Critical success factors of corporate social responsibility

How does CSR create value?

Lisanne Maatman

Lizanne Reefman

Promotor: dr. Elise Meijer

Master Multilingual Professional Communication

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Authors: Lisanne Maatman and Lizanne Reefman

Promotor: dr Elise Meijer

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PREFACE

When we started our master's thesis, we had a clear goal in mind: we wanted to improve our skills, knowledge and competence in business management to be better communicators. Apart from our personal ambitions, we could not ignore to the current sustainability problems this world is facing. Via a business approach that is academically oriented, we wanted to contribute to the solution of this pervasive set of problems. Once we started our literature review, we were shaken by the severity and urgency of the matter. This further encouraged us to investigate this topic.

Now, five months later, we can say that we have gained a great number of new skills. This project was an academic rollercoaster and an enlightening trip. However, we could not have gone through this process without help from many. First of all, we would like to thank our promotor, Dr Elise Meijer. With her personal approach and enthusiasm, in combination with her professional knowledge of innovation management, she has been a great mentor. She gave us the liberty to shape this thesis and, in doing so, work on our own personal development.

We would also like to thank Gert Rijlaarsdam for his efforts in making us nVivo experts and for challenging our ideas. As well, we need to thank Luuk van Waes for giving us the right perspective on qualitative research.

Of course, this thesis could have been possible only with the contribution of the ten companies. We would very much like to thank all interviewees for opening up their schedules. Their inspirational stories and accomplishments are great examples of how companies should approach this pressing matter.

Furthermore, we would like to thank Kim van Dartel for helping us to fine-tune our interview format. Finally, we would like to thank Franc Reefman for sharing his expertise and enthusiasm in this field of study and providing us with an extra set of tools.

The completion of this thesis brings us at the end of our academic careers. With pride we look back at a rewarding but intense year in which we have both grown and have also contributed to the solution of a problem that is close to our heart.

Lisanne Maatman

Lizanne Reefman

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SCIENTIFIC SUMMARY

In recent decades the human population has exceeded the world's carrying capacity. To prevent further damage and to secure resources for future generations, humans should alter their use of the world's resources. As companies are the biggest users of these valuable and finite resources, they should be the driving force behind this much-needed change. However, corporate social responsibility (CSR) is not necessary from only an ideological point of view; from a business perspective, as well, CSR seems interesting.

The literature on CSR is rather fragmented. Even though the necessity of CSR has been widely discussed in the academic literature, there is no general framework outlining critical success factors for implementing CSR in a business-like context.

This thesis examines the formation and implementation of a strategy for CSR. How does this trending topic create added value in a business context? To answer this question, the research has been conducted over two stages. In the initial stage, we used explorative research to map value-creating processes. However, the critical success factors (CSF) for implementing a CSR strategy were not yet revealed after this first stage. Therefore, in the second stage we tested propositions, based on innovation literature, in order to find practical applications that lead to value creation via CSR.

The research was conducted over ten semi-structured interviews with award-winning companies that are leading in the field of CSR. These companies represent the top ten organisations engaging with CSR in The Netherlands. We tested the added value of each aspect of the value chain, resulting from CSR initiatives, using the plus-minus method (Van Waes, 2014). These companies were chosen using a selective purposive sample.

The results show that value creation is realised by cost minimization, improved reputation and long-term stability. For the implementation of a CSR-linked strategy, six findings can be identified. The majority of the companies perceive as important the integration of CSR in a corporate strategy and adaption to buyer's needs. Additionally, most of the companies confirmed that a leader could best initiate the change in strategy. Top management must also support the strategy in order for it to be successful. Furthermore, the level of corporate entrepreneurship plays an important role. Lastly, some companies have indicated that formalization and control helps them to implement their targeted strategy, whereas other companies viewed this as a constraining factor.

WETENSCHAPPELIJKE SAMENVATTING

In de afgelopen decennia heeft de menselijke populatie de draagkracht van de aarde overschreden. We moeten minder van onze eindige grondstoffen gebruiken om verdere schade te voorkomen en deze grondstoffen veilig te stellen voor toekomstige generaties. Bedrijven zijn de grootste verbruikers van deze grondstoffen. Daarom zouden zij de stuwende kracht achter deze verandering moeten zijn. Maar maatschappelijk verantwoord ondernemen (MVO) is niet alleen vanuit ideologisch standpunt hard nodig, het lijkt ook vanuit een zakelijk perspectief interessant.

De huidige literatuur over MVO is gefragmenteerd. De noodzaak wordt alom besproken, maar er is nog geen duidelijk kader over de kritische succesfactoren voor het implementeren van MVO in een bedrijf.

Dit onderzoek kijkt naar de formatie en de implementatie van een MVO-gerichte strategie. Hoe kan dit onderwerp waarde creëren binnen een bedrijf? Om deze vraag te kunnen beantwoorden, hebben we een tweezijdig onderzoek uitgevoerd. In een eerste fase hebben we exploratief onderzoek gebruikt om de waarde creërende processen in kaart te brengen. Echter, uit deze eerste fase konden we geen kritische succesfactoren extraheren. Daarom hebben we in de tweede fase een aantal proposities opgesteld om deze wel te vinden. Deze proposities zijn gebaseerd op de innovatieliteratuur.

Het onderzoek is uitgevoerd door middel van semigestructureerde interviews met bedrijven uit het koplopersnetwerk van MVO Nederland, die bovendien ook verschillende prijzen hebben gewonnen. We stelden in eerste instantie een open vraag. Daarnaast hebben we met behulp van de plus-min methode, samen met het bedrijf, de value chain van Porter overlopen.

De resultaten laten zien dat de waardecreatie plaatsvindt in de vorm van kostenbesparingen, een verbeterde reputatie en lange termijncontinuïteit. Tevens kunnen we zes bevindingen extraheren uit de resultaten. We vinden een sterke indicatie dat een MVO-strategie geïntegreerd moet worden in de algemene bedrijfsstrategie en aangepast moet worden aan de wensen van stakeholders. Verder gaven veel bedrijven ook aan dat een MVO-strategie het best geïnitieerd kan worden door één leider en dat deze strategie steun moet krijgen vanuit het hoge management. Ook speelt corporate ondernemerschap volgens veel bedrijven een belangrijke rol. Als laatste gaven een aantal bedrijven ook aan dat formalisatie en controle hen helpt om hun MVO strategie uit te voeren, terwijl anderen dit juist een beperkende factor vonden.

PRESS RELEASE

Antwerpen, 29-05-2015

Waarom sommige bedrijven zo goed zijn in maatschappelijk verantwoord ondernemen

"We zien heel duidelijk welke factoren bijdragen aan dit succesvolle MVO beleid"

Recent onderzoek van de Universiteit Antwerpen wijst uit dat bedrijven die succes hebben op het gebied van MVO een aantal dingen met elkaar gemeen hebben. Het onderzoek werd uitgevoerd om te achterhalen op welke manier een MVO beleid waarde kan creëren voor bedrijven. Dit voorheen onontgonnen gebied lijkt nu iets verder in kaart gebracht. Volgens Lizanne Reefman en Lisanne Maatman, verbonden aan de Universiteit Antwerpen, zijn er een aantal stelregels waaraan bedrijven zich moeten houden om succesvol te zijn om het gebied van MVO.

"We hebben vooral indicaties gevonden dat bedrijven MVO moeten meenemen in hun bedrijfsstrategie, en moeten aanpassen aan de wensen van hun stakeholders", aldus Reefman. In de praktijk zou dit volgens het tweetal betekenen dat bedrijven duurzaamheid meenemen in hun missie of visie. Ook raden zij stakeholderdialogen sterk aan. Maatman: "Dit is immers geen onderwerp dat je alleen kunt aanpakken. Als bedrijf is het slim om je leveranciers, klanten en andere betrokkenen mee te nemen in het proces." Het onderzoek wijst ook uit dat er een aantal andere factoren meespelen, zoals steun van het management en een sterke leider die het MVO-beleid in het leven roept. Daarnaast zouden bedrijven, volgens Maatman en Reefman, hun personeel moeten aanmoedigen om zelf ook initiatieven te nemen. Als laatste geeft het tweetal aan dat er wel ruimte moet zijn voor nieuwe MVO-initiatieven. Die ruimte zou soms door middel van nieuwe regels gecreëerd moeten worden.

Reefman en Maatman hebben voor dit onderzoek gekeken naar het koplopersnetwerk van MVO Nederland, om zo de meest vooruitstrevende en succesvolle bedrijven op dit gebied te vinden. Tien bedrijven waren bereid om hun geleerde lessen te delen. Veel bedrijven blijken zich ook te realiseren dat MVO waarde oplevert, in plaats van dat het alleen geld kost. Het onderzoek liet zien dat die waarde vooral tot uiting komt in de vorm van kostenbesparingen, een betere reputatie en lange termijncontinuïteit.

////////////////// EINDE PERSBERICHT /////////////////

Noot voor redactie: voor meer informatie kunt u contact opnemen met Lisanne Maatman (lisannemaatman@gmail.com).

1. INTRODUCTION

1.1 IMPORTANCE

The story of St. Matthew Island, a little speck of rock up in the Bering Sea off the Alaskan Coast

> During World War II, the U.S. Coast Guard operated a radio station on St. Matthew Island. The weather was far from perfect, and keeping the base supplied with food was risky. As a form of emergency supplies, twenty-nine reindeer were placed on the island. A fish and game biologist had calculated the number of animals to be well under the island's 'carrying capacity [1]. If the storms kept the supply ships away, the men could shoot a reindeer for dinner. There were no predators to endanger the reindeer, except for the men of the Coast Guard station. When the war ended, the base was shut down and the last predator left.
>
> > The same fish and game biologist returned to the island twelve years later and found that those original twenty-nine reindeer had become 1,350, just a little short of the island's carrying capacity. When the biologist returned to the island six years after that, he was stunned by what he found. Everywhere he looked, he saw reindeer. In just six years those 1,350 animals had become 6,000, far more than the island could ever hope to support. The lichens were sparse, and large areas of tundra were bare. Not surprisingly, the animals did not look so healthy anymore.
> >
> > > After three years, the biologist returned one last time, and when he did he was shocked by what he found. The island was unrecognizable. The vegetation was gone. Reindeer skeletons were scattered across the tundra. In biological terms, it was a classic case of 'overshoot'. A population that had exploded far beyond the island's natural carrying capacity had collided head-on with one of nature's ironclad laws: A species cannot consume more than its environment is able to renew. And overshoot leads to 'collapse'. Those reindeer had destroyed a predator-free paradise. The accidental experiment was over, and there have been no living reindeer on the island for more than forty years. (Anderson, 2009, p 25)

[1] Carrying capacity, in short, means maintaining the balance between animals and the natural resources they need to survive.

FIGURE 1: HOW BIG IS OUR PLANET?

The United Nations (UN) predicts that the world population will grow to 9 billion in 2050. That is an explosive growth of 3 billion in only 50 years. The demand for finite natural resources is growing.

'There is a basic equation we need to follow: population x consumption = the planet. We are living now at 1.3 planets' (WWF, 2010, p. 13).

In 1990 we crossed the line of living sustainably on our planet. Companies are the world's largest polluters, and they are the most influential institutions in the world. Therefore, the driving force behind this much-needed change must come from companies, both small and medium-sized enterprises (SMEs) and multinationals (WWF, 2010) (United Nations, 2011). Consequently, this thesis focuses on companies. Due to the nature of companies, it is clear that they will only commit to this change when it is in their best interests, ultimately when it creates value. Furthermore, recent research suggests there is a positive relationship between a company's CSR actions and consumers' attitudes towards that company and its range of products (Ellen, 2000).

Glossary

As this thesis builds upon academic literature in the field of (innovation) management, a glossary can be found in Appendix 1, page 78. This glossary gives a brief explanation of the most important management terms used in this thesis.

1.2 SUBJECT AND DEFINITION

The general subject of this study is CSR. This topic is composed of two components: social responsibility and sustainability. These two components consist of several more sub-domains. However, analysis of these sub-domains goes beyond the scope of this study.

The international organisation for standardization defines social responsibility as:

> The responsibility of an organisation for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that:

- Contributes to sustainable development, including health and the welfare of society;
- Takes into account the expectations of stakeholders;
- Is in compliance with applicable law and consistent with international norms of behaviour; and
- Is integrated throughout the organisation and practised in its relationship. (ISO, 2010)

CSR expert John Elkington (1997) argues in his book *Cannibals with Forks* that the future success of our economy depends on whether organisations are able to satisfy the three-pronged fork of profitability, environmental quality and social justice. Furthermore, Elkington argues that companies have responsibilities that extend beyond profitability and maximizing shareholder value. The main reasons for this are external effects: developments that companies and their activities entail and the costs of which are shifted on to society (Elkington, 1997).

Sustainability, as a component of CSR, is defined as 'the reduction in growth of industrialization, food production and the depletion of natural resources' (Meadows, 1972, p 34).

Together, sustainability and social responsibility form the foundation of CSR. The Dutch Social-economic council (2000) defined this subject as follows:

> Deliberately focussing organisational activities on the creation of value in the long-term in three dimensions; profit, people and planet. And thus contributing to social prosperity on the long-term, in such a way that companies maintain a relationship with their stakeholders based on transparency and dialogue, that answers the justified questions from society. (Social and Economic Council, 2000, p.13)

1.3 Purpose of this study

This study examines the formation and implementation of CSR strategy. Scientific literature provides some insight, based on broader business theories. However, there was no literature available on the critical success factors (CSFs) for organisations in relation to a CSR strategy. The goal of this research is to provide a framework of CSFs in relation to CSR, filling a gap in the literature.

CFSs are the conditions that must be satisfied to ensure the success of an organisation, and thus they represent the management areas to which companies should pay particular and continual attention

if they are to remain competitive (Boyton & Zmud, 1986). As there is no literature concerning CSFs for CSR, we looked at the field of innovation, as we saw an overlap between this field and CSR. Based on the innovation literature we derived six propositions, discussed in section 3.2.

To identify these CSFs, we interviewed ten frontrunners in the field of CSR in The Netherlands. Eight of these companies are among the official frontrunners' network of MVO Nederland.[2] Frontrunners are companies that are progressive in the field of CSR and lead by example. The remaining two companies can also be identified as precursors in the field of CSR. One company ranked 14th in the top 100 most sustainable companies worldwide (Corporate Knights, 2015), and the CSR manager of the final company was nominated CSR manager of the year by MVO Nederland in 2014. An overview of all companies that participated in this research is given in section 4.3.2.

1.4 What to expect

1.4.1 General outline of study

This study investigates the critical success factors of CSR. In order to create an understanding of this topic, we highlight several important theories in Chapter 2. Despite its importance, hardly any attention has been paid to how to successfully implement CSR. Given the overlap between the characteristics of CSR projects and innovation projects, we build on innovation literature to develop a theoretical framework for CSFs in Chapter 3. In the following chapter, the research framework is explained via a variable schedule, the used data set, and a detailed description of the data collection and processing. The actual results are displayed in Chapter 5. First, the different case studies will be described based on the value chain in order to gain insight into value creation. Then, the practical implications are highlighted in each case study, based on organisational factors. In the penultimate chapter, the results of both research phases come together. Here we discuss how businesses achieve value creation and the overall practical implications. In the last chapter, we look back on the limitations of our study and offer suggestions for future research.

1.4.2 Research process

We initiated this research because we wanted to find out how CSR could create value. In other words, we wanted to know what companies could and should do to make their CSR efforts a success. As mentioned before, there is little about the CSFs of CSR in the scientific literature. Initially, we looked at the value chain model of Porter, as it reveals all value-adding components in a company. We then found that it was not possible to unveil underlying CSFs using this model. Therefore we

[2] MVO Nederland is a non-profit organization with the purpose to inspire, unite and strengthen Netherlands-based companies to engage more in CSR activities and strategies.

added a second layer, using innovation literature to find those organisational aspects that contribute to the success of CSR.

2. THEORETICAL FRAMEWORK

In this chapter we review key literature in the field of corporate social responsibility (CSR) and critical success factors (CSFs). The literature on CSR will be discussed in chronological order. For the identification of critical success factors, we turn to innovation management literature.

2.1 GROWING AWARENESS FOR CSR

The earliest traces of the topic of sustainability go back to the Middle Ages (Jonker, 2011). However, the notion's prominence and sense of urgency came in the 1970s. This was reinforced by the founding of social and environmental organisations, the pace-setting global UN-conference in Stockholm and several ground breaking publications (Jonker, 2011). One of the most influential publications was *Limits to Growth*, by the Club of Rome[3] (Meadows, 1972). Their conclusion was that if the prevailing growth rate in the world population, industrialization, pollution, food production and depletion of natural resources were to continue, the limitations to human population growth for this planet (i.e. carrying capacity) would be reached within the next hundred years. They expected that the result would be a rather sudden and uncontrollable decline in both population size and industrial capacity (Meadows, 1972).

In the 1980s the tide changed due to the following three publications: The *World Conservation Strategy*, *Stakeholder Model* and *Our Common Culture*. The first paper is a strategic plan that was published by the International Union for the Conservation of Nature and Natural Resources. It pleads for the first concept of sustainable development (IUCNNR, 1980). Freeman published the *Stakeholder Model* in 1984. This article is at the foundation of the modern concept of corporate social responsibility. According to this model, stakeholders can exercise substantial influence on the policy of organisations.

Another influential article published in the 1980s was *Our Common Future*, a report from the Bundtland Commission. This report urged companies to limit their negative impact on the environment. This was the first time that companies, and not individuals or governments, were addressed. During this decade, there was also a growing realization that national borders should not limit the solution to sustainable development (Jonker, 2011).

In the early 1990s, there was a growing involvement in fostering sustainability from organisations. More and more companies put CSR on the corporate agenda. Academic publications that contributed to this trend were *The Pyramid of CSR* (Carroll, 1991) and *Cannibals with Forks*

[3] The club of Rome is a group of scientists who were concerned with mutually reinforcing problems that posed a threat to the world.

(Elkington, 1997). *The Pyramid of CSR* divides CSR into four pillars: economic, legal, ethical and philanthropic responsibilities. It is intended as a guideline for companies in setting their strategy. *Cannibals with Forks*, on the other hand, focuses on the role of organisations and capitalism in realizing sustainable development. Elkington calls this the triple bottom line. The triple bottom line (TBL) consists of three P's: *People*, *Profit* and *Planet*. *People* represents the social policy, *Planet* the ecologic vision and *Profit* the economic management of an organisation. Elkington believes that companies can increase continuity if they can balance these three P's, and they will be able to meet social goals that are thought to be important in society (Elkington, 1997). Furthermore, they should shift from short-term goals towards a long-term vision. In order to realize this, revolutions must take place in seven[4] organisational areas of interest. These revolutions should ensure a transition to sustainability, creating a new sustainability paradigm that relies on TBL-performance and responsibilities. Because Elkington's model also focuses on socially desirable goals, it is in line with Freeman's Stakeholders' model.

With the advent of the new century, sustainability and CSR have taken a new direction. Thus, sustainability as covered by particular governments and the transition to sustainability by organisations have grown towards each other. In addition, more emphasis is placed on the role of an ever-widening range of actors and the scope of this global network of actors. These changes have resulted in a growing awareness of sustainable development on the social, organisational and, thereby, global levels (Jonker, 2011). A leading concept that was first published in 2002 was Cradle to Cradle. Authors McFonough and Braungart believed that rather than minimising the damage, companies should strive to become self-sufficient and to create additional resources for future generations.

Another influential model is the New Stakeholder Model. This framework is based on the original model of Freeman. The framework acknowledges that an organisation has stakeholders, but also sees the company itself as a stakeholder in a network of companies that strives for common goals. By being part of a network, these companies enjoy economies of scale and are able to exert pressure in order to reach these goals (Jonker, 2011).

In 2006, Porter linked his value chain model to CSR. He believes that many companies have already undertaken efforts to improve the social and environmental consequences of their activities, yet these efforts have not been nearly as productive as they could be, for two reasons. First, they part

[4] The seven revolutions are to be in the following areas: markets, values, transparency, life-cycle technology, partnership, time and corporate governance.

business from society, when clearly the two are interdependent. Second, they pressure companies to think of corporate social responsibility in generic ways instead of by the most appropriate method for each firm's strategy. Porter argues that to advance CSR we must root it in a broad understanding of the interrelationship between a corporation and society while at the same time anchoring it in the strategies and activities of specific companies.

Porter (2006) believes that the essential test that should guide CSR is not whether a cause is valuable but whether it presents an opportunity to create shared value. He defines this as a meaningful benefit for society that is also valuable to business. Porter indicates three categories of social issues that affect the company:

1. **Generic social issues**: may be important to society but are neither significantly affected by the company's operations nor influence the company's long-term competitiveness.
2. **Value chain social impacts**: social issues that are significantly affected by a company's activities in the ordinary course of business.
3. **Social dimensions of competitive context**: social issues in the external environment that significantly affect the underlying drivers of a company's competitiveness in the locations it operates. (Porter, 2006, p. 8)

The aspects of the value chain can be divided into primary and supporting activities. Primary activities are activities that contribute to the actual product or service, whereas the supporting activities enable the primary activities (see the following paragraph for highlights of the different aspects of both primary and supporting activities).

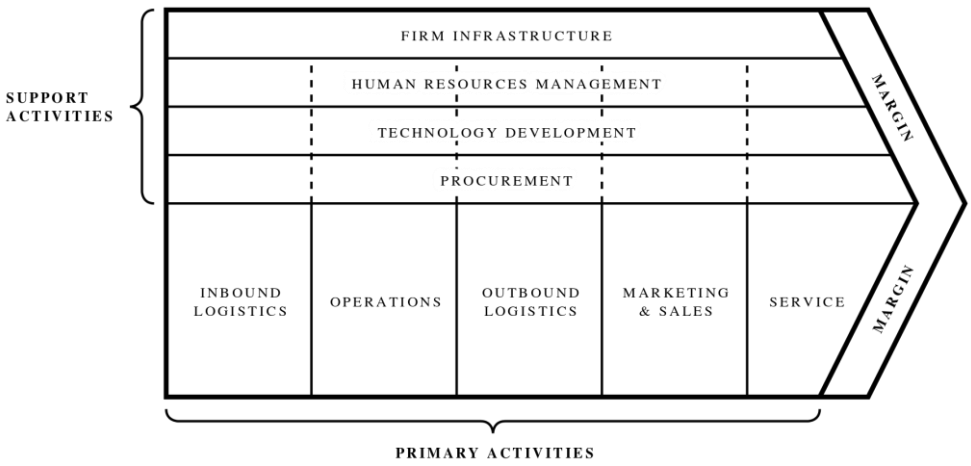

FIGURE 2: PORTER'S VALUE CHAIN (ADAPTED FROM PORTER, 2006, THE LINK BETWEEN COMPETITIVE ADVANTAGE AND CORPORATE SOCIAL RESPONSIBILITY, P. 5)

Primary activities

Inbound logistics	Arranging the inbound movement of materials, parts, and finished inventory from suppliers to manufacturing or assembly plants, warehouses, or retail stores.
Operations	Concerned with managing the process that converts inputs (in the forms of raw materials, labour, and energy) into outputs (in the form of goods and/or services).
Outbound logistics	The process related to the storage and movement of the final product and the related information flows from the end of the production line to the end user.
Marketing and sales	Selling a product or service and processes for creating, communicating, delivering and exchanging offerings that have. value for customers, clients, partners and society at large.
Service	Includes all the activities required to keep the product or service working effectively for the buyer after it is sold and delivered. (Porter, 1985, pp. 11-15)

Support activities

Firm infrastructure	This is how Porter describes the infrastructure of the company, or "firm" as he defines it. This consists of activities such as accounting, legal, finance, control, public relations, quality assurance and general (strategic) management.
Human resource management	Consists of all activities involved in recruiting, hiring, training, developing, compensating and (if necessary) dismissing or laying off personnel.
Technological development	Pertains to the equipment, hardware, software, procedures and technical knowledge brought to bear in the firm's transformation of inputs into outputs.
Procurement	The acquisition of goods, services or works from an external

source. (Porter, 1985, pp. 11-15)

> The value chain disaggregates a firm into its strategically relevant activities in order to understand the behaviour of costs and the existing and potential sources of differentiation. A firm's value chain is embedded in a larger stream of activities that determine the value system. The value chains of firms in an industry differ, reflecting their histories, strategies and success at implementation. A firm can tailor its value chain to a specific proposition. Every firm is a collection of activities that are performed to design, produce, market, deliver and support its product. All these activities can be represented using a value chain. Differences among competitor value chains are a key source of competitive advantage. (Porter, 1985, p. 11-15)

> The managers of each business unit can use the value chain as a tool to systematically identify the social impacts of the unit's activities in each location, so the value chain can be used as a framework to identify the positive and negative social impacts of those activities. These inside-out linkages may range from hiring and layoff policies to greenhouse gas emissions. Porter advises integrating the inside-out and outside-in practices. Activities in the value chain can be performed in ways that reinforce improvements in the social dimensions of context, and vice versa. (Porter, 2006, pp. 5-6)

We have discussed various studies that indicate the relevance and need for corporate social responsibility. However, from a business perspective there is no consensus about the added value of CSR. Several studies indicate that linking your strategy to CSR will lead to financial or image-related benefits (H. E. Aupperle, 1985) (W. Hur, 2014). Furthermore, some studies indicate that CSR has a positive impact on company culture (Eccles, 2011). However, there are also studies that do not find the correlation between added value and CSR (McWilliams, 2000).

To summarise, the literature on CSR is very fragmented and offers little insight into critical success factors concerning implementation and strategy. Therefore, in the next section we will look at innovation management literature. This field of study shows an overlap, which is why it encompasses new, uncertain and technology-driven initiatives, as will be further discussed in the next section.

2.2 INNOVATION MANAGEMENT LITERATURE

Innovation can best be defined as follows:

> Innovation is production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems. It is both a process and an outcome. (Edison, 2013, pp. 23-24)

The OECD[5] views innovation in firms as

> associated with uncertainty, since the outcome of innovative activities is not known on beforehand. Additionally, innovation involves investment that can include the acquisition of fixed and intangible assets as well as other activities that may yield potential returns in the future. The OECD also feels that innovation is subject to spill-over effects. The benefits of creative innovation are rarely fully appropriated by the inventing firm. Innovations also involve the utilisation of new knowledge, or a new use, or combination of existing knowledge. New knowledge may either be generated by the innovating firm in the course of its innovative activities or acquired externally through various channels. Lastly, innovation aims at improving a firm's performance by gaining a competitive advantage from shifting the demand curve of the firm's products, offering new products or a firm's cost curve, or by improving the firm's ability to innovate.(OECD, 2005, p. 54)

The characteristics found in this definition show an overlap with the characteristics of CSR management (see Table 1).

[5] The organisation for Economic Cooperation and Development (OECD) is an international collaboration of 34 countries founded in 1961 to stimulate economic progress and world trade.

Innovation management	CSR management
Mid to long-term	Long-term
Outcome is uncertain in terms of profitability	Outcome is uncertain in terms of impact
New and progressive initiatives	New and progressive initiatives
Utilisation of new knowledge or new use of existing knowledge	Utilisation of new and shared knowledge or new use of existing knowledge
The aim is to obtain a competitive advantage	The aim is to obtain a competitive advantage and maintain a license to operate
Technology driven	Technology driven

TABLE 1: OVERLAP INNOVATION AND CSR MANAGEMENT

Cooper and Kleinschmidt (1995) argue that the success of innovation depends on the following:

Process: the firm's new product development processes and the specific activities within the processes. Factors that correlate with success include having strong market orientation, undertaking marketing tasks in a quality fashion, doing predevelopment activities well and having sharp product definition before the development starts.

Organisation: the way the program is organized. Factors that correlate with success include cross-functional teams, the existence of cross-functional responsibility, interfacing between departments and time to market.

Strategy: the total new product strategy of the firm. Factors that correlate with success include a definition of the role of new product development in the company's overall strategy, specific areas of focus, formalization of organisational structures for implementation and definition of corporate and new product goals.

Culture: The firm's internal culture and climate for innovation. Factors that correlate with success include supporting teamwork, permitting the emergence of entrepreneurs or product champions, providing support in terms of rewards and autonomy and allowing time-off for employees to develop their own ideas.

Commitment: senior management involvement with and corporate commitment to new product development. Factors that correlate with success include senior management commitment to risk-taking in product innovation, clear messages form senior management about the role and importance of new product development, availability of funds and resources, ease of access for senior management in case of difficulties and technical literacy among senior managers (Cooper & Kleinschmidt, 1995).

Other authors found more fragmented success factors regarding innovation management. We will review these success factors, divided based on themes.

Maidique and Zirger (1984) found that the majority of successful product innovation projects originate in response to a need-pull. This means that for a new product to succeed, it should be adapted to the needs of the market.

Choffray and Lilien (1984) pointed out that, for a product innovation strategy to be successful, it should have an explicit strategy. Business strategy should be derived directly from corporate strategy. Additionally, Gupta, Raj and Wilemon (1985) identified a range of areas in which integration of the separate functional inputs is required during product innovation. These areas span from setting product development objectives to post-launch feedback from customers.

Rickards (1985) described how most product development efforts are disruptive and are likely to meet resistance within the company. Abernathy and Wayne (1974) found that it is rather hard to follow an innovative program if the rest of the organisation is concerned with cost minimization. So, for a product innovation project to be successful, there needs to be acceptance at all organisational levels. Some key individuals can also play an important part in new product development: people like product managers, technical champions and executive champions (Roberts, 1977). This notion relates to a study from Foster (1986), who argues that top management support is a crucial factor when successfully executing a product innovation project.

Gresov (1984) stressed that an innovation process cannot be formalized by procedures and control, which would prevent the process from being successful.

3. Problem definition

3.1 Research question

In this study we aim to answer two research questions:

1 'How can CSR create value?'

This question relates to the route to a value-creating Corporate Social Responsibility strategy? In the first stage, we explored what aspects of the value chain could be important when implementing a value-creating CSR strategy. After this first stage, we initiated a second stage in which we aimed to find practical guidelines for implementing a CSR strategy. That led us to the following research question:

2. "What are the critical success factors (CSF) of a Corporate Social Responsibility strategy?"

This question relates to what factors should be satisfied to successfully implement a CSR strategy?

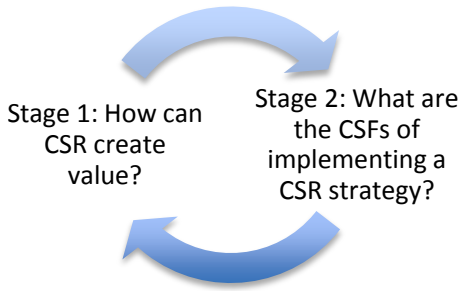

Figure 3: Research process

As has been illustrated, the literature available regarding the CSFs of CSR is limited. Hence, the nature of this research, especially in the first stage, will be explorative. We chose to carry out qualitative research, as this is a suitable and advisable method for explorative research (Baarda, 2013). We discuss this method in more detail in Chapter 4. In the second stage we examined what underlying processes and organisational factors are key when implementing a CSR strategy. As we saw many similarities between innovation management and corporate social responsibility management, we formulated our propositions based on innovation management literature.

3.2 Propositions

In our theoretical framework, we found that adaption to the role of innovation and project management should be integrated within corporate strategy, and the integration of several functional inputs is needed in order to create a successful innovation management strategy. A CSR

strategy is, in its nature, related to several operational processes. As we saw earlier, CSR is 'managing your organisational processes in a way that ensures long-term value creation', according to the Social and Economic Council (2000). Hence, we expect that, in order to have a successful CSR strategy, it should be in line with and integrated within the corporate strategy. This leads us to our first proposition:

Proposition one: A CSR strategy has to be in line with and integrated in the corporate strategy in order to be successful.

In innovation literature, we found that acceptance is crucial for innovations to succeed. Innovation management literature also tells us that to obtain this acceptance top management support and a champion who initiates this innovation are vital. A strategy that is linked to CSR often requires some changes within a company. Changes could lead to resistance from employees. If they oppose this change, it could withhold acceptance. Hence, we believe that a company needs a 'champion' in the higher layers of management who is able to inspire employees and foster acceptance of the CSR strategy. This is at the core of our second and third propositions:

Proposition two: Top management should support a CSR strategy in order for that strategy to be successful.

Proposition three: A CSR strategy should be initiated by a 'champion' for it to be successful and to receive company-wide acceptance.

In the innovation management literature, we found that the company's culture will influence the innovation's level of success. For example, reinforcing teamwork, permitting the emergence of entrepreneurs within the company and supporting teamwork are positively correlated to successful innovations. Additionally, some authors stress that innovations cannot be formalized by procedures and control. Since both the field of innovation and CSR are relatively new and progressive, we also expect an overlap within the innovation management literature in regard to these success factors. Therefore, we expect that a successful CSR strategy is not bound or restricted by formalization and control. This brings us to the following propositions:

Proposition four: Corporate entrepreneurship is a key variable in the creation of a CSR strategy.

Proposition five: A CSR strategy thrives under a decrease of formalization and control.

As we noted earlier, a CSR strategy may lead to a competitive advantage for companies. For such a competitive advantage to work in terms of alluring prospective clients, it should fit the prospective clients' wishes and needs. As there is a growing pressure from society to implement CSR, companies

are stimulated to perform according to these expectations. In the theoretical framework, we noted that a strong market orientation correlates with successful innovation. We also found that an innovation should focus on buyers' needs. Therefore we believe that companies with a successful CSR policy place their buyers' needs and wishes high on their agendas. This leads us to the final proposition:

Proposition six: Adaption to the buyers' needs (both business-to-business and business-to-consumer needs) leads to a successful CSR strategy.

4. METHODOLOGY

This chapter provides an explanation of the research framework. We discuss how the research is constructed, which variables will be measured, how the dataset is composed and how the respondents were selected and approached. We also explain how we tried to secure the validity and reliability of this research.

4.1 RESEARCH DESIGN

Our research has a qualitative nature. Conducting ten interviews with experts in the field of CSR, we set out to answer the research questions that were proposed in the previous chapter. To answer these questions, we established an interview framework consisting of two parts. By dividing the interview into separate phases, we were able to use one dataset to answer both research questions. For both phases operationalization matrixes were formulated. These are discussed in the next paragraph.

4.2 OPERATIONALISATION OF VARIABLES FOR STAGE ONE

To answer the first research question, we used Porter's value chain. The components of this model form the independent variables; these variables have consequences rather than being the result of other characteristics (Baarda, 2013). The dependent variable is influenced by the independent variables. The dependent variable in this stage was 'value-creating CSR strategy'. To assess the influence of other organisational factors, we defined a set of control variables. The control variables were derived from variables also used in project and innovation literature (Trommelen, 2014). The importance and influence of the independent variables was then tested via a plus-minus method. This is explained in section 4.6. Based on the below-stated variable scheme, in combination with the operationalization matrix (found in Appendix 2), the interview questions were formulated.

Independent variables
Implementation of CSR in:
Primary activities
• Inbound logistics
• Operations
• Outbound logistics
• Marketing & Sales
• Service
Supporting activities
• Firm infrastructure
• Human resource management
• Technology development
• Procurement

Dependent variable
Value creating CSR strategy

Control variables
• Job position
• Company size
• Duration of CSR strategy
• Industry

TABLE 2: INDEPENDENT, DEPENDENT, AND CONTROL VARIABLES FOR STAGE ONE

4.3 OPERATIONALISATION OF VARIABLES FOR STAGE TWO

To answer the second research question, we formulated propositions based on innovation and project management literature. These propositions are given in Chapter 3 and form the independent variables. The dependent variable is 'a successful CSR strategy'. These independent and dependent variables are weighed against each other in the semi-structured part of the interview. The control variables are equal to the variables in stage one, as they have the same impact.

Independent variables	Dependent variable
• Integration in corporate strategy	A successful CSR strategy
• Support by top management	
• Initiated by champion	
• Corporate entrepreneurship	
• Decrease of formalization	
• Adaption to buyers' needs	

Control variables
• Job position
• Company size
• Duration of CSR strategy
• Industry

TABLE 3: INDEPENDENT, DEPENDENT, AND CONTROL VARIABLES FOR STAGE TWO

4.4 CONTROL VARIABLES

Control variables are factors that also might influence the dependent variables. Next to the organisational factors, other internal characteristics could influence the CSR policy and its success. The control variables that we took into account are as follows:

- **Company size**: The size of an organisation is relevant, since it could influence CSR projects and be reliant on the available materials and the company's financial capacity. It is harder for smaller companies than for larger ones to invest in innovation because they have less financial means (Covin & Slevin, 1991). On the other hand, a large company with many employees may be rigid, and new ideas might be harder to implement.
- **Duration of CSR strategy**: The time that a company has invested so far in developing a CSR policy might influence the current success of the company's efforts. There might be a certain amount of time that influences the company's CSR performance.
- **Position of interviewee**: The position of the interviewee within the company may influence his or her knowledge of CSR policy. Therefore, after the interviews, all facts derived from the interviews were checked with sustainability reports.
- **Industry**: The nature of the industry plays an important role and influences to what extend companies can produce innovations or improvements that increase the success of their CSR strategies. For example, a company that uses fossil fuels will have a hard time making sustainable improvements around their core business (Jacobides, Knudsen, & Augier, 2006).

4.5 Data collection and procedures

We have used a selective purposive sample to ensure that the requirements of the dependent variable were met. The respondents were selected based on the following criteria:

- Being transparent in their CSR activities
- Having a branch in The Netherlands
- Being financially successful
- Communicate about their CSR strategy and efforts

The majority of the respondents were selected from the frontrunners network of MVO Nederland. This independent non-profit organisation was founded in 2004 by the Dutch Ministry of Economic Affairs. The organisation aims to connect, inspire and strengthen companies and industries to grow in the field of CSR (MVO Nederland). We chose to select interviewees from this network because the organisation sets similar requirements for members of their network. Furthermore, we have selected companies outside of this network that have international recognition for their CSR efforts.

We deliberately chose to select companies that are more advanced in the field of CSR. Because it is still a relatively new and unexplored area, it is necessary to use the knowledge of leaders in order to develop a general framework.

4.5.1 Approach

We approached the respondents using the contact information that we received from MVO Nederland. We then used our own network to get into contact with the frontrunners. We invited them by e-mail to participate in this research. After five working days, we sent a reminder to encourage them to participate. Invitations were always sent to higher management, or people responsible for CSR within the company. In the e-mail, we first introduced our research subject and asked the companies to participate in a 45-minute interview. The interviews were scheduled from week 7 until week 13 of 2015. The invitations were sent in weeks 47 and 48 of 2014. By contacting the invitees five weeks before the first week of data collection, we increased the possibility for managers to participate. By offering the participants a benchmark report at the end of the research period, we tried to remove a threshold to participate. In this benchmark report, we communicated the individual performance compared to other companies in the dataset. To increase the probability of participation, we communicated to the companies that the interview would take place at their office. No additional equipment was required from the interviewees. We have attached an example of the e-mails and the benchmark report that were sent to the participants in Appendixes 1 and 7.

4.5.2 Dataset

In order to guarantee the anonymity of the companies that participated in this research, we removed our dataset from this version.

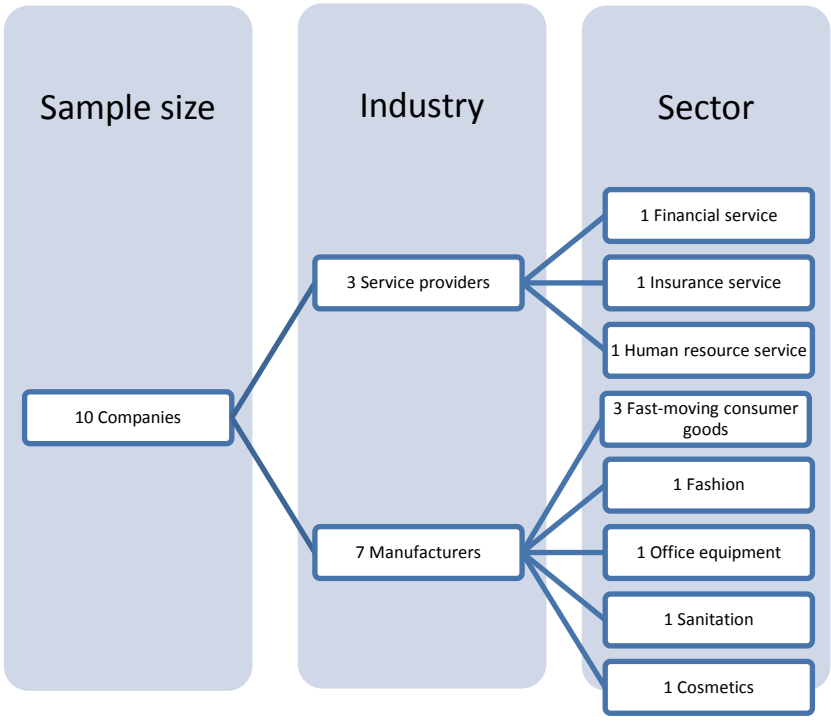

Figure 4: Sample size, industry and sector

Size	
SME's	4
Large	6
Total	10

Table 5: Company size[6]

International vs. national	
National	3
International	7
Total	10

Table 6: International versus national companies[7]

4.6 Justification of research instruments

We conducted semi-structured interviews in order to identify underlying factors and processes that are related to the CSFs of CSR. A semi-structured interview is the most common tool in the explorative phase of research. These types of interviews are conducted with a rather open

[6] SME's: <250 FTE's, Large companies: >250 FTE's

[7] National companies are those that hold a branch only in The Netherlands. International companies are those that hold branches in multiple countries.

framework, and they allow the interviewer and the interviewee to go into detail on specific topics (Baarda, et al. 2013). This structure enabled us to obtain information about the organisational and strategic motives and implications for a CSR strategy.

The interviews were conducted over two stages. The first stage had a semi-structured nature and was aimed at answering the second research question. By asking open-end questions we aimed to obtain a general view of the organisational processes that contributed to the successful implementation of a CSR strategy. We chose to start with the second research question since it addresses the organisation as a whole. Providing another motivation, the pre-test showed that the interviewee felt more at ease starting with this stage, which enriched the answers given in the second stage of the interview.

In the second part of the interview, we used the plus-minus method. The interviewee was asked to write pluses and minuses at every aspect of the value chain, which had been printed in A3 format. We then asked the interviewee about his or her motives for the plus or the minus. In addition, interviewees were asked whether or not this was a focus point for the future. The use of the value chain gave the interviewee a framework by which to structure his or her thoughts but also offered the possibility to view the organisation at a deeper level. This is due to the fact that this model addresses all aspects of a company. The aim of the plus-minus method was to determine to what extent these aspects contributed to the value creation of the CSR strategy.

Due to the subject of this study, we expected that our research might be influenced by a social desirability bias from our interviewees. As these companies were perceived as frontrunners in the field of CSR, they might be inclined to avoid embarrassment and project a favourable image. By using open-end questions in combination with the value chain, we did not directly mention our main research questions and corresponding propositions. This method is called indirect questioning. Research on this topic shows that the indirect questioning technique reduces the social desirability bias on variables subject to social influence (Fisher, 1993). We therefore believe that we might have reduced the likeliness of this bias occurring.

Pre-test

To ensure the quality and to specify the duration of our interview, we carried out a pre-test. For this pre-test, we interviewed someone who matched the profile of the interviewees. During the pre-test, we found that providing the interviewee with examples to explain a certain notion or concept made her focus on these examples. We also found that it was easier for the interviewee to start with the open-ended questions. Based on these observations, we changed our interview. Furthermore, we asked her about her opinion on every section of the value chain separately. We found that this was a

rather confusing question that did not provide us with answers. We have attached a summary of the pre-test in Appendix 3.

4.7 DATA ANALYSIS

For the analysis of the interviews we used nVivo, a digital tool for qualitative research analysis. In this software program we created nodes to code our transcripts. We segmented the data based on several nodes: in the first stage a node for each aspect of the value chain and in the second stage a node for each proposition.

We began the analysis with nodes from the value chain. We divided our dataset into two sets of five companies. We both coded one set of companies, following the same two steps. The first step involved broad-brush coding in which we organized the material into broad topic areas using Text Search queries. These queries were based on key words that we linked to the individual propositions. We used synonyms and stemmed words to minimize the risk of missing data. In the next step we manually checked the transcripts to make sure all necessary data were included. We then switched the sets and checked each other's nodes and references. During this process, we found out that Porter's value chain was not complete. We thus initiated the earlier-mentioned second stage. Hence, we analysed our dataset again based on the propositions. In doing so, we followed the same pattern as described in the first stage.

After the coding phase, we analysed the data per company. The results of every company were extracted from the nodes based on the value chain and our propositions.

5. RESULTS

In this chapter, the results of the data collection are discussed. In the interests of confidentiality, we discuss all ten case studies in random order, and the company names are not mentioned. All results were derived from nVivo, based on the nodes that were discussed earlier, in section 4.5. Each case study is divided into two sections. In the first section, the aspects of the value chain concerning this particular company, are highlighted. In doing so, we implicitly reveal the organisational factors that contribute to successful implementation of a CSR strategy. Therefore, in the second section of each case study, we explicitly review the organisational factors that apply to that particular company. In Chapter 6 we merge all these individual organisational factors to come to an overall conclusion.

5.1 COMPANY ONE

Company one is a medium-sized enterprise that is a manufacturer and is active in the business-to-business market. This firm internationally orientated and have been applying CSR since the early nineties. Their take on CSR is that people, planet and profit should be key, and they are leading in producing environmentally neutral products.

Added value

The representative of company one stated that implementing a CSR strategy adds value to a business model. This could be noticed in several ways, but the company felt that cost reduction is one of the most important components: for example, by changing a company's view on waste or by turning it into raw materials for the next production process. This change of mind-set leads to lower costs in waste management. Furthermore, the company felt that CSR efforts enhance job satisfaction amongst employees, as their CSR efforts lead to positive attention from external parties.

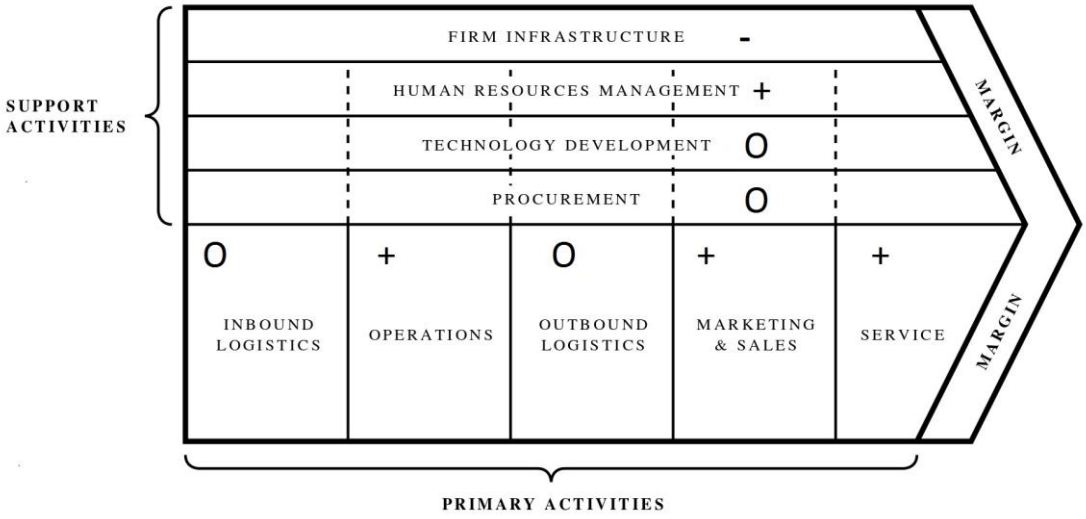

FIGURE 5: VALUE CHAIN FOR COMPANY ONE

Value chain components

In terms of firm infrastructure, this company saw room for improvement. This originates from the fact that their offices are not energy neutral. They believed that within their reach, they have undertaken actions to limit their impact on negative external effects. However, they felt that the influence of the company's context limits them from reaching their full potential.

Human resource management was perceived more positively. Safety policy is one of the main drivers in this department. This focus was initiated ten years ago and has developed towards sustainable employability, vitality and associated features. This results in added value in several ways, measured in terms of the average employment period and absenteeism. Also, the company representative pointed out that they notice a positive attitude of employees towards their employer.

According to this company it all starts with technology development. This is important both in regard to raw materials, and in the development of processes: for example inenergy management. They pointed out that this is at the core of their value chain and is linked with all other processes. The company saw stakeholder involvement as key to ensure this advanced, ongoing technological development.

The interweaving of sustainability throughout the company was also demonstrated in its purchasing policy. Although they have no specific policy, such as a sustainable purchasing program, the representative reported that they do bear it in mind with every step they take. As focus point for the future, they wish to structure the way in which sustainability is integrated in their buying policy.

Inbound and outbound logistics are outsourced. Therefore, their logistics can be seen as part of procurement. However, to establish a certain degree of sustainability in this area, they have set specific requirements for their logistic partners. Examples of these requirements are the condition of the vehicle, maximum driving hours and minimum wages.

The operations department has a positive impact on the success of their CSR strategy. This department is closely related with technological development. According to the interviewee, it is important to look at a company's core business. Looking for ways to make a product more sustainable should be at the core of a sustainability strategy.

Marketing and sales also work continuously on their contribution to the CSR strategy. Marketing has developed the proposition through which the company verbalizes their sustainable ambitions. In addition, the sustainability efforts have been shaped in the form of recycled packaging.

With regard to service, the interviewee stated that the company has developed a program in which the company collects delivered products when they have reached the end of their lifecycle in order to recycle them for further use.

Important organisational factors

As mentioned before, the company believes that when starting to implement a CSR policy a company needs to look at its core business: "You develop a vision that encompasses your sustainable goals, both towards your internal and your external environment". They look for factors that create synergy between people, planet and profit. In order to create synergy, the company believes that one should look for overlap of these factors.

In optimizing their CSR strategy, the company sees stakeholders as a driving force. Stakeholders are motivators and partners in forming and implementing strategy. They can help a company focus on points of improvement.

In managing CSR, the company believes it is best applied via linking pen, which means empowering staff to form and apply their own ideas given the set of skills that they have. As such, this process works top-down and bottom-up at the same time. This process starts with creating awareness. A second step is training personnel, which results in personal motivation and critical reflection on the company.

The company views CSR as something that is woven throughout its structure; there is not one specific person or division that focuses on sustainability.

The company uses management systems in order to visualize areas of improvement, and these systems help them to structure their efforts.

5.2 COMPANY TWO

Company two is a SME making products for the fast-moving consumer goods market and offering raw materials for the business-to-business market. The company has an international focus and have been implementing a corporate social responsible strategy for over a decade. Their strategy focuses on contributing to a better society by producing natural and healthy products and by supporting community projects.

Added value

This company also believes in the added value of CSR initiatives in their organisation. The interviewee feels that the company's CSR policy creates value in two ways. The interviewee stresses the importance of the company's reputation being improved by CSR efforts, which leads to better relationships with partners and customers.

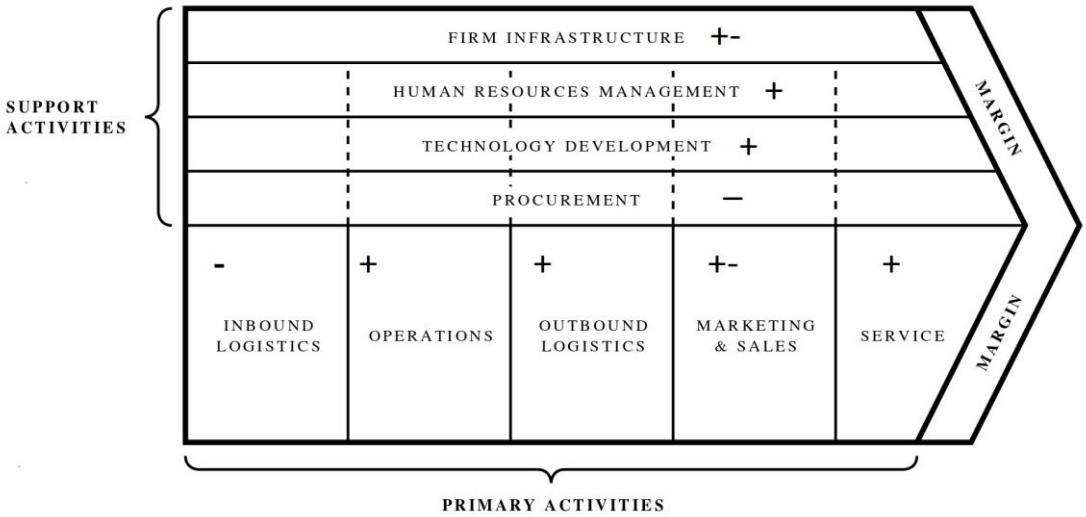

FIGURE 6: VALUE CHAIN FOR COMPANY TWO

Value chain components

Concerning firm infrastructure, the company feels that there is room for improvement. To stimulate growth in the future, it is important to create an extra management layer. This extra layer would enable top management to work on a strategic level, which would enrich the corporate sustainability strategy.

In terms of human resource management, the company feels they are on the right track. The company feels that its size allows for much attention to be paid to individual well-being. Furthermore, the company offers jobs for people with intellectual disabilities and internships for students.

A multidisciplinary team of both internal and external company members oversees technological developments. In all new developments, a certain level of sustainability is required. Given the possibilities, they try to apply this as much as possible.

Currently, there is no specific procurement department. According to the interviewee, this lack limits the company's level of efficiency and compromises a solid strategy and guidelines for procurement.

Inbound and outbound logistics are dealt with in a similar manner. The company would like to create more focus on these areas. The company sees their transport partners as ambassadors of the company. Therefore they feel it is important to have clear selection criteria. However, these still need to be developed.

The company sees the operations department as the key department in their CSR strategy. The interviewee stated that the firm is making great efforts to optimize working conditions and is providing training for their employees. These goals are linked to their Human Resource Department.

Another important determinant of the success of their CSR strategy is the marketing and sales portion of the company. The company has chosen to divide these into two different departments. The marketing department tries to communicate the CSR vision to external parties and to create awareness throughout the entire organisation. The sales department is in charge of strengthening relations with current and potential clients, but CSR is not explicitly applied in this department.

Important organisational factors

This company believes in building a pyramid when it comes to developing a solid corporate social responsibility strategy: "In the beginning you try involve all employees. This is the foundation of your pyramid. In a next stage you try to indicate which people have the motivation to go with you to the next level. Therefore it is important to first indicate how you will approach social responsibility." The company believes this is best done top-down. The idea is to try to match this approach with staff or looks externally in order to optimize your team.

Furthermore the company believes that it is important to have a broad vision. CSR goals have a longer timeline by nature. Because of this, the company feels that it is difficult to attach key

performance indicators (KPI's) to CSR-related projects. Hence, it is important that the management systems are organised in such a manner that projects with a longer payback period are allowed.

This company has chosen to put corporate social responsibility under the umbrella of marketing- and research and development-related tasks.

5.3 COMPANY THREE

The third company is also a manufacturer in the fast-moving consumer goods market. The company was founded in The Netherlands, but now has more than 10,000 employees worldwide. In their mission statement, they state that they feel it is their responsibility to strive to create added value for all parties while dealing with the responsibly of the growing shortage of nutrients. The company started with their CSR-vision just five years ago.

Added value

This interviewee stated that it all starts with the realization that CSR creates value. This is the main motive for companies to initiate a CSR strategy. The company feels that as long as CSR is not a business case, it tends to become a form of green washing[8]. Value is added in the form of improved reputation, attractiveness for young talent, enhanced negotiation power with financial partners and increased governmental support for growth.

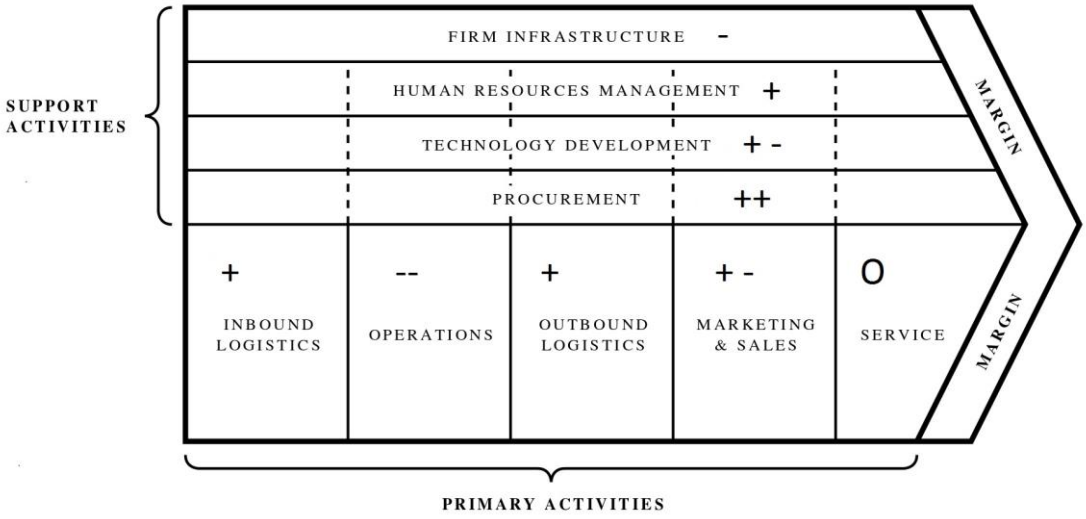

FIGURE 7: VALUE CHAIN FOR COMPANY THREE

Value chain components

[8] Green washing is the overstating of the environmentally or socially conscious attributes of a firm's offering and the understating of the negative attributes for the firm's benefit (Financial Times).

In terms of infrastructure this company feels there is room for improvement. Since this is a rather large enterprise and they started their CSR strategy not long ago, they feel that the management systems still need to be updated. This need is mainly demonstrated in the payback period and the KPI's.

Technological developments give the company the opportunity to move forward. However, they feel held back by management systems. For example, a promising technology may not be implemented due to the expected payback period.

Procurement is seen as one of the strong suits of the company. This is mainly due to a new manager, who knows how to manage deadlines and take steps in terms of CSR.

Most of this company's pollution originates from transport. Therefore, efforts to reduce this pollution are undertaken in the inbound and outbound departments by, for example, using trucks that run on solar energy or by transporting via ships.

In terms of operations, there are still some steps that can be taken. The teams who manage the teams in the operational department are still mainly focused on costs and efficiency. This may influence the CSR strategy negatively.

The marketing and sales department is the other strong suit of this organisation. This company manages to create a strong link with consumers and involve them in their CSR efforts. In terms of communication, the organisation uses special packaging on their products. They also use social media such as Facebook and Twitter to involve their consumers in their CSR strategy.

Service is not seen as a key factor in terms of CSR. The company feels that there must be a high level of customer service in general; however, this is not directly linked to corporate social responsibility.

Important organisational factors

This company feels that the employees are central. The interviewee believed it all starts with the understanding that corporate social responsibility leads to added value. If this understanding is non-existent, all CSR efforts will become only a form of green washing.

According to this enterprise, the CSR strategy should be formed top-down. They feel this is necessary in order to generate strong shifts in a short period of time. Once this beginning is established, it is important to work bottom-up. By determining goals bottom-up the company can create support throughout all layers of the company.

The company is now restructuring their management systems. They are working towards longer payback periods. Beyond this restructuring, they believe the chosen strategy should be implemented in all departments and layers of the company.

The key forces behind the CSR efforts are the company's research and development department and marketing and sales department. Marketing and sales form the link with buyers and stakeholders, and the company views good communication as one of the main requirements in developing and implementing CSR. In order to create this dialogue, the company is an active member in various non-profit organisations, but also organizes stakeholder meetings.

5.4 COMPANY FOUR

The fourth company is a small enterprise that is active in the business-to-consumer market. They target the Dutch market but manufacture their products in Europe. This company anticipates a world in which there is no such thing as waste and tries to implement this vision in the products they manufacture.

Added Value

This company feels that CSR initiatives lead to added value. This value realized in the form of a sales argument. The interviewee stated that consumers pay more attention to sustainability, and that the company's CSR-strategy responds well to this trend. They feel, as well, it is helps differentiate them from competitors. As CSR is at the core of their product, it strengthens their communication towards external parties. Next to that it justifies an above-average price for their product.

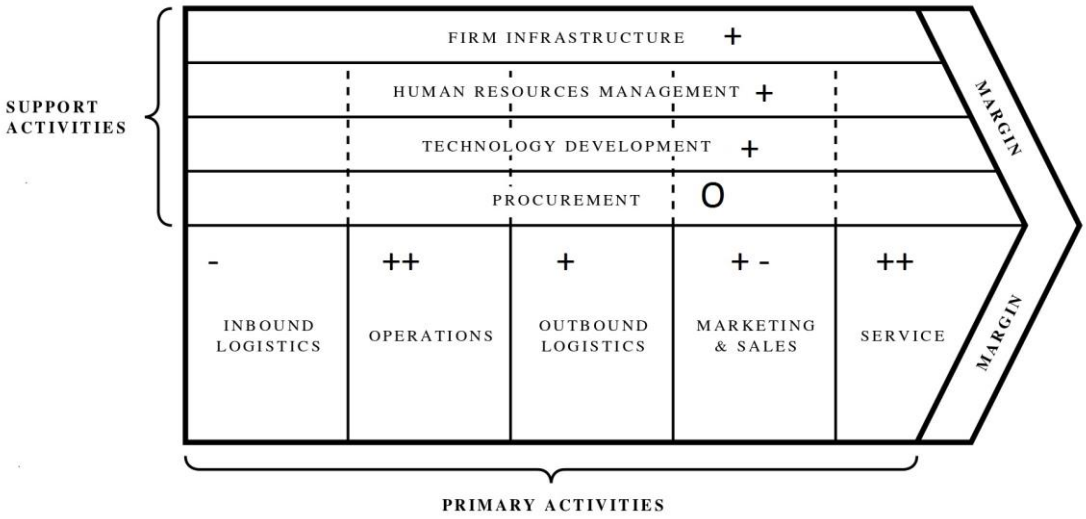

FIGURE 8: VALUE CHAIN FOR COMPANY FOUR

Value chain components

In terms of firm infrastructure, the company's office is considered to be in the top of its league when it comes to sustainability. However, the building in which their office is located is not very sustainable. This company does not use any particular management system because of the size of the company, which enables short management lines.

According to the interviewee, there is no specific CSR policy for human resource management. However, via social programs that are initiated by the local government, the company offers jobs to people with intellectual disabilities.

The company considers its technological developments to be strongly linked to their production and procurement departments. In terms of procurement, they set requirements for their partners and suppliers. To ensure they are working with sustainable partners, they use labels such as Max Havelaar. The organisation also chooses to work with European manufacturers to ensure no child labour is used in the production process.

Both inbound and outbound logistics are outsourced. Currently, the company does not have a clear vision or strategy in making this department socially responsible. However, this is a focus point for the future.

The company mainly communicates through social media and digital newsletters, and the company has direct contact with its customer base, which enables them to involve these customers in strategic decision-making in terms of CSR.

Service is one of the pillars of this organisation. The company recycles used products and offers customers a discount for returning used products. This forms the greatest implication of their CSR mission and policy.

Important organisational factors

One of the lessons for this company, in regard to forming a CSR strategy, is listening to their clients. Originally they produced items that they believed to be great rather than consulting clients. This led to unwanted waste, since often not all products were sold. .

According to the interviewee, the company needs to fully attune their core business to CSR before they can set pressing requirements for their suppliers and partners.

This company believes in a continuous cycle of innovation. The sense of urgency in striving towards the production of sustainable goods originates from the CEO's experience. The CEO draws the main strategy, but initiatives in reaching this goal can originate from every part of the organisation.

In addition, the company feels that it is important to involve external parties in developing their CSR strategy. They do this by joining networks and non-profit organisations.

5.5 Company five

This multinational is a manufacturer that is active in the business-to-business and business-to-consumer market. The company was not founded in The Netherlands, but has been present there for over eighty years. Their strategy focuses more on the social aspects of CSR.

Added Value

This company sees CSR as an amplifier for business development. They believe CSR creates value through improving reputation. A strong reputation helps them to attract the best talent, leading, in turn, to a better-functioning company. CSR leads to an upward business cycle.

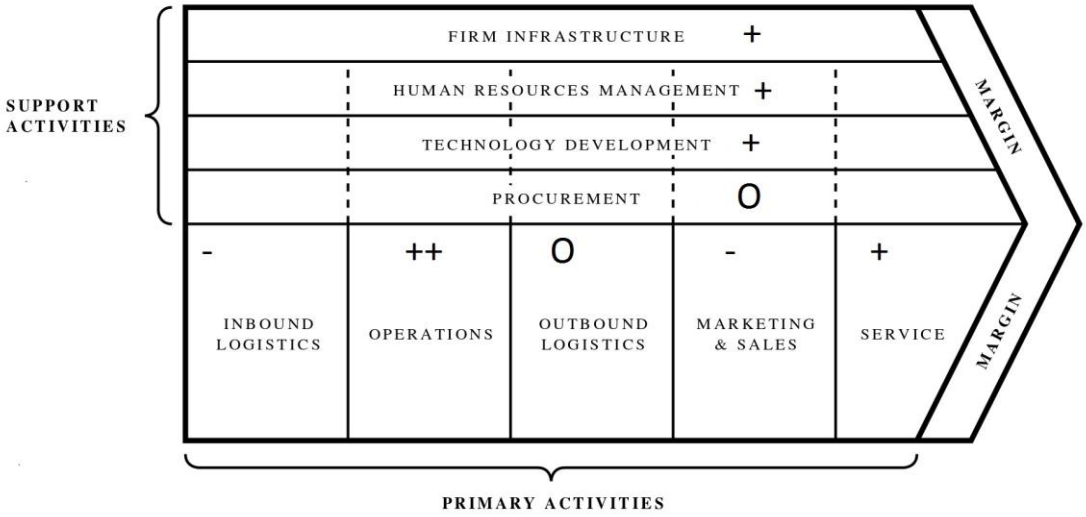

Figure 9: Value chain for company five

Value chain components

This company's firm infrastructure is acceptable, according to the interviewee. All business premises are trying to reduce their energy and water usage.

The Human Resource Department of this organisation is at the heart of the CSR strategy. Employees of this organisation are offered free training and fringe benefits such as full health insurance. This

department has also initiated a project where disadvantaged young people get the chance to learn skills that increase future job opportunities.

The company is satisfied with the current performance of their research and development centre. Given the available technologies, the company tries to make their products as sustainable and environmentally friendly as possible.

The procurement department of this company has made major improvements over the last five years. For example, suppliers now have to be able to justify the components of their products. If they do not have the right certifications, they will not become business partners. There is much awareness of CSR in this part of the organisation.

Inbound and outbound logistics are outsourced. However, the company itself manages the warehouses from which the products are transported. To reduce unnecessary transportation (for example, trucks that are not fully loaded), the company tries to apply the 'Just in Time' logistic method. They also try to cluster deliveries.

In terms of operations, the organisation believes that they are on the right track already. The CSR vision is already implemented in all the activities of this department.

The marketing and sales departments are areas of improvement for this organisation. They try to improve their packaging systems, as they would like to shift towards recyclable or re-usable packaging. As well, they would like to reduce a certain level of bias that is displayed in their advertising. This relates to the social aspects of CSR.

In terms of service the organisation strives to limit waste production. In collaboration with their external (business-to-business) partners, they try to develop re-usable promotional displays.

Important organisational factors

The development of the strategy is handled top-down at the global headquarters. Accordingly, the headquarters ask the departments in the various countries to act responsibly. It is up to these departments and management levels in each country to fulfil this responsibility as they see fit. The HR department of each country helps to prioritize and divide the various initiatives.

The organisation believes that their CSR strategy should focus on both internal and external stakeholders. Once employees are hired, they are educated about waste control and how to minimize energy and water usage. However, in forming a CSR strategy it is important to listen to the needs of external stakeholders, including consumers.

The organisation creates a sense of urgency amongst employees by organizing special brainstorming sessions. The involved internal departments handle communication with external stakeholders.

In terms of added value, the company sees improvements in terms of reputation. They feel most of the added value is intangible. However, a successful CSR strategy impacts the company's reputation and helps to attract the best talent.

5.6 Company six

Company six is a large enterprise that manufactures products for the business-to-business market. They are internationally active and have been applying their CSR strategy since the early nineties. This company has integrated their sustainability goals in their mission.

Added Value

This company also feels that CSR creates value in several ways. They feel that having a higher purpose stimulates creativity and innovation in the organisation. This higher purpose also leads to more involvement from their personnel. Furthermore, they feel that their CSR strategy provides them with a long-term license to exist and improves their reputation.

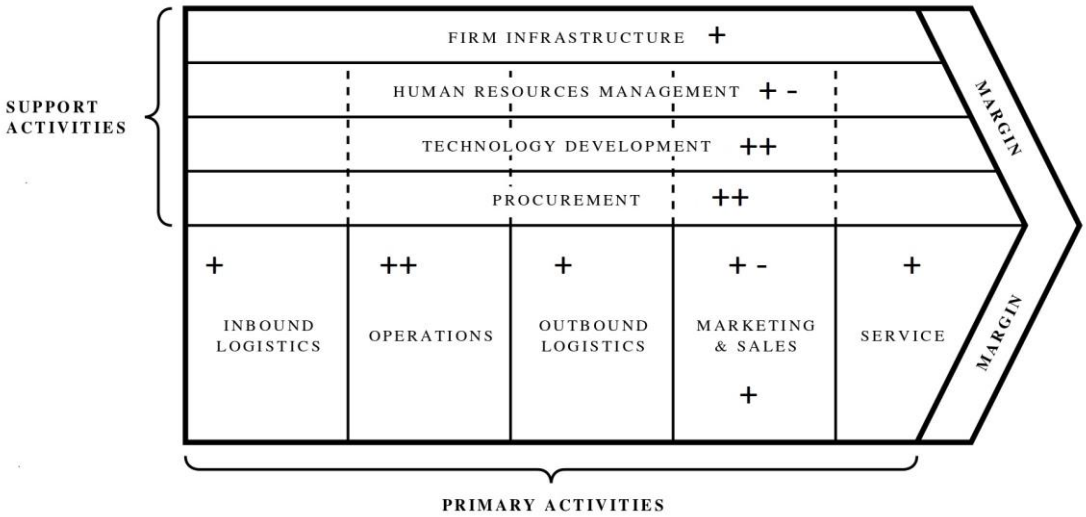

Figure 10: Value chain for company six

Value chain components

The firm infrastructure department is perceived as a positive element of the company in terms of CSR efforts. According to the interviewee, the buildings are a reflection of their sustainable identity, as these are built based on ecological principles. This has resulted in very low energy use.

Even though the Human Resources Management department is part of the CSR efforts of the company, this department does not have a specific influence on CSR policy. As the Human Resources department is relatively small, it follows the goal that was set by the company.

Technological developments are one of the key drivers of sustainable initiatives within this company. However, the company also sees sustainability goals as the primary driver of technological development.

In this company, procurement is regarded as a partnership with suppliers in which they exchange knowledge and experiences. The procurement department has played an important role in developing several sustainable projects in this company.

As both inbound and outbound logistics are outsourced, the aspects of these value chain components relate more directly to the procurement department. An example of the company's policy is a partnership with a logistic partner, through which they were able to reduce CO2 emissions.

The operations department is the flagship for this company, as they were able to innovate in the production process. The organisation has implemented their CSR vision so effectively that they expect to achieve an ecological footprint of zero within the next decade.

According to this company, the marketing and sales departments have two different divisions. In terms of marketing, this company feels that it is important to be transparent, even though this is a challenging goal to accomplish. Sales on the other hand, is linked with the service department.

Important organisational factors

Sustainability is viewed as an issue that cannot solved by only the company's internal departments. Therefore the organisation actively involves their supply chain and other stakeholders in this process.

The CSR strategy is integrated in this company's mission, which revolves around having a restorative effect on their internal and external environment. This goal is integrated with their core product and business operations.

The CEO of the company initiated the CSR activities and goals. At first, the primary motive was to meet the buyers' demands. Eventually, it became part of their license to operate. Still, the customers' demands are key to the company's range of products.

Employees are actively involved with the CSR strategy via training, in being ambassadors for the company and by initiating their own sustainability projects. The company also points out that risks are necessary in order to be sustainable and innovative.

5.7 COMPANY SEVEN

Company seven is a large service provider that operates both in the business-to-consumer and the business-to-business market. They are internationally active and began their CSR activities in the late Nineties. The core of their CSR strategy is to create a positive impact on public welfare by initiating partnerships with their clients.

Added Value

Company seven feels that CSR creates value in terms of long-term permanence, and they feel it is an important differentiator from competitors. This enables the company to enter into collaborations on a higher level.

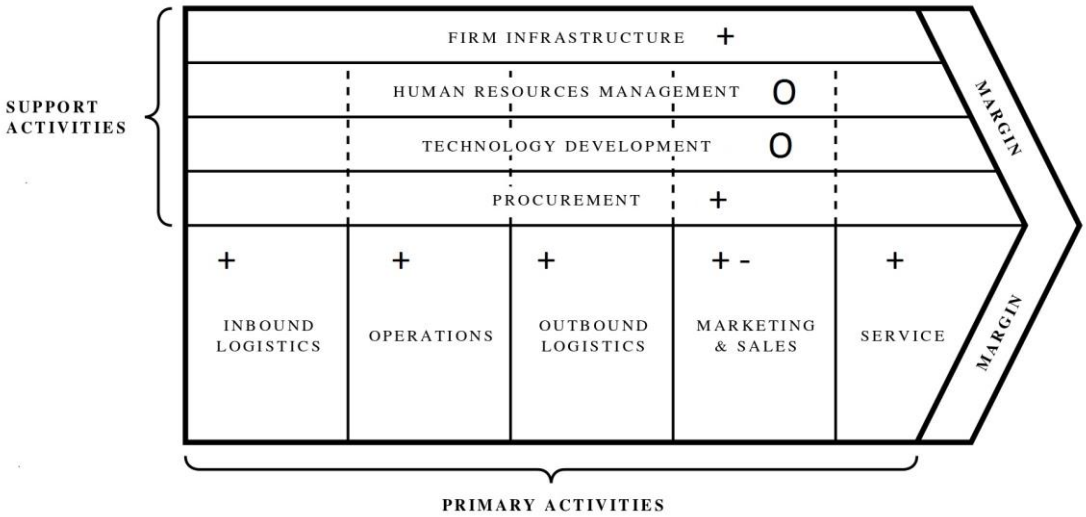

FIGURE 11: VALUE CHAIN COMPANY SEVEN

Value chain components

This company relates firm infrastructure to creating sustainable IT infrastructure. According to the interviewee, this sustainable infrastructure creation is implemented at a level that is perceived as satisfactory by the company.

There are possibilities for growth with regard to human resource management. Currently the company screens applicants on their affection for sustainability. This shapes the CSR efforts of the Human Resource Department. Even though sustainability is somewhat integrated in the training of new personnel, in the future it is to become an important selection criteria in staff recruitment.

Digitisation developments have been of significant relevance to the technological adjustments in this company. However, the organisation feels it has not affected their CSR policy.

There is a more important role for procurement, as the company embeds a sustainability statement in all purchasing contracts. The company also initiated partnerships between several companies in their industry to promote sustainable procurement. According to the interviewee, this purchasing policy also creates value in terms of cost reduction.

As the company is a service provider, it was difficult to define to role of logistics in their operational processes. However, they do promote the use of public transport.

The operations department was defined as 'all efforts concerning the core service that the company offers'. The company integrates its CSR strategy in this service by involving clients and helping them accomplish their CSR-related goals. Hence, by providing the service, the company supports their clients in developing the clients' own CSR policy. In the future, the company wishes to focus more on providing their service to sustainable frontrunners, and by doing so, increase their social impact. Additionally, the operations department is perceived as the most important part of the value chain in terms of contributing to the success of the CSR strategy.

The interviewee states that the company is known for their CSR strategy amongst their stakeholders. However, there are still some possibilities for growth. For example, the company would like to communicate their CSR efforts more clearly to the target group, and they feel that marketing and sales are two different aspects of their company. The sales department is about selling their service, while marketing is about telling a story.

Furthermore, once the service is provided, the company aims to keep in contact with their clients in order to promote sustainability by organizing events and distributing a magazine. However, the objective of this after-sales program is both to promote sustainability and to ensure an active customer relationship.

Important organisational factors

The company's license to operate is based on customer relations, and the company says that their customers expect them to have a certain affinity for CSR. They thus integrated sustainability into their corporate values.

The company started their CSR activities in the late Nineties, when the chairman of the board of directors—referred to as a guru—initiated this strategy. Ever since CSR activities have grown into an

important aspect of the firms' ability for long-term continuity. Therefore their approach to CSR is embedded in the core of their business and how this helps the customers.

As the company's affiliates are geographically diffuse, these offices have a high degree of freedom in terms of their CSR plans and initiatives. Therefore the development of the CSR strategy has a bottom-up character.

5.8 COMPANY EIGHT

Company eight is a large enterprise that provides services in both the business-to-consumer and its business-to-business market and holds multiple brands. The company operates on a national level and the CSR strategy focuses on improving social welfare for both the current and the next generation. They feel that transparency is of great importance. The first sustainability report from this company was released in 2003.

Added Value

This company feels that CSR creates value in two ways. First, it enables the company to stay relevant to customers in the future. Second, it might have an indirect effect on the company's financial performance. The company feels that if it can reduce the negative external effects that are created and is at the foundation of the need for CSR, it will have a positive effect on profit.

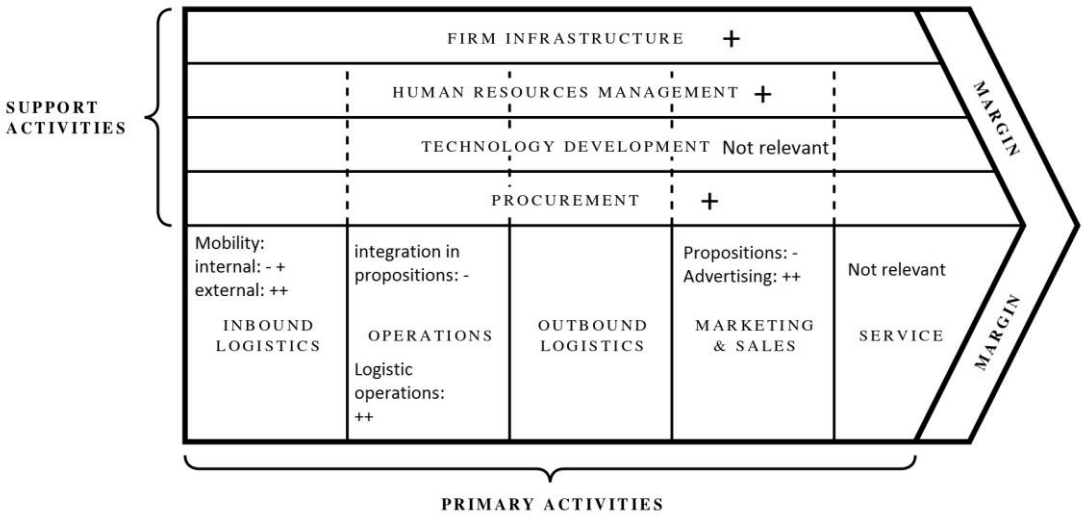

FIGURE 12: VALUE CHAIN FOR COMPANY EIGHT

Value chain components

For this company, firm infrastructure relates to its offices, green energy and CO2-neutral emissions. Even though the interviewee feels there is some room for improvement, the firm infrastructure is assessed as an area that has implemented CSR successfully.

According to the company, their Human Resource Department consist of two sides. First, there are the employment conditions, which were altered years ago and are up to date. Second, the company creates awareness of CSR amongst personnel. The company feels, however, that this educational aspect is not currently a focus point.

The company does not see a direct link between technological development and their CSR efforts.

Procurement is part of the company's broader CSR strategy and is seen as a positive aspect of their CSR efforts.

Since the company is a service provider, both inbound and outbound logistics were defined as mobility of personnel. Their internal efforts to make mobility policy more sustainable are perceived as only moderately successful. However, they do focus more on assisting their clients in integrating sustainability in their mobility policy.

In regard to the operations department, the company states that CSR should be further embedded in the propositions. This is one of the focal points to be emphasised in future, as the company sees it as a necessity to survive in the long-term and to ensure their relevance as a service provider. They will focus on assisting their clients with their sustainability goals. According to the company, integrating sustainability in its core products and propositions is directly relevant to the degree of success of CSR.

Although the company feels they advertise ethically, there are some areas of improvement with regard to marketing and sales. According to the interviewee, CSR strategy should be part of the propositions offered to the clients. They aim to be transparent by communicating about their CSR efforts in the Annual Report and on their website. Since sustainability was not integrated in all other aspects of the company, the interviewee felt that it was rather impossible to integrate it in the company's service and aftersales.

Important organisational factors

The company believes that today's business is under pressure, and that they should adjust their service in order to stay competitive. This will shift towards a service in which they assist their clients to become more sustainable.

To assess what the most important issues are and prioritize them, the company plans to organize stakeholder dialogues. Since the company's service is linked with a large range of external factors, it is critical to them to stay in touch with developments in society. The interviewee believes that external pressure from stakeholders might be key in creating support for CSR throughout the company. This support is essential to create motivation among your personnel.

Furthermore, according to the company, top management support is important, as the company is a hierarchical organisation. However, initiatives such as volunteering are not coordinated by the management. The management deliberately leaves room for initiatives from employees in this matter.

The sustainability department was founded with the arrival of a new CEO. From this year on, sustainability became part of the company's KPIs, which provided CSR with a clear position within the corporate strategy. Another example of this integrated CSR strategy is the integration of the CSR report in the Annual Report.

5.9 COMPANY NINE

This is a medium-sized enterprise and a manufacturer of products that are sold to both businesses and consumer target groups. The company sells their products on a national level, and their CSR strategy focuses on creating a balance between planet, people and profit. The strategy has taken shape since 2012.

Added Value

Company nine feels that CSR creates value through cost minimization. Approaching primary and supporting activities from a different angle offers insight into waste production and the use of fossil fuels. This view enables the organisation to restructure and cut back costs. They feel that implementing CSR-policy leads to increased job satisfaction amongst employees.

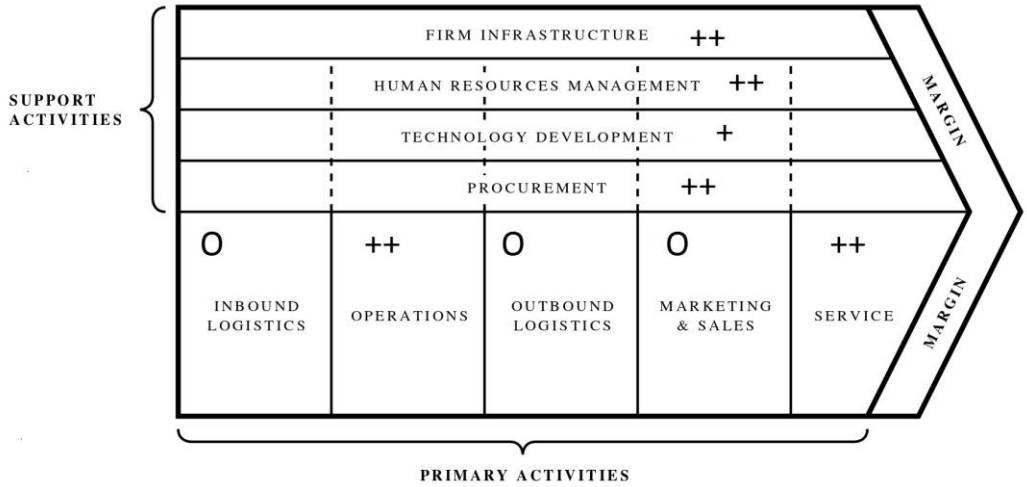

FIGURE 13: VALUE CHAIN FOR COMPANY NINE

Value chain components

This company explicitly divides firm infrastructure into two aspects: buildings and management systems. The interviewee stated that there is opportunity for improvement concerning the building, as these are rather old and not suitable for solar panels. The company is more satisfied with regard to management systems and their certificates.

The Human Resources Department offers several training opportunities and has a special policy for elderly and pregnant employees. However, training their personnel to create awareness of sustainability is not a point of focus.

The company does not mention their own efforts in improving CSR performance in terms of research and development. Nonetheless, according to the interviewee, they do implement other (externally funded) technological innovations or developments beneficial to their sustainability strategy.

In regard to the procurement department, the company has initiated several projects in which they tried to develop a sustainable supply chain. However, these projects are only a relatively small part of their total production. The interviewee also stated that the company is undertaking action to promote the circular economy, leading to several projects in which they have a circular purchasing policy.

The inbound logistics department is outsourced, and the company feels there are few possibilities to improve this part of the value chain.

The company states that, in relation to operations, they focus mainly on safety and the reduction of energy and CO2 emissions. According to the interviewee, sustainability is a factor that is taken into consideration with every decision they make on the operational level.

The company faces some difficulty concerning sustainable outbound logistics. This leads to negative consequences for the company, as the trucks used to distribute their products will drive back empty once they have delivered the goods. However, these trucks meet high sustainability standards.

With regard to the marketing and sales department, the company decided to use recyclable materials in their packages. Beyond this decision, they believe that their CSR policy is a sales argument to their customers. However, the company feels that they should be humble in their marketing in sales statements.

The company also recollects certain packaging materials once their products are bought, to reduce the amount of waste that comes along with their products.

Important organisational factors

This company deliberately chose to implement their CSR strategy throughout the entire organisation; there is no CSR department or CSR manager. The reason for this is that the company believes that sustainability should go without saying and should naturally be part of every decision the company makes.

In addition, the company believes that exploring all avenues helps learners become part of the learning process. This is linked to the wide range of training and educational program that they offer to their employees.

The company has a group of internal advisors that council the board and other managers on sustainability issues. This group also assesses the CSR policy.

Most importantly, the company states that they look to their supply chain for their sustainability goals and developments.

5.10 COMPANY TEN

Company ten is a large service provider in the business-to-business market. It holds several brands and is internationally active. Their CSR strategy focuses mainly on the people's wellbeing and has taken shape in the past five years.

Added value

This company feels that CSR creates value but finds it hard to identify its exact implications for the company. They feel that their CSR efforts contribute to a holistic vision of society, especially its social aspects, and that this feeling of doing good enhances job satisfaction. Next to that, they believe that CSR is an innovator. It helps the company to seek innovations outside their comfort zone.

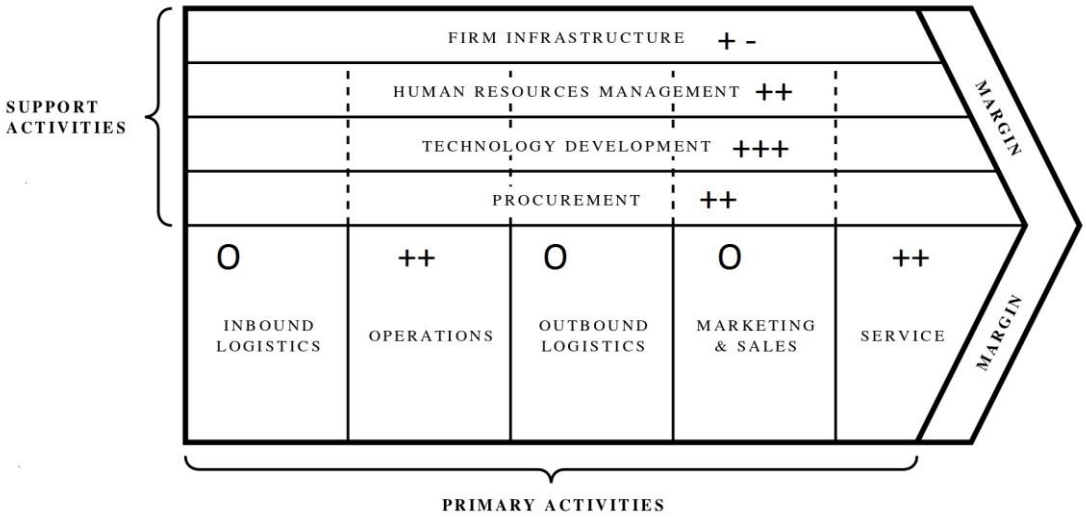

FIGURE 14: VALUE CHAIN FOR COMPANY TEN

Value chain components

The company perceives their firm infrastructure as rather complex and finds it difficult to make CSR related adjustments. This is due to the fact that all brands have a certain degree of freedom in the implementation of the corporate strategy. However, the interviewee also states that this degree of freedom might motivate and involve employees.

The corporate level has a greater influence on human resource management. This results in more similar employment conditions throughout the brands. The company considers these employment conditions to be strong.

The company sees technological developments as an enabler for sustainability projects. In other words, technology is perceived more as a means than as an end.

As this company is a service provider, they do not purchase any raw materials. However, CSR is integrated in the purchasing policy concerning office equipment.

Both inbound and outbound logistics were defined as mobility. For this company, mobility causes a substantial proportion of their CO2 emissions. In order to reduce these emissions, the company aims

to obtain a fleet of energy-efficient cars. Reducing the emissions is also a point of focus in their mobility and office management policies.

According to the interviewee, an operations department is at the core of any CSR policy. To this company, the 'planet part'[9] of the CSR policy is more of a basic requirement and condition. The real challenge is to have a positive impact on people. Nowadays, the company notices that their everyday activities and CSR activities are connected, which makes it difficult for people to distinguish one from another.

In terms of marketing and sales, the company feels there is room for growth. Currently the organisation does not communicate about their CSR efforts, and they would like to adjust that in the future. Next to that, as this company is a holds several brands, they do not advertise at a corporate level. In the future, the company wants to focus on communicating more on this level about their CSR efforts.

In regard to service, the company does not see a direct link between their service and CSR.

Important organisational factors

The interviewee feels that the old business model is no longer relevant; hence the market's demands have changed. The company does not view its CSR efforts as a specific sales argument, but as a license to operate. Furthermore, they received questions from clients in relation to their CSR activities, bringing greater attention to the subject. Nowadays, the company organizes stakeholder dialogues that involve several parties. This practice is interlinked with their CSR strategy, which also focuses on helping clients with their CSR issues.

The interviewee states that CSR is embedded in and woven throughout the company. To them, CSR involves examining the business from another perspective. The interviewee believes that CSR is an important part of corporate strategy and business operations. Hence, from this year on, the sustainability report is to be integrated in the Annual Report.

The company also points out that collaboration is an important factor in their CSR strategy. These collaborations result in co-creation and synergy.

The company feels very strongly about creating space and freedom to pioneer. Therefore, they are not following a certain program or pattern. This shows the openness of the organisation. According to the interviewee, a company should 'just do it', since it is quite difficult to concretize concepts at an early stage. This should contribute to a climate in which people can innovate and pioneer.

[9] As part of Elkington's people, planet and profit pillars.

Moreover, the company sees top management having an exemplary role, which should lead to support throughout the company. Involving top management is key to the success of any CSR strategy, according to the interviewee.

6. CONCLUSION

What are the critical success factors of a CSR strategy? After having interviewing ten companies in a wide range of industries, we try to answer this question. First, we draw conclusions based on the value chain in order to answer our first research question. We then reflect on the results in light of the propositions set in Chapter 3.2 to answer our second research question. For each proposition, we asses to what extent we found indications of confirmation of the six propositions throughout the different companies. This is done both textually and visually, with an infographic that shows how many interviews indicated support for this proposition. Green indicates that we found support, blue that we found contradictive data, and black that found no support regarding this proposition. In the last paragraph of this chapter, we summarize and highlight the most striking conclusions.

6.1 VALUE CHAIN CONCLUSIONS

We can say that several facets of the value chain are more often indicated as relevant for implementing a successful CSR strategy than others. On one hand, all the companies operate in a different industry, which gives a very diverse picture. On the other hand, there are numerous noticeable commonalities.

All companies feel that the marketing and sales department (seen together or as two separate departments) play a substantial role. However, it is just as often indicated as a focus area for the future. Companies believe this department plays an important role. However, the implementation of CSR can be further optimized in this department, according to several interviewees. Another important department is the technological department, also referred to as the research and development department. Here, companies make a distinction between the level of research and development within the company, and the technological developments that take place outside the organisation's internal context. Almost all companies feel that the level of internal progress, in terms of technology, is dependent on outside developments.

We also noticed a difference between production and service companies in terms of focus. Almost all manufacturers indicated that CSR starts with looking at the production department. This is then often interlinked with the research and development department, procurement department and marketing and sales department. Service companies, however, lean more towards adjustments in the Human Resource Department.

Furthermore, we also noticed that all companies, despite their industry, size or core activities, feel that corporate social responsibility should be integrated into all departments of the organisation.

Yet, some departments are more relevant or offer more opportunities, but it is never the responsibility of one sole department.

Finally, we found that all companies believe that the implementation of their CSR strategy creates value. This value creation is realised in three ways. First, CSR creates value in terms of cost minimization, as companies are more resourceful with their usage of raw materials and energy. Next, implementing their CSR strategy often provides firms with an improved reputation, since stakeholders and the public appreciate their efforts. Last, most of the companies feel that embracing CSR in their business operations ensures their long-term stability.

6.2 Conclusions concerning propositions

6.2.1 Corporate strategy

In section 3.2 we found that a CSR strategy must be in line with and integrated with the corporate strategy in order to be successful. According to the Dutch social and economic counsel, a CSR strategy is, in its nature, related to several operational processes and weaved throughout the entire organisation.

Figure 15: Corporate strategy

'CSR should be part of every decision you make.'

All companies believe that a CSR strategy could and should be integrated throughout the entire organisation. It should be a part of the core process of the organisation. Not all companies have a specific department for sustainability. Yet, all companies stressed that a CSR strategy should be embedded in all aspects of the organisation. Three companies mentioned that they integrate their sustainability report in their Annual Report, which again underlines the importance of CSR.

'The main focus lies on your capability to be able to look at your company from a different perspective.'

One of the interviewees said that top management, in general, knows in which areas the biggest opportunities for improvement lie. This knowledge, in combination with your added value on social welfare, forms the core of a CSR strategy. The interviewee felt that the organisation should focus on

these key pillars. The majority of the interviewees painted a similar picture. Extending the return on investment period is an example of how companies can adjust their corporate strategy to make space for CSR activities. This enables a company to invest in more sustainable projects, which have a longer payback period, by nature.

6.2.2 Top management support

Previous research indicated that top management plays an essential role when implementing change. Not dealing with this in the right manner could lead to resistance or even failure. Support can be created in two ways: either by empowering employees in a way that they feel involved in the formation of the strategy or by using the right set of communication tools when sharing a strategy formed by the top management. In a way it is a question of dealing with strategy bottom-up or top-down.

Figure 16: Top management support

'We started top-down, otherwise it would not have worked. We never could have come this far in four years. But now the time is there to reinforce the strategy bottom-up.'

All companies applied different tactics in creating this support. However there was consensus about an initial top-down approach. All companies felt in the first stage of forming a strategy should originate with top management. In doing so, even large companies are able to create progress in a relatively short timeframe. They also believe that this method provides all stakeholders, especially employees, a frame of reference that will benefit future developments.

In a second stage, a more bottom-up approach is advised. By empowering staff to indicate ways to apply the strategy, the company can reach their CSR goals more effectively. This inclusiveness will also create further support.

'The top management asked us what we could do to be socially responsible. The implications of our CSR vision are therefore differentiated according to the need of the country.'

The bottom-up approach leads to a more diverse set of CSR initiatives. As a CSR strategy is a comprehensive concept, so are the initiatives that contribute to it. For example, some companies chose to focus their CSR efforts on philanthropic projects; others chose to focus on CSR optimization in the production process. Some decided to use their knowledge to help people in developing countries, while others chose to help local society.

6.2.3 Champion

In section 3.2, we found that it is often one leader who initiates change and who lifts the company's vision and activities to a higher level. Therefore we asked the interviewees what or who the source of change in terms of a CSR strategy was.

Figure 17: Champion

'Eighteen years ago we had some initiatives in some countries. I saw globalization was already starting. But five years ago when the new CEO arrived things really took flight.'

The majority of the interviewees admitted that the change in strategy was caused either by a merge, or by a change in top management. Events such as these force the company to revaluate their focus and often enable a change of course.

It is also important that the leader or the management team have the capabilities to motivate others.

We did not find grounds for these propositions in every interviewed company. This lack could be explained by the job position of the interviewee. In all cases where we did not find confirmation for 'initiation by a champion', the interviewee held a strategy-making job position. This may be a factor that influenced their view on this proposition, as it is not likely that they would consider themselves as a 'champion'.

6.2.4 Corporate entrepreneurship

As described in section 3.2, allowing the emergence of entrepreneurs within the company is positively correlated to successful innovation management. Here, we will describe to which extend we saw (the emergence of) corporate entrepreneurship in our dataset.

Figure 18: Corporate entrepreneurship

'Who could do this alone?'

The majority of the companies actively encourage their employees to contribute to their CSR strategy. One of the company representatives said, 'Well, who could do any of this alone? This *(CSR)* is everyone's business, and that results in a certain company culture.' To what extent these companies involve their employees differs from organisation to organisation. This difference is to be expected, as the companies differ in size and structure.

For example, one of the companies offers their employees a training to become an ambassador of the company's CSR strategy. When finished with this training, these employees are challenged to initiate, plan and execute their own CSR project. Other companies do not use training to involve their employees; however, initiatives can naturally arise from all departments.

'You have to create a solid base of motivated and engaged employees. In a next phase involve those with a true passion for CSR.'

One of the companies specifically tries to empower its employees by giving them a certain degree of responsibility. They stimulate leadership throughout the company. Two other companies give their divisions and departments much freedom in terms of CSR strategy. For example, the departments have the freedom to initiate CSR projects.

The fact that almost all companies encourage their employees to contribute to their CSR policy might relate to the fact that almost all of them also believe that a CSR strategy should be applied in all disciplines of their company. It is possible that these two aspects are interrelated.

6.2.5 Formalization and control

In section 3.2, we saw that innovation management thrives under a decrease of formalization and control, and we expect that this also applies to a CSR strategy.

Figure 19: Formalization and control

"The freedom to pioneer"

The dataset is a bit fragmented in relation to the role of formalization and control in a CSR strategy. Only one company was clearly applying this principle, and the interviewee stressed the importance of the freedom to pioneer. Another interviewee stated that they do not use a methodology or certain model to outline their CSR strategy, but focus on experimenting, inventing and learning. Another company did not specifically mention a decrease of formalization and control, although they did point out that they started their CSR strategy without any structure. Furthermore, another company stated that in order to have a successful CSR strategy a company should have the nerve to stick its neck out.

"Our management systems secure the internal processes."

On the other hand, one of the companies also clearly stated that they used specific management systems in order to secure internal processes. Several companies pointed out that they have a clear strategy, in which CSR is, for example, translated into key performance indicators. This finding seems to be contrary to our proposition that a CSR strategy thrives under a decrease of formalization and control. However, one of the companies pointed out that in creating these rules they try to create space for CSR. For example, they tried to extend their return on investment period to five years, instead of the commonly used 3-year period. This could indicate that a company can formalize and control processes, while at the same time creating the freedom to pioneer and space for CSR.

6.2.6 Buyers needs

As described in section 3.2, we expected that the adaption of the buyers' needs leads to a successful CSR strategy. Here we focus on the buyer as a direct purchaser of the product or service that the company is offering. Theoretical research showed that a solid CSR strategy might lead to a competitive advantage for companies.

Figure 20: Buyers needs

'It is no longer a matter of a license to operate, it is a matter of a license to exist'

The dataset revealed that there is a growing demand from the consumer for sustainable products and services. As well, there is increasing social pressure on the organisation's impact on social welfare. One of the interviewees mentioned that the business model is under pressure in many ways. Hence companies are compelled from a financial point of view to adapt to consumers' needs. The buyers' needs have always been a focus. However, the consumers' focus leans more towards the world vision of companies and what they stand for. We also saw that it is very difficult for companies to gain insight into what really drives consumers. Often-used tools are surveys and focus group interviews. However, this remains a problem in many companies.

'Our customers asked, what are you doing with regard to CSR? We proudly answered: "we follow the rules", to which they replied: "then you clearly do not get it."'

The dataset views the involvement of their buyers and stakeholders in the formation of the CSR strategy as a differentiator of success. Several companies mentioned that their customers (both business-to-business, and business-to-consumer) expect them to have a certain vision regarding CSR. This goes beyond 'just' the buyers' expectations. Even in terms of employment, young people only want to work for companies who adapt CSR in their strategy. Concluding, we could argue that companies not only adapt to their buyers' needs, but to their stakeholders' needs more generally.

6.3 Control variables

To reduce the influence of other variables on the outcome of our research, we crosschecked our results with the control variables. We started by categorizing which companies would confirm or reject our propositions. We then checked the influence of company size, industry and the job position of the interviewee.

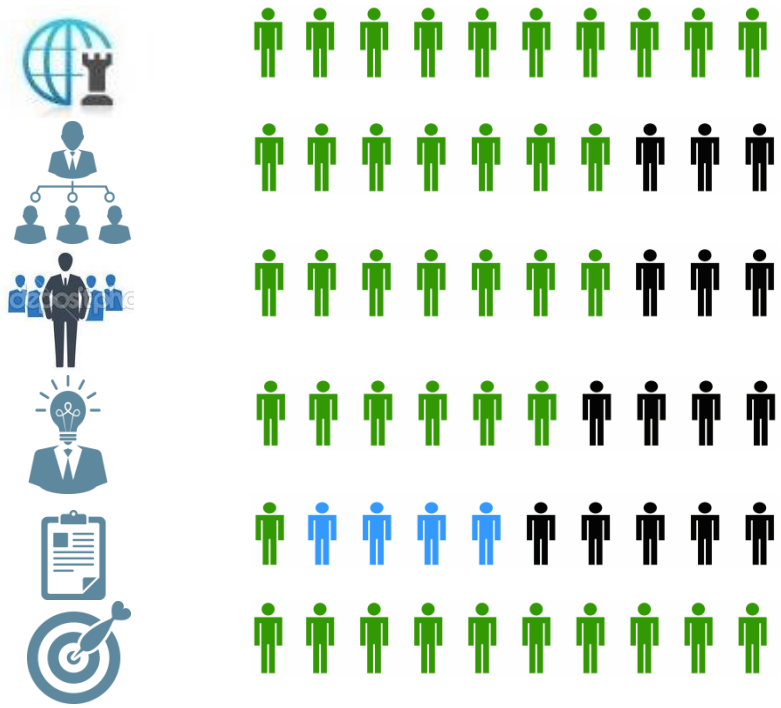

Figure 21: Results propositions

Green units indicate that the company confirmed this proposition. Black units indicate companies that did not mention or confirm this proposition. Blue units indicate companies that contradict the proposition.

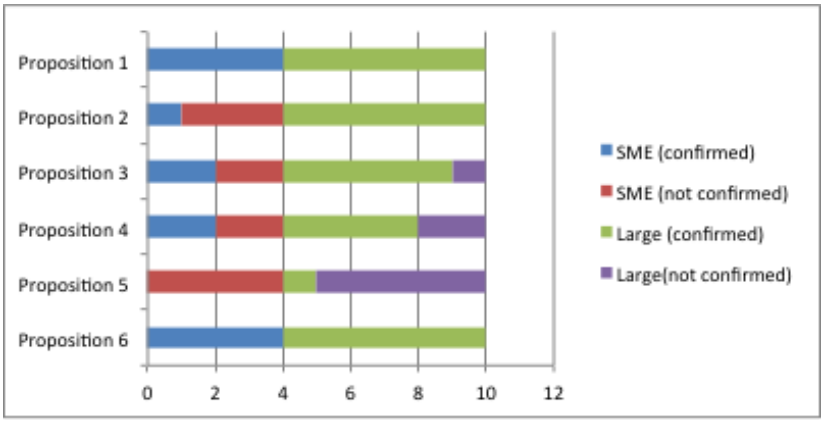

TABLE 7: PROPOSITIONS ACCORDING TO COMPANY SIZE

Table 7 shows us that there is a remarkable difference between the SMEs' and the large companies' perspectives on proposition three. Large companies seem to be more convinced of the fact that there should be top management support in order to create support throughout the company. This also appears to apply for proposition four (on initiation by a 'champion'); however, the differences are less distinct.

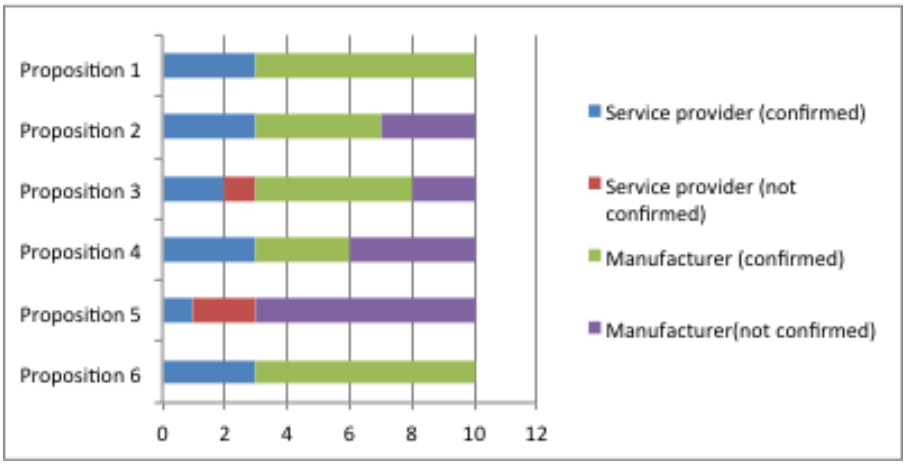

TABLE 8: PROPOSITIONS ACCORDING TO INDUSTRY

Table 8 shows the influence of the industry on the results. The most striking difference is expressed in proposition five. Four out of seven manufacturers state that they increase the level of formalization and control with regard to CSR. This contradicts our expectations. Amongst the service providers, only one out of three stated that they focus on a decrease of formalization and control.

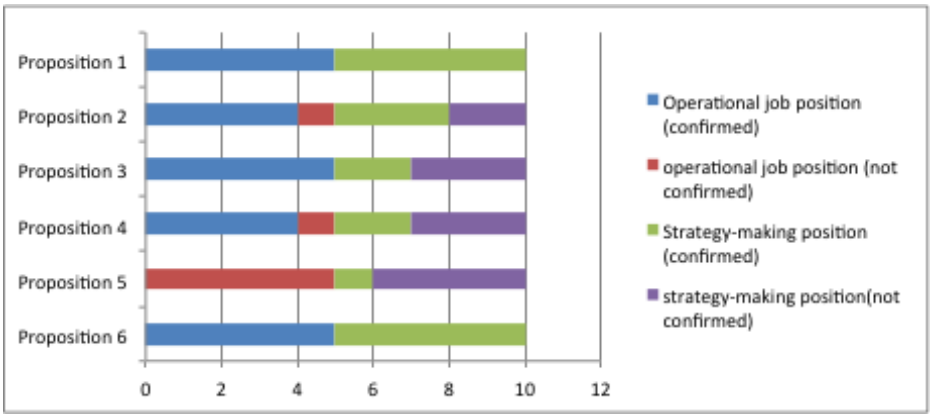

TABLE 9: PROPOSITIONS ACCORDING TO JOB POSITION

In Table 9, we see that interviewees in a strategy-making position are less inclined to confirm proposition four, on initiation by a 'champion'. All five interviewees in an operational job position did confirm this proposition. This might be due to the fact that, if there was a 'champion' it might be the interviewee him- or herself.

We can conclude that the control variables have some influence on the results. However, we cannot predict to what extent that influence is significant, as this is an explorative research project.

6.4 CONCISE OVERVIEW OF CONCLUSIONS

In conclusion, we can say that the first stage of our research provided us with insights into how a CSR strategy creates value. Value creation through CSR is realised by cost minimization, improved reputation and long-term stability. In the second stage, we found that integration in the corporate strategy and adaption to buyers' needs are recognized as very important in implementing a CSR strategy. Top management support was mostly perceived as important in an earlier stage, especially in large companies. Several companies stated that reinforcement from a bottom-up approach is needed at a later stage. Most companies felt that initiation by a champion (often a CEO or director) was very important. In those cases that we did not find confirmation for this proposition, we had spoken to a person in a strategy-making position that could have biased their response as it is unlikely that they identify themselves as a champion. Although corporate entrepreneurship was shaped differently in every company, most companies felt that this contributed to a value-creating CSR strategy. In contrast to our expectations, we found that several companies increased the level of formalization and control. However, this CSR-related formalization was and is aimed at creating space to implement the CSR strategy. Other companies viewed this formalization and control as a constraining factor.

The most important and striking findings to take away from our study are as follows:

- Value is created via cost reduction, improvement of reputation and long-term stability.
- Companies should consider both their buyers and stakeholders in general when formulating and implementing a CSR-linked strategy.
- A CSR-linked strategy should be started in a top-down manner, with the possibility to become bottom-up in a later stage.
- A longer payback period is an example of how an increase in formalization and control enables CSR initiatives.
- CSR needs to be an umbrella instrument that should be in line with your corporate strategy.
- Top management support is more important in large companies than in SMEs.

7. DISCUSSION

In this chapter, we would like to address four matters. First, we will reflect on our theoretical contribution to scientific literature. We will then discuss the strategic implications of our research for companies. After that, we will look at the quality of our data. And finally, we will offer recommendations for future research.

7.1 THEORETICAL REFLECTION

In this paragraph we would like to reflect on two aspects of the study; first, Porter's value chain and its use for mapping CSR and, second, the extent of our contribution to the scientific literature.

As mentioned in Chapter 4, we used the value chain to help structure the interviewees' thoughts. The value chain also served as a checklist in order to consider all facets of the organisation. Although the value chain is a rather comprehensive model, we found that it was not the most suitable model for mapping a CSR strategy. During the interviews with the service-providing companies, we noticed that certain aspects of this model were not relevant for these types of companies. Also, our interviewees felt that there were many CSR activities that could not be covered by the value chain. After the first stage of our study, we concluded that this model would not provide us with insights in value-creation organisational processes concerning CSR. We thus initiated a second stage, based on innovation management. Hence, we could say that Porter's value chain is inadequate for mapping a CSR strategy, specifically its implementation.

When we started this research, there was a clear gap in the literature. There was no literature concerning critical success factors of the organisational aspects of a CSR strategy. The research clearly shows that adaption to buyers' needs and integration of CSR within the corporate strategy are essential in achieving a successful CSR strategy. Furthermore, we found that a CSR strategy should not only be adapted to the buyers' needs, it should be in line with all stakeholders' wishes. In other words, according to our research, companies should involve their stakeholders and in their CSR strategies. They should also ensure that CSR is on the corporate agenda and becomes part of the corporate strategy. Initiation by a 'champion' in combination with top management support may not be necessary, but is strongly recommended. And although we found that top management support is important in an earlier stage, we also found that a bottom-up approach could reinforce the strategy at a later stage. These aspects are interlinked with support throughout the company. With regard to the decrease of formalization and control, we have not found clear strategic implications. Some companies find it important, for example, to use management systems to secure internal processes. Others point out that there should be space to pioneer. We did not find any factors that may have a

decisive impact on whether or not companies choose to increase or decrease formalization and control. Additionally, we would like to point out that most of the companies recognize the added value of a CSR strategy. We expect that this might be a basic requirement for a value-creating CSR strategy.

We expect that the discrepancies between the CSFs for innovation management and the CSFs we found indications for are due to the differences in the context. As mentioned earlier in our research, we see an overlap between many characteristics of innovation management and CSR management. However, these fields of study are obviously not completely similar. For example, an innovation is meant to satisfy customers in the future, whereas the goal of CSR is much broader. This difference could explain why companies should not only adapt to their buyers' needs, but to all of their stakeholders' needs when implementing a CSR strategy. Another striking difference is the degree to which companies believe that formalization and control should be decreased. We found that this decrease is one of the CSFs in the field of innovation management. However, several companies stated that they increased the level of formalization and control for their CSR efforts. This could suggest that companies and their employees create space for innovation spontaneously, whereas they might feel less inclined to create space for CSR impulsively.

7.2 Implications for companies

We believe that, in order to implement a CSR strategy successfully, a manager should pay attention to six aspects. First, the manager should aim to adopt CSR in the corporate strategy. This could take in the form of, for example, a mission statement or an integrated Annual Report. The stakeholders' wishes should be taken into consideration in the formation of a CSR strategy. Organising a stakeholder dialogue could help realize this goal.

Furthermore, a manager should aim to initiate the CSR strategy in such a way that he or she inspires employees. In other words, a CSR strategy should be initiated by a champion. Additionally, especially in large companies, it is important to ensure top management support to create acceptance throughout the company. Another way of raising acceptance and awareness for the company's CSR efforts is to involve employees in these projects. It is advisable to apply corporate entrepreneurship to CSR as well. Lastly, a manager should ensure that there is space for implementing a CSR strategy. In order to do so, the manager could consider either increasing or decreasing the level of formalization and control, depending on the current regulations.

7.3 Reflection on the quality of our research

First of all, we feel there is no clear definition of the term 'success', as related to CSR. This makes it difficult to determine to what extent these companies are successful in terms of CSR.

Furthermore, we switched roles during the several interviews. Even though we used a topic list and the value chain during all of our interviews, it is possible that our personal styles of interviewing differ. This might have influenced the areas of emphasis and the tenor of the interviews. However, because we both have taken the lead in the same amount of interviews, we expect that this possible complication is sufficiently mitigated.

During the interviews we noticed that by using Porter's value chain interviewees tended to focus on the practical implications of their CSR strategy. This was beyond the scope of this research. Therefore we obtained a substantial amount of data that was interesting, yet not suitable for this study.

7.4 Future research

As our research is explorative in nature, it is not possible to form conclusions that are statistically significant. Therefore we would like to explore the possibility to test our findings via quantitative research. In particular, we would like to see the role of our control variables quantified. Therefore, we suggest survey research in which the noted critical success factors are tested amongst frontrunners and starters in terms of CSR. Also, we think it would be interesting to research whether our findings are applicable in other countries and in other contexts.

Furthermore, there is currently no clear definition of a successful CSR strategy. We would recommend that this should be defined in a clear and objective manner that makes it possible to assess organisations to reliably determine the success of their CSR strategies.

Finally, we noticed that there are no clear performance indicators for the practical implementation of a CSR strategy. Such indicators for management systems could offer the organisations support while shaping and measuring the tools that they use to realize their strategies.

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APPENDIX

Appendix 1. Glossary **78**

Appendix 2. Sample letter sent to participants Fout! Bladwijzer niet gedefinieerd.

Appendix 3. Operationalisation matrix Fout! Bladwijzer niet gedefinieerd.

Appendix 4. Summary pre-test Fout! Bladwijzer niet gedefinieerd.

Appendix 5. Script interview **95**

Appendix 6. Transcripts 1-10 **97**

Company 1 **Fout! Bladwijzer niet gedefinieerd.**

Company 2 **Fout! Bladwijzer niet gedefinieerd.**

Company 3 **Fout! Bladwijzer niet gedefinieerd.**

Company 4 **Fout! Bladwijzer niet gedefinieerd.**

Company 5 **Fout! Bladwijzer niet gedefinieerd.**

Company 6 **Fout! Bladwijzer niet gedefinieerd.**

Company 7 **Fout! Bladwijzer niet gedefinieerd.**

Company 8 **Fout! Bladwijzer niet gedefinieerd.**

Company 9 **Fout! Bladwijzer niet gedefinieerd.**

Company 10 **Fout! Bladwijzer niet gedefinieerd.**

Appendix 7. Value chains Fout! Bladwijzer niet gedefinieerd.

Company 1 **Fout! Bladwijzer niet gedefinieerd.**

Company 2 **Fout! Bladwijzer niet gedefinieerd.**

Company 3 **Fout! Bladwijzer niet gedefinieerd.**

Company 4 **Fout! Bladwijzer niet gedefinieerd.**

Company 5 **Fout! Bladwijzer niet gedefinieerd.**

Company 6 **Fout! Bladwijzer niet gedefinieerd.**

Company 7 **Fout! Bladwijzer niet gedefinieerd.**

Company 8 **Fout! Bladwijzer niet gedefinieerd.**

Company 9 **Fout! Bladwijzer niet gedefinieerd.**

Company 10 **Fout! Bladwijzer niet gedefinieerd.**

Appendix 8. List of participation in research Fout! Bladwijzer niet gedefinieerd.

6.1 Lisanne Maatman ***Fout! Bladwijzer niet gedefinieerd.***

6.2 Lizanne Reefman ***Fout! Bladwijzer niet gedefinieerd.***

Appendix 9. Benchmark reports Fout! Bladwijzer niet gedefinieerd.

Appendix 10. Declaration of honor **241**

APPENDIX 1. GLOSSARY

B

Benchmarking	The process of comparing one company's products and processes to those of competitors or leading firms in other industries to identify best practises and find ways to improve quality and performance (Kotler, 1996).
Bottom-up strategy	In a top down strategic management model, ownership or high-level management personnel determine objectives and how the rest of the business will work toward accomplishing those objectives (Chron, 2014).
Business-to-business market	Companies that target other companies, and not individual consumers, to sell their product or service (Kotler, 1996).
Business-to-consumer market	Companies that target individual consumers to sell their product or service (Kotler, 1996).

C

Carrying capacity	The maximum, equilibrium number of organisms of a particular species that can be supported indefinitely in a given environment (Dictionary.com).
Code	A code in qualitative inquiry is most often a word or short phrase that symbolically assigns a summative, salient, essence-capturing, and / or evocative attribute for a portion of language-based or visual data (Scalar, 2015).
Coding phase	The process where all the data characterised as a certain code.
Competitive position/ competitive advantage	Advantage that a company has over other rival players in the business that is sustainable over a prolonged period of time (De Wit, 2014).

Corporate entrepreneurship	The development of new ideas and opportunities within large or established businesses, directly leading to the improvement of organizational profitability and an enhancement of competitive position or the strategic renewal of an existing business (May).
Corporate social responsibility (CSR)	The responsibility of an organisation for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that: Contributes to sustainable development, including health and the welfare of society; Takes into account the expectations of stakeholders; Is in compliance with applicable law and consistent with international norms of behaviour; and Is integrated throughout the organisation and practised in its relationship (International organisation for standardisation, 2010).
Corporate strategy	The overall scope and direction of a corporation and the way in which its various business operations work together to achieve particular goals (businessdictionary.com, 2015).
Critical success factors (CSF)	Are those things that must go well to ensure success for a manager or an organisation, and therefore, they represent those managerial or enterprise areas that must be given special an continual attention to bring about high performance (Boyton, 1986).
E	
Economies of scale	The reduction in long-run average and marginal costs arising from an increase in size of an operating unit (a factory or plant, for example). Economics of scale can be internal to an

	organization (cost reduction due to technological and management factors) or external (cost reduction due to the effect of technology in an industry) (businessdictionary,2015).
Explorative research	Explorative research goes one step further than only describing the obtained data. The goal is to ascertain why differences in data occur. This research method is often applied for problems that are not clearly defined (Baarda, 2012).
Fast-moving consumer goods market	Are products that are sold quickly and at relatively low cost. Examples include non-durable goods such as soft drinks, toiletries, and grocery items. Though the absolute profit made on FMCG products is relatively small, they generally sell in large quantities, so the cumulative profit on such products can be substantial. E.g. Unilever, L'Oréal (Marketing FMCG).
Firm infrastructure	Firm infrastructure, as part of the value chain of Michael Porter, serves the company's needs and ties its various parts together, it consists of functions or departments such as accounting, legal, finance, planning, public affairs, government relations, quality assurance and general management (Porter, 1985).
Frontrunner	A person, contestant or company who outperforms their/its fellows in short term and is therefore more likely to outperform them on a long term.
G	
Globalization	Globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology. This process has effects on the environment, on culture, on

	political systems, on economic development and prosperity, and on human physical well-being in societies around the world (globalization101, 2015).
Green washing	It's green washing when a company or organization spends more time and money claiming to be "green" through advertising and marketing than actually implementing business practices that minimize environmental impact. It's whitewashing, but with a green brush (Greenwashingindex, 2015).
H	
Human resource management	Human resource management, as part of the value chain of Michael Porter, consists of all activities involved in recruiting, hiring, training, developing, compensating and (if necessary) dismissing or laying off personnel (Porter, 1985).
I	
Inbound logistics	Inbound logistics, as part of the value chain of Michael Porter, involve relationships with suppliers and include all the activities required to receive, store, and disseminate inputs (Porter, 1985).
K	
Key Performance Indicator	A set of quantifiable measures that a company or industry uses to gauge or compare performance in terms of meeting their strategic and operational goals. KPIs vary between companies and industries, depending on their priorities or performance criteria (Investopedia, 2015).
L	
Large companies	A large company has more than 250 employees, an annual turnover that is greater than € 50 million and a balance sheet total that is greater than € 43 million (European

	Union, 2006).
Licence to exist	Simular to license to operate. The difference is that the license to operate is tuned to the wants en needs of a market, so in terms of product or service that the company is offering.
License to operate	The (intangible) mandate given by a company's stakeholders, that allows the company to operate. This term is frequently used in combination with CSR, as companies have a responsibility to their stakeholders, and stakeholders on their turn have a certain degree of power over those companies.
M	
Marketing & sales	Marketing and sales activities, as part of the value chain of Michael Porter, inform buyers about products and services, induce buyers to purchase them, and facilitate their purchase (Porter, 1985).
Mission statement	A statement of the organisation's purpose – what it wants to accomplish in the larger environment (Kotler, 1996).
Node	A node is a collection of references about a specific theme, place, person or other area of interest (QSR International, 2015).
nVivo	nVivo is a qualitative data analysis (QDA) computer software package produced by QSR International. It has been designed for qualitative researchers working with very rich text-based and/or multimedia information, where deep levels of analysis on small or large volumes of data are required (qsrinternational, 2015).
O	
Operations	Operations, as part of the value chain of Michael Porter, are all the activities required to transform inputs into outputs

	(Porter, 1985).
Outbound logistics	Outbound logistics, as part of the value chain of Michael Porter, include all the activities required to collect, store, and distribute the output (Porter, 1985).

P

Payback period	The length of time required recovering the cost of an investment. The payback period of a given investment or project is an important determinant of whether to undertake the position or project, as longer payback periods are typically not desirable for investment positions (Investopedia, 2015).
Plus-minus method	The plus-minus method is a research tool that is used to detect problems, acceptance and appreciation. Because of its relatively high validity and versatility it is often used in qualitative research projects (Van Waes, 2014).
Primary activities	Primary activities in the value chain of Porter are those chains that are directly responsible for realisation of the product or service that the company provides (Porter, 1985).
Procurement	Procurement, as part of the value chain of Michael Porter, is the department in a company that handles the acquisition of inputs, or resources, for the firm (Porter, 1985).
Profitability	The quality or condition of being profitable. Also: the capacity to make a profit (Oxford English Dictionairy, 2015).
Proposition	Something proposed for discussion or solution; a problem, a riddle; a parable (Oxford English Dictionairy, 2015).
Prospect	A person who or thing which may be suitable for a

	particular purpose, or successful in a particular role; (in early use esp.) a potential or likely purchaser, customer, client, etc.; a candidate (Oxford English Dictionairy , 2015).

S

Semi-structured interviews	Is a research technique where the interviewer does not follow a strict list with questions, but structures the interview based on a topic list.
Service	Service, as part of the value chain of Michael Porter, includes all the activities required to keep the product or service working effectively for the buyer after it is sold and delivered (Porter, 1985).
Shareholder value	The value delivered to shareholders because of management's ability to grow earnings, dividends and share price. In other words, shareholder value is the sum of all strategic decisions that affect the firm's ability to efficiently increase the amount of free cash flow over time (Investopedia, 2015).
Small and medium enterprises (SME's)	Enterprises with less than 250 employees, less than an annual turnover of €50 and have a balance sheet total of less smaller than €43 million (European Union, 2006).
Social responsibility	See corporate social responsibility.
Stakeholder	A person, company, etc., with a concern or (esp. financial) interest in ensuring the success of an organization, business, system, etc. (Oxford English Dictionairy , 2015).
Supporting activities	Supporting activities in the value chain of Porter are those chains/departments that are not directly responsible for the realization of the product or service that the company produces, but provide support to the primary activities (Porter, 1985).
Sustainability	The degree to which a process or enterprise is able to be

	maintained or continued while avoiding the long-term depletion of natural resources (Oxford English Dictionairy , 2015).

T

Technology development	Technology developments, as part of the value chain of Michael Porter, pertains to the equipment, hardware, software, procedures and technical knowledge brought to bear in the firm's transformation of inputs into outputs.
Top management	The highest ranking executives (with titles such as chairman/chairwoman, chief executive officer, managing director, president, etc.) responsible for the entire enterprise. Top management translates the policy (formulated by the board-of-directors) into goals, objectives, and strategies, and projects a shared-vision of the future. It makes decisions that affect everyone in the organization, and is held entirely responsible for the success or failure of the enterprise (Business dictionary, 2015).
Top-down strategy	The top management chooses techniques to align project and goals. Management is responsible for the progress and end result (Gundlach, 2011).

V

Validity	Validity refers to the extent to which a concept or research design measures what it intends to measure (Baarda, 2012).
Value	The regard that something is held to deserve; the importance, worth, or usefulness of something (Oxford English Dictionairy, 2015).
Value chain	The idea of the value chain is based on the process view of organisations, the idea of seeing a manufacturing (or service) organisation as a system, made up of subsystems

each with inputs, transformation processes and outputs (Porter, 1985) (University of Cambridge).

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