

**“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 how select U.S. Fortune 500 global corporations have demonstrated a sophisticated level of corporate social responsibility development (CSR), hereinafter called *it*CSR. After cross-referencing five indices that measure CSR, corporate citizenship, and / or sustainability, and analyzing one, three, and five-year total trailing financial returns, the research findings come from eight of the ten U.S. Fortune 500 global corporations that met the criteria of *it*CSR. Business strategies, leadership, operational excellence, and organizational learning were studied as the basis for understanding their journeys.

These findings increase the knowledge of how *it*CSR develops in large multinational corporations (MNCs) and how *it* permeates the corporate culture, governance, operations, and external market focus. Additionally, this paper contributes to the understanding of the iterative and integrative nature of developing *it*CSR. Finally, 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 the global context.

## **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 21<sup>st</sup> 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, there are other American MNCs working 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).

*It*CSR is 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, and methodical (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).

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 in designing meaningful impact to society's well-being. 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). 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). Consequently, Zadek (2007) believes that “the role of business in society is the 21<sup>st</sup> century’s most important and contentious public policy issue” (p. 9).

### **Developing the *it*CSR path**

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).

Therefore, 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 CSR 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).

The *it*CSR construct is shown in Figure 1, the assimilation of theoretical frameworks, and developed from the leading scholarly literature.

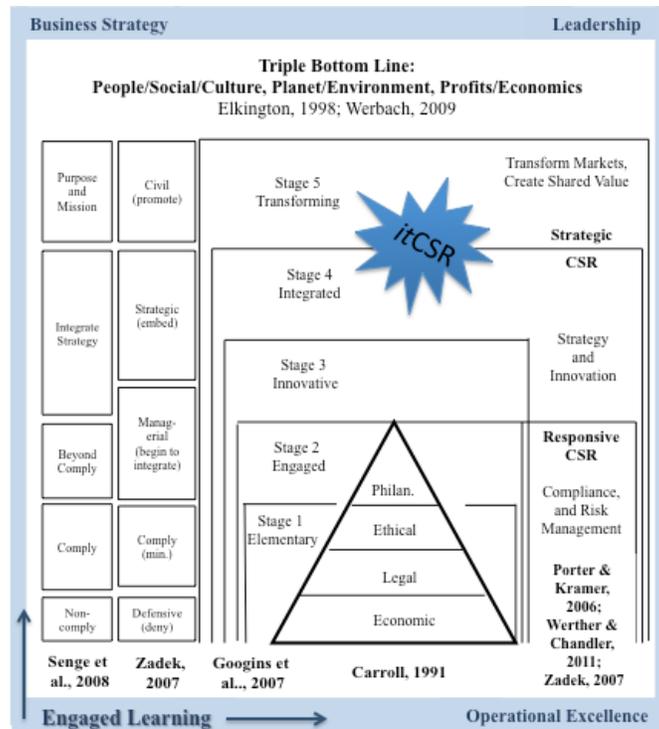


Figure 1: Assimilation of Theoretical Frameworks

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

While there are emerging examples in the literature of *itCSR* 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 *itCSR* development among global corporations (McWilliams & Siegel, 2011).

Studying the U.S. Fortune 500 global corporations that show evidence of *itCSR* is significant for two reasons: (a) there is a mismatch between supply (number of

corporations practicing *it*CSR) 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, social entrepreneurs who are classified as trendsetters and innovators (Senge et al., 2008) 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). Then, there are the *early adopters* and opinion leaders, which include mainly small and medium enterprises (SMEs, businesses with fewer than 500 employees), that have incorporated *itCSR* qualities rapidly into and throughout their organizations (Senge et al., 2008). Together, 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* is essential in establishing the widespread acceptance and appeal of any innovation, and *itCSR* 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. Therefore, the largest U.S. Fortune 500 global corporations represent a critical group necessary for *it*CSR to spread exponentially and cement the *it*CSR principles (Gladwell, 2002; Rogers, 1995, Senge et al., 2008) that are emerging as foundational in organizational development.

### **Methodology**

Qualitative research focused 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. Participants were senior executives at eight of the ten U.S. Fortune 500 global corporations - such as AT&T, 3M, Cummins, Johnson & Johnson, Starbucks, and Whirlpool - that were selected by (a) cross-referencing five indices/lists that evaluate corporations along 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 (Berger, 2013).

## **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 the individuals representing the U.S. Fortune 500 global corporations that participated in this research of *it*CSR development.

The findings are presented in five areas in which additional information has been required according to Lindgreen and Swaen (2010): (a) understanding the “basic business case” argument; (b) the role of corporate communications; (c) implementation philosophy; (d) practices in managing stakeholder relationships; and (e) measurement strategies across the multiple dimensions.

### **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) played 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 the authenticity of a firm’s CSR strategy 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 a significant impact in the world, to improve lives and communities, and to ensure society’s – and, as a result, businesses’ - long-term viability, prosperity, and survival.

**Circle wisdom.** As a result, there seems 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 *itCSR* 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 *itCSR* development. However, it would be a mistake to assume that all innovative companies exhibit *itCSR* development; a square may be a rhombus, but a rhombus is not necessarily a square.

Innovation can initiate *itCSR*, and if it does, then *itCSR* 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 *itCSR* 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 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.

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.

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.

***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.

There are inconsistencies in the results of the research concerning which HR activities make the most sense, with some companies providing onboarding about the corporate vision, mission, and values, others providing training and development on critical business issues and the CSR filter used to make decisions, and others promoting employee and/or team goals. Some of the companies provide rewards and others spotlight *iii* action (*involvement, innovation and impact*). Bhattacharya, Sen, et al. (2011) believe that stories are powerful alternative 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.” 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.

Perhaps these nuances in HR activities are not significant, in a sense that each company still has their own character. Furthermore, 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.

These programs are often 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. This is positive psychology at work. People in the organization foster strength and virtue (Seligman & Csikszentmihalyi, 2000), over greed and punishment.

***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.

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. The word ‘courageous’ came to mind when P1 described the 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 *itCSR*, 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 *itCSR*. A participant felt strongly about keeping board members regularly apprised of *itCSR* 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 *itCSR* 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 has studied 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; Kytte & 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 goes all the way back to 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 in the world (Marshak, 2004). Interestingly, in these times of hyper-changing conditions, accepting the constant presence of change means that, by and large, systems, people, and organizations need to adopt a morphing mindset. It, therefore, makes sense that *it*CSR development orients around a constant state of adaptation. 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.

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."

Indeed, 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, with powerful lessons to be learned. 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. *ItCSR* 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.

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 to 10 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).

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 setbacks. 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 *itCSR* 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 *itCSR* 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.

**Managing stakeholder relationships. *Designing for impact.*** The *itCSR* 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.

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.”

***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.

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 ramifications, 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.

***Collaborative learning loop.*** Almost all of the participants referenced the notion of a *collaborative learning loop* (Berger, 2013a, 2013b). 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. 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 courage and vulnerability, and the two go hand-in-hand. 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.
- 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. Additionally, all of the participating companies hold 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 Reporting 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. 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 to create a 360 degree view.
2. Research the chain of action from concept generation to implementation of one innovative solution or product – i.e. *cradle to cradle* view.
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. 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 *itCSR* development and are not to be begrudged, if they are properly managed in the spirit of collective impact; g) 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 *itCSR* 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 *itCSR* path and journey toward making meaningful impact happen in the world. The question for other organizations is: which journey do you want to take?