

# **MASTER THESIS**

## **BUSINESS ADMINISTRATION**

### **Tackling Internal CSR Awareness Challenges: The Case of a German-based Japanese ICT Subsidiary**

Lena Hülsmann  
University of Twente  
P.O. Box 217, 7500AE Enschede  
The Netherlands  
21.10.2015

The topic of Corporate Social Responsibility became highly relevant, not only for academia, but especially for the agendas of companies within several industries. Taking into account not only the economic but also the environmental and social impacts of business operations plays a crucial role for strategic planning, business strategies or a company's mission and vision statements. Research on the involvement of all relevant stakeholder groups, like governments, non-governmental- (NGO) or non-profit organizations (NPO), customers, suppliers, partners, shareholders, employees and the general public has been highly increased within the last two decades. However, the role of one of the most important stakeholder groups, the employees, and their awareness has been rarely researched. Awareness of employees about the CSR performance of a company and their identification represents an essential element for the external communication, representation and image of the company as they are information transmitters to the external environment. Within the ICT industry the importance of a CSR image becomes critical for the (sustainable) competitive advantage of a company, so that a lack of internal awareness about CSR performance can represent a problem. Following the business-problem solving approach of Van Aken, Berends and Van der Bij (2012), the study sheds light on the internal CSR awareness problem based on the case of a German subsidiary of a Japanese ICT company. Sixteen internal interviews revealed that internal awareness problems are caused by inappropriate internal CSR communication, which does not address the employees needs and information which is relevant to their daily business tasks, or which is not provided through appropriate channels. Further employees can be best reached by verbal direct communication through specific persons or experts, CSR leaders. The assumption that involvement of employees is essential in order to raise awareness and positive perception was found to be only partly true. In contrast to existing studies, the findings reveal that only certain employees want or need to be involved. Building on the findings from theory and the interviews, a concept on how to tackle the CSR awareness problem was developed. The concept includes (1) the development of local CSR leaders responsible for social projects, (2) implementation of an internal web-based platform for social project coordination, and (3) providing non-financial incentive in terms of increasing visibility for engaged employees through internal and external communication channels.

**Supervisors:** Dr. M.L. Ehrenhard

Prof.dr.ir. O.A.M. Fisscher

#### **Keywords**

Corporate Social Responsibility, internal communication, interviews, internal awareness, employee engagement, involvement, CSR leadership

Permission to make digital or hard copies of all or part of this work for personal or classroom use is granted without fee provided that copies are not made or distributed for profit or commercial advantage and that copies bear this notice and the full citation on the first page. To copy otherwise, or republish, to post on servers or to redistribute to lists, requires prior specific permission and/or a fee.  
Copyright 2015, University of Twente, Faculty of Management and Governance.

## CONTENTS

|  |    |
|--|----|
| 1. INTRODUCTION – THE NEED FOR RAISING EMPLOYEES’ CSR AWARENESS TO ENHANCE EXTERNAL REPRESENTATION.....                            | 1  |
| 2. LITERATURE REVIEW – CSR MANAGEMENT, THE ROLE OF EMPLOYEES AND INTERNAL CSR COMMUNICATION.....                                   | 4  |
| 2.1 The Concept of CSR Management and Performance .....  | 4  |
| 2.2 The Impact of Employees on CSR Management.....   | 5  |
| 2.3 Managing Internal CSR Communication Effectively .....  | 8  |
| 3. METHODOLOGY – EMPIRICAL PROBLEM ANALYSIS AND SOLUTION DEVELOPMENT.....  | 12 |
| 3.1 Research Approach.....   | 12 |
| 3.2 Unit of Analysis .....   | 14 |
| 3.2.1 Project Context .....  | 14 |
| 3.2.2 Project Scope .....  | 16 |
| 3.3 Data Collection and Analysis .....   | 16 |
| 3.3.1 Problem Analysis through Interviews.....   | 16 |
| 3.3.2 Solution Evaluation through Multi-Criteria Decision Making.....  | 19 |
| 4. FINDEINGS – THE RELEVANCE OF COMMUNICATING CSR INTERNALLY THROUGH APPROPRIATE EMPLOYEE INVOLVEMENT, CHANNELS AND CONTENTS ..... | 21 |
| 4.1 Insights from Employee Interviews.....   | 21 |
| 4.1.1 Current State of Internal CSR Awareness and Involvement .....  | 21 |
| 4.1.2 Recommendations for Changes/Solutions .....  | 32 |
| 4.2 Synthesis of Theoretical Solutions and Employee Recommendations .....  | 34 |
| 4.2.1 Factors Impacting the Internal Awareness about CSR Performance.....  | 34 |
| 4.2.2 Idea Suggestions for Improving Internal CSR Awareness.....   | 38 |
| 4.2.3 Results from Multi-Criteria Decision Making .....  | 40 |
| 5. ACTION PLAN CONCEPT .....   | 43 |
| 5.1 Developing CSR Leaders .....   | 43 |
| 5.2 Intranet Integrated Platform for Social Projects .....   | 44 |
| 5.3 Increasing Visibility for Employees Engaging in CSR.....   | 44 |
| 6. CONCLUSION.....   | 45 |
| 7. ACKNOWLEDGEMENTS .....  | 47 |
| REFERENCES .....   | 47 |
| APPENDIX.....  | 52 |
| A. ADDITIONAL TABLES.....  | 52 |
| A.1 Sample interview quotes and definitions per conceptual dimension .....   | 52 |
| B. ADDITIONAL INFORMATION .....  | 56 |
| B.1 Multi-Criteria Decision Making (MCDM) Process .....  | 56 |

## **1. INTRODUCTION – THE NEED FOR RAISING EMPLOYEES’ CSR AWARENESS TO ENHANCE EXTERNAL REPRESENTATION**

Nowadays, companies are expected to perform in a social responsible way, which refers to not only acting in an economic way, but also taking the environmental and social impact of their business into account (Matten and Moon, 2008). The corporate social responsibility (CSR) of a company is increasingly requested by various stakeholders, like governments, societies, institutions, employees, customers, competition, or anyone who has an impact or is impacted by the overall performance of a company and receives increasing attention in academic literature within the last decades (Matten and Moon, 2008; Vaccaro and Madsen, 2009). Especially large corporations receive a lot of pressure to act as a corporate citizen; simultaneously taking care of its people, planet and profit in a sustainable way (Freeman and Hasnaoui, 2010). Several scandals of huge well-known companies like apple, where the working conditions at its sub-contractor Foxconn led several employees to commit suicide in 2010, have caused an increased focus on the traceability of resources and production conditions throughout the entire supply chain (Matten and Moon, 2008). The digitalization also contributed to this development, as information, such as negative press revealing scandals, is spread rapidly and accessible worldwide through several media streams (Freeman and Hasnaoui, 2010). Thus, effective internal and external communication of CSR is essential to manage the corporate image (Schuler and Cording, 2006). The availability of negative and positive information raises the awareness about social responsibility issues and causes behavioral changes of stakeholders, forcing firms to focus on and rethink their business activities with regard to their social impact (Schuler and Cording, 2006; Kim and Ferguson, 2014). Most firms engage in a combination of external marketing activities, like advertisement or redesigns of their corporate brand identity and logos, and internal actions, such as supply chain monitoring mechanisms, to create the image of a responsible corporate citizen (Morsing and Schultz, 2006). Employee awareness and commitment is essential to effectively communicate the image to the outside in an active (e.g. through advertisement, CRM) or passive (e.g. WOM) way

(Du et. al, 2010; Morsing and Schultz, 2006; Servaes and Tamayo, 2013), so that not only employees but also customers, will recognize the CSR performance of a company and might appreciate the added value so that they consequently favor those companies (Du et. al, 2010; Servaes and Tamayo, 2013). Vice versa a lacking recognition, e.g. caused by missing or inappropriate advertisement and communications, would hinder employees and customers to appreciate and reward the added value of a firm's CSR performance (Servaes and Tamayo, 2013). Thus, firms, that fail to communicate their CSR performance effectively, miss the opportunity to reach their internal and external stakeholders, which might increase the firm's value (Du et. al, 2010). The loss of business opportunities might be even more serious if the CSR performance represents a competitive advantage. Consequently, raising internal awareness among employees is an essential precondition to achieve effective CSR communication.

The existing field of CSR studies predominantly focuses on the external stakeholders of corporations. Even though consensus about the relevance of employees as key stakeholders and drivers of effective CSR performance exists among researchers and practitioners, only few studies address the internal management of CSR performance. Existing studies deal with the internal implementation of CSR initiatives, others cover the participation and engagement of employees, but no specific study addresses the question how internal CSR awareness and related communication can be managed effectively. This master thesis research project seeks to close the research gap and aims to shed light on issues of internal CSR communication based on the case of a German-based ICT subsidiary. Therefore the following research question should be answered:

*How can the internal communication of CSR performance be improved to raise awareness about the CSR performance among internal stakeholders (of a German ICT subsidiary)?*

In order to provide an answer to the RQ, the following three sub-questions are considered:

1. How is the internal awareness and expectation about the CSR performance and internal CSR communication (among different employee groups/hierarchical levels)?
2. What information gaps exist between the actual CSR performance and the internal awareness of CSR performance and the expectations?
3. How can the current CSR communication be changed to close the information gaps to meet internal stakeholder expectations?

The research objective is to provide a solution concept on how to improve the CSR communication to effectively communicate CSR performance to the internal stakeholders of the German ICT subsidiary. In order to achieve the objective, the project is performed according to the business

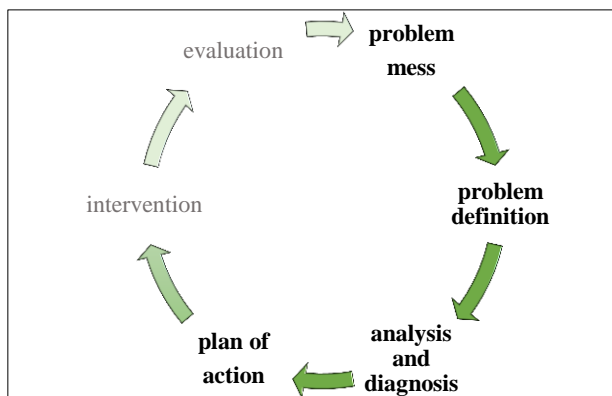


Figure1: The regulative cycle (Van Strien, 1997)

problem-solving theory of Van Aken, Berends and Van der Bij (2012). The theory is based on the regulative cycle by Van Strien (1997), representing a six-stage process which is shown in Figure 1. The project does not cover the entire cycle due to time and resource constraints, but focuses on the first four stages: (1) considering

the problem mess, (2) defining the problem, (3) analyzing and diagnosing the problem and possible solution and (4) developing an action on how to solve the problem. The execution of (5) an actual intervention and (6) evaluation remains the responsibility of the organization (Van Aken et. al, 2012).

The problem investigation is used to derive propositions about the factors that impact the effectiveness of internal CSR communication and how CSR communication can be managed to raise awareness about CSR performance among employees.

## **2. LITERATURE REVIEW – CSR MANAGEMENT, THE ROLE OF EMPLOYEES AND INTERNAL CSR COMMUNICATION**

### **2.1 The Concept of CSR Management and Performance**

The concept of corporate social responsibility (CSR) received increasing attention in the academic literature with the last decades. The term CSR refers to the idea that firms perform in a social responsible way, which includes the consideration of economic, environmental and social impacts of their business activities (Matten and Moon, 2008). Referring to Carroll's (1991) CSR pyramid, a firm's activities can be categorized according to their CSR relevance based on four responsibility layers. The basis is represented by economic responsibilities, followed by legal responsibility. The third layer represents ethical responsibilities while the top layer represents philanthropic responsibilities which refer to "be[ing] a good corporate citizen" (Carroll, 1991, p.42). Although, the categorization may not fit every organizational context (Visser, 2006), the ideal case of fulfilling all four responsibility layers represents the aim of many corporations, like the studied German-based Japanese ICT subsidiary. Considering the various stakeholder groups, like governments, societies, institutions, employees, customers, competition, investors or anyone who has an impact or is impacted by the overall performance of a company is the key element of managing CSR (Matten and Moon, 2008; Vaccaro and Madsen, 2009). The relevance of CSR has been indicated by businesses as one of the core aspects of their current agendas (Maon, Lindgreen, and Swaen, 2009), as they realized the need to integrate CSR in their strategic planning activities, develop CSR strategies and align CSR activities with organizational goals and strategy. The motives for corporate CSR engagement and activities can be intrinsic, meaning that CSR is performed in order to fulfill the experienced responsibility for society and a higher purpose, or extrinsic, which assumes that CSR is put on the agenda in order to contribute to profit and value maximization objectives, so that it mainly serves a marketing function (Matten and Moon, 2008). A range of authors have tried to find proof for a positive impact of CSR engagement on financial performance, but the study outcomes still do not find consensus as CSR is a vague, hard-to-define concept which is hardly measurable (Berman,

Wicks, Kotha and Jones, 1999; Okoye, 2009; Du et. al, 2010; Garriga and Melé, 2013). Several standards have been developed which aim to provide guidelines for businesses on how to implement and measure CSR (Runhaar and Lafferty, 2009). The problem of measuring and providing transparency about the financial contributions of CSR engagement is based on the nature of measurements representing mainly soft factors, like employee satisfaction or customer loyalty (Vlachos, Panagopoulos and Rapp, 2013). The soft CSR factors cannot easily be represented in quantitative or monetary terms. However, CSR engagement is related to the creation of positive perceptions of external and internal stakeholders, thus being assumed to impact the corporate image as well as the corporate identity. Consequently engaging into CSR can represent a (sustainable) competitive advantage and long-term business success (Porter and Kramer, 2006).

## **2.2 The Impact of Employees on CSR Management**

Although the field of research on the relevance and impact of different stakeholders for CSR received increasing attention within the last decade, the role of an essential stakeholder group, the employees remains relatively under researched (Slack, Corlett and Morris, 2015). Lee, Park and Lee (2013) investigated perception of employees about the CSR performance of their firm and its impacts. The employees' awareness about CSR performance and their involvement has an impact on corporate performance as it has positive external effects on the image in terms of communication and reputation as well as it contributes internally by producing employee satisfaction and attachment to the company (Lee, Park and Lee, 2013). More particularly the researchers found that (1) a perceived fit between CSR performance and the corporate culture, and (2) perceived CSR capability both have a positive impact on employees' perception of CSR performance. Moreover (3) employee perception of CSR has a positive effect on employee attachment to the firm. (4) The perception that employees have about CSR performance and (5) employee attachment both have a positive impact on perceived corporate performance. Therefore, the authors found that CSR perception fully mediates CSR capability and corporate performance and attachment partially mediates CSR perception and



performance even though it does not have a full mediating effect. The concluding managerial implications include the need to communicate the extent and details of CSR engagement to employees in a clear and consistent manner in order to create a perceived fit between CSR activities and corporate culture and performance. One of the key challenges here for manager is to enhance the proximity of employees to CSR activities, eliminate unawareness and enable active involvement. Thus, it is assumed that awareness and employee involvement, which is also referred to as engagement or participation in the following, are related.

The importance of active involvement is also suggested by Morsing (2006), who investigated the relation between a moral corporate brand and employees' attitudes. The author found that a moral corporate brand on the one hand creates a positive external image and internally enhances employee identification, loyalty and internal commitment, while on the other hand may produce negative associations as well. A moral corporate brand requires the entire organization and its members to "speak with one voice" (Morsing, 2006, p.106). The uniformity of the corporate brand is associated with positive external image effects as the organization is perceived by external stakeholder in a consistent way as moral and responsible. However, ensuring consistency among all activities and parties to represent the moral corporate brand is likely to be associated with normative control which impacts or even prescribes the organizational employees' thinking and may thus represent a barrier to innovation and cause demotivation. The negative aspects of the moral corporate brand can be minimized through active involvement of employees in the creation of the corporate brand.

Chen and Hung-Baesecke (2014) also discuss the participation of employees in CSR topics and investigate the impact of leadership styles. The findings suggest that managers should simultaneously apply three leadership styles in order to enhance the participation and reduce criticism towards CSR initiatives as they impact CSR participation directly or indirectly. The

leadership roles are (1) role-modeling, meaning that the manager leads by providing behavioral examples in the first instance, (2) advocacy, where the manager advocates CSR and (3) facilitation of employee participation through incentives and trainings. The importance of having a leader that promotes CSR is discussed by several authors (Angus-Leppan, Metcalf and Benn, 2010; Vlachos, Panagopoulos and Rapp, 2013). Moreover CSR activities need to be in line with corporate culture, linked to the corporate purpose and created and implemented jointly with employees. Relevant organizational drivers for employee engagement are effective internal communication, incentives, participation of the organization as a whole and management support. Personal drivers of employees include the positive perception of organizational CSR commitment, individual needs and interest and a low amount of perceived participation barriers (Vlachos, Epitropaki, Panagopoulos and Rapp, 2013).

Slack, Corlett and Morris (2015) conducted a case study research on employee participation in CSR activities and found that the engagement varied a lot among employees. They discussed the different types of employees concerning their CSR engagement as well as the inhibitors. The reasons for different degrees of involvement are mainly organizational context impediments like poor communication, a perceived weak and low visibility of CSR culture and embeddedness into the daily business lives, and lack of strategic alignment of CSR to business and personal objectives. Referring to Hemingway (2005) employees can be categorized as:

*Active CSEs* (Corporate Social Entrepreneurs), which are supported by the corporate culture, who exhibit strong organizational citizenship, engage in organizational CSR satisfying personal needs. They represent reciprocity between organizational and personal gain. *Frustrated CSEs* are socially motivated but perceive a missing organizational culture to outlive their social engagement. *Conformists* do not feel any connection to social responsibility. *Apathetics* neglect CSR and related values as well as they do not see the employee's social duty.

Other authors (Rodrigo and Arenas, 2008) distinguish between *committed* employees, *indifferent* employees and *dissident* employees. Hagenbuch, Little and Lucas (2015) recently made a first attempt to gain a better insight in the expectations of (prospective) employees and their perspective on how to be involved in CSR activities. However, this field of study remains under-researched and might need to receive more attention in future studies.

Consequently, academia assumes that it is essential to achieve commitment and engagement of employees for CSR performance. Therefore, communicating CSR topics effectively to employees in order to enhance their awareness and engagement into CSR, while simultaneously providing opportunities for engagement is a key activity.

### **2.3 Managing Internal CSR Communication Effectively**

The current field of CSR communication studies that address internal communications and employee awareness is very limited. A few authors investigated the process of internal CSR communications. Maon, Lindgreen and Swaen (2009) developed a review of CSR integration models that provide guidelines on how to design and implement CSR processes within companies. The reviewed CSR integration models all include communication of CSR activities and results of CSR implementation as final elements of the process. Thus communicating the current state of CSR implementation internally and externally is an essential part of the CSR performance of a firm and contributes to its perceived value by stakeholders. This fits the contribution made by Du, Bhattacharya & Sen (2010) who came up with a CSR communication model on how to implement effective CSR communication. They presume that a firm already has developed its CSR strategy that needs to be communicated in an appropriate way to increase the perceived value of the firm. The model fits the contingencies of the German-based Japanese ICT subsidiary as it deals with key challenges, message

contents, channels and stakeholder specific aspects so that it can be adjusted to an individual case while still providing a guideline on which aspects to focus to make (internal) communications effective. The CSR communication process given by Du, Bhattacharya & Sen (2010) includes four aspects that need to be addressed:

*Generating favorable CSR attributions (key challenge)*, which is reducing stakeholder skepticism. Here a distinction between extrinsic & intrinsic motives of a company to engage in CSR activities is essential to understand the effects that the different types of motives can have from a stakeholder perspective. Extrinsic motives refer to those, like marketing, which aim to benefit company returns, while intrinsic motives relate to serving a “higher” purpose, like welfare. If a stakeholder has the impression that a firm performs CSR and related communication in order to serve extrinsic motives, a negative perception is created. If, however the stakeholder assumes a mix of extrinsic and intrinsic motives to drive CSR performance of a company, a positive perception occurs as the stakeholder gets the impression of a win-win situation (Story and Neves, 2015). Through “acknowledging both intrinsic and extrinsic motives in its CSR communication, a firm can inhibit stakeholder skepticism, enhance the credibility of its CSR message, and generate goodwill” (Du, Bhattacharya & Sen, 2010, p. 10).

*Message content*, referring to the “what” that is communicated. Here, four elements need to be considered. First, the CSR commitment to a social cause, representing the input side, should be communicated. How much is put in (amount of resources), for how long (duration) and how consistent is the input over time (consistency)? A long-term commitment, which is consistent, causes a more positive perception. Second, the CSR impact in a social cause, which represents the output side, needs to be presented to show what impact the input of commitment has on the addressed social cause. Then, third, the CSR motives should be included in the message content. Not only intrinsic

motives, but also extrinsic motives should be addressed to enhance the credibility of a company's CSR communication and inhibit stakeholder skepticism. The convergence of social and business interests should be emphasized. Finally, forth, a CSR fit, referring to a perceived congruence between a social issue and the company's business should be given and stated in the CSR message. Communicating CSR activities, which do not seem to fit the given business, causes the message receivers to question the credibility as they usually do not believe that firms solely follow intrinsic motives. Therefore the CSR activities should be somehow related to the business within the message.

*Message channels*, so where to communicate. Message channels can be distinguished according to the company's ability to control the communication. Company controlled channels include official documents (e.g. annual responsibility reports, press releases), a dedicate part of its official website to CSR, TV commercials, magazine, billboard advertisements, product packaging and the like. External communicators, which are outside the reach of a company's control, are media, customers, monitoring groups, consumer, forums/blogs and several other stakeholders communicating about the CSR performance of the company. A trade-off between the controllability and credibility of CSR communication exists, so that the less controllable the communicator is, the more credible it is, and vice versa. Here the role of employees is crucial as Word-of-Mouth (WOM) is perceived as one of the most credible, influencing and far reaching information sources. With regard to internal CSR communication the message channels can also vary. Employees might access outside information sources that present the CSR performance of their firm. This might also have an impact and shape their perceptions about the CSR performance of their employer.

*Moderators of communication effectiveness*, including the factors that have an influence on the effectiveness of CSR communication, where the authors distinguish company-specific and stakeholder-specific factors. The company specific factors are the corporate reputation, which can

e.g. be based and differ according to the industry (firms in the chemical industry might be considered more environmental influencing than consulting companies), and CSR positioning (a firm that has positioned itself as THE social firm in the industry is perceived more credible when communicating CSR than a firm that recently was claimed for disregarding human rights). Stakeholder-specific factors involve the stakeholder type, issue support and social value orientation. Stakeholder types include opinion leaders like business press, NGOs, investors, etc. which should be addressed in a proactive way, and the general public like consumers or local communities. Here the given model of Du, Bhattacharya & Sen (2010) will be adjusted by the inside-out approach of CSR communication from Morsing, Schultz & Nielsen (2008), who assume that CSR communication need to be addressed directly to a group of experts, including employees, who then indirectly communicate CSR performance to the general public. So it will be assumed that the general public should mainly be addressed through the communication by experts. Issue support, as stakeholder-specific factor, considers the stakeholders motivation to process the CSR motivation. To enhance the motivation, companies need to explain and communicate the importance of their CSR activities and involve stakeholders in the selection of activities and projects. Here also the CSR fit should be considered. Finally the social value orientation entails three types, the pro-social, individualistic and competitive stakeholder. The pro-social type is most likely to process the CSR information as he cares for others compared to the individualistic and competitive type.

Aspects of the presented are considered to analyze the current and develop an adjusted, effective CSR communication concept. However, it is essential to also discuss and consider the model of Morsing, Schultz & Nielsen (2008) which is based on a study of firms in Denmark, on how to effectively communicate CSR to stakeholders. The model is considered an inside-out approach, relying on employees as key stakeholders which need to be addressed first and which are essential to effectively communicating CSR to the outside stakeholders in the second stage. Moreover, they distinguish two communication process types based on two different groups of recipients, (1) elite

readers and (2) the general public. Elite readers are referred to as experts, including employees and other experts who should be directly addressed through the “expert CSR communication process”. The general public should rather be addressed indirectly through the “endorsed CSR communication process” which relies on the commitment and communication by experts, as this stakeholder group relies on the knowledge and opinion of experts. The assumption that employees play an essential role in the CSR communication process is in line with the findings of Du, Bhattacharya & Sen (2010). Therefore the focus is on the “expert CSR communication process”.

Concluding on the literature review, relevant aspects of CSR management include an effective approach to address and involve internal stakeholders in order to transmit relevant information about the CSR performance to the external environment. Internal as well as external stakeholders mostly perceive CSR as relevant and value adding so that firm value can be enhanced through positive associations. Therefore the field of CSR management assumes the involvement of employees as crucial. The appropriate leadership style, the commitment of (top) management, and the role of experts are important aspects for effective internal CSR communication driving employee awareness and involvement, which can also be referred to as engagement.

### **3. METHODOLOGY – EMPIRICAL PROBLEM ANALYSIS AND SOLUTION DEVELOPMENT**

#### **3.1 Research Approach**

Design-focused research has become a topic of interest for organizational management studies as it allows research to be directly targeted to an individual organization and specific business problems (Romme, 2003; Van Aken and Romme, 2009). The basis for this project is given by the design-focused and theory-based approach to business problem-solving of Van Aken, Berends and Van der Bij (2012). The approach aims to create a change plan to improve a given business system problem

by investigating the problem and coming up with solutions based on a theoretical foundation. Following the theory of Van Aken et al. (2012), the research included four stages:

1. The problem mess stage represented the basis for the research where the problem is experienced. This stage does usually not require further actions, but builds the starting point for the second, problem definition, stage.
2. The problem definition was created with the project principle (initiator of the problem-solving project), the Transformation manager of the CE region, and was supported by literature research findings.

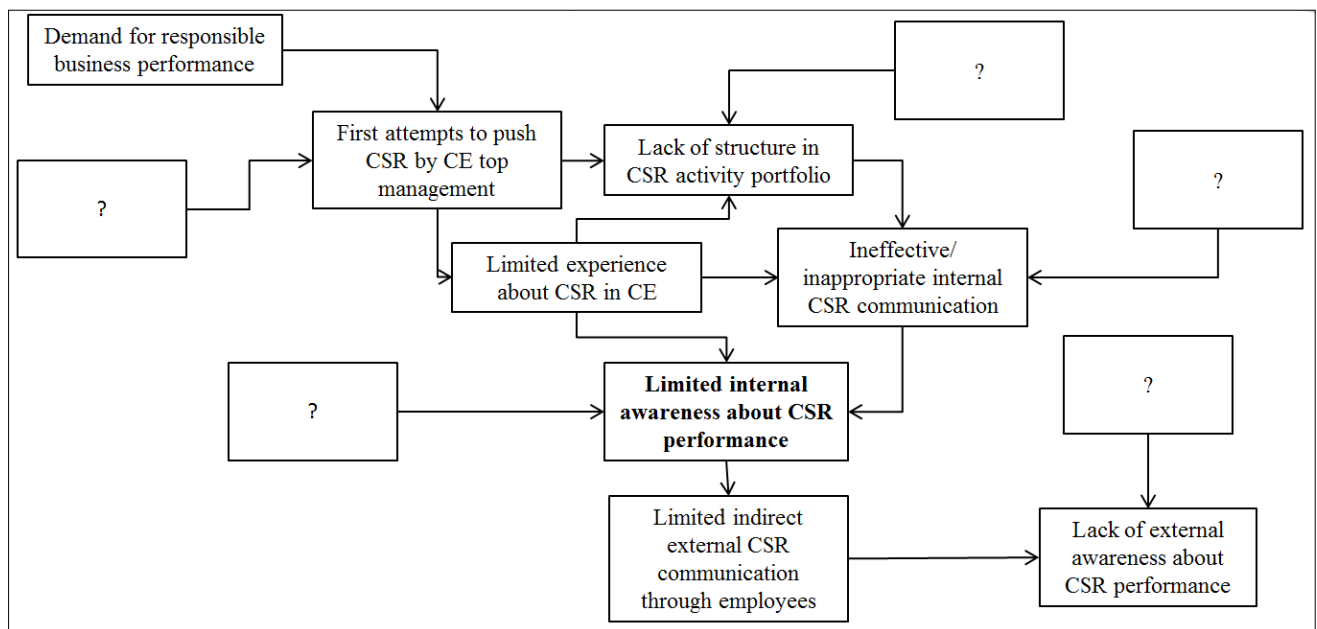


Figure 2: Problem mess of CSR awareness problem

3. The third stage, analysis and diagnosis, required the collection of data on the problem and possible solutions. The data collection process for the problem investigation included two phases. First, in order to get an overview about the CSR activity portfolio and communication a desk research and observations were performed, including the collection of documents and an online research of intra- and extranet websites. Moreover, employees who are responsible for the management of CSR activities were asked to provide information about the different activities and projects and related information sources. The existing CSR activities are clustered according



to different categories, defined by the organization. Second, employees at different levels within the German organization were interviewed about the communication of CSR and their perception/awareness. The interview questions were developed in accordance with the CSR activity portfolio and CSR communication theories. All interviews include open questions, were recorded and documented by taking notes. The interview protocols were then coded based on CSR activity categories that were identified in the first data collection phase. The findings about the existing CSR activities from the first phase were compared with the interview findings, so that gaps and related areas of improvement could be identified.

4. In the plan of action phase, potential solutions to the identified areas of improvement were developed through a combination of theoretical suggestions and employee suggestions which occurred during the interviews. As the problem is related to the effectiveness of internal CSR communication, theories on CSR communication represented a crucial element in the solution search stage of the project. The theories were used and adjusted to the specific conditions of the research project, which focuses on the internal CSR communication process. The CSR communication theories were used in order to come up with possible solutions which were analyzed and evaluated in workshop with CSR experts according to a multi-criteria decision making approach (MCDM) (Turskis and Zavadskas, 2011; Van Aken et al., 2012). The outcome was the identification of the best solution(s) representing the basis to develop a solution concept on how to change the given CSR communication concept to effectively communicate the actual CSR performance and raise awareness among employees.

## **3.2 Unit of Analysis**

### **3.2.1 Project Context**

Within the ICT industry, firms face high competitive pressure as prices of devices like notebooks, mobiles and tablets drop constantly and as most of the big industry players take advantage of low

labor costs through outsourcing their production to sub-contractors in low wage countries like China (Martinuzzi, Kudlak, Faber and Wiman, 2011; Van Liemt, 2007). This in turn, is in contrast to the CSR image communicated by most players. The ICT industry even plays a crucial role for the enhancement of CSR on a global basis as ICT technology innovations can contribute, for example, to the reduction of emissions from transportation, energy consumption, enhanced and sustainable workplace conditions and many more CSR aspects (Elliot and Binney, 2008; Ere, Zarnekow, Schmidt and Kolbe, 2010; Freeman and Hasnaoui, 2010; Martinuzzi, Kudlak, Faber and Wiman, 2011; Vaccaro and Madsen, 2009). Due to the increasing digitalization, ICT experts are increasingly required so that ICT companies face the challenge to attract talented and skilled workers. Therefore the players should not just focus on their image but rather perform responsibly. However, those firms who differentiate from competition because of fair production conditions need to present themselves as responsible and highlight their performance through effective CSR communication (Du et. al, 2010). One huge ICT provider, which is headquartered in Japan, currently faces the problem of ineffective internal and consequently external CSR communication, within the Central Europe (CE) region. The CE region includes Germany, Austria and Switzerland. Due to its ineffective CSR communication, the company might miss the chance to differentiate from competition as attractive employer and supplier through its CSR performance although the firm engages in CSR for more than 20 years. Especially within the German market, where the firm mainly serves clients from the public sector that have a high business impact due to high order volumes, effective CSR communication is essential to win bids, because European public procurers need to focus increasingly on CSR criteria within the supplier selection process during tenders (Beck, 2012; Brammer and Walker, 2011; Eßig and Thi, 2011; Steurer, Berger, Konrad and Martinuzzi, 2007). If the CSR criteria are not met, because of inexistence, unawareness or inappropriate communication, for example by sales representatives, huge business opportunities might be missed. Additionally, with regard to

demographic changes which have a huge impact in the Western European context, the firm might miss the chance to attract talented, highly-skilled employees.

### **3.2.2 Project Scope**

The focus was led on the CE organization with particular focus on the German market and internal stakeholders, as internal awareness and commitment is an essential precondition to effective CSR communication. Morsing, Schultz & Nielsen (2008) present an inside-out approach of CSR communication which assumes that CSR communication, in order to be effective, needs to be addressed directly to a group of experts, including employees, who then indirectly communicate CSR performance to the general public. So it is assumed that the general public should mainly be addressed through the communication by experts, like employees, in the second step of CSR communication. The relevance of the communication by experts represents the reason why the focus of this research project was only on the improvement of internal CSR communication (“expert CSR communication process”) as it represents the precondition to enable effective external CSR communication (Morsing, Schultz & Nielsen, 2008). The external part of CSR communication was out of the scope of this project.

## **3.3 Data Collection and Analysis**

### **3.3.1 Problem Analysis through Interviews**

In order to investigate the internal CSR awareness (based on the perceptions of CSR performance) and involvement/engagement problem in more detail, a total of 16 in-depth, semi-structured interviews were performed with employees from different disciplinary fields and business segments, 25% of interviewees were women and 75% men. The firm belongingness ranged from half a year to 34 years. The following table presents the function, gender, and firm belongingness in years of the interviewees:

| <b>Interviewee</b> | <b>Function</b>                                   | <b>Firm affiliation<br/>(years)</b> | <b>Gender</b> |
|--------------------|---|-------------------------------------|---------------|
| <b>1</b>           | Team Lead Presales Consultants                    | 7                                   | male          |
| <b>2</b>           | Account Manager                                   | 9                                   | male          |
| <b>3</b>           | Account Manager                                   | 20                                  | male          |
| <b>4</b>           | Sales Representative for Public Clients           | 3                                   | male          |
| <b>5</b>           | Account Manager                                   | 4                                   | male          |
| <b>6</b>           | Sales Representative for Public Clients           | 14                                  | male          |
| <b>7</b>           | Project Manager                                   | 16                                  | male          |
| <b>8</b>           | Lead of Channel Development                       | 27                                  | female        |
| <b>9</b>           | Regional Lead of Sales Segment for Public Clients | 31                                  | female        |
| <b>10</b>          | Junior IT Presales IT Consultant                  | 4                                   | male          |
| <b>11</b>          | Regional Head of HR                               | 24                                  | male          |
| <b>12</b>          | Senior IT Presales Consultant                     | 34                                  | female        |
| <b>13</b>          | Business Developer                                | 4                                   | male          |
| <b>14</b>          | Sales Representative for Private Clients          | 0,5                                 | male          |
| <b>15</b>          | Lead of Business Operations Management            | 3                                   | female        |
| <b>16</b>          | Regional Lead of Sales Segment                    | 28                                  | male          |

**Table 1: Interview participants**

Interviews were conducted in German, took between half and one hour, were recorded, transcribed and coded manually using a three step approach of (1) open, (2) theoretical and (3) selective coding into several different categories which link several sub-categories (Weston, Gandell, Beauchamp, McAlpine, Wiseman and Beauchamp, 2001; Basit, 2003; Van Aken et. al, 2012). Categories were developed based on the existing, internally defined CSR pillars adopted by the author as they cover all 4 layers of Carroll's (1991) CSR pyramid, based on categories of CSR communication from theory and self-developed categories representing problems that were found during the interviews. This

method allowed the author to compare the results with existing study findings, to investigate company specific needs and to identify additional aspects, which have not been considered before.

The categories and related sub-categories include (definitions and sample interview quotes can be found in Appendix A1):

| <b>Main categories</b>                  | <b>Sub-categories</b>  |   |
|---|--|---|
| <b>CSR engagement and performance</b>   | Perceived overall CSR performance and relevance for the organization |   |
|   | Personal relevance of CSR and expected CSR performance               |   |
|   | Perceived motives of organizational CSR engagement                   | Extrinsic   |
|   |  | Intrinsic   |
|   | Perceived CSR performance according to internal CSR pillars          | Environment                                       |
|   |  | Community Investment and Development              |
|   |  | Diversity and Inclusion                           |
| Wellbeing and Safety                    |  |   |
| <b>Perceived CSR awareness problems</b> | CSR communication problems   | Operating Practices                               |
|   |  | Message content                                   |
|   |  | Visibility and transparency of CSR information    |
|   | Organizational problems  | Accessibility and availability of CSR information |
|   |  | Budget limitations                                |
|   |  | Appropriate employee involvement                  |
|   |  | Structure and coordination of CSR activities      |

**Table 2: Interview Coding Categories**

Additionally the researcher had an observing role during her daily work within the company. She participated in team meetings of the CSR core team as well as within different project teams, so that she got an insight and was able to talk to employees of different teams, groups and functions.

### 3.3.2 Solution Evaluation through Multi-Criteria Decision Making

In order to identify the best solution or a combination of proposed solutions a multi-criteria decision making approach (MCDM) was applied (Turskis and Zavadskas, 2011). Therefore, a meeting with a team of five experts from different areas who are all involved in CSR topics was initiated. The project initiator, one IT Sales Consultant, one Business Developer, one communications manager, one HR representative and the researcher took part in the meeting. The researcher presented her ideas to the group. To evaluate the ideas according to MCDM, criteria were divided into two categories, two exclusion and six evaluation criteria. The evaluation criteria received different weights based on their relevance.

| Criteria                                    | Classification | Weight | Justification   | Measurement                                  |
|---|----------------|--------|---|--|
| <b>Compliance</b>                           | Exclusion      | -      | Compliance with corporate policies and processes is a prerequisite to realize a solution.   | Yes/No                                       |
| <b>Corporate culture fit</b>                | Exclusion      | -      | Fit with the corporate culture is a prerequisite to ensure that the solution can be realized and accepted.                            | Yes/No                                       |
| <b>Amount of resources needed</b>           | Evaluation     | 15     | As the realization is dependent on the required amount of resources, the criterion is moderately relevant for the solution selection. | Very low – low – moderate – high – very high |
| <b>Appropriate involvement of employees</b> | Evaluation     | 25     | The success of the solution is dependent on the appropriate involvement of relevant parties, which means that                         | Very high – high – moderate – low – very low |

|   |            |    |  |  |
|---|------------|----|--|--|
|   |            |    | people/employees who are involved in a way that suits their needs and wants. Thus, it increases the potential to reach more employees and raise awareness so that the criterion is very important. |  |
| <b>Extent of risk</b>                       | Evaluation | 10 | As the success of implementation is dependent on the risk associated with the solution, the criterion is certainly relevant for the solution selection.  | Very low – low – moderate – high – very high |
| <b>Degree of continuity/Long term focus</b> | Evaluation | 10 | Awareness should be raised not only on the short term but should be maintained in the future.  | Very high – high – moderate – low – very low |
| <b>Feasibility</b>                          | Evaluation | 20 | The project should not only be a theoretical concept but should be realizable.   | Very high – high – moderate – low – very low |
| <b>Potential to reach many employees</b>    | Evaluation | 20 | The objective of solutions is to raise awareness among employees about the CSR performance so that this criterion is crucial.  | Very high – high – moderate – low – very low |

**Table 3: MCDM Exclusion and Evaluation Criteria**

The selection criteria were presented to the group and the ideas were discussed in relation to the criteria, so that they could be measured on a five-point-scale from very low to very high. After the meeting, the researcher assigned scores to the given measurement indication per criteria ranging from 0 to 100 points. The best indication received 100 points and the worst 0 points. All other indications inbetween received scores according to equal range distributions between 0 and 100 which is shown by the following example:

**Amount of resources needed:** If “low amount of resources” is highest (or best) assigned value =100, and “very high amount of resources” is lowest (or worst) assigned value =0, then “moderate amount of resources” receives =66,6 points

| Very low       | Low                 | Moderate    | High        | Very High            |
|----------------|---------------------|-------------|-------------|----------------------|
| Not assigned   | Best assigned value |             |             | Worst assigned value |
| Not considered | 100 points          | 66,6 points | 33,3 points | 0 points             |

**Table 4: Example of score assignment**

The first assessment was then sent to the group in order to be checked for consistency and internal agreement. Based on feedback the first assessment was slightly adjusted, allowing the researcher to calculate final scores for each solution by multiplying the criteria weight with the individual criteria scores and summing the scores up. The criteria, weights, scores per criteria and final score for each idea are presented in the findings section.

#### **4. FINDEINGS – THE RELEVANCE OF COMMUNICATING CSR INTERNALLY THROUGH APPROPRIATE EMPLOYEE INVOLVEMENT, CHANNELS AND CONTENTS**

##### **4.1 Insights from Employee Interviews**

##### **4.1.1 Current State of Internal CSR Awareness and Involvement**

The interviews revealed the current perception or degree of awareness that employees have regarding the overall CSR performance of the company as well as the performance considering the five internally defined CSR pillars (1) Environment, (2) Community Investment and Development, (3) Diversity and Inclusion, (4) Wellbeing and (5) Operating Practices. Moreover the perceived motives for the company’s CSR engagement as well of the involvement of employees in CSR topics were



discussed. Finally the interviews revealed additional elements that have an impact on the awareness, such as undefined, unclear communication and documentation structures, limited financial and human resources and a lack of visibility and accessibility of CSR information.

The perception about the overall CSR performance revealed that all interviewees were aware of the existence of CSR activities. They mainly perceived the company as a very social employer, especially with reference to competitors in the IT industry, and assumed a good general CSR performance which was mainly perceived to be related to (1) a high engagement in environmental performance and sustainability and (2) to working conditions, as the company produces predominantly in Germany or Japan where national labor standards are high.

*“The topic got on the agenda and started to become transparent about 12 months ago, before it I didn't hear anything about it internally. What I realized is that they started to focus on "Made in Germany", what makes us proud and belongs to the CSR concept but was not called like that before. CSR is highly important to us. It is part of our company, our DNA, our value proposition, our self-perception.”* (Team Lead IT Presales Consultants, 2015)

*“It is a top management driven topic of high relevance, centrally driven and positioned at different hierarchical, as well as, regional levels. I think many employees do not know that they already do a lot concerning CSR. They do it naturally. I think it is related to the Japanese culture and its values to perform sustainable on the long run. Other competitors act more short-term oriented. The human being plays a different role for us than for competition. It is a long-term approach.”* (Account Manager, 2015)

*“A variety of aspects are covered and driven in an innovative and sustainable way, especially compared to other firms. One example is a mother shift approach in Augsburg. We highly focus on the environmental impact through recycling and energy saving concepts. Social aspects are also covered for example through White IT [an initiative to fight child porn and abuse] and the integration of a sheltered workplace in our supply chain. It is a broad approach. It is not about collecting three donations per year. We are clearly better than competition as topics like security, inclusion, environment and society are strongly driven by the company.”* (Lead of Channel Development, 2015)

The topic is very important to the employees and they perceive the development as positive showing

However, the awareness of CSR performance varied a lot among the different CSR pillars:

### **Environment**

The interviewees showed a high degree of awareness and perceived the environmental engagement of the firm as very high. They pointed at the long-term engagement which can be traced back to the 80s and which is perceived as a differentiating factor from competition. The firm was perceived to have a first mover role and thus competitive advantage due to long-term environmental performance, which includes recycling concepts and energy efficiency along the entire product life cycle and supply chain, which one Account Manager stated that way:

*“Green IT is one of the key words that differentiate us from competition. We really treat our resources carefully and do not only fulfill certification requirements but follow a holistic approach along the entire supply chain and exceed expectations. We were a first mover in this field. And this is also visible in our daily business life, for instance concerning the use of paper.”*

## Community Investment and Development

The awareness about activities such as sponsoring, charity or corporate volunteering was quite low. When asked, most interviewees stated that they assume that the company is doing such things but mostly they were not sure about it. Some knew that certain activities are performed from time to time, but also claimed that these are only one-time-events and not based on a sustainable long-term approach, as the Lead of an IT Consulting Team describes:

*“In Japan, they are very strong but I don't see it happening here in CE (Central Europe region, including Germany, Austrian, and Switzerland). It is only done selectively in terms of one-time moves.”*

The reasons perceived by the employees are mainly based on limited financial resources and the focus on sales arguments as the Head of a Regional HR Function claims:

*“Although we are a big company, we had to neglect the topic within the last years because of lacking financial resources. However we work closely together with education organizations for a long time. We could do more if we would see our responsibility instead of primary focusing on the exploitation for sales arguments. The initiatives are mainly punctual, not sustainable and not comprehensive.”*

An Account Manager points at the positive aspects the company is already engaged in and states that the company is currently driving the topic:

*“Sponsorships, charity and volunteering are topics that we do. We performed quite badly here some time ago here, due to restructuring and cost issues. I think we become better, for example with the company runs and the like, not only here in Berlin but also all over Germany. Moreover we*

*are an employer who educates students, apprentices and trainees and work in education committees which go beyond the economic contributions.”*

These findings fit the observations made by the researcher in her daily business activities and discussions which revealed that the topic is subject of upcoming projects, which aim to include corporate volunteering initiatives and employee engagement, in order to drive its development.

### **Diversity and Inclusion**

The awareness of diversity and inclusion initiatives is moderate. The interviewees mainly perceived this topic to be related to the social culture of the firm and stated that it is part of the employees' mindset that they do not make a difference between any kinds of person. Many refer to the sheltered workplace which the company has integrated into its supply chain since about 20 years and which is closely located to the German production site. However, not all were aware of this workplace and they also did not perceive a specific focus on events or project that specifically deal with the diversity topic. The Leader of a Channel Development Team states:

*“Here, more could be done. I know that we have a representative for equal opportunities and that there was a talk on equality of women recently. We also have colleagues and managers that are responsible for the topic and drive it. In general the topic is part of an employee's mindset. Concerning disabled people I cannot really state something.”*

Or a Project Manager for one product segment claims that he *“cannot say a lot here”* and does *“not know if [the company] puts a special focus on that”*.

## **Wellbeing and Safety**

The interviewees have a quite high awareness about wellbeing and safety initiatives and refer to the cooperation with the firm related health insurance company that provides programs like back problem- or stress prevention, psychological consultation for example in case of burnout syndromes.

As the Leader of Channel Management states:

*“Security is a huge aspect, especially in our production because the risk is higher. Prevention programs for office or sales employees exist, such as safe driving training or eye examinations. I think we also have programs for back problem prevention, sport programs and psychological advice. Once we offered yoga but the reactions were very limited. You cannot force everyone but overall it is driven by our management”*

It indicates the management support and relevance of health care and security issues, but also points at the importance of the individual employee to engage and self-effort. Here one Lead of a Sales Segment refers to the communication problem:

*“We do things here, but the participation of employees is often low because of the communication. It is always through internal e-mails of which we receive several per day so that not everyone reads all of them.”*

## **Operating Practices**

Operating practices, such as the compliance with labour standards, ethics along the supply chain and compliance issues in general, were perceived as a strong feature of the company and the interviewees showed a high degree of awareness, representing the importance for the company, discussed by a Business Developer:

*“Ethics, compliance and a culture of honesty? I would sign that. It is also part of our culture. We take care that suppliers comply with our standards, our code of conduct. It is one of our differentiating factors from competition.”*

The importance becomes even clearer by the statement of a Sales Representative for Public Clients:

*“I think we are very good here. The compliance department takes claims seriously and investigates it. This is the differentiating factor from the Americans. Here Germans and Japans are similar and the cultures fit.”*

Thus, ethical operating practices and compliance is relevant for the employees and created a positive perception.

### **Motives for Corporate CSR Performance**

Throughout the interview process it became clear that the cultural background of the company has an essential impact on the CSR engagement. Most employees see the Japanese, as well as the fit with the European culture as the main motive for CSR engagement as they are related to awareness about the scarcity of resources and the need to take responsibility for the overall impact of business activities, which becomes clear by the statement of a Sales Representative:

*“It is nothing that you write it on presentation slides and that's it. The primary motive is societal recognition. That you stick to your production site in Germany with a regional focus, which is costly, shows that CSR is not a marketing tool”*

Therefore it can be assumed that the employees perceive an intrinsic motive as the primary reason for CSR engagement. Some interviewees also point at CSR engagement in order to create a sales

argument and drive revenues, which would be considered an extrinsic motive, thus serving a primary business objective as one Account Manager states:

*“We do it because we expect to have a competitive advantage from that at one point. And if you don't do it you will have a disadvantage in turn.”*

In sum the interview results indicate that the employees see both motives as relevant, however perceiving the cultural argument as the dominating motive, which allows employees and others to identify with the company and its values, referring to the statement of the Business Developer:

*“You allow your employees to be proud of the company, its values and its social responsible behavior. This also creates a differentiating factor through values.”*

And as the Leader of Business Operations Management points out, *“it is part of the culture and identity. If we would do it because of marketing reasons we would communicate it a lot more and talk about it more often.”*

This statement underlines the need for improving the communication and related weaknesses. The Project Manager claims that the *“internal and external CSR communication is weak. We could communicate more because it is not communicated enough. Moreover the information is highly unstructured. A high effort is needed to search and find information”*, indicating that information need to be visible and easily consumable in order to be effective.

### **Revealing Underlying Problems of CSR Communication and Engagement**

The problems related to the awareness gaps discussed by the interviewees indicate that one of the main reasons is based on the unstructured approach of providing information. It is difficult to find

information as there is no direct link on the intranet site, information is hidden in the internal e-mails that often do not reach most employees or employees are only aware if they are personally involved in the initiatives. Thus problems refer to the transparency, visibility and availability of information and were requested by employees to be improved. The interviewees also stated that they expect CSR topics to have a strategic relevance and should be driven and communicated by top and middle management, as they generally have a role model function. Therefore, responsibilities and central coordination of topics need to be clearly defined, as well as leadership plays an essential role, as discussed by an Account Manager:

*“The Management has a role model function and should drive the development as CSR is a process, not a status. I think we here in CE are a bit lacking behind and have to understand what we already do and how to follow a holistic approach. But since the transformation manager took over the topic several months ago, the topic becomes more visible.”*

Moreover, it is a question of involvement of the individual employees. As stated earlier involvement and engagement are difficult if the communication is not effective and a final concern here refers to budget and investment limitations. One Sales Representative claims:

*“Some years ago we got on the black list of green peace. I have no clue why, because we are now listed under the top five of the Greenpeace Cool IT Leaderboard, but this was a typical example for a communication problem. We could definitely do more here but it is of course a question of budgets. Many things, like trainings are often performed in a half-hearted way because of lacking financial resources although it's essential for our daily business.”*

Budget and investment limitations are a hindering factor, not only to communicate CSR information effectively, but also to show the willingness and importance of CSR engagement. Some interviewees



claim that CSR initiatives have been reduced within the last years, such as sponsoring or related events, making it difficult to engage, as the HR Leader points out, that *“although it is a big company, we had to neglect those topics within the last years because of financial resources.”*

These issues need to be addressed by the recommendations for changes in the current CSR communication, especially because all interviewees perceived CSR engagement and a social firm culture as highly important, not only within their daily business activities, but also concerning their private lives. They further referred to the social firm culture and its responsible behavior as one of the reasons for their employer choice. Referring to an Account Manager:

*“I expect that CSR is part of the mission and vision of the company and its strategy. It should not be a one-time effect but long-term sustainability. That one sticks to the approach also in times of crisis. The human being has a central position, because this is what it is all about in the interaction with society. It also says something about the corporate culture and has to do with identity. That is why it is also important for me. Either you can identify with the values or you cannot.”*

*“I expect that a company lives what it communicates to the outside, even if it has a strategic background. The employees have to experience it. The general understanding should be that our employees are the most important asset. The topic is very important to me and I could not imagine myself working for a company which does not care about its social impact.”* (Regional Head of HR Function, 2015)

*“As a consumer, I expect from a socially responsible company that products might be a bit more expensive but are therefore of high quality standards. I expect that such a company lives according to the things it says and promises along the entire value chain. I expect that a company*

*invests the needed effort and resources to prove that promises are met. The same counts for the inside view as employee. I expect that not only product related processes are sustainable and responsible but also for example the purchase of facilities.”* (Team Lead of IT Presales Consultants, 2015)

Thus, the employees value CSR performance and consider it as an essential and relevant aspect of business activities. Moreover, they expect a holistic approach of CSR engagement and that it is incorporated in the corporate culture.

### **The Involvement Challenge**

One remarkable finding is related to the expectations employees have concerning their involvement in CSR activities. Although the CSR literature as well as the company's management assumes employee involvement in CSR topics as highly relevant, some of the interviewees did not feel the need to be involved even though CSR was important to them. The same was true for other employees the researcher met and observed during daily work of the research project. Those who did not see the need for being involved into CSR planning or execution claimed that they would rather leave it to experts as they expected them to “*do a good job*”. CSR researchers, like Morsing, Schultz & Nielsen (2008), Lee, Park and Lee (2013) or Chen and Hung-Baesecke (2014) predominantly point at the importance of getting employees involved in the firm's CSR performance and the selection and identification of (social) projects and activities in order to reduce their skepticism, generate positive associations and commitment, which was in line with the assumptions of the CSR management and core team. However, the interviews and observations revealed that the involvement assumption might not generally be applicable. Some employees even felt that CSR involvement would cause too high additional efforts that they could not handle during their daily work. They did not reject CSR involvement because of skepticism, disinterest or frustration as it is assumed by the studies of Hemingway (2005), Rodrigo and Arenas (2008) or Slack, Corlett and Morris (2015) on CSR

engagement roles; they were rather enthusiastic and positive about CSR and their company's performance in general, but because of lacking time or experience and the belief in the value given by CSR experts, they would reject CSR engagement. Thus a company might not always need to try to involve every employee in order to raise his or her awareness for CSR. Referring to goal-setting theory, one can assume that not everyone needs to participate in decision making, however informing people is essential (Locke and Latham, 2002). The relevance of involving the right people, developing CSR leaders and thereby creating and implementing effective CSR activities which are communicated in the right way plays a more important role here and should be considered in further research on CSR communication and engagement. Even though Hagenbuch, Little and Lucas (2015) made a first attempt to investigate employees' perception about their involvement, they based their study on prospective employees and their impressions about the importance of different CSR integration approaches. Thus more research is needed to shed light on the question whom to involve and how to involve them most effectively.

#### **4.1.2 Recommendations for Changes/Solutions**

Suggestions from interviewees for improvements have been categorized according to message contents and –channels.

##### **Message contents**

The interviewees were predominantly interested in environmental topics even though this represents the pillar with the highest degree of awareness. The reason for that is the relevance for daily business activities with clients so that it should be part of the communicated content. Moreover a high interest is in community investment and development as this topic is little known by the employees but essential in order to fulfill the objective of being a good corporate citizen. Diversity and Inclusion topics are less relevant as well as wellbeing and safety as employees felt relatively good informed

about it. Operating practices represented an interesting topic which the interviewees wish to include in communication activities, especially with regard to the traceability of the supply chain and supplier audits.

The interviewees pointed at the importance of addressing the existence of current project, the status, related decisions and reasons for decision making. It is essential to provide transparency. One Sales Representative demands:

*“It would be good to inform employees earlier regarding the strategy, the programs and projects that are planned.”*

The statement of an Account Manager during the discussion of CSR engagement motives clearly shows the need to present the reasons for decisions in order to create transparency:

*“Here in CE I am not sure if we engage in CSR because of an economic reason or we really just do it because we feel responsible for the society. We do it because D. (head of EMEIA region) said so. I am not sure if we follow an economic objective or not.”*

Consequently, CSR communication should provide transparency and transmit an understanding about the projects which are currently performed in order to make employees aware of the CSR performance. Moreover it is essential to direct the message more to the individual needs, so that employees feel addressed.

### **Communication channels**

As the interviewees claimed the importance of integrating the topic at the top- and middle management level as well as budget limitations, communication recommendations include the integration of CSR topics in the following communication channels:

- Creation of CSR page and integration of direct link on the main intranet page
- Newsletter on CSR topics
- Integration in town talks of managing directors
- Integration in team meetings/calls

*“I think we could do more. It has to be on our webpage because this is what the employees use. Almost no one reads the news (e-mails). Moreover it should be addressed in the Town Talks of our managing directors in the different units. They would reach many employees with low effort and resources.”*(Head of IT Presales Consultants,2015)

The employees could be addressed best by face-to-face communication or communications from supervisors, supported by technical IT-based communication channels to transmit messages (Te'eni, 2001).

## **4.2 Synthesis of Theoretical Solutions and Employee Recommendations**

### **4.2.1 Factors Impacting the Internal Awareness about CSR Performance**

Based on the findings from the literature research and the interviews, the author derives the following assumptions in order to derive and propose potential solutions for the business problems (Denyer, Tranfield and Van Aken, 2008).

Increasing awareness among employees can be achieved through an appropriate leadership style and role models (Angus-Leppan, Metcalf and Benn, 2010; Vlachos, Panagopoulos and Rapp, 2013; Chen and Hung-Baesecke, 2014). Employees expect leaders to not only act as communicators of CSR content but also as role models in terms of CSR. They are expected to behave in accordance to the beliefs which they communicate concerning the social responsibility of their company, so that

subordinates perceive them as authentic, reliable and trustworthy. Moreover, other employees can be perceived as role models if they behave in a responsible way and/or drive the CSR performance of the company through an expert role (Morsing, Schultz and Nielsen, 2008).

*Proposition 1:* Internal awareness about a company's CSR performance can be raised through CSR leaders. The CSR leadership status can either be based on a position (leader role) or on expertise (expert role).

CSR awareness can only partly be driven by employee involvement as not all employees see the need and want to be involved in CSR activities and projects (Locke and Latham, 2002). However most employees want to have the opportunity to engage in CSR activities and wish to receive support from the organization (Morsing, 2006; Lee, Park and Lee, 2013). Consequently it is essential to leave freedom to employees to decide if they want to engage or not. Therefore options for engagement should be provided but without putting pressure on the entire workforce to take over an active role in the CSR performance of the company.

*Proposition 2:* Providing CSR involvement option and leaving the freedom for involvement decisions to employees contributes to increasing CSR awareness.

Identifying and providing the right content of CSR communication messages as well as using appropriate communication channels to distribute CSR information is essential to raise internal awareness about CSR performance (Te'eni, 2001; Du, Bhattacharya & Sen, 2010). The content should fit the employees' needs and daily business activities in order to be perceived as relevant, appropriate and useful. In this case communicated CSR topics should be useable for client meetings

and discussions. In this case the need for environmental care related to products was stated. Moreover, the contents should provide information about CSR topics that were rarely communicated before and thus new to most employees. In this case the employees felt the need to get informed about the social engagement of the firm.

*Proposition 3:* Providing CSR content, which is relevant to employees' daily business activities or includes new CSR topics, contributes to increasing CSR awareness.

Moreover, the content should provide transparency about the current CSR performance and address status of current projects, decisions and related reasoning (Maon, Lindgreen and Swaen, 2009; Du, Bhattacharya & Sen, 2010).

*Proposition 4:* Providing transparency about CSR performance through communicating project status, decision making and related reasons contributes to increasing CSR awareness.

Employees usually receive a high amount of information, not only from internal but also from external sources. Reading and understanding all received information represents a challenge for every employee so that they need to filter information that is important to them. If the information is easily accessible or directly communicated through verbal communication, for instance during team meetings and calls, employees are more likely to consume and use the information. Therefore CSR communication should be integrated in direct verbal communication channels as well as in easily accessible communication channels, like web-based information tools (Te'eni, 2001).

*Proposition 5:* Distributing CSR information mainly through verbal direct communications and easily accessible channels contributes to increasing CSR awareness.

These propositions were considered to generate seven solution ideas on how to raise internal CSR awareness and involvement, which are presented in the following chapter.

As the propositions have not been tested in practice yet, future research is needed to investigate and test the propositions.



#### 4.2.2 Idea Suggestions for Improving Internal CSR Awareness

In order to increase the internal CSR awareness based on the synergist literature and interview findings seven broad solution ideas were developed by the researcher which are presented in the table below:

| Idea  | Objective  | Content   | Coordination  | Target Group  |
|---|--|---|---|---|
| <b>1 Intranet Site plus button on home site</b>   | Increasing visibility and accessibility of CSR information   | Pillar description News on current projects including project description, status and contact person/project initiator Information about engagement options   | Pillar leads as contact person  | All CE employees  |
| <b>2 Intranet integrated platform for employee volunteering (social projects)</b>                             | Enabling employees to engage in and drive social projects<br>Creating long-term engagement of employees  | Social projects including project description and contact person/project initiator<br>Option for project proposal submission  | Project initiator as contact person and project leader<br>Employees organize themselves | Employees who wish to engage in CSR activities/ social projects |
| <b>3 Create visibility for employees engaging into CSR topics/Projects (story on website, newsletter,...)</b> | Providing Non-financial incentives through the creation of visibility for employees who engage in CSR projects/initiatives and actively drive it | Presenting CSR engagement/performance of employee(s) in different media channels<br>Internal:<br>(CSR) Intranet site<br>(CSR) Newsletter<br>Internal communication in name of general management<br>External: | Internal & external communication managers  | Employees who wish to engage in CSR activities/ social projects |

|   |  | Responsible Business Report<br>Firm Blog  |   |  |
|---|--|---|---|--|
| <b>4 Quarterly (or monthly) CSR Newsletter</b>  | Regular update about CSR performance for every employee  | News on current projects including project description, status and contact person/project initiator<br>Information about engagement options   | Collection of information by CSR pillar contact person<br>Central consolidation (e.g. by communication or head of transformation/CSR)<br>Contact person (e.g. project leader) | All CE employees   |
| <b>5 Developing CSR leaders who drive CSR/ social engagement projects per location</b>      | Identifying and developing employees who take over a coordinating role and are the contact person for CSR/ social engagement projects per office location<br>→Developing CSR leaders | Covering relevant discussion topics:<br>Current social projects<br>Project status and decisions<br>Contact persons<br>Employee engagement options & reasons (visibility)                      | Distributed via internal communications to leaders<br>Face2face update 1-2 times a year for leaders through CSR lead(s), integration in employee briefing for events          | Employees who wish to actively engage in CSR activities/ social projects |
| <b>6 Integration of CSR aspects in existing internal F2F Trainings presented by manager</b> | Linking products, services, etc. to CSR performance in order to enable employees to understand CSR as part of business activities, products, services                                | Discussing CSR aspects like labour condition, energy efficiency and recycling concepts with regard to products and production processes<br>Holistic presentation of our products and services | Communication via solution 5 (templates/CSR topics)   | First step:<br>Trainers<br>Second step:<br>Training participants         |
| <b>7 CSR trainings web-based</b>  | Creating an understanding about the holistic CSR approach and its added value for customers, employees, etc.   | The CSR Concept – What is CSR<br>CSR@firm–CSR approach<br>→company philosophy, CSR Pillars, Activities and Projects<br>CSR as Sales Argument –<br>Relevance for customers, partners           | Through central training platform, information based on general CSR information provided by CSR pillar leads  | All CE employees   |

Table 2: Theory and interview based business problem solution ideas

### 4.2.3 Results from Multi-Criteria Decision Making

The final scores, shown in Table 5 indicate the following three ideas as the most fitting solutions:

1. Developing CSR leaders

Supporting employees who are willing to engage in and take over responsibility for CSR projects and activities and drive the CSR performance of the company.

2. Intranet integrated platform for social projects

Establishing a platform which is integrated in the CSR intranet page where employees are able to hand in proposals for social projects and enabling other employees to enroll in the projects, thereby allowing employees to coordinate social projects themselves.

3. Increasing visibility for employees engaging in CSR

Providing non-financial incentives, in terms of integrating stories in internal and external communication channels, for employees who are motivated to engage in CSR projects, contribute to and drive the overall CSR performance of the company.

Based on arguments discussed during the expert meeting, the project initiator and the researcher agreed on selecting the three best solutions and combining them in order to develop the implementation plan and tackle the awareness problem. In order to increase the feasibility of the actions, it was agreed to focus on one of the five internally defined CSR pillars: Community Investment and Development. Thus, challenges and benefits could be identified and could be considered for applying the concept to other pillars in the future.

|           |               | ExclusionCriteria   |              | EvaluationCriteria         |                                      |                |                      |             |                                   | Final grade |                         |
|-----------|---------------|---|--------------|----------------------------|--------------------------------------|----------------|----------------------|-------------|-----------------------------------|-------------|-------------------------|
|           |               | Compliance  | Cultural Fit | Amount of Resources Needed | Appropriate Involvement of Employees | Extent of Risk | Degree of Continuity | Feasibility | Potential to reach many employees |             |                         |
|           | <b>Weight</b> | -   | -            | 15                         | 25                                   | 10             | 10                   | 20          | 20                                | 100         |                         |
| Solutions | 1             | Intranet Site + button on home site   | yes          | yes                        | high                                 | low            | verylow              | moderate    | high                              | very high   |                         |
|           |               |   |              |                            | 0                                    | 0              | 100                  | 0           | 100                               | 100         | 5000                    |
|           | 2             | <b>Intranet integrated platform for employee volunteering (social projects)</b>                             | yes          | yes                        | moderate                             | very high      | moderate             | high        | moderate                          | high        |                         |
|           |               |   |              |                            | 100                                  | 100            | 0                    | 100         | 0                                 | 50          | <b>6000<sup>1</sup></b> |
|           | 3             | <b>Create visibility for employees engaging into CSR topics/Projects (story on website, newsletter,...)</b> | yes          | yes                        | moderate                             | high           | moderate             | moderate    | high                              | moderate    |                         |
|           |               |   |              |                            | 100                                  | 66             | 0                    | 0           | 100                               | 0           | <b>5150<sup>2</sup></b> |
|           | 4             | Quarterly (or monthly) CSR Newsletter   | yes          | yes                        | high                                 | low            | low                  | moderate    | high                              | moderate    |                         |
|           |               |   |              |                            | 0                                    | 33             | 50                   | 0           | 100                               | 0           | 3325                    |
|           | 5             | <b>Developing local CSR leaders</b>   | yes          | yes                        | high                                 | high           | verylow              | high        | high                              | very high   |                         |
|           |               |   |              |                            | 0                                    | 66             | 100                  | 100         | 100                               | 100         | <b>7650<sup>2</sup></b> |

<sup>1</sup> Ideas, that received the three highest scores and are chosen as best ideas, are highlighted in bold.

|  |   |   |     |     |          |          |          |          |      |          |      |
|--|---|---|-----|-----|----------|----------|----------|----------|------|----------|------|
|  | 6 | Integration of CSR aspects in existing internal F2F Trainings | yes | yes | high     | moderate | moderate | high     | high | high     |      |
|  |   |   |     |     | 0        | 33       | 0        | 100      | 100  | 50       | 4825 |
|  | 7 | CSR Trainings web-based                                       | yes | yes | moderate | moderate | low      | moderate | high | moderate |      |
|  |   |   |     |     | 100      | 33       | 50       | 0        | 100  | 0        | 4825 |

**Table 5: Evaluated solution ideas**

## **5. ACTION PLAN CONCEPT**

### **5.1 Developing CSR Leaders**

CSR leaders who are motivated and willing to spend time and effort to drive CSR projects and activities should be identified and developed to motivate other employees to engage in CSR activities and thereby enhance the internal awareness for CSR. They will represent the verbal communicators of CSR information and direct contact persons for other employees. In order to facilitate the direct contact at least one CSR leader should exist at every German office location. Thus, other employees can directly talk to the responsible person, which is expected to increase the awareness and identification with CSR topics. The only criteria to identify a potential local CSR leader should be the motivation to contribute to the social engagement of the firm, the ability to motivate other employees and the willingness to spend a certain amount of free time on the CSR leader role. The local CSR leaders will be responsible for generating, organizing and coordinating social projects, which might be initiated or identified by other employees as well. The local CSR leaders are expected to exchange knowledge, experiences and best practices with the other local leaders on a regular basis. (Virtual) meetings should take place every eight to twelve weeks for one to two hours. Irregular meetings should be scheduled upon need. The head of transformations, who is in charge of the community investment and development pillar will represent the overall project leader and coordinator who receives an overview about the project that take place at the different locations. In order to enable the role of local CSR leaders, top management support and agreement needs to be generated as they have to provide a certain budget of hours spend on the CSR leader role. The researcher suggests agreeing on spending one half of working hours and one half of free time on the CSR leader role. Moreover, the agreement of the direct supervisor of the local CSR leader needs to be achieved.

## **5.2 Intranet Integrated Platform for Social Projects**

A platform, integrated in the corporate intranet environment, where social projects can be inserted, coordinated and managed should be created to support the tasks of the local CSR leaders. From a technical perspective, the platform is easily implementable and would allow project management functions. Every employee would be able to propose a social project through the platform, which will be send for approval to the head of the community investment and development pillar. The project proposal has to include a project title, project description, motivation, and contact person or project owner. If the project is approved it will occur on the platform, so that it becomes visible and accessible to other employees who are able to enroll/engage in the project. Thereby, the platform allows employees to organize themselves. The local CSR leader will be in charge of keeping track of the project status through contact with the project initiator/owner. Moreover, he would represent the contact person if support or advice is needed. The platform enhances the monitoring of the actual projects and supports the CSR leader role, as well as it represents an IT-based support tool for increased internal (CSR) communication efficiency (Te"eni, 2001).

## **5.3 Increasing Visibility for Employees Engaging in CSR**

It is essential to keep employees motivated, which are willing to engage in social activities, which drive the overall CSR performance of the firm. As the social engagement is expected to be done on a voluntary basis, financial incentives are not appropriate motivation tools. However, employees who are willing to provide a certain amount of their free time combined with a certain amount of working hours for social purposes as representatives of the firm should be rewarded by the firm. Acknowledging the performance of individual, or a group of employees, will be done by presenting their stories and projects in internal as well as in external communication channels. These non-financial incentives provide several benefits. Highly motivated and engaged employees become visible internally and externally, which might have an impact on the recognition by management and

the consideration for promotion positions. Moreover, other employees become aware of the social engagement of the certain employee(s) but also of the overall social performance of the firm. As story telling allows people to be addressed on an emotional level they might perceive the engaged employees as role models and might be motivated through their stories, so that overall awareness and engagement is expected to increase. The stories will be communicated through the internal as well as public websites of the company, within the social media sites and blogs, and the annual responsible business report. Moreover, events like trade fairs, customer events or internal meetings can be used to allow engaged employees to present their stories if they want to.

## **6. CONCLUSION**

The given master thesis research project investigated the challenges that are related to the management of internal awareness of CSR performance and employee engagement. Based on a business problem solving approach provided by Van Aken et. Al (2012), the initially assumed problem was investigated by conducting 16 internal in-depth qualitative interviews. The interview findings revealed that the overall internal awareness about CSR performance was quite moderate, but varied among the different CSR topics, and showed that employees perceived an increasing focus of the firm on the CSR performance within the last year. Further findings indicate that awareness gaps are based on inappropriate communication contents and channels as well as lacking structure and coordination of information and budget limitations for CSR activities hindering employee engagement. The most remarkable finding, however, was that employees were not engaging in CSR activities because of lacking awareness or skepticism concerning CSR, but rather because of the belief that experts should be in charge for those activities. The interviews as well as observations indicated that employees perceive CSR performance as highly relevant and did not claim a bad CSR performance of their firm, rather perceiving it as positive compared to competition. The assumption that generating a high degree of employee involvement is needed in order to increase awareness



could not be confirmed by the findings. It can rather be stated that the right employees have to be identified and motivated to engage in CSR and thus act as transmitters of CSR communications to internally raise the awareness. Using a synergy of theoretical literature and the interview findings, a concept of specific actions was developed for the firm. The focus was led on one CSR performance category, community investment and development, as employees are least aware of this CSR topic and as it represents an essential aspect of the philanthropic responsibilities of a firm. The concept includes (1) the identification and development of local CSR leaders who manage social projects and employee engagement on a local level but are organized in a central project approach, (2) an intranet integrated platform for social projects, where employees can organize social project engagement themselves, and (3) increasing visibility for engaged employees, thus proving non-financial incentives.

The research provides a contribution to the academic field as it sheds light on one of the challenges businesses can face with regard to the internal management of CSR. Through the use of theory as a guideline on how to solve such a problem, a synergy between theory and practice is created. Academics as well as practitioners can use the given case to improve their understanding on how to apply the theoretical approach to business problem-solving presented by Van Aken et. al (2012), where every problem represents a unique case but may give other practitioners an idea on how to deal with a similar problem to improve and change the internal communication of CSR performance. Moreover, it provides an insight on how to address the internal stakeholders, which is usually not covered by CSR communication research as those mainly consider the entire communication process including internal and external stakeholders. Most studies focus on the relevance of external CSR communication and might miss the crucial aspect of raising internal awareness and commitment. However, the current study provides limited insights into the relationship between the proposed solutions and the degrees of efficiency they provide for CSR communication and internal awareness. The propositions provided by the author for the development of solution ideas represent areas for

future research, as the relationships and moderating factors, such as manager-superior relationships, need to be investigated. Additionally, the findings raise the question how and to what extent employees should be involved in CSR activities with regard to efficiency considerations. Future research is needed to investigate the relation between different degrees of employee awareness, appropriate involvement, effectiveness of CSR communications and firm performance.

## 7. ACKNOWLEDGEMENTS

My thanks to the company and especially to the sixteen interview participants for investing their time and for sharing their honest, interesting opinions. A special thank to my internal supervisor who provided great support with his experiences and creative, inspiring thoughts. Another special thank to my first supervisor who provided great professional and mental support throughout the research period and to my second supervisor for additional support and contributing thoughts. A final thank to those that helped with providing contact persons within the company, or who provided contributing discussions, thoughts and mental support and to my parents who supported and enabled the whole study.

## REFERENCES

- Angus-Leppan, T., Metcalf, L., & Benn, S. (2010). Leadership styles and CSR practice: An examination of sensemaking, institutional drivers and CSR leadership. *Journal of Business Ethics*, 93(2), 189-213.
- Basit, T. (2003). Manual or electronic? The role of coding in qualitative data analysis. *Educational Research*, 45(2), 143-154.
- Beck, S. (2012). *Öffentliche Beschaffung von IT-Mitteln (PCs) unter Berücksichtigung sozialer Kriterien* (No. 183). WSI-Diskussionspapier.
- Berman, S. L., Wicks, A. C., Kotha, S., & Jones, T. M. (1999). Does stakeholder orientation matter? The relationship between stakeholder management models and firm financial performance. *Academy of Management journal*, 42(5), 488-506.

Brammer, S., & Walker, H. (2011). Sustainable procurement in the public sector: an international comparative study. *International Journal of Operations & Production Management*, 31(4), 452-476.

Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business horizons*, (34), 39-48.

Chen, Y. R. R., & Hung-Baesecke, C. J. F. (2014). Examining the internal aspect of Corporate Social Responsibility (CSR): Leader behavior and employee CSR participation. *Communication Research Reports*, 31(2), 210-220.

Denyer, D., Tranfield, D., & Van Aken, J. E. (2008). Developing design propositions through research synthesis. *Organization studies*, 29(3), 393-413.

Du, S., Bhattacharya, C. B., & Sen, S. (2010). Maximizing business returns to corporate social responsibility (CSR): The role of CSR communication. *International Journal of Management Reviews*, 12(1), 8-19.

Elliot, S., & Binney, D. (2008). Environmentally sustainable ICT: Developing corporate capabilities and an industry-relevant IS research agenda. *PACIS 2008 Proceedings*, 209.

Erek, D. I. K., Zarnekow, R., Schmidt, D. W. I. N. H., & Kolbe, L. M. (2010). Green IT im Rahmen eines nachhaltigen Informationsmanagements. *HMD Praxis der Wirtschaftsinformatik*, 47(4), 18-27.

Eßig, M., & Thi, T. H. V. (2011). (Corporate) Social Responsibility der öffentlichen Beschaffung—Konzeptionelle Überlegungen und empirische Erkenntnisse. In *Corporate Social Responsibility in kommunalen Unternehmen* (pp. 241-260). VS Verlag für Sozialwissenschaften.

Freeman, I., & Hasnaoui, A. (2010). Information and Communication Technologies (ICT): A Tool to Implement and Drive Corporate Social Responsibility (CSR). In *Congrès Association Information et Management*.

Garriga, E., & Melé, D. (2013). Corporate social responsibility theories: Mapping the territory. In *Citation Classics from the Journal of Business Ethics* (pp. 69-96). Springer Netherlands.

Hagenbuch, D. J., Little, S. W., & Lucas, D. J. (2015). Beyond Association: How Employees Want to Participate in Their Firms' Corporate Social Performance. *Business and Society Review*, 120(1), 83-113.

Hemingway, C.A. (2005). Personal values as a catalyst for corporate social entrepreneurship. *Journal of Business Ethics*, 60(3), 233-249.

Kim, S., & Ferguson, M. A. T. (2014). Public Expectations of CSR Communication: What and How to Communicate CSR. *Public Relations Journal*, 8(3), 2.

- Lee, E. M., Park, S. Y., & Lee, H. J. (2013). Employee perception of CSR activities: Its antecedents and consequences. *Journal of business research*, 66(10), 1716-1724.
- Locke, E. A., & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. *American psychologist*, 57(9), 705.
- Maon, F., Lindgreen, A., & Swaen, V. (2009). Designing and implementing corporate social responsibility: An integrative framework grounded in theory and practice. *Journal of Business Ethics*, 87(1), 71-89.
- Martinuzzi, A., Kudlak, R., Faber, C., & Wiman, A. (2011). CSR Activities and Impacts of the ICT Sector. *Vienna University of Economics and Business, Vienna, Wien, Austria, RIMAS Working Paper*, 5, 2011.
- Matten, D., & Moon, J. (2008). "Implicit" and "explicit" CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Academy of management Review*, 33(2), 404-424.
- Morsing, M. (2006). Corporate moral branding: limits to aligning employees. *Corporate Communications: An International Journal*, 11(2), 97-108.
- Morsing, M., & Schultz, M. (2006). Corporate social responsibility communication: stakeholder information, response and involvement strategies. *Business Ethics: A European Review*, 15(4), 323-338.
- Morsing, M., Schultz, M., & Nielsen, K. U. (2008). The 'Catch 22' of communicating CSR: Findings from a Danish study. *Journal of Marketing Communications*, 14(2), 97-111.
- Okoye, A. (2009). Theorising corporate social responsibility as an essentially contested concept: is a definition necessary?. *Journal of Business Ethics*, 89(4), 613-627.
- Porter, M.E. and Kramer, M.R. (2006). Strategy & society: the link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84, pp. 78-92.
- Rodrigo, P., & Arenas, D. (2008). Do employees care about CSR programs? A typology of employees according to their attitudes. *Journal of Business Ethics*, 83(2), 265-283.
- Romme, A. G. L. (2003). Making a difference: Organization as design. *Organization science*, 14(5), 558-573.
- Runhaar, H., & Lafferty, H. (2009). Governing corporate social responsibility: An assessment of the contribution of the UN Global Compact to CSR strategies in the telecommunications industry. *Journal of Business Ethics*, 84(4), 479-495.

Schuler, D. A., & Cording, M. (2006). A corporate social performance–corporate financial performance behavioral model for consumers. *Academy of Management Review*, *31*(3), 540-558.

Steurer, R., Berger, G., Konrad, A., & Martinuzzi, A. (2007). Sustainable public procurement in EU member states: Overview of government initiatives and selected cases. Final Report to the EU High-Level Group on CSR. *European Commission, Brussels*.

Story, J., & Neves, P. (2015). When corporate social responsibility (CSR) increases performance: exploring the role of intrinsic and extrinsic CSR attribution. *Business Ethics: A European Review*, *24*(2), 111-124.

Te'eni, D. (2001). Review: A cognitive-affective model of organizational communication for designing IT. *MIS quarterly*, *25*(2), 251-312.

Turskis, Z., & Zavadskas, E. K. (2011). Multiple criteria decision making (MCDM) methods in economics: an overview. *Technological and economic development of economy*, (2), 397-427.

Vaccaro, A., & Madsen, P. (2009). Corporate dynamic transparency: the new ICT-driven ethics?. *Ethics and Information Technology*, *11*(2), 113-122.

Van Aken, J., Berends, H., & Van der Bij, H. (2012). *Problem solving in organizations: A methodological handbook for business and management students*. Cambridge University Press.

Van Aken, J. E., & Romme, G. (2009). Reinventing the future: adding design science to the repertoire of organization and management studies. *Organization Management Journal*, *6*(1), 5-12.

Van Liemt, G. (2007). Recent developments on corporate social responsibility (CSR) in information and communications technology (ICT) hardware manufacturing. *ILO*.

Van Strien, P. J. (1997). Towards a methodology of psychological practice the regulative cycle. *Theory & Psychology*, *7*(5), 683-700.

Visser, W. (2006). Revisiting Carroll's CSR pyramid. *Corporate citizenship in developing countries*, 29-56.

Vlachos, P. A., Epitropaki, O., Panagopoulos, N. G., & Rapp, A. A. (2013). Causal Attributions and Employee Reactions to Corporate Social Responsibility. *Industrial and Organizational Psychology*, *6*(4), 334-337.

Vlachos, P. A., Panagopoulos, N. G., & Rapp, A. A. (2013). Feeling good by doing good: Employee CSR-induced attributions, job satisfaction, and the role of charismatic leadership. *Journal of business ethics*, *118*(3), 577-588.

Weston, C., Gandell, T., Beauchamp, J., McAlpine, L., Wiseman, C., & Beauchamp, C. (2001). Analyzing interview data: The development and evolution of a coding system. *Qualitative sociology*, 24(3), 381-400.

## APPENDIX

### A. ADDITIONAL TABLES

#### A.1 Sample interview quotes and definitions per conceptual dimension

Table 6: Sample of interview quotes per conceptual dimension<sup>2</sup>

| Main categories                | Sub-categories   | Definition   | Source  | Example quote  |
|--------------------------------|--|--|---|--|
| CSR engagement and performance | Perceived overall CSR performance and relevance for the organization | Perceptions about the company's CSR performance and the relevance of CSR for the company | Self-developed  | <i>It is a top management driven topic of high relevance, centrally driven and positioned at different hierarchical as well as regional levels. I think many employees do not know that they already to a lot concerning CSR. They do it naturally. I think it is related to the Japanese culture and its values to perform sustainable on the long run. Other competitors act more short-term oriented. The human being plays a different role for us than for competition. It is a long-term approach.</i>   |
|                                | Personal relevance of CSR and expected CSR performance               | Personal relevance and expectations of CSR performance for the individual                | Self-developed  | <i>I expect that CSR is part of the mission and vision of the company and ist strategy. It should not be a one-time effect but long-term sustainability. That one sticks to the approach also in times of crisis. The human being has a central position, because that is what it is all about in the interaction with society. The Management has a role model function and should drive the development as CSR is a process, not a status. - It also says something about the corporate culture and has to do with identity. That is why it is also important for me. Either you can identify with the values or you cannot.</i> |
|                                | Perceived motives of organizational CSR engagement                   | Extrinsic  | CSR is put on the agenda in order to contribute to profit and value maximization objectives, so that it mainly serves a marketing function. | Based on Matten and Moon (2008)  |

<sup>2</sup>Full raw data made available upon request. Contact the author.

|   |                                      |   |                                 |  |
|---|--------------------------------------|---|---------------------------------|--|
| Perceived CSR performance according to internal CSR pillars | Intrinsic                            | CSR is performed in order to fulfill the experienced responsibility for society and a higher purpose.   | Based on Matten and Moon (2008) | <i>It is nothing that you write it on presentation slides and that's it. The primary motive is societal recognition. That you stick to your production site in Germany with a regional focus, which is costly, shows that CSR is not a marketing tool.</i>   |
|   | Environment                          | We are fully committed to reducing our environmental impact across the scope of our operation and through services we deliver to customers  | Company intern developed        | <i>Green IT is one of the key words that differentiate us from competition. We really treat our resources carefully and do not only fulfill certification requirements but follow a holistic approach along the entire supply chain and exceed expectations. We were a first mover in this field. And this is also visible in our daily business life, e.g. concerning the use of paper.</i>   |
|   | Community Investment and Development | We aim to tackle the issues that impact society and contribute positively to local communities  | Company intern developed        | <i>In Japan, they are very strong but I don't see it happening here in CE (Central Europe region, including Germany, Austrian, and Switzerland), it is only done selectively, one-time moves.</i>  |
|   | Diversity and Inclusion              | We are committed to developing a diverse and enabled workforce from the widest talent pools and promote equal opportunities for all   | Company intern developed        | <i>Of course we are doing things like employee development, the inclusion of handicapped people, or women in leading positions. But this is nothing that I consider special. However, I still think we are a very social company.</i>  |
|   | Wellbeing and Safety                 | We value the importance of our people and strive to promote a positive health culture, in order to enable individuals to feel more resilient and cope successfully with both their personal and work life | Company intern developed        | <i>Security is a huge aspect, especially in our production because the risk is higher. Prevention programs for office or sales employees exist, such as safe driving training or eye examinations. I think we also have programs for back problem prevention, sport programs and psychological advice. Once we offered yoga but the reactions were very limited. You cannot force everyone but overall it is driven by our management.</i> |
|   | Operating Practices                  | We conduct our business in an open, honest and ethical manner and actively strive to implement anti-corruption practices and socially responsible supply chains   | Company intern developed        | <i>I really think that we act openly, honestly and ethically. Compliance is a big topic. I really think that we act responsible here.</i>  |



|   |                                  |   |   |   |  |
|---|----------------------------------|---|---|---|--|
| <b>Perceived CSR awareness problems</b> | CSR communication problems       | Message content   | Inappropriate contents of CSR information not relevant to internal stakeholders, directly or indirectly having a negative impact in the internal awareness of CSR performance | Self-developed  | <i>We communicate that but we need to address our employees directly and explain them how they can contribute themselves. So which variety of CSR aspects exists and without a big effort one can say "this is what you can do to have an impact". How employees can engage. And what are the motives of our CSR engagement. This is not really clear. I would like to receive more information on community investment and development and wellbeing. We also need to communicate and consider the image aspect. And that is what you also have to tell your employees as they are the first information transmitter. Moreover incentives should be given. This could also be done by story-telling where you present one employee and what he did or does.</i> |
|   |                                  | Visibility and transparency of CSR information  | Limited or missing visibility or transparency of CSR information, directly or indirectly have a negative impact on the internal awareness of CSR performance                  | Self-developed  | <i>The information is often too little or hidden so that it becomes difficult to get informed. Moreover, communication in earlier decision steps is missing so that the reasons for certain decisions are not clear and we are not up to date.</i>   |
|   |                                  | Accessibility and availability of CSR information   | Limited or missing access or availability of CSR information, directly or indirectly have a negative impact on the internal awareness of CSR performance                      | Self-developed  | <i>We could do more in some media. For example on the intranet page it is hard to find CSR. - But this has to be transmitted by management. It should be part of team meetings, performance or performance talks.</i>  |
|   | Organizational problems          | Budget limitations  | Limited or missing financial resources, directly or indirectly have a negative impact on the internal awareness of CSR performance  | Self-developed  | <i>Some years ago we got on the black list of green peace. I have no clue why, because we are now listed under the top five of the Greenpeace Cool IT Leaderboard, but this was a typical example for a communication problem. We could definitely do more here but it is of course a question of budgets. Many things, like trainings are often performed in a half-hearted way because of lacking financial resources although it's essential for our daily business."</i>   |
|   | Appropriate employee involvement | Failing to involve the right employees or providing involvement opportunities, directly or indirectly having a negative impact in the internal awareness of CSR performance | Self-developed  | <i>I am not involved but I also do not need to be involved. I think the employees who are experts and highly involved do a good job. I would engage if I get support from the firm.</i> |  |

|  |  |  |                |  |
|--|--|--|----------------|--|
|  | Structure and coordination of CSR activities | Missing structure and coordination of CSR activities, directly or indirectly having a negative impact in the internal awareness of CSR performance | Self-developed | <i>No interview statement, but identified by observations of the researcher.</i> |
|--|--|--|----------------|--|

## B. ADDITIONAL INFORMATION

### B.1 Multi-Criteria Decision Making (MCDM) Process

#### 5 Step Evaluation Process:

1. Check for exclusion criteria
2. Assign weights to criteria according to their importance
3. Check for evaluation criteria and assign points
4. Calculate final points for each solution (weight x assigned points)
5. Choose best solution(s)

#### 1. Exclusion Criteria

**Compliance** - Is it compliant to Fujitsu Way, Fujitsu's governance rules, legal aspects?

*Measurement: yes/no, exclusion criteria, if one or more of the three aspects is answered with no the solution is excluded from further evaluation steps*

**Degree of corporate culture fit:** Does the solution fit the corporate culture?

*Measurement: fit with corporate culture yes/no; exclusion criteria, if one or more of the three aspects is answered with no the solution is excluded from further evaluation steps*

#### 2. Evaluation Criteria

**Amount of resources needed** - Are manpower and/or a budget and/or goods needed (how much)?

*Measurement: very low, low, moderate, high, very high; Solution with lowest amount receives highest amount of points (100), solution with highest amount receives no points (0), all other solutions receive points according to their share and equal ranges between points within 0 and 100 points)*

**Example:** if "low amount of resources" is highest (or best) assigned value =100, and "very high amount of resources" is lowest (or worst) assigned value =0, then "moderate amount of resources" receives =66,6 points

|                  |                          |                  |
|------------------|--------------------------|------------------|
| <b>Very low</b>  | → not assigned           | → not considered |
| <b>Low</b>       | → "best assigned value"  | → 100 points     |
| <b>Moderate</b>  |                          | →66,6 points     |
| <b>High</b>      |                          | →33,3 points     |
| <b>Very high</b> | → "worst assigned value" | → 0 points       |

**Involvement of relevant parties** - Are exposed persons, employees concerned or involved?

*Measurement: very low, low, moderate, high, very high; Solution with highest involvement receives highest amount of points (100), solution with lowest involvement receives no points(0), all other solutions receive points according to their share and equal ranges between points within 0 and 100 points)*

**Extent of risk** - Are there risks for Fujitsu?

*Measurement: very low, low, moderate, high, very high; Solution with lowest risk receives highest amount of points (100), solution with highest risk receives no points(0), all other solutions receive points according to their share and equal ranges between points within 0 and 100 points)*

**Degree of continuity (long-term focus)** - Is it a punctual or a recurrent action?

*Measurement: very low, low, moderate, high, very high; Solution with highest continuity receives highest amount of points (100), solution with lowest continuity receives no points(0), all other solutions receive points according to their share and equal ranges between points within 0 and 100 points)*

**Feasibility** – Are the solution realizable, how possible is the realization/implementation?

*Measurement: very low, low, moderate, high, very high; Solution with highest feasibility receives highest amount of points (100), solution with lowest feasibility receives no points(0), all other solutions receive points according to their share and equal ranges between points within 0 and 100 points)*

**Potential to reach a high amount of employees**– is the solution able to address a high number of employees?

*Measurement: very low, low, moderate, high, very high; Solution with highest potential receives highest amount of points (100), solution with lowest potential receives no points(0), all other solutions receive points according to their share and equal ranges between points within 0 and 100 points)*

### 3. Weights

| Criteria                             | Weight | Justification  |
|--------------------------------------|--------|--|
| Amount of resources needed           | 15     | As the realization is dependent on the required amount of resources, the criterion is moderately relevant for the solution selection.  |
| Appropriate involvement of employees | 25     | The success of the solution is dependent on the appropriate involvement of relevant parties, which means that people/employees who are involved in a way that suits their needs and wants. Thus, it increases the potential to reach more employees and raise awareness so that the criterion is very important. |
| Extent of risk                       | 10     | As the success of implementation is dependent on the risk associated with the solution, the criterion is certainly relevant for the solution selection.  |
| Degree of continuity/Long term focus | 10     | Awareness should be raised not only on the short term but should be maintained in the future.  |
| Feasibility                          | 20     | The project should not only be a theoretical concept but should be realizable.   |
| Potential to reach many employees    | 20     | The objective of solutions is to raise awareness among employees about the CSR performance so that this criterion is crucial.  |

### 4. CalculatedScores

|           |   |  | ExclusionCriteria |                     |                                  |  |                      |                            |                    | Final grade       |  |
|-----------|---|--|-------------------|---------------------|----------------------------------|--|----------------------|----------------------------|--------------------|-------------------|--|
|           |   |  | <i>Compliance</i> | <i>Cultural Fit</i> | <i>Amountof Resources Needed</i> | <i>Appropriate Involvement ofEmployees</i> | <i>Extent ofRisk</i> | <i>Degreeof Continuity</i> | <i>Feasibility</i> |                   | <i>Potential to reach many employees</i> |
|           |   | <b>Weight</b>  | -                 | -                   | 15                               | 25   | 10                   | 10                         | 20                 | 20                | 100                                      |
|           |   |  |                   |                     |                                  |  |                      |                            |                    |                   |  |
| Solutions | 1 | Intranet Site + button on home site  | yes               | yes                 | high                             | low  | very low             | moderate                   | high               | very high         |  |
|           |   |  |                   |                     | 0                                | 0  | 100                  | 0                          | 100                | 100               | 5000                                     |
|           | 2 | Intranet integrated platform for employee volunteering (social projects)                             | yes               | yes                 | moderate                         | very high                                  | moderate             | high                       | moderate           | high              |  |
|           |   |  |                   |                     | 100                              | 100  | 0                    | 100                        | 0                  | 50                | 6000 <sup>3</sup>                        |
|           | 3 | Create visibility for employees engaging into CSR topics/Projects (story on website, newsletter,...) | yes               | yes                 | moderate                         | high                                       | moderate             | moderate                   | high               | moderate          |  |
|           |   |  |                   | 100                 | 66                               | 0  | 0                    | 100                        | 0                  | 5150 <sup>2</sup> |  |
|           | 4 | Quarterly (or monthly)   | yes               | yes                 | high                             | low  | low                  | moderate                   | high               | moderate          |  |

<sup>3</sup> Ideas, that received the three highest scores and are chosen as best ideas, are marked green.

|   |   |     |     |          |          |          |          |      |           |                   |
|---|---|-----|-----|----------|----------|----------|----------|------|-----------|-------------------|
|   | CSR Newsletter  |     |     | 0        | 33       | 50       | 0        | 100  | 0         | 3325              |
| 5 | Developing local CSR leaders                                  | yes | yes | high     | high     | very low | high     | high | very high |                   |
|   |   |     |     | 0        | 66       | 100      | 100      | 100  | 100       | 7650 <sup>2</sup> |
| 6 | Integration of CSR aspects in existing internal F2F Trainings | yes | yes | high     | moderate | moderate | high     | high | high      |                   |
|   |   |     |     | 0        | 33       | 0        | 100      | 100  | 50        | 4825              |
| 7 | CSR Trainings web-based                                       | yes | yes | moderate | moderate | low      | moderate | high | moderate  |                   |
|   |   |     |     | 100      | 33       | 50       | 0        | 100  | 0         | 4825              |

