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Executive Summary

Corporate Social Responsibility (CSR) has over the past years gained increasing awareness in the society as a whole, interesting stakeholders and accordingly attained prominence on the corporate agenda. A challenge for companies is to build a business case for CSR, defending the new investments with positive payback to the company. Even though the perception is somewhat changing, many companies today still view CSR as an isolated costly activity, de-coupled from core business.

The aim for this thesis is to analyse if companies are fully integrating their CSR into their business in order to make the concept of CSR more tangible towards the stakeholders.

CSR is an elusive concept and numerous and distinct definitions exist. Each individual corporation should define CSR according to context including range of stakeholders, core expertise and skills. CSR should furthermore be integrated into vision, values, strategies, and organizational culture and into business operations. This implies that there is no one size that fits all definition. A corporate-wide integration of CSR is influenced by what motives and outcomes corporations are driven by when engaging in CSR.

The context of two case companies’ (Novozymes and Danisco) was the foundation of the research. Both companies have increased their focus on CSR and sustainability and both claim that it is built into the core strategies of the companies. With that in mind, the first part of the thesis aimed at analysing how the companies presented themselves and if this was linked to CSR strategies, looking into values/mission/vision statements of the companies.

The second part of the thesis aimed at understanding if the case companies had fully integrated their CSR agenda into their core business. The findings demonstrated a high level of integration from the case companies.

The third part of the thesis was to understand how the companies influence the sensemaking processes of CSR towards their employees.
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1. **Introduction**

Corporate social responsibility (CSR) has during the years gained increasing awareness. Corporate behaviour and specially misbehaviour has caused CSR to become a gradually more accepted concept throughout the last 15 years or so. Of particular significance is the 1995 dumping of Shell Brent Spar oil storage facility into the ocean, which caused massive media attacks, NGO activism and widespread consumer boycotts supported by politicians. Another noteworthy corporate scandal is the Enron and Arthur Andersen scandal in 2001, which led to major scepticism and decreasing trust in large corporations and it has since been questioned whether corporations since winning retaining people’s trust is considered one of the key factors to competitiveness and future success.

In addition to corporate scandals, society is witnessing a market in transition characterized by a growing degree of liberalization, privatization and globalization. Changes that have led to power and authority being transferred from governments to the private commercial sector. With the increased power and authority granted to corporations, corporations have had to answer to a wider range of issues and are held responsible for an increasing number of things by multiple stakeholder groups. Previously, corporations were only accountable to themselves and shareholders. Today corporations are accountable to a wide range of stakeholders such as; employees, customers, suppliers, investors, shareholders, governments, trade associations, political groups and communities. Another powerful stakeholder group is the media. Information is in a constant and far reaching flow and corporations’ every move is put on public display almost instantaneously. There is no hiding place for corporations’ deeds and misdeeds and corporate transparency is essential.

In the light of globalization and heightened societal expectations of corporate behaviour a number of international and national standard-setting efforts have emerged such as The United Nations Global Compact, CSR Europe and SustainAbility. Such groups and the like offer ethical guidance and standards for corporations to voluntarily join and make use of. For corporations these institutions also offer a quality stamp of CSR to display to
society. Abovementioned drivers of change and many others such as the presently hot topic of environmental concerns like CO₂ emissions and climate change have spurred the emergence of new corporate performance standards. Consequently, corporations’ engagement in social responsibilities is a result of the societal changes. The concept of CSR is inevitably here to stay and social responsibility in its many shapes and forms is gaining emphasis on the corporate agenda.

1.1. Problem identification

In Europe the corporate environment is experiencing a shift from implicit to explicit corporate social responsibility (CSR), which brings on new challenges and opportunities for corporations as to how to engage in CSR and how to communicate their CSR activities (Matten & Moon, 2004). CSR in Europe has been dominated by implicit CSR, which refers to national formal and informal institutions that agreed and assigned the corporations’ societal responsibilities. The shift is leaning towards a more explicit CSR, which is characterized by added visibility and a more voluntary approach along with self-interest driven policies and corporate strategies to engage in issues that are perceived by both company and stakeholders to be part of their social responsibility.

Beckmann et al. (2006) agrees that CSR is becoming more explicit and argue that the shift entails that the former silent strategy practiced in European and Danish corporations is being replaced by a more visible approach to CSR activities. Additionally, Beckmann et al. (2006) argue that explicit CSR requires that CSR must be embedded into strategy and operations, which is evidenced by e.g. CSR as part of the corporate branding efforts, if corporations are to succeed in gaining competitive advantage. However, research indicates that the corporations who are most active within CSR are also the ones who gets the most attention and are criticized the most, whereas corporations who are doing the least are least criticized (Vallentin, 2003). Corporate motives to test the validity of corporate CSR claims doubting whether corporations are ‘as good as they say they are?’ (Brown & Danin, 1997; Morsing, 2006).

Moreover, an increasing number of Danish corporations are joining the battle for attention of their corporate social responsibility efforts. The requirements for how
corporations communicate about CSR are however large and does not automatically generate trust and respect and, corporations’ communication strategies for CSR play a significant role (Schultz et al., 2004).

1.2. Problem statement and Research question

The abovementioned illustrates that corporate engagement in CSR is changing which is particularly evidenced by the more explicit CSR roaming through Europe. While an increasing number of corporations are joining the battle for attention when it comes to CSR the requirements for what it means to be socially responsible and how to communicate social responsibility are large. Corporations have to prove to their many stakeholders and often sceptic audience that they actually are as good as they say they are. Because of the scepticism towards CSR claims and messages, and due to insecurities of how to communicate CSR, corporations that are nonetheless good at CSR hesitate when it comes to communication their social responsibilities and are therefore missing out on a lot of goodwill. While it has only been possible to retrieve a little amount of literature on the subject, it seems that there is a need for further investigations into the corporate motives for engaging in CSR and into the practice of strategic CSR communication.

An interest in the following research question has consequently surfaced:

"With increasing demand upon organizations to become more responsible, how have the organizations attempted to position corporate social responsibility (CSR) in their own organizational structure in order to make CSR more tangible and a fully integrated part of the organization."

This thesis aims to address the above-described problem of how organizations can work strategically with CSR and use sensemaking as communicator of the strategic CSR message in order to make the concept of CSR more tangible. Work strategically with CSR refers to a CSR agenda that has a clear connection to core business strategy (core values), is built on mutual value creation between company and society and consequently results in sustainable competitive advantages. Hence, the argument throughout this thesis is that companies in general, should build a agenda of how to
organize CSR within the company in order to make the concept of CSR more tangible towards the stakeholders.

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 posed above. Each sub-question has a main theory that guides the analysis and the hope is to find ways of how to make sense of Corporate Social Responsibility.

1. How does the 2 organizations present themselves and what they stand for? How can this be related to CSR strategies?

2. Do organizations integrate corporate values and CSR initiatives completely within the organization, in order to make the concept of CSR more tangible, or is there a certain degree of de-coupling over time that happens between actual integration and the value statements of the organizations?

3. How does companies try to influence the sensemaking processes of CSR towards their employees in order to make CSR a more tangible concept?

1.3. Definitions

Below important definitions relevant for understanding the argumentation of the thesis will be presented:

**Corporate Social Responsibility (CSR):** Usually understood as the responsibility of organizations for their impacts on society. Respect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting that responsibility. To fully meet their corporate social responsibility, organizations should have in place a process to integrate *social, environmental, ethical, human rights and consumer concerns* into their business operations and core strategy in close collaboration with their stakeholders, with the aim of:

- Maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;
- Identifying, preventing and mitigating their possible adverse impacts.¹

**Sustainability:** Commonly used as an umbrella topic for environmental and energy issues. According to the Brundtland Commission of the United Nations, the most widely quoted definition of sustainability is as part of the concept sustainable development: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”²

**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.”

**Sensemaking:** An organization cannot claim ownership of the sensemaking processes of its members, but merely try to influence them or guide them in a particular direction. According to Hernes (2008), “organizations cannot have boundaries, because entities can “have” things which processes cannot. It seems more appropriate to say that organizations perform various types of demarcations, such as expressions of identity, demarcating self from other” (Hernes 2008:10)

**Mise-en-sens:** According to Corvellec & Risberg (2007), the notion of mise-en-sens is intended to indicate that the invocation of policies or “the use of the right words to convince the public of the project’s reasons for being are all stage-setting operations. [...] a way of guiding the way the project is to be perceived by its audiences.” (Corvellec & Risberg 2007:319)


1.4. 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 how CSR is positioned within the organizations and how these try to make CSR a more tangible concept. 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 are having 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.

1.5. Structure of the Thesis

Chapter 1: Introduction

Chapter 1, Introduction, presents the field of investigation, the identified problem area, important definitions used in the thesis and the overall purpose of the thesis.

Chapter 2: Methodology

Chapter 2, Methodology, aims to explain the reasons behind chosen philosophical approach, 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.
Chapter 3: Literature review
Chapter 3, Literature review, has two purposes; first of all it provides the reader with a brief but solid introduction to a very broad field of study, which at a first glance is very opaque and takes on various aspects and topics that make the task of achieving a simplified overview an ample exercise. Second, the review serves as a quality assurance to ensure that the theoretical approaches included in the theoretical framework chapter has been singled out based on a comprehensive examination of the existing literature.

Chapter 4: Theoretical approach
Chapter 4, Theoretical approach, aims 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) this paper will contribute with its findings.

Chapter 5: Analytical implications
Chapter 5, Analytical implications, is focused on analyzing and answering the three sub-research-questions.

Chapter 6: Discussions
Chapter 6, Discussions, aims to discuss the methods used in this thesis. At the same time it aims to discuss which theories that could have been used in the thesis, but wasn’t.

Chapter 7: Conclusion
Chapter 7, Conclusion, summarizes the thesis and its findings, offering a more structured and concise answer to the research question.

Chapter 8: Reflections
Chapter 8, Reflections, explores possible topics and perspectives for future research that could be of interest within the field of CSR.
Chapter 9: Literature list

Chapter 9, Literature list, gives an overview of all the literature used throughout the thesis.

Chapter 10: Appendices

Chapter 10, Appendices, shows the appendices used in the thesis.

2. 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.

2.1. Scientific Approach

The following chapter is an elaboration of the research philosophy chosen for this particular research problem and its implication on the findings in 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.

2.1.1. 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 and Thornhill, 2009).
2.1.2. Why choose 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. Further more, 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 (Saunders, Lewis and Thornhill, 2009). Choosing between ontology and epistemology was tough when first 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 chooses, i.e. Ontology approach.

The reason for choosing ontology is that the main objective of the paper is to understand how organizations have attempted to position CSR in their organizational structures and if they have changed over time in the way they present themselves. Going into the research the assumption was made that if 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 thought more suited than a study of acceptable knowledge.

According to Saunders, Lewis and Thornhill (2009), 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.

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. (See Appendix F for more information)

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 stating the process of the research, and that is, if there is any changes in the way organizations presents themselves 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 (stakeholders, NGO’s etc.) 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: 494)

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 contribution to the world.

2.1.3. Can the worldview be solely ontological?
Choosing ontology makes valid sense for the objective of the research project. Assuming changes in the way organizations presents themselves 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 complicated.

Saunders, Lewis and Thornhill (2009) as well as Morgan and Smircich (1980) divide ontology into two aspects; Subjectivism and objectivism. On the other hand, Crotty (1998) 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.

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.

2.2. Methodology approach

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

In broad terms, one could argue 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).

In order of bringing 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 and Morgan, 1979). According to Crotty (1998), 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. 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).

After defining hermeneutics and its connection to understanding texts and written materials the choice of methodological approach seemed in sync with the worldview of the paper. The objective of the research project is to create understanding of how organizations can try and make CSR more tangible and to what extend the reality the organizations belong affects this process through written documents, e.g. annual reports.
2.3. 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 that the text includes. Also according to Gadamer (2004), the concept of 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 point of view in this context. According to Schleiermacher, 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 (Gadamer, 2004).

As a research, one being aware of the pre-conception of the situation about to be analysed 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).

At last, 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.

2.4. Hermeneutics and the 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.

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; artefacts, words and gestures have for people and the ability to understand how those people construct their social reality through these symbolic meanings (Cutcliffe, 2000). The grounded theory relates to the chosen methodology and worldview through the opportunity to analyse texts and language as well as gestures that people have done in groups, in organizations or just as individuals (Cutcliffe, 2000).

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 and 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.

By agreeing with Goulding (2011), the appeal of using grounded theory is in its offer of structured approach of exploring the social, the symbolic and the behaviours. There are multiple processes that remain fundamental to the grounded method. These are; open coding, axial coding, selective coding, process/sequences, memos, theoretical sampling and constant comparison (See Figure 1).

---

**Figure 1: Grounded Theory building process. Source: Rodon and Pastor³**

³ Taken from the article “Applying Grounded Theory to Study the Implementation of an Inter-Organizational Information System”.
Few important thoughts should be kept in mind when it comes to coding, these are; (1) analysis is, in fact making interpretation, (2) the above processes are not meant to force rigid adherence to them but rather guide their flexible use depending on circumstances and (3) 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 would then be e.g. “what is going on?” and “what is the main problem and how is this problem investigated further?”4 (Strauss and 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.

2.5. **Critical aspects of the chosen method**

It is very important to acknowledge that researchers do not always agree on the choice of methodology. 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, which is being made.

In regard of this particular research, more methods were available, but not chosen. This was because it was thought that the link between the philosophical approach, the methodology and the method was clear and useful. However, every choice of methods opens up new questions for criticism, grounded theory being no different.

The fact that in grounded theory, the data is broken down into pieces and analysed leaves many other researchers, e.g. narrative analysts, to doubt the validity of the findings. Their view on the data is that the story/language (Gabriel, 2000) needs to be analysed 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).

---

2.6. **Structure of the chosen methodology**

In accordance with more recent developments within the broad field of economic and social research (Hernes 2008, Weick 2001, Power 1996, Birnberg et al. 1983), a prerequisite for this paper is the acknowledgement of idiographic ideals in opposition to *nomothetic*. The normative principle guiding the research presented in this paper is thus one of "subjective objectivity", or put more instrumentally: I wish to objectify the subjective. My goal is to construct an image of how things might be perceived, while at the same time striving for accountability by clearly stating the assumptions underlying our observations.

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.

2.7. **Research question**

According to King, Keohane and Verba (1994) the research questions 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 stop 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 and Verba, 1994).

2.8. **The Research design**

The research question, which was proposed earlier, has led me to adapt to a *case* study 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).
According to one observer:

“The essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set a decision: why they were taken, how they were implemented, and with what result” (Schramm, 1971)\(^5\)

According to this essence of the case study approach (See Figure 2), this is the right research design to take on in order to answer the research question. The proposed research question looks at the decision around implementing CSR strategies, what’s the reason they were taken (pressure from the external world or general belief in the value) and how organizations try to make sense of these.

The decision mentioned in Schramm’s (1971) definition could also be *individuals, processes, programs, groups, organizations or events* (Yin, 2003:12).

The case study approach in this paper will be multiple-case study where two or more units will be analysed. This approach is taken to have more data, more resources and

\(^5\) Taken from Yin (2003:12)
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 a single case study would not have been 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 in the way the organizations presents themselves affects the sensemaking process of the stakeholders. The ‘how’ part of the question is part of an explanatory research design (Yin, 2003:6). 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’ part of the research. What can be learned from this, and what does this research contribute with to the field’s literature? The ‘what’ question supports the exploratory focus of the research, though the main focus is explanatory (Yin, 2003:6).

Lastly, the 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 focus and relevant description of the case and the findings (King, Keohane and Verba, 1994).

2.9. Chosen cases for analysis
The two 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 the same industry/sectors, the pharmaceutical and biotech industry. The reason behind choosing the biotech industry is related to the historical fact that biotech industry has been one of the first to introduce sustainability and responsibility to their agenda, most likely due to the field the companies belong to.

Benefits of choosing these large and well known companies for this research are the important access to archives of annual reports and extensive CR 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.

Both case companies have signed the UN Global Compact and with that act, officially stated their focus on Corporate Social Responsibility\(^6\).

Novozymes\(^7\): A global biotech company with a strong focus on enzyme production. They are committed to changing the very foundations of our industrial system for the better by using industrial biotechnology. The company constantly strives to expand their markets by introducing innovations in existing markets and developing new applications. With a 47% share of the global enzyme market, they retained their position as the world’s largest and leading producer of industrial enzymes in 2011. Novozymes use their expertise and biotechnology to develop new sustainable solutions, often in partnership with their customers. More than 20% of Novozymes’ global workforce is engaged in research and development, and they invest around 14% of sales in research and development worldwide. The company has a global presence with close to 6,000 employees on six continents.

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 1993 and a social report in 1998. They made it an integrated part of the annual report in 2002. (See Appendix C for Novozymes’ reporting history)

Dupont\(^TM\) Danisco\(^®\)\(^8\): A global biotech company with a strong focus on enzyme production. The company is a world leader in bio-based ingredients that deliver safe and healthy solutions to a wide range of food and beverage products. At the same time they are a world leader in industrial biotechnology that helps customers improve their

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\(^6\) Novozymes since 21-12-2001 and Dupont\(^TM\) Danisco\(^®\) since 10-05-2001: http://www.unglobalcompact.org/participant/7023-Novozymes
http://www.unglobalcompact.org/participant/3023-DuPont

\(^7\) Taken from www.novozymes.com

\(^8\) Point of departure will be taken from before Dupont took over Danisco.
performance and environmental footprint. They are the second-largest global developer and manufacturer of industrial enzymes, partnering with blue-chip global leaders in a wide range of industries.

On 13 of May 2011, Dupont's offer to acquire Danisco was approved by the shareholders of Danisco A/S. This marked the beginning of a new era for Danisco, and its industrial biotechnology and enzymes division Genencor, as they are now part of Dupont. Danisco's and Genencor's attractive industrial enzymes and specialty food ingredients businesses have clear synergies with the DuPont Applied BioSciences and Nutrition & Health businesses. This combination advances both companies' global efforts to provide sustainable solutions to a growing global population, particularly in the areas of food, bioenergy, biochemical and biomaterials.

2.10. Data collection
In the following section, the procedure for data collection is presented step-by-step, including detailed descriptions of the methods used and discussions of the relevance of the chosen methods in relation to the philosophical background presented previously in section 2.1.

There are two major approaches to gather information for research project according to Kumar, R. (2011). These approaches are primary data; observations and interviews, and secondary data; Documents such as earlier research, personal records, newspaper interviews etc.
As seen in Figure 3, 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: *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 nomination can be misleading to a new researcher. Also with Yin’s approach one could argue that, there isn’t one of the sources that by definition should be better then the other sources. 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.
With the 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 the way organizations have changed over time in how they present themselves is/isn’t related to CSR strategies is by looking at the case companies with an historical perspective. Therefore annual reports from 2005-2011 were gathered and analyzed. This data also enables me to see how the organizations try to influence the stakeholders’ sensemaking processes in order to make CSR more tangible.

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, 2003:35)

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 work with CSR.

### 2.11. Data limitation

When I first started working with the thesis and figured out what would be an interesting topic to analyze, the idea of researching whether leaders/managers within the companies tries to influence the sensemaking processes of its employees/followers when implementing CSR strategies and initiatives. That approach could arguably require profound interviews with the leaders and followers within the organization to
understand their viewpoints and analyze how the organizational changes have 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 leaders/managers sensemaking work, the new approach looks into the process of making CSR more tangible and how organizations have presented themselves are related to CSR strategies.

Using secondary data might lead the topic into few challenges. First, using secondary data I cannot get the social, emotional and personal aspect of the followers and how the leaders/managers work with sensemaking processes 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 there therefore colour my analysis. I am well aware of the fact that, the secondary data would have been even more useful if there were interviews to compare to.

2.12. 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 research 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. braking the information down. First, only two (2005 and 2011) annual reports were taken and broken down, identifying all selections that had information on the CSR agenda of the company. This was done for both case companies. The use of memo’s then was introduced to the process. The memo’s included the thoughts and ideas I had in my interpretations from the first, second and third time reading over the data gathered in the annual reports. When a new question or thoughts presented itself from the use of memos, 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 2005 and 2011, which were not included in the initial data gathering. The process led to all annual reports of the 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 and somehow make sense of the impact of the data. The comparison was done with data from each of the companies or between the two 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.

2.13. Empirical data collection and criticism

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

Here are a 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 this paper.

Criticism on case studies

According to Yin (2003), 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 casual inquiry. 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. Furthermore, Yin (2003) argues that, a criticism on the case study research design is that scholars challenge the fact that a single case study can create scientific generalization.

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, reliability, personal bias, availability of data and the format of data. I do not agree that, the researcher is faced with these issues only while working with secondary data. As I have stated in the section data collection(chapter 3.9.). I agree with Yin (2003) in not separating data into primary or secondary, as all data can be primary or secondary. For me, primary data 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.
2.14. Summary

As stated above, the path this paper 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 understand of the 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 options hermeneutics offers, grounded theory was chosen as the backbone method. The ability of that method is to understand symbolic meanings, artefacts, words and gestures in complete harmony with analytical need of understanding the organizations have changed in the way they present themselves and the impact it has on the CSR strategies the organizations have adopted.
3. Literature review

3.1. The development of CSR

CSR has evolved very quickly as a concept. The fast evolution of the concept is one of the reasons why there is so much confusion and different perceptions of the phenomenon.

Society is under constant transformation and companies’ behaviour change continuously. In the beginning of the era of technological development and globalization, businesses were demanded to adopt a corporate socially responsible position not only within the home country but also worldwide (Vogel, 2005). A direct symptom of how companies change their behaviour and agenda, in the pursuit of obtaining legitimacy or license to operate, is the introduction of the term Corporate Social Responsibility, which came into common use in the beginning of the 1970s. As stated by Carroll (1999), CSR is a dynamic phenomenon as it has a diverse history in the literature, which makes it a very broad area of study (Carroll, 1999).

“There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the games, which is to say, engages in open and free competition without deception or fraud.” (Friedman, 1970)

Looking at the early academic discussions, Friedman’s famous argument from 1970 states that the social responsibility of companies is solely to maximize profits, as “the business of business is business”, consequently there is no role for CSR (Friedman, 1970). After the publication of Friedman’s (1970) thesis, scholars began to develop theoretical rigor around the social responsibilities of the company. In the late 1960s and early 1970s the first wave of CSR responded to strong social, mainly student and NGO driven, movements against capitalism and businesses (Vogel, 2005). This movement trigged a massive public debate about corporations’ social responsibility and the lack of it, which lead to massive media scandals that had immediate and wide-scale consequences for companies involved, such as drop in stock prices and loss of reputation. In the literature
the impact of this public awareness and discussion about the business community acting in a responsible manner is often documented by the textbook examples of Shell’s attempt to dump the Brent-Spar oil platform into the sea in 1995, and the revelation of Nike’s use of child labour in sweatshops during the 1990s in Cambodia and Pakistan.

In the late 1970s, Carroll (1979) offered one of the first conceptualizations of CSR introducing the discretionary responsibility to meet additional behaviours and activities that society finds desirable, for instance philanthropic initiative (Carroll, 1991). Much of the early debate on CSR focused especially on corporations’ records of donating a share of their profits to charity, which is usually referred to as corporate philanthropy or citizenship. In this relation the essence of CSR used to be seen in corporations’ philanthropic engagement. In this way companies could climb the social responsibility latter by donating increasing shares of their profits to good causes. Thus, CSR was regarded as an external element to the actual business processes, which is a very common view of the literature from the first CSR wave (Vogel, 2005).

Vogel (2005) describes the so-called second wave of CSR, which dates from the late 1990s. The second wave of CSR is by many scholars described as a response to businesses’ approach to CSR as a public relations tool also labelled as a non-strategic corporate ‘window dressing’ exercise by Weaver et al. (1999). The second wave of CSR literature embraces many different new topics and perspectives. One of the leading issues of the second wave is regulation and introduction of minimum standards in order to force companies to behave socially and environmentally responsible wherever and whenever they operate in the world. The Porter hypothesis by Van der Linde and Porter (1995) investigates the impact and necessity of regulation in terms of triggering a development and introducing higher minimum standards, thus raising the base line (Porter and Van der Linde, 1995). The Porter hypothesis focuses on the environmental perspective and argues that stricter environmental policy or regulation does not necessarily imply losses in competitiveness. The hypothesis is supported by a number of cases where it seems as if tighter environmental regulations have reduced overall costs.

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9 Weaver, Trevino and Cochran, 1999
for the firms, and/or improved the quality of their products. Short after, a work by Palmer et al. (1995) argues strongly against the argument put forward by Van der Linde and Porter. Palmer et al. (1995) argue that firms can undertake improvements voluntarily whenever they want. If firms do not undertake these improvements they do not do so because they do not find it profitable (Palmer and Oates, 1995).

In general, in the second wave of CSR the academic discussion revolves around stepping away from CSR as an add-on marketing tool. Instead, companies’ CSR work should be directly linked to its competitive context or to core business, in order to be worth the effort as argued by Porter and Kramer (2006). In the paper ‘Putting the S back in Corporate Social Responsibility’, Aguilera et al. (2007) follow this argument by suggesting that based on the assumption that companies are being pressured by internal and external actors to engage in CSR actions to meet rapidly changing expectations about business and its social responsibilities, CSR is exposed to decoupling effects so that some companies introduce CSR practices at a superficial level, whereas other companies embed CSR into their core company strategy (Aguilera et al., 2004). This view is widely adapted in contemporary studies such as the work by Wettstein (2009) who argues that the scope of firm’s social responsibilities goes far beyond the mere donation of money to good causes as was the single focus of the first CSR wave. As such, the focus of CSR has shifted from only looking at how corporations distribute their profit to how they generate it. To this date CSR is concerned with a much larger range of ethical problems and is directly connected to a company’s core business processes (Wettstein, 2009). Such a holistic understanding of corporate responsibility would logically imply a shift away from the assumption that CSR is a matter of a company’s own judgement. This new perception opens the door for novel research in the field of CSR used strategically leading to a more competitive and better performing company (Porter and Kramer, 2006).

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10 Poter and Kramer, 2002
3.2. Differences in Perception and Terminology of CSR

Matten & Moon (2008) address that in different countries, there will be different priorities, and values related to CSR that will shape how business act. CSR has traditionally in the US been defined in terms of a philanthropic model stating that companies make profits unhindered except by fulfilling their obligation to pay taxes. Companies then donate a certain share of the profits to charitable organizations or causes. Corporate philanthropy is generally speaking a US founded phenomenon where companies that do not contribute to society by donating a part of their profit to social causes are hardly criticized publicly by the media, NGOs and interest groups, stressing the voluntary element (Matten and Moon, 2008).

In Europe the academic debate is relatively young. Garriga and Mele (2004) argue that the European model or perception of CSR is much more focused on operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons (Garriga and Mele, 2004). Concerns with corporate social performance, stakeholder relations, corporate citizenship, links to financial performance, and new applications to business ethics have extended CSR theory and practice, reflecting impacts of European thinking (Garriga and Mele, 2004). In a European context, corporate engagement in social initiatives has been embedded in the national institutional systems, and European companies, therefore, have not developed explicit and articulated CSR strategies. This is what Matten and Moon (2008) label the implicit CSR approach. The review of the literature has until now focused on literature of CSR in a company perspective and will now turn its focus towards sensemaking.

3.3. Sensemaking

The next area of research that influenced this study is sensemaking. Sensemaking is about how people think, and has been articulated in many ways, from micro-cognitive functions of individuals (Craig-Lees, 2001; Klein, Phillips, Rall, & Pelosu, 2007; Louis, 1980; Starbuk & Milliken, 1988) to social, organizational approaches (Weick, 1995). The central focus of sensemaking is the construction of reality and its consequences; the perspective derives from the schools of thought of pragmatism (James, 1907) and symbolic interactionism (Blumer, 1969; Mead, 1934). In the study of organizations, its theoretical development is largely attributed to Weick (1979, 1995), with its foundation

Blumer’s (1969) articulation of symbolic interactionism is largely convergent with sensemaking from an organizational approach (Weick, 1995). In fact, it is considered to be the “unofficial theory of sensemaking” (Weick, 1995:41). Symbolic interactionism has three core principles: (1) people act toward things, including each other, on the basis of the meanings they have for them; (2) these meanings are derived through social interaction with others; and (3) these meanings are managed and transformed through an interpretive process that people use to make sense of and handle the objects that constitute their social worlds (Blumer, 1969:2).

Sensemaking from Weick’s (1995) perspective encompasses a vast array of literatures and theoretical insights, and denotes a pragmatic approach to inquiry that draws from various sources to enrich analysis. A primary concern of sensemaking is how people interpret the social world with sensemaking and interpretation often treated synonymously, but Weick (1995) distinguishes between the two. Briefly put, sensemaking is broader than interpretation in its concern with how cues are singled out for interpretation in the first place. In selectively perceiving the world, sensemaking is interested in how we author as well interpreted situations. These processes are captured in the notion of self-fulfilling prophecies and that “believing is seeing” (Weick, 1995).

Importantly, the word “sensemaking” is used rather than “decision-making” to move analysis from isolated events to more comprehensive, ongoing flows of experience. It moves us to a more interpretive, ongoing world-view from a rational, static picture that delineates actors from an objective reality. Instead, sensemaking moves our thinking to the co-creation of the environment, how actors are constructing meaning in this constructed world, and the influence of actors’ self-fulfilling prophecies. Furthermore, a focus on decision-making, with its assumptions of objectified external environments, is more likely to activate a search for blame about who made a “bad” decision relative to
an external environment, rather than focus attention on the flow of subjective experience leading to an event (Snook, 2000; Weick, et al., 2005).

A sensemaking perspective also emphasizes action, as we enact our environment, while decision-making de-emphasizes action in favour of deliberate, rigorous evaluation of choices (Brunsson, 1982). Other scholars have criticized decision-making for its glorification of purpose and reason in human affairs (Chia, 1994). Instead, a sensemaking perspective views human behaviour as an unfolding process and attempts to reverse the traditionally held assumption that decisions are the casual triggers for a particular course of action. To its critics, decision-making is seen as a means of imposing order on a stream of events and is the “product of a post-hoc rationalization process” (Chia, 1994: 794). Decision-making is “our projection of purposive and intentional behaviour onto those we observe and analyse” (Chia, 1994: 795).

A sensemaking perspective attempts to address this imbalance in organizational theory by viewing behaviour as more indeterminate and less purposeful. Instead, sensemaking downplays people as rational actors. It posits that much of what we do is only verbalized retrospectively (Weick, 1995). With the sensemaking maxim, “how do I know what I think until I see what I say?” We act in order to discover our preferences. We are largely in the throes of action that only make sense in retrospect.

Finally, the level-of-analysis within studies of sensemaking is not neatly partitioned into individual, group, and organizational level. From a sensemaking perspective there is a complex interaction between levels-of-analysis within people’s thinking, and ultimately an “impossibility of separating them” (Dervin, 2003: 139). Individuals discuss events using a mix of vocabularies from different levels. For example, Weick (1995) delineates six vocabularies that act as the substance for sensemaking. These include: ideologies at the societal level, third-order controls at the organizational level, paradigms of occupations, theories-of-action of individuals, traditions as the vocabularies of predecessors, and stories as the vocabularies of sequence and experience. With the words people use to make order of the world drawn from many different sources, a clear delineation of levels-of-analysis becomes problematic. Instead they are considered
to be a convenient heuristic developed by organizational scholars, but keeping levels-of-analysis rigidly separated has suspect analytic value primarily because few practitioners would describe their world in such a manner.

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) this paper will contribute with its findings.

4.1. **The background idea for the research**

The concept of CSR has gradually been gaining support, both from the corporate world as well as from the academic world. More companies include CSR as part of their vision, mission and values.

The idea of the following research came after realizing, that the majority of organizations does not have an exact explanation of the concept of CSR and its meaning towards the employees and stakeholders. The concept of CSR can be interpreted in different ways and have theories even defined different traits and styles that can explain its meaning towards the employees and stakeholders. 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 sensemaking needed.

Another factor that supported the idea of this research comes from attending CSR classes at Copenhagen Business School and realizing that development in CSR literature is starting to incorporate the impact ethics and scandals have on organization and their work with the concept of CSR towards their employees and stakeholders.

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 have not effectively addressed the stakeholders’ needs (making CSR a more tangible concept), nor how organizations have changed by integrating CSR strategies into their organizations 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 organizations, they have to completely integrate the concept in their core values and look into the sensemaking processes of CSR towards the employees, and the mind-set of the key people in the organization who is responsible of the implementation of CSR work, in order to drive the integration.

4.2. Discussion of main theories

4.2.1. Strategic CSR

Porter and Kramer (2006) emphasize the link between competitive advantage and CSR, arguing that a clear connection between CSR and business strategy is essential in order to create value for either parties. This line of reasoning is not the most recent, but for the purpose of this thesis, the most relevant and substantial theory dealing with the strategic perspective of CSR and the means as to how to build competitive advantage out of CSR engagement which is sought by the case company.

One of the essential arguments underlying the concept of strategic CSR correlates well with the notion of joint value creation in stakeholder theory and concerns the fact that the relationship between corporate success and social well-being is not a zero-sum game but two sides of the same coin. By treating CSR as a strategic instrument companies can create mutual benefits and joint value to business, society, employees and the community of stakeholders and also strengthen its competitive advantage (Porter and Kramer, 2006).

Porter and Kramer undermine the motives corporations have had, so far, to engage in CSR by pointing out the lack of strategy to guide the decisions. Furthermore, they argue that the majority of the CSR efforts that are made are not as valuable and effective as
they potentially could be due to two reasons; 1) There is a lack of focus on the interdependence and correspondence between business and society and too much concentration on the strained relations between the two. 2) Companies consider CSR in generic ways instead of connecting CSR with business strategy. The result of the above is an uncoordinated muddle of activities that are more or less disconnected from corporate strategy with poor effects on both society and business.

Furthermore, Porter and Kramer (2006) argues for an integrated approach to CSR based on the fundamental understanding that business and society are dependent on each other; any company that bases its success on the expense of the society will not build long-term advantages and simultaneously, a healthy society relies on successful companies to provide jobs and welfare over time. By focusing less on the opposition between business and society and more on the points of mutual interest, companies can create shared value with its CSR engagements by integrating CSR as a part of the core strategies of the company. The authors outline a framework for companies useful to “identify all of the effects, both positive and negative, they have on society; determine which ones to address; and suggest effective ways to do so.” (Porter and Kramer, 2006:80)

This process of reaching strategic CSR starts with identifying the points of intersection between business and society, mapping out the interdependence and the effects they have on each other. Broadly speaking, the linkages between business and society take two different forms. Inside-out linkages are related to the effects of the corporate value chain on society, taking both positive and negative consequences into account. In order for companies to be fully aware of what effects their everyday operations has on the surrounding society, changes over time and depending on location must be taken into account. Global companies have a wide spectrum of effects on society to deal with, depending on where in the world the company operates. Furthermore, a company’s inside-out linkages vary with time as science and social norms change. Environmental impacts or health risks that are accepted today may not be thought of as safe tomorrow and companies thereby have to monitor evolving social standards in order to ensure their survival (Porter and Kramer, 2006).
In contrast, outside-in linkages define the context in which the company operates and the external conditions, favorable or opposing, that may effect business operations. The competitive context in which every company operates has noteworthy impact on a corporations’ long-term capacity to execute its strategy and achieve its goals and outside-in linkages are therefore crucial to consider. It is mutually beneficial for the company and the community to make sure that all parts of the competitive context are in good condition. Issues like availability and quality of human resources, rules that control competition, magnitude and style of local demand and the local availability of supporting industries; service and transportation may depend on a number of social factors that companies can influence (Porter and Kramer, 2006).

Moreover, a company’s selection of CSR engagements should depend on the principle of shared value; if a potential intersection with the issue offers opportunities for mutual value creation to the business and society. The company should select social issues to address from the identified pool of point of intersections, in other words, the issues that intersect with business; all other issues should be left to other businesses or groups in society (Porter and Kramer, 2006).

The above analysis should result in building a corporate social agenda, which, “looks beyond community expectations to opportunities to achieve social and economic benefits simultaneously. It moves from mitigating harm to finding ways to reinforce corporate strategy by advancing social conditions.” (Porter and Kramer, 2006:85). Naturally, not all of the company's CSR engagements can result in long-term competitive advantage and strategic benefits; it comprises both responsive and strategic CSR. The crucial point is that the corporate CSR agenda cannot purely be built out of responsive CSR (being a responsible corporate citizen and dealing with the negative effects of business operations), parts of it must move beyond responsiveness and include strategic CSR (rising above best practices by choosing a unique position, differentiating the company from competitors) in order to enable the opportunity of shared value (Porter and Kramer, 2006). Furthermore, Porter and Kramer (2006) reinforce their argument of CSR as an integrated part of everyday business by suggesting that inside-out and outside-in linkages should preferably be addresses together to enhance the positive impact. A CSR
engagement that deals with an issue from an inside-out and outside-in perspective simultaneously is truly strategic (Porter and Kramer, 2006).

Lastly adding a CSR dimension to the most fundamental value statement, the cores strategic advantage that distinguishes the particular company from its competitors, concludes the suggested process of how strategic CSR is achieved. Some companies might manage to build their entire value proposition on CSR dimension by merely adding it to the existing value statement, and by doing this give the company an entirely new factor to base the competitive positioning on (Porter and Kramer, 2006).

4.2.2. The theory of sensemaking

The implementation of CSR is considered to be a process of change that takes place via a process of sensemaking. In social and organizational sciences, the interest in the shaping of ideas and in sensemaking by (people within) organizations has increased during the last 25 years (Weick, 1995). At the same time, certain theoretical developments in the social sciences became more prominent, such as social constructivism and research focusing on decision-making and learning processes (Meindl et al., 1996). The theoretical underpinning of the concept of sensemaking is based here on Weiks’ (1979, 1995) studies into sensemaking and studies that (partly) build on this work (Thomas et al. 1993, Drazin et al. 1999, Craig-Lees 2001, Moss 2001, De Weerd 2001, Calton and Payne 2003). Weick has influenced the development of organizational theory with his theory of sensemaking, despite the fact that he was not a central figure in this field. Applying a specific, story-telling manner of theory building, he shifted the attention from structure to processes and from academic world to practice (Czarniawska, 2003). According to Weick, the creation of meaning plays an important role in the shaping of change processes in organizations:

“In real-world practice, problems do not present themselves to the practitioners as givens. They must be constructed from the materials of problematic situations that are puzzling, troubling and uncertain. In order to convert a problematic situation into a problem, a
practitioner must do a certain kind of work. He must make sense of an uncertain situation that initially makes no sense.” (Weick, 1995)\(^{11}\)

De Weerd (2001) continues:

“Sense making occurs when people cannot cope with reality on the basis of existing routines and schemes and cannot construct reality in a meaningful way anymore. This happens, for example, in the case of a high information load, complexity and turbulence. New meaning should then be created.” (De Weerd, 2001)\(^{12}\)

Such a situation also takes place when the concept of CSR is introduced in a company. Employees and other stakeholders do not really know how to deal with the notion of CSR. They can become uncertain about the role and consequences of CSR because they know too little about it (uncertainty) or can become confused by an overload of information about CSR (ambiguity). Ambiguity leads to a search for meaning:

“People engage in sense making because they are confused by too many interpretations. (...) Ambiguity refers to an ongoing stream that supports several different interpretations at the same time. (...) The problem with ambiguity is not that the real world is imperfectly understood and that more information will remedy that.” (Weick, 1995)\(^{13}\)

When uncertainty is the reason for seeking meaning, lack of knowledge exists:

“The point I want to emphasize about uncertainty is that the shock occasioned by an inability to extrapolate from current actions and to foresee their consequences produces a need for sense making. People are ignorant of any interpretation that will facilitate extrapolation. That ignorance may lead people to construct an occasion for sense making during which they try to reduce this ignorance.” (Weick 1995)\(^{14}\)

\(^{11}\) Taken from Cramer et. al., 2006:382
\(^{12}\) Taken from Cramer et. al., 2006:382
\(^{13}\) Taken from Cramer et. al., 2006:383
\(^{14}\) Taken from Cramer et. al., 2006:383
People can only interpret a new phenomenon when they have determined its content or connotation. They construct the content in a subjective, meaning-creating (thinking) process. Different people can interpret the same phenomenon in various ways. When they try to come to grips with things, they give them a meaning that they like. They give objects, judgments, actions, a subjective content, which makes the world more comprehensible. These subjective meanings are only created afterwards, when people look back at situations in which they find themselves. Sense is a continuous process oriented towards placing current experiences (cues) in a frame of reference. That frame is determined by past experiences. The mental process of importance in the case of CSR is directed at the creation of a common, context-bound view based upon the values and starting points of CSR in a particular organization. People gradually develop a collective frame of reference by sharing meaning with each other. The sharing of meaning takes place through acting:

“Sense making is grounded in both individual and social activity. (…) Shared meaning is difficult to attain. (…)Although people do not share meaning, they do share experience. This shared experience may be made sensible in retrospect by equivalent meanings, but seldom by similar meanings.” (Weick, 1995)

Meaning (a shared framework) arises through social interaction, aimed at obtaining support. This interaction between people occurs through communication and activities.

4.2.3. Decoupled/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 mind-sets 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 and Rowan, 1977), and internal image and external image.

15 Taken from Cramer et. al., 2006:383
“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 (Orton and Weick, 1990).

Identifying decoupling 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 and Weick, 1990).

4.3. Critical aspects of chosen theories

4.3.1. Strengths and Weaknesses of Strategic CSR and Competitive Advantage

Using Porter and Kramer (2006) as a theoretical framework can be criticized for lacking substantial empirical support as the main argument is justified with selective case studies where sampling explanation as well as validity justification lacks. This is a classic point of criticism in all of Porter’s work (Davies and Ellis, 2000). However, even though the framework is based on case studies it draws its strength from applying corporate strategic thinking to both leveraging positive social and environmental benefits and mitigating negative social and environmental impacts, in ways that enhance competitive advantage.

Porter and Kramer have an American view on CSR, as corporate citizenship or philanthropy is as generic social issues that the company has to be good at addressing at
a starting point. As seen in the literature review the terms corporate citizenship and philanthropy stem from the US where companies are expected to make donations and participate in charity activities. However, European companies tend to have another perspective on CSR where explicit and outspoken CSR strategies have not traditionally been the norm. It can therefore be said that Porter and Kramer’s framework deviates from being a universal tool for companies world-wide.

Another minor point of criticism is that the framework only refers to social issues, whereas the environmental aspect of CSR is ignored. Due to the arising attention from stakeholders to environmental issues, especially in the light of the on-going climate debate, environmental issues are therefore referred to on a par with the societal issues in this thesis. Another point of critique is that only a limited number of reactions on its relevance in practice exist, due to the fact that the framework has only existed since 2006. However, the article was rewarded the best Harvard Business Review article in 2006 by the McKinsey Foundation for Management Research. With a new introduction to CSR it moves past generic CSR principles as societal influence is seen as the new edge of competitive advantage. In sum, the work by Porter and Kramer (2006) is highly relevant to apply as it illustrates the potential and necessity for systematic change in companies on handling CSR issues and links it to the formation of competitive advantage.

4.3.2. Strength and Weaknesses of Sense-making

While Weick’s model is a valuable heuristic for understanding organizational life, the theory’s downplaying of power and politics and the assumption that sensemaking is a gender-neutral universal process is more problematic. Sensemaking in Weick’s model is a cognitive process that is influenced by inter-subjectivity but we get little understanding of how inter-subjectivity is structured (e.g. systems of organizational coordination and control) and what impact it has on the sensemaking process.

As Acker (1992) contends, gendered structures and practices develop through (1) interactions, (2) gender divisions of work, (3) symbolism and (4) the mental work of individuals. People’s interactions at work are more or less influenced by pre-existing
experiences of gender roles, e.g., as husband/father, mother/daughter, etc. that may by reinforced or challenged in the workplace (Collinson, 1988; Pollert, 1981). These are factors that Weick ignores in his sensemaking approach.

The notion that sensemaking is “grounded in identity construction” meshes well with the idea of rules as a set of experiences that have consequences for how people view themselves and others as particular men and women. Nonetheless, while Wick (1995: 23) contends that, “people learn about their identities by projecting them into an environment and observing the consequences”, he does so in a way that downplays the role of more powerful actors. Although focused on actions much of Weick’s theory centres on the imposition of ideas on situations that have consequences for those beyond the primary sensemakers. This is at its clearest where Weick references managers as sensemakers who “construct, rearrange, single out and demolish many ‘objective’ features of their surroundings” (Hatch, 1997: 41). Thus, while it may be true that everyone can be said to engage in sensemaking it is far from clear that everyone is more or less equal in the process, nor is equally interested in enacting realities that come to dominate others’ sensemaking, nor equally interested in the creation of orders understandings of reality. From a feminist perspective there is some concern that sensemaking may, in itself, be a theory that is grounded in the construction of a white, western male identity.

In a similar vein, it can be said that sensemaking makes sense in context. But one of the limitations of the notion of context is that there is an unequal distribution of power within these contexts, which is unexplained. While there is some recognition of the role of power in the process of sensemaking, Weick’s cues are ambiguous and his focus on individual sensemaking tends to obfuscate the issue. In one place Weick (1995) concedes that: “power privileges some meanings over others” (Weick, 1995: 38). IN another place he argues that “it is not some impersonal ‘they’ who puts these environments in front of the passive people… it is the people who are more active” (Weick, 1995: 31). And in yet another place he argues that managers “construct reality through authoritative acts” (Weick, 1995: 30-31). Another limitation, which is critical in this instance, is that the contexts are gendered.
At the same time, sensemaking offers a partial explanation for the maintenance of organizational culture, but it fails to explain how the factors that shape the culture are the result of sensemaking and, at the same time, inform the sensemaking process. What is needed is something places culture into the process of management of change and sensemaking.

4.3.3. **Strength and Weaknesses of Decoupling/Loosely-coupled**

Meyer and 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 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 and 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 and 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 and Rowan, 1977).

The value added by introducing this challenge to the decouple/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, the question if other theories could have been applied to gain the understanding of the phenomena being analysed 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). These two angles could have been a base theory in understanding the change that took place, if any, and what type of change that was.

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 tree sub-question 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 does the 2 organizations present themselves and what they stand for? How can this be related to CSR strategies?

According to Brunsson and Olsen (1993), many organizations believe that the best way out of challenges or to respond to changes in the external environment is to change 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, perceptions, processes and ideologies.

Being able to analyze organizational changes 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 indications about the changes without access to the organization.

Another aspect of changes 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 changes 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 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 two case companies for this paper, operates in the pharmaceutical industry, which 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.

5.1.1. Novozymes
More than 60 years before words like sustainability or green products started to catch on, Novozymes was delivering biosolutions that provided their customers with stronger profits, consumers with better products and countries with less pollution. They didn’t call it sustainability, but they took pride in the fact that their products helped increase raw material efficiency and reduce energy consumption in factories around the world.\(^{16}\) Novozymes has for seven years in a row been announced as number one in the Dow Jones Index for sustainable technology\(^{17}\) (Sørensen, 2008) and they strive towards better business, cleaner environments and better lives.\(^{18}\) Inherent in this statement is the triple bottom line principle including profit, planet and people. Sustainability is ranking high on Novozymes’ strategic agenda because sustainable development creates long-term value both for Novozymes and for society. Sustainability is therefore an integrated part of doing business, right from values, policies and internal management systems to products and business processes\(^{19}\) and in engagement with stakeholders\(^{20}\) (see Appendix A).

That commitment can also be seen in other aspects of Novozymes work and communication. The high commitment of the organization in the sustainability agenda

\(^{16}\) Taken from www.novozymes.com
\(^{18}\) http://www.novozymes.com/en/MainStructure/AboutUs/Facts/Company+profile.htm
\(^{19}\) http://www.novozymes.com/da/MainStructure/Sustainability/
\(^{20}\) http://www.novozymes.com/da/MainStructure/Sustainability/
and the belief in being ahead of time, have potentially supported the position of Novozymes in the pharmaceutical field. That must have required some changes within the company.

In order to look further into the way Novozymes presents the organization; the first step is viewing the annual reports from 2005 to 2011. The annual reports document evident changes in the organization, the messages being transmitted and the people involved in delivering those messages.

When reviewing the organizational structures of Novozymes from 2005 to 2011 it appears the same job roles were present in the top management team, although the form and/or responsibilities might have altered slightly. To continuously develop their corporate sustainability strategy and targets, Novozymes have established the **Sustainability Development Board (SDB)** [see Appendix B]. The board is cross-functional and represents vice presidents from all key functions such as R&D, Finance, Sales & Marketing, and BioBusiness Development & Acquisitions, thereby supporting integration of sustainability in all key functions and geographies. Based on functional business strategies and stakeholder insights the SDB sets ambitious short- and long-term targets for sustainable development across their value chain. These are reported on an annual basis in the annual reports[^21].

In regards to integration of CSR, the manager of sustainability development, Claus Stig Pedersen, stresses that it is not enough to only look at sustainability on a corporate level. Sustainability should also be sought attained throughout the value chain. Novozymes therefore carries out a lifecycle evaluation of products and processes and secure concern for the triple bottom line (Hoffman, 2007). Claus Stig Pedersen also states that sustainability involves the entire corporate brand and organizational identity and serves as corporate justification and, having a reputation for being socially responsible is good for business (Hoffman, 2007). The main point to be made is that a

strategic approach to CSR is like to result in a corporate-wide integration of CSR and that if attention is brought to the triple bottom line both in regards to practices and reporting corporations can obtain the greatest business benefits, as in the case of Novozymes.\(^{22}\)

Despite the fact that the organizational structure of Novozymes 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 Novozymes 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 Novozymes internal organization could be related to the strong values-based guide the company has in place – *Touch the World* (see Appendix A). Novozymes’ *Touch the World* includes values, vision, commitment and their company idea *Rethink Tomorrow*. According to the annual report for 2011, *Touch of the World* describes whom the company is, where they want to go and how the company aims to work. The fact that the company is build upon the idea of *Rethinking Tomorrow*, could indicate that Novozymes are aware of the importance of rethinking the concept of the organization itself (Prahalad and Hamel, 1990).

Novozymes has been a signatory to the UN Global Compact since 2001. In 2011 the UN launched the new platform for corporate sustainability leadership, *Global Compact LEAD*, and Novozymes has become a participant along with 53 other companies. This is an opportunity to further develop their sustainability capabilities, share their knowledge with others committed to sustainability, and keep driving the world towards sustainability.\(^{23}\)

\(^{22}\) [http://www.novozymes.com]
\(^{23}\) [http://www.novozymes.com/en/sustainability/communication-on-progress/Pages/default.aspx]
Without access to employees, it is difficult to argue how well they are aware of the philosophy of Novozymes – *Touch the World* and the values of the organization. However, the reality of well-introduced and easily accessible value systems can be regarded as actions towards full integration of the CSR/sustainability activities and agenda that Novozymes has developed and strives towards.

5.1.2. Danisco
With a diverse and ground-breaking portfolio, Danisco is a world business-to-business leader in food ingredients, enzymes and bio-based solutions. Using nature’s own materials, science and the knowledge of their approximately 7000 employees, they design, produce and deliver bio-based ingredients that meet demand for healthier, safer and more sustainable products (Danisco sustainability report 2010-11). Since Danisco’s inception, they have been working to identify and their environmental and social responsibilities. In 2008, they began setting sustainability targets that are ambitious and science-based, encompassing operational performance, employee initiative, and a fully integrated approach to devising sustainable solutions

Danisco’s ingredients are used globally in a wide range of industries – from bakery, dairy and beverages to animal feed, laundry detergents and bioethanol – to enable functional, economic and sustainable solutions. Danisco's key focus is to become their customers’ first choice and a truly market-driven global business.

They embed a sustainability mind-set throughout their value chain and within their organization through a strong reliance on Life Cycle Assessments (Danisco sustainability report 2010) of the impacts of their materials and products from cradle-to-grave and a commitment to develop the potential within their own employees

Their Sustainability targets are science-based and driven by their sustainable sourcing, operational efficiency and sustainable solutions strategies. Looking ahead to the resource constraints a population of nine billion people in the year 2050 will bring, Danisco believe in turning future challenges in food, health, chemicals and energy into business.

24 Taken from [www.danisco.com](http://www.danisco.com)
opportunities. Danisco’s innovation team are driving their efforts to develop sustainable products that will meet future needs in these areas.

In order to look further into the way Danisco presents the organization; the first step is viewing the annual reports from 2005 to 2010. The annual reports document evident changes in the organization, the messages being transmitted and the people involved in delivering those messages.

In the annual report from 2007 the stage for the 2008 sustainability strategies are mentioned for the first time. Even more important for this paper’s research is the fact that Danisco starts with the stakeholders to find solutions to the challenges they face. They are aware of the need to focus on global concerns such as climate change, the production of safe products and social and environmental issues – both at their production facilities and in the supply chain. Many of these sustainability challenges are complex and require the corporation of governments, business, NGOs and others. They are aware of the fact that this requires open and honest dialogue, understanding and commitment (Danisco sustainability report 2007). As mentioned before they are stepping up their efforts to engage stakeholders – not just for the purpose of risk management, but also to pinpoint potential improvements in their business.

Sustainability today is about much more than managing risk; it is about being proactive and working with stakeholders to find solutions to the challenges we face. The need for ongoing innovation in their sustainability work is a key aspect of Danisco’s sustainability approach.

In 2007 they have renewed their approach to sustainability, which now focuses on three areas – social responsibility, the environment and product safety – all of them very closely interlinked. The new approach defines the context in which Danisco conduct their sustainability work throughout their value chain.

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26 Due to Dupont’s takeover of Danisco, the 2011 report is a mixed report with information from both Dupont and Danisco. Letting that report out was seen as the most valid engagement to the sub-question.
“Sustainability at Danisco is a balance between social responsibility, the environment and product safety” (Danisco sustainability report 2007: 9)

Danisco’s current strategies were developed in 2009 to align their sustainability strategic review with their value chain and the business. Through involving a wide variety of colleagues across Danisco including their senior leaders, the three simple value chain strategies were developed to address sustainable sourcing, operational efficiency and sustainable innovation and product offerings (Dansco sustainability report 2010-11: 22). A critical part of the strategy development process has been to assign responsibility and accountability for the strategies across the organization. To ensure effective execution, their Executive Committee assumed ownership of the value chain strategies including a commitment to allocate necessary resources. Several focus groups emerged and are evolving to develop structured plans for delivery.

Danisco’s targets toward the value chain strategies have developed from the focus group work and have been endorsed by technical experts across their divisions. However; not all of their targets have been developed in this process. For instance, their employee engagement and development targets have been developed out of corporate human resource strategies. Likewise, the sites set their community engagement and investment targets in the local communities where they operate.

As Danisco progress on their structured plans to deliver the strategies, they plan to further engage the organization by identifying champions in their business to lead the charge through their line organization.

Without access to employees, it is difficult to argue how well they are aware of Danisco’s increased focus on CSR/sustainability, and the value chain perspectives of the organization. However, the reality of well-introduced and easily accessible value systems can be regarded as actions towards full integration of the CSR/responsibility activities and agenda that Danisco has developed and strives towards.
5.2. Sub-conclusion

*How does the 2 organizations present themselves and what they stand for? How can this be related to CSR strategies?*

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 Novozymes has not undergone any drastically changes in the organizational structure and values that can be related to the implementation and integration of CSR. Danisco’s focus on their values really gained awareness around 2007-2008 due to the organizations increased focus on CSR strategies and the Danisco value chain, and the integration and implementation of those. One of the reasons for this increased focus, from especially Danisco’s point of view, could be that the company have realized that they need to focus more on their core competencies to align the structures/strategies 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.

It seems like both companies follows the ideas of Porter and Kramer (2006). They argues for an integrated approach to CSR based on the fundamental understanding that business and society are dependent on each other; any company that bases its success on the expense of the society will not build long-term advantages and simultaneously, a healthy society relies on successful companies to provide jobs and welfare over time. Both Novozymes and Danisco are both trying to succeed in fully integrating CSR into the organizations by setting up long-term goals for the companies. At the same time both companies are trying to “identify all of the effects, both positive and negative, they have on society; determining which ones to address; and suggests effective ways to do so.” (Porter and Kramer, 2006:80.)
The data analysis demonstrates that both case companies have undergone changes to some point in order to legitimate the company in relations to its CSR/sustainability activities and answer the demands made by its stakeholders.

5.3. Second sub-question analysis

Do organizations integrate corporate values and CSR initiatives completely within the organization, in order to make sense of CSR, or is there a certain degree of de-coupling over time that happens between actual integration and the value statements of the organizations?

A 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 practice, i.e. stable patterns of decision-making and action intended “... to maximize the resulting contribution to business performance” (Yuan, Bao & Verbeke, 2011:76). The previous sub-chapter concluded that the case companies have undergone some changes in the way they present themselves, which could be related to CSR strategies. For further investigation of the CSR strategies’ integration into the case companies, they will be analysed with the seven integration strategies Yuan, Baro and Verbeke (2011) have identified in their paper.

5.3.1. Novozymes

As was evident in the first sub-question, Novozymes is working really hard to get the information on sustainability/CSR well around 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 Novozymes is doing. The use of social media such as Facebook and Twitter is becoming more and more important as communicative tools to stakeholders of the company27. One of the biggest tools Novozymes works with in order to integrate the sustainability/CSR agenda into the whole organization, is the value statement – Touch of the World – that defines how the organization wants to work. For further information about the concept – Touch of the World, see appendix A.

27 http://www.facebook.com/Novozymes?fref=ts
Touch of the world 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 (see Appendix H) to identify if and how the CSR is integrated into the organization, it can be argued that Novozymes 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 activities. Another evident that supports the argument of the Novozymes commitment to CSR integration is the finding in previous sub-chapter. The development of the organizational chart (the establishment of the Sustainability Development Board) has been impacted by the CSR agenda and the strategies the company has decided to use in reaching their CSR targets, i.e. 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 Novozymes. Novozymes’ CSR strategies have affected the core elements of the company. These core elements are 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 and 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 and Verbeke, 2011).

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An interesting fact that shows that Novozymes encourages everyone to *rethink tomorrow*\(^29\), and supports the company’s peripheral practices, when it comes to sustainability/CSR agenda is the commitment of Novozymes’ stakeholder engagement. While Novozymes aims to do business in accordance with their values, they also have to stay in touch with the needs of society. One way of identifying risks, opportunities, and new trends, while at the same time living up to Novozymes’ ambition of being open and honest, is to engage with their stakeholders. They give high priority to understanding and living up to their stakeholders’ expectations, as they wish to maintain their good reputation.

In their dialogue with stakeholders they also promote their points of views, their solutions, i.e. they want to ensure that this is done in a respectful way that does not create a risk of harming Novozymes’ reputation. Novozymes has therefore established principles for ethical ways to influence their stakeholders. In other words, they have a management standard defining good business practice for dealing with authorities, policymakers, and political parties. Their dialogue with stakeholders can arguably inspire the company’s employees and supports the decision-making Novozymes aims to be as green as it can be.

To fulfil their commitment to society, Novozymes must always be up-to-date on the sustainability agenda relevant to their stakeholders and society at large. Through numerous annual meetings with their stakeholders, such as investors, politicians, customers, neighbours, and NGOs, they become aware of relevant issues and trends that provide valuable input for their strategic development – and have done so for many years. This helps capture market opportunities, discover risks, spur innovation, and consequently maintain their role as a leader in sustainability.

From the above mentioned information it can be argued that Novozymes 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 2\(^{nd}\) strategy mentioned by Yuan, Bao and Verbeke, 2011), *patching*. This strategy implies that CSR becomes part of the core

\(^{29}\) See Appendix A
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 and Verbeke, 2011). Through the changes in the organizational structure, adapting company’s values and constant communication thereof, Novozymes demonstrates integration in this particular way.

Second strategy that Novozymes seems to be aligning with is the 3rd strategy, thickening, i.e. adding core extending CSR practices to support and reinforce existing core practices. Using the definition made by Yuan, Bao and Verbeke (2011) it can be argued that the volunteer programs Novozymes is encouraging employees to contribute to and the alignment of the philosophy of Novozymes (Touch the World) 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 Novozymes, 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.

5.3.2. Danisco
As was evident in the first sub-question, Danisco is working really hard to get the information on sustainability/CSR well around the organization. Many channels are used to spread the knowledge around the organizations as well as externally to keep all stakeholders up to speed on what Danisco is doing. The use of social media such as Facebook and Twitter is becoming more and more important as communicative tools to stakeholders of the company. One of the biggest tools Danisco works with in order to integrate the sustainability/CSR agenda into the whole organization, is the value statement – The Danisco value chain – that defines how four integrated dimensions inform their strategies; (1) Stakeholder input, (2) Risks, impacts, opportunities and material issues, (3) Strategies and targets, (4) Life cycle management. Together these interconnected considerations help Danisco recognize current and emerging risks and
opportunities and set strong targets that align their business strategies with sustainability and guide specific initiatives (Danisco sustainability report 2010-11: 11).

The Danisco value chain is just one element that supports the CSR initiatives of the company. Reviewing Danisco with the seven strategies Yuan, Bao and Verbeke (2011) introduce the organization seems to be on its way to integrate CSR into the organizations, it can be argued that Danisco uses few strategies to really make sure full integration is reached.

The argument can be supported with the demonstrated use of the company’s values and vision, as well as the historical data that shows that the organizations is aware of the need for environmental and social reports and activities\(^{30}\). Another evident that supports the argument of Danisco’s commitment to CSR integration is the finding in previous sub-chapter. The development of the organizational chart (the establishment of the Stakeholder Advisory Board (SAB)) has been impacted by the CSR agenda and the strategies the company has decided to use in reaching their CSR targets (see appendix F for an overview of the SAB). As it was for Novozymes; Danisco has 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 the organization. Danisco’s CSR strategies have affected the core elements of the company. These core practices are conceptualized as central in order for the organization to survive (Yuan, Bao and Verbeke, 2011).

As it was the case with Novozymes, so it is with Danisco. While Danisco aims to do business in accordance with their values, they also have to stay in touch with the needs of society. It is critical that all employees understand the company’s vision and how their efforts support its realization. The true value of any business strategy can be realized only to the extent it is implemented by employees engaged in achieving its goals.

\(^{30}\) http://www.danisco.com/about-dupont/vision-values/our-values/
Perhaps nowhere is this more relevant than in the continued sustainability efforts, where employees are among the most important stakeholders.

In their dialogue with stakeholders they also promote their points of views, their solutions, i.e. they want to ensure that this is done in a respectful way that does not create a risk of harming Danisco’s reputation. Danisco has therefore established principles of ethical ways to influence their stakeholders. In other words, they have a management standard defining good business practice for dealing with authorities, policymakers, and political parties. Their dialogue with stakeholders can arguably inspire the company’s employees, who also are stakeholders, and supports the decision-making Dansico aims to be as green as it can be.

“An engaged employee, by our definition, is consistently motivated to go beyond expectations and is committed to the company and our customers.” (Danisco responsibility report 2010-11: 73)

To fulfil their commitment to society, Danisco must always be up-to-date on the sustainability agenda relevant to their stakeholders and society at large. Through numerous annual meetings with their stakeholders (using the Stakeholder Advisory Board for this purpose), such as investors, politicians, customers, neighbours, and NGOs, they become aware of relevant issues and trends that provide valuable input for their strategic development – and have done so for many years. This helps capture market opportunities, discover risks, spur innovation, and consequently get them among the leaders in the field of sustainability.

From the above-mentioned information it can be argued that Danisco’s work, as Novozymes, can be related to two integration strategies in order to fully implement and integrate CSR in to the company. First one, patching, implies that Danisco is trying to make CSR a part of the core practices of the company. Through the changes in the organizational structure, adapting company’s value and constant communication thereof, Danisco demonstrates integration as an important asset. Second one, thickening, i.e. adding core extending CSR practices to support and reinforce existing core practices.
It can be argued that the volunteer programs Danisco is encouraging employees to contribute to and the alignment of *The Danisco value chain* has been developed and fine-tuned with the aim to support and enhance the core CSR strategies of the company.

Looking at Danisco, 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.

### 5.4. Sub-conclusion

During the analysis of sub-question two it becomes clear that the companies have shown they acknowledge the need for CSR activities in answering stakeholders’ demands, all in their own way. The 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 findings is that the companies both claim to have a strong focus on CSR (which they do with all their activities and initiatives towards engaging the stakeholders in the CSR work) and that the CSR aspect is integrated into the identities and behaviour of the company. This is the case for both Novozymes and Danisco. Novozymes has developed a strong vision and value statement it calls *Touch the World* and Danisco has developed *The Danisco value chain*.

When implementing new strategies/concepts, routinizing 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 the integration/implementation of a rather new concept as CSR might be considered to be, can cause inconsistencies between old and new routines (Newman, 2000)\(^3\). Some companies may recognize the

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\(^3\) Taken from Meyer, 2004
challenge and are not willing to take that risk for the potential increase in the business performance CSR strategies could bring to the company.

5.5. Third sub-question analysis

*How does companies try to influence the sensemaking processes of CSR towards their employees in order to make CSR a more tangible concept?*

As most intangibles are hard to relate directly to financial performance, most CSR initiatives can be linked to shareholder value. CSR has shown to have a demonstrable impact on future growth opportunities. These are reputation, new markets, new products, new customers or market share and innovation (Mirvis, 2009). Firstly, current and emerging stakeholder issues will increasingly shape the business environment and will pose a range of risks and opportunities for companies. Leading companies will use this as an opportunity to create competitive advantage by building reputation and credibility with key stakeholders such as regulators, NGOs and international organizations. Secondly, new products can be developed to meet unmet needs and increased differentiation compared to competitors, thereby influencing shareholder value (Mirvis, 2009). Thirdly, CSR can be used to engage customers to build knowledge of future market expectations and behaviours, which can align the company’s strategic outlook with future demand. Fourthly, using innovative technologies to develop products or services for unmet needs for instance affordable food supply can ensure future growth.

License to operate is a central concept when talking about CSR and shareholder value. CSR creates a stronger license to operate by being close to stakeholders such as employees, customers, investors, and the local and global community. When a company is out of touch with its stakeholders the result can be billions of dollars wasted. Thus, license to operate is not a legal license, but a grant of permission to undertake trade or carry out a business activity based on agreeable social contract between the company and the overall society (Mirvis, 2009). In addition, CSR can make the company more adaptable to changes. Companies that are flexible enough to respond to unforeseen challenges, such as remaining in countries or communities during times of crisis or
conflict, are often able to reap long-term benefits. They are also able to secure relationships and credibility with local communities (Mirvis, 2009). Furthermore, investing in education of employees and development skills in CSR can strengthen the management quality, leading to higher competitiveness in the long-run (Mirvis, 2009). By doing this the company can try and strengthen the awareness of CSR towards its employees, and make CSR a more tangible asset for the employees.

All companies take risks and make judgements about the level of risk the company anticipates. Many companies are expanding their definition of risk to encompass wider and longer-term risks that incorporate social and environmental issues (Little, 2003). Examples of CSR related risk management tools could be to minimize regulatory risk by compliance with minimum standards, ensure access to raw materials as input into the company’s supply chain and avoidance of negative publicity. Thus, the business case for CSR exists when a company can demonstrate positive impact on company value, but not necessarily directly link it to financial performance. A high level of reputation or legitimacy in societies in which a company operates can affect the company’s ability to access new markets and sustain long-term license to operate, in total enhancing competitiveness (Mirvis, 2009). In general, CSR performance that result in higher shareholder value is thus realized on a very long-term, making it harder to communicate the value obtained year by year to stakeholders such as the employees.

In summary, the business case for CSR from a company perspective is that it improves profitability and competitiveness, which can be linked to financial performance on the one hand, and shareholder value on the other hand. Firstly, CSR can allow the company to reduce costs through operational and manufacturing efficiencies that are measured in the company’s financial performance. Secondly, obtaining a strong license to operate reflects legitimacy and creditability from stakeholders and the overall society, which can decrease financial risks or add value to shareholder wealth. Engaging in CSR activities that make the company meet social or environmental future needs are rarely directly related to financial performance but generate long-term shareholder value.
5.5.1. Novozymes

As it has been become evident in the first two sub-questions, Novozymes have implemented and integrated sustainability/CSR successfully. How have they done this? How have they convinced the employees about the importance of working with CSR?

One of the most important things that became clear when looking into the annual reports, were the work Novozymes puts in educating its employees.

According to The Novozymes report 2011, Novozymes’ fundamental values include environmental and social responsibility. These are key to the way in which Novozymes conducts business and are significant to all activities. These values are underpinned by a number of targets for environmental and social responsibility.

Novozymes’ reputation is an important factor throughout the business, from our interaction and partnerships with customers to our relations with authorities and recruitment of new employees. Novozymes aims to maintain a good reputation by means of openness and transparency in both internal and external communications. Work is also carried out on an ongoing basis to reduce the risk of situations arising that could damage Novozymes’ reputation. For example, they continually train their employees in their business integrity principles. Relevant legislation must be complied with at all times, and Novozymes is committed to ensuring high standards in everything they do and to conducting their business operations in a responsible way.

Investing in education of employees and development skills in CSR can strengthen the management quality, leading to higher competitiveness in the long-run. By doing this the company can try and strengthen the awareness of CSR towards its employees, and make CSR a more tangible asset for the employees.

The effects of CSR can only become benefitting if the employees of the organization believe in the idea and in the company’s partition of it – if not it can have the complete opposite effect. If the organization wants to convince its employees about its ideas concerning CSR, could be by filtering the employees when they are hired. By doing this,
the organization could try and filter away those who do not fit perfectly with the organization’s vision, mission and goals. This is what DiMaggio and Powel (1983) refers to as *normative isomorphism*.

“One important mechanism for encouraging normative isomorphism is the filtering of personnel. Within many organizational fields filtering occurs through the hiring of individuals from firms within the same industry; through the recruitment of fast-track staff from a narrow range of training institutions: through common promotion practices, such as always hiring top executives from financial or legal departments; and from skill-level requirements for particular jobs” (DiMaggio and Powel, 1983: 152).

In other words, culture is about that which is taken for granted but nonetheless contributes to how groups of people respond and behave in relation to issues they face. It therefore has important influences on the development and change of organizational strategy.

Furthermore it seems like Novozymes is aware of the fact that in order to make CSR a more tangible asset towards its employees and stakeholders, they have to make CSR a fully integrated part of the organization (core values, mission statement etc.).

By implementing the *Sustainability Development Board* Novozymes tries to operationalize their ideas about CSR for the organization on the basis of tangible actions. In this way, they link approaches and beliefs to actions that confirm Weick’s ideas. From the research, it can be derived that when a company seriously starts to take up the issue of CSR, a change agent is often appointed internally to coordinate the activities. This change agent functions as an initiator and catalyst. He starts with all kind of small projects and communicates the CSR concept in different manners. Together, these actions lead to an iterative process whereby gradually more consensus is constructed around the still rather diffuse notion of CSR.
5.5.2. Danisco
From the analysis of the two previous sub-questions it seems that Danisco is on its way to have implemented and integrated sustainability/CSR successfully. They have been working a lot with their core values, especially by implementing *The Danisco value chain*. In the work of trying to make CSR more tangible towards its stakeholders, Danisco has applied detailed procedures to identify, collect, compile and validate the data and information about environment, health & safety, social and economic performance which is included in the 2010/11 report.

Danisco has been trying to convert their strategies into targets, in order to make it more tangible for towards the stakeholders. Their targets toward the value chain strategies have developed from the focus group work and have been endorsed by technical experts across our divisions. However, not all of their targets have been developed in this process. For instance, their employee engagement and development targets have been developed out of corporate human resource strategies. A reason for doing this, could be that Danisco is trying a new way of making their strategies more tangible for the employees; instead of just pulling a new strategy ‘down upon their heads’, they are now trying to influence the sensemaking processes of the employees by using human resource strategies. Likewise, their community engagement and investment targets are set by the sites in the local communities where they operate. By trying to make sense of their new strategies towards their employees, Danisco could be trying to influence the sensemaking processes of the employees.

People can only interpret a new phenomenon when they have determined its content or connotation. They construct the content in a subjective, meaning-creating (thinking) process. Different people can interpret the same phenomenon in various ways. When they try to come to grips with things, they give them a meaning that they like. They give objects, judgements, actions, and a subjective content, which makes the world more comprehensible. These subjective meanings are only created afterwards, when people look back at situations in which they find themselves. In continuation of this, Danisco should keep up the education and development of the employees. This is probably one
of the only ways they can try and affect the employees towards the type of employee, which Danisco will benefit the most of.

Furthermore it seems like Danisco is aware of the fact that in order to make CSR a more tangible asset towards its employees and stakeholders, they have to make CSR a fully integrated part of the organization (core values, mission statement etc.)\(^{32}\).

By implementing *The Danisco value* chain Danisco tries to operationalize their ideas about CSR for the organization on the basis of tangible actions. In this way, they link approaches and beliefs to actions that confirm Weick’s ideas. From the research, it can be derived that when a company seriously starts to take up the issue of CSR, a change agent is often appointed internally to coordinate the activities. This change agent functions as an initiator and catalyst. He starts with all kind of small projects and communicates the CSR concept in different manners. Together, these actions lead to an iterative process whereby gradually more consensus is constructed around the still rather diffuse notion of CSR.

### 5.6. Sub conclusion

To cultivate a CSR mind-set it is crucial to make CSR an embedded part of the organization and the mentality of the employees. It is not enough to communicate all of the CSR values to the stakeholders, they also have to be believed and lived out by the employees. Even though it is possible to channel the external attention to certain positive issues, then hiding too much unethical behaviour can damage the culture seriously, as seen in the example of Enron (Sims and Brinkmann)\(^{33}\).

From the annual reports of the chosen case companies and with no access to interview the employees, the data reveals that both companies are working with their CSR strategies, in order to make these concepts more tangible towards their employees. Both case companies have developed new concepts in terms of more tangible actions. From the annual reports it seems like both companies think that they somehow will be able to

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32 See Appendix B & C
33 Garsten and Hernes, 2009
influence the sensemaking processes of the employees. They are trying to do this by educating the employees and keep on developing the CSR concepts within the companies. One could think that by ‘forcing’ a special ‘mind of thoughts’ down upon the employees, that they then are able to influence the minds and sensemaking of the employees in terms of making the different CSR concepts more tangible.

Introducing considerations about the pre-decision phase, it becomes possible to observe how different mechanisms and devices can be used somewhat instrumentally to influence organizational members’ sensemaking processes (Skærbæk & Tryggestad 2010, Corvellec & Risberg 2007). Incorporating such considerations with the concept of sensemaking results in what Corvellec & Risberg (2007) terms management of meaning. They develop the concept of sensegiving as mise-en-sens: "[...] the notion of the mise-en-sens is intended to indicate that the invocation of policies or [...] the use of the right words to convince the public of the project’s reasons for being are all stage-setting operations. [...] a way of guiding the way the project is to be perceived by its audiences." (Corvellec & Risberg 2007:319). In continuation, it is clear how distinctions between an internal and external environment are problematic when speaking of sensemaking processes: "In process terms [...] they [organizations] cannot have boundaries, because entities can "have" things which processes cannot. It seems more appropriate to say that organizations perform various types of demarcations, such as expressions of identity, demarcating self from other" (Hernes 2008:10). An organization cannot claim ownership of the sensemaking processes of its members, but merely try to influence them or "guide" them in a particular direction.

6. Discussions

After concluding the research and gaining valuable understanding into the integration process of the chosen case companies as well as to understand the role of sensemaking 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. Their willingness was suddenly changed, when the researcher asked if it would be possible to look into specific departments of the organizations. Something was mentioned about that evaluation of how the organizational design of the companies influence the sensemaking processes of its employees would not be appropriate, despite the fact that the aim was not evaluation, but more an understanding about 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 the CSR integration, the processes of sensemaking and how to make the concept of CSR more tangible towards the stakeholders, 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.

6.2. Discussion of theories not used

In the discussion of how the need to work with CSR has emerged, the neo-institutionalists Meyer and Rowan (1977) have an applicable viewpoint. They are mentioning new systems and management concepts (such as e.g. HR, LEAN, CSR) which are being adopted to organizations because they are so-called rationalized myths. These rationalized myths are not, as often intended, inducing efficiency; on the contrary they may actually inhibit efficiency. The wish to work with CSR is therefore, in this perspective, not a consequence of internal activities or a demand driven consequence, but rather a reflection of dominant myths in the institutional environment (Meyer and Rowan, 1977). Meyer and Rowan argue that the rationalized myths become a part of the formal organizational structure. And activities such as CSR are decoupled from the
everyday activities of the organization, as it is not cost-efficient if viewed from an internal production perspective. Thus in an institutional perspective one could say that the case companies is decoupling at the organizational level, but it is homogenizing at the level of the organizational field (DiMaggio and Powel, 1983), as the case companies is institutionalized and is adopting the rationalized myths within their organizational field. A consequence of being institutionalized and homogenous with the organizational field is that formal structure elements, such as for example core values, mission statements or CSR focuses often become very general or vague and similar to other actors within the field. In this way the formal structure elements become rules or rituals. Thus by making CSR a part of the formal organizational structure, the case companies is turning something social into something technical (Hernes fall 2010).

Then one can ask how did these rationalized myths become rules that almost everyone follows? Meyer and Rowan would argue that the myths become institutionalized truths. CSR is an example, as companies are taking responsibility for e.g. the environment and social issues, just like it is actually their responsibility. It has become an institutionalized truth or a rule that the companies have to take a social and environmental responsibility - A responsibility, which is taken for granted by the company and their stakeholders. By following the myth, organizations are perceived as being rational, responsible and up-to-date (Hernes fall 2010). DiMaggio and Powel (1983) bring in the concept of isomorphism when explaining why organizations become homogenous. Their point is that organizations are becoming still more similar, because of institutionalization in the organizational field. For example, if the organizational field, which the case companies is in, is managing CSR, then the organization will be “forced” also to deal with CSR – this is what DiMaggio and Powel would call mimetic isomorphism, which means that the organization would copy successful organizations and make decisions according to what is generally accepted as a proper way of behaving (DiMaggio and Powel, 1983).

Institutional theory would explain the reasons why so many organizations are adopting concepts like CSR, because it has become a “requirement” from their environment or

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34 Was briefly mentioned earlier in the paper.
their organizational field. The organization is therefore not investing resources in CSR because of economic rationality, as it is not cost-efficient, but rather because it has become a ritual in their organizational field. Furthermore institutionalism is explaining companies’ homogenization as they are becoming isomorphic in the sense that a certain way of doing things is created within an organizational field. CSR is employed in the organization both as a normative and a descriptive discipline. Normative in the way that there has been an increased focus on CSR and it has become a taken for granted discipline in many companies, and if some organizations within their respective organizational focus on CSR, it will influence the rest of the field. Descriptive in the sense that many organizations today brand themselves through similar ethical statements, such as codes of ethics (conducts), core values and social responsibility charters.

7. Conclusion

The following concluding section will provide an answer to the research question:

“With increasing demand upon organizations to become more responsible, how have the organizations attempted to position corporate social responsibility (CSR) in their own organizational structure in order to make CSR more tangible and a fully integrated part of the organization.”

Corporate social responsibility (CSR) has over the past years gained increased awareness in the society, interesting stakeholders and accordingly attained prominence on the corporate agenda. A challenge for companies is to build a business case for CSR, defending the new investments with positive payback to the company. Even though the understanding of companies’ role in a bigger whole is fundamental for the long-term survival of companies and the competitive environment in general, many companies today still view CSR as an isolated costly activity, de-coupled from core business. The perception of CSR in the business world has transformed from the past view of CSR as a costly philanthropy to satisfy a few minor stakeholder groups such as NGO’s and activists carried out by a small selection of companies. Towards the current view of CSR as a potentially beneficial add-on to business operations, de-coupled from core strategies to live up to the requirements and expectations of companies by the
government, NGO’s and a growing group of customers. The likely future view of corporate responsibility is seeing CSR as integrated in the core value proposition, the corporate brand and a vital part of the competitive advantage, creating strategic benefits and shared value to the company and all of its stakeholders.

The fundamental basis of this master thesis is to investigate the challenging undertaking of strategically managing and communicating CSR to make the concept of CSR more tangible and by doing this making it an competitive advantage.

The analysis of the annual reports of the companies shows a clear shift in the way in which CSR is addressed as an issue. Over the last 5-7 years, practically both companies have begun to focus more prominently on CSR – especially Danisco. This is also visible in the language that they use in the annual reports. From the research, it can be derived that every company develops its own meaning (or configuration of meanings) of CSR as a result of the interaction between the current confrontation with situations linked to CSR and company-specific capabilities and means. Furthermore it can be derived from the research, that the two case companies seems to have succeeded in terms of getting CSR as an fully integrated part of the organizations.

To cultivate a CSR mind-set it is crucial to make CSR an embedded part of the organization and the mentality of the employees. It is not enough to communicate all of the CSR values to the stakeholders; they also have to be believed and lived out by the employees.

CSR is unmistakably a new buzzword. Companies are stimulated to use CSR terminology, although its meaning is still not completely clear to them. Thoroughly understanding the specific meaning of CSR in an organization is a time-consuming process. Moreover, companies interpret the concept in different ways. Companies gradually develop a sharper image of CSR by carrying out tangible and specify activities while reflecting upon the contribution in a broader CSR context. It is only then that CSR attains a company-specific meaning with emotional, functional or practical value. This meaning determines the (implicit) arguments and (boundary) conditions with which people in the company can agree or not.
8. Reflections

Working with this thesis has spurred many reflections. When starting the preparation process for the research few things came apparent, both positive and negative. When I first started contacting organizations with the research idea, I got a lot of responses, and even meetings with the organizations, which was mainly enthusiastic and positive. Apparently, the idea of how to make the value of integrating competitive CSR more measurable and tangible towards the stakeholders 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 how the organizational design of the organization influences the sensemaking processes of its employees, the tone of the organizations changed. Again, they found the research interesting and valuable, as long as it wasn’t their organization, which was being researched.

When reflecting further on the responses of the organizations, and the shift between positive responses and the negative, few questions started developing. What are the organizations “afraid” of – are they trying to hide something? Are they somewhat concerned with their corporate brand? What would happen if the organization were acting unethical openly?

I know from earlier researches that CSR can be used as a tool to hide unethical issues from NGOs and other stakeholders, as CSR activities analogically can be understood as a lightning rod, that is (re)directing the lightning (negative attention) away from the building (company), and thereby protecting it. Could this be the reason that they suddenly changed their mind?

After a while I decided to conduct the research anyway, with or without the participation of the organizations – I wanted to investigate how companies try to make sense of the work with CSR – and at the same time keep my pride as a researcher intact.
So I began conducting the research, slightly modified due to the fact that I now couldn’t get interviews and by these, view the inside of the organizations.

Since this thesis is based on case studies of two organizations from the same industry, one suggestion for future research is to conduct a multiple case study in another industry. By doing this, try to look into if the findings in this thesis bring the same results when investigating another industry.

Another interesting topic to look into when talking about sensemaking and a more tangible CSR concept, could be by looking into how strategically integrated CSR either strengthens or weakens the position of the company and if it enhance the value of the corporate brand, in good as well as in bad times such as worldwide crisis. In continuation of this one could maybe investigate how the organizational design of the organizations influences the sensemaking processes of the employees of the organizations.

Some researchers in the literature argue that CSR engagements integrated in the corporate brand strategy can strengthen the core value proposition and generate sustainable competitive advantages. However, if CSR becomes an essential part in corporate strategy and a prerequisite for company survival one can question whether it in the future will be possible to gain a competitive advantage from strategic CSR branding. Hence, it would be interesting to investigate further the future potential of strategic CSR branding as a source of competitive advantage.
9. Literature list

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9.2. Dictionaries, reports and web sites used

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Dupont:

United Nations Global Compact:
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10. Appendices

10.1. Appendix A – Novozymes: Rethink Tomorrow

RETHINK TOMORROW

Our vision
Where we are heading.
A future where our biological solutions create the necessary balance between better business, cleaner environment, and better lives.

Our company commitment
How we do business.
We will do business by continuously improving our financial, environmental, and social performance to drive the world toward sustainability.

Our values
What drives our behavior.

DARE TO LEAD
Because the future is created by you

- Strive to be the best
- Never settle for what we have today
- Set brave goals and follow through
- Take initiative and volunteer yourself
- Develop yourself and your team

CONNECT TO CREATE
Because the world is full of ideas

- Seek to understand the bigger picture
- Embrace diversity
- Learn from the outside
- Challenge conventions
- Take pride in finding solutions with others

TRUST AND EARN TRUST
Because nothing beats a circle of trust

- Clarify expectations and keep your promises
- Demonstrate professionalism
- Empower others
- Be open and honest
- Take care of others

UNLOCK PASSION
Because passion makes dreams come alive

- Inspire and excite others
- Love what you do
- Seek simple solutions fast
- Focus on opportunities rather than barriers
- Do not fear mistakes; learn from them
10.2. Appendix B – Novozymes: Sustainability Development Board

Sustainability Development Board (SDB)

Business activities, stakeholders, sustainability issues

- Partners
- Governments / Regulators
- R&D
- Purchasing
- Production
- Sales & Marketing
- Suppliers
- Employees
- Finance, IT, & Legal
- Stakeholder Relations
- Customers
- Investors
- NGOs, opinion leaders, and the general public

Value chain
10.3. Appendix C – Novozymes: Novozymes’ reporting history

Vision - Mission - Strategy

Our goal is to create value-adding solutions putting Danisco in a unique position to become industry’s First choice

First choice provider of bio-based ingredients

The strength of our business platform creates unique solutions that make Danisco industry’s First choice. This is summarised in our vision - mission - strategy statements.

VISION
To be the First choice provider of bio-based ingredients to industry globally

MISSION
To help our customers increase their competitiveness through innovative, sustainable and bio-based ingredient solutions that meet market demand for healthier and safer products

STRATEGY
To create value through:
• organic and acquisitive growth by leveraging and strengthening our market access, applications and technology platforms
• talented and engaged people
10.5. Appendix E – Danisco: Values

We build competencies
We create value
We believe in dialogue
We are innovative
We take responsibility

Danisco values

A value-driven company
Our core values define who we are, what we do, and how we do it. They guide our relationships with customers, stakeholders and each other.
10.6. Appendix F – Danisco: Stakeholder Advisory Board

**Stakeholder Advisory Board Members**

<table>
<thead>
<tr>
<th>Investor</th>
<th>NGO</th>
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<tbody>
<tr>
<td>Ole Buhl</td>
<td>John Norbo</td>
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<tr>
<td>Senior Socially Responsible Investment Advisor, ATP</td>
<td>Conservation Director, WWF Denmark</td>
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<td>Government</td>
<td>Customers</td>
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<tr>
<td>Victor Kjaer</td>
<td>Sanne Vinther</td>
</tr>
<tr>
<td>Head, Corporate Citizenship Department, Danish Commerce and Companies Agency</td>
<td>Stakeholder Relations Manager, Arla</td>
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<tr>
<td>Retailer</td>
<td>Employees</td>
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<tr>
<td>Kerstin Lindvall</td>
<td>Dr. Peter White</td>
</tr>
<tr>
<td>Senior Vice President, Corporate Responsibility, ICA Sverige AB</td>
<td>NGO Director, Procter &amp; Gamble</td>
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<td>Employees</td>
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<td></td>
<td>Kaustav Bhattachary</td>
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<td>Application Specialist, Danisco Brobrand</td>
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<td>Group Manager Confectionery, Danisco Brobrand</td>
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<td>Sustainability Leadership</td>
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<td></td>
<td>Tom Knutzen</td>
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<td></td>
<td>Former CEO – Danisco A/S</td>
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<td>Jeffrey Hogue</td>
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<td>VP of Corporate Sustainability, Danisco A/S</td>
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<td></td>
<td>Annette Hansen</td>
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<td></td>
<td>Director of Sustainability, Danisco A/S</td>
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<td></td>
<td>Facilitator</td>
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<td></td>
<td>Preben Sorensen</td>
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<td>Partner Corporate Responsibility, Debate</td>
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10.7. Appendix G – Yuan, Bao and Verbeke’s seven integrations strategies


Yuan, Bao and Verbeke’s seven integrations strategies:

1) *Born CSR oriented:* This pattern describes the situations of the 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 indicated 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.

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35 Taken from the paper: Integrating CSR initiatives in business: An Organizing Framework (Yuan, Bao and 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 practises. Trimming the core routines can have affect on the core-extending peripheral routines but the latter does not necessarily accept the core routine.

7) **Cooperating (creating CSR routines through alliance)**: 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 issues.