Research into integration of CSR strategies of companies and the role of top management leadership: Are companies walking the talk?
Executive summary

Paul Romer, a Stanford economist said “a crisis is a terrible thing to waste” and although this sentence was not said about the issue of sustainability it does reflect it in the way that if societies and organizations do not change their mindset and attitude towards this issue, it will become a crisis in the near future.

The aim of this thesis is to analyse if companies are fully integrating their Corporate Social Responsibilities (CSR) into their business or if they are mere “cosmetic” strategies. In order to understand companies’ situation and work in CSR a threefold analysis was conducted, each part being a relevant piece of the research question puzzle.

The context of four case companies’ (Novo Nordisk, Lundbeck, Danske Bank and Nordea Bank) was the foundation of the research. All four companies have increased their focus on CSR and sustainability and all claim that it is built into the “DNA’s” of the companies. With that in mind, the first part of the thesis aimed at analysing organizational reforms on the structure and values/mission/vision statements of the companies. By understanding if a certain level of reform had taken place and if that reform was in any way related to the CSR agenda of the company, the foundation for the second part of the research was set in place.

The second part of the thesis aimed at understanding if the case companies showed any sign of using integration strategies in order to align their CSR agenda to the core elements of the companies, their identities and values, or if no such work had been put into practice. The findings from the second part demonstrated a low level of integration from the case companies, all except one, which proves a mismatch between the companies’ statement that CSR is in their “DNA” and the current situation of the companies.

Third part of the analysis was to understand the role of leadership in the integration process, if there is any, and what CEOs of companies should bear in mind if they aspire to drive CSR strategies effectively and fully integrated into their companies’ core elements.

The main conclusions in this thesis are that despite strong focus companies have on the issue of CSR, they have not fully integrated the strategies into their system, the organizational leadership does not seem to “lead by example” in this issue and the business performance is put into question. Companies seem to understand the need to be more socially responsible and more environmentally friendly but they seem to be unwilling to take the change of integrating these aspects into their business and potentially lose their financial stability in the long run.
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1. **Introduction**

Thomas Friedman, in his book *The World is Flat* (2006), says that with the growth of many developing countries the need for environmental solutions and use of renewable energy will grow as well. More and more companies have either built their business around sustainability products, have added them to their product portfolios and/or have launched sustainability/Corporate Social Responsibility (CSR) initiatives within their organizations to address this need. The industries involving “sustainable” and “renewable” will create jobs and demand mindset changes and it is this mindset change that will determine if success is reached or not (Friedman, 2006).

Paul Romer\(^1\), a Stanford economist said “A crisis is a terrible thing to waste” and although this sentence was not said around the issue of sustainability it does reflect this issue in the way that if societies and organizations do not change their mindset and attitude towards this issue, this will become a crisis in the near future. Just like the economic crisis has challenged the management and leadership style of people, the messages they send out and how they send it, I believe that the “crisis” for sustainability solutions will demand different approach to leadership and new angles within the leader-follower relationship in order to not “waste” the crisis as Paul Romer mentioned.

Customers and societies are demanding that organizations change their processes/products in order to become more responsible towards their communities. A growing body of empirical evidence supports the theory that organizations are becoming aware of this need for change to serve their long term performance and have started to show commitment to stakeholder’s demands and needs. (Pfeffer, 1998; Collins and Porras, 1994)\(^2\) One of the ways organizations can respond to this demand is through adapting their leadership and making sure the right leadership drives the change of the organization. By adapting the leadership the probability of the CSR/sustainability strategy to be completely integrated into the whole organization becomes higher.

Financial scandals like with Enron and environmental scandals like with BP have opened people’s eyes and increased their awareness of the importance of ethical/sustainable business and what is acceptable behaviour of leaders and corporations. These scandals have also

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\(^1\) Taken from Friedman, 2006  
\(^2\) Taken from Caldwell, Bischoff and Karri, 2002.
started the process of questioning the leadership of organizations and what should be the characteristics of relevant/good/ethical leadership. (Knights and O’Leary, 2006) If organizations do not change their mindset and attitude towards their business processes, stakeholders and the targets and goals they set, the crisis becomes even harder to handle in the future.

Looking at the growing awareness of the need for CSR activities amongst companies to answer the needs of stakeholders, and the growing focus on leadership skills and competencies to drive successful organizations it is very interesting to realize that not much research has been done to align both topics together. The reason could be related to different definitions of what leadership is and vague understanding of what CSR actually is.

1.1. Problem statement

After this very short introduction into the changing needs and the sustainability crisis that our future might face, I argue that this change in mindset and leadership is crucial for corporations and societies to drive solutions to the challenge. The reason for this argument originates from the observation that managers are realizing more and more the need for the organization to be adaptive to the external environment. More demands from stakeholders and public pressure to force organizations to take action, and many organizations claim to have done so. However, if the management team, the top leaders, in the organization do not believe in the change it can become superficial. Therefore the argument above was formalized. With the believe in the change from managers, their attitude and mindset are likely to change and with that their approach to their leadership might change as well to correlate that mindset.

With this increased demand from societies, customers and NGO’s towards corporations to become more socially responsible comes the responsibility of leaders to make sure demands are heard and the transformation of the company is aligned with the company’s core competencies and is integrated into the whole organization, from top management team to the front players.

The concept of sustainability and CSR can be quite vague and hard to measure success (see definitions in chapter 1.3). Therefore many top managers have been reluctant to adapt their company to this new trend of being socially responsible. This is again related to the argument above. When top managers are not behind the change, do not believe in it, the change will not
happen in the core of the company and its leaders, but stays on the exterior of the organization.

Companies pride themselves with important value statements, vision for the future and powerful stakeholder involvement initiatives. Being “Green” is important, being “fair” brings competitive advantages, and being “transparent” builds successful brand image. Through academic research and customers and stakeholders’ demands, organizations are becoming aware of the need for being socially responsible and what that means in their communities. Therefore, have organizations started to re-define themselves in order to answer the stakeholders’ demands.

In order to gain the potential growth and success the socially responsible activities might offer, the leadership of the organization must be aware of the need to reform, listen to its stakeholders and be open to development as well as identify who should drive that reform and value within the organization.

The question of whether mindsets of organizational leaders has changed in order to drive CSR activities, as well as what leadership approach might be optimal for implementation of those CSR activities, are relevant for today’s societies and corporations trying to flourish in them.

In hence site, I argue that the leadership of managers are not the same in sustainability as in e.g. innovation/technology development focused organization. The approach to leadership is different as well as the way they need to convey the message and strategies within the organization. This argument has a point of departure in the different needs organizations are focusing on. Sustainability and innovation require different attitude from employees and the stakeholders have different demands to the organization. With those differences, the need to drive certain results comes from different background and in that background lays the potential difference in the leadership of managers.

This brings an interesting angle to the problem statement. It appears that organizations are reluctant to have their leadership analysed and evaluated in order to understand if and why there has been changes in the leadership approach.

Potential reason for this reluctance from organizations could be that organizations make nice statements and try to deliver on the objectives of their values. However, the change is most likely not fully integrated in their organizational structure and leadership. Being exposed to
that might diminish the good work they are actually doing. Therefore, the organizational focus should be on the output, not the process of getting there.

Breaking this barrier and getting organizations to cooperate in future research might give even deeper understanding of the potential interconnection of CSR and Leadership theories.

1.2. Research Question

With increasing demand upon organizations to become more responsible, how have organizations reformed their structures and leadership channels to fully integrate Corporate Social Responsibility into the organization?

1.2.1 Sub-questions

The following sub-questions were developed to guide the analysis and support the theoretical framework in order to reach valid and valuable findings that answer the main research question here above. Each sub-question has a main theory that guides the analysis and the hope is to find ways to bridge two fields together in the findings – Corporate Social Responsibility research and Leadership research.

1. How have the 4 organizations changed over time in how they present themselves (structure and leadership channels) and what they stand for (vision and values)? How can that change be related to CSR strategies?

2. Do organizations integrate corporate values and CSR initiatives completely within the organization or is there a certain degree of de-coupling that happens between actual integration and the value statements of the organization?

3. Does top management involvement in the integration process drive change faster and are changes more fully integrated within the organization? If yes, does the type of leadership of these managers have any impact on the level of change?

1.3. Definitions

**Top management:** can also be referred to as executive management team.

**Sustainability:** commonly used as an umbrella topic for environmental and energy issues. According to the Brundtland report from the United Nation\(^3\), sustainability is “meeting the

\(^3\) Taken from Slack et al. 2010
needs of the present without compromising the ability of future generations to meet their own needs.”

**Corporate Social Responsibility (CSR):** Usually understood as more socially focused. To Jackson and Apostolakou (2010), CSR is often seen as a strategic response to pressure from stakeholders who may demand corporations help in creating a better society. That can be done through various topics and depends on the need identified by stakeholders and local communities. Topics may include *Human rights, transparency, sustainable supply chain, health and safety, security* to name a few.

**Leadership channels:** Are the direct and indirect ways where leaders can impact their employees. It usually goes hand in hand with the hierarchy of the organization and official job descriptions but does not have to. The channels and the messages leaders transmit through those channels can vary depending on different situations the organizations are in, project they undertake and the level of legitimacy each leader has within the organization.

**Reform:** Is the process of change/improvement within an organization. The organization is adapting to the environment due to external and/or internal pressures with the help of the reformers inside the organization.

**Triple bottom line:** Is a business principle which ensures that decision making is balanced in financial, environmental and social responsible way by using the questions; Is it economically viable? Is it socially responsible? Is it environmentally sound?4

**Organization:** The understanding of Organization follows the definition of Collins (1998). "Organizations are social phenomena. One of the key and defining characteristics of organizations must be the possibility for and indeed the extent of human interaction”.

1.4. **Purpose of thesis**

As mentioned above I believe that in order to drive successful CSR strategies within organizations the leadership mindset of managers has to change accordingly. The main purpose of this thesis is to identify if organizations have undergone reforms that support their CSR agenda, and to understand the role of leadership in the reforms.

The second purpose of the thesis is to try to understand if any certain type of leadership drives the CSR integration faster and to identify the foundations of that leadership style/type.

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4 Definition from www.novonordisk.com
Last but not least, the purpose of this thesis is to add knowledge to the academic fields of both leadership and CSR. Researching for this paper I came to realize that there has not been much research done where CSR has been analysed through the leadership and organizational theories or vice versa. The academic world is realizing the importance of CSR research and the demand from corporate world to have more defined understanding of what CSR is and can be. Leadership researches and theories have also been strengthening its presence as discussions amongst corporations and organizations about leadership competencies and styles become more common and expected. Leadership theories talk about certain mindset/skills needed to impact followers to reach the goal at hand. CSR theories state that certain mindset change has to be amongst organizations to understand the value and benefits of incorporating new processes and products. Understanding how/ if or why not leadership can support the mindset changes will therefore be a valuable contribution to these fields of research.

1.5. Delimitation

For the purpose of being able to focus the research and ensure a high academic level, the following delimitation has been made. This is done in order to guide the reader through the research and eliminate expectations that will not be met in the following paper.

The aim of this research is to identify change within an organization and the role the leadership style of managers has in that process. I do recognize that organizational culture and employee interaction would have some impact on the findings. This is, however, not part of the focus of the research.

The following research focus is on the internal CSR strategies and how they are integrated into the organization and not to identify and specify which demands stakeholders have towards the chosen case companies. The assumption is made that stakeholders have demands but for the purpose of the research, a clear definition of those demands are not necessary.

Finally, view of branding and marketing will not be considered. Those strategies are considered focusing on the external view of the organization, not the internal. That leaves this approach irrelevant for the research at hand.
2. Philosophical approach – the way to view the world

The following chapter is an elaboration of the research philosophy chosen for this particular research problem and its implication on the findings of the analysis. In this context the research philosophy is used to acknowledge how world is viewed and understood as that has implications on the chosen methodology and therefore the findings.

Firstly, a short definition of the chosen worldview will be introduced to enhance understanding for the particular choice. Secondly, the reason for choosing ontological worldview as the philosophical approach will be explained and by that excluding other approaches. Lastly, there will be underlined some critical aspects of the chosen approach and what it means for the research.

2.1. The philosophical umbrella – Ontology

The word Ontology derives from the Greek word “onto” (being) and “logos” (study of science); so that ontology is commonly understood as the study of being (Lawson et al, 2007). Ontology is concerned with “what is”, with the nature of existence, with the structure of reality as such (Crotty, 1998). By being concerned with the nature of reality, Ontology raises questions of the assumption researchers have about the way the world operates (Saunders, Lewis & Thornhill, 2009).

2.2. Why ontological worldview?

According to Saunders, Lewis and Thornhill (2009) the research philosophy you adopt contains important assumptions about the way in which you view the world. Also according to Saunders, Lewis and Thornhill (2009) there are three main philosophical approaches that researchers in social enquiry can view the world from; Ontology, Epistemology and Axiology.

All three are valuable depending on what the objective of the research is and what the research question aims to answer. Choosing between ontology and epistemology was tough when structuring the worldview for this research since the approaches are similar in just as many ways as they are different. Ontology is concerned with the nature of reality whereas Epistemology is concerned with what constitutes acceptable knowledge in a field of study. For this particular research and the objectives of the research question, the understanding of the reality is the worldview chosen, i.e. Ontology approach.
The reason for choosing ontology is that the main objective of the paper is to understand if organizations have undergone reforms/changes and on which level the potential changes took place. Going into the research the assumption was made that if reforms/changes had taken place, most likely they occurred due to the changes in the reality the organizations belong to. Therefore, choosing a “study of reality and being” was more suited than “study of acceptable knowledge.”

The ontological approach has two aspects on how the reality can be viewed; Objectivism, i.e. how social entities exist independent of social actors, and subjectivism, i.e. understanding the meanings that individuals attach to social phenomena (Saunders, Lewis and Thornhill, 2009).

Morgan and Smircich (1980) also divide ontology into subjectivist and objectivist aspects. They take the concept, however, one step further than Saunders, Lewis and Thornhill by defining a scale from pure subjectivism to pure objectivism and the different levels of approaches in between.

Saunders, Lewis and Thornhill (2009) say that the subjectivism is often associated with social constructionism and that is supported with Morgan and Smircich’s (1980) argument of different levels within the two aspects of objectivism and subjectivism. One of their levels (second to the “pure” subjectivism) takes on the assumption that the reality is a social construction.

Using the approach of subjectivism/social constructionism works well in order to try to answer the research question of the paper. Reason for that is due to one core assumption I make before starting the process of the research, and that is, if there is any changes in organizations and their integration of CSR to the organizational strategies and beliefs then this change comes from the change in the social world around the organization and which the individuals in the organization interact in.

“Human beings create their realities in the most fundamental ways, in an attempt to make their world intelligible to themselves and to others” (Morgan and Smircich, 1980). Baring this quote in mind along with identifying if organizations have undergone reforms in order to adapt to the new reality, then I come to agree with Morgan and Smircich. Most likely these potential reforms occur as the individuals within the organizations try to make sense of the world around them and their work contributing to that world.
2.3. Can the worldview be solely ontological?

Choosing ontology makes valid sense for the objective of the research project. Assuming reforms take place because the social reality of the organizations and their employees has changed implies that the research is a study of the being of the organization and the realities it belongs to.

The choice was however not easy to make. The terminology in the research literature and social science are far from being consistent (Crotty, 1998). That creates challenges in defining the nature of the research study and which terminology best suits the research.

In the initial steps of the research the researcher has to identify the level of knowledge he already has and what knowledge he aims to gain by conducting the chosen research problem. These questions are epistemological questions (Crotty, 1998) since epistemology is concerned with what constitutes acceptable knowledge in a field of study. Therefore there is some level of epistemology already included in the way we view the world, as the output will be transformed into (hopefully) acceptable knowledge for the field it should contribute to.

According to Crotty (1998), ontological issues and epistemological issues tend to emerge together and that can make the philosophical choice for the researcher more complicated.

Saunders, Lewis & Thornhill (2009) as well as Morgan & Smircich (1980) divide ontology into two aspects; Subjectivism and objectivism. Crotty (1998) on the other hand, is more focused on epistemology as an approach to choose and divides it into three aspects: Objectivism, constructionism and subjectivism. The different views on definitions challenge the assumption that a researcher can only choose one approach. The philosophical approaches are intertwined and defined differently by various researchers.

As a researcher, the awareness of different definitions and the connectedness of the terminologies will help one to define the worldview chosen for the research and what the potential implications of that choice are for the findings of the research.
3. Methodology

The following chapter aims to explain the reasons behind chosen methods and research design. After gaining understanding of the worldview the research “belongs” to, the explanation of chosen methodology and methods will be easier to comprehend.

First a connection between the previous chapter, the philosophical approach, and the methodology will be explained. The ontological approach has direct impact on the choice of methodology and methods chosen for the research project. Secondly, a detailed structure of the research paper will be explained. That includes the reasons behind the chosen type of research design, research question, introduction to the chosen case companies and the methods of data collection and analysis explained in details. Finally, a critical view on the chosen methodology will be viewed and what that means for the reliability of the research project and its findings.

3.1. Methodology with philosophical approach

As mentioned above, the chosen philosophical approach or worldview the research belongs to is ontology – specifically subjectivism/constructionism. Approaching the research as a study of being i.e. to understand the meaning that individuals attach to social phenomena (Saunders, Lewis & Thornhill, 2009) directs the research to certain methodological choices. One of the possible choices is Hermeneutics.

In broad terms, it could be said that hermeneutics is to exegesis what grammar is to language or logic is to reasoning. It tries to “read” human practices, events and situations in ways that brings understanding (Crotty, 1998).

To bring the concept of Hermeneutics closer to the following research I further agree with the definition that Hermeneutics deal with understanding and interpreting the meaning of human beings (Burrell & Morgan, 1979). One way hermeneutics interpret meaning is through understanding and interpretation of texts. Texts are means of transmitting meaning – experience, beliefs, and values – from one person or community to another (Crotty, 1998). Hermeneutics are, however, not only confined to understand written material, but more language and human practices in general e.g. the spoken word as well (Crotty, 1998).

With that definition of hermeneutics and its connection to understanding texts and written materials the choice of methodological approach seemed in sync with the worldview of the
research. The objective of the research project is to create understanding of why reforms occur and to what extend the reality the organizations belong affects the development, through written documents, e.g. annual reports.

3.2. Hermeneutics and the researcher

When taking on a research and choosing hermeneutics as the research methodology the researcher has to understand what that choice will require of him. Gadamer (2004) argues that a person who is trying to understand and interpret a text starts the process with fore-conceptions, a pre-made idea of the meaning which the text includes. Also according to Gadamer, understanding realizes its full potential only when the fore-conceptions the researcher has in the beginning are not arbitrary. The understanding is developed through the search for legitimacy of those pre-conceptions. Gadamer uses Schleiermacher’s viewpoint in this context. Schleiermacher says that interpretation and understanding are closely interwoven, like the outer and the inner word, and every problem of interpretation is, in fact, a problem of understanding\(^5\).

As a researcher, being aware of the pre-conception of the situation about to be analyzed is therefore important for the interpretation of the text. The researcher also has to recognize that all understanding inevitably involves some prejudice and that this prejudice causes hermeneutics some problems (Gadamer, 2004).

The final aspect for the researcher to have in mind is that his historical situation might (and most likely does) affect the interpretation of the text and therefore the “real” meaning (Gadamer, 2004). As a researcher, one always takes its own history and experiences and interprets the world around based on that pre-conception. Being aware of the potential influence and trying to avoid prejudices and biases will increase the validity of the findings of the research.

3.3. Hermeneutics and choice of methods

The next step is to decide which methods would be most appropriate to use in the analysis, representing the hermeneutic definition and the link to the worldview of ontology – study of being.

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\(^5\) Taken from Gadamer, 2004
To fulfil the objective of the research and to answer the research question the decision of using *Grounded theory* was taken.

The reason for choosing Grounded theory lies in the ability to use the method to determine what symbolic meanings, artifacts, words and gestures have for people and the ability to understand how those people construct their social reality through these symbolic meanings (Cutcliffe, 2000)⁶. The Grounded theory relates to the chosen methodology and worldview through the opportunity to analyze texts and language as well as gestures that people have done in groups, in organizations or just as individuals (Cutcliffe, 2000)⁷.

The basic thought behind the grounded theory is that it is not about proof/test a theory. It is more about starting within an area of study and the important and relevant theories emerge into the grounded theory (Strauss & Corbin, 1990).

This is relevant for this particular research as there is not one theory that will be tested or applied, but rather emergence of theories that might potentially lead to a new theory in the findings.

Agreeing with Goulding (2011), the appeal of using grounded theory is in its offer of a structured approach of exploring the social, the symbolic and the behaviours. There are multiple processes that remain fundamental to the grounded theory method.

- **Open Coding**: Involves breaking down, conceptualization and categorization of data. The aim is to identify key words and phrases that give some insight into what is happening in the data (Goulding, 2011).
- **Axial Coding**: This involves the appreciation of open coded categories or concepts in terms of their dynamic interrelationships (Goulding, 2011). In this approach, the breakdown of data from open coding is put back in new ways and new categories (Strauss & Corbin, 1990).
- **Selective Coding**: This subsumes the data further into a core category which the research has to justify as the basis for the emergent theory (Goulding, 2011)
- **Process/sequences**: By process is meant the linking of sequences of action/interactions as they pertain to the management of, control over, or response to, a phenomenon. Process is very important part of any grounded theory study (Strauss & Corbin, 1990).

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⁶ Taken from Goulding, 2011
⁷ Taken from Goulding, 2011
- **Memos**: Is vital as they provide a bank of ideas which can be revisited. This can both be done in interviews as well as field notes or other notes while doing the data gathering. (Goulding, 2011)

- **Theoretical sampling**: Is sampling based on concepts that have proven theoretical relevance to the evolving theory (Strauss & Corbin, 1990).

- **Constant comparison**: Is a fundamental feature of grounded theory and requires the researcher to engage in data interpretation at the same time as the data are collected. Like the name implies, constant comparison is a process by which the researcher transcribes interviews or analyses memos comparing like with like and looking for emerging patterns and themes (Goulding, 2011).

Few important thoughts should be kept in mind when it comes to coding are; (a) analysis is, in fact making interpretation, (b) the above processes are not meant to force rigid adherence to them but rather guide their flexible use depending on circumstances and (c) that in order to ensure flexible usage of the processes, the technique of asking questions should be applied all throughout the coding process. The basic questions are: **Who? When? Where? What? How? How much?** and **Why?** (Strauss & Corbin, 1990).

The above mentioned processes guide the analysis into the direction considered give a valuable finding. Also, these processes are aligned with the hermeneutic methodology of interpretation and understanding text and language in order to create meaning.

I therefore strived to be true to the foundation of grounded theory but still include the creativity needed to adapt the method to the data which had been gathered for the research.

3.4. Critical aspects of the chosen method

The acknowledgement that researchers do not always agree on the methodology is important. The need to understand the choice of methodology and the implications it has on the research, is important in order to argue for the choice being made.

For this particular research, more methods were available, but not chosen. The link between the philosophical approach, the methodology and the method was clear and useful. However, every choice of methods opens up questions for criticism, grounded theory being no different.
The fact that in grounded theory, the data is broken down into pieces and analyzed leaves many other researchers, e.g. narrative analysts, to doubt the validity of the finding. Their view on the data is that the story/language needs to be analyzed as a whole, not as bits and pieces here and there. By doing so, you might take the context out of the analysis, which impacts the findings (Riessman, 2008).

Also the idea in grounded theory, that the theory needs to be generic, causes other researchers to reject that method. Again, narrative analysts include time and space perspectives in their research, which will be lost if the theory aims to be generalized (Riessman, 2008).

3.5. Structure of the chosen methodology

In order to gain higher legitimacy and colleagues’ acceptance of the paper, a pre-approved methodological structures and strategies were chosen. By doing so, the findings will also be of more value to the academic field that they aim to contribute to. The chosen structure and work process of methods aim to decrease likelihood of bias as well as to increase reliability and validity of the findings.

3.6. Research question

According to King, Keohane & Verba (1994) the research question is one of four major components of the research design, the other three being the theory, the data collection and the use of data.

The structure of the research question needs to capture what the study is interested in answering. By doing so, the research question also guides the next step in the research design (Yin, 2003).

The research question should aim to answer a problem that is important in the real world, meaning it should have some impact on people’s lives and/or daily organizational work. The question must also aim to contribute to an academic field and the identifiable scholarly literature. (King, Keohane & Verba, 1994)

3.7. The research design

The research question I have proposed has led me to adapt to a case study research design for the paper. By choosing a case study research design, the goal of the paper is to expand and generalize theories in an analytical generalization (Yin, 2003).
The essence of a case study is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented and with what results. (Schramm, 1971)\textsuperscript{8}

According to this essence of the case study approach, this is the right research design to take on in order to answer the research question. The proposed research question looks at the decisions around implementing CSR strategies, what’s the reason they were taken (pressure from the external world or general belief in the value) and how have these decisions changed the organization.

The decision mentioned in Schramm’s definition can also be “individuals”, “groups”, “organizations” or “events” (Yin, 2003).

The case study approach in this paper will be multiple-case study where two or more units will be analyzed. This approach is taken to have more data, more resources and more choices in order to have a robust and dynamic analysis (Yin, 2003). One of the goals of the case study is to demonstrate that both the context and leaders of the organizations have impact on the changes made. Therefore was a single case study not applicable.

The research design is that of an explanatory research. Reason behind that decision is the fact that the aim of the research question is to answer how the change affects leadership or how leadership affects change. The “how” part of the question is part of an explanatory research design (Yin, 2003). Despite this fact, there are still some elements of exploratory focus in the research. That comes with the notion that there have not been conducted many previous researches. Therefore a small aim of the research is to answer the “what” of the research. What can be learned from this and what does this research contribute to the field’s literature? The “what” question supports the exploratory focus of the research, though the main focus is explanatory (Yin, 2003).

Final reason for choosing a case study as a research design is that when framing a case study around explanatory questions it may lead to more focused and relevant description of the case and the findings. (King, Keohane & Verba, 1994)

3.8. Chosen cases for analysis

The four chosen case companies have currently a strong focus on CSR and sustainability and that focus has been developing and strengthening for some years. They belong to two

\textsuperscript{8} Taken from Yin, 2003
different industries, a pharmaceutical industry and a financial industry and are all, except one, based with their headquarters in Denmark. That one is Swedish but has a strong presence in Denmark. The reason behind choosing the pharmaceutical industry versus the financial industry is related to the historical fact that pharmaceutical industry has been one of first to introduce sustainability and responsibility to their agenda, most likely due to the field the companies belong to. The financial industry has been more reactive in their approach to CSR and sustainability and just in the recent years started to introduce CSR as well as sustainable investment into their portfolios. Including different industries might give valuable insight why there are potentially different levels of CSR integration amongst the chosen case companies.

Benefits of choosing these large and well known companies for this research are the important access to archives of annual reports and extensive CSR information they include on their websites. Also, the likelihood of finding other information of the companies and their CEOs is higher when the companies are big players in their industries.

All the case companies have signed the UN Global Compact and with that act, officially stated their focus on Corporate Social Responsibility.

Novo Nordisk\textsuperscript{9}: A global healthcare company with 88 years of innovation and leadership in diabetes care. The company also has leading positions within haemophilia care, growth hormone therapy and hormone replacement therapy. Novo Nordisk employs approximately 31,400 employees in 74 countries, and markets its products in 179 countries.

The company has been aware of the external environment for many years and was one of the first companies to publish an environmental report alongside the annual report in 1994 and a social report in 1999.

One of the main focuses for Novo Nordisk is the Triple Bottom Line (being economically viable, socially responsible and environmentally sound). The Triple Bottom Line directs the way Novo Nordisk manages its CSR/sustainability efforts. It correlates with the management system that the company uses to direct the overall image of what the company stands for, who they are, where they want to go and how they work (See Appendix A for Triple bottom line).

Along the Triple Bottom Line, Novo Nordisk works towards responsible reporting by being a part of Global Reporting Initiative.

\textsuperscript{9} Taken from www.novonordisk.com
Lundbeck\textsuperscript{10}. A global pharmaceutical company focusing on the central nervous system, e.g. depression and Alzheimer’s decease, which was established 1915. Lundbeck has more than 5,900 employees in 56 countries worldwide.

According to the company’s homepage, there is a strong focus on ethics and corporate responsibility in the organization. A Corporate Responsibility programme works on daily activities and alignment of CSR with the organizational strategies. For information about Lundbecks’s values see Appendix B.

One of the main drivers of the CSR strategy in Lundbeck is their Code of Ethics, which includes 12 core issues that the organization believes to support the vision and mission of the Lundbeck. The company has also developed Code of Conduct to guide third party’s work.

Lundbeck is realizing progressively the relevance of stakeholder dialogues and the Code of Ethics is one of the tools being used to develop the company’s relationship with its stakeholders. In 2011, this has proven to be challenging for the company due to heavy criticism towards the Lundbeck regarding misuse of their medicine in the USA. That criticism is really testing the level of commitment from the company to its CSR/sustainability strategy.

Nordea Bank\textsuperscript{11}. The largest financial services group in Northern Europe. Nordea has a leading position within the corporate merchant banking and retail banking. The company has around 36,500 employees and operates in 9 home markets. Nordea has its headquarters in Sweden, but has a strong representation and position in Denmark.

As mentioned above, the financial market has been considered more reactive than proactive when it comes to adapt to CSR/sustainability standards. Despite that fact, Nordea claims to have a strong focus on Corporate Social Responsibility. The company is a participant in three United Nation’s sustainability initiatives; Global Compact; Environmental programme Finance initiative; and follows the UN principles for responsible investments.

Despite the claimed focus on CSR/sustainability, the company’s vision/mission and value statements do not, at first glance, live up to the claim (See Appendix C for values/vision statement). Nordea has, on the other hand, large amount of information on their website on initiatives and activities the company has developed to sustain Nordea’s CSR focus.

\textsuperscript{10} Taken from www.lundbeck.com
\textsuperscript{11} Taken from www.nordea.com
Danske Bank\textsuperscript{12}: The largest bank in Denmark and one of the leading financial enterprises in northern Europe. Danske Bank, established in 1871, offers a full range of banking services, with an emphasis on retail banking. In 1990 the bank merged with two big Danish banks and again in 2000. The company has approximately 21,500 employees in 9 countries.

In 2006, the website of Danske Bank introduced the Corporate Responsibility section. According to the homepage of the bank, the company has a CR board that uses its expertise to drive the CSR strategies of the bank forward. Danske Bank claims to have a strong focus on CSR/sustainability and according to the webpage, the bank has CSR initiatives within the business area, employees’ area, environmental and climate area, society area, policies as well as being involved with sustainable reporting initiatives.

The company’s vision and mission statements can however not be related at all to CSR/sustainability and the chosen focus areas do not imply focus on issues related to CSR/sustainability. (See Appendix D for values and vision statements)

3.9. Data collection

There are two major approaches to gather information for a research project according to Kumar, R. (2011). These approaches are \textit{primary data}; observations and interviews, and \textit{secondary data}; Documents such as earlier research, personal records, newspaper interviews etc.

Yin (2003) does not categorize the data collection strategies into the two groups mentioned above. Yin rather states that there are six main sources where evidence can be found: \textit{Documents, archival records, interviews, direct observation, participant-observation and physical artifacts}. I prefer Yin’s approach to the data collection strategies as primary and secondary nominations can be misleading to a new researcher. With that confusion, the useful evidence that Kumar calls secondary in his book, might not be given much thought and therefore a great deal of information might be lost, leaving the research with low reliability and potential bias.

Organizations are interested in gaining more knowledge about CSR and how it can be beneficial to their business. However, the organizations are not eager to be analyzed and studied. This has created a challenge of accessibility to the needed evidence to run a successful research.

\textsuperscript{12}Taken from www.danskebank.com
With limited access to organizations in order to do interviews to answer the research questions the approach I have decided to take, is to use qualitative Documents and archival records to construct my data. These documents are mostly company’s annual reports and company’s information on their websites.

Few ways to use the data I gathered to analyze if a reform has/has not taken place is by looking at the case companies with an historical perspective. Therefore the annual reports from 2000 to 2010 were gathered and analyzed. This data also enables me to see if the leadership channels, as well as perceived leadership of managers, have changed through the reforms.

By using both documents and archival records, I have to be aware that these materials were produced for a certain audience and need to take that into consideration when interpreting the evidence. (Yin, 2003)

With that in mind, the positive aspect of using the so-called “secondary data” and not entering the organization in order to do interviews is that I might be more able to distance myself from the organization and look critically on the evidence. No interferences from the organization about how I interpret the data might have both positive and negative effect on the validity of the findings. Being able to distance myself from the organization and have a critical outlook as well as understanding of the origin of data might help me understand why organizations are so closed off when talking about their internal leadership.

3.10. Data limitation

When I started the thesis work and figured out what would be an interesting topic to analyse the idea of researching whether leadership of managers within companies changes at all when implementing CSR strategies and initiatives. That approach could arguably require profound interviews with leaders and followers within the organization to understand their viewpoints and analyze how the reform has impacted upon them and their reality within the organization.

With no access to organizations, this approach had to be altered but the idea stays the same. Instead of asking about individual leadership changes, the new approach looks into the organizational change and how leaders have changed their appearance and communicative methods in order to commit to the reform that has taken place.
Using secondary data might lead the topic into few challenges. First, using secondary data I cannot get the social, emotional and personal aspect of leadership and how the reform has impacted upon these aspects within the organization.

Second, the data might not allow me to have full overview of the issue at hand, due to limited information online, and therefore colour my analysis. The secondary data would be even more useful if there were interviews to compare to.

3.11. Data analysis

Data analysis is a challenging task and history shows that many researchers start their case studies without giving the analysis any thought. According to Yin (2003) the first place to start your analysis is to follow the theoretical proposition that has influenced the research question and the data collection. That theoretical proposition should have given the researcher some priorities relevant to conduct the analysis.

For this particular research, the analytical thought process started both from a methodological approach as well as theoretical. The chosen theories and the research question gave some ideas of how to philosophically view the world and from there the idea of methodology was built.

The process of the analysis in the following research takes departure in Grounded theory. Few major processes within grounded theory were chosen and organized in order to gain the most insight into the case companies’ situations. The first part of the analytical process was the open coding, i.e. breaking down the information. First, only three (2000, 2005, 2010) annual reports were taken and broken down, identifying all sections that had information on the CSR agenda of the company. This was done for all four case companies. The use of memo’s then was introduced to the process. The memo’s included the thoughts and ideas I had and my interpretations from the first, second and third time reading over the data gathered in the annual reports. When new questions or thoughts presented itself from the use of memo’s, a theoretical sampling was used, aimed at finding more data that would answer these questions. The new data came from other annual reports between the year 2000 and 2010, which were not included in the initial data gathering. The process led to all annual reports for all four case companies being read and interpreted in order to gain valuable insight for each sub-question. Throughout the interpretation of the information, constant comparison was used in order to understand the impact of the data. The comparison was done with data from each of the case
companies or between the four companies to understand the difference of their situations. Lastly, axial coding was used where the information found was interpreted and put together in order to have an overview of the case companies’ situation and interpreted into findings.

3.12. Criticism on chosen methodology

Critical scrutiny of the procedures used and the methods employed is crucial to a research inquiry. (Kumar, R. 2011)

Here are few criticisms identified for transparency reasons and some answers or thoughts given on why these criticisms are valid but do not lower the validity of the findings of the research.

Criticism on case studies

Many researchers still believe that case studies are only appropriate for the exploratory phase of an investigation, and that surveys and histories are appropriate for descriptive phase and that experiments are the only way of doing explanatory or causal inquiry (Yin, 2003). This criticism and the fact that many scholars are concerned over potential lack of rigor in case studies leave this research design underestimated and frowned upon when it could in fact provide the best results. Also, a criticism on the case study research design is that scholars challenge the fact that a single case study can create scientific generalization (Yin, 2003).

There are no simple answers to these criticisms. When a researcher decides to use this specific research design, those things have to be kept in mind in order to increase the legitimacy of the paper and the validity/credibility of the findings. With this in mind, the research at hand is a multi-case research.

Criticism on the data collection

As mentioned in the data collection sub-chapter above, some data is called primary and some data is called secondary. Therefore, it remains important to keep in mind that no method or evidence will give you 100% accurate and reliable information. As a researcher, one has to be aware of that and evaluate the information accordingly.

The biggest critique is on the so-called secondary data. Kumar (2011) identifies few issues that a researcher might face while using “secondary” data in the research. These issues are; validity and reliability, personal bias, availability of data and the format of data. I do not agree
that researcher is faced with these issues only while working with “secondary” data. As I have stated above, I agree with Yin in not separating data into primary or secondary as all data can be “primary” or “secondary”. Primary data for me is where the researcher has the best option of doing a successful analysis and gain valid findings. Depending on the research question, accessibility to interviews can be a challenge for the researcher so other data will be the primary focus.

3.13. Summary

As stated above, the path this research has taken when choosing the methodology and analytical method is influenced by the worldview/philosophical approach the research belongs to. In this particular research project, ontological worldview leads to understanding the reality as a social construction and from that reality; hermeneutics is a valid methodology to take on as it tries to understand meaning through interpretation and understanding of text and the language people use. Hermeneutics is just one possible methodology that can be chosen, there are many others that might be valuable. As a researcher making that choice, the understanding that choosing one methodology means discarding others, it is important to stay true and committed to the methodology in place.

In trying to do so, the Hermeneutic methodology guided the analytical methods chosen to try to answer the research question in a manner that is true to the worldview social constructionism. With the complexity of the research question, the gap in the literature (see chapter 4) and the options hermeneutics offers, Grounded theory was chosen as the backbone method. The ability of that method is to understand symbolic meanings, artifacts, words and gestures in complete harmony with analytical need of understanding the reform of organizations and the impact it has on the CSR strategies the organizations have adopted, as well as to analyze CEO’s leadership.
4. Theoretical approach

The objectives of the following chapter are to gain understanding of the reason for the following research project, to relate already published theories and authors to the problem and clarify in which academic field/s the research project will contribute with its findings.

The first step is to demonstrate the gap in the literature and the need to drive this research forward as well as to explain how and why the theoretical search kept developing the research question. The second step is the discussion of the four main selected theories. Thirdly, the reason why these theories were chosen and their link together will be explained followed by the fourth step, the critical aspect of the chosen theories. The fifth step will be to take a critical look at the overall theoretical approach of the research and discuss what could have been done differently. Lastly, a short summary will be provided from the theoretical chapter to make sure a clear overview of the chapter is at hand.

4.1 The background idea for the research

The concept of leadership has gradually been gaining support, both from the corporate world as well as from the academic world. More companies include leadership skills as part of the hiring criteria and more higher education establishments are offering classes and educational focus on leadership.

The idea of the following research came after realizing that companies do not specify what they mean when they list leadership skills as part of their hiring criteria. The concept of leadership can be interpreted in different ways and have theories even defined different traits and styles that people can adopt. Theories have even gone further than only looking at the individual characteristics but also started to focus on the context each organization belongs to and how that context affects the leadership needed. “A growing recognition that leadership development involves more than just developing individual leaders has now led to a greater focus on the context in which leadership is developed” (Hernez-Broome & Huges, 2004).

Another factor that supported the idea of this research comes from attending leadership classes at university level and realizing that development in leadership literature is starting to incorporate the impact ethics and scandals have on leaders and their leadership skills and styles. “We suggest that a more plausible account of the corporate scandals is a failure of ethical leadership that derives from the pre-occupation with the self that drives individuals to
seek wealth, fame and success regardless of moral considerations” (Knights and O’Leary, 2006).

The statement made by Knight and O’Leary is an interesting statement because it emphasises that the failure is not only in leadership, it’s in specific approach to leadership; i.e. ethical leadership. And that type of leadership is driven by certain “values” of the leader, and in this case the values are not positive and constructive for the society that leader belongs to.

The statement about the ethical leadership supports the argument made by Hernez-Broome & Huges (2004) that the context and the attitude of the leader/organization is important to leadership portrayed.

One of the contexts that leadership has not been analysed much through is the context of sustainability/Corporate Social Responsibility (CSR).

The academic literature in the field of CSR has been analysed and researched many different angles of CSR, from strategic philanthropy (Porter and Kramer, 2002) to CSR as part of core competencies, from supply chain management to competitive advantage theories (Porter and Kramer, 2006). However, the contributing theories to the field of CSR have not analysed how organizations have changed by integrating CSR strategies into their organization or even if organization do fully integrate CSR and do not just keep the concept as a superficial strategy to improve image.

The argument of this particular research paper is that in order to fully integrate CSR into the organization there has to be change in leadership and the mindset of the key people in the organization in order to drive the integration.

With this background, a further research was done to find theories that could be used in order to support the assumption made above.

4.2 Identified gap in the literature

As mentioned above, there is a gap in the literature and not many previous researches have been conducted where leadership and Corporate Social Responsibility are linked to see their impact on each other. The gap in the literature became apparent when the research of theories for the literature review began. The first approach to the literature search was searching for leadership theories that were connected to/focused on CSR strategies in organization. The search showed no result and forced the search to alter slightly.
The search changed focus and headed into the CSR literature field to search for a theories intertwined with integration and/or leadership. Again, the search was not so fruitful, only one research was found, and forced another look at the research question and the objectives of the research at hand. Making sure the relevance was still clear, the research question had to adapt to the challenge the literature gap imposed. By creating, developing, rephrasing and understanding the research question the search for theories became a bit more guided into the direction of organizational theory field. Using that as a starting stone to search for theories it became more evident which “keywords” to use while browsing the literatures already published. Key words like **Leadership, reform, CSR, change, integration, values, ethics, decoupling** started to take form and guided the search more clearly.

From the organizational theories, the main selection was between organizational change theories and the reforming organization theories, with the final selection of the latter theory. From that decision, the research question was rephrased again to reconfirm the choice and guide, if needed, the path to more theories. The gap in the literature as well as the newly phrased research question led the search for theories deeper into the field of leadership and CSR. The research in the leadership field showed that researchers have started to link ethics and leadership together, and bringing that research to use as leadership theory for the following research would be a valid consideration.

The above mentioned research, which focuses on integrating CSR into the core routine of the organization proved to be valuable starting point in the CSR area of this research project. The authors of that research paper, Yuan, Bao and Verbeke (2011), agree with my findings about gap in the research when it comes to integration of CSR into the organization and what that means for the organization performance and behaviour. “Although a large body of CSR literature has been devoted to organizational responses to external stakeholder demands, there has not been much work on how firms attempt to integrate CSR initiatives in business and as a result achieve internal fit” (Yuan, Bao & Verbeke, 2011).

Their approach to answer the problem stretches into the organizational theory field as well and is again, in some ways, aligned with the decided approach for this particular attempt to answer the research question.

Last challenge to keep in mind when taking on this research project is that, because most of the research has been on responses to external demands and not on how that response impacts the internal organization, one has to be aware of the potential decoupling taking place
between the values and the mission aimed to “please” the stakeholders and the day to day commitment to those values and mission amongst employees. By understanding this challenge while conducting the analysis will help gaining knowledge of how deep the integration really is, or if the CSR strategies are purely “cosmetic” strategies aimed to silence the stakeholders’ demands.

The process of continuously adapting the research question to the literature gap strengthened the focus of the research and proved that this research has a big relevance. This particular research project is aiming to bridge two research fields, Leadership and CSR, which have not been intertwined before as well as analysing if organizations really integrate CSR into the core of the organization and therefore change their leadership approach accordingly. The value of research, as has been mentioned in chapter 1, is the addition to the literature in both fields as well the value of understanding how organization really work with their CSR strategies and how committed they are to full integration.

4.3 Discussion of main theories

When a research question aims to tackle a gap in the literature, where there are not many theories to lean on and work with the task of selecting a valid theory becomes very challenging. The search for theories that might be able to answer the research question covered broadly few academic fields to make sure theories potentially valuable were not left out. This led to the following main theories.

4.3.1 Reforming organization

“The concept of reform brings a special perspective to bear on the processes of organizational change and the way organizations function, as well as on internal leadership and power” (Brunsson and Olsen, 1993).

Brunsson’s and Olsen’s theory, with this statement, becomes relevant when we use David Collins (1998) definition of organization.” Organizations are social phenomena. One of the key and defining characteristics of organizations must be the possibility for and indeed the extent of human interaction” (Collins, 1998). Taking this approach to organization, it fits well with the understanding of the world, that the reality is a social construction (Saunders, Lewis & Thornhill, 2009).
The fundamental difference between reforming organizations and organizational change theories is not big. The American Heritage Dictionary of the English language (2000) defines **reform** as “to improve by alteration, correction of errors, or removal of defects; put into a better form or condition”. For **change**, the dictionary definition is “to lay aside, abandon, or leave for another; switch” or “to give a completely different form or appearance to; transform”. Both aim towards organizations altering their current situation to something believed to be more suited at a particular time. Reform just improves the situation by incorporating new strategies, but change implies a complete new approach to the core organizational structure. Burke (2008) mentions, in his book *Organizational change: theory and practice*, that organizations change all the time, each and every day. He also mentions that these organizational changes are gradual and incremental in the effort of the organization to catch up with a fast moving external environment (Burke, 2008). The need for change comes from the external environment and forces the organization to change, incrementally or radically, but change into something new.

Reform on the other hand comes more often from within the organization and does not have to be coming from a changing environment. It can also come from a stable working environment aimed to be better. “Reformers often claim that reform is necessary to adapt the organization to important changes in its environment. We argue that both fairly mundane, common and stable aspects of internal organizational life and various stable and common features of organizational environments can also produce reforms” (Brunsson and Olsen, 1993). The ability to create reforms in both stable times and chaotic times within the organization is the important aspect of the chosen theory.

The second relevant aspect of the reforming organization theory is the relations between reform and legitimacy. “The legitimacy of organizations lies in the congruence between organizational actions and the social values expressed in norms concerning organizational action” (Dowling and Pfeffer, 1975)\(^\text{13}\). This statement is relevant to the research in the sense that if a reform has taken place, which is argued to have happened, it most likely is due to the organization legitimizing itself to the stakeholders. “One traditional means of legitimation in the public sector is the very act of reforming: showing that you are not only behaving correctly, but also that you are constantly improving” (Brunsson and Olsen, 1993).

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\(^{13}\) Taken from Brunsson an Olsen, 1993
To fully integrate new strategies into the organization, a certain degree of reforming/change most likely needs to take place within the organizational structure, communications and in the demonstrated leadership as well as in the current leader follower relationships. Without this, the depth of the strategy’s integration can be questioned, as well as the organization’s commitment to the reform and from there, ultimately, questioning their integrity towards their stakeholders as the strategy only serves as a “cosmetic” strategy, i.e. reputation/branding strategy.

According to Brunsson and Olsen (1993) reforms can have implicit impacts on the organization in four different ways: Reforms reshuffle power; Reforms re-legitimatize; Reforms educate; Reforms entertain and threaten.

- **Reshuffled power:** It may be difficult or impossible to redirect power at will but change reveals the power structure at hand. This makes it easier, during a reform, to try to change these structures, and more difficult to keep the power intact. Organizational actors begin to discover the distribution of power and talk about it.

- **Re-legitimatizing:** When actions are initiated to show that organizations are constantly improving, the confidence which is prerequisite of legitimate action is renewed.

- **Education:** when people begin working in an organization they are educated, or rather re-socialized, with regards to the main norms, values and routines. Reform is a way of retaining all the employees without sending them on a course.

- **Entertainment and threats:** in addition to satisfying all the above-mentioned functions, reforms entertain certain actors and threaten others. Everyone’s role is important: The “progressive” are important to renewal, the “conservative” to the maintenance of tradition (Brunsson and Olsen, 1993).

These functions of reform are useful to gain understanding of the changes potentially made in the chosen case companies for this research and help understanding the level of integration of the CSR in the organizations.
4.3.2 Leadership

Finding the right leadership theory to use as a backbone proved to be a challenge as the gap in the literature when it comes to leadership in relations to CSR became apparent. In order to tackle that challenge, few leadership theories will be combined and taken to a level where CSR theories could potentially be intertwined later on.

Throughout the years leadership theories have been developing and adapting. In 1870 the leadership theories started focusing on Leadership traits and what makes a good leader. The development continues and goes through Leadership behaviour theory to Charismatic Leadership in 1970\textsuperscript{14}. The main difference between trait theory and behaviour theory is that trait theory argues that leaders are born (focusing on personalities) while behaviour theory argues that leaders are made (focusing on four behavioural categories, such as task oriented and change oriented) (Derue et al., 2011). Still today, Charismatic leadership theories are considered relevant, and are potentially most common, but a new angle on leadership is becoming very important as well, and that is Ethical Leadership. With Scandals happening around the world, managers are starting to understand that it’s not enough to be charismatic. You have to be ethical as well.

Ethics are often connected with CSR, considered being one angle of being socially responsible. So when leadership theories focus on ethics and the need for ethical leadership, it can be assumed that this type of leadership could belong to an umbrella leadership style, Socially Responsible leadership style. Depending on which angle/focus the organization takes on when introducing CSR to the organizational activities, leaders would then have to adapt to the sub-style under the Social Responsible umbrella, be it ethical leadership, transparency, human rights etc. This umbrella does however not exist, yet.

First angle to keep in mind for the leadership theories is that leadership is constantly considered as being personal and relational. Grint (2005) in his book Leadership: Limits and possibilities, argues for four ways to approach leadership. The first one is the “HOW” of leadership, i.e. the process of leadership in getting to the aimed results. The second approach is the “WHERE” of leadership, i.e. the position of leaders within the organization. The third approach is the “WHAT” of leadership, i.e. the results achieved that makes the leader and the fourth and last is the “WHO” of leadership, i.e. the personal approach of who the leaders are (Grint, 2005).

\textsuperscript{14} Taken from De- and Reconnstruction of Leadership class by Eva Boxenbaum, See Appendix E for slide.
Analysts in Leadership theories are likely to believe one approach over another. However, for the purpose of this research, the approaches will not be separated but are interlinked into a framework of leadership, used in the understanding of changes taking place within the organizations. The reason for that decision is the understanding that leadership cannot be present without the results, the process to get there, the place of influence within the organization and lastly, personal characteristics needed in order to be a leader. Increasingly, leadership is becoming more and more defined not as what the leader does but rather as a process that is the result of relationships between leaders and followers (Hernez-Broome & Hughes, 2004).

Image 1 here to the left (see bigger version in appendix F) explains how each approach builds up different aspects of leadership, and introduces potential analytical angles under each pillar. These angles will be further introduced in the third sub-question analysis chapter where they are part of the analysis.

The final aspect of leadership relevant for this particular research is the statement made by Hernez-Broome & Hughes (2004) regarding the relevance of context when it comes to leadership. Organizations should be aware that leadership competencies need to correspond to the organization’s strategy and business model (Intagliata. et al., 2000). Without that focus, leadership development will not bring about profound or long-lasting changes (Hernez-Broome & Hughes, 2004).

4.3.3 CSR

As has been mentioned above, there was no theory to be found where leadership and CSR are intertwined. The next step was, then, to identify CSR theories aimed at internal organizations and the integration of CSR to the core of the organization. So far, one research has been conducted that could be a supporting theory for the aim of this research project.

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15 Taken from Hernez-Broome & Hughes, 2004
The CSR theory aimed to answer the research question of this research project is the integration theory by Yuan, Bao and Verbeke (2011) in their paper *Integrating CSR initiatives in business: An organizing framework*. They attempt to bridge the internal fit between CSR strategies and the core routines organizations have established already and how that fit can bring continuous growth and profitability.

They use of core-periphery model (Siggelkow, 2002)\(^{16}\) to “explore various approaches that firms can select when they “add” recurring CSR initiatives to their existing business operations”. (Yuan, Bao & Verbeke, 2011). That model identifies seven patterns as the approaches to be selected from:

1) *Born CSR oriented*: This pattern describes the situations of firms that have incorporated CSR routines as a critical part of their organizational systems from the inception. This orientation towards CSR so early in the establishing process of the organization may result from the values of the founder.

2) *Patching* (*Creating new CSR core routines*): This refers to building CSR elements that interact with many other current organizational routines and/or exert major influence on future organizational practices. This pattern indicates that CSR co-determines organizational purpose and helps make the firms identity. Creating a new CSR core routine typically changes the organizational processes as well as various parts of the value chain.

3) *Thickening* (*creating new CSR routines as peripheral, core –extending practices*): Thickening or adding core-extending CSR practices supports and reinforces existing core routines. These new CSR practices mainly build upon extant core routines and benefit from the strength thereof.

4) *Positioning* (*creating new CSR routines as independent, peripheral practices*): This means adding independent, peripheral CSR routines that are not central to the firm’s strategy and operations and do not exert much influence on the firm’s future development trajectory.

5) *Relabeling* (*recognizing current routines as being CSR oriented*): Relabeling implies that current routines, whether core, core-extending or independent ones, are recognized as CSR routines.

\(^{16}\) Taken from Yuan, Bao & Verbeke, 2011
6) **Trimming (eliminating routines detrimental to CSR) and reconstructing:** To reduce negative exposure, firms may trim both core and peripheral routines that are detrimental to CSR, as a precursor for subsequent adding of new CSR practices. Trimming the core routines can have affect on the core-extending peripheral routines but the latter does not necessarily affect the core routines.

7) **Cooperating (creating CSR routines through alliances):** In some cases, a single company may lack the capacity to address competently the uncertainty created by its external (social) environment, whereby cooperation with other organizations may be less costly or more effective to address specific issues.

The seven pattern model is a valuable theory to take into the research project ahead as it provides already identified steps organizations can take in order to integrate CSR fully into the internal organization. The model will be a stepping stone to identify which pattern the chosen case companies have selected and use that pattern to analyse the role of leadership in that integration.

Using the Yuan, Bao and Verbeke’s paper leads the research in a valuable direction. However, the theory might be strengthened, for this particular research project, with theories introducing the importance of top management involvement in CSR implementation as well as the need for CSR strategies to be aligned with the core competencies of the organization. Without these two angles, the integration potentially will not be as successful as it can be.

4.3.4 **De-coupled/loosely coupled**

One thing that can be beneficial to keep in mind while doing the research is the external front, brand image of the organization. Does it match what the organization’s daily activities are and the mindsets of the leaders demonstrated towards their commitment to CSR. If not, then there is a certain degree of de-coupling or loosely-coupling taking place.

Ideally, organization aim to maintain close alignments between structures and activities (Meyer & Rowan, 1977), and internal image and external image. “The organizational forms presented externally by organizations are often not those which govern their practices or “inner life”: the external image may become decoupled from internal operations. This decoupling means that it is easier to reform the structures, processes and ideologies intended for external use, since it reduces the risk that changes will affect operations” (Brunsson and Olsen, 1993).
If the correlation between the daily activities, values and identities is not at hand, a decoupling is taking place within the organization. However, if elements/entities are responsive to each other but there is evidence of separation and disconnectedness to the identity, the organization is having loosely coupled systems at place (Weick, 1976)\(^{17}\)

Identifying de-coupling or loosely-coupling taking place within the organization can affect the stakeholders’ response to the organization. It is this responsiveness between entities that define the level of “coupling” going on and is likely to support changes and/or managerial implications within the organization (Orton & Weick, 1990).

4.4 How chosen theories link together

The selection of theories might seem chaotic and scattered but there is a clear logic behind the choices. The flow of the theories can be viewed in image 2, here below (see a bigger version in Appendix G). The external pressure from stakeholders pushes the organization to think about its strategy and how to align it to the demands. From that pressure the organizations start the reforming process. This process is related to the first sub-question presented for this research; the change in the structure as well as values and vision to answer the demand from stakeholders.

From there it leads into the CSR integration strategies. The choice from seven possibilities is the next step. After the choice of specific strategy, the leadership needs to adapt to that strategy and drive the integration forward. The third sub-question looks into this angle and tries to answer this important aspect. The top managers should have the leadership in mind throughout the whole reform process because without the right development the integration strategy might not gain the right support from the leaders within the organization. Last part of

\(^{17}\) Taken from Orton & Weick, 1990
the theory flow is the question about decoupling, which correlates with the second sub-question presented for this research. Does the level of integration, the new CSR strategies and the organizational leadership live up to the demand the stakeholders are putting on the organization? If not, then the managers might need to reconsider the reform process, the chosen integration strategy or the leadership development that took place.

4.5 Critical aspects of chosen theories

The theories chosen for this particular research all relate well together to contribute to a valuable finding from the research. Their validity and contribution to their fields are useful to the analysis as well as they are able to be linked well together for the purpose of this particular analysis.

However, the chosen theories have critical aspects to them as well, meaning that not every researcher agrees with their statements or their usability.

The reason for introducing some critical aspects of the chosen theories is to underline what could be considered a challenge using the theories and answer the criticism with counterarguments to strengthen the choice of theory even further.

Every theorist has their own preferences, and rightly so. The aim of this sub-chapter is for the researchers in related fields of this research to understand how criticism will be tackled. From that understanding, a hopefully stronger reliability of the theories used will emerge, which increases the validity of findings from this thesis.

Leadership:

When doing the literature search for the research, the leadership literatures found most often proved to be in favor of the field of charismatic leadership literature. However, in the recent years more and more criticisms are being revealed on the overall concept of leadership.

As mentioned above in the leadership theory chapter, the development from leadership traits to characteristics to charisma has been one of the main aspects of literature in the field of leadership. The potential reason that influenced the development of the literature could be the fact that “researchers attempted to identify a single trait that would account for leadership, and failing to find one moved on to the identification of multiple traits” (Lakomski, 2005) or characteristics of a leader. The development went into the area of charismatic leadership,
which is one of the most commonly used concepts in current leadership theories, based on the literature research done for this paper.

However, charismatic leadership theory does not go by un-criticized. When thinking of charismatic leadership, a set of personal qualities that inspire others comes to mind (Khurana, 2002) and those leaders are often heralded as corporate heroes (Howell & Avolio, 1992). Howell and Avolio (1992) also argue that even though charismatic leaders can be effective as well, their ethical standards may vary. Many questionable leaders in the past have been categorized as charismatic, i.e. Adolf Hitler and Jeffrey Skilling, CEO of Enron.

Khurana’s (2002) argument follows a similar logic as Howell & Avolio’s (1992) argument about ethical standards. Khurana talks about charismatic leaders demanding full surrender from their followers and by doing so, they are more able to exploit their situation. The often irrational faith in the power of charismatic leaders seems to be a part of our human nature. We, as humans, prefer to attribute successful events to actions of a prominent leader than trying to understand the connection between the social and the economical forces behind the event (Khurana, 2002).

This potential critical view of charismatic leadership has driven the leadership literature to search for other aspects of successful leadership, i.e. the dimensions of where, what and how leadership is conducted as well as who the leader is (Grint, 2005).

Another critical aspect of leadership that would be valuable to introduce here is the challenge of the concept of leadership itself. According to Lakomski (2005) the lack of theoretical resources to advocate the existence of leadership as well as the fact that organizations seem to manage to accomplish their goals regardless of who’s driving the work disproves the causal link between leadership and organizational practice. This argument is a continuing interpretation of Pfeffer’s argument in his book “The Ambiguity of Leadership” (1977)\(^{18}\) where he stated that the concept of leadership was ambiguous both in definition and measurement; the assumed causal link between leadership and organizational performance was difficult to detect empirically.

These arguments are valid and the red thread that goes through them all is the fact that leadership as a concept is vague, ill-defined and depends on what each individual conceives it to be. Most of the previous leadership researches have had the methodological focus of

\(^{18}\) Taken from Lakomski, 2005
surveys and/or questionnaires which do not capture the intangible aspect considered being part of (especially charismatic) leadership. The difficult reality of measurements in leadership theories discourages researchers to follow the theories and believe in them (Lakomski, 2005).

Although these arguments are valid, this particular research follows the findings of Mackey (2008) where he investigates the possibility that the belief of limited impact of CEO’s (leaders in my interpretation) may be premature. Mackey’s study “shows that CEO’s can, in fact, have a substantial impact, explaining as much as 29.2 percent of the variance in a firm’s performance” (Mackey, 2008). For this particular research, the statistics are not the main reasoning for the support of leadership theories, but the core finding, that CEO’s do have impact. This particular research takes that as a starting stone when going into the research, that leaders do have impact in their organization.

Reforming Organization:

When deciding between the theories on organizational change or the reforming organization, the definition of reform was important (the improvement and/or put into better condition) based on the understanding of the research problem.

Brunsson’s and Olsen’s (1993) book, The Reforming Organization included valuable insight into reform for this particular research project. However, when viewing book reviews done by peers, an interesting finding revealed itself. The interpretation for this research and interpretations made by the peer reviewers was not completely aligned.

The peer reviewers argue that Brunsson and Olsen (1993) take on a negative or pessimistic approach to reforming theory (Greenwood, 1996; Heller, 1995).

Heller (1995) argues that the aim of The Reforming Organization is more to explain the opposition towards reforms and why they are likely not to be implemented in the organizations. John Meyer (1994) clarifies that the main question Brunsson and Olsen propose is “why does so much organizational reform go on in modern organizations?” and states that their core answer is that “organizations are commonly very uncertain and irrational structures but function in highly rationalistic environment and that reforms arise when reformers try to bring more rationality into organizations (Meyer, 1994).
These views can challenge the choice of theory for this particular research project in a sense that the aim of Brunsson and Olsen (1993) was not to explain reforms within organizations but to explain why reforms do not get implemented and bring forth desired results. This is a valid point but the counter argument for choosing the reforming organization theory is that the aim of the research is to understand if a reform has taken place, i.e. has improvement taken place, in order to respond to the external stakeholder’s demands, or have the organizations turned a deaf ear to the demands forced on them.

Another critical input is that in literatures related to the topic of change and reform divide the concepts between private and public sector. The term “reform” is most often used in public sector but “change” is used in the private sector (Greenwood, 1996). This is not aligned with the use of theory for this research as all the case companies are private companies. But the definition about reform and change, that change requires actions but reforms do not have to require action (Greenwood, 1994), is valuable. Reforms can change attitude without actions according to Brunsson and Olsen (1993).

For this research, the useful identification of reforms and their challenge to be implemented and legitimate are used as a valuable input for the analysis and the negative view from the authors (Brunsson and Olsen, 1993) will not be kept as a main input. Most of all, the definition of reform, i.e. improvement, is arguably important for the research project at hand.

Decoupling/Loosely-Coupled:

Meyer & Rowan (1977) do state that, ideally the structure and activities should be aligned as well as the internal vision and the external image of the organization. They also mention in that empirically, it has been identified that there is a big gap between the formal organization (structures and external image) and the informal organization (daily activities and internal vision). This gap is created as rules are violated, decisions are unimplemented or have uncertain consequences and vision/mission is too vague to provide guidance (Meyer & Rowan, 1977). When this takes place, a certain degree of loosely coupled systems is involved, or even decoupled, meaning there is no link between entities and images.

Meyer & Rowan (1977) do challenge the idea, however, that having loosely coupled system or decoupling taking place, means ineffective organization and low productivity. For them, the advantage of decoupling is clear. By avoiding full integration, the likelihood of conflicts are minimized and the organization is able to maintain standardized, legitimate formal
structures while internal activities are able to vary depending on each situation (Meyer & Rowan, 1977).

The value added by introducing this challenge to the de-couple/loosely couple theories is that even though a certain degree of decoupling/loosely coupled will be found in the cases, it does not need to be negative for the organizational performance. The question left for the research is where does, if there is, the decoupling take place and why?

4.6 Overall critique on the chosen theoretical framework

Despite the critical viewpoints on the chosen theories for this particular research project and the counter argument for the choice made, the question if other theoretical framework might have given a better result is a valid angle to look into.

Though the chosen theories can be related to each other and have a clear link to the research problem (see sub-chapter 4.4) the question if other theories could have been applied to gain the understanding of the phenomena being analyzed is valid.

The short answer is yes.

By arguing that the pressure from the stakeholders’ demands forces organizations to alter/change their structures/strategies/products to become greener, more environmentally friendly or socially responsible, the application of organizational change theory could have been used.

The organizational change theory identifies two angles of change; incremental, i.e. small, everyday changes that do not affect the entire system, and revolutionary change, i.e. changes resulting in a new mission, strategy, leadership and/or culture (Burke, 2008). Those two angles could have been a base theory in understanding the change that took place, if any, and what type of change that was.

To make the leadership theory more relatable to the current themes in the leadership literature, the selection of the leadership view WHO, instead of including WHERE, HOW, WHAT of leadership, could give more focused results on the changes in leadership characteristics within the organization. The use of charismatic leadership theories could have given an understanding of the leadership needed in organizations which are trying to be socially responsible and/or environmentally friendly. Those theories, however, do not take into
consideration the new development of ethical aspects/personal values of leadership which could be valuable for the research project.

Finally, the seven integration strategies chosen as the framework for CSR theory are fairly new concepts and therefore have not been discussed and used in analysis. That could be a critical aspect of the chosen framework. The validity of the framework could therefore be challenged. This leaves not many alternatives to choose from in order to gain the similar outcome and findings. Instead of using the seven strategies the use of isomorphism theory could have been used. Isomorphism could have given some insight into if/why certain changes took place. The findings from that framework might, however, not be fully aligned with the integration part of the research question.

Understanding that different theoretical framework could have been selected is important, as well as understand how that would impact the findings and the analysis of data is important. By listing up the critical aspects of the theoretical framework, the aim is to limit all biases from the selection as well as give a clear understanding of the choices despite the understanding that not every researcher will agree and might challenge the choices made for this research project.

4.7 Summary of the chapter

The aim of this chapter was to highlight the theoretical importance as well as the background for the idea of the research. Literature search revealed a gap in the literature since not much research has been done aiming to understand the correlation, if there is any, between CSR and leadership. The development within the leadership literature is entering the field of ethics and values and with that understanding, the CSR field could potentially be next, as demand from stakeholders upon organizations to become more socially responsible is becoming stronger and stronger.

In order to bridge the literature gap, the approach was taken to bring in reform theory in order to analyse the change, if any, and the improvements organizations are doing in order to answer the stakeholder demands. From the need to reform the organization, in order to integrate CSR into the business, the approach of seven integrations strategies was taken to view the processes the case companies have been through and understand if integration has taken place or not.
If those seven integration strategies have been successful, CSR should be an integral part of the organization and therefore have some impact on the leadership of the organization and the mindset of the employees. In order to understand if that is correct, the understanding of leadership as a concept of who the leader is, where the leadership takes places, what results the leader brings as well as how those results are gained, was introduced as the foundation for leadership analysis. From there, the understanding of leadership structure, channels and development is more easily analysed. Analysing if there is decoupling taking place between the internal activities and leadership and the image the organization presents to its stakeholders also becomes easier.

Though the chosen theoretical framework proves to be valuable for the research project, the critical aspects of each chosen theory are introduced as well as the counterarguments to those criticisms. From there the criticism on the overall selected theoretical framework is introduced and theories that could have been selected for the research, even though that might have altered the findings, introduced. By doing so, the research aims to clear and eliminate all potential bias in regards to the theories used in the analysis and the impact on the conclusion of the research.
5. Analytical implications

The following chapter takes the theoretical framework presented in the previous chapter and applies it to the case companies in order to answer the three sub-questions introduced in the first chapter. The aim is to understand if the chosen case companies have changed their appearance, their structures, their communication messages in order to become more aligned with their CSR agenda and sustainability activities.

The chapter is divided into three sub-chapters, each aiming to answer a sub-question supporting the main research question of the paper. At the end of each sub-chapter, a short summary will be made that will contribute to the conclusion chapter further down in this paper.

5.1 First sub-question analysis

*How have the 4 organizations changed over time in how they present themselves (structure and leadership channels) and what they stand for (vision and values)? How can that change be related to CSR strategies?*

Many organizations believe that the best way out of challenges or to respond to changes in the external environment is to reform and readjust the structure and strategies. It is with this belief in reform that organizations head into the process of organizational change, i.e. change in organizational structures, processes and ideologies (Brunsson and Olsen, 1993). The first place to analyse organizational reform is to review the changes in the organizational structure and of job roles over the 10 year period.

Being able to analyse organizational reforms in processes and ideologies can be a challenge without sufficient access to the organizations in question. However, many organizational structures and processes are being recorded in annual reports and other documents to enhance the organizational learning and sustain a good communication with stakeholders. These documents can therefore give some indication about the organizational reform without access to the organization.

Another aspect of reform is that organizations realize that in order to compete in the current competitive world they have to know what their core competencies are as organization. Stripping all the “excess baggage” from their processes and products and focusing on what organizations are best at also affects the way the reforming takes place. According to Prahalad and Hamel (1990), the top executives in 1980 were judged on their abilities to restructure and
de-clutter their corporations and they predicted that in the 1990s they would be judged on their ability to identify, cultivate and exploit the core competencies of the organization. “They’ll have to rethink the concept of the corporation itself” (Prahalad and Hamel, 1990)

The statement made by Prahalad and Hamel is valuable because top management has to constantly rethink their organization, focus on the core competencies and make sure the organization will thrive in the markets and societies where they compete. This can be considered even more important in today’s market and societies, where stakeholder’s pressure demands the managers to rethink the corporation, respond to their demands but still be competitive in its industry.

The pharmaceutical industry was one of the first ones that started looking into the topics of sustainability and Corporate Social responsibility. But despite that fact, not all organizations have been quick to adapt their structures, products and processes to the ideas of the stakeholders and their view of sustainability and CSR.

Novo Nordisk:

Novo Nordisk was one of the first organizations to be aware of the societal and environmental issues, by establishing the Novo Foundation in 1951\(^\text{19}\) and with that show their commitment to the topic. That commitment can also be seen in other aspects of Novo Nordisk work and communication. The high commitment of the organization in the sustainability agenda and the belief in organizational reform, have potentially supported the position of Novo Nordisk in the pharmaceutical field. That must have required some changes within the company.

The first step is viewing the annual reports from Novo Nordisk and look at the 10 years time span from 2000 to 2010. The annual reports document evident changes in the organization, the messages being transmitted and the people involved in delivering those messages.

When viewing reviewing the organizational structures of Novo Nordisk from 2000 to 2010 it appears that the same job roles were present in the top management team, although the form and/or responsibilities might have altered slightly (see Appendix H for the organizational charts). The biggest reform the organizational chart has undergone is in the size of the team. The management team has increased the number of people in the team. It can be argued that the reason for doing so is to include new responsibilities that were not potentially viewed relevant in 2000.

\(^{19}\)Taken from www.novonordisk.com
One of the changes can be related to the sustainability/CSR agenda the company is really trying to take seriously. Currently, one of the top managers has now the responsibility to implement triple bottom line in all practices of the company. In the annual report for 2010, the reason for working towards triple bottom line is that it “helps ensure that decisions are balanced and take a long-term view, with the objective of protecting and enhancing shareholder value while at the same time creating societal value“ (Novo Nordisk annual report 2010). This small reform can be positively related to CSR agenda and therefore that the organization is committed in fully integrating CSR within the company.

Despite the fact that the organizational structure of Novo Nordisk has not changed drastically, the changes that have been recorded in the annual reports demonstrate more commitment towards the sustainability and CSR messages and the targets the organization has made public. Even though Novo Nordisk publishes sustainability reports every year the messages of the annual reports are very explicit about the CSR/sustainability agenda the company has in place. This is supporting the strong emphasis the company has on its triple bottom line and commitment to communicate and make action about the CSR issues and activities implemented.

One of the reasons behind what seems to be a commitment towards full integration of CSR/sustainability to Novo Nordisk internal organization could be related to the strong values-based management system the company has in place. This management system, The Novo Nordisk Way of Management has been in place since 2000, and is introduced in each annual report over the ten year period. The Novo Nordisk way of Management includes values, vision and the Essentials needed for the company to reach the vision it has set out for itself. According to the annual report for 2010, the Novo Nordisk Way of Management describes who the company is, where they want to go and how the company aims to work. The fact that “the messages and the values embedded in the Novo Nordisk way were not to be changed”(Novo Nordisk Annual Report 2010) when the organization has been revising the management system, demonstrates that from the establishment of the system the attitude towards it from managers and top level employees was right and a proper through was given to the meaning of the system and the values for the organization.

Without access to employees, it is difficult to argue how well they are aware of the Novo Nordisk way of Management and the values of the organization. However, the reality of well
introduced and easily accessible value system can be regarded as actions towards full integration of the CSR/sustainability activities and agenda that Novo Nordisk has developed.

Lundbeck:

Similar to Novo Nordisk, Lundbeck has been aware of the importance of environmental issues for some time. In 1978, the first environmental department was established to help the organization become more environmentally responsible. This shows an early start into making sure the company has minimized environmental impacts.

When viewing Lundbeck’s organizational chart over the same 10 year time period, there are indications that the organization has undergone reforms. An interesting finding when looking at the executive management of Lundbeck and their organizational structure is that in 2000, the top management team was divided into two parts; Board of management that included CEO and Executive Vice President of R&D and a team of Senior Vice Presidents that included Commercial operations, one for Europe and one for America and Asia (who also took care of corporate affairs), Human Resource, Supply operations and Engineering, Strategic marketing and CFO & communication (See Appendix I for the organizational charts). What this might indicate is that Research and Development was at the time regarded one of the core focus of the organization, which makes sense for the business they are in.

However, in Lundbeck’s 2010 Annual report, the top management team was not divided into two parts. Team of six people represents the executive management team of Lundbeck. The roles represented in the team are; CEO, Vice president of Research, Vice President of Supply chain and operations, Vice President commercial operations, CFO and Vice President Drug development. The biggest change identified from the data can be considered to be the merge of the previous mentioned Board of Management and the team of Senior Vice Presidents. This flattening of the structure can be related to the organization following trends and making the structure less complex as well as potentially increasing accountability of the Vice Presidents. For this particular development of the structure, there are no evidences that it is related to integration of CSR strategies into the internal organization of the company.

Another interesting change in the chart is that over the 10 year period, the role of Human Resource Vice President is not amongst the members of the current management team. That particular change in the chart is interesting because many organizations begin their CSR implementations within the HR department or communication department. The development
to eliminate the HR role within the executive management team might be understood that CSR is not on the agenda for the organization. And if that is not the case, then it is not clear which role is responsible for that area. The role of corporate affair has also been eliminated in the 2010 chart. That role could also have been responsible for the CSR initiatives but without that role in the management team as well, the argument of low or non-existing integration of CSR strategies seems evident, even though the organization has signed the Global Compact and has developed code of conduct. The Code of Conduct could be supervised by the Vice President Supply Chain, but there is no evidence or further information about that given in the annual reports or the website of the company.

Currently, Lundbeck has three corporate values they claim guides their activities and daily actions. Those values were defined in 2002 (Lundbeck Annual Report 2002) and have not changed to the current date. With relatively new value statements, an organization claiming to have CSR/sustainability as a focus should try to include that angle into those values. In Lundbeck’s three values, one of them can be directly related to the CSR/sustainability agenda of the company, i.e. the value of responsibility – employees are expected to do the right thing and act responsible.

Arguably, the reason for Lundbeck’s new values in 2002 can be the attempt to integrate CSR/sustainability agenda into the mindset of the employees. By making sure that responsibility guides the everyday actions, the awareness of the CSR/sustainability initiatives of the company are potentially clearer.

However, since the development of the corporate values, each annual report between 2003 and 2007 do not recapture the essence of the values. The values are not listed up again and made sure that the reader knows what they are and what they mean for Lundbeck. In the same annual reports, however, there is always a small mentioning of the correlation between the corporate values of the company and the ethical behaviour the company aims to demonstrate. “Lundbeck’s corporate values and rules of conduct represent the overall management tool for ensuring that Lundbeck achieves its business goals in an ethically responsible manner (Lundbeck Annual Report 2007).

Without access to employees of Lundbeck, it is hard to say how well they were introduced to the new values defined in 2002, but according to the annual reports there was a low focus in refreshing the stakeholders about those statements and how the company defines each statement, and from there how those values should guide the organizational behaviour.
Even though Lundbeck puts effort in defining and creating CSR initiatives and values, there is a low effort in effective communication and introduction of the values and aligning the organization towards those initiatives. That has been demonstrated throughout the annual reports Lundbeck publishes every year for stakeholders to gain knowledge of the company.

There is a noticeable difference between industries when it comes to actively focus on CSR/sustainability activities. According to the participation in the Global Compact, pharmaceutical industry has been a little more proactive in signing joining the initiative than financial industry companies. What the reason is, the data did not give clear answer to.

Danske Bank:

Danske Bank was one of the first large Danish banks to set goals towards reaching Carbon Neutrality by the end of 2009. That gives indications that despite the fact that financial organizations might not have signed the Global Compact right away, they still had understanding of the importance of the issues included in CSR and sustainability.

The organizational structure of the bank has not faced drastic changes over the 10 year period, from 2000 until 2010. In 2000, the executive board had nine people, including the CEO, and six business areas. Whereas in 2010 the executive board hand six people including the CEO and five business areas. According to the annual reports published by the bank, in 2000 the Executive board and a management support function which included functional departments such as Human Resources and Communication department. Without it being stated in the annual report the potential interpretation is that all, if any, CSR and/or environmentally focused activities would be based in one of the support functions. However nothing is made clear in this regard.

When viewing the annual report for 2010, the bank seems to have all the same entities in the organizational structure model. The management support function is now called Executive committee and has the objective to keep an overview of all activities as well as be the support function. However, a clear definition of what those support functions include is not introduced in the annual report. Therefore it is harder to interpret where CSR/sustainability initiatives belong and which area is responsible for the implementation of those activities.

The structure model demonstrated in 2010 annual report seems to be not as concrete as the organizational structure demonstrated in the 2000 annual report. The main support of that

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20 Taken from www.danskebank.com
argument is the vague explanation of what the executive committee’s functional support is, as well as the business areas identified in 2000 are six well defined areas, whereas in 2010 they are four well specified and called “other”. Viewing the changes in the structure model, the 2010 organizational structure seems to be less concrete and informative. (See Appendix J for the organizational charts).

There is no development in the structure that can be argued came from the commitment of the CSR activities of the organization. There is no mention of sustainability/CSR department, or where those activities might belong. That could be related to the fact that amongst the current values of the organization, there is no mentioning of CSR or Sustainability in any clear way.

In the annual report 2000, the five corporate values are introduced and none of them is clearly related to CSR/sustainability. Over the ten year time period, from 2000 to 2010, the values have not changed and the meaning the company puts into each value has stayed the same despite changing external environment. One value statement could, however, be regarded as somewhat related to responsibility or sustainability i.e. the value of **integrity**. The wording of the value does not imply direct correlation to CSR but the definition of the value, **having integrity in business affairs and as a part of society**, is related to the CSR/sustainability agenda of the company.

Over the ten year time period, the five values and their definitions are only listed in the first half of the period, between 2000 and 2004. The annual reports in these years all include them and most have included the definition of them as well. From 2005 to 2010, there is little mentioning of the corporate values. In 2005, 2006 and 2007 the annual reports mention the core values as guiding the activities of the company. “For a number of years, the Group has operated on the basis of its core values and other guidelines that support good relationship with stakeholders and its contribution to society” (Danske Bank Annual Report 2006).

There has not been any reform taking place in the corporate values of Danske Bank. There are no clear developments towards making sure the CSR activities are completely integrated and supported by the values of the company. The interesting finding when viewing the annual report development, is that in the recent years, less and less discussion about the values is taking place but more and more focus on discussing other CSR agendas the bank has put forward. It is only within the annual report for 2006, that CSR is related to the values, when the values are mentioned in the CSR chapter of the annual report. More developments are hard to define to be related to CSR/sustainability integration within Danske Bank.
Nordea:

When viewing Nordea’s annual report for the year 2000 and for 2010, the organizational structure model does not seem to have changed drastically. However, with a closer view of the structure, the chart in the annual report 2000 is not as detailed as the one in 2010, where all VPs positions are mentioned. In the annual report for 2000, the organizational departments are listed but the understanding of their relations to the top management is not clear. In the annual report for 2010, the role of each Vice President is listed and it is clear how the organization is run, more evident than when viewing the chart presented in the report the year 2000.

The biggest difference in the structure, alongside the introduction of VPs in the chart, is the two subgroups under the CEO’s command. In 2000, they are called Corporate centre (Finance, risk control, IT, investor relations etc.) and Group staff (Compliance officer, HR, Identity and communications, legal, strategic planning). One of the most interesting parts of the chart is that the CEO is the main responsible for the Group staff entity. It is hard to understand what that could mean to the organization but from outside view into the structure, it can be argued that the HR does not have too high of importance in order to have its own manager. Having the CEO, who’s running the whole organization, responsible for that particular entity as well leads to questioning the effectiveness of the functions inside the Group Staff entity.

There is no introduction to CSR and/or sustainability within the chart. However, it can be argued that the compliance officer (which belongs to the Group Staff entity) would have some level of responsibility in that area, as well as HR and identity and communication managers. These are just speculations since there is little mentioning of CSR in general in the whole annual report for 2000.

In 2010, those two sub-entities are more focused and clear from their name what their objectives are. They are called Group Identity and communication, and Group Human Resources. Both these entities used to belong to Group staff in the organizational structure in 2000. This difference as well as the list of VPs and their functions in the annual report 2010 can be argued to be responses to increased demands of transparency within the organization, as well as clear roles and responsibilities and hierarchal awareness.
In the 2010 annual report, when viewing the whole structure and not just only the top managers, there is a clear role of who is responsible for CSR and under which department/VP that position belongs to and who’s ultimately responsible for the integration of the CSR initiatives within the organization. That position belongs to Vice President of Risk Management/CRO. (See Appendix K for organizational charts).

It is hard to argue wholeheartedly that the changes over the ten year period are solely due to the pressure to integrate CSR into the organization. But it is clear that the organizational structure in the annual report 2010 made it clearer of where the initiatives belong and who’s responsible for those actions, as well as to have it explicit that CSR does belong to the organizational structure and that is aligned with the commitment the bank has towards the new agenda.

Being emerged from few banks in 2000, Nordea is a fairly young company. The current values are based on three statements, supported by four points of what the definition of the values are for the company. The current values were introduced to the stakeholders in 2007. Before 2007, the bank had no clear value statements but rather a vision, mission, ambition and one value statement. In these four elements, there was no mentioning of CSR/sustainability to guide the company in that direction.

Nordea claims to have strong focus on CSR/sustainability, and according to the website, the company has many activities in that area. However, the three new values introduced in 2007, have no relations to CSR or sustainability. That does not support the commitment to full integration of the CSR agenda the company has clearly listed on their website.

Relation or no relation to CSR, from the introduction of the new values, the bank has included the values, the definition and how they relate to the overall vision of the company in annual reports for 2008-2010. That demonstrates commitment to full integration of the values into the organization. In this case, the values do unfortunately not include CSR/sustainability.

5.2 Sub-conclusion

Without having the access to interview and interact with employees and managers of the chosen case companies, the understanding of what has taken place and why it has taken place is potentially not as deep and complete as it could have been. However, the annual reports and
other online materials found about the case companies did give a good insight into the changes that have taken place and allow interpretations to be made from there.

After reviewing the data gathered about the chosen case companies the conclusion is that most of the companies have not undergone reforms on their organizational structures and values that can be related to the implementation and integration of CSR into the organization. However, all of the case companies have undergone some kind of reform and altered the organizational structure, potentially to follow certain trends in their industry. One of the reasons for their reforms could be that the companies are realizing the need to focus more on their core competencies and the reform aims to align the structures accordingly. That “trimming” of excess baggage the companies are doing might be viewed as strength for CSR integration later on if the companies decide to do so.

Another reason for the reforms is that organizations follow trends in their markets and adapt to similar structures as their competitors in order to increase legitimacy of the organization. “Organizations compete not just for resources and customers, but for political power and institutional legitimacy” (DiMaggio & Powell, 1983). And “the legitimacy of organizations lies in the congruence between organizational actions and the social values expressed in norms concerning organizational action” (Dowling & Pfeffer, 1975). According to Brunsson and Olsen (1993) one of the four effects reforms can have on the organization is **re-legitimize** the image of the organization. The data analysis demonstrates that out of the four case companies, only one – Novo Nordisk – has undergone reform in order to legitimate the company in relations to its CSR/sustainability activities and answer the demands made by its stakeholders. Danske Bank, Nordea and Lundbeck appear not to have reached the same level of integration of their CSR/sustainability activities into the organization, or at least, not in the way they communicate around the subject.

5.3 Second sub-question analysis.

*Do organizations integrate corporate values and CSR initiatives completely within the organization or is there a certain degree of de-coupling that happens between actual integration and the value statements of the organization?*

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21 Taken from Brunsson and Olsen, 1993
Complete integration of CSR initiatives into the organization will have some impact on the internal organization. Organizations need to “routinize” the initiatives into the core organization. “To “routinize” their reoccurring CSR initiatives means developing these as “practices,” i.e. stable patterns of decision making and action intended […] to maximize the resulting contribution to business performance” (Yuan, Bao & Verbeke, 2011). The previous sub-chapter concluded that the case companies, not including Novo Nordisk, have not undergone reform of the organizational structure that supports integration of the CSR activities the organizations claim to have implemented. For further of the CSR strategies’ integration into the case companies, they will be analysed with the seven integration strategies Yuan, Bao & Verbeke (2011) have identified in their paper.

Novo Nordisk:

As was evident in the first sub-question, Novo Nordisk is working really hard to get the information on Sustainability/CSR well around in the organization. Many channels are used to spread the knowledge around the organization as well as externally to keep all stakeholders up to speed on what Novo Nordisk is doing. The use of Facebook and Twitter is becoming more and more important as communicative tools to stakeholders of the company. One of the biggest tools Novo Nordisk works with in order to integrate the sustainability/CSR agenda into the whole organization, is their value statement – The Novo Nordisk way of management – that defines how the organization wants to work. For further information about the Novo Nordisk Way of Management, see appendix A.

The Novo Nordisk Way of Management is just one element that supports the CSR initiatives of the company. Viewing the organization through the eyes of Yuan, Bao and Verbeke’s (2011) seven strategies to indentify if and how the CSR is integrated into the organization, it can be argued that Novo Nordisk uses few strategies to really make sure full integration is reached.

That argument can be supported with the demonstrated use of the company’s values and vision, as well as the historical data that shows how early the organization became aware of the need for environmental and social reports and activities22 . Another evident that support the argument of the Novo Nordisk commitment to CSR integration, is the finding in previous sub-chapter. The development of the organizational chart has been impacted by the CSR agenda and the strategies the company has decided to use in reaching their CSR targets, i.e.  

22 Taken from www.novonordisk.com
using the triple bottom line approach. For the company to make sure the structure of the company is aligned with the strategy, that there is a person in charge of implementing the strategy and communication about the values and vision that support the strategy are done properly and effectively, strengthens the argument of full integration (or commitment to make full integration) of CSR strategies within Novo Nordisk. Novo Nordisk’s CSR strategies have affected the core elements of the company. These core elements is what Yuan, Bao and Verbeke (2011) call Core Practices and are “conceptualized as central to the organization’s survival” and “defines the organizational identity and determines the distribution of resources (Yuan, Bao & Verbeke, 2011).

Changes in these core practices will have considerable changes in the company’s working behaviour, employees’ mindset and on so called Peripheral practices which “involve operating decisions and detailed arrangements undertaken either to align the organization with its environment or to buffer its core from external fluctuations” (Yuan, Bao & Verbeke, 2011).

An interesting fact that shows that Novo Nordisk encourages everyone to “walk the talk”, and supports the company’s peripheral practices, when it comes to sustainability/CSR agenda is the commitment of the CEO. The CEO of Novo Nordisk is one of the most influential and biggest organizational leader in Denmark but he still bikes to work. This can both mean that it’s easier for him to bike the distance and not have the hassle of traffic, but it can also mean that he takes the promise, that Novo Nordisk made about lowering the CO2 emissions, seriously. Which one it is doesn’t matter in the sense that he is “walking the talk” and being a role model. This activity of the CEO can arguably inspire the company’s employees and supports the decision making where Novo Nordisk aims to be as green as it can be.

From the above mentioned information it can be argued that Novo Nordisk work can be related to two integration strategies in order to fully implement and integrate CSR into the company. First one to mention is the 2nd strategy mentioned by Yuan, Bao & Verbeke (2011), patching. This strategy implies that CSR becomes part of the core practices of the company, and therefore has implications on identity and values of the organization. “Creating new core routines typically involves changes in organizational processes as well as in competencies in various parts of the value chain” (Yuan, Bao & Verbeke, 2011). Through the changes in the organizational structure, adapting company’s values and constant communication thereof, Novo Nordisk demonstrates integration in this particular way.
Second strategy that Novo Nordisk seems to be aligning its work towards is *Thickening*, i.e. adding core extending CSR practices to support and reinforce existing core practices. Using the definition made by Yuan, Bao & Verbeke (2011) it can be argued that the volunteer programs Novo Nordisk is encouraging employees to contribute to and the alignment of the Novo Nordisk Way of Management to the triple bottom line has been developed and fine-tuned with the aim to support and enhance the core CSR strategies of the company.

Looking at Novo Nordisk, it can be interpreted that the company is working hard to eliminate any opportunities for de-coupling in the organization, i.e. having a mismatch between the demands stakeholders have towards them and the level of integration the CSR activities have had into the internal organization.

Lundbeck:

Lundbeck has extensive information on its website but not as much in their annual reports, about the CSR principles they claim to be working with, the values that are supposed to guide the company’s work and attitude as well as their Code of Conduct. That demonstrates an awareness and understanding for the need to be aligned with the demands of stakeholders and have some activities and focus on the issue.

Reviewing Lundbeck with the seven strategies Yuan, Bao & Verbeke (2011) introduce the organization seems to not work clearly towards any of the strategies mentioned. According to the CSR site on Lundbeck’s website, the CSR strategies take departure in the company’s values and the UN Global Compact principles. Since first sub-question concluded that the company’s values do not indicate much relevance to sustainability and responsibility it is challenging to see the impact they should have on the CSR strategies of the company, especially the core practices. However, two of the strategies, where the peripheral practices of the company are placed a bit away from the core practices, and work independently, can be related to what Lundbeck is striving to work towards.

In the annual report for 2010, the CEO of Lundbeck does not mention anything in relations to CSR/sustainability or responsibility. He does mention that incorporated in their research strategy (which does not include CSR) the company aims to develop more cooperation and partnership with relevant entities. This element does not imply the same plan for their CSR strategies but gives the impression that the company understands the relevance of external entities in order to integrate and drive the company’s strategies. That is supported by a
statement in the annual report 2005, where Lundbeck says company aims to lower risks by “creating value through partnerships” (Lundbeck Annual Report 2005). This is aligned with one of the seven strategies mentioned in Yuan, Bao & Verbeke’s article (2011).

The focus on cooperation is related to the 7th strategy in the article by Yuan, Bao & Verbeke, i.e. *cooperating through alliances*. This strategy is especially used when a single company lacks the capacity to address the uncertainty created by the stakeholder demands and is also less costly (Yuan, Bao & Verbeke, 2011).

Without being a complete match to one of the strategies Yuan, Bao & Verbeke (2011) identify, Lundbeck’s extensive CSR information, policies and Code of Conduct introduced on the company website potentially has some kind of decision power towards the activities and strategies the company decides upon. Even without little CSR focus in their annual report, Lundbeck publishes sustainability report as well as stakeholder can find the information online about what Lundbeck claims to stand for. Despite not having the CSR strategies fully integrated into the core elements of the organization and into the organizational structure, the knowledge stakeholders have about the claims made by the company should be considered when making a strategic decision. If not, the decision could potentially increase the gap between the demands of stakeholders and the organizational activities and values.

This is related to 4th strategy by Yuan, Bao & Verbeke (2011), *positioning*. Although it is not fully integrated, the activities done by Lundbeck could be interpreted as independent, peripheral routines not related to the company’s strategy and operation. They might however have slight influence in the company’s future trajectory as the company tries to become more sustainably focused.

The above information demonstrates that Lundbeck has intentions to integrate CSR/sustainability, and has strong messages and activities around the issue but does not back it up by adapting the company towards the claimed strategies. This does not suggest a complete de-coupling between daily activities and the demands stakeholders are holding towards Lundbeck, but there is a clear weak connection, a loosely coupled system, in place that might need to change.

The mismatch between the vision/mission/value statement of the company and the information they have on their website can be considered de-coupled. That de-coupling is strengthened by the fact that it is very unclear who is responsible for the area of
implementation of CSR principles and Code of Conduct. The reform Lundbeck has undergone on the organizational chart does not mirror the focus the company claims to have on CSR/sustainability.

Danske Bank:

The information from the first sub-question indicates low level of CSR integration within Danske Bank. Even Danske Bank’s vision and mission statements do not represent any aspect of sustainability and/or CSR. The annual report for the year 2005 states that the vision “One Platform – exceptional Brands”, in cooperation with the core values the company is on the way to develop unique brands. However, with only one value statement being in some way related to sustainability/CSR, integrity, and no focus in the vision statement, the commitment of the company towards the CSR agenda they introduce to in their annual reports as well as on their web sites can be challenged, especially if the values should guide the daily activities and mindset of the employees.

With this information in mind, it can be argued that CSR is not integrated into the core practices of the company or into the peripheral practices. This rules out, therefore, few of the integration strategies by Yuan, Bao & Verbeke (2011) and confirms that no reform has pushed the company into integrating CSR.

An angle that supports the idea that the values might be quite known within the organization is the fact that the values have not changed or evolved from the first time they were included in the company’s annual report, in 2000. In order to gain a bit more understanding, an annual report from 1998 was viewed and there was no mentioning of values at all. However, this might be challenged, as the archives on the web site does not go further in history than 1998, so it cannot be stated that no mentioning of values previously is correct.

However, Danske Bank has defined a clear CSR strategy and claims, according to the 2010 annual report, that it is a vital part of the company. Even though the CSR activities cannot be identified as core practices, some of them can be considered on their way to be peripheral, supporting the activities defined by the bank but not the core strategies. As well as Lundbeck, Danske Bank’s activities can be regarded as related to one of the seven strategies, i.e. positioning. The activities Danske Bank has defined are independent from the core strategies but do not completely follow the argument done by Yuan, Bao & Verbeke (2011). Same as with Lundbeck, the activities do not seem to have influence on the company’s trajectory and
main strategies but does guide in some ways other potential activities under the define CSR strategies the bank has created.

Those activities, that support this argument, are Moneyville – an online world for children, and the banks activities on bridging the learning/knowledge gap within young people about their finances (Danske Bank Annual Report 2010). Danske Bank as put a strong focus on these activities and similar ones, which do however not have, or what appears to be, strong enough value to become part of the core practices of the company. Rather, they are independent from the core, but support the CSR agenda Danske Bank has defined and guides potentially the future activities the banks take on under CSR, which will also not be influential to the core practices of the bank.

With Danske Bank potentially working towards one of the integration strategy, it appears the bank has still some way to go before CSR becomes fully integrated into the company. It indicates that there is a de-coupling taking place between the internal organization/the identity and how the company is managed on daily basis and the external demands stakeholders have. There is however a growing alignment between the CSR activities defined by Danske Bank and those external demands, but they do not mirror into the core elements of the company. Therefore the system appears to be loosely coupled. Potentially, if Danske Bank strives to continue the development it is on now, in the future CSR will become integrated into the core practices of the company and the weak connections it has now between the systems becomes stronger.

Nordea:

As was mentioned in the 1st sub-question, Nordea emerged in 2000 with no clear value statements which were then developed in 2007. Currently, Nordea’s values are presented in three statements, each with few points about what that particular value means for the company. Those values are; Great customer experience, it is all about people and one Nordea team. Based on the statements themselves, it is hard to realize if any of those values include aspects of CSR/sustainability to guide the organization in those areas. And due to the vague definition of CSR in the academic field and amongst organizations, this is still hard to identify. But at first glance, while reading the definition of the Nordea values, there is no one value that has some kind of reference to responsibility and/or sustainability in any way.
For a company established in the 21st century, where the trends of CSR and sustainability really had taken off and stakeholders’ demands becoming louder, the fact that Nordea did not include or interpret any values in relations to the issue is an interesting aspect. When reviewing the annual reports published by the bank in 2000 to 2004, there is no mentioning of Corporate Social Responsibility, societal issues, sustainability or other responsibilities. It is not until 2005, where the bank includes a section about CSR in the annual report. That particular section aims to define how Nordea strives to become a good corporate citizen for the society it belongs to (Nordea Annual Report 2005). In the annual report for 2010, under the CSR section, Nordea states that it strives to integrate CSR in their business and identity. That is not, however, how they have been developing their mission/vision and value statements.

It then becomes interesting to analyze Nordea through the seven integration strategies identified by Yuan, Bao & Verbeke (2011). With the recent establishment, Nordea had all the ability and opportunities to incorporate the CSR trend that was, and still is, going around and with that apply the 1st integration strategy i.e. born CSR oriented. However, that is not the case.

From reviewing the reform of the organizational structure of the bank, the development includes focus on CSR and from there it can be interpret that Nordea is aiming for a full integration of the strategies. This does however not relate to any of the seven integration strategies Yuan, Bao & Verbeke (2011) discuss in their paper. And after going through the annual reports for the ten year period, from 2000 to 2010, it becomes clearer that Nordea is on a similar path as Danske Bank. Both companies have extensive activities around the issue of CSR/sustainability, both have developed code of conducts and acknowledge the importance of stakeholders’ view of the company but neither has fully integrated these activities and focus into the core element and identity of the banks. The difference between Nordea and Danske Bank is that Nordea has had structural changes that support the potential integration of CSR into the organization by including the responsibility of CSR in the organizational chart. Despite that change, it has not impacted the level of integration of Nordea’s CSR strategies.

Like for Danske Bank, the activities within Nordea are not changing the core element of the internal organization but seem to be independent peripheral practices. Same as Danske Bank, Nordea appears to be working towards using the 4th strategy in trying to integrate CSR into
the organization. These independent practices seem to be very focused on environmental issues but do however not guide the trajectory of the organization and are not imprinted into the banks identity as the bank claims.

In this sense, the statement from Nordea that CSR is in their core is not mirrored in the vision/mission and values of the company. But it cannot be argued against that the bank is trying to respond to the stakeholders’ demands with all its activities, participating in different initiatives and communicating about all this on the banks website and annual reports. That, as well as the reform of the organizational structure, can be considered to be a loosely coupled system, and not de-coupled. The connection between the image and demand the stakeholders have, and the daily activities the bank seems to have as focus is in place but is fragile and weak. Without proper attention it might disappear altogether and leave Nordea’s activities de-coupled from the action and responsibility stakeholders have towards the bank.

5.4 Sub-conclusion

All four case companies have shown they acknowledge the need for CSR activities in answering stakeholders’ demands, all in their own way. The four companies are in different phases in their CSR processes and that can translate into different levels of integration of the CSR initiatives into their business. The pro-activity of the industry companies belong to, towards CSR/sustainability, might also have some influence in the integration (or lack of).

The analysis of the second sub-question revealed interesting findings. One of the main finding is that the companies all claim to have strong focus on CSR (which they do with all their activities and initiatives) and that the CSR aspect is integrated into the identities and behaviour of the company. This is not the case for all but Novo Nordisk. Novo Nordisk has developed a strong vision and value statement it calls The Novo Nordisk Way of Management. The difference between the Novo Nordisk Way of Management and the value statement of Lundbeck is that for Lundbeck, both the vision and mission statements do not incorporate any aspect of sustainability/CSR, while The Novo Nordisk Way of Management puts strong emphasis on the topic.

Danske Bank and Nordea appear to be in similar place when it comes to their CSR integration, although Nordea might be one step further having a CSR responsibilities included in the organizational structure. That supports future developments of integrating CSR into the core of the company.
Even though the findings show that three out of four case companies have low or little correlation between CSR and the identity and internal processes of the company, this might not be viewed as a problem by these companies. Their strategies could simply be to follow what others are doing in the market, and in the process have answers to the stakeholders, without having to change the core of the company. Meyer and Rowan (1977) say that when organizations become more isomorphic with myths in the environment but those myths are not integrated into the organizational structure might be an attempt to increase legitimacy. However, that attempt is causing decoupling to take place between vision and values and the formal organizational structure.

This could explain why Lundbeck, Nordea and Danske Bank are not as far along in the integration process as, e.g. Novo Nordisk.

“A bank must earn its ‘licence to operate’ every day” (Chairman of Nordea, Nordea Annual Report 2010). This statement made by Nordea’s Chairman indicates that companies realize that they have to earn their legitimacy in the market, and potentially, a part of that is to align the company with what stakeholders want, without fully changing the company. Routinizing (Yuan, Bao & Verbeke, 2011) the practices of companies will take time and effort. And if that routinization is not done properly, it can cause inferior outcome (Meyer, 2004). Radical change, as this reform might be considered to be, can cause inconsistencies between old and new routines (Newman, 2000)23. The companies may recognize the challenge and are not willing to take that risk for the potential increase in the business performance CSR strategies could bring the company (Yuan, Bao & Verbeke, 2011).

5.5 Third sub-question analysis

*Does top management involvement in the integration process drive change faster and are changes more fully integrated within the organization? If yes, does the type of leadership of these managers have any impact on the level of change?*

Taking a departure in previous sub-questions analyses, where organizational reform is viewed and CSR integration is analysed, the understanding of the influence, if any, the top management has on the integration process is important. And the aim of trying to understand what leadership approach is potentially most effective in driving CSR strategies will be included in the sub-conclusion.

23 Taken from Meyer, 2004
Gathering data around CEO and top management involvement without getting access to the organization and the employees is a challenging objective but not impossible. Annual reports of organizations give a valuable insight into how CEO’s and top level managers communicate their commitments and mindset towards company strategies, CSR being one of them. A leader can overcome the coordination failure and bring all members of an organization on a common path by creating common knowledge about the aspired new strategy and thus creating the expectation that everyone else is pursuing the same path (Foss, 2001)\textsuperscript{24}

Novo Nordisk:

When viewing the annual reports from Novo Nordisk, it becomes clear that the CEO is very involved and outspoken about his beliefs and hopes for the company. In the annual reports from 2000, 2005 and 2010, the CEO had some type of communication to the shareholders and other stakeholders invested in the organization. In all of those CEO letters, there is mentioning of responsibility/sustainability and the stakeholder image that the company strives to work towards. “We need to pay attention to the needs of all our stakeholders – be it shareholders, our customers, employees or society at large” (CEO of Novo Nordisk, Novo Nordisk Annual Report 2000). In the annual report in 2005, the CEO and the chairman of the Board of Directors write in their opening statement that “as we grow and become more global, we will likely leave a greater environmental footprint, but here too Novo Nordisk has set very ambitious global targets for reduction of CO\textsubscript{2} emissions, as part of the WWF Climate Savers Programme” (CEO and Chairman of Novo Nordisk, Novo Nordisk Annual Report 2005)

This shows that the CSR/sustainability agenda has been acknowledged by the CEO and top management. Constant communication regarding the subject can be regarded as a commitment towards the issue and implies the involvement of top management in contributing to it and driving the strategies within the company.

The annual reports bring to light different activities Novo Nordisk takes on and drives in order to meet the triple bottom line as well as motivate employees to be socially aware. In the 2005 annual report, news about different activities related to society and environment were introduced, and the involvement the CEO in those activities. For example, in 2005 the CEO of Novo Nordisk was awarded the Sustainability Leadership Award by the Sustainability Forum.

\textsuperscript{24} Taken from Meyer, 2004
As well, in the annual report 2005, information about Employee share programme which aims to stimulate the ownership interests in the company, was introduced. It can be argued that in order to get employees motivated and invested in the organization and the activities it takes on, the programme would help managers align the mindset of the employees with the aspiration of reaching the targets set.

It can also be argued that having the CEO being so involved, so visible in supporting different projects demonstrates a certain level of commitment that employees might look up to and try to adapt as well. With that motivation and the ownership deriving from the Share programme, the employees are likely to drive and sustain the integration of the strategies implemented, including CSR/sustainability strategies.

Lundbeck:

An interesting finding was revealed when viewing the annual reports for 2000 and 2005. The reports did not include any messages or letters from Lundbeck’s CEO. That, in itself, is an interesting fact because the annual report is good platform for the CEO to communicate to the shareholders and other stakeholders invested in the company. Having no CEO message might demonstrate a little interest from the CEO’s behalf in building some kind of communication and therefore a relationship with shareholders and other stakeholders. The annual report for 2005 does however include a message from the chairman of the Board of Directors. That particular message does not have any focus on CSR but growth in general.

The annual report from 2010 included a CEO message. The message does, however, not include any hints of CSR/sustainability messages. Again, this could be argued as low commitment or focus from the company towards CSR and sustainability. The interesting part is that one of the organizational values is Responsibility, which Lundbeck defines as “employees are expected to do the right thing and act responsibly” (Lundbeck Annual Report 2010). It can be argued that the CEO does not embody that value, and the message it should bring to the organization, in the CEO messages because the values are not fully integrated into the core elements of the company and employees therefore do not respond to that message.

Over the ten year time period from 2000 to 2010, Lundbeck has had three acting CEO’s. The first one was in charge until 2005. From 2005 to 2007 the second CEO took helm and in 2008 the third acting CEO was introduced. When it comes to the CEO’s and their communication and leadership approach, the second CEO had no messages/letters included in annual reports
published under his command. The first CEO had letters in two out of five annual reports. With this, the CEO’s are showing little to no willingness to establish some kind of relationship with stakeholders and with that increase their legitimate role as a leader.

The third and current CEO has included letters in all annual reports published under his command. They have, however, not been including any messages around the topic of CSR/sustainability but the letters show interest in building relationships between the top management and Lundbeck’s stakeholders.

From the previous sub-question analyses, the integration of CSR into the core element of Lundbeck does not seem to be as far along as, e.g. Novo Nordisk. Evidence does however show that the intention is at hand but the work has not been done. The lack of demonstrated commitment from the CEOs of the company could explain the lack of full integration.

Danske Bank:

The analyses of the two previous sub-questions have identified that Danske Bank is not close in fully integrating CSR into the core elements of the company but do have extensive focus on CSR which indicates a potential for full integration.

When reviewing the annual report over the ten year period from 2000 to 2010 in order to gain understanding of the involvement of the CEO and his mindset towards CSR, an interesting fact was revealed. Out of all these annual reports, only one of them had a letter from the CEO, namely the annual report for 2010. This finding is interesting, like for Lundbeck, because it questions the willingness from the CEO to communicate to the company’s stakeholders, not only about CSR but generally building a relationship with them. Without that strong relationship, the legitimacy of the leader can be questioned and hard to build up again if any misunderstandings or wrongful messages are sent out.

Having one value being **integrity**, it can be argued that the CEO is not guided by that value in his relationship with stakeholder, as it is presented in the annual reports. Potentially that is due to the fact that the values are not integrated into the core of the company, and therefore the leadership of the CEO and the way he presents himself to stakeholders has not changed. The annual reports are a valuable platform where the CEO can demonstrate his commitment, show his participation and include the values into his messages to the stakeholders.
As was demonstrated in the second sub-question, a de-coupling is taking place within Danske Bank when it comes the internal organization/the identity of the bank and the how the CSR activities are managed. And there link between full integration and the responses to stakeholders’ demands is loosely coupled due to extensive activities the bank has in place which do not affect the core of the company. The third sub-question analysis demonstrates a certain de-coupling taking place between the claims the bank has regarding its activities and focus on CSR and how the CEO actually communicates and demonstrates his leadership.

Using the annual reports as a communicative platform to demonstrate integrity and leadership, Danske Bank CEO might begin the process of full integration of the CSR strategies, as well as to identify how the strategies can (and should) reform the organization accordingly.

Nordea:

Nordea’s annual reports in recent years have started to include CEO letters and even in 2010, the CEO and the Chairman of the Board both used the platform to communicate to stakeholders. That shows a strong willingness for the chairman to be involved and keep a certain level of relationship with the stakeholders.

As has been mentioned, Nordea’s values do not include CSR at any level but the values it has are quite integrated into the company and how it present itself. This is proven again when reading over the chairman’s reflection in the annual report for 2010. The chairman’s message is aligned with the values and the company’s vision. “A firm belief in the vision builds confidence and strength” (Chairman of the Board, Nordea Annual Report 2010). Although the message from the chairman is not focused on CSR/sustainability as such, he recognizes the value of leadership in driving the company forward and reaching the targets it sets itself. “It is vital that the board and the management sets the tone” (Chariman of the Board, Nordea Annual Report 2010). So even if the focus is not on the issue of CSR/sustainability, the attitude of the board and the management is the right one in order to drive the chosen strategies.

The message from the CEO in the annual report for 2010 also has no focus in the issue of CSR/sustainability. The CEO also aligned his message to the corporate values and motivates the reader by being true to the values the company has as guidelines.
This does, however, leave an important question regarding the Board and the top management. If the top management of the company sees the value of being the first one to set the tone of the organization in order to drive strategies forward, then, with no focus on CSR at all from the CEO and the chairman of the board, do they actually believe in the concept?

Being relatively new company with motivated board and CEO to drive success, no focus on the issue of CSR/sustainability could be viewed as not-important strategies on behalf of the top management. That could be the reason why the organization is not further along in the full integration of CSR into the core elements of the company. The position of the person taking responsibility of the activities has been developed and included in the structure but does the top management have faith in the success and the growth it can bring the company?

The good use of the annual reports as communicative platform, sharing the reflection and mindset of the top management shows willingness to have a good relationship with Nordea’s stakeholders. With better relationship comes increased legitimacy. But no focus from the leaders on CSR/sustainability does challenge the company’s legitimate activities in the area of CSR/sustainability.

5.6 Sub-conclusion

From the annual reports of the chosen case companies and with no access to interview the employees, the data reveals a correlation between participation and the support of the top managers and the level of integration of the CSR strategies. When the CEO shows support, leads by example and motivates the stakeholders, the potential to reach full integration becomes higher and is more likely to be successful.

For all four case companies, the CEOs, and sometimes the chairmen, use the annual reports in order to communicate to stakeholders about issues that might be relevant at certain times. Each of the four companies CEOs communicates differently, and show different levels of involvement in corporate activities. They might even not be aware that their leadership can be interpret and understood from the annual reports and therefore not use the platform in order to demonstrate their leadership abilities and intentions.
Researchers argue that leadership is a force capable of translating self-interested motivation into collective ends (van Kippenberg et al, 2004).\textsuperscript{25} Potentially, that is the aim the CEO of Novo Nordisk. Lead by motivation and example and from there create action and drive amongst his employees. Without the strong involvement and demonstrating commitment to the CSR activities and values of the company, Novo Nordisk might not have gained the success and reputation it appears to have today, and might not have gotten so far along in the integration processes of the CSR strategies into the core element of the company.

According to Larson and Lundholm (2010), leadership can be understood as a process of moulding identities by connecting followers (and their values) to larger meanings or shared values (corporate and/or societal values). Nordea’s CEO and Chairman are demonstrating leadership in this sense, as their messages clearly aim bring forth the values of the company and use them as guidelines in the daily work and the way employees (including themselves) communicate and present the bank.

A manager can lead the implementation of a new strategy by fostering common knowledge through various forms of communication. For instance, leaders may publish and promote a vision of the organization (Ireland and Hitt, 1999)\textsuperscript{26}. A shared vision creates common knowledge on a firm’s objectives, and how they are supposed to be reached. Leaders may create a share vision, for example, through public speeches that communicate simultaneously with many stakeholders, who thus know that they share this knowledge with all others who attended the event. (Meyer, 2004)

All the case companies have clear vision/mission and values that are presented on their websites, and occasionally in their annual reports. CEOs are starting to use the annual reports to bring forth their messages, most often including the values to sustain the knowledge around them and increase the legitimacy of the values and of them as leaders. The awareness of this type of leadership could prove beneficial for CEOs when working towards new strategy implementation, e.g. CSR.

The importance of realizing how leadership impacts CSR integration becomes clear when e.g. employees are needed to change their behavior or attitude or even learn something new, they are likely to oppose and resist change. Having the manager/leader stand firmly behind new

\textsuperscript{25} Taken from Larson&Lundholm, 2010
\textsuperscript{26} Taken from Meyer, 2004
initiatives, e.g. CSR strategies, might lower the resistance and increase the legitimacy of those activities, especially if the managers are high up in the hierarchy (Goffin and Michell, 2010).

The question of what type of leadership is most likely to drive the integration of CSR into business is complicated but relevant if CEOs and other top management leaders want to make sure future strategies will be integrated into the identities of companies. It is, however, difficult to gain insight into the CEO’s leadership with no information from employees and limited communication from CEOs in annual reports.

The analysis made in this paper has however given enough insight into leadership and integration to build a general understanding of the leadership that drives CSR and motivates the employees to adopt the mindset of full integration.

Going back to 4.chapter, where the theoretical information for the thesis was introduced, the understanding of leadership has four pillars, that all should be in place for effective leadership. Those pillars are the WHO, WHERE, HOW and WHERE of leadership.

WHERE: The most common view of where leadership takes place in the organization is in relations to hierarchy. Hierarchy might not be sufficient enough in order to be a leader according to researchers on leadership. Meindl (1993) says that leadership does not appear with the title in the hierarchy, you have to earn it. Meindl (1993) also argues that without followers placing legitimacy to the leader, a leadership cannot take place. Hence, leadership needs followership. This supports the argument that CEOs should use all channels and opportunities to establish a relationship with stakeholders that strengthens the leader-follower relationship.

WHAT: This means the objectives of demonstrating leadership (Grint, 2005), be it motivation of employees, reaching targets or increase leader and/or organizational legitimacy. All of the four case companies have made certain targets the company aims to reach in the area of CSR/sustainability. In all case companies, except Novo Nordisk, the targets around CSR and the strategy itself might need more attention. With having the goals clear and regularly communicated, the leadership of the CEO will drive the company in that direction.

HOW: is the process of leadership, the practices through which they lead (Grint, 2005). This pillar of leadership is hard to gain insight on from the annual reports of the companies. Each leader has different process of leading. One way to understand the process of leadership is through use of CSR discourses in CEO’s communication with stakeholders and through his
involvement in the company and external activities related to the issue. This support the argument that using annual reports as a communicative platform for CEOs is important, but also what they communicate and how the stakeholder interprets their messages. That type of leadership processes can support the integration of CSR into the core elements of the companies.

**WHO:** The view of leader as a person is most commonly referred to and is, amongst many definition, often the one who “makes sense” out of situations and translates them to employees (Grint, 2005). Few aspects of personal leadership, important for this research, are the concepts of charismatic, ethical leadership and value-based leadership. It can be argued that the difference between these three concepts of leadership is not extensive and in some ways they overlap each other. In the case of the CEO of Novo Nordisk, he has not specified his personal values and how they are related to the company’s values. However, it is clear that he takes his role as the leader of the company seriously by caring for the company’s values and lead by example while having them guide his activities, the partnership made and the messages he sends out. In the case of Nordea, this proves to be the case as well, even though the values used as guidelines are not related to CSR in any clear and defined way.

If the CEO of an organization sees the value of integrating CSR into the core elements of the company, understanding his role in the process is important. That role, as the leader, is to have the four pillars in place as they support his leadership towards the integration. Having only few in place, like in the case for Danske Bank, leaves the organization unfocused and unguided. For the purpose of full integration, the CEO’s leadership should have strong WHAT, WHERE, HOW, and WHO foundation.
6. Discussions

After conducting the research and gaining valuable understanding into the integration progress of the chosen case companies as well as to understand the role of leadership in that progress, many interesting topics appeared and are valuable to bring forth.

6.1 Discussion of methods

As it was mentioned in the methodology chapter, one of the methodological challenges for this particular research was the denied access to organizations and its employees and managers. The reason for the limited access was not clear. Something was mentioned about that evaluation of leadership of the managers would not be appropriate, despite the fact that the aim was not evaluation, but more as understanding if and how it has changed by integrating CSR into the organization.

If the option would have been at hand to conduct interviews the understanding of integration and the development of managers’ leadership styles could have been considerably deeper and better. Working in an ontological worldview, the social constructionist angle of the problem can be better viewed by gaining the insight first hand from the employees constructing the reality the organization belongs to.

The interviews would also be valuable when making a triangulation of the data, i.e. making sure the data is aligned and the findings are supported by different data gathered. This process strengthens the validity of the findings from the research and therefore is more likely to be of real relevance in the literature it aims to contribute to.

One of the initial ideas of methods to use in order to understand the leadership of managers was to use discourse analysis. The use of that particular method would have helped understand how the leadership structure their CSR discourses, how they articulate themselves as leaders and relate stakeholders to the issue of CSR/sustainability. The data proved not sufficient for this method and was therefore left out. Having the discourse analysis as part of the research would have given better understanding if certain type of leadership style drives CSR more efficiently than other, and give the leadership literature a valid connection to the CSR/sustainability literature.
6.2 Discussion of theories used

When the research process started the idea was to have a strong focus on leadership theories to try to understand the role of leadership in the implementing CSR strategies and then what type of leadership, or leadership approach, would bring the best results to companies. With no connection between leadership and CSR theories, this process proved more challenging than was expected at first. It required a changed mindset from me as a researcher in order to find ways to answer the question.

A decision was then made to take point of departure in analyzing if organizations had undergone some kind of reform in order to have the ability to answer the stakeholders’ demands of becoming more responsible, socially aware and environmentally friendlier. Even though Brunsson and Olsen (1993) argued in their paper *The reforming organization* that reforms are hard to implement and have low follow-through due to the challenge it makes to status quo and the norms of the organization and limited legitimacy of the reformers (those who instigate reforms), the idea behind reforms remained more valuable than using organizational change theory in the analysis. Despite the low level of implementation, reforms have the advantage of “being aimed at everyone who is involved in a given organization, and sometimes even at the observers of it” (Brunsson and Olsen, 1993). This statement is relevant for this particular research as the chosen case companies would have hopefully had reforms in order to integrate CSR into the organization, as a response to the “observers” of the organization, i.e. its stakeholders.

The different degrees of integration of CSR strategies into the case companies then spark the question of legitimacy of the companies and the integration of the strategies. The issue around legitimacy became relevant for two reasons, both of them mentioned in the analysis but one of them weighted more in the relevance of the research question i.e. the question of the legitimacy of the leader (CEO). From that view, the leadership theories became important for the research.

The main concepts in this thesis, leadership and CSR, are concepts that have vague and diverse definition. That makes it hard to analyze four different organizations, in different industries, since most likely their definition of both these concepts might differ. That could have some influence on the findings from the analysis. Therefore, the definition of leadership for this particular research, the WHO, WHERE, WHAT and HOW of leadership helped to make the analysis aligned. Realizing that leadership is not completely left up to the leader and
that followers (in this case the employees) need to place legitimacy upon that leader in order for leadership to take place, will have its benefits for CEOs in their CSR integration processes.

6.3 Discussion of theories not used

A theory that might have proven relevant but was not discussed, only briefly mentioned in second sub-question conclusion and in sub-chapter 4.6, and that is Isomorphism. Isomorphism means the pressure to change and align the organization to what the trend in the market is in order to compete and be legitimate (Meyer & Rowan, 1979). In order to answer the research question this particular theory might not have given the best results on its own, but as a support theory. After understanding the use of integration theory in this research, the isomorphism theory might have given even deeper understanding of why/why not the integration progress in the case companies is at the level demonstrated in the analysis. “Isomorphism with environmental institutions has some crucial consequences for organizations: they incorporate elements which are legitimated externally, rather than in terms of efficiency” (Meyer and Rowan, 1979). The value this theory might have brought to the findings, had it been incorporated, would be to see if the reasons why the case companies have not integrated their CSR into the core elements of the company is because their CSR initiatives are only attempts to gain external legitimacy and not complete efficiency and increased performance.

The second theory that would have been interesting to use, especially if discourse analysis method would have been included in the research, is the leadership style/type theories. Taking the leadership definition in this research one step further and try to understand if the leader, having all four pillars in place, should be charismatic, transactional, transformational or servant leader might have given the link between CSR and leadership a greater value. Understanding the preferred leadership style of, e.g. the CEOs of companies, and how that leadership relates to the concept of CSR, might help build the four pillars of leadership, WHO, WHERE, HOW and WHAT, with a solid foundation including right information to drive CSR further into the core of the company.

The research question in this thesis offers many ways to be answered, all which will give valuable insight into leadership’s role in CSR integration process, and if organizations are walking the talk or if it just looks like they are.
7. Conclusion

Using the theoretical model presented in chapter 5, the analysis gave good insight into the integration progress of the four case companies. The analysis had the focus of trying to answer the question of how, if at all, organizations have reformed their structures/identities to drive the integration of CSR strategies into the core of the company, and what role the leadership of managers have in that process.

In fast moving external environment, ten years can be a long time with a lot of changes happening in an organization. Companies try to follow trends and stay competitive in their markets and in order to do so they have to adapt to the environment. All four case companies have had some kind of reform on their structures and their values/vision/mission statements which can be considered normal response to the changing markets. Only Novo Nordisk has reforms that appear to have been aimed at strengthening the company’s CSR agenda and, with that, integrated the CSR strategies into the core elements of the company. Danske Bank, Lundbeck and Nordea all have strong focuses on the issue of CSR but the reforms the organizations have undergone do not support the intention of full integration of those strategies into the core elements of those companies.

The analysis of CSR integration strategies supported the argument that three out of four companies are not visibly working towards full integration. Even though all of the companies say that the company’s CSR activities are built into the identity of the company the integration strategies chosen, or lack of those strategies, argues against that statement. Only one of the four case companies, Novo Nordisk, had developed a clear vision and value statements that included CSR and sustainability. In the case of Lundbeck, Nordea and Danske Bank, the values guiding the identity of the companies were not as clear in its relations, if there is any, to the CSR agenda.

Finally, the analysis found a correlation between leadership and integration of CSR into the company. It showed that the more the CEO is involved, outspoken and present in company’s CSR activities, the better the concept is integrated into the core elements of the company, more visual in communications and more recognized from outsiders. In order for the CEO to be that leader, that drives CSR agenda forward, he has to make sure he has all pillars of leadership in place. Without that, the legitimacy of him as a leader driving CSR might face criticism and not create the support needed to reach the company’s targets.
8. Reflections

When starting the preparation process for the research few things came apparent, both positive and negative. Reflecting on the inspiration for the research I found out that the biggest inspiration for taking on the research was the realization of the literature gap and the usefulness of the research in terms of trying to bridge that specific gap.

Another inspiring notion that proved to be important was the enthusiasm and positive feedback gained when approaching organizations with the research idea. Apparently, the idea of how leadership has changed within the organization as they integrate CSR strategies was viewed valuable and interesting. That acknowledgement gave the research a valuable motivation to take place.

However, despite the positive first impressions from organizations, when the partnership was supposed to be taken further and the research question started developing around the topic of integration of CSR and the role of leadership in the integration process, the tone of the organizations changed. Again, they found the research interesting and valuable but were not interested in being the researched organization.

When reflecting further on the responses of the organizations, and the shift between positive responses and the negative, few questions started developing. Why the change in attitude? Did the attitude change when integration of CSR came into the question? Why would that have negative impact on the organization’s view on the research? These questions then further developed into more critical questions, trying to understand why I was not allowed to analyse the organization and gain valuable knowledge. What are the organizations “afraid” of? Since they shy away when integration came to play, is the CSR agenda fully integrated into the organizations? Does the image of the organizations and their work with CSR not reflect the attitude, behaviour and daily activities of the organizations? Are the organizations as “green” as they claim they are, both internally and externally?

Having these questions in mind when I tried to find other ways to approach the research question strengthened my understanding of the importance of the research. The importance is not only in the literature fields where the gap was identified, but as well in practical aspects of managerial implications.

What is meant with managerial implications is the ability of managers to answer the stakeholders’ demands by implementing sustainability and CSR strategies and drive the
change from within the organization, adapting the right attitude and mindset amongst all employees, not only specific departments working with CSR. For managers to understand their role in the integration process might help them to drive the change faster and more effectively.

This research identifies two interesting possibilities for future research. The first idea to analyse not only the CEO’s leadership but the change that managers/leaders go through when introducing new managerial/leadership positions with the job description in the CSR agenda. What this research could answer is if the introduction of new leader/new mindset into an organization will have an impact of the leadership the current managers display and if the change is for the better in order to align the company to the CSR strategies being integrated into the company.

The second research idea for the future is to take departure in the findings of this research and analyse the companies with the theories mentioned in the discussion but were not used in the analysis itself, i.e. leadership styles/type theory and isomorphism theory. That research will take the findings from this research and find out if the de-coupled/loosely coupled systems that were identified here, took place because the companies were purely trying to appear being legitimate, and aligned with the trends. That research could aim to answer the question if organizations, that have loosely/de-coupled systems in place currently, actually want to integrate CSR into their companies, or if the benefit of only adapting as much as is needed (being isomorphic) to satisfy the stakeholders will be enough for them in the future as well.
9. Literature list

9.1 Articles.


9.2 Books.


9.3 Dictionaries, Reports and web sites used


www.novonordisk.com

Novo Nordisk Annual Reports: http://www.novonordisk.com/investors/download-centre/

www.lundbeck.com/global

Lundbeck Annual Reports: http://investor.lundbeck.com/downloads.cfm?

www.danskebank.com


www.nordea.com

Nordea Annual Reports:
http://www.nordea.com/Investor+Relations/Financial+reports/Annual+reports/804982.html
10. Appendices

10.1 Appendix A

In Novo Nordisk’s Articles of Association it is stated as the objectives that the company ‘strives to conduct its activities in a financially, environmentally and socially responsible way’. This implies that any decision should always seek to balance three considerations: Is it economically viable? Is it socially responsible? And is it environmentally sound? This is the Triple Bottom Line business principle, which ensures that decision-making balances financial growth with corporate responsibility, short-term gains with long-term profitability and shareholder return with other stakeholder interests.

NOVO NORDISK WAY IS OUR WAY

Today, we are thousands of employees across the world with the passion, the skills and the commitment to continue this journey to prevent, treat and ultimately cure diabetes.

- Our ambition is to strengthen our leadership in diabetes
- Our key contribution is to discover and develop innovative biological medicines and make them accessible to patients throughout the world.
- We aspire to change possibilities in haemophilia and other serious chronic conditions where we can make a difference.
- Growing our business and delivering competitive financial results is what allows us to help patients live better lives, offer an attractive return to our shareholders and contribute to our communities.
- We never compromise on quality and business ethics.
- Our business philosophy is one of balancing financial, social and environmental considerations - we call it ‘The Triple Bottom Line’.
- We are open and honest, ambitious and accountable, and treat everyone with respect.
- We offer opportunities for our people to realise their potential.

Every day, we must make difficult choices, always keeping in mind, what is best for patients, our employees and our shareholders in the long run.

Our vision
- We will be the world’s leading diabetes care company.
- We will offer products and services in other areas where we can make a difference.
- We will achieve competitive business results.
- A job here is never just a job.
- Our values are expressed in all of our actions.

Our values
Each Novo Nordisk employee is expected to be:
- Accountable
- Ambitious
- Responsible
- Engaged with stakeholders
- Open and honest
- Ready for change.

6. We treat everyone with respect.
7. We focus on personal performance and development.
8. We have a healthy and engaging working environment.
9. We optimise the way we work and strive for simplicity.
10. We never compromise on quality and business ethics

The Essentials
1. We create value by having a patient centred business approach.
2. We set ambitious goals and strive for excellence.
3. We are accountable for our financial, environmental and social performance.
4. We provide innovation to the benefit of our stakeholders.
5. We build and maintain good relations with our key stakeholders.
Appendix B

Lundbeck’s information:

**Vision**
Our vision is to become a world leader in psychiatry and neurology.

**Mission**
Our mission is to improve the quality of life of people suffering from psychiatric and neurological disorders.

**Values**

*Imaginative – Dare to be different*

‘Imaginative’ underlines a need to dare to be different. Lundbeck believes in the necessity of being open to new knowledge and alternative solutions. This is the cornerstone of Lundbeck’s value chain, from research and development to production, marketing and sales.

*Passionate – Never give up*

‘Passionate’ refers to a long-standing tradition of never giving up. Lundbeck has met with setbacks – and will meet them again – in the effort to find new treatments for CNS disorders.

*Responsible – Do the right thing*

‘Responsible’ means that Lundbeck employees are expected to do the right thing and act responsibly towards colleagues, the environment and the external community.
Nordea’s information:

Our mission

- Making it possible

Our vision

- To be a Great European bank, acknowledged for its people, creating superior value for customers and shareholders.

Our values

Great customer experiences

- We think and act with the customer in mind
- We understand individual customer needs and exceed expectations
- We deliver professionally
- We create long-term relationships

It's all about people

- We acknowledge that people make the difference
- We enable people to perform and grow
- We foster initiative-taking and timely execution
- We assess performance in an honest and fair way

One Nordea team

- We team up to create value
- We work together across the organisation
- We show trust and assume accountability
- We make rules and instructions clear and applicable
10.4 Appendix D

Danske Bank information:

Core values

- **Expertise** – through high standards of quality and professionalism
- **Integrity** – in business affairs and as part of society
- **Value creation** – for shareholders, customers and employees
- **Commitment** – to customers’ financial affairs
- **Accessibility** – electronic and physical

Mission

The best local financial partner

Vision

One platform – exceptional brands

Guideposts

Our core values serve as a compass in our efforts to become our customers’ preferred local financial partner – both ethically and professionally.

They also function as guideposts and quality parameters in our daily work and in our performance appraisals as well.

Each business unit makes its own interpretation

Each business unit in the Group must differentiate itself clearly and shape itself according to its market and customers. Since this requires flexibility, the different units apply the core values in different ways.

From words to action

But throughout the Group, the managers of each area are responsible for ensuring that their employees know and observe the core values.
Theories of leadership

Leadership trait theory
  Leadership behavior theory
    Leadership contingency theory
      Charismatic leadership

1870  1930  1960  1970
10.6 Appendix F

The pillars of Leadership, context taken from Grint (2005) but arranged in this order by Thordis Katla Bjartmarz.

The points under each pillar are suggestions, not defined areas.
10.7 Appendix G

The flow the chosen theories for this thesis as understood by Thordis Katla Bjartmarz
10.8 Appendix H

Novo Nordisk Organizational charts.

2010: (Red circle indicates where CSR is located in the structure)

2000: (created from job roles listed in the annual report)
10.9 Appendix I
Lundbeck’s Organizational Charts

2010 (created from job roles listed in the annual reports)

2000: (created from job roles listed in the annual report)

Board of Management (2 people)

Senior VP’s

<table>
<thead>
<tr>
<th>Commercial Operations (Europe)</th>
<th>Human Resource</th>
<th>Supply Operation and Engineering</th>
<th>Corporate affairs, Commercial Operation (America)</th>
</tr>
</thead>
</table>

Strategic Marketing  

CFO & Communications
10.10 Appendix J

Danske Bank’s Organizational Charts

2010:

2000:
10.11 Appendix K

Nordea’s organizational Charts:

2010: (Red circle identifies where CSR is located in the structure)

2000: