable. Setting realistic expectations can be contentious and corporations need to be receptive to criticism from NGOs on any prior wrong-doing. However, the potential gain in transforming society and building trust with communities is precious to these corporations. P6 commented that, "we are proud of our values and what we stand for and we do not get into things just to get into things. We do not associate with certain causes or undertakings. We think they are great, but we try to say what we were going to do and make sure that we do it right."

Another aspect of designing for impact is the commitment to maximize the resources of the corporation. P3 said, "A core tenet of our CEO's has been that we have to participate. We have to provide what we can - whether it is resources, expertise, or relationships. And, we also participate in creating accessibility to make sure that those that cannot afford the needed products/services can get them." In addition, for a couple of these corporations, employee volunteerism is monitored to ensure that a) there is focus on an identified unmet need, b) that engagement is skills-based, and c) that impact can be sustainable, and not short-lived or dependent on continued involvement by the corporate employees. There is a strategic prioritization present among these participants that their involvement with NGOs and the like, comes with an intense level of collaboration. P6 advised, "I honestly believe that the relationship between your key partners and key charitable groups that you work with are becoming more important than what they used to be. And I think that it has to be more strategic, more engagement, more involvement with those organizations if you are going to be able to make a true collective impact."

Collaborative learning loop. Almost all of the participants referenced the notion of (what this researcher calls) a *collaborative learning loop.* In the literature, it is well documented that each party brings certain skills and advantages to the equation, and an action-learning approach gives a person practical experience, and makes learning interesting and real (Haugh & Talwar, 2010). The collaborative learning loop is designed around experiential learning involving multiple stakeholders who represent different interests, and it draws upon seminal scholarly work about knowledge sharing by the likes of Argyris, Knowles, and Schon, to name a few. It also borrows from the extended learning theory on professional learning communities (PLCs). While PLCs have been largely constructed in academia to collaboratively improve education and build accountability for results, the basic premise centers on collaboration for improvement, removing barriers, and focusing on clearly defined targeted results (Dufour, 2004).

The researcher views the collaborative learning loop as essential to the multi-stakeholder process of designing for TBL impact, wherein at least two sectors of society are coming together to partner on a shared concern and are required to submit to each other's competencies, break down existing mental models (beliefs or assumptions), and build a holistic solution which also creates additional opportunities for partnership, growth, and innovation. Particularly important to understand and address are the mental models. They represent the influences on each person's worldview, values, and internal drivers (Senge et al., 2008). They need to be opened and exposed in order to reorient members toward a new direction (Smith, 2001).

As a result, strategic engagement includes a component of accepting each other's strengths, acknowledging where each party has to learn and grow, and then sharing skills. P3 provided some context on this point:

> We work with the NGOs to understand where we are starting and what the expected outcomes are over years one, two, and three. And then we monitor together and measure together the impact that we are making in that space. We lend measurement expertise. We lend operational expertise as well as funding to make sure that the NGO that is taking on this challenge can take it on in a comprehensive way with the kind of business acumen that we use in our businesses every day, but applying it to this challenge.

Therefore, these companies exhibit a certain degree of courage. A couple participants indicated that it is very easy for a corporation to elect *not* to put themselves out there in the public eye. They suggested that there is a heightened sense of public scrutiny and the more a company is front and center on these sensitive issues, the more there seems to be a direct correlation to an increase in emotional response by the public. However, these companies have chosen to step up to that challenge. Some revealed that they are quieter about it than others, but they all exhibited a commitment to the areas in which they believe they can make the most impact. The findings revealed a couple of common approaches to building the stakeholder engagements:

- They create momentum by engaging as many players as possible and form cluster groups of experts from the organization and trade experts in the marketplace.
- They breed cross-pollination in the company to bring diverse thought and opinions to the issue; this has a side benefit of also breaking down any barriers that might exist between the multiple disciplines in a global, multi-faceted organization. For example, two participants noted that their diversity and inclusion working groups each have developed an activity of focus that is important to their demographics.
- Many of them take a system thinking approach by looking at the entire supply chain, designing and championing best practices, and self-regulating the entire system. For example, P2 said that "we also need to demonstrate that we can self-regulate, because if we do not do these things right, then somebody is going to step in and tell us how to do it and we do not like that so much." P1 concurred by pointing out that "regulators are not evil…They are trying to deal with societal issues in the way they know best and with the tools that they have…In lieu of industry leadership, they take action and say we are going to ban this product or we are going to regulate this product, and they take actions that they feel are best at solving the issues because industry is not solving them, but that costs us a lot of money [and time]."
- Their intentions are respectful of the supply chain as a representative sample of the community and circularity. P1 provided context for this concept: "Whereas we could say that we are big and we are going to squeeze you and

we are going to force you into giving us materials at low bids, instead what we do say is that we think the longevity of our company is enhanced much more greatly if we are able to elevate the entire value chain, from supplier to customer."

- These companies are out in front in communities to get traction for their efforts to develop holistic solutions. For example, P2 noted:

  > We participate in community summits where you take one city and you have everybody around that table who you know has an impact on [the issue at hand] in that city. [If it is education], you have students there, you have parents there, you have administrators there, you have city leaders there, you have the police force there, you have NGOs there, and jointly, you figure out what is the problem and how can we address it in this city. There are macro things that can be done across the nation but it is also a very local issue. And the action plans that have come out of those tables have really been successful, and it is an important model that is absolutely grounded in collaboration, because it is not the teachers' fault, and it is not the principals' fault, and it is not the parents' fault. They all have a piece in this.

- A couple of the organizations engage other members of the industry, including their competitors, to create market-driven solutions that have a positive impact on the entire industry and "change the game." P1 noted that "the whole intent is to create industry-driven solutions and do it at a level that would be

> successful for everyone, not just us." So, they are moving away from "program-driven" impact to "issue-driven" impact.

Practices in measuring impact. The final aspect of the evaluation about the *it*CSR path traveled by these eight corporations has to do with standards for measuring impact - both from a company perspective in understanding the result of their involvement and participation, and also from the perspective of the recipients in understanding if the desired results were achieved. A predominant theme that emerged from the majority of the participants is the idea that they govern *it*CSR development through the same lens that they govern their business. In the literature, Hart and Milstein (2003) postulate that shareholder value is multi-dimensional, impacted by four overarching dimensions: a) innovation, b) growth trajectory, c) risk reduction, and d) reputation. P6 addressed company standards:

> Every good company needs to meet its shareholder obligations, and in the end we do not shy away from the fact that companies not only have a moral obligation, but have a fiduciary responsibility to meet those shareholder expectations. Yet, strategically, I view [*it*CSR principles] as something that is natural, as opposed to something that we sat down one day and said this is how we are going to apply this strategically.

It seems that how these corporations respond to environmental and social concerns is interwoven in the overall business measurements of these four dimensions.

However, the finer details for this measurement manifest differently from one company to the next. For example:

- Five companies engaged in high-level strategic planning around *it*CSR goals and initiatives; three of them were segments of corporate strategic planning and all of them had at least one executive level steering committee to govern *it*CSR development. A sixth company was in the process of developing more strategic planning integration. The two remaining corporations seemed to indicate that measurement was organically and holistically a part of their companies' strategic plans, and not treated as one component part.
- At least three companies performed rigorous materiality assessments to understand the marketplace, determine where they can have their greatest impact with products and services, and understand best how to measure success. Some of the participants engaged external associations, like SustainAbility, for benchmarking purposes in their quest to have measurement systems and analysis about market trends.
- More than half of the participants indicated that they have developed short-term, attainable, market-driven goals and long-term, ambitious, game-changing goals; the emphasis between these two sets of goals vary depending on the dynamics of each corporation.
- All eight of the corporations seemed to embody a general understanding and regard for the immeasurable qualitative aspects, such as impact on brand reputation, customer loyalty and the longevity of the corporate legacy. Accordingly, most of them indicated that they have latitude that they find is not evident at other companies. In fact, P7 indicated:

> Unlike a lot of my peers who might have to spend a lot of time having to build the business case, and prove ROI, our leadership get that it is important, they understand that the benefit for us is a bit more of an intangible, and that is hard to measure. So, it is just more of a question around how much impact do we think it is going to have in a positive way, and what is it that it is just the right thing for us to do."

- Some participants indicated that they continuously evaluate and assess impact, and always look for trends, by seeking input from multiple stakeholders, "because it is a constantly moving target, especially as the issues evolve and mature."
- There was a general consensus that the environmental aspects of the equation are much more quantitative and easy to capture in metrics than the social aspects of *it*CSR development.

All of these nuances in creating accountability and aligning with strategic planning are likely to be a function of the unique characteristics that make up each company's culture and way of doing business. The findings support the literature that these advanced corporations at *it*CSR development do, in fact, hold accountability for social and environmental concerns in the same regard as they hold accountability for shareholder results. As such, while there is an appreciation for the immeasurable qualitative elements, each of the participants still discussed protocol on reporting the quantitative measurements, and noted in particular the importance of being transparent about reporting those externally. At least two companies believed that they are market leaders in reporting externally. And in all cases, they held themselves accountable to the

Global Reporting Initiative (GRI) standards, which are important in establishing credibility and transparency in reporting within the global community (Epstein, 2008; Grayson et al., 2008; Global Reportin Initiative, n.d.b).

Measuring specific impact around key initiatives that are predicated on multi-stakeholder collaboration, beyond a general understanding of the shared value concepts, is an area that seemed to task these *it*CSR leaders the most, and the general theme that emerged is summed up best by P2: "It is more of an art than a science." P1 concurred that they are designing many metrics to capture impact, but at the end of the day, there is still a big qualitative component, such as the weight assigned to each major stakeholder concern.

Two participants leaned heavily on internal trending research and external sources that provide insight to help with those projections, but there was also an element of subjectivity. P1 noted that, "for the company, we could measure our reduction in energy and water usage, and we could measure our increased diversion and recycling and the financial benefits associated those activities. But it is harder to quantify impact to the brand-halo and harder to quantify potential impact to customer loyalty from risks emanating from procurement, for example."

This area of measuring impact requires a great deal of creativity and out-of-the-box thinking, and frankly, some investment in tracking systems. This is an area where the *it*CSR leadership seemed to play a big role. In several cases, they were out in the field, hands-on, learning about the corporation's capabilities, resources, strengths and skills, and then connecting them with the issue to bring about a collaborative engagement in understanding what impact looks like. P2 spoke of an internal intranet that functions like a calculator for impact. While it is not scientific, but based on social norms and "things we learn to research in the industry," the company is able to track how many trees they have collectively saved or how many cars they have kept off the road by creating incentives to carpool, for example.

Additionally, it seemed that several of the participants have been proactive in establishing the measurement criteria with NGOs. For example, several of the participants gave examples of ways that they are front and center in driving what is the agreed impact and how to monitor and measure it, even in situations where they are just providing grants. P6 said that they worked with one of the NGOs to move them away from measuring impact according to how many children went through their organization to measuring how many children went through their organization and graduated with a plan for life after school. P6 added,

> Yes, it is about nurturing the youth, but success comes when they graduate from high school and they go to the military, or they go to college, or they go on to technical school. Some may even go into the family business. We make sure that we are tracking if there is a plan, and then the other measure we ask them to track is what is the graduation rate of the kids in the program compared to the benchmark for overall school population. That is an example of how we strive to drive collective impact.

P1 indicated that they work backwards through the system to understand the impact need, and then design the measurement criteria based on the desired result. So, first, this approach is akin to Tyler's (1949) approach to curriculum design and his five aspects for designing education can easily be placed in the context of *it*CSR development and learning to measure for impact: a) what purpose should we seek to attain, b) how can the experiences be selected which are likely to be useful in attaining these objectives, c) how can we organize it, d) how can the effectiveness of it be evaluated, and e) the fifth component which came later is about how can we regenerate it. Secondly, thinking about measuring impact opens up mental models. Constructing ideas for impact in energy reduction, for example, creates the space for innovative and unconventional thinking that produces ideas on alternative forms of fuel, such as bio-remnants that would have otherwise been trash.

There is no simple, unilateral, one-dimensional answer to measure impact because social and environmental well-being is multi-faceted, in and of itself, and each company engages in its unique way. And the short-term and long-term decision-making, like any other strategy in business design, are not straight-forward. Five participants referred back to the concept of circularity in that measurement is truly embodied in whether the activity eventually is realized as having come full circle to have that real positive, meaningful TBL impact, wherein the economic position of the firm is visibly elevated over the long-term.

*It*CSR is a discipline that leans on all of the theories of organizational design and the delicate, on-going dynamics that, as P1 noted, innovative organizations - like these eight global corporations – have between encouraging an entrepreneurial spirit and institutionalizing discipline and efficiency standards.

Recommendations for Future Research

There seems to be an endless amount of further research that can be conducted, as this researcher believes that the study of *it*CSR development represents a sampling of the catalytic model of organizational development. Some ideas for future research include:

1. Explore the stewardship of *it*CSR from different angles at these organizations, such as from the perspective of HR professionals, or the perspective of regional leaders, or the perspective of a certain segment of employees. This study was limited to the perspective of senior itCSR leaders and consequently does not provide that 360 degree view of any one of these corporations.
2. Research the chain of action from concept generation to implementation of innovative solutions or products and everything that goes into that process to understand the operational functionality.
3. Investigate the role of *it*CSR-developed companies in shaping public policy.
4. Study the next tier of companies that have been identified as on the cusp of *it*CSR, and evaluate their journeys along the *it*CSR path.
5. Evaluate the intersection of a conservative political orientation (e.g. Republican) versus a liberal political orientation (e.g. Democratic) among e-level leaders at the *it*CSR-developed companies in the U.S. and abroad.
6. Explore product design and cost vis-à-vis traditional products versus more natural, environmentally-friendly, and or wholesome products. This warrants further explanation. In general, there was some discussion with

several of the participants about market research that indicates consumers may not necessarily care to pay more for environmentally-friendly products, or for products that have a social-end benefit. A big question was left unanswered. However, companies that are finding ways to reduce energy consumption, water usage, and who recycle, are witness to substantial cost reductions. Some of them have also found that social strategies around employee and community well-being create social efficiencies for the firms, such as better job satisfaction, recruitment of top talent, and higher retention of employees that reduce turn-over costs. Furthermore, one company has been able to realize millions of dollars in savings in their insurance and retained healthcare costs. By and large, fewer ingredients and less fabricated chemicals make up environmentally-friendly, natural products. So, the question is: why do environmentally-friendly products cost more money for the consumer? Why should they? Why is there an assumption that they will continue to be "premium" products?

7. Explore the mechanics of the collaborative learning loop.
8. Study the various stories, rituals, symbols, and language used in these *it*CSR companies.

"Have Impact" Conclusion

Increasing the knowledge about *it*CSR development can affect social change that is the *result* of business instead of being the *responsibility* of business (Klein, 2012). While there will never be a perfect template, building the knowledge base among like-minded organizations is valuable in establishing ideas for others to use in approaching their own development of *it*CSR platforms. These eight selected U.S. Fortune 500 global corporations represent the Early Majority and are the leaders and role models with much to teach about their experiences (Kanter, 2009). Overarching, shared themes that emerged from this study are: a) *it*CSR development is a iterative, ongoing, and imperfect journey; b) while there are some common denominators, each journey is unique to the organization; c) the organizations are driven by a core ideology that has consistently resonated with leadership and employees since their origins; d) these core ideologies are based on a tight weave of moral, rational, and economic threads that make up the corporate DNA, and contribute to a spirit and dedication to improving lives and communities; e) executive efficacy is essential, and so is engagement top down, bottom up, and in between, in order to build shared responsibility throughout the organization; f) profitability, compliance, ethics, PR, and communications are all necessary components of *it*CSR development and are not to be begrudged, if they are properly managed in the spirit of collective impact; designing for impact and creating collaborative learning loops will raise the bar and create powerful, positive momentum in the world.

Visser (2011) says that "responsibility is the set of prints we leave in the sand, the mark of our passage" (p. 6), and humanity has an unparalleled level of responsibility and capability. While two birds build a nest together, teams of people build communities. A vine takes root, spreads, and intertwines with a neighboring plant, but people form relationships that span the globe. Dolphins explore the ocean and people explore the universe. A pack of gazelle roams the plains while global organizations roam the world. Each one's journey is unique and exclusively their own story to tell, but they share a sense of higher purpose to continuously and actively travel on a moral path, a values-driven path, an innovative path, a learning path, and a collaborative path. This path, the *it*CSR path, represents business' greatest ability which is "to get along with others and to influence their actions" ("John Hancock quotes," n.d., para. 1). These eight global corporations' stories restore hope in the potential that global, publicly-traded organizations can follow the *it*CSR path and journey toward making meaningful impact happen in the world. The question for other organizations is: which journey do you want to take?

Chapter 5: "Have Soul?"
Why Select U.S. Fortune 500 Global Corporations
"Do CSR the Right Way"

"We make a living by what we get, but we make a life by what we give."
- Winston Churchill ("Winston Churchill quotes," n.d., para. 1)

This paper provides a detailed look at corporate social responsibility (CSR) among selected U.S. Fortune 500 global corporations that show evidence of advanced stages of development, hereinafter called *it*CSR. The Global Leadership Network Framework - focused on business strategy, leadership, operational excellence, and engaged learning - was used as a model for assessing why these corporations, in particular, have developed to *it*CSR levels, what motivated the executive leadership, and why they have designed meaningful triple bottom line impact in society and for their business. The paper explores the intersection of these high stages of CSR with the construct of corporate soul.

Introduction

There was a time in history when people believed in the nobility of business leaders. Early evidence came in the form of prominent philanthropic efforts at the turn of the 20th century by some of the greatest businessmen in American history. Well-known for their giving and attention to community, business moguls such as John D. Rockefeller, Andrew Carnegie, Cornelius Vanderbilt, Milton S. Hershey, and Henry Ford were in society's small upper echelon of wealth and abundance, but they did take on a paternalistic mindset toward the community in which it operated (Carroll & Buchholtz, 2012). Furthermore, these ambitious, successful, and wealthy businessmen were significant philanthropists (Visser, 2011) who took care of their employees and families and established significant foundations that continue to make a positive impression in today's society. Granted, it was a time when the business dynamics were simpler, local, and followed assembly line linearity. Nevertheless, it was an era in which companies were focused on the small, local communities in which they operated (Porter & Kramer, 2011) and business was conducted on a handshake – symbolic of mutual trust (Ariely, 2009).

However, more recently, civil society witnessed a growing absence of morality. Greed increasingly crept into business conduct and unethical behavior spread like a virus among many executive leaders. This lack of morality resulted in the loss of billions of dollars and the demise of several large corporations just in the past fifteen years alone (May et al., 2003). A rash of widespread corporate scandals eroded trust between civil society and the private sector, resulting in low public opinion of corporate executive leaders (Carroll & Buchholtz, 2012; Googins et al., 2007), so much so that, after a long period of distant engagement, the government stepped in to impose regulation where self-regulation was lacking. As a result, the Sarbanes-Oxley Act of 2002 (SOX) was born, one of the biggest pieces of legislation to force corporate compliance around financial reporting, transparency, and ethical conduct (Savitz & Weber, 2006).

Unfortunately, this regulatory activity in the early part of the decade did not prevent more corporate disasters from ensuing. Toward the end of the first decade of the 21st century, additional large corporate entities and drivers in the U.S. economy, such as Lehman Brothers, American International Group, and General Motors, declared bankruptcy, wreaking further havoc on society and the global economy (Carroll & Buchholtz, 2012). Notable abuses, unethical behavior, and independent project failures alienated consumers, devastated local communities, increased regulator activity, and fostered a culture of doubt among employees toward employers (Carroll & Buchholtz, 2012; McElhaney, 2008; Valente & Crane, 2010). In fact, there was a universal understanding that the private sector needed to massively overcome public mistrust of business and its leadership (Valente & Crane, 2010), because "the unsavory actions of top executives in companies hurt numerous stakeholders, including employees, shareholders, suppliers, and customers, and sometimes posed a threat to financial and economic systems" (Puffer & McCarthy, 2008, p. 304).

As a result, the world was left wondering about the nobility of big business and executive leadership, and if it was even realistic to expect the corporate arena to have any kind of conscience. Scholars prolifically wrote about what the corporate world would look like if it was possible for nobility and morality to exist – and thrive. Ensuing discussions about corporate soul (Bolman & Deal, 2003; Renaud-Coulon, 2008), positive organizational scholarship (Cameron, Dutton & Quinn, 2003), authentic leadership, and emotional intelligence (Avolio & Gardner, 2005; Avolio et al., 2004; Cashman, 2010; George et al., 2007; Goleman & Boyatzis, 2008; May et al., 2003), became increasingly intriguing in parallel with a growing investigation of corporate social responsibility (CSR), also known as sustainability and or corporate citizenship.

From CSR to itCSR. In the broadest sense, CSR is an umbrella concept meant to convey business' role in society (Werther & Chandler, 2011). The early concept of CSR grew from the seminal 1987 Brundtland Report, commissioned by the United Nations, which first described sustainability in environmental terms as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (as cited in Werbach, 2009, p. 8). Soon after, Carroll (1991) developed the standard definition of CSR (see Figure 2): "The total corporate social responsibility of business entails the simultaneous fulfillment of the firm's economic, legal, ethical, and philanthropic responsibilities" (p. 43). Shortly thereafter, Elkington (1998) espoused a more holistic business approach, known as *the triple bottom line* (TBL) construct (p. 37), that prioritized equal contribution to (a) people (society/culture), (b) planet (environment), and (c) profits (economics), also known as the *sustainable bottom line* (Werbach, 2009).

Recently, the emergence of social entrepreneurs has been instrumental in setting higher expectations about the positive influence an organization can have on societal issues. In fact, "social entrepreneurship is the new black…The idea of not choosing between profit & purpose seems to be gaining traction as America continues to cultivate a new sense of philanthropic virtue" (Paisner, 2012, para. 1). Additionally known as sustainable capitalism, on the premise that any business' output is another business' input (Elkington, 1998), CSR has also become synonymous with social capitalism, stakeholder capitalism, social responsiveness, sustainable development, sustainable business, ethical business, business responsibility, environmentally responsible business, global business citizenship, community engagement, corporate stewardship, strategic philanthropy, socially responsible business, resilient business, green business, conscious capitalism, natural capitalism, creative capitalism, conscientious capitalism, new capitalism, collaborative consumption for sustainable brands, purpose branding, meaningful brands, and brands with belief (Carroll & Buchholtz, 2012; Googins et al., 2007; Mainwaring, 2011; McElhaney, 2008; Senge et al., 2008; Werther & Chander, 2011; Williams, 2012), and the latest term "capitalism with a conscience" (Horovitz, 2013). Social entrepreneurs and small-medium enterprises (SMEs) have been the innovators and early adopters who entered the business world with creative designs that both matched consumer interests and provided solutions to environmental and social concerns (Mainwaring, 2011; Senge et al., 2008; Visser, 2011; Zadek, 2007). As a result, CSR landed squarely on the desks of business executives and corporate boards (Mainwaring, 2011; McElhaney, 2008).

As some corporations scrambled to compete with the social entrepreneurs, variations in terminology and nuances of definitions grew from these broad business constructs, and "conceptual confusion" ensued in both academic and business circles (Matten & Crane, 2005, p. 174). Many organizations tried to retrofit a CSR strategy, and in many cases, it proved to be the equivalent of trying to put a square peg into a round hole. Sarita Dahl, CSR consultant to NGOs, government, private organizations, and corporations, believes this is because of a disconnect between their understanding of CSR versus what it actually is. For example, she says, "CSR is like teenage sex. Everyone says that they are 'doing it,' but really only half are 'doing it,' and of that half, only half are 'doing it the right way'" (S. Dahl, personal communication, April 14, 2011).

This disconnect has been bubbling up to the surface, especially with a growing and far-reaching stakeholder influence that yields global implications, and levels of connectivity and technological advancement the likes of which society has not seen previously. Laszlo's (2008) position on the subject is this: "Stakeholder power has been driven by quantum increases in information combined with rising societal expectations about health and the environment, leading to a tighter interface between business and civil society" (Laszlo, 2008, ch. 9, para. 3). Furthermore, the advent of social media has played a significant part in creating a global CSR platform and a place to more publicly call out organizations who have not properly focused on *closing the gap* between "high-minded statements of vision, mission, and values, and intentions and every day ground-level practices" (Mirvis, Googins, & Kinnicutt, 2010, p. 322), or who are "cause-washing" – engaging in the false public promotion of involvement in a cause (Mainwaring, 2011, p. 49). The 2009 Edelman Good Purpose survey found that 66% of 6,000 people surveyed globally want corporations to demonstrate better balance between profits and purpose (Mainwaring, 2011). As a result, ordinary consumers have turned into activists, establishing websites such as change.org wherein individuals can unite around common concerns, and "these stakeholders come from every corner of the world, armed with both the traditional media and that global megaphone called the Internet" (Savitz & Weber, 2006, "Introduction," para. 21).

Consequently, between social media activism and innovations by social entrepreneurs, a new consumerism has been born, and the public has started to take a more active, conscious, and in some cases, punitive position against corporate avarice, exploitation, and neglect (Googins et al., 2007). This web-mediated consumer activism continues to expand as customers increasingly weigh in on the implications of their purchases in a global social media forum, and they are unwilling to tolerate corporate largesse, selfishness, advertising manipulation, and corporate detachment from society (Kanji & Chopra, 2010a). In fact, consumer activity is now a significant change agent (Boehm, 2011), and consumers are in the powerful position of having their choice of products and services from global individuals, small companies, entrepreneurs, inventors, and big corporations. Essentially, digital connectivity has brought about new forms of corporate "democratization, networking and monitoring" (Horrigan, 2010, p. 340).

Fittingly, Zadek (2007) believes that "the role of business in society is the 21st century's most important and contentious public policy issue" (p. 9), and there is ample literature exploring what it means to *do CSR the right way,* what it takes to have meaningful TBL impact, and how corporations can succeed at high stages of CSR, herein referred to as *it*CSR. *It*CSR broadly conveys the ideal contribution of business in society. Furthermore, *it*CSR represents a contemporary, *balanced scorecard* approach to measuring corporate success rather than the traditional one-dimensional approach of exclusively evaluating financial results (Savitz & Weber, 2006), and it incorporates the early concepts of CSR. For example, the activities around philanthropy, compliance, marketing, and PR are not to be discounted or rebuked. On the contrary, they are necessary business practices that can be foundational and even valuable when they are employed by organizations that practice genuine *it*CSR (Googins et al., 2007; Mainwaring, 2011; Visser, 2011; Zadek, 2004, 2007).

However, *it*CSR represents a broader spectrum of activities as well. *It*CSR is marked by a company's proactive efforts to create meaningful TBL impact, such that harm is minimized and shared value is created legally and ethically among multiple stakeholders in the business community, society, and government (Googins et al., 2007; Porter & Kramer, 2006; Werbach, 2009; Werther & Chandler, 2011). It represents a convergence of internal and external motivators. Googins et al. (2007) summarize internal and external motivators and drivers of *it*CSR, based on a U.S. national survey conducted in 2007: internal motivators (in order of significance) include traditions and values, reputation and image, business strategy, and recruiting and retaining employees; the external motivators include pressure from customers/consumers, expectations in communities, and regulators.

*It*CSR is further represented by: (a) being a champion or visionary leader in the field, (b) being out in front of innovation and or leading the industry, (c) proactively building multi-stakeholder partnerships, and (d) strategically creating shared value and social change throughout the value chain (Googins et al., 2007; Porter & Kramer, 2011; Werther & Chandler, 2011). These highest levels are characterized in the literature as strategic, authentic, sophisticated, advanced, highly developed, evolved, robust, holistic, conscious, virtuous, purposeful, dynamic, revolutionary, visionary, inventive, innovative, inspirational, genuine, multi-faceted, collaborative, multi-dimensional, significant, methodical, game changing, profitable, and the best form of CSR (Carroll & Buchholtz, 2012; Googins et al., 2007; Mainwaring, 2011; McElhaney, 2008; Visser, 2011; Werbach, 2009; Werther & Chandler, 2011; Zadek, 2004, 2007). Accordingly, various stakeholders believe *it*CSR development reveals the morality-based soul or true character of a company (Bhattacharya, Sen, et al., 2011).

Corporate and soul… an oxymoron? It is completely understandable that a considerable number of people legitimately question whether a corporation can have a soul or even a higher purpose. The skeptics might reasonably argue that a higher purpose cannot exist within a publicly-traded company that answers to Wall Street's quarterly demands. Many thinkers, and businesspeople, alike, may rebuff the idea of corporate soul because it is not tangible. In fact, there is no quantifiable way to construct a return on investment (ROI) analysis around morality; there is only a clear case of noticing it when it is missing (Lennick & Kiel, 2006). It is, therefore, quite possible for people to argue that the words "corporate" and "soul" together are an oxymoron, and cannot possibly co-exist.

This cynicism comes from an erosion of the foundational notion of mutuality in the social contract construct. To add context, a contemporary version of the social contract serves as the platform for the fusion of *civility* and the fundamental business construct of profitability (Carroll & Buchholtz, 2012; Zadek, 2004). In the broadest sense, a social contract binds agreement within an order among its various members (Cole, 2010). The social contract that extended to business used to be fairly straightforward and parochial: pay taxes, obey the law, treat people fairly, and donate to worthy causes (Googins et al., 2007). However, the evolving social contract places a greater, more global responsibility on business to co-create with government and NGOs. Arguably, the demands on business today are more complex than they were over 100 years ago; on the other hand, they are naturally evolving and aligned with the forces of globalization (de Geus, 2002; Senge et al., 2008; Werbach, 2009), and cannot be avoided. Therefore, a multi-sector engagement among business, government, and NGOs is necessary, but it takes courageous ethical and moral leadership in order to exercise a business' power, resources, and global reach constructively, and simultaneously build a financially prosperous company that has high standards of integrity and social innovation (Googins et al., 2007).

In any case, the long-term viability of the social contract depends on trust and a moral orientation between the organization and its constituents. Furthermore, the longevity of a business' brand and its legacy will always be better sustained if grounded in ethical governance. Otherwise, the alternative might be the fate of Tyco, Enron, and Worldcom to name a few (Carroll & Buchholtz, 2012; Googins et al., 2007). Last decade, after losing billions of dollars in the marketplace to corporate greed and unethical actions, and the onset of a global economic recession caused in large part by big business, two words became an oxymoron: "corporate" and "credibility." Trust between consumer and supplier was destroyed, and public opinion of corporate executive leaders hit an all-time low (Carroll & Buchholtz, 2012; Googins et al., 2007). Today, much of the public feels economically and socially drained by bad corporate behavior and citizens are frustrated by and intolerant of irresponsible actions by business leaders (Idowu, 2009).

Now more than ever, the identity of successful organizations must be based upon an uncompromising ethical foundation of honesty, trust, transparency, and accountability (Andriof & McIntosh, 2001; Eccles & Krzus, 2010; Haugh & Talwar, 2010; Puffer & McCarthy, 2008; Zadek, 2007). In fact, trust is a prolific topic in scholarly literature on organizational development, particularly because trust is hard to rebuild for publicly-traded corporations where short-term profit goals prey on organizational dynamics (Zadek, 2007). Then again, at this juncture when big business has been radically scrutinized for many amoral and myopic behaviors, it might be advantageous for business leaders (and followers) to pause on the subject of soulfulness as a foundational element in constructing meaningful TBL impact.

Bolman and Deal (2003) define the corporate soul as "a bedrock sense of identity, a deep confidence about [what the company is], what [the organization] cares about, and what [the organization] deeply believes in" (p. 396). The characteristics of soulfulness driving a corporate culture are linked to a keen awareness of the organization's meaning and a guiding moral authority (Bolman & Deal, 2003). Renaud-Coulon (2008) adds that the essence of soul is based on moral responsibility that comes from conscience. Birch (2008) highlights this point in his discussion of Morris' book from the late 1990s, titled *If Aristotle Ran General Motors: The New Soul of Business*. Even before Bolman and Deal's (2003) work, Morris (as cited in Birch, 2008) was "encouraging us all to engage in 'reinventing the corporate spirit,' recognizing that 'the key to sustainable success in the world today…is provided by some of our most ancient wisdom'" (p. 26), such as the Greek eudaemonic ethic. Commonly referred to as virtue ethics, eudaemonia is presented as,

> Virtues on which one prides oneself in personal life are essentially the same as those essential to good business – honesty, dependability, courage, loyalty and integrity. Aristotle's central ethical concept, accordingly, is a unified, all-embracing notion of… eudaemonia, translated as "flourishing" or "doing well." (Solomon, as cited in Bolman & Deal, 2003, p. 399)

Eudaemonia is grounded in self-determinism wherein the basic needs of autonomy, competence and relatedness are necessary to create a state of well-being (Ilies, Morgeson, & Nahrgang, 2005).

In an organizational sense, eudaemonics is a foundation for the principles outlined in Cameron, Dutton, and Quinn's (2003) positive organizational scholarship (POS), which is also grounded in Seligman and Csikszentmihalyi's (2000) work on positive psychology (Ilies et al., 2005). Positive psychology and POS focus on vitality, joy, strengths, and health, rather than weakness and despair (Cameron et al., 2003). In addition, eudaemonics feeds Wheatley and Kellner-Rogers' (1998) theory of the organization being a living system, and this living system functions with a sense of shared significance and the strength of the human spirit to be free, create, and develop organically (de Geus, 2002). "In a sense, these are organizations…whose products, processes, business models, and management philosophies are based on the idea of a future in which business operates more and more like the other living systems of nature" (Senge et al., 2008, "Business with a Mission," para. 2).

Technically, though, corporations do not have consciences; they are inanimate. However, people have consciences. As such, people and organizations are intertwined and a corporate soul is thus its core ideologies brought about by the individual members and upheld by them through generations of its existence (Bolman & Deal, 2003). Consequently, now more than ever, the literature that suggests the necessity of corporate soul may not be as much of a stretch of the business imagination. Milward-Oliver (2011) posits that "CSR is a reflection of an organization's soul. It is the core or 'essence' of the organization…If in its soul, the organization believes that the only responsibility it has is to its shareholders, then its adoption of CSR is likely to be skin-deep and probably insincere…If an organization believes at its core that it has obligations to society, then it is more likely to behave accordingly" (p. 77). As a result, a strong moral and ethical foundation must be at the epicenter of the organization and its leadership in order to facilitate the development of *it*CSR (Andriof & McIntosh, 2001; Carroll & Buchholtz, 2012; Eccles & Krzus, 2010; Hoebink, 2008; Kanter, 2009; Logsdon & Lewellyn, 2000; Mainwaring, 2011; Renaud-Coulon, 2008; Zadek, 2007), and the scholarly discussions on the notion of corporate soul is a valuable construct in *it*CSR.

Backing up *it*CSR with soul

Forging deep trust requires a hard, introspective look at the corporate culture, vision, mission, values (Mirvis et al., 2010), and soulfulness that is undeniably rooted in eudaemonics, ethics, and morality (Bolman & Deal, 2003). Visser (2011) speaks of trust in the context of responsibility as a virtue that all humans and organizations should promote, and he defines responsibility as "an ability to respond" and a "counterbalance to rights" (p. 4). Having responsibility is akin to exercising personal freedom and it is an expression of confidence in oneself, but it can often be a burden when one takes on too much and feels a sense of loss for that freedom (Visser, 2011).

> Responsibility is not a guarantee of success, but a commitment to trying…[but] accepting too many responsibilities is, in fact, irresponsible – for it compromises [an] ability to respond…Do few things but do them well is the maxim of responsibility...Taking responsibility is a way of taking ownership in our lives, of acknowledging our own hand in the shaping of destiny…Responsibility is being conscious of the oneness of existence. (p. 5)

Therefore, responsibility is about purposeful intent, and as Visser (2011) indicates, it is about owning the corporation's part in the social and environmental problems. He sees this through the eyes of Ray Anderson's book *Confessions of a Radical Industrialist*: "He concedes not only that today's economic system is broken, but that he and his company are part of the problem. He is able to see himself as a plunderer- not through malicious intent, or even greed, but by failing to question the true impacts of business on society and the environment" (p. 140). This self-awareness of impact and admission of guilt, omission, or simply oversight, demonstrate compassion and vulnerability. Part of improving well-being comes from tapping into people's spirit and providing the gift of significance through compassion. Brown (2010) talks about the ability to have self-compassion and give compassion as a function of one's own vulnerability, and "in order for connection to happen, we need to be seen, really seen" (TedTalks Director, 2010, 5:30). Visser (2011) also comments that responsibility is also about ambition, the drive, the willpower, and the application of resources to solve social and environmental problems.

The literature further reveals the following subjects as central in *it*CSR development that intersect with corporate soul: consciousness, agility, authenticity, action orientation, collaboration, holistic intention, and courage. These are explored below.

Consciousness. *It*CSR development represents the dawn of a new era. Russell (1995) speaks of an "Age of Consciousness" replacing the Information Age (as cited in Renesch, 2005, p. 19). For Renesch (2005), this Age of Consciousness represents full responsibility in whatever might be created, and according to Hubbard (as cited in Renesch, 2005), the Age of Consciousness depends on the "co-creative society" that "is nurtured into being by increasing the connections and coherence among those already initiating vital actions…It emerges when we collectively overcome the illusion of separation that has divided us" (p. 22). The notions of idea generation and co-innovation are at the forefront of 2013 trends researched by GlobeScan (GlobeScan, n.d.).

Starbucks founder Howard Schultz (as cited in Googins et al., 2007) is famous for bringing a higher level of consciousness to a global organization. He wrote that "a company should lead with its heart and nurture its soul as it makes money. It should inspire other companies to aim high. It should do more than simply avoid doing harm; it should consciously seek to do good" (p. 35). In this new era, business strategy is based on the creation of a conscious organization, co-creative, collaborative partnership, and the notion of possibility instead of inevitability (Renesch, 2005). Renesch (2005) believes that "the conscious organization is one that continually examines itself, committed to becoming as conscious as it can…It possesses the collective will to be vigilant, the collective commitment to continuous evolution, and the collective courage to act" (p. 71).

Agility. In developing *it*CSR, the organization experiences continuous change (Lake & Calandro, 2012; Marshak, 2004), and is on a never-ending journey. Resiliency throughout the operations becomes imperative, as well as an acceptance of the continuous change process in which all living systems operate. Adopting Marshak's (2004) "morphing" concept of change is advantageous in order to make the organization better equipped to cope with constant flux (Stoltz, 2004). *It*CSR development is a dynamic, evolutionary, iterative process; it is not something that is turned on like a light switch from one day to the next. Rather, it requires a corporation to develop its agility, coordination, and forward-thinking capabilities (Boehm, 2011; Coulter & Erikson, 2012; Grayson et al., 2008; Kanter, 2009; Kourula & Halme, 2008; Kytle & Ruggie, 2005; Louche, Idowu, & Filho, 2010; Marshak, 2004; Pink, 2011; Savitz & Weber, 2006; Werbach, 2009; Zadek, 2004, 2007). Therefore, *it*CSR demands that an organization move away from start-stop change strategies and toward a collective mindset among the people of ongoing, cumulative, progressive consolidation of firm-wide business, cultural and financial strategies (Googins et al., 2007; Lake & Calandro, 2012; Marshak, 2004; Zadek, 2004).

Authenticity. *It*CSR development requires leaders to establish a strong corporate vision, mission, and values (Mirvis et al., 2010). These leaders ensure that the standards are uniformly and consistently carried out at all levels and throughout all business units of the organization (Grayson et al., 2008; Kanji & Chopra, 2010a; Savitz & Weber, 2006). Consequently, leadership must make a genuine, public commitment, beyond philanthropy or PR, to embed the virtues of *it*CSR into the whole organization and each business unit in order to achieve both financial and non-financial long-term benefits (Kourula & Halme, 2008; Kytle & Ruggie, 2005; Mainwaring, 2011; Werther & Chandler, 2011). At the core of authenticity is transparency. Accordingly, transparency and accountability are essential in corporate governance concerning *it*CSR development (Werther & Chandler, 2011).

Action orientation. An acute action orientation exists at the high levels of *it*CSR development (Carroll & Buchholtz, 2012). This action orientation is not reactive, but rather inventive, creative, and regenerative (Senge et al., 2008). A company's DNA, which is the essence of its corporate culture, is critical to its sustainability (Crittenden et al., 2010). Fostering action throughout the culture comes from continuous learning and an open forum that breeds innovation to address societal and environmental challenges (Coulter & Erikson, 2012; Boehm, 2011; Grayson et al., 2008; Kanter, 2009; Kourula & Halme, 2008; Kytle & Ruggie, 2005; Louche et al., 2010; Marshak, 2004; Pink, 2011; Savitz & Weber, 2006; Werbach, 2009; Zadek, 2004, 2007). In addition, promoting employee well-being correlates with *it*CSR. A company should be a place where people can find purpose and a higher sense of meaning through their work. It is contradictory for an organization to stifle its employees' pursuit of meaning in their work, and then turn around and promote meaning and purpose externally (Amabile & Kramer, 2012). With an action orientation, the soul is evident in the actions that are produced by the characteristics that make up the DNA of the corporate culture.

Collaboration. Partnership with various stakeholders is an essential ingredient in the *it*CSR construct. In fact, the GlobeScan/SustainAbility 2012 survey of more than 700 participants in over 70 countries indicated that focus on single-issue collaboration is expected to grow in the next 5 years. In GlobeScan's 2013 trends to watch, they believe that partnerships will be moving toward collaborative networks wherein NGOs participate in setting corporate objectives ("GlobeScan," 2013), and corporations are more engaged in *designing for impact.* Collaboration will largely depend on (a) the ability to access diverse perspectives and expertise, and (b) having a shared purpose and transparent exchange of information (Buckingham & Al-Shawaf, 2012). Where adversarial relationships once existed between government, NGOs, and big business, now there is movement to strategize and design solutions together, and use the best of what each sector has to offer (Bhattacharya, Sen, et al., 2011; Coulter & Erikson, 2012; Grayson et al., 2008; Kourula & Halme, 2008; Mainwaring, 2011).

Zadek (2007) believes that this is a time when people will need to reconsider *how* to learn in different ways, rather than just learning about new things. He suggests taking an action-learning approach that engages multiple stakeholders is the formula for doing so. This researcher, in fact, proposes a *collaborative learning loop.* The researcher views the collaborative learning loop as essential to the multi-stakeholder process of designing for TBL impact, wherein at least two sectors of society are coming together to partner on a shared concern and are required to submit to each other's competencies, break down existing mental models (beliefs or assumptions), and build a holistic solution which also creates additional opportunities for partnership, growth, and innovation.

Holistic intention. Scholars agree that the higher levels of *it*CSR development are holistic, integrated, strategic, and transforming (Googins et al., 2007; Werther & Chandler, 2011; Zadek, 2007). When properly applied, *it*CSR principles, activities, and purpose are embedded in the corporate culture throughout all business units; and they are practiced and promoted externally through the supply chain, industry, customers, government, and academia (Kytle & Ruggie, 2005). McElhaney (2008) believes that "companies make a big mistake with their CSR efforts when they [do not] build a sustainable strategy that is tied to the business objectives of the company" (p. 48). The entire organization, from the board of directors to the employees, from operations and financial reporting to human resources, are activated, and members of the organization at all levels then extend their CSR externally throughout the industry, the supply chain, consumers, and society (Boehm, 2011). This holistic intention involves marrying a corporate soul, grounded in core ideologies that include morality, with the physiological aspects of the corporate culture, otherwise known as the *DNA* of the corporation's functions, engagement, and dynamics (Crittenden et al., 2010). The CEO of Saatchi & Saatchi said: "The brands of the future will each have a purpose and that priceless competitive advantage which comes from doing the right thing when no one is looking" (as cited in Werbach, 2009, p. 74).

Courage. Being courageous in a business context equates to bold action that makes change happen in the overall marketplace. For example, in a groundbreaking move, Unilever, the U.K.-domiciled global consumer goods corporation, stopped providing quarterly financial reports to the investment community, and thereby stood up to Friedman-style economic thinking. Unilever believes that providing the marketplace with only biannual earnings allows them the capacity to be more balanced in their focus throughout a given year between social, environmental, and economic concerns. The CEO of Unilever reasons that quarterly reporting puts an unbalanced emphasis on the short-term economic component (Polman & Ignatius, 2012). However, changes such as this one need to happen from a systems thinking approach. The CEO of Unilever suggests that many organizations have not changed because their leaders are simply trying to keep things afloat in a tough economy during the three to five years that they have the c-level office; they are not approaching the business from a strategic, long-term, integrative mindset (Polman & Ignatius, 2012). Despite the financial crises that have occurred in the past two decades, it is surprising to CSR experts and practitioners that a new financial market that supports and rewards long-term thinking has not yet emerged (Cramer, 2013). Nevertheless, active *it*CSR development means that the organization is a market leader rather than letting the market define the organization (Lake & Calandro, 2012), and long-term thinking, even beyond the tenure of any c-level executive (Polman & Ignatius, 2012), is a necessary component.

Methodology

This study identified the U.S. Fortune 500 global corporations that closely match the characteristics of *it*CSR by (a) cross-referencing five indices/lists that measure various parameters of the *it*CSR criteria, and (b) evaluating total trailing financial returns for 1-year, 3-year, and 5-year periods compared to the S&P 500 Index results for those time frames.

First, a cross-analysis of five indices/lists known globally for recognizing corporate sustainability, CSR, and corporate citizenship was performed, and only the U.S.-domiciled corporations that appeared on at least three out of the five lists were chosen, with one of the lists being the DJSI 2012 World List or the FTSE4Good 2012 Index. The five lists were the 2012 DJSI, the 2012 FTSE4Good Index, the Corporate Responsibility's (CR) 100 Best Corporate Citizens 2012, the Corporate Knights' 2012 Global 100 Most Sustainable Corporations in the World, and the Boston College Center for Corporate Citizenship 2011 CSRI 50. To be recognized on an index is indeed value generating and leads to even greater recognition; companies on these lists have demonstrated an approximate 2.1% increase in value (Robinson, Kleffner, & Bertelsmann, 2011). The role that these intermediary assessments play is significant in flushing out the organizations that are focused on the *window dressing* of public relations, marketing, or compliance versus meaningful TBL impact (Robinson et al., 2011). The public views these indices as being fairly objective and professional (Dubbink et al., as cited in Robinson et al., 2011; Fowler & Hope, as cited in Robinson et al., 2011).

Secondly, a financial analysis of 1-year, 3-year and 5-year total trailing returns was performed of those remaining, and only those corporations that demonstrated this economic viability fulfilled the criteria for the data sources (Elkington, 1998; Googins et al., 2007; McElhaney, 2008; Savitz & Weber, 2006; Visser, 2011; Werbach, 2009; Zadek, 2007). At this time, there is no universal agreement for an exact measurement of *it*CSR. Cowe (2012) points out that, "there are no neat league tables showing wins, draws, defeats and points scored to pinpoint the best. There are as many ways of judging a company as there are judges" (para. 3). While it can be argued that bias and subjectivity are inherent in each of the indices, at the same time the indices serve as benchmarks for the corporations and externally among stakeholders (Heyns, 2012). In the aggregate, using a cross-reference between five indices served to reduce some of the bias and also provided greater evidence of social and environmental efficacy and balance between these two components. In short, the indices provided "useful ways for companies to conceptualize and to monitor their triple bottom line performance" (Googins et al., 2007, p. 124).

This analysis captures a moment in time in the short-term returns and reveals sustainable financial results in the long-term returns (D. McNamee, personal communication, September 5, 2012). The researcher conducted this analysis in November 2012. The S&P 500 Index is considered to be the most widely used market-cap weighted index of 500 U.S. corporate equities (Istock Analyst, 2008) so it was used as the financial benchmark. The S&P 500 Index showed 1-year total returns of 16.76% on November 20, 2012 (Morningstar, n.d.). Since industry standards allow for a swing in a benchmark evaluation on the one-year returns against the S&P 500 Index's returns, the researcher accepted any individual corporate 1-year trailing total return of 1% or higher (D. McNamee, personal communication, September 5, 2012). On the 3-year analysis, the researcher accepted a trailing total return of 5% or higher, as an acceptable comparative range to the S&P 500 Index total returns of 10.64% for the same 3-year period. Finally, on the 5-year analysis the individual total trailing returns had to surpass those of the S&P 500 Index returns of 1.50% for the same period. These three measurements of positive financial returns demonstrate financial strength, stability and sustainability (D. McNamee, personal communication, September 15, 2012).

Moreover, these three analyses are significant in confirming viability and longevity of corporate profitability, while still allowing for times of adversity, economic recessions (such as the one that took place in 2008), and ebbs and flows in operations (C. Doyle, personal communication, August 8, 2012; D. McNamee, personal communication, April 19, 2012; D. McNamee, personal communication, August 28, 2012.) Since TBL reporting is an important construct in the sophisticated models of corporate citizenship, and the literature underscores universal agreement to the importance of sustainable profitability, then studying the corporations that have demonstrated multi-year financial success is an essential ingredient of *it*CSR. The analysis yielded ten U.S. Fortune 500 global corporations. Of the ten, eight agreed to participate in this research. Additionally, all these companies subscribe to the GRI reporting guidelines for global corporations, which are important in establishing credibility and transparency in reporting within the global community (Epstein, 2008; Grayson et al., 2008; Global Reporting Initiative, n.d.b).

The research followed a phenomenological qualitative approach designed to explore, describe, and gain understanding of *it*CSR development from the perspective of a senior executive in charge of *it*CSR at these companies. The phenomenological approach was used to describe details, explore the central concepts of *it*CSR development, and get in-depth data (Roberts, 2010). This approach was used to provide the varied narratives of the experience, rather than characteristics of the overall group or any statistical generalizations (Polkinghorne, 1989). Googins et al.'s (2007) four areas of the Global Leadership Network framework were explored to provide insight into what it means to *do CSR the right way*: (a) business strategy, (b) leadership, (c) operational excellence, and (d) engaged learning. This format of research falls under the social constructivism worldview, which is based on complex meanings and personal views of experiences. The survey questions were purposely broad so that participants had the latitude to construct the meaning of the situation. The researcher then interpreted the findings to make sense of the shared experiences among the participants (Creswell, 2007).

Summary of Findings for "have soul"

There are three subjects that the researcher observed as significant in this study on what motivates leaders to pursue *it*CSR development, and consequently why certain U.S. Fortune 500 global corporations have developed *it*CSR: circular wisdom, business logic, and executive efficacy. The findings reveal that these three areas are not mutually exclusive. In fact, they are all fundamental to explaining why these eight organizations have developed *it*CSR. Therefore, these three facets are present and uniquely blended at each organization.

Circular wisdom. The principle of *circularity* provides the context for *circle wisdom*, or *circular wisdom*. Circularity is constructed with a metaphoric image of Earth as a "spaceship" with finite resources and the necessity to function as a "cyclical ecological system" (Visser, 2011, p. 291). Indeed, as Sachs (as cited in Horrigan, 2010) notes, "The defining challenge of the twenty-first century will be to face the reality that humanity shares a common fate on a crowded planet" (p. 339). Choyt (2013) ties together the relevance of circularity to the premise of circle wisdom. Leaders need to move away from a hierarchical/triangular approach to business and instead adopt nature's more circular approach to how systems function and thrive. In addition, "[businesspeople] have to start working like nature and think about profit that is regenerative to communities" (Choyt, 2013, "Fragmentation," para. 2).

Arguably, every company has values. Furthermore, *great* companies that have been studied by thought leaders like Collins (2001) have been identified as consistently demonstrating strong vision, positive financial returns, innovative thinking, collaboration and learning, resiliency, and agility for change (Kanter, 2009; Zadek 2007; Collins & Porras, 2002). However, only ten U.S. Fortune 500 global corporations met the criteria for this study. Why have only these U.S. Fortune 500 global corporations, in particular, been tagged as *it*CSR companies? First, they exhibit the qualities that put them squarely in the league of *great* companies. Secondly, all eight participants spoke of an unwavering commitment to core values of the company that date back to the origin and founder of the company, and in each case, there is an emphasis on the values of service to community. They reference corporate-wide overarching conviction *to improving lives and communities*. In all cases, it seems that these core values are the beacon that holds everyone in the company accountable to produce products and services designed to "change lives," "improve lives," "sustain lives," "save lives," "nurture the well-being of families," "elevate communities," and "help the next generation." P3 provided this insight:

> Our corporation is unique in that we have long-standing [values that are] really our north-star on how the corporation behaves and how our employees are expected to work with the corporation. It is the foundation for all of the business decisions that we make….It really does set the expectations of our company to the world, and is that foundation of how we expect to act as corporate citizens.

While this company may be unique in the Fortune 500 publicly-traded arena, remarkably, it stands in good company among the eight participants of this study. P6 offered this: "I have read so many companies' sustainability reports, and I go back to asking about the core values of the company…We have been doing CSR long before anybody knew what it was called because what we do is follow our values, and we follow what we call our internal moral compass." So, there is a general consensus that strong core values that advocate for the care of community (which includes the environment in which community thrives) is at the epicenter of circle wisdom. P7 advised that:

> This may be relatively unique, but generally citizenship as we think about it at the company has really been part of the company from the beginning of its origin. And, I think you might find that for the other companies who are in a good position with CSR - that that is true and it is because of their values…The idea of giving back to the community, and helping nurture the well-being of people is always what the founder thought for the ethos of the company. Even environmental stewardship has always been a part of what he felt was important for the company, and it has always been part of the product, most importantly.

The epitome of circle wisdom is summed up best by the additional discussion that P6 provided.

> We are very active in the areas of community and economic development. We do believe that with a good environment, safe [neighborhoods], young people who are learning, maturing, and developing, you then have to make sure that the community is growing, and that there is real economic progress and job creation within the communities. If those things happen, we think you have helped

> improve society…And that is how we get to the TBL benefit…and usually then the economics of that community grow and ultimately that means more [growth and prosperity] and more [opportunities for our products] to be purchased, and bingo. It helps our business, and we think it also helps the families that are our customers.

The values that drive this circularity run deep in these organizations and represent each corporation's core ideology. As an example, this notion of core ideology is represented in Johnson & Johnson's Credo that is introduced as follows:

> Robert Wood Johnson, former chairman from 1932 to 1963 and a member of the Company's founding family, crafted Our Credo himself in 1943, just before Johnson & Johnson became a publicly traded company. This was long before anyone ever heard the term "corporate social responsibility." Our Credo is more than just a moral compass. We believe it's a recipe for business success. The fact that Johnson & Johnson is one of only a handful of companies that have flourished through more than a century of change is proof of that. (Johnson & Johnson, n.d., "Our credo values.")

From this research, there appears to be a strong connection to the construct of Rousseau's social contract, amplified for a contemporary global economic landscape. His social contract was based on his account of the civil state, which represented an inherent passage of mankind from animalistic instinct to morality-centered justice and "moral liberty" (Rousseau, 1920, p. 15). Two hundred and fifty years later, society finds itself at a crossroads marked by increasing usage of finite resources (Visser, 2011). Global corporations can no longer stand at a distance from playing a substantive and integral part in taking care of the planet and its people. Savitz and Weber (2006) refer to this as preserving the natural inheritance for future generations, which brings to light the notion of citizenship and moves its construct beyond a political theory application:

> Citizenship consists of a bundle of rights conventionally granted and protected by governments of states…The more that governmental power and sovereignty have come under threat, the more that relevant political functions have gradually shifted towards the corporate sphere — and it is at this point where "corporate involvement" into "citizenship" becomes an issue. (Matten et al., 2003, p. 109)

Accordingly, Rousseau's notion of finding a balance between individual freedom versus protection of people based on their needs (Cole, 2010) is a basis for appreciating the finer nuances of circularity. Four participants specifically mentioned examples of how their companies maintained their social obligations during difficult economic times, such as the 2008 recession, against the suggestions of their financial advisors. Two participants spoke about thought leaders in their organizations who harnessed the corporate stature and even the power of the company to proactively elevate public policy issues for the overall good, such as in areas of congressional leadership, education, and marriage equality.

Circular wisdom was also evident in conversations about protection of brand longevity and a self-perpetuating commitment to uphold the corporate presence and essence - both internally, in terms of its organizational culture, and externally, in terms of its brand legacy and identity as its tied to its unique products and services. P1 said that external corporate presence is preserved, "if it is done in a way that is respectful to all those communities and that elevates all those communities at the same time." Each of the eight participants believed that being a values-based organization puts their brand out in front of others in the market because they are genuinely making a positive impact on their present customer base, and cultivating future customers. P1 provided the following additional insight:

> It is a delicate balance. I mean, some believe it is a delicate balance, but our team has really done its due diligence in helping people understand that there is significant business risk to assuming that balance, and what I mean by that is, if people continue to assume that it is an either or, either I procure sustainably or I get a better price, or either I procure sustainably and ethically or I get to have more choices in factories with whom we work, that is a demonstration that people do not really understand the other aspects of risk to the brand and risk to their product. There are so many good case studies out there of the risk mitigation factors associated with ethical sourcing and of evidence that ethical sourcing pays for itself thousand-fold, but unfortunately, I think a lot of businesses out there probably have to get burned before seeing the light.

From the literature, Dhanda (2013) provides some additional context, particularly citing, "sustainability and profitability are closely intertwined and reinforcing...The sooner we all recognize this, the better - for business and society" (p. 11). This speaks to Hart and Milstein's (2003) Sustainable Value Framework in which they outline four key variables, where *it*CSR development can be a driver toward generating the economic value component of *it*CSR development - risk reduction, reputation, innovation, and growth. The factors in this model are time - on a scale of current placement to future placement, and space – characterized by the range between internal cultural preservation to an openness to new perspectives and knowledge (Dhanda, 2013). For example, ethical sourcing can reduce risk and increase reputation. It can be a source of innovation along the supply chain. However, quantifying the variables is arduous and the growth factor is not 100% predictable.

Certainly, as P1 noted, buying supplies from a distributor who employs indentured labor or child labor might be an easy way to produce a quick, higher ROI on the end products, but it is not a sustainable business strategy to rely on sketchy third parties' business practices. Furthermore, this business practice will catch up to the corporation, the ethics of the corporation will be called into question, and it will not play out well to reputation, customer loyalty, and employee morale. A product being ethically sourced might require some additional steps, e.g. upfront systems thinking to move the supplies effectively and efficiently from a lesser developed region, but once that is in motion, there is stability in the system, and then measuring ROI becomes a possibility. More significantly, the risk to the brand "halo" and the expenses of having to correct wrongdoing in the public eye, if caught having a less than stellar strategy with suppliers, are mitigated.

This notion of protecting the brand halo is tied into the kind of presence the corporation has established internally that fosters the organization's culture. That presence is a spirit based on a strong allegiance to the core ideologies that have been passed down through generations of CEOs and employees. The root of these core ideologies – an overarching commitment to deliver high quality products and services – is shared by all eight corporations. P3 commented that the company's heritage:

> It is founded on the good work that is done around the world and the innovative products that it has created. We try to bring that same level of innovation that we have in our products to our sustainability.…This is not a management doctrine or a manifesto. This is truly cultural and I have never experienced in my career anything like it.

All of the other participants commented on their own corporate cultures and the notable, widespread commitment among the employees to the core values and ideology. Several participants tied this commitment back to the innovative nature of the organization. They said an innovative spirit inherently relies on collaborative efforts and a continuous drive to make something better and invent something else, so *it*CSR activities are an extension of the instinct and foundation.

This innovative spirit also generates energy to "keep getting ahead of things, versus reacting to market conditions," said a couple of the participants. In fact, this spirit and energy to create, innovate, stay in front of the market, and even define and lead market conditions seem to permeate each of the eight cultures. This common denominator is a driver in understanding why these companies have gravitated to *it*CSR development, as well as providing insight into how it happens. All innovation for these companies revolves around designing products and services for maximum meaningful impact.

Notably, each of the eight participants alluded to the corporation's vulnerability. They all talked about *it*CSR development as a journey, and they will never be perfect. They were humble in the discussion about taking risks and putting themselves front and center on social and environmental issues that could expose the corporation to criticism.

They were all clear in the understanding that they are vulnerable because they will make mistakes along the way. However, as Brown's (2010) research on vulnerability indicated, an absence of vulnerability yields a feeling of being numb, which robs people of joy, gratitude and a sense of purpose. When that happens, people become afraid, and then they seek to turn uncertainty into myopic certainty. And that certainty breeds fixation, stickiness, and deeply embedded mental models that are hard to shake. This behavior, this absence of vulnerability and compassion, do not bode well along the path to *it*CSR development because, as previously described, *it*CSR requires agility, a consciousness, courage to step into the ring, to get messy, to admit imperfection, to show humility, to accept uncertainty, and to put the corporate resources on the table. *It*CSR requires vulnerability.

Most significantly, though, these companies inherently understand that the viability of business and society are inherently intertwined, and that this bond is becoming a tighter weave of dynamic parts as the world's challenges grow (Carroll & Buchholtz, 2012; Idowu, 2009; Kanter, 2009; Mainwaring, 2011; Schumpeter, 2012). The participants all had a central belief in the necessity of *the power of three* - that the private sector, plus civil society, plus the public sector can have the power to design and realize meaningful impact that is greater than the sum of their individual parts in the equation for social good, economic prosperity, and a thriving ecological system. P1 commented that "If you look at sustainability specifically, and I think CSR in the general sense, the sort of necessary triumvirate to make the world a better place between private sector, between government, and between NGOs is essential and it is essential that all three of those players have a strong presence and have a strong say in shaping society."

P6 added, “We have to realize that for our business to prosper and for our business to grow, society itself has to grow.”

Business logic. It seems that with these eight corporations, “the business case” was not consistently present for *it*CSR development. Rather, the majority submitted that *it*CSR has developed intrinsically, not because “it is the right thing to do,” but because it is a very logical, holistic way of living and working. Four participants said that they are cautious when they hear colleagues at other companies using these statements. They believed that these statements could be a little disingenuous. Instead, P1 pointed out that they “shift the conversation” from one that has to do with meeting CSR targets to a conversation about customizing CSR to incorporate it into the different business units and their goals and targets. P1 went on to add: “When you talk to other companies out there, and you say, ‘why do you guys do CSR or why do you guys do sustainability,” and if the first thing that comes out of their mouth is ‘it is the right thing to do,’ you can tell that they do not really actually have much level of maturity when it comes to the business drivers for CSR.” P1 believed that this “reversal of conversation” has helped make great in-roads with some areas of the organization that are a little bit more challenged in *it*CSR development. P6 further noted:

> It was not done because back then the care of the environment was in vogue. It was because our leadership said this makes sense, and also there was a business motivation. We started realizing that by using less fuel and recycling, we saved money, and it was also good for the environment. If it is in the DNA of the company, you just somehow know that it is the thing to do.

On the other hand, these eight corporations do believe it *is* the right thing to do, and they believe it in an organic way. It is not something that they *retrofit* for the organization, but rather something that is inherent in their business model. *It*CSR does not require "a business case," per se. That is not mean that they do not build in measurements and track impact, but they follow an iterative process wherein qualitative aspects are understood and accepted. Quite possibly, *it*CSR is not only a movement, but it is its own business model within an organizational development context.

ItCSR is its own business model. The participating companies *lead* their businesses with *it*CSR principles. P6 noted that, "To me, CSR and environmental sustainability only can be done, and done properly, when it is just innately the right thing. And when you try to apply all of this, what I call, highfalutin voodoo to it, it really does not work." P1 commented that "for us, it did start with the social and it started with the personality of the company and it started with the drivers of the company and basically what kind of company we wanted to be." Only later did they "start to see the creation of an identification of the business value for sustainability." P3 remarked that "[with a] public health issue, the conversation is not about what product can we sell, but what can we do as a company. And that is typically how those conversations start."
P3 further noted that "they govern *it*CSR innately through the same lens as they govern the company," and this seemed to ring true for seven of the eight participants' organizations. For one organization, evidence of systems based thinking was inconclusive.

Each participant indicated a built-in commitment within the organization to honor the respective legacy and protect the brand "halo" by leading with their values.

Furthermore, the participants indicated that preserving the reputation of the brand, and even heightening it by continuously evolving its significance, is naturally a driver for these businesses. P7 stated:

> The research that we do from a brand perspective, we can see over time the increasing importance that [our customers] are placing on things like environmental responsibility, and safety, and giving back to community, and protecting the well-being of [people]. Those are becoming increasing factors into our overall brand reputation. It is, for us, an obvious brand driver that has long term business value for the company and that will pay off in the long-term by making us become the company that [our constituents] love and trust, that is, from an overall justification for the company.

Conversely, this study finds that the model of leading with *it*CSR principles manifests in a unique way for each company. For example, a couple of the corporations run their businesses with a heavy emphasis on metrics. As a result, these companies apply performance metrics to all the activities that affect the social and environmental concerns. Two other corporations take a more qualitative approach to their business, so they rely on gut and leadership instincts more frequently, and they apply more trust-based approaches to the notion of their impact. Still other corporations realize that as the marketplace evolves, they need to focus on metrics and employing business language to frame *it*CSR for certain operations. P7 explained how *it*CSR manifested itself at the company.

> It had always been part of what we are doing in terms of charitable giving and part of the community and environmental responsibility and responsibility in our

> supply chain, and sometimes they are top-down efforts, but often times they are pretty diffuse and bottom-up. Then we had a realization and understanding that we needed to combine those things together in order to have a more overall vision for CSR, or citizenship, as we call it, and to both leverage the competencies across the different disciplines and make sure they were adding up to an overall message, or an overall story.

Much as the world would like to see uniformity in the *it*CSR development model, the study reveals that there will always be differences between companies - based on the unique history, evolution, development of product lines, growth trajectories, manufacturing characteristics, geographical spread, nature of the operations, and the dynamics that affect group culture – according to the fabric of the organization. The research suggests these unique attributes are necessary in the entire societal ecosystem to breed different forms of innovation, and touch on different aspects of society and environment. Therefore, a critical component of *it*CSR development is to herald the distinctive qualities that the organization has to offer, and harness each of them to design for meaningful impact.

Business drivers. Despite skepticism about the notion of "a business case," it was evident that there are business drivers at work. Phrased a different way, there are competitive advantages to running a business using an *it*CSR model, and these advantages are self-sustaining and therefore become inherent business drivers. Consequently, *it*CSR companies are oriented around: a) their ongoing fiduciary responsibilities as a good company; and b) creating shared values, that reinforces an intersection of mutual interests with employees, strengthens customer loyalty, and inherently produces deeper bonds with local communities, and these shared values are constructed on the backbone of innovation that keeps the company ahead of the market and builds progress and positive momentum.

Fiduciary responsibilities. An essential ingredient in the meaningful TBL impact construct of *it*CSR development is economic success and viability. P2 commented that "if we are satisfying the needs of [our constituents], our shareholders should expect a fair return." P6 observed:

> We do manage the dollars very mindfully, knowing that they are the shareholders' dollars, not ours. But… again, I view [application of TBL] as something that is natural, as opposed to something that we sat down one day and said this is how we are going to apply this strategically. We do adhere philosophically to the collective impact model and we've been doing that for [many] years.

Dhanda (2013) supports the importance of the fiduciary responsibilities and adds that *it*CSR dovetails with the firm's economic goals and targets by pushing an organization to invest more resources toward implementing a proactive environmental program, for example. The proactive approach has been known to decrease future environmental-related expenses and risks more than a reactive approach. Thus, there is high probability of a positive return on investment. Essentially, *it*CSR is a holistic strategy to protect shareholder value and, one participant in particular noted, it is a more realistic and sustained approach to business in these contemporary times.

A participant spoke of their business adhering to a collective impact model, which was cited as including: a) making sure that the environment is protected, b) helping with community health and wellness, c) creating products and services that support family life and living, d) engaging in youth education, and e) promoting economic development. The participant further said, “We absolutely believe that when it comes to individuals, you have to focus on health and wellness, because when you do not have health and when you do not live in a society or environment with access to healthcare to keep you well, you are not going to be able to succeed in anything else.” P2 indicated a similar thinking:

> I don’t know that I can say we were always driven by profit. If you look back, we have always been proud of our sense of community at this company, and our employees have been proud of it. So, I would be uncomfortable saying that even long ago we were driven by profit. But when I think about really accelerating how we are approaching the development and articulation of sustainable business practices, there are some moments that come to mind. I would say one of them, actually, is when our CEO decided to direct and support a huge effort in education, including substantial funding and hands-on mentorship programs between students and employees.

Hand-in-hand with the fiduciary responsibilities of operating as an *it*CSR company is the understanding among the participants (as explicitly referenced by half, and implicitly referred by the others) that they not only need to be leaders in governance and compliance on a global scale, but they also need to be proactively engaged in self-regulation. P3’s perspective came from understanding that “consumers are expecting products to be, first of all, safe. That is number one. They are more conscious than ever about the ingredients that go into products. So, that is a tangential aspect of sustainability.” And P1 believed that:

> It makes sense for us to lead the industry because the alternative is that local

> governments will regulate the industry…in the absence of industry leadership. In lieu of industry leadership, regulators take action and say we will ban this product or we will regulate this product, or we are going to charge a fee, or they take action that they feel are best at solving the issue because industry is not solving it. That costs us a lot of money. For example, there can be variances between one community and the next, if they have different regulatory schemes. For a global company, when you have to say to your distribution centers that this town gets this specification, and in this town gets a different one, and in this town the product is banned altogether, and in this town you have to charge your customers, and in this town you have to make the product out of a different blend of material, that breaks down your supply chain really quickly, and causes massive inefficiencies within your supply chain, and that inefficiency is an unnecessary cost to our bottom line that could have been avoided. Point after point, we can really demonstrate that values driving the company also makes absolute financial sense, and inherently also makes absolute business sense to the company. That's the sweet spot.

P2 commented that sometimes self-regulation means driving an initiative that is counterintuitive for the company in the short-term, but makes sense in terms of preserving community well-being, and ultimately creating greater prosperity that leads to the potential for more customers in the long-term.

Shared values. Another strong recognition among these eight participants as a driver for developing *it*CSR is the value the organizations place on connecting with their constituents at a deeper, more impactful level. The constituents include employees, customers, and the wider community. Maintaining the trust of customers by making good environmental and social decisions is important to these organizations. They want their customers' respect, and they want to create products, services, and solutions that meet the customer where they are or, even better, where they are going to be. P1 indicated that they are "dedicated to remaining on the bleeding edge of culture and relevance." P2 said that they "want to be, and want to continue to act responsibility, and we want to be on the leading edge…And that is what we do when we design a product or [come up with a new design], but we also want to do that in sustainability and CSR and we want to be better…We strive to be better." Moreover, customers are increasingly expecting companies to have a conscience. Horovitz (2013) reports that "With nearly a third of the population driving this trend [known as capitalism with a conscience], kindness is becoming the nation's newest currency" (para. 5).

Staying ahead of unmet needs, keeping up with the global pulse, engaging customer feedback, and staying relevant are important factors in maintaining sustainable longevity as a corporation. In several cases, the nature of the business compels a built-in responsibility to the world and its people. In other cases, like many *great* companies, there is a strong pull to "raise the bar" that is in a constant state of change anyway.

Talent recruiting, development, and retention were top-of-mind for all eight participants as a major benefit of *it*CSR. Therefore, it is logical that these companies place a premium on employee pride. P1 noted:

> The longer someone sticks around the more productive they become… And it gives us the ability to recruit the best people in the world to come work for us… So, if we are aligned with [employees'] values, they will stick around with the

> company for the long-term…[Particularly], survey after survey shows us that sustainability is one of the primary social values of people in the [young professional] age demographic. Really one of the reasons they choose to stick around with the company is because of their belief that we are doing right by the earth.

Furthermore, these participants are demonstrating that building proactive wellness programs for employees not only helps them to be more productive because the employees are healthier, both in physical care and educational health support, but also the company is saving money Some of the participants have been able to track the reduction in benefits and insurance costs, which affect the economic component of the TBL. That is the sweet spot, as P1 pointed out, of designing for meaningful, circular impact on the TBL.

It is for this reason that all the participants have a central focus on education and/or healthcare. P2 commented on the foresight that is necessary in *it*CSR development.

> We saw that we were going to be struggling with finding the right talent and human capital which is so critical to the competitive nature of our business. And then our CEO saw the statistics in the marketplace that we were losing a third of our kids out of high school and even more from a minority standpoint. So, there is this confluence of a lot of things. A talented workforce is critical to us. A diverse workforce is critical to us. When you see that over 40% of African Americans, Hispanics, and Native Americans were dropping out of high school, you start to consider what that does to our talent pipeline? And you see where things are

> headed, and begin to realize that this is not sustainable and we have to do something about this.

There was a general consensus on the importance that their respective corporations place on building a diverse workforce, and they all proactively offered this information. There was a strong sense of pride from each participant that they fostered diversity, and in many cases, had higher-than-average tenure among their employees. All of the participants acknowledged that the employees are the backbone of the organization, and having a strong talent base under an *it*CSR framework helps to attract and retain key talent, especially significant among the next generation who have a greater aptitude for wanting to be positive change agents in the world. Almost all of the participants specifically stated that *it*CSR development is important for bringing in the next generation of talent who express a desire to work in an organization where they can also contribute to a higher purpose. In interviews with the younger generation, one of their top three questions is about the company's community profile, and what the company does to promote activism among employees.

In fact, these findings support the literature. The incoming generation of young adults highlights a new level of social consciousness and demand for participation in nonprofit affairs from their employer (Kanter, 2009; Tapscott, 2009). They are driving what Mainwaring (2011) calls "contributory consumption" (p. 3). A Harris poll found that 97% of "GenY," also known as "Millennials," who were born between 1982 and 1999, and up to 2004, and are at the early stages of their career trajectories, want to have an impact on the world and belong to an organization that is serving the greater good (Bornstein, 2007; Horovitz, 2013). Furthermore, the 2006 Cone Millennial Cause Study found that 80% of Millennials want to work for a company that cares about society and is contributing to its well-being by showing a deep commitment to improving the world (McElhaney, 2008), and "this trend-setting, if not free-spending group of 95 million Americans, …are broadly convinced that doing the right thing isn't just vogue, but mandatory" (para. 4). Finally, Bhattacharya, Sen, et al. (2011), studied the link between employee retention and the notion of *it*CSR and proved that there is a strong correlation.

Furthermore, by designing business strategies that tap into shared values with employees, the companies foster momentum for change and positive results. Encouraging involvement engages the employees into owning their own role in designing for impact. These companies recognize that *it*CSR initiatives cannot all be driven top-down. There has to be a groundswell that bubbles up too. P2 noted on this point:

> We want it to be organic. We want it to take off. We do not want our efforts to be 100% orchestrated. You are always going to have to have certain things orchestrated because some of them are just huge things that you have to operationalize. But, when the whole company is raising itself up through individuals taking their own initiative and driving change, that is when you start to realize, "Oh, this is happening. We are really driving some change."

These companies also place a premium on their brand reputation and customer satisfaction. While two of the participants questioned the statistics on consumer loyalty to "greener" products, according to a recent survey, 70% of consumers would switch brands to one with a good cause with all things being equal (Bhattacharya, Sen, et al., 2011). Meanwhile, in another survey, social responsibility was featured as the third highest attribute in ability to predict reputation, but it is the attribute about which consumers know the least (McElhaney, 2008). Nevertheless, *it*CSR can help customer relationships by building loyalty and brand reputation, and can improve business performance by revealing new revenue streams and creating a positive marketing image (Carroll & Buchholtz, 2012; McWilliams & Siegel, 2011) because "People want to build relationships with strong brands…They want to give them their business, and they want to work for the winning team" (McElhaney, 2008, p. 36). Thus, *it*CSR generates innovation, creativity, and ongoing learning that continue to push the organization and society to new initiatives and solutions (Amabile & Kramer, 2012; Werbach, 2009).

Executive efficacy. This study on why U.S. Fortune 500 global corporations have developed *it*CSR would be remiss without giving proper attention to executive efficacy. While the manifestation of executive leadership varied between the eight participants, overall it was clear that without distinct involvement and all-encompassing commitment from the c-suite, any kind of social and environmental initiatives would not be sustainably embedded into the thinking of the organization. In some of the companies, the CEO has been passionately involved in driving *it*CSR development, and in pushing key initiatives to the front of all strategic discussions. In other cases, the CEO been front and center, but the efforts are driven by a larger base of leadership.

As leaders of eight of these global corporations, the CEOs are very involved in *it*CSR development, according to the participants. They all uphold the high ethical standards and subscribe to the philosophy that the system is not sustainable under a different business model. This approach holds true for each participant's CEO, whether the mastermind behind the company's *it*CSR development, or successor to a founder who set the corporation's core ideologies that ultimately drove *it*CSR, or one who takes on the characteristics of shared leadership with respect to how *it*CSR evolves and matures. Five participants described their current CEO as visionary; all participants described the executive leadership as being visionary, in the past and or in the present. Four participants characterized their CEO as courageous, specifically noting their position on social and environmental commitments relative to the effects of recessionary times. The leaders believe in a higher purpose than making money for the shareholders. P1 noted:

> To me, ethical is a characteristic, and in the most pure sense of the word, ethical, because you never see our CEO forego his ethics or the ethics of his company for a quick win. And that can be really difficult to do in a publicly-traded company. We are, like any publicly-traded company, at the mercy of quarterly predictions of our stock by Wall Street and we are at the mercy of the demand for quarterly improvements year after year and quarter after quarter. And, I have seen a lot of companies out there sacrifice their ethics in the short-term to make sure they are on the right trajectory in Wall Street's eyes. I have never seen our CEO violate his ethics to make sure we meet a quarterly earnings report. It does not mean he does not demand efficiency and performance out of every one of us, but he also refuses to allow us to violate our ethics and the ethics of this company, or the brand ethics of this company, in order to achieve those short-term gains.

As noted, these leaders still hold their people accountable to high standards, and they still answer to the fiduciary responsibilities of the firm as a publicly-traded entity. However, they hold true the notion of circular wisdom in driving sustainable economic results for the company, and they will take a hit on the quarterly return when they know the long-term result will pay off. They believe that profitability is enhanced if the entire value chain is elevated, whether they are the ones leading the initiative and the drive, or they are the ones that are leading by example by being engaged, authentic, and consistent in their actions and words. All of the participants indicated a strong commitment from the top to uphold the values of the company. Furthermore, company leaders are engaged in committing the firm's global resources. For example, P3 stated:

> Ultimately, what we all recognize is that the public sector cannot solve the world's most intractable problems alone. It takes the private sector, the public sector, academia, MNCs all working together to figure out how to solve some of these issues. And that is very much a core tenet of what our previous CEO and current CEO believe. We have to participate. We have to provide what we can - whether it is resources, whether it is expertise, whether it is relationships.

Most of the participants described their CEO as passionate, and all of them indicated that the CEO is personally dedicated to a specific initiative, whether it is healthcare and wellness, education, or longevity of the people along the supply chain. There is no doubt that, at the helm of these companies, these leaders exude many of the qualities in the literature that go hand-in-hand with transformational and authentic leadership. Authentic leaders are described as being visionary, disciplined, innovation-focused, humble, and soulful. In particular, in a review of 1,000 studies to define the characteristics of *great* leaders, authenticity was the most common attribute (George et al., 2007). They put the team and business ahead of their own individual gain; they empower those around them and spotlight others' strengths; and they are employee-oriented and customer centric (Collins, 2001b; Drucker, 2006; George, Sims, McLean, & Mayer, 2007; Goleman, Boyatzis, & McKee, 2002; Kouzes & Posner, 2007; Waldman et al., 2006). Authentic leaders are thus fulfilled when they have led “a group to achieve a worthy goal,” have empowered others, and “thus made the world a better place…That’s the challenge and the fulfillment of authentic leadership” (George et al., 2007, p. 138).

Furthermore, the participants indicated that their executive leaders recognize that just writing checks does not create as much impact in communities. One participant talked about the kind of one-dimensional, linear approach to philanthropy that does not allow for a deeper understanding of the requirements needed to create systemic improvement and betterment. If corporations are not engaged as strategic partners with other sectors of society, there is a possibility that the impact of the activity will not be as great as it could have been. One can draw an analogy to the ancient proverb of the blind men examining the elephant. Each individually only takes away their own perspective, but collectively they put the pieces together to realize the whole part.

The executive efficacy measurement is the degree that the executives harness the strength of the people and the organization to work toward meaningful TBL impact. Specifically, leaders of multi-dimensional businesses are increasingly being called upon to make “intellectual and behavioral shifts...[and] for the entire private sector to come together as a third pillar of social change, working with governments and philanthropic organizations to advance the well-being of all” (Mainwaring, 2011, p. 6). More than 50 global corporations rank in the top 100 largest economies in the world (Googins et al., 2007; Zadek, 2007). Employing more than 90 million people and producing 25% of the world’s gross product, these global corporations are among the largest consumers of the Earth’s resources, and the beneficiaries of many people’s talents and output.

Finally, it is to be mentioned that executive efficacy would be weak without the leadership role that these participants, and their colleagues, have within their respective organizations and their commitment to *it*CSR principles. Whether it is one Chief Responsibility Officer (CRO) or a team of environmental and community advocates, these leaders are front-runners in systems thinking, in strategic and inventive planning, and they all seemed to be a critical driver in designing for meaningful impact. Each of the participants in this study was highly accomplished, intelligent, and persuasive. They all were very good communicators and public representatives of their companies. Though their backgrounds were somewhat diverse – public policy, environmental science, non-profit and community advocacy, law, and PR/marketing – they all had extensive professional experience, and all were very knowledgeable about their company's capabilities and resources. Furthermore, there was a noticeable, deep-seeded, humanitarian personal interest among the participants that was fostered in these organizations and their roles and career trajectories.

Executive efficacy, in fact, is a critical component in why these corporations have developed *it*CSR, and it seems to come in the form of shared leadership. Angus-Leppan et al. (2010) believe that shared leadership can improve sense-making capabilities, as well as identify emergent leaders who are not necessarily formally appointed into a leadership role but exhibit leadership characteristics nonetheless. In fact, some of the leaders of *it*CSR initiatives may not even be readily identifiable at times (Senge et al., 2008). They may be people within an organization who have no real power of authority, but may be:

> open-minded pragmatists, people who care deeply about the future but who are suspicious of quick fixes, emotional nostrums, and superficial answers to complex problems. They have a hard-earned sense of how their organizations work, tempered by humility concerning what any one person can do alone. (Senge et al., 2008, "A Final Word," para. 1)

Recommendations for Future Research

There seems to be an endless amount of further research that can be conducted, as this researcher believes that the study of *it*CSR development is as broad as any other model for organizational development. Some ideas for future research about what motivates U.S. Fortune 500 global corporations to develop *it*CSR include:

1. Explore the correlation between the development of manners among executive leaders and the corporate culture.
2. Compare the vision, mission, values, and cultures of the corporations that are now defunct with these most thriving organizations to learn more about the characteristics of core ideologies.
3. Study the intersection between a consciousness around kindness and vulnerability in having a corporate soul that promotes *it*CSR development.
4. Explore what kinds of symbols, rituals, stories, icons, music, and fun executive leaders use to nurture the corporate soul and core ideologies.
5. Study the connection between right side of the brain strengths among CEOs and development of *it*CSR.
6. Investigate the effects of "play at work" on the collective impact.

“Have soul” conclusion

It is quite relevant to resurrect the exploration of corporate soul so as to bring it into focus within the *it*CSR business model framework. The findings remarkably reveal that all eight of these corporations, first and foremost, have resilient core ideologies around improving lives and communities that run deep through their corporate spirit and energy, demonstrating that it is part of their DNA as well. This soulfulness and the DNA in each of the eight companies are grounded in circular wisdom and virtuous responsibility, upheld by and passed down through the c-level leadership, and nurtured by the employees. Furthermore, they all indicate a central belief in *the power of three* - that the private sector, plus civil society, plus the public sector can have the power to design and realize meaningful impact that is greater than the sum of their individual parts in the equation for social good, economic prosperity, and a thriving ecological system. It was unexpected to find such similarity at the root of all of these eight U.S.-based corporations, and it was inspiring to think that they span industries, origins, growth patterns, products and services, and administrative styles.

It is disheartening, however, to know that less than a dozen U.S. Fortune 500 global corporations were identified as closely resembling *it*CSR. Perhaps it truly is not an exaggeration to say that the world has been witness to too many stories of greed, fiduciary irresponsibility, corporate selfishness, bad manners, myopic thinking, and unimpressive leadership. Millennials, in particular, “who got burned by the recession feel a resentment to consumerism [and demand kindness in a] show-me-what-you're doing-for-others sense...Some [companies] are talking the talk but not walking the walk…Several large retailers, for example, embrace the image of kindness by asking customers at check-out to donate to charitable causes. That's, arguably, a far cry from a sustained and deep-seated effort from within." (para. 10-13).

On the other hand, as Hollender points out, "business [is] the only force in today's world that's got it all: a universal presence, an ability to get things done quickly and on as little as a CEO's say-so, and the economic clout required to engineer widespread systemic change with remarkable speed. Business is our best and indeed last hope, and it's time to put that hope to the test" (as cited in Visser, 2011, p. xv).

To that end, it might be a wise decision for the leaders (and subsequently the employees) of other U.S. global corporations to embrace a development of the *CSR* movement toward *it*CSR sophistication and pay attention to nurturing the corporate soul and its moral compass. There is no doubt of the existence of other publicly-traded U.S. MNCs that have this bedrock sense of identity and are ethically and morally grounded; they just need to step into the *it*CSR ring more boldly. Then again, there is equal confidence that there are some U.S. MNCs that need to spend more time on their core ideologies to develop an authentic and responsible foundation. The Cowardly Lion character in the Wizard of Oz getting some courage comes to mind, and so, as Visser (2011) provides, "Responsibility is the set of prints we leave in the sand, the mark of our passage. What tracks will you leave…The choice, as always, is yours" (p. 6).

Chapter 6: Findings and Conclusion

Summary of Findings from the Study

The purpose of this qualitative study is to explore the successful strategies among certain U.S. Fortune 500 global corporations in developing *it*CSR, marked by a company's proactive efforts to create meaningful TBL impact, such that harm is minimized and shared value is created legally and ethically among multiple stakeholders in the business community, society, and government (Googins et al., 2007; Porter & Kramer, 2006; Werbach, 2009; Werther & Chandler, 2011). It is further represented by: (a) being a champion or visionary leader in the field, (b) being out in front of innovation and or leading the industry, (c) proactively building multi-stakeholder partnerships, and (d) strategically creating shared value and social change throughout the value chain (Googins et al., 2007; Porter & Kramer, 2011; Werther & Chandler, 2011). The research focuses on gaining an understanding of the reasons that compel the executives in the selected U.S. Fortune 500 global organizations to develop *it*CSR and the strategies they use throughout their multi-dimensional organizations as well as externally in their products, services, and practices.

From the literature, the researcher found a need in the marketplace for more knowledge about *it*CSR implementation practices among the U.S. global corporations. Therefore, this study identified the U.S. Fortune 500 global corporations that closely match the characteristics of *it*CSR by (a) cross-referencing five indices/lists that measure various parameters of the *it*CSR criteria, and (b) evaluating total trailing financial returns for 1-year, 3-year, and 5-year periods. Through a phenomenological qualitative approach designed to explore, describe, and gain understanding of *it*CSR development from the perspective of a senior executive in charge of this area at the selected companies, the research explored why and how the selected U.S. Fortune 500 global corporations developed *it*CSR in order to help other U.S.-domiciled large, multi-dimensional organizations foster their own *it*CSR. The research questions were:

1. Why: What motivates the executives of the selected U.S. Fortune 500 global corporations to develop *it*CSR?
2. How: What strategies are used in the selected U.S. Fortune 500 global corporations to develop *it*CSR?

Why develop *it*CSR. The following concepts were found to be remarkably universal in why the selected organizations developed *it*CSR. Furthermore, all three are intertwined, and cannot be mutually exclusive. The words featured in italics may be new constructs from this research or new ways of looking at a concept.

- There is a strong circular wisdom among the members of all of the companies, and it is grounded in an unwavering commitment to core ideologies from origin of the company. These values are classified as the internal motivators.
    - This circularity component is the basis of understanding qualitative benefits to the firm. The organization's members believe that what is good for society and the environment and will be good for the long-term viability of the company and the members, including the shareholders. It supports a holistic approach to prosperity that places equal attention on people, planet, and profitability thriving together, that in turn, leads to better brand longevity and a legacy of which employees, customers, and society can be proud. These eight

corporations seem to have a character that perpetuates the old adage, "what goes around comes around."

- These firms share the following core ideologies that drive the identity and character of each company and thus the essence of corporate soul:
    - Virtuous responsibility – There are common moral, rational, and economic threads cemented into all their *it*CSR paths that drive a commitment to *giving it forward* to improve lives and communities. In particular, they are all focused on driving systemic change and designing meaningful impact in the areas of education and/or healthcare in recognition that these two areas drive the future sustainability and prosperity of communities and ultimately their corporation's longevity. Moreoever, they subscribe to *the power of three* - that the private sector, plus civil society, plus the public sector can have the power to design and realize meaningful impact that is greater than the sum of their individual parts.
    - Ethical governance – They conduct business morally and ethically.
    - Consciousness – They operate with self-awareness, trustworthiness, transparency, accountability, openness, vulnerability, and imperfection.
- There is an inherent, organic recognition by the members of the organization that employees are highly regarded as a representative

sample of the communities and society, and the employees are valued as being the foundation for all product development, services rendered, and the brand reputation.

- Logical business objectives exist for developing *it*CSR, and these reasons make up a strong DNA to drive *it*CSR principles throughout the culture and the multidimensional and dynamic operations of each of the corporation. These reasons are classified as external motivators.
    - The members of these firms pride themselves on being innovative and want to be market leaders with their products and services, and in their *it*CSR activities. Not all innovative companies apply themselves to *it*CSR development, but being innovative does beget *it*CSR.
    - The members of these organizations uphold their fiduciary responsibilities and operate at high levels of transparency and compliance. They extend their governance commitments to proactively self-regulate, which has proven to avoid costly inefficiencies.
    - The members want to attract and retain top talent.
    - The members care about building customer loyalty by protecting the brand halo and also connecting on shared values.
- The engagement among the leaders of the corporation creates a self-sustaining momentum that produces a higher level of *executive efficacy*. This higher level is passed down through successive leadership and the chain-of-

command, and produces a *leadership metronome* effect, which sets the tempo for the rest of the firm.

How *it*CSR develops. The findings reveal certain collective success strategies in how *it*CSR developed at the eight U.S. Fortune 500 global corporations that participated in the study. These are categorized according to Googins et al. (2007) Global Leadership Network Framework: business strategy, leadership, operational excellence, and engaged learning. Again, the words in italics may be new constructs from this research or new ways of looking at a concept.

Business strategy.

- Philanthropy, compliance, PR, marketing, and communications are all necessary components of *it*CSR development and are not to be begrudged, if they are properly managed in the spirit of collective impact.
- All of the companies excel financially, they all subscribe to the GRI reporting initiative, and their members take an active role in public policy issues.
- *It*CSR development is "more of an art than a science." Therefore, results were mixed on the need to prescribe metrics around the overarching "business case." Applying measurement and metrics to the results that their *it*CSR activities have on their business seems to follow the general patterns of each company's governance and stewardship. A company that operates with six-sigma principles will apply six-sigma thinking to their *it*CSR activities, for example. Another company will "reverse the conversation" to frame *it*CSR in the context of how it helps to support business goals, rather than have separate *it*CSR goals that need to be implemented in parallel with other business goals.

- The culture of each organization promotes continuous firing on all cylinders when it comes to *it*CSR development because the members recognize that they need to keep improving the practices.
- Each corporation is guided by a tenacious commitment to be a values-based company, grounded in strong ethical governance and a dedication to delivering high quality products and services.
- At any point in time, the social, environmental, and economic intentions in *it*CSR development might not be in perfect synchronicity, but they are when examined/evaluated over the long-term.
- High ethical standards, transparency, and a culture of trust are the foundation for *it*CSR outcomes. Basically, these corporations prove that ethics trumps greed.

Leadership.

- A culture of shared responsibility and shared leadership in the development of *it*CSR has been fostered and upheld by the e-level, as evidenced by steering committees, expert project teams, and collaborative, multi-tiered volunteerism.
- The organizations are values-driven and are led by executives with strong core values and sense of purpose grounded in morality. There is no *it*CSR without *the leadership metronome*.
- The CSR leaders are instrumental in strategic planning and *looking over the horizon.*

- All eight participants were definitive that *it*CSR development is a dynamic, ongoing, iterative journey. It is never perfect, and there will be mistakes along the path. There is no such thing as "implementation completed." While it was indicated that the journey is largely incremental, several participants talked about the value of having moments in the journey of punctuated disequilibrium, e.g. a crisis, because these moments help to further crystallize and catalyze focus, momentum, and direction.
- The journey requires courageous leadership and determination to take risks that might expose the organization to short-term criticism, but ultimately yield transformational results for multiple stakeholders. The participants also alluded to leadership that is authentic and vulnerability to foster connectedness, compassion, and action. They acknowledge that there is still so much more for them to do, that they could be doing it better, and that leadership believes their organizations have only "scratched the surface."

Operational excellence.

- They all seem to already be in the league of the traditional definition of a *great* company: those that demonstrate strong vision, positive financial returns, innovative thinking, collaboration and learning, and resilience and agility for change (Kanter, 2009; Zadek 2007; Collins & Porras, 2002).
- Employee engagement is a priority for all eight corporations, and in seven of the eight companies, employee well-being was specifically mentioned as a critical focus in creating momentum to advance *it*CSR. Fundamentally, authentic *it*CSR is connected to treating employees with honor, dignity, and

respect. These organizations have a culture of proactive connection to their employees to build shared responsibility and the momentum to generate groundswell – which they see as necessary - bottom-up activities in addition to the top-down initiatives.

- They prioritize "glocality" (global localization) thinking, and so they develop corporate-wide advocacy for their selected societal and environmental issues, but want the local operations to customize support based on the needs of their communities. They balance between having an entrepreneurial culture and the discipline necessary to run behemoth organizations.
- They include the customers on the journey, engage them in action, and make them an integral part of the corporation's development.
- Each company demonstrates a strong spirit, ethic, and organic orientation toward *it*CSR by virtue of their core ideologies and corporate soul and how it manifests throughout the DNA of each organization is unique to each company.
- They all have strong alignment around transparency, accountability, and reporting on their initiatives to the public and stakeholders.
- The findings reveal variances between these corporations in their communication strategies and styles, both internally and externally. However, all participants indicated that they are proactive in using their intranets to raise awareness internally, and share success stories. Sharing of information is believed to increase *involvement, innovation, and impact (iii).* They find that this sparks additional momentum, friendly competition, and newer ideas that

build on the ones that are featured. Some of the participants indicated that they tend to be quieter externally than some of their counterparts.

- The organizations are highly selective in choosing NGOs and other civil groups with whom to partner, and strategically manage their stakeholder relationships. Multiple participants even indicated that the courting process might take years before they engage in collaborative work. Whether they give grants and products-in-kind or engage in a long-term issue-based partnership, or whether they create shared value, or are philanthropic on a broad scale, they are all mindful of their intentions and the results that they want their involvement to achieve. Therefore, they are active, not passive, and they are proactive not reactive in whatever they do to improve lives and communities. In effect, they *design for impact* and help in creating accountability and ensuring that the results to the beneficiaries are sustainable and promote long-term well-being. Largely, these corporations do not subscribe to being a "check-writer."

Engaged learning.

- An action learning orientation is necessary.
- There is an inherent understanding that these companies subscribe to a catalytic model of organizational development, versus a traditional, top-down business model. As such, *it*CSR development is relying on the members of the organization to be a) adaptive and responsive, b) multidirectional, c) strategic and catalyzing, d) emergent, and e) accepting of unpredicatability.

- Creating positive impact on society is complicated, messy, and difficult work. The findings revealed a constant commitment to perpetuate positive impact, build on it, evolve with the dynamics in the world, stay agile, and accept the notion of continuous change. These companies do not stagnate and they are not complacent. They are market leaders who are in a constant state of learning, inventing, taking risks, stumbling, and learning again.
- *It*CSR development requires systems thinking and an integration of reason and intuition to break down many of the incorrect or unproductive mental models that are held by the members of communities.
- In six cases, the corporations are creating *collaborative learning loops (CLLs)*. These are viewed by the researcher as cross-disciplinary, external learning opportunities around the notion of designing for impact, wherein people from diverse backgrounds and constituencies come together to form partnerships, leverage each other's skills, let their guards down, confront pre-existing biases and mental models, and open the platform for mutual learning and development to occur. A CLL can unite parties who otherwise would have nothing in common. Most significantly, it can create opportunities to raise the bar, solve complex, global issues, and build powerful, positive momentum. Finally, a CLL cultivates a foundation of mutual trust that lends itself to further opportunities for partnership, development, and growth.

Final Thoughts

This dissertation contributes to the growing body of literature on CSR, corporate citizenship, and sustainability by providing practical evidence of successful *it*CSR development among selected U.S. Fortune 500 global corporations. The companies that make up this research fall in an early majority classification and can serve as role models for other aspiring publicly-traded American MNCs, and for that matter privately-held ones as well. Having others join on the path of *it*CSR development builds a critical mass necessary to achieve the tipping point that produces unstoppable momentum for systemic societal change (Collins, 2001; Epstein et al., 2008; Gladwell, 2002; Senge et al., 2008). In addition, the research contributes to discussions on organizational change and behavior, specifically in respect of a) continuous change and morphing theories and b) the notion of corporate soul. In fact, the models presented thus far represent *it*CSR development in a linear fashion; arguably, the findings herein suggest that the stages of *it*CSR development are to be represented in a circular, outwardly winding fashion. This path begins at a center point, like the yellow brick road in the Wizard of Oz, and embodies core ideologies of improving lives and communities. The path spirals outward continuously as a company's *it*CSR continuously advances, expands, builds, and invents.

Indeed, global corporations are poised to lead efforts in solving some of our largest societal needs, while still maintaining their necessary commitment to profitability (Googins, Mirvis, & Rochlin, 2007; Kanter, 2009; Mainwaring, 2011; McElhaney, 2008; Porter & Kramer, 2011; Senge et al., 2008; Zadek, 2001, 2004, 2007). This is particularly relevant now since the world finds itself in a period of accelerating change as we seek to redefine the way business operates and its role, goal and purpose in society, not to mention what people expect of business and their relationships with companies and brands. (Williams, 2012, para. 6)

Furthermore, there is no question that globalization and connectivity have brought about a new breed of consumers that are visible and influential, on a global scale and in a nanosecond. They are active in demanding greater corporate accountability, ethics, integrity, honesty, and courage (Tapscott, 2009; Waldman et al., 2006). Coupled with the projected growth of the underserved population as well as increasing environmental threats to our air, water and natural resources, the days of the pre-existing business models, based on traditional capitalism constructs, seem to be numbered (Gjolberg, 2009; Mainwaring, 2011; Prahalad, 2005), if for no other reason than simply, "it is unsustainable to have 15% of the world's population using 50% of the resources" (Paulman, as cited in Polman & Ignatius, 2012, p. 117). Luckily, this research supports the literature that informs on many significant reasons for corporations to develop an *it*CSR business approach. And when it is revealed, through these examples, that the upside is a better likelihood of longevity and prosperity for all, why not *do CSR the right way?*

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APPENDIX A

Review of the Indices

2012 Dow Jones Sustainability World Index 60 U.S.-domiciled corporations are on the index out of a total 500 companies.
Dow Jones began running the Dow Jones Sustainability World Index (DJSI) in 1999. It was the first global index designed to capture financial performance of sustainability-driven global corporations, from the largest 2,500 organizations listed on the Dow Jones Global Total Stock Market Index. Companies are rigorously evaluated on economic, social and environmental performance (*Dow Jones Sustainability Indexes in Collaboration with SAM*, 2011). The corporations selected for the DJSI have been vetted by a rigorous assessment conducted by SAM, a global investment organization focused on corporate sustainability. SAM uses a best-in-class approach, refined annually, and verified by Deloitte each year. In addition, economic, social, environmental and crisis issues, such as human rights abuses, commercial practices, workforce conflicts and catastrophic activities, are monitored daily for the corporations that are included in the index (*SAM Sustainability Investing*, 2011). Source: SAM Sustainability Investing. (2011). *The sustainability yearbook.* Retrieved from http://www.sam-group.com/int/sustainability-insight/the-sustainability-yearbook.jsp
2012 FTSE4Good Index 153 U.S. – domiciled corporations are on the list from a total of 722 companies.
Introduced in 2001 by FTSE Group, in partnership with EIRIS, the FTSE4Good Index seeks to capture the social, environmental and governance practices in over 800

global corporations that meet globally recognized criteria in sustainability, with an eye to promote responsible investing (*FTSE4Good 10 Years of Impact & Investment*, 2011). Stakeholder relationships, such as human rights and employee relations, along with anti-corruption policies and strategies are at the helm of the evaluation (*Investopedia explains 'FTSE4Good Index Series'*, 2012).

Sources: FTSE. (2011). *10 years of impact and investment.* Retrieved from http://www.ftse.com/ Indices/FTSE4Good_Index_Series/Downloads/ FTSE4Good_10_Year_Report.pdf

Investopedia. (2012). *FTSE4Good index series*. Retrieved from http://www.investopedia.com/terms/f/FTSE4good-index.asp#axzz1nRQ6ILd7

CR's 100 Best Corporate Citizens 2012

All companies on the list are U.S. domiciled.

This list was developed using a comprehensive methodology established by Waddock and Graves of Boston College's School of Management (Googins et al., 2007). Working in conjunction with the Corporate Responsibility Officers Association (CROA) and using publicly-held information companies are evaluated in total across the following rankings: environmental, climate change, human rights, employee relations, corporate governance, philanthropy and financial. The methodology committee has assigned different weights to each of these categories and 318 data elements have been designated for review. It is designed to elevate accountability among large corporations in the U.S. ("CR's 100 Best," 2012). In addition, the corporations on this list prioritize the "softer" human values as central to their success (Learned, 2012).

Source: Learned, A. (2012, November 2). Values-based leadership drives corporate responsibility. Message posted to http://www.huffingtonpost.com/andrea-learned/

commitment-to-human-value_b_2052231.html
Corporate Knights 2012 100 Most Sustainable Corporations in the World Only seven U.S.-domiciled corporations out of 100 made this list.
The Global Responsible Investment Network was developed by the Corporate Knights, along with three investment and research oriented partners: Inflection Point, Global Currents and Phoenix Global Advisors. A Canadian-based magazine, Corporate Knights promotes corporate social responsibility and "clean capitalism". The 100 Most Sustainable Corporations in the World was first produced in 2005 and is presented annually at the World Economic Forum in Davos. Corporate Knights' literature touts this list as the most extensive data-driven assessment of large corporate sustainability (*2012 Global 100 Most Sustainable Companies: The Full List*, 2012). The analysis to produce the top 100 companies begins with a review of 4,000 companies with a market capitalization of over two billion dollars as of October 1st each year. Four criteria are then used to screen the companies: (a) sustainability disclosure practices, (b) financial health, (c) products and services, and (d) sanctions. Then, the companies are run through 12 sustainability measures, such as energy preservation. The companies that score the highest in these measurements make the 100 list (Falk, 2013). Additional source: Falk, T. (2013, January 24). Top 100 most sustainable corporations in the world. *Smartplanet.* Retrieved from http://www.smartplanet.com/blog/bulletin/top-100-most-sustainable-corporations-in-the-world/10936
Boston College Center for Corporate Citizenship (in conjunction with Reputation Institute's 2011 Global Pulse Study) 2011 CSRI 50 Index The majority of corporations on this list are U.S.-domiciled.
This is a relevant list as it is compiled from the perspective of consumers. From a list of

200 U.S. corporations, the top 50 are selected according to consumer perceptions of citizenship, governance and workplace criteria *(CSRI Report 2011: The 2011 CSRI 50 and Creating the CSR Index,* 2011).

APPENDIX B

The Research Instrument

Interview Questions:
Business Strategy: Alignment of social, environmental, and economic performance to long-term business strategy and performance

1. How were the company's social and environmental and economic intentions prioritized in creating the vision and long-term business goals?

2. What role does the c-level leadership play in creating, shaping, maintaining and growing *it*CSR initiatives a) internally and b) externally with the supply chain and the industry?

   (This question bridges business strategy and leadership.)

Leadership: Innovative initiatives to address social, environmental, and economic challenges

3. What attributes and/or experiences have driven the c-level executives to a deep level of commitment to *it*CSR and is there one person in particular who is driving it?

Operational Excellence: Embedding strategically aligned CSR in a systematic sustainable manner

4. How was corporate governance set up to support the strategy?

5. How have the strategic commitments to *it*CSR been systematically embedded into the DNA of the culture?

6. What was the break-through moment when you felt like the vision for *it*CSR was starting to come together throughout the company?

Engaged Learning: Learning, development, and change through direct involvement with stakeholders

7. What approaches were taken to generate the motivation among employees to engage in *it*CSR goals?

8. What strategies were used to build external partnerships with non-profit stakeholders that created shared value and what was that shared value?

APPENDIX C

The Informed Consent

The following information is provided to help you decide whether you wish to allow us to use the information we gain in our conversation with you today in our research and scholarly work at Pepperdine University. This project is research being conducted in partial fulfillment of the requirements for the Graduate School of Education and Psychology, Organizational Leadership, doctoral program. The purpose of our conversation is to learn about your experiences in developing corporate social responsibility (CSR) at a U.S. Fortune 500 multinational corporation to an advanced and sophisticated stage, known by this study as *it*CSR. This study will allow us, and those who read our research, to gain a better understanding of why and how large companies develop an *it*CSR platform. In order for me/us to use what we learn from you today in our research and publications, our University requires that I/we ask for your permission.

In order to use the data from the study, I would like to ask your permission and if you would agree with the following arrangements. Please initial the appropriate line:

______ I agree to participate in this research and would allow appropriate quotes to be used in publications. These individual responses would not be associated with my name or workplace, and would be referred to only by a pseudonym.

OR

______ I agree to participate in this research but do not wish for any of my quotes to be used in publications.

(initial one)

You should be aware that your participation in this study is voluntary. You are free to decide not to participate or to withdraw at any time without affecting your relationship with me/this group or Pepperdine University. Upon your request, I will provide a copy of any published papers, dissertations or professional presentations that take place as a result of this interview. In addition, with your permission, I will be recording the interview. Please feel free to ask us to stop or resume taping this discussion at any point in our conversation. Please check the box if I have your approval to record the interview.

☐ Approval is granted to the researcher by me to record the interview.

Please be advised that your name, your position and the name of your organization will be kept confidential and protected at all times and in all of our research. All correspondence, transcriptions and the coding schedule will be kept under lock and key by this principle investigator for a period of up to ten years and eventually destroyed. The only foreseeable risk associated with the participation in this study is the amount of time involved on your part, as indicated above. Although you may not directly benefit, a potential benefit of participating is to provide information to other global corporations that aspire to develop *it*CSR.

Please feel free to ask any questions about this study before we begin or during our conversation. If you have any additional questions, please feel free to contact me, Principal Investigator, or the Chairperson, or the GPS IRB Chair. At this point, if you agree, please initial one of the statements above, please check the box if I have your approval to record the interview, and please also initial the statement below, and sign this form at the bottom. Once I have received the signed Informed Consent form from you, I will send back a copy with both of our signatures.

____________ I understand that participation is voluntary. I understand that I may discontinue participation at any time without penalty or loss of benefits to which I would otherwise be entitled.

Participant's Signature	Date
Researcher's Signature	Date