

*Masterthesis Organizational Design and Development*

*Radboud School of Management*

# **Serving the World** \*

*A qualitative research into how Corporate Social Responsibility is incorporated in an organization and the roles of the organizational field and the organizational agents in this process*



**Radboud Universiteit Nijmegen**

Roselle van den Brink, BSc

S4121511

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Supervisor: drs. L. Gulpers

Second examiner: dr. ir. L.J. Lekkerkerk

*\* Based on Heineken's marketing campaign 2007  
"Serving the Planet"*

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## ***Abstract***

Corporate social responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and interactions with stakeholders on a voluntary basis. A lot of research on CSR has been conducted. It became so important in society and research, that organizations have to use CSR related norms, rules and routines to guide decisions. If they do not, the organization will not be accepted to do business. The process of using these norms, rules and routines in order to fit an institution is called 'incorporation'. Because the way *how* incorporation of CSR into organizations is still questioned, this master thesis in Organizational Design and Development answers the research question "*How is corporate social responsibility incorporated in an organization?*". This is done via a qualitative, deductive method. Heineken serves as a single case, because Heineken's CSR strategy Brewing a Better World (BaBW) is in top 50 of global organizations that have a positive impact on social and environmental issues (Fortune, 2016). Heineken can be an example for other organizations that incorporate CSR.

To answer this question and thereby serve other companies by providing recommendations based on Heineken's case, a combination of institutional theory and agency theory assesses *how* incorporating CSR takes place, and what the role of the organizational agents is in this process. The organizational agents deal with exogenous norms, rules and routines from principals and endogenous norms, rules and routines from the organization itself. Document analysis and in-depth interviews are executed to gather data on *how* CSR is incorporated in Heineken.

Analysis shows that stakeholders, who serve as principals, present exogenous norms, rules and routines related to CSR to Heineken's agents. These agents perceive this via dialogues and interactions, to understand what issues from the organizational field Heineken needs to incorporate be accepted to do business. At the same time, the principals expect Heineken's agents to achieve their goals. In addition, also endogenous norms, rules and routines are important, because this is an important part of Heineken's identity and is captured in its strategy. As a result, the incorporation of CSR is a balancing act where the agents play an important role.

The results of this study suggest that incorporation requires deliberate considerations of the organizational agents. The agents make the decision on what and how to incorporate via interaction, measurements, analyses and critical assessments. These activities shape *how* incorporation of CSR takes place. Resulting from these activities, artifacts are developed that stabilize *how* incorporation takes place. Examples of artifacts are BaBW, reports and targets. These activities and artifacts influence each other. Concluding, Heineken incorporates CSR not solely based on exogenous norms, rules and routines, as institutional theory suggests, but Heineken's agents collaborate with stakeholders and consider compliance of exogenous with endogenous norms, rules and routines.

# Table of Contents

<b>Chapter 1: Introduction</b> .....	<b>6</b>
<b>1.1 Corporate Social Responsibility</b> .....	<b>6</b>
1.1.1 CSR Strategy.....	7
1.1.2 The Discussion about CSR.....	7
<b>1.2 Objective of the Research</b> .....	<b>9</b>
1.2.1 Aim of the Research.....	9
1.2.2 Research Question .....	10
<b>1.3 Research Approach</b> .....	<b>10</b>
1.3.1 Theoretical focus .....	10
1.3.2 Project Context.....	11
1.3.3 Relevancy of the Research .....	11
<b>1.4 Outline of the Thesis</b> .....	<b>12</b>
<b>Chapter 2: Theoretical framework</b> .....	<b>13</b>
<b>2.1 Corporate Social Responsibility</b> .....	<b>13</b>
2.1.1 Definitions of CSR.....	14
2.1.1.1 The Difference Between CSR and Sustainability .....	14
2.1.2 CSR Strategy.....	15
<b>2.2 Institutional Theory</b> .....	<b>15</b>
2.2.1 Organizational Field .....	16
2.2.1.1 The Evolving Organizational Field.....	18
2.2.2 Incorporation .....	18
2.2.2.1 Two Possible Ways of Incorporating CSR.....	19
2.2.3 Legitimacy .....	20
<b>2.3 Agency theory</b> .....	<b>20</b>
2.3.1 Stakeholder-Agency Theory .....	21
2.3.2 Agents' Freedom .....	22
<b>2.4 Linking Agency theory and Institutional theory</b> .....	<b>22</b>
<b>2.5 Conceptual framework</b> .....	<b>24</b>
<b>Chapter 3: Methodology</b> .....	<b>25</b>
<b>3.1 Research Strategy</b> .....	<b>25</b>
<b>3.2 The Case</b> .....	<b>26</b>
3.2.1 CSR in Heineken .....	26
<b>3.3 Data Collection</b> .....	<b>26</b>
3.3.1 Document Analysis .....	27
3.3.2 Semi-structured, Open-ended Interviews.....	28
3.3.3 Searching for Interviewees.....	30
<b>3.4 Data Analysis</b> .....	<b>31</b>
<b>3.5 Quality Assessment Criteria</b> .....	<b>32</b>
<b>3.6 Research Ethics</b> .....	<b>32</b>
<b>Chapter 4: Analysis and Results</b> .....	<b>34</b>
<b>4.1 Sustainability and CSR</b> .....	<b>34</b>
<b>4.2 Heineken's CSR Strategy: Brewing a Better World</b> .....	<b>34</b>
<b>4.3 CSR in Heineken</b> .....	<b>36</b>
4.3.1 Definition Part One: Multiple Responsibilities .....	36
4.3.2 Definition Part Two: Interaction with Stakeholders .....	37
4.3.3 Definition Part Three: CSR on a Voluntary Basis.....	39
<b>4.4 Organizational Field and Incorporation</b> .....	<b>40</b>
4.4.1 Heineken's Organizational Field .....	40
4.4.1.1 Coping with Exogenous and Endogenous Influences .....	41
4.4.1.2 Collaborations.....	45

<b>4.5 Agency</b> .....	<b>45</b>
4.5.1 <i>Distinguishing Agents and Principals</i> .....	46
4.5.2 <i>Agency in Heineken</i> .....	47
4.5.2.1 <i>Heineken's Agents in Collaboration</i> .....	48
<b>4.6 Primary Discoveries</b> .....	<b>48</b>
<b>Chapter 5: Conclusion and Discussion</b> .....	<b>51</b>
<b>5.1 Conclusion</b> .....	<b>51</b>
<b>5.2 Discussion</b> .....	<b>54</b>
5.2.1 <i>Aim of the Research</i> .....	54
5.2.2 <i>Relevancy</i> .....	54
5.2.3 <i>Reflection on the Research</i> .....	56
5.2.4 <i>Reflection on the Research Method</i> .....	57
5.2.5 <i>Recommendations for Further Research</i> .....	58
<b>References</b> .....	<b>60</b>
<b>Appendix 1: Operationalization scheme</b> .....	<b>64</b>
<b>Appendix 2: Preliminary Interview Guide</b> .....	<b>66</b>
<b>Appendix 3: Analyzed Documents</b> .....	<b>68</b>
<b>Appendix 4: Initial Codes Used</b> .....	<b>70</b>
<b>Appendix 5: Adjustments to Codes and Groups</b> .....	<b>72</b>
<b>Appendix 6: Code tree and quotations</b> .....	<b>75</b>
<b>Appendix 7: ATLAS.ti Report: Codes per Document</b> .....	<b>76</b>

## ***Chapter 1: Introduction***

“Organizations are so powerful that their decisions affect the welfare of entire states and nations” Stern and Barley (1996, p 147-148) state, indicating organizations have a major impact on society. Even though the social concerns of organizations are studied for many years, only in the last decades the concept of corporate social responsibility (CSR) has gained significant importance in society, organizations, as well as in academic literature (Aguinis & Glavas, 2012; Christensen, Morsing & Thyssen, 2013; Crane, Matten & Spence, 2013). Many organizations incorporated CSR (Bondy, Moon & Matten, 2012). Incorporation means that organizations include themselves into a society by using a societal program and the related norms, rules and routines to guide their decisions (Achterbergh & Vriens 2010, p 356). CSR is a societal program. It therefore has related norms, rules and routines. Employees, consumers, government, shareholders and many other stakeholders shape the CSR concept with their expectations and demands about responsibilities of organization (Bondy et al., 2012). These parties are part of the organizational field of an organization. The organizational field is comprised of the industry and other stakeholders and institutional actors that the organization influences or that can influence the organization (Scott, 2014). Every organization has a different set of stakeholders and external constituents, so the organizational field is organization specific. The organizational field states norms, rules and routines that can be so powerful that some organizations automatically conform to them (Seo & Creed, 2002). However, organizational agents can adjust these norms, rules and routines in order to comply with the organization’s own norms, rules, routines and identity (Voss, Cable & Voss, 2006). Consequentially, every organization incorporates CSR in a different manner. If a societal program is present in the organizational field, all organizations in the organizational field have to incorporate this, or else they will not be accepted to do business (Achterbergh & Vriens, 2010). Incorporation of CSR therefore is an important matter for organizations.

### ***1.1 Corporate Social Responsibility***

Even though CSR plays a growing role in business, a universal definition still misses. This is because the specifics of CSR are still highly contested, and the CSR concept constantly evolves and expands (Aguinis & Glavas, 2012; Bondy et al., 2012; Porter & Kramer, 2006). The organization-specific organizational fields and the differing norms, rules and routines that are present in each organizational field are one reason for this ongoing evolution. Constant adjustments of the Sustainability Reporting Guidelines of the Global Reporting Initiative (2016) reflect this in practice.

The basis of the CSR concept is that organizations should not be solely responsible for their financial performance and shareholders’ interests. Organizations should also be concerned about other types of stakeholders and the societies the organization has any kind of relationship with. The three main categories of organizational responsibilities of CSR that exist in literature are social, environmental and economical responsibilities (Garriga & Melé, 2004; Bondy et al., 2012; Wang,

Chen, Yu & Hsiao, 2015). This is also called the triple bottom line (Wilhelm, Blome, Bhakoo & Paulraj, 2016). Organizations should take these three responsibilities on a voluntary basis, which means they take these responsibilities in a way that exceeds compliance with minimum legal requirements (Crane et al., 2013, p 10).

A reason that ambiguity exists about the ways in which organizations should be responsible is because CSR is a social construct (Dahlsrud, 2008). Different focuses or streams of CSR in the academic literature illustrate the ambiguity (Bondy et al., 2012). Chapter 2 explores this. To get clarity in this research, I use following definition of CSR: “Corporate social responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with stakeholders on a voluntary basis” (Prieto-Carrón, Lund-Thomsen, Chan, Muro & Bhushan, 2006, p 979).

### ***1.1.1 CSR Strategy***

Following a CSR strategy reflects that an organization incorporated the triple bottom line responsibilities in its business (KPMG, 2015). “The CSR strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes and goals towards CSR, produces the principal policies and plans for achieving these goals, and defines the range of business the organization is to pursue, the kind of human and economic organization it intends to be, and the nature of the economic and non-economic contribution it intends to make to its stakeholders” (Andrews in De Wit & Meyer, 2010, p 74). A CSR strategy should give direction and unify the diverse range of an organization’s philanthropic giving, activities and initiatives all under one umbrella (Rangan, Chase & Karim, 2012, p 4). It is an important tool to keep track of how the organization is doing, supporting all phases of business with a detailed set of activities and meanings, but also detailed key decisions, activities and processes (Bondy et al., 2012). Since there are multiple influences from inside and outside an organization, every organization incorporates CSR in a different way. Consequentially, there is a discussion about the specifics of incorporation of CSR (Schultz & Wehmeier, 2010).

### ***1.1.2 The Discussion about CSR***

Institutions are durable social structures that give meaning and stability to social life (Scott, 2008). Examples of institutions that are important in this thesis are organizations and organizational fields. Institutions are evolving and are able to steer their evolution (Luhmann, 1988 in Achterbergh & Vriens, 2010, p 115). To shape themselves, institutions create societal programs to guide the institution in the right direction (Luhmann, 1988 in Achterbergh & Vriens, 2010, p 347). The function of the societal programs is to give direction to all actors inside the institution by presenting norms, rules and routines that the institutional actors should use to guide decisions, otherwise the organizational field will not accept them to be active. Incorporating societal

programs thus steers all actors inside the institution into a certain direction. In this thesis, the societal program focused on is CSR.

Since CSR is widespread in society, organizations should incorporate the norms, rules and routines related to CSR in order to be accepted in the organizational field (Bondy et al., 2012). This involves incorporating the triple bottom line: the economic, social and environmental responsibilities (Bondy et al., 2012). The norms, rules and routines to incorporate can occur endogenously, coming from actors that act inside the organization, but also exogenously, coming from actors that are active in the organizational field, outside the organization (Beer, 1984; Johnson, Scholes & Whittington, 2008; Staw & Ross, 1978). The endogenous norms, rules and routines are mainly stable, so often exogenous norms, rules and routines often lead to adjustments of an organization's strategy (Voss et al., 2006). The exogenous actors who present their norms, rules and routines, and thereby influence the CSR strategy of an organization, are often actors in the organizational field of this specific organization.

The organizational field is said to be more than just industry: it also includes other stakeholders and institutional actors that the organization influences or can influence the organization (Scott, 2014). In practice, the organizational field comprises critical exchange partners, sources of funding, regulatory groups, professional and trade associations, special interest groups, the general public, and other sources of normative or cognitive influence that affect organizational action (Scott, 1991 in Hoffman, 2001, p 135). This articulates that the actors in the organizational field present norms, rules and routines the organization might use to guide its organizational decisions. When incorporating this, the organization gains the acceptance, from now on called legitimacy (Scott, 2014) that is needed to be active in the organizational field. Because every organization has an organization-specific organizational field and institutional actors inside, incorporation varies per organization, depending on the organization itself, the organizational field, but also on the agents inside the organization.

Incorporation has to do with exogenous norms, rules and routines being presented by institutional actors to an organization. Because the exogenous environment differs per organization, the *how* of incorporation of CSR varies per organization due to the organizational field and other exogenous factors. Researching this asks for a macro focus that puts emphasis on the institutional environment of an organization where collective actors are present (Bitektine & Haack, 2015). In light of this research, this means the institutions of the organizational fields and organizations.

Research often does not regard individuals, organizational agents, involved in the process of incorporation of CSR and the role they play in *how* CSR is incorporated. In research, a call for more qualitative research exists, in order to gain insight in the role of these individuals in this process (Schultz & Wehmeier, 2010; Rangan et al., 2012). The organizational agents have decision-making



power inside the organization, select which societal programs and norms, rules and routines to incorporate, and determine in what way (Schultz & Wehmeier, 2010). The organizational agents act in behalf of a principal who delegate tasks to agents (Laffont & Martimort, 2009). The principal and his interests differ per organization or even per situation (Hill & Jones, 1992). To research *how* organizational agents transform the interests of stakeholders, who act as principals, into a CSR strategy, a micro focus is needed. A micro focus puts emphasis on the individuals, groups and routines (Kuhn, 2012) and on the institutional and organizational processes, enacted by individuals (Bitektine & Haack, 2015).

## ***1.2 Objective of the Research***

Although there are many researches about CSR, few of them focused on *how* incorporation takes place. It is necessary to research *how* incorporation of CSR into organizations takes place, because of the mentioned variety of ways, influences and the ambiguity about CSR. This should be explored in a qualitative way (Schultz & Wehmeier, 2010). For this purpose, in this research I interview agents in an organization to hear their stories and narratives, in order to understand *how* CSR is incorporated into the organization and which influences play a role in this process.

*How* CSR is incorporated depends on the rules, norms, and routines in the organizational field of the organization, the challenges the organization faces because of the changing organizational field, and the organizational agents. Organizational agents have the task to select and translate the norms, rules and routines from actors in the organizational field into a CSR strategy that fits the organization (Schultz & Wehmeier, 2010). The objective of this research is to gain insight in *how* an organization incorporates CSR. A clear understanding is essential for organizations to recognize the influence of exogenous norms, rules and routines of the organizational field, and to identify endogenous norms, rules, routines and activities that serve incorporation of CSR in order to gain the needed legitimacy from the organizational field.

### ***1.2.1 Aim of the Research***

To research *how* incorporation of CSR into an organization takes place, detailed insights have to be gathered. Therefore, the aim of this research is to gain insight in *how* an organization incorporates CSR, and in the roles the organizational field and the organizational agents play in this process. I will develop insights in how incorporation takes place and thereby increase understanding of the exogenous influences on endogenous factors that play a role.

With this intention, a conceptual framework is developed to guide the research. This framework can be found in chapter 2. The organizational agents are the ones who decide on which exogenous norms, rules and routines from the organizational field are incorporated into the organization. The organizational agents decide on this, based on their endogenous norms, rules and routines. The CSR strategy and documentation about the CSR strategy are an outcome of this, that

stabilize incorporation. Accordingly, both endogenous and exogenous norms, rules and routines play a role.

The organization needs legitimacy. To achieve this, the organizational agents incorporate norms, rules and routines from the organizational field. The outcomes and plans that follow from this are captured in a CSR strategy. Chapter 2 elaborates on these concepts and explains the conceptual framework more deeply.

### **1.2.2 Research Question**

Following the above reasoning, the central research question for this research is:

*How is corporate social responsibility incorporated in an organization?*

This research focuses on *how* organizations incorporate CSR. More specifically, it focuses on the engagement and influences of the organizational field on the organization and its organizational agents who transform norms, rules and routines into a CSR strategy. To research this, a deductive way of working is followed; I first study the generality and then study a specific case. Chapter 2 explores the relevant theories and available literature on the subject to form a theoretical framework.

## **1.3 Research Approach**

This research combines two theories to examine the above stated question and fulfill the aim of the research. Accordingly, I examine the above stated question by performing a qualitative research in combination with one single case. To gather in-depth information about the CSR strategy of this organization and the role of its organizational field and its organizational agents in incorporation of CSR into the organization, I analyze documents and conduct semi-structured interviews. Qualitative research fits to study the stated central research question, because to answer this question it is important to understand the process, the challenges, and the decisions that are made. This can only be discovered when organizational agents share their stories and ways of working.

### **1.3.1 Theoretical focus**

Section 1.1.2 explained that *how* organizations incorporate CSR varies per organization. Firstly, it depends on the organizational field and the rules, norms, and routines in this organizational field. Secondly, it depends on the agents in the organization. To examine the first issue, the organizational field and its norms, rules and routines, a macro focus is needed, because it emphasizes the organizational field and institutions (Bitektine & Haack, 2015; Kuhn, 2012). Institutional theory fits to research this. To be active in the organizational field, an organization needs legitimacy. Organizations gain legitimacy by incorporating the norms, rules and routines from the organizational field (Achterbergh & Vriens, 2010; Seo & Creed, 2002; Scott, 2008). These are key assumptions taken from institutional theory, and therefore this theory is used to focus on the

organizational field and the exogenous influences on *how* organizational agents incorporate CSR into the organization.

Examining the second issue, the agents in the organization, asks for a more micro focused theory, because it emphasizes the individuals and routines and the institutional process enacted by these individuals (Bitektine & Haack, 2015; Kuhn, 2012). Agency theory explains the role of principals who delegate tasks, and agents, who perform activities on behalf of the principals (Eisenhardt, 1989). Organizational agents are the ones who are in contact with the organizational field, which is a principal of the organization. The organizational agents play a role in the process of incorporation by assessing the organizational field and its norms, rules and routines, and deciding which of these to select and translate into a CSR strategy. Chapter 2 explains both theories.

### ***1.3.2 Project Context***

To answer the research question, a case is needed. In this research, Heineken is used as case. Heineken has a very detailed CSR strategy and reporting standards on CSR. Every year Heineken publishes a sustainability report based on the CSR strategy “Brewing a Better World”. Heineken is in top 100 worldwide organizations performing CSR (RepTrak, 2015) that illustrates Heineken’s CSR strategy is among the best in the world. This is also reflected by Heineken’s position in Fortune’s 2016 ‘Change the World’ list, a global ranking of 50 organizations with an important social and environmental impact through their strategy and activities (Fortune, 2016). This indicates that Heineken’s approach to incorporating CSR assures legitimacy from the organizational field. Altogether, this makes Heineken a good case to use in this research, because it can serve as an example for other organizations to gain legitimacy from the organizational field. In chapter 3, this case will be explained more thoroughly.

Because Heineken is a single case in this research, the research question can be sharpened. The research question of this thesis becomes:

*How is corporate social responsibility incorporated in Heineken?*

### ***1.3.3 Relevancy of the Research***

The integration of institutional theory and agency theory in combination with CSR is unique in research, and provides a broad lens to research CSR. Institutional theory is more macro focused, while agency theory is more micro focused. This theoretical combination and a single case design allows for deep exploration of *how* CSR is incorporated, where literature lacks (Schultz & Wehmeier, 2010). In addition, this combination enables assessment of the incorporation of CSR in Heineken from different perspectives. Performing qualitative research and executing interviews meet the call for more empirical research into *how* CSR is incorporated and the role organizational agents play in this. When interviewing and using narratives, people recall what happened, put experience into sequence, find possible explanations for it, and play with the chain of events (Jovchelovitch & Bauer, 2000). This provides a thick description of the process of incorporation and

expands the current body of literature. Another combination that is relevant for theory is the integration of a macro focus (institutional theory, focusing on the organizational field) and a micro focus (agency theory, focusing on principals and organizational agents). Even though the exploration of level interactions is critical for understanding the duality of institutional processes (Bitektine & Haack, 2015), scholars tend to make a distinction between organizational phenomena on micro and macro level (Kuhn, 2012). On macro level institutional actors enact the institutional processes, but the institutional processes on micro level create and shape institutions by influencing the norms, rules and routines (Bitektine & Haack, 2015). In this research this will come together to study incorporation, where organizational agents deal with the organizational field. The relevancy of the research can therefore be accomplished by this methodology of coupling micro and macro.

Relevancy for practice will not be for Heineken, but for the industry. Heineken can serve as an example for organizations that incorporate CSR but need an illustration to look *how* to incorporate CSR. Heineken has clear reporting and is in top 100 worldwide organizations performing CSR (RepTrak, 2015), and in top 50 of global organizations that have a positive impact on social and environmental issues (Fortune, 2016). Both indicate Heineken has found an effective approach on *how* to incorporate CSR and gain legitimacy. It is important for organizations to recognize the influence of norms, rules and routines from the organizational field, and identify activities that serve incorporation in order to gain the needed legitimacy from the organizational field. Practical relevancy will thus not be for Heineken, but this research will generate insights that could guide other organizations in future decisions on incorporation of CSR and gaining legitimacy.

#### ***1.4 Outline of the Thesis***

This research consists of a theoretical framework, explaining the key concepts of this research. The conceptual framework with proposed relationships between the key concepts follows from the theoretical framework that is explained in chapter 2. Hereafter in chapter 3, I discuss and explain the methodological choices made, and show the argumentation for these choices. In this chapter, I also go in detail about the actual execution of the research, data collection and analyses. Chapter 4 consists of the results of the research described in the prior chapter. This leads to the conclusion and discussion in chapter 5, where I interpret the results and the implications of the research, while being critical about the conduction of this research. In addition, recommendations for further research are provided.

## ***Chapter 2: Theoretical framework***

This chapter elaborates on the relevant literature that is written about the key concepts of this research, forming a conceptual framework that serves as basis for this research. The chapter starts with an explanation of the CSR literature, including different views on CSR and a definition of CSR strategy. The subsequent paragraph starts with an elaboration of institutional theory, including the organizational field and its role in the process of incorporation. Afterwards, agency theory and the role of the agents in the process of incorporation are explained. The chapter concludes with presenting the conceptual framework that follows from the theories, reflecting the problem and showing the relevant variables and the relationships between them.

### ***2.1 Corporate Social Responsibility***

The relationship between organizations and society is one of mutual incorporation. Organizations incorporate norms, rules and routines from an organizational field, and the organizational field thereby incorporates the organization (Achterbergh & Vriens, 2010, p 351). As mentioned in the introduction, CSR is widespread in our current society, but a universal definition still misses in both theory and practice. This is because the concept of corporate social responsibility can be seen and interpreted from multiple different perspectives, and includes varying organization specific views and activities. Therefore, the specifics of CSR are still highly contested (Aguinis & Glavas, 2012; Bondy et al., 2012; Porter & Kramer, 2006).

Nevertheless, the central issues are captured in what is called the 'triple bottom line' of responsibilities of organizations; environmental, social and economic responsibilities (Wilhelm et al., 2016). The idea that organizations contribute to not one, but multiple areas of responsibility is one of the few characteristics agreed upon since the beginning of the development of CSR (Aguinis & Glavas, 2012; Bondy et al., 2012; Carroll, 1991).

Dahlsrud (2008) reviewed 37 definitions of CSR and found five frequently used dimensions that shape definitions of CSR in theory and practice (Dahlsrud, 2008, p 4). 64% of the definitions include four of these dimensions (Dahlsrud, 2008). The five dimensions are:

- The environmental dimension, referring to the natural environment of the organization;
- The social dimension, referring to the relationship between the organization and society;
- The economic dimension, which includes the socio-economic or financial aspects of the organization, that are needed to stay viable as an organization;
- The stakeholder dimension, where stakeholder (groups) are taken into account;
- The voluntariness dimension, referring to (CSR) exceeding minimum legal requirements.

The next section shows the choice for a definition to use in this thesis, based on these five dimensions.

### ***2.1.1 Definitions of CSR***

My belief is that CSR should be concerned about more than only economic responsibilities; it should be about doing something good for multiple stakeholders that are affected by the organization being in business. Corporate social responsibility should be a goal to strive for. The reviewed definitions in this section therefore all take into account responsibilities beyond only the economic responsibility, but instead focus on the triple bottom line (Wilhelm et al., 2016).

Definitions of CSR are divergent and evolving in literature (Christensen et al., 2013), but also in practice, reflected by constant adjustments of the Sustainability Reporting Guidelines of the Global Reporting Initiative (2016). A universal definition of CSR is hard to find (Dahlsrud, 2008), because actors in the organizational field shape the meaning of CSR (Schultz & Wehmeier, 2010). Aguinis and Glavas (2012, p 933) define CSR as “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance”, while Carroll (1979 in Carroll 1991, p 40) focuses on “the idea that the corporation has not only economic and legal obligations, but ethical and discretionary (philanthropic) as well”. CSR is also seen as “an extension of business ethics and management morality that should not only meet legal regulations, but also respond to public pressure and social expectation.” (Wang et al., 2015, p 2232). Concluding from this, a universal definition of CSR does not exist.

In this research, corporate social responsibility is defined as “A concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with stakeholders on a voluntary basis” (Prieto-Carrón et al., 2006, p 979). Due to the contested nature of CSR, the basis for the decision on definition is fit with the five dimensions Delmestri (2008) discovered and the frequency of use of this definition. The above-mentioned definition was the most frequently used definition of CSR in 2008, when this definition was mentioned in 286 publications (Dahlsrud, 2008). The concept of the triple bottom line is widely accepted in theory and practice, therefore it is used in this thesis (Wilhelm et al, 2006). Furthermore, the chosen definition is quite general and value-free but at the same gives direction to research and includes the triple bottom line. Therefore, this definition of CSR seems appropriate and fits in the context of this research.

#### ***2.1.1.1 The Difference Between CSR and Sustainability***

In earlier definitions of CSR, the environmental dimension was accounted for less than it is now (Carroll, 1991; Dahlsrud, 2008). The term related to this environmental responsibility is ‘sustainability’. CSR and corporate sustainability (CS) are two sides of the same coin (Van Marrewijk, 2003, p 102). Sustainability refers to environmental responsibilities, while CSR also includes social aspects. The two are often seen as synonyms, but Van Marrewijk (2003) argues to keep a distinction between the two: “CSR relates to phenomena such as transparency, stakeholder

dialogue and sustainability reporting, while CS focuses on value creation, environmental management, environmental friendly production systems, human capital management and so forth” (p 102). CS and CSR often appear together in organizational strategies. Because in this thesis I focus on social responsibilities, the stakeholders, organizational field, and the influences of both, CSR fits better. The definition used in this thesis focuses on environmental, social and economic responsibilities, and therefore covers what Van Marrewijk (2003) refers to when speaking about both CS and CSR.

### **2.1.2 CSR Strategy**

When an organization incorporates CSR, this is often reflected by the organization having a CSR strategy (KPMG, 2015). A definition of “strategy”, like the definition of CSR, misses (De Wit & Meyer, 2010, p 5). What is sure about a strategy is that it should lead the organization, which can be derived from the origin of the word *strategos* in Greek; to lead (*agein*) the army (*stratos*), which used to be the most common type of ‘organization’ in ancient times (De Wit & Meyer, 2010). A definition of CSR strategy is “the pattern of decisions in a company that determines and reveals its objectives, purposes and goals towards CSR, produces the principal policies and plans for achieving these goals, and defines the range of business the organization is to pursue, the kind of human and economic organization it intends to be, and the nature of the economic and non-economic contribution it intends to make to its stakeholders” (Andrews in De Wit & Meyer, 2010, p 74). This thesis enhances this definition.

According to Van Marrewijk, a successful CSR strategy is one of the most important tools to give direction to social responsibilities of an organization (2003). The CSR strategy has to be context specific for each individual business and guide decision-making on the specific CSR issues that this organization has to address (Dahlsrud, 2008). Agents inside the organization have the task to transform various societal programs into a CSR strategy (Rangan et al., 2012, p 2). An important distinction to make is that an organization can create a strategy based on endogenous and exogenous motivation. Making decisions based on norms, rules and routines from different departments or parties within the organization and the identity of the organization is endogenous (Staw & Ross, 1978; Voss et al., 2006). Exogenous influences for motivation occur when looking outside of the organization to monitor how the organization should adapt to the norms, rules and routines of the organizational field (Beer, 1984; Johnson et al., 2008; Staw & Ross, 1978).

A CSR strategy reflects incorporation of the norms, rules and routines related to CSR, that are active in the organizational field. The organizational field is a concept taken from institutional theory, that will be discussed in section 2.2.

## **2.2 Institutional Theory**

Institutional theory describes the process by which societal programs and their accompanying norms, rules and routines are incorporated into an organization as guidelines for

decisions and social behavior (Scott, 2014). This theory enables explaining the macro influences of and on an institution (Bondy et al., 2012).

Any society creates conditions for its citizens to live their life (Achterbergh & Vriens, 2010) by enabling the existence of various institutions. These institutions act upon their norms, rules, routines and values, which form societal programs. The meaning of CSR therefore differs per organizational field or organization, which are both types of institutions (Schultz & Wehmeier, 2010). “Institutions are durable social structures made of symbolic elements, social activities and material resources, that are comprised of regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life” (Scott, 2008, p 48). The regulative pillar sets rules, monitors whether these rules are followed, and sets sanctions if not. The normative pillar sets normative rules that give a prescriptive and evaluative dimension to institutions, including norms and values (Scott, 2008, p 54). The cultural-cognitive pillar centralizes the shared conceptions and the frames to give meaning, and gives an institution a culture (Scott, 2008). Every societal program has certain normative, regulative and cultural-cognitive rules, which in this thesis are specified as norms, rules and routines.

There are multiple types of institutions, like the organizational field and organizations itself (Scott, 2008). In this thesis, the focus will be on the organizational field influencing the organization. Institutions control and constrain behavior and give the actors in it boundaries to live and act (Scott, 2004). Institutions are able to steer their evolution. To do so, the institution creates societal programs and accompanying norms, rules and routines (Luhmann, 1988 in Achterbergh & Vriens, 2010, p 347). The function of these societal programs is to give direction to all actors in the institution by describing norms, rules and routines to follow. The societal programs thus steer all actors inside the institution into a certain direction and thereby the institution shapes itself and the direction of its evolution.

### ***2.2.1 Organizational Field***

The organizational field is a type of institution (Scott, 2008). This means that the organizational field controls and constrains behavior. However, the organizational field is an ambiguous concept in theory. This is because the borders of the field differ per organization, or even per department of the organization. Scott reflects this in his books about institutional theory; in every reviewed version, other definition(s) are given.

In 1991, Scott mentions that “In practice, the field comprises critical exchange partners, sources of funding, regulatory groups, professional and trade associations, special interest groups, the general public, and other sources of normative or cognitive influence that effect individual or organizational action” (In Hoffman, 2001). In 1995, he says the organizational field is a social arena in which individuals and organizations partake of a common meaning system and interact more frequently with one another than with actors outside of the field (Scott, 1995). He also mentions



that the organizational field “builds on the more conventional concept of “industry”, which is a population of organizations that operate in the same area, but the organizational field adds to this population other and different organizations that critically influence an organization’s performance, and includes exchange partners, competitors, funding sources, and regulators” (Scott, 2008, p 86). In 2014, Scott uses the definition of DiMaggio and Powell (1983, p 148) again; “those organizations that, in the aggregate, constitute a recognized area of institutional life, organizations that produce similar services or products” but adds that the organizational field also includes other stakeholders and actors that are influenced by or can influence the organization (Scott, 2014).

This shows the ambiguity of a definition of the organizational field, but also gives an idea of what the organizational field consists of. In this thesis, the definition used is “a population of organizations that operate in the same area, but also other and different organizations that critically influence an organization’s performance, including, for example, exchange partners, competitors, funding sources, and regulators”, based on Scott (2008, p 86). The conception of the organizational field has important implications for defining the boundaries of a field (Furnari, 2016). Therefore, the choice for this definition is important. The adjustments made to the definition of organizational field for this thesis keep the possibility that other stakeholders and parties who are not “exchange partners, competitors, funding sources, and regulators” play a role. This is because in my opinion the enumeration of institutional actors in this definition is not collectively exhaustive, depending on the organization that is taken as a case. For example, employees, local communities, and philanthropic NGO’s can also be part of the organizational field (Hill & Jones, 1992).

There is a slight difference between stakeholders and institutional actors. Institutional actors are all parties that are active in, and thereby influence, the institution (Furnari, 2016). Because in this thesis the institution that gains most importance in the role of influencer is the organizational field, when the term ‘institutional actors’ is used in this thesis, it signifies the actors in the organizational field. Some of the institutional actors are also stakeholders of the organization. The term ‘stakeholders’ refers to groups of constituents who have a legitimate claim on the organization, via implicit or explicit contracts (Hill, 1992). A specific exchange relationship exists. These contracts are explained in section 2.3 on agency theory, because the presence of contracts in this exchange relationship is described by agency theory.

Even though organizations may be operating in the same institutional field, they have a different set of external constituents, institutional actors and stakeholders. All institutional actors exert institutional pressure about incorporation of norms, rules and routines, which therefore differ per organizational field (Wilhelm et al., 2016). This makes the organizational field highly organization specific.

### *2.2.1.1 The Evolving Organizational Field*

An organizational field is an institution. This means it is an durable social structure where regulative, normative and cultural-cognitive pillars exist that, together with associated activities and resources, provide stability and meaning to social life” (Scott, 2008, p 48). These three pillars are the basis for the rules, norms and routines in the organizational field, related to a societal program. An institution is stable, but evolves due to the actors inside the institution.

Organizations in the organizational field have, like every institution, their own norms and values, but also rules and routines. If these comply with the norms, rules and routines of the organizational field, they are spread into the organizational field and form a societal program (Furnari, 2016; Scott, 2008). Because the societal programs are visible or open for other organizations in the organizational field, these organizations can ‘borrow’ or copy these norms, rules and routines to make decisions (DiMaggio & Powell, 1983). When this happens, a societal program shapes the organizational field, which causes ongoing evolution of the organizational field (Bitektine & Haack, 2015; Scott, 1995).

The societal programs and its norms, rules and routines that are spread into the organizational field can be used as example by other organizations to set own norms, rules and routines to guide decisions (Achterbergh & Vriens, 2010; Scott, 2008). This is called incorporation and is explained in section 2.2.2. Organizations use these norms, rules and routines of the organizational field to guide decisions. This gives the organizations mutual acceptance, called legitimacy (Scott, 2008). Section 2.2.3 explains this concept. These two concepts, incorporation and legitimacy, are mutually dependent and the order of explaining these concepts therefore serves to elucidate the issues in a logical manner for this research.

### **2.2.2 Incorporation**

Achterbergh and Vriens (2010, p 356) define the concept of incorporation as “the process where organizations include themselves into an institution by including relevant societal programs to guide decisions”. These societal programs consist of the norms, rules and routines that are present in the organizational field. The societal program focused on in this research is CSR. The organization uses the norms, rules and routines related to CSR that are present in the organizational field to make decisions about organizational actions and to form a frame of reference for the organization. This means that the organization incorporates the norms, rules and routines of the institution in itself, and thereby the organization incorporates itself into this organizational field (Achterbergh & Vriens, 2010, p 356). When the organization has norms, rules and routines that comply with the ones of the organizational field, the organizational field will incorporate these and makes a societal program. This is mutual incorporation. Nevertheless, the norms, rules and routines from the organizational field have to fit the organization and its identity before incorporation takes place (Voss et al., 2006). Therefore, incorporation involves selection,

interpretation, deliberation, and judgment of the societal programs and never relies on “blind obedience” (Achterbergh & Vriens, 2010). The endogenous and endogenous norms, rules and routines have to comply.

Delmestri (2009) adds to this process of incorporation the importance of texts and other documents when societal programs are incorporated and used to guide decisions. Societal programs and other matters from the organizational field can turn into activities or into social objects like texts over time, which can stabilize into new institutions and give clarity and direction to the organization (Delmestri, 2009). Texts and documents are examples of artifacts. Artifacts can be material and non-material, and determine patterns of action (Pentland & Feldman, 2008). They have a stabilizing function (Delmestri, 2009). Examples of these artifacts are rules, checklists, reports and procedures (Pentland & Feldman, 2008). Artifacts stabilize organizational activities and serve to support the norms, rules and routines in the organization (Delmestri, 2009).

#### *2.2.2.1 Two Possible Ways of Incorporating CSR*

Incorporation of CSR means including the societal program of CSR and the related norms, rules and routines from the organizational field into the organization. This is possible in two ways. As mentioned before, endogenous as well as exogenous factors influence the organizational agents *how* to incorporate CSR into the organization (Funari, 2016). The distinction between endogenous and exogenous factors to incorporate is also found in literature about incorporation (Achterbergh & Vriens, 2010), and in literature about CSR (Crane et al., 2013; Garriga & Melé, 2004). Instrumental-based CSR sees CSR as an instrument to reach monetary goals. This stream evolved from Friedman (1970), who states economic performance is most important for organizations. An organization will only incorporate the triple bottom line if this benefits the profit of the organization.

The value-based stream of CSR aims at the contribution to societal conditions so the members of society can live a fulfilled life, because this feels like the right thing to do (Achterbergh & Vriens, 2010; Garriga & Melé, 2004). The values of the organization thus play a major role. This does not exclude the organization having to take economic responsibilities, but they should be aligned with social and environmental responsibilities (Crane et al., 2013). This value-based CSR is therefore more influenced by endogenous factors (Furnari, 2016).

The organization’s values often play a major role in value-based incorporation. These values form an organization’s identity. The identity of an organization also guides decisions (Voss et al., 2006) and is written down in a document, an artifact. This stabilizes the norms, rules and routines and serves as point of reference (Delmestri, 2009). When an organization’s identity is not related to CSR, an organization will often act from instrumental-based reasons to incorporate CSR (Crane et al., 2013). However, an organization sometimes needs to incorporate issues that are not in its identity in order to be legitimate. This is explained in the next section on legitimacy.

### **2.2.3 Legitimacy**

Legitimacy is defined as “a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, rules and routines” (Scott, 2008, p 59). Legitimacy is the acceptance of an organization to operate in the organizational field (Scott, 2008). This can be achieved by mutual incorporation as explained in the previous section (Achterbergh & Vriens, 2010, p 356). If the organization is not legitimate, it cannot operate in the organizational field. To achieve legitimacy, organizations should incorporate certain societal programs; the norms, rules and routines that are present in the organizational field (Seo & Creed, 2002). When incorporating based on values, the issue is formed endogenously and fits the identity of the organization. The organization therefore will create its own norms, rules and routines regarding CSR, which will be stimulated and spread in the organizational field, as explained in section 2.2.1.1. However, when instrumental-based incorporation of CSR takes place, organizations tend to borrow or imitate the exact norms, rules and routines from the organizational field (Scott, 2008), and thus do not set their own norms, rules and routines (DiMaggio & Powell, 1983). The actors in the organizational field, for example exchange partners, competitors, regulators and other stakeholders (Scott, 2008) influence the norms, rules and routines in the organizational field. They shape the activities an organization has to undertake and the societal programs to incorporate to gain legitimacy. Achieving legitimacy makes it important for an organization to listen to actors in the organizational field.

Following this logic, if CSR is present in the regulative, normative and cultural-cognitive standards of the organizational field, the only way to gain legitimacy in the organizational field is to also incorporate the rules, norms and routines of CSR (Bondy et al., 2012). The agents in the organization are the ones who are responsible for incorporation and are in direct contact with the organizational field and the institutional actors (Furnari, 2016). The next section on agency theory explains the tasks of agents, and the principals who give them these tasks.

### **2.3 Agency theory**

Agency theory discusses the relation between a principal and an agent. The agent makes decisions on behalf of the principal (Douma & Schreuder, 2008, p 131). This relation is present within organizations, as well as outside the organization. Agency theory enables explaining the micro, internal processes where agents make choices and decisions upon how to incorporate CSR.

The original form of agency theory is about the division of ownership and control: the relationship between a principal and an agent (Jensen & Meckling, 1976). Principals have ownership and dictate what the agent should do (Laffont & Martimort, 2009), the agents are the ones in control of execution. An agency relationship is a contract under which an individual or group of individuals (the principal) engages other individuals (the agents) to perform a specific service on their behalf. This involves the delegation of decision-making authority to the agents

(Jensen & Meckling, 1976, p 308). Most researched is the relationship between shareholders and the managers of the organization; the shareholders are principals who provide capital to the organization, and the managers (agents) have to assure maximization of return on investments of the shareholders (Hill & Jones, 1992).

Because principals and agents have different goals or different perceptions and tolerances of risk, barely ever the agent will act in the best interest of the principal (Bendickson, Muldoon, Liguori & Davis, 2016; Eisenhardt, 1989). This is known as the agency problem. The agency problem arises from the assumption that agents' interests conflict with the principals' interests (Bendickson et al., 2016). This causes asymmetrical information streams. The agents compete for control over the processes, but they are constrained by the arrangements and contracts with the principal. These contracts limit agents' freedom (Bendickson et al, 2016; Eisenhardt, 1989). In light of this view of agency theory, an organization is seen as a nexus of contracts (Douma & Schreuder, 2008).

As can be noticed, the first published articles on agency theory come from the 1970's (Jensen & Meckling, 1976). This means agency theory is 40 years old, but it is still a much-used theory (Bendickson et al., 2016). Agency theory is used in various ways and for various purposes (Eisenhardt, 1989). Therefore, in the following section I elucidate an extension that stretches agency theory into another fit with this research. However, this does not exclude multiple other possible uses of agency theory for other purposes.

### ***2.3.1 Stakeholder-Agency Theory***

In the previously outlined image of agency theory, a principal and an agent play the two main roles. This suggests that there is a clear distinction between an agent and a principal, who have a standing and stable relationship due to the division of ownership and control (Hill & Jones, 1992; Jensen & Meckling, 1976; Macey, 1992). However, not only ownership and control can serve as a distinction (Bendickson et al., 2016; Macey, 1992), but also other factors can make an individual or group of individuals a principal or agent.

One extension of agency theory is to explain the nature of explicit and implicit contractual relations between an organization and organizational stakeholders; stakeholder-agency theory (Hill & Jones, 1992). Stakeholders include employees, customers, suppliers, local communities and the general public (Hill & Jones, 1992, p 131). They all have a claim on the organization and thus expectations the organization has to satisfy: shareholders provide capital and expect maximization of return on their investment. Creditors provide finance and expect their loans to be repaid on schedule. Managers and employees provide time, skills and human capital commitments, and expect revenues and value of money in exchange. Suppliers provide input and expect fair prices. Local communities provide locations, infrastructures and tax treatments, but expect corporate citizens who do not damage the quality of life. The general public, like tax payers, provide national

infrastructure, and in exchange they expect corporate citizens who do not damage the quality of life or violate rules of the game (Hill & Jones, 1992, p 133).

Stakeholders thus contribute to the organization, and in return expect something back. This makes stakeholders, who are actors in the organizational field (as defined in section 2.2.1, based on Scott, 2008), principals of the organization.

This extension of agency theory puts emphasis on the stakeholders, who are, as explained in section 2.2 actors in the organizational field. The stakeholders all have different claims on the organization (Hill & Jones, 1992), and also different norms, rules and routines. The stakeholders, who are principals, influence the organizational agents about *how* incorporation of CSR should take place, by presenting their norms, rules and routines. In light of this view, the organizational field can be seen as a principal; the organizational field gives legitimacy if the organization incorporates the norms, rules and routines from the organizational field.

### ***2.3.2 Agents' Freedom***

Because principals delegate decision-making power to agents, the agents are in charge of deciding and are autonomous in this. Agents possess the possibility of free and creative reconstruction of social patterns based on a reasoned analysis of both the limits and the potentials of the present social construction of the organizational field (Seo & Creed, 2002). Changing institutional arrangements are the outcome of certain tensions among individuals with different interests and unequal power, like is the case in a principal-agent relation. The key underlying issue of this freedom, Seo and Creed call 'praxis' (2002) is the partial autonomy that organizational agents have in a social constructed institution. This institution can for instance be the organizational field. The tensions that arise between the norms, rules and routines in the organizational field and the norms, rules and routines that exist in another institution, like the organization, play another key role (Seo & Creed, 2002).

The agents serve to transform the norms, rules and routines of the organizational field into norms, rules and routines that fit the organization and its identity (Voss et al., 2006). The process of the changing organizational field is elucidated in section 2.2.1.1, but the role of the organizational agents in this change process is now understood. Organizational agents play a role in changing the organizational field. They deliberately decide on which norms, rules and routines to incorporate and to transform into activities or into an artifact like a CSR strategy that stabilizes decisions (Furnari, 2016; Seo & Creed, 2002). They do this by selection, interpretation, deliberation and judgment (Achterbergh & Vriens, 2010).

## ***2.4 Linking Agency theory and Institutional theory***

Agency theory sees the organization as a nexus of contracts (Douma & Schreuder, 2008). These contracts can be implicit and explicit and form a distinction between two roles: the role of the agent and the principal (Bendickson et al., 2016), who have a certain exchange relationship. The

organization as a nexus of contracts fits with the notion of organizations as a social structure, as institutional theory suggests (Scott, 2008). In both views, the current state of the organization depends on the actors that are involved at a specific time. This illustrates agency theory and institutional theory have the same basic principle, which gives a starting point for coupling these theories.

Section 2.2 explained the concepts of organizational field, incorporation and legitimacy. This showed that the organizational field and the institutional actors and their norms, rules and routines could be important for any organization to gain legitimacy. This is especially important when an organization's endogenous norms, rules and routines do not comply with the exogenous norms, rules and routines. When this tension exists, the organization will not create own norms, rules and routines, but will likely borrow the norms, rules and routines from the organizational field (DiMaggio & Powell, 1983; Scott, 2008). The agents in the organization are responsible for the incorporation of exogenous norms, rules and routines into the organization. But, they use the endogenous ones as point of reference (Voss et al., 2006).

The agent in an agent-principal relationship is supposed to act upon attainment of the principals' goals. However, as seen in the previous sections, it is not always clear who is the principal and who is the agent (Child & Rodrigues, 2003; Hill & Jones, 1992). The stakeholders, who are actors in the organizational field, all provide an asset to the organization, and therefore expect something in exchange, which makes them a principal (Hill & Jones, 1992). In addition, the organizational field can be seen as a principal; the organizational field provides legitimacy when the organization incorporates the norms, rules and routines from the organizational field. Many different stakeholders, in the role of principal, all expect something back from the organization. They influence the decision-makers in the organization, the organizational agents, who have to take a variety of expectations, norms, rules and routines into account.

In most organizational fields, CSR is incorporated (Bondy et al., 2012; KPMG, 2015). This means any organization in these organizational fields should incorporate CSR in a certain manner to gain legitimacy. However, the societal programs to incorporate have to comply with the organization and its identity (Voss et al., 2006). The task of the organizational agents therefore becomes to transform the norms, rules and routines present in the organizational field into a CSR strategy that fits the organization by selection, interpretation, deliberation and judgment (Achterbergh & Vriens, 2010, p 352).

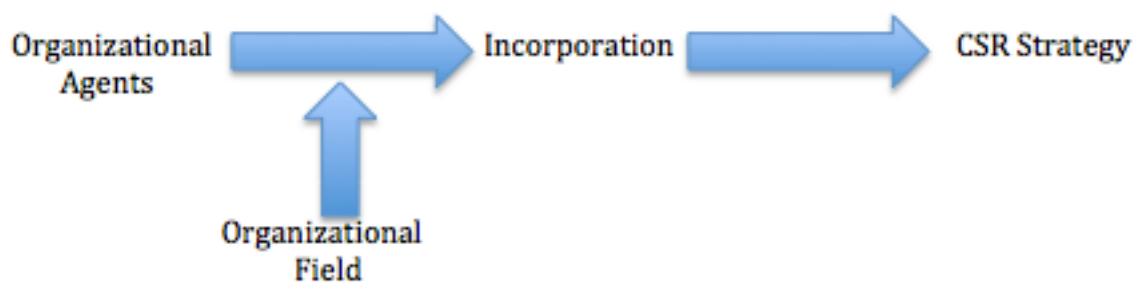
Institutional theory, agency theory and the combination of both serve as perspectives to research *how* CSR is incorporated in an organization. Thereby the organizational field is taken into account, with the norms, rules and routines of the institutional actors that have to be incorporated in order for the organization to gain legitimacy (Scott, 2008). Some institutional actors are stakeholders of the organization, who serve as principals of the organization. The organizational

agents are the ones who transform the norms, rules and routines into activities and artifacts, and thereby incorporate them into the organization (Achterbergh & Vriens, 2010). However, the decisions have to reflect the organization and its identity (Voss et al., 2006). This can result in tensions. The organizational agents follow a process of selection, interpretation, deliberation, and judgment of the societal program CSR, and decide on *how* CSR is incorporated in the organization (Achterbergh & Vriens, 2010).

## **2.5 Conceptual framework**

This chapter elaborated on CSR, institutional theory and agency theory. The core concepts are related to each other, as clarified in section 2.4. This leads to a conceptual framework, which is first explained, and is showed at the end of this section. This framework represents the expected relationships of this research based on the researched theory, by coupling the core concepts.

Organizations incorporate CSR with the idea that organizations should contribute to not one, but multiple areas of responsibility (Bondy et al., 2012; Dahlsrud, 2008; Carroll, 1991). Consequentially, aside the economic responsibility, social and environmental responsibilities are important. To discover what norms, rules and routines concerning CSR are important, the organization looks in its organizational field. The norms, rules and routines present in this organizational field can be incorporated into the organization. The organizational field serves as a principal; the organization has to incorporate societal programs like CSR, and in return will gain legitimacy (Scott, 2014). The organizational agents are the ones deciding on which of these exogenous norms, rules and routines to incorporate in the organization, thereby balancing organizational goals, stakeholders' goals, and endogenous and exogenous norms, rules and routines. The organizational field thus influences what the organizational agents consider in the process of incorporation. When incorporating exogenous norms, rules and routines concerning CSR into the organization, this is captured in a CSR strategy, an artifact that stabilizes incorporation (Delmestri, 2009). This leads to the following conceptual framework:



*Model 1: Conceptual framework*

In the next chapter, I elaborate on my decisions concerning the methodology to find an answer to the research question and to study the relationships between the core concepts, as shown in the conceptual framework above.



## **Chapter 3: Methodology**

In this chapter, I elaborate on the rationale for choosing the adopted methodological approach that provides an account for conducting the research. This includes the case used for this research, the data sources and collection, data analysis, but also the enhanced research ethics.

The first paragraph explains the use of a qualitative research design. Then I introduce the case, and explain document analysis and open-ended interviewing. This chapter ends with an explanation of the used quality criteria to assess qualitative research and thereby pays attention to research ethics.

### **3.1 Research Strategy**

In order to *gain insight in how an organization incorporates CSR, represented by a CSR strategy, and in the roles organizational field and the organizational agents play in this*, a qualitative research design is used to answer the research question “*How is corporate social responsibility incorporated in Heineken?*” whereby Heineken serves as a case.

To capture the process-oriented character of incorporation of a strategy and its incorporation into the organization, a qualitative research fits best (Vennix, 2010). It allows developing in-depth understanding of particular phenomena (Symon & Cassell, 2012). The organization is an institution; a social structure with patterned social activities (Scott, 2008). This elucidates that the agents in the organization are important to take into account, especially when elaborating on their role in the changing organizational field and their activities on incorporation (Seo & Creed, 2002). Quantitative research is not sufficient to research this, because it does not tap into the process-oriented character, and does not allow gaining understanding of the social phenomena mentioned (Vennix, 2010). To understand these social phenomena, I invited organizational agents to speak about their actions, intentions, and decisions in their activities of translating norms, rules and routines from the organizational field into a CSR strategy that fits the organization. To understand the decisions and how the societal programs and the institutional actors have influenced these decisions, narratives from agents help.

Heineken, a global brewer, founded in The Netherlands, serves as single case to study. Document analysis and open-ended, semi-structured interviews with three agents (previously) involved in CSR in Heineken were the main objects for data collection. I worked deductively; I first studied the generality and used the available relevant literature. Document analysis helped to understand details of policies, procedures and plans that are important in this case (Symon & Cassell, 2012). Document analysis presented an overview and description of the CSR activities the organization is currently involved in. The CSR strategy is studied, but what Heineken already has done, how CSR developed over time, and what the organization mainly focuses on. The documents mainly served to discover the macro influences. Conducting interviews helped in understanding the norms, rules and routines the organizational field presents to the agents that have to be

transformed into a CSR strategy. It also elucidated which decisions are made, and on what they were based. The interviews mainly served to discover the micro influences and activities, but also to verify the findings from document analysis.

### **3.2 The Case**

This research uses a single case to go in depth to answer the research question. This single case is Heineken, a multinational organization with its headquarters located in Zoeterwoude, The Netherlands. Heineken has an evident CSR strategy. In 1864, G. A. Heineken founded the brewery in Amsterdam, focusing on quality. Heineken became the first premium pilsner in The Netherlands. Heineken now is the third biggest brewer in the world, operating in 178 countries and served in 192 countries ([www.heineken.com](http://www.heineken.com)). The Heineken family still holds a majority share in the organization.

#### **3.2.1 CSR in Heineken**

Heineken is in the top 100 worldwide organizations performing CSR (RepTrak, 2015) for years, and also won other national as well as international notifications for their CSR strategy and reporting (SR14; SR15). This implies Heineken has a CSR strategy and other artifacts supporting CSR. This is a sign of incorporation of CSR into the organization (KPMG, 2015). Therefore, Heineken is a good case to research *how* organizations incorporate CSR and which influences play a role.

In 2010, Heineken started its new CSR strategy, back then named 'Brewing a Better Future' (BaBF), planning targets for 2020. This strategy was renamed in 2014 to 'Brewing a Better World' (BaBW), "because the work we do today is starting to make a difference already today and not at some point in the future" (SR14, p 4). Heineken says to focus on the topics that are most relevant for their stakeholders and business. "Brewing a Better World is our long-term approach for creating shared, sustainable value for our business and our stakeholders" (SR14, p 4). In addition, Heineken mentions to take their social and environmental responsibilities seriously. This complies with the stated definition of CSR for this thesis and the triple bottom line. In addition, the sustainability report ensures that "BaBW is supported by organizational values and behaviors". To show that in the whole organization employees are being socially responsible, Heineken states that 99% of the senior managers have at least one sustainability target (SR15).

Brewing a Better World has six focuses. In 2010, BaBF started with four: "Protecting water resources", "Reducing CO2 emissions", "Sourcing sustainability", and "Advocating responsible drinking". In 2014, "Promoting health and safety" and "Growing with communities" were added.

### **3.3 Data Collection**

The two main sources to gather data for this thesis are documents and interviews. Documents were gathered mainly from the Heineken website ([www.heineken.com](http://www.heineken.com)), where Heineken stores many documents that are publicly available. Secondly, open-ended, semi-

structured interviews served to tap into the values and beliefs of the agents in the organization. This enables understanding of the decisions these organizational agents made, and to understand the influences of the endogenous, as well as exogenous norms, values and routines on the decisions that were made.

### 3.3.1 Document Analysis

“Documents are durable repositories for textual, visual and audio representations that may be retained and used in different times and spaces, creating the possibility that the meaning of the representations may be interpreted differently – and employed accordingly – by the user, partly because of variations between the regulatory and institutional setting of the producer and user of the document” (Symon & Cassell, 2012, p 391). The necessary documents can nowadays easily be collected through the Internet. One possible problem with this is that it can be difficult to have a full overview of which documents are available (Symon & Cassell, 2012). Heineken has an online page with their reports and presentations, where all external communication on sustainability is stored.

Source	Reference in text	Length of document	CSR	Activities Incorporated on CSR	Exogenous norms, rules, rout.	Endogenous norms, rules, rout.	Role of Agents
Jaarverslag 2001	AR01	88 p			x	x	x
Annual Report 2015	AR15	143 p			x	x	x
Sustainability Report 2010	SR10	72 p	x	x	x	x	
Sustainability Report 2012	SR12	304 p	x	x	x	x	x
Sustainability Report 2013	SR12	144 p	x		x	x	
Sustainability Report 2014	SR14	57 p	x		x	x	
Sustainability Report 2015	SR15	54 p	x	x	x	x	x
Duurzaamheidsverslag Nederland 2013	DV13	22 p	x		x	x	
Duurzaamheidsverslag Nederland 2014	DV14	25 p	x	x		x	x
Heineken Company Presentation 2015	CP15	76 p	x		x	x	
‘Interview met CSR Manager van Heineken’	ART1	6 p	x			x	x
‘Heineken’s strijd om het groenste biertje’	ART2	2 p		x	x	x	
Heineken: More than a race	ART3	2 p	x		x	x	
Audio: Annual General Member Meeting, April 2016	AU1	3:10 h	x	x	x	x	x
Video: Meeting consumer expectations in Asia	VID1	1:37 m	x		x		
Video: Sustainable Performance Management	VID2	4:43 m	x		x	x	x

Table 1: Documents and discussed themes per document

A problem with public documents concerning external information is that these documents serve to inform individuals outside the organization, like various stakeholders. These documents therefore could potentially not contain all critical information. To solve this problem, my gatekeeper in Heineken sent me the internal organization presentation of 2015 that is not available on Internet, and is not meant to inform outsiders.

Table 1 clarifies that macro focus is most evident in the gathered reports and data, which can be seen from the column 'Exogenous norms, rules, routines'. This column focuses on the institutional actors and their norms, rules and routines. A micro focus, represented by the columns 'Activities incorporating CSR' and 'Role of agents', is present in the documents as well, however less evident. Endogenous norms, rules and routines are represented in the documents, because Heineken has a strong identity, on which the CSR strategy is based.

After collecting the documents, first analysis established whether the collected documents are reliable, authentic, and useful for my research. Because it is difficult to assess whether the documents are authentic by contacting the original author, assessment consisted of checking the reliability of the source, the completeness of the document and checking other documents supporting the reliability of the document (Symon & Cassell, 2012). In addition, my gatekeeper checked this for me by comparing the documents with internal communication. Since I obtained most documents from the Heineken website, where also other documents are available that support the specific documents, I assumed the documents used were reliable and authentic. My gatekeeper confirmed this. Table 1 presents an overview of the analyzed documents and the examined themes per document. Appendix 3 shows more information about the number of pages, number of quotes and from where the documents are retrieved.

The documents served to research the macro environment of BaBW. In these reports, also micro activities are shown, but are not activities related to incorporation. Of these activities, only outcomes are explicated in the reports. Therefore, document analysis was not enough to answer my research question, and semi-structured, open-ended interviews took place.

### ***3.3.2 Semi-structured, Open-ended Interviews***

Interviews are conducted to gain understanding about micro activities and perceptions that organizational agents in Heineken experienced regarding the translation of endogenous influences, as well as exogenous influences of norms, rules and routines into a CSR strategy. Interviews give clarity on issues that have multiple possible interpretations, because of the possibility to ask extra explanation (Symon & Cassell, 2012). The information that was needed from the interviewees was retrospective as well as present; impressions, activities and decisions about norms, rules and routines. Therefore, the interviews consisted of semi-structured, open-ended questions. Open questions provided the opportunity to gain more insights and create deep understanding. By giving

the interviewee the opportunity to speak about the overall purpose of BaBW, but also speak about detailed specifics, the organizational world as the interviewee experienced it was discovered.

There are a few concepts in this research that gain substantial attention in this thesis, and therefore needed to gain substantial attention in the interviews. The literature discussed in chapter 2 served as basis for operationalization of these concepts to fit the interview. These concepts are the CSR strategy, organizational field, incorporation, and the organizational agents. The interviewees are all employees of Heineken, who, in this research, are seen as organizational agents. They have to balance endogenous and exogenous norms, rules and routines by transforming them and capture them in a CSR strategy in order to incorporate CSR. To address these central concepts, open-ended questions followed from translation of the concepts and dimensions into indicators. The indicators served as a basis for the main interview items. This contributed to gathering data that fitted the theoretical concepts. Appendix 1 presents the operationalization scheme.

Following the operationalization scheme, the interview guide was prepared. The main items from the operationalization scheme served as leading questions. The order of these questions was flexible, in order to adjust it to the interviewee's answers. Therefore, it was a semi-structured interview. The interview guide also included questions that followed indirectly from the main items, and left room for improvisation and creativity to ask further clarification to fully understand the process the agent participated in. Appendix 2 presents the basic interview guide. Due to the document analysis and the knowledge about the organizational agents to interview and the functions they have in Heineken, for every interviewee the questions and order of questions was adjusted slightly to fit the agent's expertise and to gather the necessary information in a limited amount of time. The flexibility of this semi-structured strategy was necessary to react on unexpected events or experiences the interviewee encountered, and at the same time enabled me to change content or sequence of questions.

All interviews consisted of a short introduction of the interviewer and interviewee and an explanation of the contribution to the research. Then, a main part to address the prepared questions followed, finishing with a closing to summarize the main topics and to explain the progress of the research. To get a comfortable and friendly atmosphere, showing personal interest encouraged the interviewees to answer

openly. This served the interview by both parties feeling comfortable and more open. Table 2 presents the themes discussed in the interviews. Interview 1 is done face to face, while interviews 2 and 3 are done by telephone, due to the busy schedules of the interviewees.

The interviews explicated and examined micro processes and activities the organizational agents executed that served incorporation. The column 'Activities incorporation CSR', shows that all interviewees explicated activities that serve incorporation. The column mentioning 'Endogenous

norms, rules, routines’ shows that with all three interviewees I spoke about the endogenous norms, rules and routines that are present in Heineken and how the agents deal with them. The column ‘Role of agents’, shows that two interviewees spoke about their role in incorporation of CSR. These three columns represent micro focuses that are discussed in the interviews. The outcomes of *how* incorporation took place are explicated in the sustainability reports. Analyzing these documents before the interviews served as a basis to dive deeper into the activities that organizational agents perform on the micro level, concerning incorporation of CSR.

<i>Source</i>	<i>Reference in text</i>	<i>CSR</i>	<i>Activities Incorporated on CSR</i>	<i>Exogenous norms, rules, rout.</i>	<i>Endogenous norms, rules, rout.</i>	<i>Role of Agents</i>
Interviewee 1: Sustainability analyst, providing benchmarks, measurements and creating systems for tracking progress	I1	x	x	x	x	x
Interviewee 2: Manager on a more social level, responsible for input of stakeholders and maintaining relationships	I2	x	x	x	x	x
Interviewee 3: Manager responsible for incorporating and forming BaBF; setting the agenda via input from in-and outside the organization	I3	x	x	x	x	

*Table 2: Interviews and discussed themes per interview*

**3.3.3 Searching for Interviewees**

There is no overview of Heineken’s agents that are responsible for BaBW. Therefore, in order to find interviewees, I turned to my gatekeeper in Heineken who spread a short description of my research among some organizational agents who are or were highly involved in BaBW and its formation in 2010. After this, purposive sample snowballing is applied; the first interviewee gave names of other relevant agents in Heineken that could give valuable information. A first screening of the potential interviewees on the extent to which they are or have been involved in BaBW took place. The interviewees should have been in the position to make decisions regarding the incorporation of the societal program of CSR and the accompanying norms, rules and routines. Involvement in the translation into a CSR strategy was the second condition. This led to three interviewees.

Table 2 presents an overview of the themes I researched and the interviewees that gave information on these themes. To assure anonymity of the interviewees I chose to not display their function, but instead provide a description of their tasks, relevant for my research. In Appendix 3, more information is found about the subjects discussed in the interviews and the length of the interviews.

### ***3.4 Data Analysis***

To be able to analyze the data, the raw data first had to be prepared. Therefore, transcription of interviews took place. Data analysis implies the systematical search and categorization of the data (Boeije, 2005), to create and find patterns in the data (Vennix, 2010). For the documents as well as for the analysis of the interviews, this process is executed. To work consistently, I used the same method for document analysis and analysis of the interviews, after transcription. For both, the used technique is template analysis. This technique fits, due to the flexible nature and the possibility to keep a-priori theoretical themes to gain understanding of the gathered perceptions and information. A fixed number or levels of coding is not required, but instead template analysis focuses on the development of themes around rich data (King in Symon & Cassell, 2012). To analyze the data structurally, ATLAS.ti is used, a software for qualitative data analysis.

To answer the research question, a big amount of Heineken's documents might be useful. A selection took place, firstly based on the conditions mentioned in section 3.3.1. Appendix 3 shows an overview of the analyzed documents. Table 1 shows an overview of the themes the documents discuss. This specification of themes to research enabled a selection on which section(s) of which documents to analyze thoroughly. The most important criterion was that the document focuses on CSR. If only a part of the document is about CSR, this part is analyzed and coded. This resulted in sections of the annual reports, the question-and-answer section of the Annual General Member Meeting 2016, some articles from the Internet, some informative videos, the organization presentation, and almost the full documents of the sustainability reports, as can be found in Appendix 3. Transcription of the interviews based on the audio recordings made during the interviews enabled coding. Table 2 and Appendix 3 present the interviews.

Initial codes were provided to the relevant sections of text. Among these codes are also a-priori, theoretical codes like 'organizational field' and 'incorporation'. Appendix 4 presents a list of initial codes. After this, linking sections with the same codes to each other allowed for a comparison of the corresponding sections of the documents and interviews. In addition, it enabled gaining understanding of the progress and adjustments in the BABW strategy, and the endogenous and exogenous norms, rules and routines these adjustments were based on.

After this phase of initial coding, the codes were linked and listed while keeping the codes general and without judgment. This allowed intensive analysis of the initial template. Analysis made me insert, delete and merge codes. Appendix 5 presents these adjustments. To interpret this template, all codes and groups together with the corresponding sections of text were examined. Then, a higher order code was developed, while again keeping in mind the studied theory, as presented in chapter 2. These codes guided the attention to what is more and what is less important. The grouped higher order codes formed a code tree for detailed analysis, providing quotes for all groups, found in Appendix 6. Appendix 7 shows analyzed documents and the codes

used per document in an ATLAS.ti report. In addition, themes that were not directly linked to the research question were analyzed, to be sure no important information was lost and additional background information is added to this research.

### ***3.5 Quality Assessment Criteria***

To conduct an independent and fair research, criteria exist to assess qualitative research. I use the assessment criteria as proposed by Guba & Lincoln (1989) in Symon and Cassell (2012, p 207). These criteria seem to cover the qualitative aspects more accurate than the often-used criteria of reliability and validity. These seem to be more accurate for quantitative research, because of the quantitative aim to be an independent researcher. The criteria used in this research are credibility, transferability, dependability and conformability.

To have a *credible* research, the aim is to demonstrate a good fit between the constructed realities of respondents and the reconstructions attributed to them (Symon & Cassell, 2012, p 206). Peer debriefing with the supervisor of this research as well as with fellow master students realizes credibility of this research. In addition, memos of my understanding and interpretations are kept in my research diary. Furthermore, member checks took place at the end of each interview, and each interviewee is given the possibility to adjust the transcript of the interview sent to the interviewee.

*Transferability* can be achieved when the researcher provides enough detail about the specific research case (by thick description), so the reader can judge what other contexts might be informed by the findings (Symon & Cassell, 2012, p 207). Attention is paid to give thick description, by not only explaining the actions, but also give the relevant context so the reader understands why certain behavior is shown, thereby reaching transferability. In addition, in chapter 4 examples of specific situations are given.

*Dependability* refers to a demonstration of the methodological changes and shifts in constructions, which are captured and thereby made available for evaluation (Symon & Cassell, 2012, p 207). The kept research diary explains the changes and shifts in constructions and shows the emergent processes of these constructions in as much detail as possible, so the reader can understand why specific decisions are made.

To achieve *confirmability* of the research, it is important to show where the data comes from and how the data is transformed into the presented findings. A detailed account of the analysis process is therefore available, so the reader can be sure data, interpretations and outcomes of the interviews are grounded in the context and the interviewees (Symon & Cassell, 2012, p 208).

Reflection in action during the process ensured achievement of these criteria. During the research, I actively paid attention to the quality criteria and what I had to do to achieve them.

### ***3.6 Research Ethics***

The opportunities and characteristics of the documents and the conducted interviews to answer the research question are shown in the previous sections. Document analysis is used to gain



a broader understanding of the developments of the CSR strategy of Heineken. This served macro-level research. Interviews are used to create insight and gain understanding about *how* CSR is incorporated in an organization, in order to understand the norms, rules and routines the agents deal with to create a CSR strategy that fits the organization, using Heineken as a case. The interviews served micro-level investigation.

The interviewees put themselves in an exposed position, by elaborating and discussing their actions and decisions. I treated this with great care so the interviewees would answer honestly. I promised them anonymity, informed them about my research question and aim beforehand, and asked permission to record the interview. I also gave them the opportunity to look into the transcripts of their own interview and to look into chapter 4 to check whether the interpretation of their quotes and the context is correct. In addition, I promised to keep the documents and information sent by my gatekeeper concealed. To ensure this, I signed the “Research Integrity Form” from the Radboud University.

## **Chapter 4: Analysis and Results**

In this chapter, I elaborate on the findings from the gathered data. First, I go into the terms ‘sustainability’ and ‘CSR’ and the difference between the two, because this is necessary to understand Heineken’s CSR strategy, which will be explained in section 4.2. After this, I will elaborate *how* Heineken incorporates CSR, using the theoretical concepts discussed in chapter 2. The same sequence of subjects is used, so first CSR in Heineken is researched, then the core concepts of institutional theory and the core concepts of agency theory are elaborated. Emphasis goes to the organizational field, incorporation and organizational agents. The end of this chapter will provide a summary of the primary discoveries.

### **4.1 Sustainability and CSR**

Heineken uses the term ‘sustainability’ instead of CSR for most of their issues. Van Marrewijk (2003) argues that “CSR relates to phenomena such as transparency, stakeholder dialogue and sustainability reporting, while sustainability focuses on value creation, environmental management, environmental friendly production systems and so forth” (p 102). The term sustainability is used, the interviewees mentioned, because it is more overarching and it emphasizes the focus on the environment (I2; I3). Heineken uses the term CSR as well, “*CSR is about the social side and social investments we make, about the responsibilities we have in society like the involvement of stakeholders, the transparency of our reports and the fact that we publish these reports on a regular basis*” (I2, min 22:58). It is possible to integrate CSR into sustainability but not the other way around (Van Marrewijk, 2003). However, “*CSR and sustainability are extensions of the other*” (I2, min 21:40). As mentioned before, I focus on the stakeholders and the organizational field, and the interactions between them. This fits the concept of CSR as mentioned by van Marrewijk (2003) and the interviewees. Heineken integrated these issues in BaBW (I2, I3).

### **4.2 Heineken’s CSR Strategy: Brewing a Better World**

In 2010, Heineken started its integrated sustainability strategy; Brewing a Better Future (BaBF), setting targets for 2020. This strategy is loosely based on the sustainability agenda that already existed before 2010, but took a different approach (I3): other focus areas were selected and a more comprehensive approach was chosen in collaboration with deputies from all departments of Heineken (I1) and stakeholders (I3). In 2009, when the agenda for BaBF was set, stakeholders were invited to give input about how this strategy had to look (I3).

In 2014, the name was changed into Brewing a Better World (BaBW), because “*We feel that this better reflects that the work we are doing has a global impact today and not just for some part of the world at some point in the future*” (SR14, p 4). Based on this strategy, every year Heineken publishes a sustainability report. This document, an artifact, serves incorporation by stabilizing norms, rules and routines and determines the patterns of action (Delmestri, 2009; Pentland & Feldman, 2008). These reports served mainly to research the macro environment of Heineken and

BaBW. Micro activities are less frequently exposed; only specific cases in foreign countries are mentioned. The micro activities of organizational agents to incorporate CSR are not shown, only the outcomes of incorporation are explicated in the sustainability reports.

The importance of BaBW for Heineken becomes clear when looking into reports and presentations that are not specifically about CSR, like the annual report. CSR is a main point of attention for the organization (I2). BaBW is one of the six strategic focuses of Heineken (AR15, p 16; CP15, p 17, 39-50) and therefore takes a prominent place in Heineken's overall strategy.

Brewing a Better World now has six focus areas:

- Protecting water resources
- Reducing CO2 emissions
- Sourcing sustainability
- Advocating responsible drinking
- Promoting health and safety (since 2014)
- Growing with communities (since 2014)

These focus areas receive explicit attention. For every focus area targets are set. These targets are set because Heineken believes it can make a difference in these focus areas and thereby contribute to society both globally and locally (SR14; SR15). Likewise, it is important for Heineken to ensure to still exist and be active in the future (I2; I3).

The focus areas are adjusted over the years. Adding two focus areas in 2014 is an example (SR14). This suggests that endogenous and exogenous norms, rules and routines changed, and made the agents of Heineken decide to adjust the strategy. Adjustments to the BaBW strategy always come from a combination of what Heineken thinks is important and what values and ideas are present in the organizational field (I2). A combination of Heineken's values and stakeholders' interests is aimed for (I2, min 19:06). This happens by combining exogenous and endogenous norms, rules and routines (Seo & Creed, 2002). In 2009 when the agenda for BaBF was set, stakeholders were invited to give input about how this strategy had to look (I3). Interviewee 2 mentioned that "Promoting health and safety" became a focus area based on endogenous norms; Heineken's agents wanted to improve this and set more targets (I2). In addition, "Growing with communities" is incorporated because of endogenous norms of Heineken. Organizational agents decided that this deserved more attention, so Heineken made it a focus area. Because these issues are endogenous, they fit the identity of Heineken (I2), and thus point towards cultural-cognitive elements (Scott, 2008). This suggests that agents of Heineken are actively involved in what to incorporate and *how* to do so; they provide ideas and influences on focus areas that are not covered yet. If the endogenous and exogenous norms, rules and routines comply, there will be less tension on how to transform and incorporate them into the organization.

However, even though norms, rules and routines in the above mentioned situations are endogenous, stakeholders of Heineken help shape the ideas and are involved in setting the agenda for BaBW (I2; I3). A special section in every sustainability report, “Stakeholder Dialogues” emphasizes how important stakeholders are. A combination of interests of both the stakeholders and Heineken is necessary. Substantial attention seems to go to stakeholder’s norms, rules and routines and to perceiving them (I1; I2; I3; SR15). This shows the importance of stakeholder input, which is elaborated more in the following sections.

### ***4.3 CSR in Heineken***

The definition of CSR used in this thesis is “A concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with stakeholders on a voluntary basis” (Prieto-Carrón et al., 2006, p 979). This definition hence consists of three parts: the triple bottom line, interactions with stakeholders, and doing this on a voluntary basis. The next sections explain how Heineken incorporates these three parts. Next to this, also the theoretical concepts are elaborated in light of the case.

#### ***4.3.1 Definition Part One: Multiple Responsibilities***

Figure 1 reflects Heineken’s strategic drivers (SR14, p 4). However, no explanation of the drivers or the figure itself is given in the report, therefore I interpret the figure as a prioritization, left being the first priority. This interpretation is based on the colors that become less bright and the arrow shape of the figure that seems to start left and end right.

The figure shows multiple strategic drivers. All drivers are separately shown, and thus seem to be separate aims of Heineken. “Do good” is a very broad aim. I interpret this aim as an environmental and social responsibility to contribute to a fulfilled life of the societies Heineken is active in, even though this is not stated anywhere. “Build trust” is directed towards social responsibilities; when Heineken “does good” for the society, they will earn the trust of the society. This is a first difficulty of gaining legitimacy from the institutional actors. The local communities and the general public are the ones who contribute trust to Heineken, in exchange for a location and infrastructure to do business. However, they only will when Heineken “does good” for the society (Hill & Jones, 1992), the first driver. Then two instrumental-based items follow. “Save cost” and “Mitigate risk” are economic responsibilities of an organization to stay viable, but also to satisfy the expectations of shareholders who expect return on their investments (Hill & Jones, 1992). This helps Heineken to gain shareholder legitimacy. The fifth item, “Impact society”, is a social responsibility. The fact Heineken considers their impact on society as a main driver shows commitment to CSR. However, again, this also helps Heineken to gain the legitimacy from the local communities (Hill & Jones, 1992). The last item is “Commercial opportunity”. Commercial opportunities are important for every organization in order to stay viable, but for Heineken this seems to be of less importance than the issues related to social or environmental responsibilities.

Achterbergh & Vriens (2010, p 353) mention that when incorporating societal programs, organizational decisions are structured to weigh and integrate both performance-related goals and a variety of societal values and goals. This is visible in the strategic drivers of Heineken as well. Most strategic attention goes to value-based CSR activities and issues. However, when looking at the six focus areas of BaBW, (section 4.2), two out of six focus areas, “Sourcing sustainably” and “Growing with communities”, focus on a positive impact on society. Therefore, the only contradiction I find, is that I expected “Impact Society” to gain more strategic importance.



Figure 1: Heineken’s Strategic Drivers

The fact that two of the drivers are pure economic responsibilities is not problematic, seen in light of the definition of CSR. Crane et al. (2013) state that economic responsibilities are necessary, as long as they are aligned with social and environmental responsibilities. This illustrates economic responsibilities can go together with a CSR strategy. Heineken mentions this issue of balancing (SR14), and I2 confirmed this, saying that BaBW should be good for both society and business. All three responsibilities of the triple bottom line are represented in Heineken’s strategy (Bondy et al., 2012; Dahlsrud, 2008).

*“It is our belief that there is genuine economic and social opportunity for all our stakeholders when we as a business address these issues”* (SR12, p 30). Business and sustainability are therefore balanced (SR12, p 4). However, BaBW cannot be solely a philanthropic program (I2, min 20:06). Achterbergh and Vriens also mention that a pure form of CSR, where no economic responsibility is present, is impossible (2010, p 360). Heineken states sustainability is not in conflict with economic growth, shareholder value, or societal values, but the multiple responsibilities of Heineken go hand in hand (AU1, min 46:43). Nevertheless, hand in hand *“does not mean everyone’s wish list can be fulfilled. Instead, compromises have to be made in a way that makes everybody happy”* (I3, min 19:13). Considering Heineken’s own values and examination whether the norms, rules and routines of the organizational field comply with the strategic drivers is an activity *how* Heineken incorporates CSR. This is supported by literature, mentioning the importance of compliance of exogenous factors with the organizational identity (Voss et al., 2006).

#### **4.3.2 Definition Part Two: Interaction with Stakeholders**

The second part of the used definition of CSR is about the integration of social and environmental responsibilities in interaction with stakeholders. Heineken is aware of the

importance of its stakeholders, who are institutional actors (I1; I2; I3). Heineken therefore interacts and communicates with them in three ways.

The first method of communication is via reports, like the sustainability reports. These artifacts serve as basis for decisions and represent Heineken's values. The stabilizing function benefits incorporation (Delmestri, 2009; Pentland & Feldman, 2008), but also serve as a method of communication towards external stakeholders and other institutional actors to update them about what is going on in the organization. The sustainability report informs about BaBW, but also on the achievements and on the activities that are, and will be, performed in order to achieve the goals stated in BaBW. BaBW serves as a basis for decisions and actions. Section 4.3.1 examined the presence of the triple bottom line responsibilities of CSR in BaBW. The sustainability reports and other documents of Heineken about CSR, prove incorporation of CSR in Heineken. These reports are artifacts reflecting *how* Heineken incorporated CSR, but also stabilize *how* incorporation takes place (Delmestri, 2009).

Another method of communication is the interaction Heineken establishes through stakeholder dialogues (I2; SR15, p 10-14). These dialogues help Heineken to stay focused on what is important in the organizational field and to discover opportunities and issues to confront (I2; I3; SR15, p 10). This enables Heineken to gain legitimacy, by perceiving the societal programs and to use them to guide decisions. Stakeholders are important because they are "*the voice of society*" (I3, min 18:52). Not only internal stakeholders like employees are taken into account, but also governments, competitors, and other industry associations; institutional actors in the organizational field that are relevant for Heineken. I put more emphasis on this in section 4.4. By interacting with stakeholders, Heineken serves as an agent of the organizational field by perceiving its norms, rules and routines, but also the expectations of the institutional actors, in order to gain legitimacy (Seo & Creed, 2002). These exogenous norms, rules and routines influence *how* CSR is incorporated. The interactions between Heineken and the stakeholders are therefore an activity that shapes *how* Heineken incorporates CSR.

Collaborations with multiple institutional actors in the organizational field (SR15, p 12) are another method of interaction. These collaborations exist because "*this is the way forward and brings about real sustainable change and growth*" (SR12, p 22). Examples are to increase the effectiveness of the responsible drinking-message (SR13, p 13), to create a platform to share ideas (SR13, p 1), and to notice issues to confront and create targets (AU1; SR13). Interviewee 1 stated that others might have more expertise on content or context and can therefore help. In addition, lasting relationships can be very helpful in developing and achieving targets (I2). However, by collaborating, the roles of principal and agent become unclear (Child & Rodrigues, 2003; Hill & Jones, 1992; Wilhelm et al., 2016). Because a certain collaborative contract is in place, the norms, rules and routines of the partner have to be taken into account. This limits the freedom of the

organizational agents to act in the way they think is best. When there is no fit with the norms, rules and routines of Heineken, tensions can result. Collaborations can thus be seen as an activity that influences *how* CSR is incorporated in Heineken, but it can also be seen as an artifact resulting from the way CSR is incorporated in Heineken. Heineken seems to select partners to collaborate with. This expands Heineken's organizational field with the actors they select themselves. Collaborations are discussed in section 4.4.2.1.

#### **4.3.3 Definition Part Three: CSR on a Voluntary Basis**

Voluntariness means organizations exceed minimum legal requirements because it feels like the right thing to do. This is thus value-based incorporation of CSR. Interviewee 2 mentioned that CSR and sustainability are embedded in the values of Heineken. Heineken already had an agenda on these issues since the early 2000's (I3). The existence of this agenda comes from cultural-cognitive elements (Scott, 2008), rooted in the values and identity of Heineken. It therefore is endogenous (I2; I3; Johnson et al., 2008).

*"Gerard Adriaan Heineken, who opened his first brewery in 1864 was actively involved in social and cultural affairs, in his spirit we still do this every day"* (SR13). Every sustainability report states this sentence or one alike. It suggests that from the founding of Heineken, social responsibilities are important, due to the personal values of G. A. Heineken. This formed Heineken's identity and therefore CSR is hard wired in Heineken, based on cultural-cognitive elements. The norms, rules and routines of G. A. Heineken agent have influenced the identity of Heineken, and thus *how* CSR is incorporated in Heineken.

One aspect on the CSR agenda is "responsible consumption" (I3). This initiative sounds at odds with the economic responsibilities of Heineken. Heineken supports moderate, responsible drinking instead of encouraging customers to drink as much as they can to make more profit (SR15). Heineken incorporated this because *"instead of being a part of the problem, Heineken wants to be a part of the solution"* (I2). Heineken wants to sell products with the message to be enjoyed instead of misused (SR12).

Moreover, Heineken contributes to society via philanthropy, entitled to be the highest CSR responsibility by Carroll (1991). Heineken does this, for example, by actions for the destroyed Philippines (DV14, p 23), employee volunteering activities (SR12, p 12), and blood donations in Congo (SR12, p 13). Heineken also takes care of internal stakeholders, employees, and provides HIV/AIDS prevention, care programs and education for employees and their families (SR10, p 48). In the end, Heineken wants to be able to stay in business and therefore needs employees. However, taking care of employees' families also serves Heineken's own business by having educated, loyal employees. These activities are examples of activities that Heineken performs, but not because it is an obligation. This is performed on a voluntary basis, because CSR is in Heineken's identity. These

values and the identity influence *how* Heineken incorporated CSR, and the philanthropic actions resulting from this are activities that shape *how* CSR is incorporated.

#### **4.4 Organizational Field and Incorporation**

In this section, Heineken's organizational field is elaborated. From this organizational field, Heineken's agents incorporate the norms, rules and routines related to the societal program of CSR into organizational decisions. Incorporation of societal programs is an important method for organizations to gain legitimacy (Achterbergh & Vriens, 2010; Scott, 2014). Heineken focuses on and listens to its organizational field, the institutional actors inside it, and Heineken's stakeholders in order to "*bring the outside world inside Heineken*" (I2, min 14:36).

##### **4.4.1 Heineken's Organizational Field**

The organizational field is more than just industry; it also includes other stakeholders and institutional actors that are influenced by or can influence the organization (Scott, 2008). Also other institutional actors are part of the organizational field of an organization. For example, employees, local communities, and NGO's also play a role in the organizational field (Hill & Jones, 1992).

The organizational field creates societal programs with norms, rules and routines. Heineken keeps a constant eye on the organizational field (SR12), and conducts stakeholder dialogues and round table conferences with institutional actors (I2; I3). Heineken made a chart of the stakeholders they engage with for BaBW (Figure 2). The industry is included, but also other relevant actors that Heineken influences (consumers, employees) or that influence Heineken (governments, NGO's). However, the figure does not represent the complete organizational field as suggested in literature; competitors are missing (Scott, 2008), as well as the general public and local communities (Hill & Jones, 1992). Inside the organizational field, many institutional actors are present who can possibly contribute to the CSR strategy of Heineken (SR15, p 12). The organizational field of Heineken as a company is bigger than the organizational field of Heineken's

BaBW, which is shown in Figure 2. This is because Heineken is a large organization and every department has a different set of external constituents, institutional actors and stakeholders, who exert institutional pressure on incorporation of norms, rules and routines (Wilhelm et al., 2016).



*Figure 2: Stakeholders Heineken engaged at a global level in 2014 (SR14, p 12)*



The title of the figure is taken from the text accompanying this figure in the original report (SR14) and shows that Heineken is aware of the stakeholders that they have to deal with. Heineken actively engages with them, by inviting these stakeholders to discuss the agenda for BaBW (I3). This is an activity to identify the norms, rules and routines that play a role in the organizational field, and to select the ones to incorporate. It shapes *how* incorporation takes place.

By engaging with stakeholders, Heineken acquires insights on societal programs. New points of interest for BaBW are developed. Heineken and society influence each other (I2); *“the two cannot be seen separately”* (I2, min 20:06). Stakeholders help Heineken to create an overview of what becomes more or less important in society (I2), because *“stakeholders are the voice of society”* (I3, min 18:52) and *“stakeholders hold up a mirror to see what is going well, what should be improved, and what is important in society”* (I2, min 14:36). It benefits Heineken to review the targets and the agenda of BaBW regularly together with stakeholders. This helps to incorporate the societal programs that are important for the stakeholders and the organizational field at that moment (I2; SR14, p 4).

In the first BaBF report in 2010, stakeholders mentioned they wanted: harder targets and KPI's, more goals on local sourcing, and higher levels of community support in developing markets (p 6,7). These stakeholder dialogues are one manner of perceiving norms, rules and routines from the organizational field. As a reaction, in the sustainability report of 2012 actions are presented on the issues stakeholders mentioned in 2010; more clear targets and indications to reach these targets are set, collaborations for the development of wellbeing in poor areas are made (SR12, p 46). Also local sourcing became a main focus area (SR12, p 63, 64). The contact with stakeholders thus influences *how* BaBW is shaped, by perceiving information from the stakeholders on the important societal programs. This also influences adjustments of BaBW by perceiving exogenous norms, rules and routines.

A concrete example of an adjustment is found in the focus area “Health and safety”. Most attention for safety used to go to production, but importance is now shifting towards distribution, and especially safety on the road (SR14; I3). One of the targets of “Promoting health and safety” therefore is on road safety. This target is set in 2014, based on exogenous input of stakeholders as a reaction on the number of deaths in traffic (I3). To achieve this, sales managers now have to follow trainings in Alert Driving (SR15, p 36).

#### *4.4.1.1 Coping with Exogenous and Endogenous Influences*

If a societal program becomes important in the organizational field, Heineken has to consider incorporation (I1), but the norms, rules and routines that come with the societal program have to comply with the identity and strategy of Heineken (I2; Voss et al., 2006). This is a tension related to legitimacy: the endogenous norms, rules and routines versus the exogenous norms, rules and routines. Heineken wants to incorporate norms, rules and routines in order to make a

difference in society (I2). However, also when Heineken does not have direct impact, agents check the opportunities on the issues (I1; I2, min 13:55). This is necessary, because “*stakeholders have a certain reason to bring up issues*”, they do not mention issues that are not important for them (I2, min 12:58). There are multiple ways how Heineken perceives exogenous influences, and how the organizational agents cope with these exogenous norms, rules and routines, and the endogenous norms, rules and routines. The organizational agents perceive the exogenous norms, rules and routines by interacting with stakeholders as mentioned in section 4.3.2, and by benchmarks, analyses and tracking of competitors (I1; I2; I3; SR15).

The stakeholder dialogues serve to perceive and list issues that might be subject to improvement, based on stakeholders’ opinions (I2; SR14). Heineken initiates these dialogues, where they invite stakeholders (I2). They do this on a regular basis, because the composition of the organizational field and groups of stakeholders change (I2; I3). With this, also their norms, rules and routines change.

Sometimes only one stakeholder is invited, sometimes a specific set of stakeholders, like NGO’s, and sometimes multiple stakeholders are invited at the same time (I2). These dialogues are presented in every sustainability report, which shows its importance. On the issues mentioned by stakeholders, Heineken presents a solution (SR12, p 43,44; SR13, p 17; SR14, p 11). In addition to these dialogues, stakeholders can ask questions directly to executives in the Annual General Meeting. Topics for improvement as well as new topics come up (AU1). If an important issue comes up, organizational agents measure, benchmark and analyze directly after this annual meeting (I1). This is because stakeholders ask questions and raise concerns that represent their norms, rules and routines (I3). These forms of dialogue and interaction show that stakeholders and actors from the organizational field influence what Heineken considers to incorporate in their strategy. It is an activity that shapes *how* Heineken incorporates CSR. At the same time, stakeholder dialogues can also be seen as an artifact resulting from *how* CSR is incorporated in Heineken, because it determines patterns of action (Pentland & Feldman, 2008) and thereby stabilizes BaBW (Delmestri, 2009).

When perceiving exogenous input, Heineken’s agents always assess what they can do on this topic. This is often done via benchmarks (I1; SR15, p 9) and analyses (I1). If agents conducted the benchmark and analysis, they present a target to the executive board for approval, before incorporation can take place (I1). The board then acts as the principal of the organizational agents that benchmarked and presented the targets, and decides about whether or not to incorporate this target. At the same time, the board acts as an agent of the organizational field and the stakeholders, by making this decision in order to satisfy the needs of the stakeholders.

Even when approved, it depends on timing whether Heineken incorporates the issue immediately, because Heineken needs to be in the position to change something (I2). An important

person can sometimes be a prevailing factor (I1). This is the case with a member of the supervisory board who is an expert on CSR and therefore puts pressure on the development of new and more targets concerning CSR in Heineken (I1). The fact CSR is an important issue even in the highest management levels of Heineken suggests commitment to incorporation of CSR throughout the organization. Another prevailing factor is the identity of Heineken (I1), which includes CSR related values since G. A. Heineken founded the company in 1864. The identity is based on endogenous norms, rules and routines (Voss et al., 2006).

Mentioned is the direct input from stakeholders in the organizational field via interaction with Heineken's agents. Another method to keep up with the organizational field is tracking competitors and other institutional actors (I1; I3). Tracking institutional actors is an activity to monitor institutional actors and the societal programs that the institutional actors incorporate from the organizational field and the way they do this. This way, Heineken identifies important issues to incorporate into the organization in order to gain legitimacy from actors in the organizational field. Tracking and analyzing helps evaluating BaBW and shows insights from other perspectives (AU1, min 21:45). It also helps discovering norms, rules and routines that competitors already incorporated (I2). A concrete example of this can be found in the responsible drinking program within Health and Safety. Heineken set this target in 2010, because Heineken wants to be *"part of the solution, instead of be a part of the problem"* (I2, 24:27). In line with the alert driving courses, stakeholders commented on safe use of Heineken products when pregnant and when driving (I2). Heineken now prints a label on all cans and bottles that warns pregnant women. In addition, Heineken started a collaboration with Formula1 and launched the campaign "When you drive, never drink" in September 2016 to create worldwide awareness (ART3). Collaborations are examined in section 4.4.2.1.

According to theory, when the norms, rules and routines of a societal program that are derived from the organizational field are incorporated into the decisions of the complete organization, incorporation is 'complete' (Scott, 2008). This is especially important in CSR, because the organization needs a real, honest story that everyone is aware of and that serves as a basis for decisions (I1, min 41:03). Interviewee 1 mentioned Heineken has this real, honest story, coming from the founder of Heineken. It is still reflected in Heineken's identity, and is presented in every sustainability report and annual report. For Heineken, its identity seems very important and guides decisions. Luhmann (1988 in Achterbergh & Vriens, 2010) calls this self-descriptions'.

Institutional theory, and especially incorporation, mainly focuses on the organization and the influences of the organizational field. This is an exogenous influence. However, analysis showed that Heineken has a very strong identity, and that this identity serves as a basis to weigh whether or not to incorporate societal programs. Institutional theory does not say anything about this. Luhmann (1988, in Achterbergh & Vriens, 2010, p 150) mentions this as self-description: the

distinction between system (organization) and environment (organizational field) is important here. Examples are the description of the identity of the organization, its image, strategy or artifacts. These self-descriptions serve as a point of reference to decide on whether or not to incorporate societal programs. The endogenous norms, rules and routines play a big role, and the exogenous norms, rules and routines have to comply with this (Voss et al., 2006). Institutional theory assumes gaining legitimacy by incorporating exogenous norms, rules and routines is of main importance, while in Heineken its identity seems just as important to decide what to incorporate.

Incorporation involves selection, interpretation, deliberation, and judgment of the societal programs and never relies on “blind obedience” (Achterbergh & Vriens, 2010). Heineken’s agents therefore analyzes whether the societal programs comply with Heineken’s own values and identity. Not all issues from the organizational field are incorporated blindly. The process of incorporation starts by interacting with stakeholders or benchmarking institutional actors in the organizational field, engaging stakeholders, critical thinking and measuring whether stakeholder’s norms, rules and routines comply with Heineken’s norms, rules and routines; a specification of “selection, interpretation, deliberation, and judgment” as Achterbergh & Vriens mention (2010, p 352).

The interactions with stakeholders are activities that shape *how* Heineken incorporated CSR. The structured interactions that follow procedures, like the stakeholder dialogues, are also an outcome of *how* CSR is incorporated, by emphasizing the importance of stakeholders’ input and perceiving this on a regular basis. The exogenous norms, rules and routines are perceived. These activities in turn influence the organizational agents and steer decisions in a certain direction. The organizational agents then set targets. Targets reflect what Heineken thinks is important to incorporate into the organization. They stabilize incorporation. Artifacts illustrate *how* Heineken incorporated CSR. To start with, the annually published sustainability reports, that serve to communicate to stakeholders what Heineken does. Reporting on results of CSR targets is present mainly in the sustainability reports in the section “What we said and what we’ve done” (SR13, p 4-5; SR14, p 6-7; SR15, p 6-7).

Theory on value- and instrumental incorporation seems to sketch a dichotomy (Dahlsrud, 2008). This dichotomy does not take into account the fact organizations and organizational agents have a certain degree of freedom, praxis, to make their own decisions about which societal programs and norms, rules and routines to incorporate into the organization (Seo & Creed, 2002). Achterbergh and Vriens (2010) sketch this freedom, by mentioning the possibility for “rationality beyond incorporation”, incorporating what is necessary, but permitting the organizational agents the freedom to do more or less than the norms, rules and routines from the organizational field. This is confirmed by the gathered data; Heineken’s organizational agents do not incorporate all norms, rules and routines from the organizational field blindly, but try to balance the norms, rules and routines of both the organization (endogenous) and the organizational field (exogenous).

#### *4.4.1.2 Collaborations*

Institutional theory does not examine collaborations, even though in Heineken they are important (I2; I3). The collaborations influence Heineken's incorporation of CSR. The partners' norms, rules and routines have to be considered. To collaborate, a fit has to be found between these partners' norms, rules and routines and the endogenous norms, rules and routines (I2; I3).

Collaborations can act as a source of change in organizational fields (Lawrence, Hardy & Phillips, 2002, p 281). They can provide opportunities for institutional actors to be involved in the development of organizational fields, and to strategically influence the direction of that development (Phillips, Lawrence & Hardy, 2000, p 39). Tight interorganizational relationships can lead to learning and sharing knowledge or achievement of a shared goal (Lawrence et al, 2002). Heineken states both as motivations for collaboration (SR15). Collaborations are useful because others might have more knowledge on content or context (I1; I2). In addition, collaborations serve to *bring further Heineken's aims for both business and society* (SR13, p 18). However, this means that agents have to take into account these partners' interests and norms, rules and routines. This is more difficult because there is multiple agency (Child & Rodrigues, 2003); the role of agent and principal shifts from one partner to the other, and the endogenous and exogenous norms, rules and routines have to fit. So, in the occurrence of collaborations, agency theory and institutional theory come together.

### **4.5 Agency**

Agency theory discusses the relations between two individuals: a principal, and an agent who makes decisions and acts on behalf of the principal (Bendickson et al., 2016; Douma & Schreuder, 2008, p 131). It also regards the internal process of imagining choices and making decisions upon how to act (Scott, 2008, p 79).

When asked whether Heineken's own interests are top priority in decisions, Interviewee 3 answered "*own' is a philosophical term when speaking about Heineken; there is the Heineken family, employees, shareholders, senior management*" (I3, min 08:40) and all these together are the organization Heineken. This makes decision-making a difficult task, because the quote suggests that within Heineken, the organizational agents are grouped and have an agency relationship between them as well. There is multiple agency (Child & Rodrigues, 2003), because all these groups together represent Heineken as an organization in the organizational field, and thus act as a single institutional actor. This shows how the organization is an institution (Scott, 2014). It makes decision-making difficult. Depending on the circumstances, a principal in once occasion can be an agent in another occasion. In a situation with multiple agency, like is the case here, it is difficult to determine who is principal and who is agent, because these roles are dual and interchanging (Child & Rodrigues, 2003).

Because the roles change with every circumstance, it is difficult to pinpoint stakeholders and institutional actors to a static role as agent or principal, because this will limit the notion of duality that seems to be present in this case. This phenomenon is often seen when multiple institutional actors act as principals of Heineken. The principal in one occasion can be the agent in the other, which makes it difficult to set interests and decide on whose goals to strive for (Child & Rodrigues, 2003). Especially in collaborations with stakeholders, that put Heineken in a relationship of supposed equality, this is a difficult issue. In the next sections, this is discussed.

#### ***4.5.1 Distinguishing Agents and Principals***

Theory states that stakeholders are a principal of the organization, because they have a legitimate claim on the organization and expect something in return for their contribution (Hill & Jones, 1992, p 131). Following this reasoning, the organizational field can be seen as a principal, because there is an exchange relationship of incorporation of norms, rules and routines in exchange for legitimacy.

However, instead of solely expecting something in return and influencing decisions, Heineken engages with the organizational field and the stakeholders, and has dialogues with them (I2; I3; SR15). In these dialogues, Heineken mainly listens to what the stakeholders mention (I2), and tries to maintain a friendly relation with them (I2; I3). This approach serves legitimacy, without incorporating any new norms, rules and routines. From this friendly relationship with stakeholders, collaborations emerge (I2). Some problems regarding agency arise here, as will be explained in section 4.5.2.1.

Within the organization, there are multiple parties: for example the Heineken family, employees, shareholders, and senior management, who all together form the organization Heineken (I3, min 08:40). The Heineken family is majority shareholder. This means they are principal of Heineken. They want that the organization achieves their aims, but do not specify how to realize these aims (I3). This shows the praxis the organizational agents possess (Seo & Creed, 2002).

The agents inside the organization are an ambiguous group. The direct agent of the Heineken family is the board of directors, who have direct contact with the Heineken family and other stakeholders (AU1). The board of directors serves as a principal for the senior management. The senior management serves as a principal for the other employees of Heineken, by delegating them tasks. This shows that distinguishing who is principal and who is agent in an organization is ambiguous, even when only two parties are involved in the agency relation (Hill & Jones, 1992). This is due to the hierarchical structure of large organizations (Tirole, 1986).

Even though difficult, a basic distinction between principal and agent has to be made in this thesis. Unless stated otherwise, when speaking about agents, the organization Heineken is seen as the agent. This includes the board of directors, the senior management and all other levels of

employees taken together. The principal is the organizational field. This includes Heineken's stakeholders and other institutional actors. Therefore, there are multiple principals. Since the roles of agents and principals differ per situation, when analyzing a specific situation, it is specified when the agent or principal is different or more specific than stated here.

#### **4.5.2 Agency in Heineken**

Agents of the organization are responsible for the process of incorporation and therefore can be seen as mediators who transform, translate, distort, and modify the meaning of CSR (Schultz & Wehmeier, 2010). Section 4.4 presented that Heineken interacts with the organizational field and the actors in it, who are often stakeholders, on multiple occasions. The agents of Heineken have to decide on what to incorporate, *how* to do so, and meanwhile have to keep the interests of all institutional actors in mind.

Between Heineken's agents and the stakeholders, there is often no explicit contract (I2). Explicit, written, contracts give a clear direction on goals, and thus specify who is principal and who is agent. This is the case with employees. It gives direction on what the organizational agents have to do to achieve the goals of the principals. A written contract therefore is a restriction on the freedom of the agents to act in full freedom, because the goals of the principal can oppose the agents' goals. A written contract ties the agent to the achievement of the principal's goal. Written contracts with institutional actors and the activities that follow from these contracts, influence *how* Heineken incorporates CSR. Heineken has contracts with some stakeholders, but not with all (I2).

A concrete example of this is a long lasting collaboration between Heineken and EUCORD, an NGO in Brussels that is specialized in agriculture in Africa and guiding small farmers (I2, min 06:52). EUCORD strives for fair growth of farmers and to contribute to the livelihood of rural communities. Since Heineken can help EUCORD in achieving this by buying fair crops for their production, Heineken set targets for local sourcing. These targets stabilize *how* CSR is incorporated in Heineken.

Nevertheless, Heineken also listens to its stakeholders when there is no written contract and there is no clarity on goals or on who is principal and agent in a specific occasion. Heineken listens to these stakeholders, because they represent society (I2; I3). "*Stakeholders only bring up an issue if they feel like we have to consider this and improve this*" (I2). This is confirmed by I1 and I3. This helps Heineken to decide on what and *how* to incorporate stakeholder issues and to contribute to society (I2). This puts Heineken's agents in a difficult position. Heineken's agents have to listen to multiple stakeholders, who act as principals. They all have different norms, rules and routines. This makes it difficult for agents to make a decision, because interests of stakeholders can contradict (I1). Stakeholders help shaping Heineken's goals (I2), but do not specify *how* to reach the goals: "*The Heineken family does not come on visits with all the children to tell us what to do*" (I3, min 11:15). This quote implies that the Heineken family, the majority shareholder, has the same type of

influence as the other stakeholders have: they present their interests and aims, but delegate the decision making power to organizational agents. Therefore, the agents in Heineken who decide on the CSR strategy have freedom in deciding, as long as they meet the interests of the stakeholders. They shape *how* CSR is incorporated in Heineken.

#### ***4.5.2.1 Heineken's Agents in Collaboration***

Agency theory is about contracts and delegating decision-making power. Collaborations can be seen as a form of contract, whether this contract is written and explicit, or implicit (Bendickson et al., 2016). However, the complexity of collaborations is that not one principal delegates decision-making power to agents to meet his goals; the parties together have a mutual goal that they want to realize by collaborating.

The collaborations of Heineken with stakeholders are mainly directed to achieve mutual goals and help each other further (I2; SR15). When there is no benefit for Heineken, the executive board will not give permission to collaborate (I2). In Multiple agency often arises in collaborations, especially when collaborating to achieve a common goal (Child & Rodrigues, 2003). This is often the case in Heineken (I2). This common goal gives both (or all) parties the idea of being the principal. On the other hand, the organizations contribute complementary assets to the partnership, which makes them agents of each other to ensure viability (Child & Rodrigues, 2003). This creates a role conflict and is therefore a complex situation (Child & Rodrigues, 2003).

Since Heineken has many of these collaborations, all partners become principals. This means all partners' goals have to be taken into account when balancing endogenous norms, rules and routines with exogenous norms, rules and routines. Deciding on what to incorporate in Heineken and BaBW becomes more challenging. Therefore, also in these cases, benchmarks and analyses are executed (I1; I2; I3). At the same time, when collaborating, Heineken also acts as principal. Therefore, Heineken's interests have to be taken into account by partners as well (I2; Child & Rodrigues, 2003). The distinction between agents and principals is not evident, since both (all) parties have the dual role of principal, as well as agent.

### ***4.6 Primary Discoveries***

Institutional theory and agency theory are used to understand *how* Heineken incorporates the societal program of CSR. Analysis shows that the importance of societal programs and the norms, rules and routines shift, because of the evolving organizational field (I1; I3). In 2010, Heineken started with Brewing a Better Future: a sustainability strategy that includes publishing annual reports. These reports support incorporation by providing stability and are a result of *how* Heineken incorporated CSR. In 2014, the name is changed into Brewing a Better World. Heineken did this because "*it better reflects that the work we are doing has a global impact today and not just for some of part the world at some point in the future*" (SR14, p 4). That year, also two focus areas became more explicit; "Growing with communities" and "Promoting health and safety". The



pressure to give more explicit attention to these two focus areas since 2014 was endogenous (I2). Both focus areas fit the identity and the norms, rules and routines of Heineken, and organizational agents provided the ideas to emphasize these issues. This suggests that agents of Heineken are actively involved in what to incorporate and *how* to do so; they provide ideas and influences on focus areas that are not covered yet.

Because the identity and the endogenous norms, rules and routines of Heineken are stable, adjustments of BaBW are often exogenously driven. The first BaBF report in 2010 reflected what stakeholders asked for (p 6,7). As a reaction, the sustainability report of 2012 presented actions on the issues that stakeholders mentioned in 2010 (SR12, p 46). In addition, local sourcing became a focus area (SR12, p 63,64), for which Heineken and EUCORD collaborate (I2). External stakeholder input seems important and all interviewees confirmed this. Stakeholders mention issues that are important to them, and Heineken can gain legitimacy by incorporating their norms, rules and routines. Institutional actors and stakeholders influence *how* CSR is incorporated. Another manner to perceive institutional actors' norms, rules and routines is by benchmarks and analyses that agents of Heineken conduct, to track actors in the organizational field (I1).

Agents perceive exogenous norms, rules and routines, and discuss whether they fit with Heineken's norms, rules, routines and identity. If it complies, organizational agents need to find a balance between endogenous and exogenous norms, rules and routines, but also between environmental, social and economical responsibilities. The organizational agents benchmark, measure and analyze Heineken's opportunities and possible targets; this is *how* CSR Heineken transforms societal programs into targets. Setting these targets is an activity that shapes *how* Heineken incorporates CSR. The targets itself are an artifact that stabilizes incorporation.

The analyses and benchmarks shape *how* CSR is incorporated in Heineken: the regular publishing of sustainability reports, contact and collaborations with actors and stakeholders, the setting of targets for managers, and holding stakeholder dialogues. All these artifacts present *how* CSR is incorporated in Heineken and stabilize incorporation of BaBW.

Heineken incorporates CSR in a way that is not completely instrumental based, but also not completely value based, they balance this. To do so, Heineken looks for the compromise that makes everyone happy (I3). Heineken states that business and sustainability go hand in hand (AU1). Balancing is visible in many of Heineken's activities, like taking care of the families of employees; this firstly serves to take care of them, but also serves Heineken by having educated employees in the future, who know Heineken and engaged with the organization. Taking care of employees and their society is embedded in the identity of Heineken (SR12).

Since founder G. A. Heineken himself in 1864 wanted to take care of society, this is a part of Heineken's identity. This makes it easier for Heineken's agents to find a compromise to balance economic, environmental and social responsibilities and to translate norms, rules and routines

from the organizational field into a CSR strategy that fits Heineken's norms, rules and routines. An example of this is the responsible drinking campaign, which is a clear example of contributing to society instead of striving for the biggest possible profit. Heineken creates collaborations with institutional actors in the organizational field that help evaluating and improving Heineken on every subject, also on responsible drinking. These dialogues and contacts with stakeholders and actors in the organizational field are activities that shape *how* CSR is incorporated in Heineken, but also an artifact that presents *how* CSR is incorporated in Heineken.

In the next chapter, I answer the research question "*How is CSR incorporated in Heineken?*" After this conclusion, I will go into the relevancy of this research, reflect on the research and research method, and will provide recommendations for further research.

## ***Chapter 5: Conclusion and Discussion***

In this chapter, I answer the research question of this thesis, following the analysis of chapter 4. With this, I fulfill the aim to gain insight in *how* an organization incorporates CSR, and the roles the organizational field and the organizational agents play in this incorporation. By doing so, I developed insights in how incorporation takes place and thereby increased understanding of the influences that play a role. In addition, I will discuss the findings of this research in light of theoretical and practical relevance, reflect on the used methodology, and recommend findings that might be interesting for further research.

### ***5.1 Conclusion***

This conclusion answers the research question: *How is corporate social responsibility incorporated in an organization?*, whereby Heineken serves as a case. Because this is a single case study, the research question that is answered is sharpened: *How is corporate social responsibility incorporated in Heineken?*

The analyzed data suggests *how* Heineken incorporates CSR. In chapter 1 is mentioned that *how* CSR is incorporated can be split up in two parts that complement each other. Firstly, there is the process *how* CSR is incorporated in the organization; the activities that shape incorporation of CSR. The second part is the presence of artifacts as a consequence of *how* CSR is incorporated. These artifacts stabilize the norms, rules and routines that come with incorporation and therefore stabilize the activities of the incorporation process. The two thus reinforce each other. I explain this more detailed, using the findings of chapter 4.

Both endogenous and exogenous input shapes Brewing a Better World. A lot of interest goes to Heineken's stakeholders, with who Heineken interacts to discuss issues on a regular basis. This is presented in the section 'stakeholder dialogues' in sustainability reports. These stakeholders are institutional actors and have norms, rules and routines that shape the organizational field. The stakeholders act as principals towards Heineken, because they contribute something to the organization and expect something in return. Heineken listens to stakeholders because they are the voice of society. Incorporation of stakeholder's norms, rules and routines is a method for Heineken to keep the legitimacy from the organizational field. However, Heineken does not incorporate all issues that stakeholders bring up. Because BaBW is integrated in Heineken's strategy, the issues covered in BaBW have to fit with the identity of Heineken.

Since Heineken's identity and endogenous norms, rules and routines are stable, the main direction of BaBW is stable. The societal programs and the norms, rules and routines that are important in the organizational field evolve. This is due to changing stakeholder compositions and other institutional actors in the organizational field. Adjustments therefore often come from institutional actors and their exogenous norms, rules and routines. Therefore, a constant dialogue with the organizational field is important. It is important to perceive the norms, rules and routines,

in order to get an overview of what is important in the organizational field. Wherever the input comes from, the organizational agents that are responsible for CSR are the first ones to hear this input, by attending the stakeholder dialogues and other forms of communication. The organizational agents hence play a big role. These activities determine *how* Heineken incorporates CSR, but also reflect *how* CSR is incorporated, by highlighting the importance of communication with stakeholders.

When the information about stakeholders' or principals' norms, rules and routines is perceived, discussions take place on whether the societal program complies with the organization's own norms, rules, routines, and identity. If this is the case, Heineken's agents in CSR measure, benchmark and analyze what a realistic target is, and then present this to the executive board. This board has to agree on whether to incorporate the societal program in the current strategy or not. To incorporate the societal program into the activities of the whole organization, targets are set for almost all (99%) senior managers. All organizational agents have another view on the incorporated issue, but the CSR strategy and the related targets are artifacts that serve as basis for decisions by stabilizing the incorporated norms, rules and routines.

Another way to discover what happens in the organizational field is by tracking institutional actors and competitors. Also in this situation, benchmarks and analyses are very important to decide on whether or not to incorporate a target on this issue in the current strategy. Heineken's agents thus transform, translate, distort, and modify the meaning of CSR by making adjustments to the CSR strategy that become the new standard. These activities shape *how* incorporation takes place.

Aside the activities these organizational agents perform, there are some artifacts and activities that show *how* CSR is incorporated. Collaborations, for example, are activities, but are also artifacts. They shape *how* CSR is incorporated, but also present *how* Heineken incorporated CSR by highlighting the importance of stakeholders and collaboration to achieve mutual goals and thereby stabilize incorporation. Other artifacts are annually published sustainability reports and the CSR strategy BaBW. Stakeholder dialogues and other interactions with stakeholders and institutional actors are activities that shape incorporation and the artifacts, but are also artifacts in themselves. They follow a procedure and have the same goal every year; perceiving stakeholder input. The activities highlight aspects of the CSR strategy that are important for Heineken. The artifacts, in turn, influence and stabilize *how*, and with what goal, the activities are performed.

Concluding, activities are performed by organizational agents, who received decision-making power from principals. They decide *how* to incorporate social, environmental and economical responsibilities, CSR, into Heineken. The process of incorporation starts with interacting with stakeholders or benchmarking competitors. Heineken's agents critically assess

whether the gathered norms, rules and routines fit with Heineken’s identity and the current norms, rules and routines. Then measurements and analyses are conducted to set targets.

These targets are artifacts. Artifacts present *how* Heineken incorporated CSR and stabilize incorporation and guide the decision making process, by serving as a point of reference. These artifacts are the annually published sustainability reports, contact and collaborations with institutional actors and stakeholders, targets for managers, the stakeholder dialogues and Heineken’s overall strategy and identity. These, in turn, influence the agents by providing input that has to be transformed and incorporated via the above mentioned activities. The organizational field serves as the biggest exogenous influence for incorporation of CSR into Heineken. The organizational agents play an important role in the incorporation of the norms, rules and routines from the organizational field into BaBW, by making the decisions. Extracting from the gathered data, the following activities and artifacts can be distinguished. They serve *how* incorporation of CSR in Heineken takes place. Table 3 shows both in random order.

<i>Activities</i>	<i>Artifacts</i>
- Stakeholder dialogues	- CSR strategy Brewing a Better World
- Round table conferences	- Sustainability reports
- General member meetings	- Stakeholder dialogues
- Collaborating with institutional actors	- Collaborations with institutional actors
- Tracking competitors	- Contracts (implicit and explicit)
- Benchmarks by organizational agents	- Targets
- Measurements	- Contracts with stakeholders
- Analyses	- Overall strategy of Heineken
- Critical assessment of norms, rules and routines on fit with Heineken	
- Setting targets for senior managers in the whole organization	

*Table 3: Activities and artifacts showing how CSR is incorporated in Heineken*

As mentioned, the activities shape *how* the norms, rules and routines are incorporated. This results in the artifacts. The artifacts, in turn, stabilize the norms, rules and routines that organizational agents encounter via the activities they perform. The artifacts show that the norms, rules and routines are incorporated in the organization, and *how* they are incorporated. The stabilization of the norms, rules and routines guides decisions. This is captured in the artifacts. These artifacts then serve as basis, or point of reference for the activities and the norms, rules and routines organizational agents encounter. Model 2 shows the relationships between activities and artifacts.



*Model 2: The relationship between activities and artifacts*

## **5.2 Discussion**

In this section I will discuss whether the aim of the research is accomplished, discuss the findings of this research in light of theoretical and practical relevance, and reflect on the methodology used. In addition, I recommend issues that might be interesting for further research.

### **5.2.1 Aim of the Research**

The aim of the research was to gain insight in *how* an organization incorporates CSR, and in the roles the organizational field and the organizational agents play in this incorporation. After analysis, I can say that I fulfilled this aim. I only studied Heineken, which is a particular organization; large, global, producing alcoholic beverages and with a strong identity that embedded CSR since the founding.

Continuous interactions with endogenous and exogenous stakeholders are performed to identify what is important in the organizational field and which norms, rules and routines should be incorporated. Agents measure, analyze and discuss what to incorporate, by taking Heineken's own norms, rules and routines as a point of reference. The organizational agents have a certain degree of freedom, but have to take into account the principals; thereby their freedom is restrained. Heineken keeps track of the organizational field via close contact with institutional actors, engaging them and where possible also creating collaborations. Collaborating takes place to help each other further and discuss norms, rules and routines. Therefore, the role of the organizational field is the role of an influencer; it presents norms, rules and routines that might be incorporated into the organization. However, because Heineken has a strong identity, this identity serves as a point of reference for decision-making. Discussions to form realistic targets that fit the organization take place, based on analyses. Organizational agents perform these activities and shape *how* incorporation takes place. The organizational agents' role is thus a decision-making role, considering endogenous and exogenous factors.

### **5.2.2 Relevancy**

Relevancy for theory and practice are important aspects in this research, even though this was a theory-focused research. In literature, a demand for more qualitative research into the role of agents in the process of incorporation existed (Schultz & Wehmeier, 2010). This demand was central in this research. The role of organizational agents is important in incorporation, as discussed before. By interacting with institutional actors, considering endogenous and exogenous norms, rules and routines, and translating this into a CSR strategy, and at the same time their task to achieve goals of principals. They have a decision-making role. This is discovered via open ended, semi-structured interviews. This research approached the under researched area of organizational agents in incorporation of CSR, by discovering and gaining understanding of agents' role in incorporation of CSR. However, because using a single case design, transferability to non-similar

organizations is questionable, due to the organization-specific organizational fields. By providing detailed information, transferability is improved, as will be explained in section 5.2.3.

The endogenous norms, rules and routines seem very important in Heineken when deciding whether to incorporate or not. However, the word 'incorporation' suggests that the organizational field and exogenous influences to gain legitimacy are the main encouragements for incorporation. Institutional theory does not take into account that endogenous norms, rules and routines or self-descriptions, can have a big impact.

Another issue, relevant for theory, is that Heineken is involved in many collaborations, but institutional theory does not pay attention to this. Scott (2014) only mentions that CEO's that have bonds with each other can influence decisions. In Heineken, not only the CEO has bonds, but the whole organization has partners and therefore collaborates for multiple purposes and on multiple subjects. Heineken even tries to achieve mutual goals together with their partners. In addition, by selecting partners to collaborate with, Heineken expands and shapes its own organizational field.

The combination of a macro focused theory and a micro focused theory is made infrequently in research. This thesis is exceptional in this. The interaction between the macro forces of the organizational field that influence the micro activities in the organization is specific. The incorporation process is a mixture of macro and micro forces. This research therefore shows that the combination of macro and micro theories is possible and fits with the issue of incorporation, where multiple factors play a role. The organizational field on macro level influences the activities of the organizational agents on micro level. The methodological combination of micro and macro focuses enabled this research.

In addition, relevancy for practice is obtained. Giving practical implications for Heineken to improve its incorporation of CSR was not a goal of this research. Heineken serves as a case, because of its clear and comprehensive CSR strategy, which is in the top of worldwide CSR strategies. The practical relevance therefore serves other organizations. With respect to the transferability, this research might be most practically relevant to organizations that are similar to Heineken: large, global organizations in consumer goods. However, also other organizations can use the example of Heineken, because of the detailed account of the activities and artifacts that help shape *how* incorporation takes place. A first step for multiple organizations might be to be aware of the organizational field of the organization. This is possible by drawing a map of stakeholders with who a relationship of engagement is important, like Heineken does (Figure 2 in section 4.4.1). This creates an overview of which organizational actors are important. This can decrease the problem of multiple agency by providing an overview of organizational actors that serve as principal and their expectations of the organization's norms, rules and routines.

### ***5.2.3 Reflection on the Research***

This research started with two main theories that have been explored and used: institutional theory and agency theory. The integration of both theories enabled me to have a macro level view at the organizational field and at the same time a micro level view on the agents inside Heineken and their activities. These two theories therefore fit well with the research question and were helpful in exploring the documents and stating interview questions. The concepts of institutional theory are subject to interpretation. This was useful, because the definitions of concepts could be chosen in order to fit with the research. On the other hand, this made it difficult to get clarity directly. To understand what is meant with, for example, organizational field, is difficult when no explanation is given immediately. Also the theory does not give this clarity, because Scott shifts definitions in every new publication about institutional theory.

In addition, also about CSR there is ambiguity concerning the definition. The chosen definition of CSR focuses on the widely accepted triple bottom line: social, environmental and economical responsibilities. The focus on these three responsibilities fit with the research, but the discussion about CSR definitions in chapter 2 showed that there are more accepted theories and definitions about CSR. The scope of the definition limited this research to the triple bottom line, while more issues are related to CSR in literature, like ethical and philanthropical activities as Carroll mentions (1991). This did not gain much attention in this research, even though possibly very interesting to research.

In chapter 3, I mentioned four quality criteria to assess qualitative research. These were credibility, transferability, dependability and confirmability. Peer debriefing, by speaking about the content of the interviews and the analyzed documents with the supervisor as well as fellow students, helped to obtain credibility. In addition, a thesis-diary served to keep memos. The transcripts of the interviews are sent to the interviewees, to give them the opportunity to adjust or exclude parts of the interview that should not be used as data. None of the interviewees has taken advantage of this. To ensure my own interpretation is correct, chapter 4 was also sent to the interviewees, to check whether the used quotes are in the right context. This resulted in replacement of one quote. To achieve transferability, the actions agents perform in the process of incorporation are clarified, and details are shared about Heineken and Brewing a Better World, thereby showing the context. A detailed account about the activities is given. However, transferability of this research is questionable for very dissimilar organizations, because Heineken is a particular organization: large, operating in consumer goods on a global level, and concerned about CSR since its founding. My speculation would be that to large, global organizations in consumer, this research is transferable. To other types of organizations, this research can serve as example, because the activities are explained in detail and thick description helps to select which parts of the research are transferable. Dependability can be verified due to the thesis-diary and the large amount of notes on constructions and decisions made, that are written in detail in this diary.



Openness on the data helps achieving confirmability: displaying the page numbers or minutes when a quote is taken from data makes sure that data, interpretations and outcomes of the interviews are grounded in context and interviews.

#### ***5.2.4 Reflection on the Research Method***

Firstly, since conducting qualitative research, no hard evidence can support the findings, because the findings are not tested quantitatively. While trying to be as objective as possible, qualitative research is always influenced by the researcher. Therefore, only suggestions can be provided on the concluding findings.

Three interviews are conducted. This might seem few, but the agents in Heineken that fit the stated criteria of chapter 3 (involved in CSR, decision-making power) are very small in number; the team initially consisted of three organizational agents and two interns. I have spoken with all three agents who were involved in incorporating BaBF in 2010. One of them is still working in this team. This allowed me to develop me a complete picture of *how* CSR is incorporated, because the information complemented the document analysis. Nevertheless, it is always good to speak with as much organizational agents as possible, in order to get a better or more complete picture of the situation. However, to answer the research question of this thesis, the documents and the three conducted interviews were enough.

Due to the difficulties faced with approaching and getting in contact with Heineken's agents, my gatekeeper at the organization sent an email to two agents from the 2010 BaBF team he knows on a personal level. Because of the personal information he had, due to working together, he knew these agents could provide me with relevant information. After interviewing one of them, purposive sample snowballing took place (Tongco, 2007), by asking for names of relevant agents. This way of snowballing worked very well and provided me with the name of the third agent to interview. This agent still works in the BaBW team. Even though all agreed with an interview, the agents were very difficult to get in touch with. This was due to the high management functions of two of the organizational agents, which include a lot of business travels and scheduled appointments. Therefore, I conducted two interviews via telephone. The consideration to do so was whether these agents could provide me with information needed to answer my research question, even though we could not speak face to face. The decision to conduct the interviews, even though telephonic, turned out to be a good one: both organizational agents provided me with a lot of relevant information to answer the research question. This helped me severely in linking the last issues. The first interviewee provided me with comprehensive general and relevant information about the agents. Because of the high positions of the two agents to still interview, Google and the Heineken website helped me to find out the background of these agents. This allowed me to slightly adjust the interview guides and to focus on the areas of expertise of the agents. This served to have a more clear focus per interview. Nevertheless, this background check can influence the interviewer by

taking issues for granted that would have otherwise been asked to the interviewee and explained by them.

### ***5.2.5 Recommendations for Further Research***

Recommendations for further research became known, in relation to theory. A first matter is the fact that Heineken has many collaborations with other actors in the organizational field. In institutional theory this is not mentioned, while collaborations seem a very important matter to decide upon activities and incorporation in Heineken. Collaborations make these partners very influential. Therefore, to speak in terms of institutional theory, collaborations might become part of the rules of the game, even though not discussed in institutional theory. Scott (2014, p 206) on institutional theory mentions that CEO's can have bonds with other CEO's, which can influence decisions. I feel like he misses an important part of institutions in the organizational field working together, instead of only accounting for CEO's. When trying to find articles on collaboration in organizational field, only older articles come up. After 2005 no articles are being published in respected journals concerning collaboration in the organizational field. It is notable that even though some articles exist about collaborations, in the updated books on institutional theory Scott does not go into this, even though collaborations can act as a source of change in organizational fields. In addition, it provides an opportunity for institutional actors not only to be involved in the development of organizational fields, but also to strategically influence the direction of that development.

Phillips et al. (2000) found that collaborations often occur when the problems and challenges faced by organizations are multi-faceted, like when speaking about CSR where social, environmental and economic issues are present. Therefore, more research should be conducted to collaborations within in organizational fields between different institutions - also different sorts of institutions like NGO's, organizations and governments. Especially when concerned with a societal program like CSR, where multiple responsibilities are paramount, this might be an interesting influence on the organizational field. This would expand institutional theory.

In addition, the institutions that collaborate can form new institutions by setting up a separate entity. For instance, organizational agents of Heineken collaborate in, among others, B.I.E.R. This is a separate institution. It makes the organizational agents an agent of Heineken as well as of B.I.E.R. The agents involved are most of their time agents of Heineken, but are also agents of B.I.E.R. via Heineken. This creates a 'double' agency problem, being an individual in Heineken, and being a Heineken employee in B.I.E.R. This issue is also not researched yet, but might yield interesting results. In addition, when collaboration takes place to achieve mutual goals, in some occasions Heineken serves as agent, and sometimes as a principal. Even though Child & Rodrigues (2003) explain the multiple agency problem, this seems to not tap completely into the dual role that

is seen in the case of B.I.E.R, but also the contractual complexity that comes with collaborations is not explored yet. This can be subject to further research.

Analysis showed that self-descriptions, like the identity, play a big role in incorporation in Heineken. In theory, legitimacy seems a critical issue, but Heineken seems to deliberately assess which norms, rules and routines to incorporate, instead of feeling the need to incorporate all norms, rules and routines that are present in the organizational field. Incorporation assumes that only exogenous influences play a role in deciding which societal programs to incorporate. In Heineken, both endogenous and exogenous factors play a role, and organizational agents assess whether there is the needed fit before incorporation takes place. Institutional theory does not shed light on this at all, but it might be an interesting issue to research, because it is unclear whether exogenous or endogenous factors are prevailing in decisions about incorporation.

A last recommendation for further research is to research incorporation of CSR in an organization with less capabilities; less possibilities to shape the organizational field by selecting its own partners to collaborate with, and also fewer possibility to decide on which norms, rules and routines to incorporate and what not. This would mean to research an organization has to not much prestige yet on CSR. For example, an organization that is just starting to incorporate CSR, which can possibly encounter tensions between the norms, rules and routines in the organizational field and the identity of the organization. Heineken already has legitimacy in the field and has CSR embedded in its identity, therefore this tension is less remarkable than it could be in another situation.

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## Appendix 1: Operationalization scheme

Concept	Dimension	Definition	Indicators	Main Item
CSR	Corporate Social Responsibility	A concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with stakeholders on a voluntary basis. (Prieto-Carrón et al., 2006, p 979)	The amount to which Heineken integrated social and environmental concerns in their business operations and in their interactions with stakeholders on a voluntary basis.	Wat wordt er binnen Heineken verstaan onder 'CSR'?
CSR	CSR Strategy	The CSR strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes and goals towards CSR, produces the principal policies and plans for achieving these goals, and defines the range of business the organization is to pursue, the kind of human and economic organization it intends to be, and the nature of the economic and non-economic contribution it intends to make to its stakeholders (Andrews in De Wit & Meyer, 2010, p 74)	The CSR strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes and goals towards CSR, produces the principal policies and plans for the kind of human and economic organization it intends to be, and the nature of the economic and non-economic contribution it intends to make to its stakeholders (Andrews in De Wit & Meyer, 2010, p 74)	Hoe verloopt het proces van totstandkoming van de CSR strategie binnen Heineken?
Institutional Theory	Organizational Field	Those organizations that, in the aggregate, constitute a recognized area of institutional life, organizations that produce similar services or products. (DiMaggio and Powell, 1983, p	The industry, stakeholders and other organizations that critically influence Heineken's performance or Heineken influences, including exchange partners, competitors, funding sources, regulators and so	Welke instanties en belanghebbenden uit de omgeving van Heineken zijn belangrijk in het bepalen van de CSR strategie?



		148)	on.	
Institutional Theory	Incorporation	The process where organizations include themselves into a society by including relevant societal programs into their decision premises. (Achterbergh & Vriens, 2010)	The process where Heineken includes itself into a society by using a societal program to guide its decisions (Achterbergh & Vriens 2010, p 356).	Op welke manier worden de normen, regels en gewoontes van instanties in de omgeving van Heineken verwerkt in de CSR strategie?
Institutional Theory	Legitimacy	A generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions. (Scott, 2008, p 59)	The idea that Heineken's actions are desirable, proper or appropriate within a socially constructed system of norms, values, beliefs and definitions, whereby Heineken gains the right to exist and to be active.	Hoe wordt ervoor gezorgd dat de omgeving tevreden is met de bedrijfsvoering en activiteiten van Heineken?
Agency Theory	Agency	The internal process where choices are imagined and decisions are made upon how to act. (Scott, 2008, p. 79)	The internal process where choices are imagined and decisions are made by the agents of Heineken upon how to act.	Op basis waarvan worden beslissingen genomen en keuzes gemaakt met betrekking tot CSR?
Agency Theory	Agency Problem	Arises from the assumption that agents will behave opportunistically, particularly if their interests conflict with the principal. (Bendickson et al., 2016)	The assumption that agents of Heineken will behave opportunistically in their tasks, based on conflicting interests with the principal.	Wanneer cruciale beslissingen moeten worden gemaakt, wiens belang (Heineken, stakeholders,...) staat dan voorop en hoe worden deze beslissingen gemaakt?

## **Appendix 2: Preliminary Interview Guide**

*Based on theoretical framework and operationalization scheme*

### **Introductie**

1. Kort mezelf voorstellen, master *Organizational Design & Development* uitleggen, mijn masterscriptie uitleggen, het doel en de opbouw van het onderzoek uitleggen. Controleren of de respondent dit begrijpt of nog vragen heeft.
2. Navragen of het geen probleem is om dit interview op te nemen, hierbij aangeven dat de gegevens zorgvuldig en anoniem zullen worden behandeld in het verloop van het onderzoek.
3. Structuur en opbouw van het interview uitleggen, aangeven dat ik aantekeningen maak om bij te houden wat er is besproken en waar nog naar gevraagd kan worden.
4. Ik heb een aantal vragen heb voorbereid, en mijn verdere vragen zal baseren op uw antwoorden. Wanneer een vraag wordt gesteld die u al gedeeltelijk heeft beantwoord bij een vorige vraag, wil ik u toch vragen om alsnog de vraag zo uitgebreid mogelijk te beantwoorden.
5. Zou u zichzelf kunnen voorstellen? (studie, werkervaring, vorige en huidige functies en verantwoordelijkheden)
6. Beschikt u over specialistische kennis met betrekking tot CSR?
7. In welke mate beschikt u over het vermogen om zelf te beslissen over uw werkzaamheden? Of beslist iemand anders (principal) hierover?

### **Corporate Social Responsibility en CSR Strategie**

1. Wat wordt er binnen Heineken verstaan onder 'CSR'?
  - a. Is dit een definitie die onder alle werknemers van Heineken gedeeld is?
    - i. Zo ja: hoe is deze definitie tot stand gekomen?
2. Wat is het doel van CSR volgens u? Voor Heineken/in het algemeen?
3. Wat was (en is) de grootste motivatie voor Heineken om een CSR strategie te ontwikkelen? Wat zijn andere motivaties?
4. Hoe verloopt het proces van totstandkoming van de CSR strategie binnen Heineken?
  - a. Hoe komen aanpassingen van de strategie tot stand?
  - b. Wie initieert aanpassingen?
    - i. Heeft u hier zelf iets over in te brengen, i.e. brengt u aanpassingen aan?
5. Past CSR binnen de normen en waarden van Heineken?

### **Communicatie over CSR**

1. Waarop (welk tijdsbestek) is de communicatie naar buiten toe omtrent CSR gebaseerd?
  - a. Hoe komen die plannen tot stand?
  - b. Wie bepaalt wat er wel en niet naar buiten wordt gebracht?
2. Hoe wordt er omgegaan met de communicatie over CSR wanneer er bepaalde doelstellingen omtrent CSR niet zijn behaald? (wachten tot is behaald of gemeld dat het niet is gehaald?)

### **De druk vanuit externen**

1. Bij het bepalen van de strategie, wordt er vooral uitgegaan van druk vanuit de organisatie of vanuit de omgeving?
2. Welke instanties en belanghebbenden uit de omgeving van Heineken zijn belangrijk in het bepalen van de CSR strategie?

- a. Wat willen deze belanghebbenden?
  - b. Wat voor invloed hebben deze personen/instanties/groeperingen/overheid?
  - c. Hoe groot is deze invloed?
  - d. Op welke manier wordt er omgegaan met deze personen/instanties (contact)?
3. Op wat voor manier worden de wensen en eisen van instanties in de omgeving van Heineken verwerkt in de CSR strategie?
  4. Hoe wordt ervoor gezorgd dat de omgeving tevreden is met de bedrijfsvoering en acties van Heineken?
  5. Worden de websites of andere communicatiemiddelen van concurrenten en andere belanghebbenden in de gaten gehouden?

### ***Het maken van beslissingen***

1. Op basis waarvan worden beslissingen genomen en keuzes gemaakt met betrekking tot CSR?
2. Welke persoon/functie heeft de meeste invloed op de CSR strategie?
3. Wanneer cruciale beslissingen moeten worden gemaakt, wiens belang (Heineken, stakeholders, shareholders) staat dan voorop en hoe worden deze beslissingen gemaakt?
  - a. Komt er veel input vanuit bijeenkomsten met bijvoorbeeld de aandeelhouders of andere belanghebbenden?
    - i. Hoe wordt deze input vertaald naar een strategie?
  - b. Hoe belangrijk is de input uit bijvoorbeeld de aandeelhoudersvergadering?
    - i. Hoe wordt deze input verwerkt in de CSR strategie?

### ***Slot***

1. Zijn er, voor dit onderzoek, andere relevante onderwerpen die volgens u niet ter sprake zijn gekomen?
2. Zijn er nog vragen vanuit uw kant?
3. *Dit interview zal worden uitgetypt. Ik zal u het transcript hiervan sturen, zodat u kunt controleren of er fouten in staan, of dat u nog eventuele toevoegingen heeft. Nogmaals, deze data zal geanonimiseerd worden en het transcript zelf zal niet in de scriptie worden opgenomen.*
4. Heeft u collega's binnen Heineken die open zouden staan voor een interview omtrent CSR?
5. Bedankt voor uw tijd en bijdrage aan dit onderzoek!

## Appendix 3: Analyzed Documents

### Documents

#### Written

Title	Length p (#quotes)	Retrieved from
Jaarverslag 2001	88 (44)	<a href="http://www.jaarverslag.com/assets/reports/JaarverslagCOM_Heineken_Jaarverslag_2001.pdf">http://www.jaarverslag.com/assets/reports/JaarverslagCOM_Heineken_Jaarverslag_2001.pdf</a>
Annual Report 2015	143 (63)	<a href="https://secure.theheinekencompany.com/latest-reports">https://secure.theheinekencompany.com/latest-reports</a>
Sustainability Report 2010	72 (173)	<a href="http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability">http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability</a>
Sustainability Report 2012	304 (155)	<a href="http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability">http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability</a>
Sustainability Report 2013	144 (163)	<a href="http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability">http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability</a>
Sustainability Report 2014	57 (43)	<a href="http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability">http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability</a>
Sustainability Report 2015	54 (196)	<a href="http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability">http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability</a>
Duurzaamheidsverslag Nederland 2013	22 (50)	<a href="http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability">http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability</a>
Duurzaamheidsverslag Nederland 2014	25 (74)	<a href="http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability">http://www.theheinekencompany.com/sustainability/reporting?tab=sustainability</a>
Heineken Company Presentation 2015	76 (103)	Employee of Heineken
Interview met CSR Manager van Heineken	6 (36)	<a href="http://justbeit.uberflip.com/i/408673-just-be-it-magazine-editie-6/2">http://justbeit.uberflip.com/i/408673-just-be-it-magazine-editie-6/2</a>
'Heineken's strijd om het groenste biertje'	2 (17)	<a href="http://www.mt.nl/1/70299/home/heinekens-strijd-om-het-groenste-biertje.html">www.mt.nl/1/70299/home/heinekens-strijd-om-het-groenste-biertje.html</a>

#### Audio/Video

Title	Length (# quotes)	Retrieved from
Annual General Member Meeting	3:10:38 (58)	<a href="http://webcast.theheinekencompany.com/CCUIv3/frameaset.aspx?ticket=558-559-17002&amp;target=en-default-&amp;status=ondemand&amp;browser=ns-0-0-0-21-0&amp;stream=flash-audio-32">http://webcast.theheinekencompany.com/CCUIv3/frameaset.aspx?ticket=558-559-17002&amp;target=en-default-&amp;status=ondemand&amp;browser=ns-0-0-0-21-0&amp;stream=flash-audio-32</a>
Meeting Customer Expectations in Asia	1:37 (9)	<a href="http://www.theheinekencompany.com/media/video-gallery/media-detail?id=7CA0063E8AA5421DBA3AB67DD9691A1A">http://www.theheinekencompany.com/media/video-gallery/media-detail?id=7CA0063E8AA5421DBA3AB67DD9691A1A</a>
Sustainable Performance Management : Krista Valk	4:43 (24)	<a href="https://www.youtube.com/watch?v=_HKIkbVhIIE">https://www.youtube.com/watch?v=_HKIkbVhIIE</a>

**Interviews**

<b>Title</b>	<b>Length (# quotes)</b>	<b>Main Subjects</b>
Interview 1	1:10:46 (136)	CSR, CSR strategy, Forming and incorporation of CSR strategy, Influences from organizational field, Translation via benchmarks, Future of CSR
Interview 2	28:20 (38)	Influences from organizational field, Stakaholder dialogues, Collaborations
Interview 3	23:52 (64)	Motivations for incorporating and starting CSR strategy

## ***Appendix 4: Initial Codes Used***

<b><i>Color</i></b>	<b><i>Code Name</i></b>	<b><i># Times used</i></b>
Gray	Action against Heineken	3
Purple	Adjustment to CSR Strategy	24
Purple	Adjustments to CSR practices	26
Purple	agency problem	8
Purple	Agents	13
	APART	1
Orange	Balance	6
Gray	Being able to learn and improve	7
Gray	Benchmark	36
Turquoise	Clarity	14
Pink	Collaboration	67
Orange	Compromise	7
Pink	Contribute to Uni/Science	2
Light Blue	CSR	28
Light Green	CSR as base for decisions	10
Light Blue	CSR Strategy	12
Pink	Customer demands	29
Brown	Decisions	9
Pink	Demands from organizational field	43
Gray	Developing CSR with buyers	12
Gray	Developing CSR with suppliers	35
Gray	Development of CSR	15
Pink	Differences between countries	2
Turquoise	Discussions	22
Light Green	Doing more than targeted	12
Gray	Dramatic event	4
Pink	Environmental challenges	11
Turquoise	Focus Areas	20
Light Green	From the beginning	12
Light Blue	future practices	16
Orange	Goes well together	7
	HIER NAAR KIJKEN	1
Red	higher production, so all higher	1
Yellow	How	8
Pink	Impact of business	10
Light Green	Importance	36
Turquoise	Incorporation	42
Pink	Influence of stakeholders	107
Pink	Information exchange	68
Light Blue	Innovation	44
Red	Instrumental based	84
Brown	Internal communication	12
Pink	Involved in society	1
Light Green	Leveraging own green energy	21
Light Green	Living up to expectations	2
Gray	Measure/Analyse	59
Brown	Multiple responsibilities	43

Pink	Need for legitimacy	80
Brown	no discrepancy	3
Red	Not a game	3
Red	Only interest of Heineken in decisions	1
Purple	Organizational Field	128
Light Green	Philanthropy	18
Light Green	Points of attention	24
Orange	Practices	23
Light Blue	Previous activities	10
Light Green	Priority	4
Gray	Reaction	18
Brown	Reasoning for missing target	7
Pink	Relevancy	5
Brown	Repeated result	1
Turquoise	Reporting	44
Red	Reputation	12
Brown	Results	27
Pink	Shareholders	18
Pink	Stakeholder management	50
Turquoise	Starting CSR	8
Turquoise	Starting of CSR strategy	1
Turquoise	Stimulation	16
Pink	Taking care of internal stakeholders	36
Light Green	Targets	57
Gray	Tracking Progress	15
Orange	Use CSR as means to have successful business	88
Light Green	Use of green energy	7
Light Green	Value based	243
Turquoise	Whole organization	28
Yellow	Why	10
Red	Wrong estimation	2

## Appendix 5: Adjustments to Codes and Groups

Color	Initial codes	Final codes	Name of group
<b>Purple</b>	Adjustments to CSR strategy Adjustments to CSR practices Agency problem <i>Agents</i> <i>Organizational field</i>	Adjustments to CSR strategy Adjustments to CSR practices Agency problem <i>Agents' tasks</i>	Agency and agents' tasks
<b>Gray</b>	Action against Heineken Being able to learn and improve Benchmark Developing CSR with buyers Developing CSR with suppliers Development of CSR Dramatic event Measure/Analyze Reaction Tracking progress	Action against Heineken Being able to learn and improve Benchmark Developing CSR with buyers Developing CSR with suppliers Development of CSR Dramatic event Measure/Analyze Reaction Tracking progress	Direct reasons to develop or change CSR
<b>Orange</b>	Balance Compromise Goes well together <i>Practices</i> <i>Use CSR as means to have successful business</i>	Balance Compromise Goes well together <i>CSR and doing successful business</i>	In between value based and instrumental based incorporation
<b>Turquoise</b>	<i>Clarity</i> Discussions Focus areas Incorporation Reporting Starting of CSR <i>Starting of CSR strategy</i> Stimulation Whole organization	<i>Clarity/Transparency</i> Discussions Focus areas Incorporation Reporting <i>Starting of CSR</i> Stimulation Whole organization	Incorporation in Heineken



<b>Pink</b>	Collaboration Contribute to Uni/Science Customer demands Demands from organizational field Differences between countries Environmental challenges <i>Impact of business</i> Influence of stakeholders Information exchange <i>Involved in society</i> Need for legitimacy Relevancy Shareholders Stakeholder management <i>Taking care of internal stakeholders</i>	Collaboration Customer demands Demands from organizational field Differences between countries Environmental challenges Influence of stakeholders Need for legitimacy <i>Organizational field</i> Shareholders Stakeholder management	Influences via demands
		<i>Aware of impact of business</i> Contribute to Uni/Science Information exchange <i>Involvement with society</i> Relevancy	Influences via values
<b>Light blue</b>	CSR CSR Strategy Future practices Innovation <i>Previous activities</i>	CSR CSR Strategy <i>Future practices</i> Innovation <i>Previous practices</i>	CSR and CSR practices
<b>Light green</b>	CSR as base for decisions Doing more than targeted From the beginning Importance Leveraging own green energy Living up to expectations Philanthropy Points of attention <i>Priority</i> Targets Use of green energy Value based	CSR as base for decisions Doing more than targeted From the beginning <i>Importance</i> Leveraging own green energy Living up to expectations Philanthropy Points of attention <i>Taking care of internal stakeholders</i> Targets Use of green energy Value based	Value based incorporation
<b>Brown</b>	Decisions Internal communication	Decisions Internal communication	Clarity about multiple responsibilities

	Multiple responsibilities No discrepancy Reasoning for missing target <i>Repeated result</i> Results	Multiple responsibilities No discrepancy <i>Reasoning for missing target</i> Results	
<b>Red</b>	<i>Higher production so all higher</i> Instrumental based Not a game Only interest of Heineken in decisions Reputation Wrong estimation	Instrumental based Not a game Only interest of Heineken in decisions Reputation Wrong estimation	Instrumental incorporation
<b>Yellow</b>	How Why	How Why	Reasons and manners of incorporation of CSR
<b>No color</b>	APART HIER NAAR KIJKEN	APART HIER NAAR KIJKEN	Interesting issues

*"Agents" code name changed in "Agents' tasks"*

*"Clarity" code name changed in "Clarity/Transparency"*

*"Higher production so all higher" merged with "Reasoning for missing target"*

*"Impact of business" code name changed in "Aware of impact of business"*

*"Involved in society" code name changed in "Involvement with society"*

*"Practices" split up and merged with "Future practices" and "Previous practices"*

*"Previous activities" code name changed in "Previous practices"*

*"Priority" merged with "Importance"*

*"Repeated result" merged with "Results"*

*"Starting of CSR strategy" merged with "Starting CSR"*

*"Taking care of internal stakeholders" moved to group "Value based incorporation"*

*Group "Pink" split up in "Influences via demands" and "Influences via values"*

*"Organizational field" moved to group "Influences via demands"*

*"Use CSR as means to have successful business" code name changed in "CSR and doing successful business"*

## Appendix 6: Code tree and quotations

	Groups	Codes	Quote
Agency	Role of agents	Agency problem	We need full support of our employees; the ones who deliver our commitments and goals (SR10, p 26)
		Agents' tasks	
	Adjustments	Adjustments to CSR strategy Adjustments to CSR practices	The subjects change over time (I3, min 17:48)
Incorporation of CSR in Heineken	Commitment	Discussions	On a day-to-day basis, Brewing a Better Future is governed by a global team of representatives from the Supply Chain, Marketing, HR, C&A and CR (SR13, p 10)
		Focus areas	
	Incorporation	Stimulation	It (CSR) needs to become part of our DNA (SR10, p 11)
		Whole organization	
	Transparency	Incorporation Starting of CSR Clarity/Transparency Reporting	We are audited on disclosing everything, so complete transparency is needed (I3, min 15:17)
Reasons to develop or change CSR strategy	Forced to take action	Action against Heineken	That was a drama, but then we work hard on an official statement with our facts (I1, min 35:47)
		Dramatic event	
	Own initiative	Reaction	We learn as we go along (AU1, min 35:01) You first need benchmarks to see how others do it, but then also systems to integrate (I1, min 41:03)
		Being able to learn and improve	
		Benchmark	
Development	Measure/Analyze	Suppliers play a big role in our goals, we have to check with who we want to work together to make the whole chain sustainable (DV14, p 17)	
	Tracking progress		
In between value and instrumental	Use CSR as means to have successful business	Developing CSR with buyers	Profit and purpose do not exclude each other but instead complement each other (ART1, p 2)
		Developing CSR with suppliers	
		Development of CSR	
Influences from outside organization	Influencers	Balance	We can only achieve our ambition through continuing to listen carefully to our stakeholders (SR15, p 3) Stakeholders make you bring the outside world inside (I2, min 14:36)
		Compromise	
		Customer demands	
	Macro-factors	Demands from org'al field	Water is vital for life and critical for well-being of the communities and ecosystems we operate (SR13, p 27)
		Influence of stakeholders	
Influences from inside organization	Need for legitimacy	Shareholders	We have always said that we can achieve more by working with partners and stakeholders than on our own (SR12, p 45)
		Stakeholder management	
	Importance	Differences between countries	Bring together FMCG manufacturers and retailers to create practices for positive change (SR15, p 13)
		Environmental challenges	
		Need for legitimacy	
Caring for society	Organizational field	Our BaBW program focuses on six areas that can contribute to a sustainable development and where we can make a difference (SR14, p 5)	
	Collaboration		
Changing CSR	Evolution	Information exchange	Innovation plays an increasingly important role in driving sustainability across our commercial activities (SR12, p 20)
		Relevancy	
	Regeneration	Aware of impact of business	We are committed to improve (SR15, p 8)
		Contribute to Uni/Science	
		Involvement with society	
Value based incorporation	Doing more than legally obliged	CSR	We got ourselves ambitious goals (DV14, p 10)
		CSR Strategy	
	Starting from values	Innovation	If everyone knows the program, then it is clear where Heineken goes and what decisions have to be made (I1, min 39:44)
		Previous practices	
		Future practices	
Openness	Tracking	Importance	It is a tough task but we have little option if we are to leave a stronger, better society for future generations (SR13, p 2)
		Leveraging own green energy	
	Honesty	Targets	BaBF is governed by a Steering Committee that meets each quarter (SR10, p 11)
		Points of attention	
		Doing more than targeted	
Instrumental incorporation	Profit as driver	CSR as base for decisions	As always, where we have not met our objectives, we explain why in the report (SR15, p 3)
		Living up to expectations	
	Misjudgment	From the beginning	The board has to approve, but it is also a question of timing: the organization has to be ready and open for a change (I2, min 14:36)
		Philanthropy	
		Taking care of internal stakeholders	
		Use of green energy	We initially overestimated our discharge (SR15, p 16, footnote)
		Value based	
		Decisions	
		Internal communication	
		Results	
		Multiple responsibilities	
		No discrepancy	
		Reasoning for missing target	
		Instrumental based	
		Reputation	
		Only interest of Heineken in decisions	
		Not a game	
		Wrong estimation	

## ***Appendix 7: ATLAS.ti Report: Codes per Document***

Master Thesis CSR Heineken

Documents

Report created by Roselle Brink on 14 jun. 2016

### **SR10**

#### **Used Codes:**

● Adjustment to CSR Strategy ● Adjustments to CSR practices ● Agents' tasks ● Aware of impact of business ● Balance ● Benchmark ● Compromise ● Contribute to Uni/Science ● CSR ● CSR and doing successful business ● Decisions ● Developing CSR with buyers ● Developing CSR with suppliers ● Discussions ● Focus Areas ● From the beginning ● Future practices ● Goes well together ● How ● Incorporation ● Influence of stakeholders ● Information exchange ● Innovation ● Instrumental based ● Measure/Analyse ● Multiple responsibilities ● Need for legitimacy ● No discrepancy ● Not a game ● Organizational Field ● Philanthropy ● Points of attention ● Previous practices ● Reasoning for missing target ● Reporting ● Results ● Shareholders ● Stakeholder management ● Starting CSR ● Stimulation ● Taking care of internal stakeholders ● Targets ● Value based ● Whole organization ● Why

### **SR12**

#### **Used Codes:**

● Adjustments to CSR practices ● agency problem ● Agents' tasks ● Aware of impact of business ● Benchmark ● Clarity/Transparency ● Collaboration ● Compromise ● CSR ● CSR and doing successful business ● CSR as base for decisions ● Customer demands ● Demands from organizational field ● Developing CSR with buyers ● Developing CSR with suppliers ● Discussions ● Doing more than targeted ● Dramatic event ● Environmental challenges ● From the beginning ● Future practices ● How ● Importance ● Incorporation ● Influence of stakeholders ● Information exchange ● Innovation ● Instrumental based ● Leveraging own green energy ● Measure/Analyse ● Multiple responsibilities ● Need for legitimacy ● Organizational Field ● Philanthropy ● Previous practices ● Reaction ● Reasoning for missing target ● Reporting ● Reputation ● Results ● Shareholders ● Stakeholder management ● Stimulation ● Taking care of internal stakeholders ● Targets ● Tracking Progress ● Value based ● Whole organization ● Why

### **SR13**

#### **Used Codes:**

● Adjustment to CSR Strategy ● Adjustments to CSR practices ● agency problem ● Agents' tasks ● Benchmark ● Clarity/Transparency ● Collaboration ● CSR and doing successful business ● CSR as base for decisions ● CSR Strategy ● Customer demands ● Demands from organizational field ● Developing CSR with buyers ● Developing CSR with suppliers ● Development of CSR ● Discussions ● Environmental challenges ● Focus Areas ● From the beginning ● Future practices ● Importance ● Incorporation ● Influence of stakeholders ● Information exchange ● Innovation ● Instrumental based ● Leveraging own green energy ● Measure/Analyse ● Multiple responsibilities ● Need for legitimacy ● Organizational Field ● Philanthropy ● Points of attention ● Previous practices ● Reaction ● Reasoning for missing target ● Reporting ● Reputation ● Results ● Shareholders ● Stakeholder management ● Stimulation ● Taking care of internal stakeholders ● Targets ● Tracking Progress ● Use of green energy ● Value based ● Whole organization

### **SR14**

#### **Used Codes:**

- Adjustment to CSR Strategy ● Adjustments to CSR practices ● Benchmark ● Collaboration ● CSR
- CSR and doing successful business ● Developing CSR with buyers ● Developing CSR with suppliers ● Development of CSR ● Doing more than targeted ● Focus Areas ● Importance ● Influence of stakeholders ● Innovation ● Instrumental based ● Measure/Analyse ● Multiple responsibilities ● Need for legitimacy ● Organizational Field ● Previous practices ● Reasoning for missing target ● Reputation ● Stimulation ● Targets ● Tracking Progress ● Value based ● Whole organization

## SR15

### Used Codes:

- Adjustment to CSR Strategy ● Adjustments to CSR practices □ APART ● Benchmark ● Collaboration ● CSR ● CSR and doing successful business ● CSR Strategy ● Demands from organizational field ● Developing CSR with buyers ● Developing CSR with suppliers ● Discussions ● Doing more than targeted ● Focus Areas ● Future practices ● How ● Incorporation ● Influence of stakeholders ● Information exchange ● Innovation ● Instrumental based ● Leveraging own green energy ● Measure/Analyse ● Multiple responsibilities ● Need for legitimacy ● No discrepancy ● Organizational Field ● Philanthropy ● Points of attention ● Previous practices ● Reaction ● Reasoning for missing target ● Reporting ● Results ● Shareholders ● Stakeholder management ● Stimulation ● Taking care of internal stakeholders ● Targets ● Tracking Progress ● Value based ● Whole organization ● Why ● Wrong estimation

## DV13

### Used Codes:

- Agents' tasks ● Aware of impact of business ● Compromise ● CSR and doing successful business ● Developing CSR with buyers ● Developing CSR with suppliers ● From the beginning ● Future practices ● Importance ● Incorporation ● Influence of stakeholders ● Information exchange ● Instrumental based ● Internal communication ● Multiple responsibilities ● Organizational Field ● Previous practices ● Reporting ● Results ● Stakeholder management ● Targets ● Value based ● Whole organization

## DV14

### Used Codes:

- Adjustment to CSR Strategy ● Adjustments to CSR practices ● Agents' tasks ● Aware of impact of business ● CSR and doing successful business ● Developing CSR with buyers ● Developing CSR with suppliers ● From the beginning ● Future practices ● Influence of stakeholders ● Information exchange ● Innovation ● Instrumental based ● Leveraging own green energy ● Living up to expectations ● Measure/Analyse ● Multiple responsibilities ● Need for legitimacy ● Organizational Field ● Philanthropy ● Points of attention ● Previous practices ● Reporting ● Results ● Starting CSR ● Taking care of internal stakeholders ● Targets ● Use of green energy ● Value based

## AR01

### Used Codes:

- Benchmark ● Collaboration ● CSR and doing successful business ● Demands from organizational field ● From the beginning ● Influence of stakeholders ● Information exchange ● Innovation ● Instrumental based ● Internal communication ● Measure/Analyse ● Need for legitimacy ● Only interest of Heineken in decisions ● Organizational Field ● Reporting ● Starting CSR ● Taking care of internal stakeholders ● Value based

## AR15

### Used Codes:

- agency problem ● Agents' tasks ● Benchmark ● Collaboration ● CSR ● CSR and doing successful business ● CSR Strategy ● Customer demands ● Demands from organizational field ● Focus Areas ● Future practices ● How ● Importance ● Incorporation ● Influence of stakeholders ● Information

exchange • Innovation • Instrumental based • Internal communication • Leveraging own green energy • Measure/Analyse • Multiple responsibilities • Need for legitimacy • Organizational Field • Previous practices • Reporting • Reputation • Shareholders • Stakeholder management • Targets • Tracking Progress • Use of green energy • Value based

## CP15

### Used Codes:

• Adjustment to CSR Strategy • Balance • Collaboration • CSR • CSR and doing successful business • Customer demands • Decisions • Demands from organizational field • Developing CSR with suppliers • Discussions • Focus Areas • From the beginning • Future practices • Goes well together • Incorporation • Influence of stakeholders • Information exchange • Innovation • Instrumental based • Internal communication • Multiple responsibilities • Need for legitimacy • Organizational Field • Philanthropy • Reaction • Shareholders • Stakeholder management • Stimulation • Taking care of internal stakeholders • Targets • Value based

## VID1

### Used Codes:

• CSR • CSR and doing successful business • CSR Strategy • Customer demands • Demands from organizational field • Focus Areas • Instrumental based • Leveraging own green energy • Organizational Field

## VID2

### Used Codes:

• Benchmark • Clarity/Transparency • Collaboration • CSR and doing successful business • CSR Strategy • Developing CSR with suppliers • Focus Areas • Importance • Incorporation • Information exchange • Instrumental based • Measure/Analyse • Taking care of internal stakeholders • Value based • Whole organization

## AU1

### Used Codes:

• Action against Heineken • Adjustment to CSR Strategy • Balance • Being able to learn and improve • Clarity/Transparency • Collaboration • Contribute to Uni/Science • CSR • CSR and doing successful business • CSR Strategy • Customer demands • Demands from organizational field • Developing CSR with suppliers • Development of CSR • Discussions • Goes well together • Importance • Incorporation • Influence of stakeholders • Information exchange • Innovation • Instrumental based • Involvement with society • Leveraging own green energy • Measure/Analyse • Need for legitimacy • Organizational Field • Reaction • Reporting • Reputation • Results • Shareholders • Taking care of internal stakeholders • Targets • Use of green energy • Value based • Whole organization • Why

## ART1

### Used Codes:

• Aware of impact of business • Clarity/Transparency • Compromise • CSR • CSR and doing successful business • Decisions • Demands from organizational field • Development of CSR • Doing more than targeted • From the beginning • Goes well together • Importance • Incorporation • Instrumental based • Multiple responsibilities • Need for legitimacy • Organizational Field • Reputation • Starting CSR • Taking care of internal stakeholders • Targets • Value based • Whole organization

## ART2

### Used Codes:

- Adjustment to CSR Strategy ● Aware of impact of business ● Benchmark ● Clarity/Transparency ● CSR ● Demands from organizational field ● Development of CSR ● Doing more than targeted ● From the beginning ● Future practices ● Incorporation ● Information exchange ● Instrumental based ● Measure/Analyse ● Multiple responsibilities ● Need for legitimacy ● Stimulation ● Targets ● Value based

## I1

### Used Codes:

- Action against Heineken ● Adjustment to CSR Strategy ● Adjustments to CSR practices ● Balance ● Being able to learn and improve ● Benchmark ● Collaboration ● Compromise ● CSR ● CSR and doing successful business ● CSR as base for decisions ● CSR Strategy ● Customer demands ● Decisions ● Demands from organizational field ● Developing CSR with buyers ● Developing CSR with suppliers ● Development of CSR ● Differences between countries ● Discussions ● Doing more than targeted ● Dramatic event ● Importance ● Incorporation ● Influence of stakeholders ● Information exchange ● Innovation ● Instrumental based ● Internal communication ● Leveraging own green energy ● Measure/Analyse ● Multiple responsibilities ● Need for legitimacy ● Not a game ● Organizational Field ● Previous practices ● Reaction ● Reporting ● Reputation ● Shareholders ● Stakeholder management ● Starting CSR ● Stimulation ● Taking care of internal stakeholders ● Targets ● Tracking Progress ● Value based ● Whole organization ● Wrong estimation

## I2

### Used Codes:

- Adjustment to CSR Strategy ● Adjustments to CSR practices ● Aware of impact of business ● Clarity/Transparency ● Collaboration ● CSR ● CSR and doing successful business ● Decisions ● Demands from organizational field ● From the beginning ● Future practices ● Importance ● Incorporation ● Influence of stakeholders ● Information exchange ● Instrumental based ● Internal communication ● Multiple responsibilities ● Need for legitimacy ● Organizational Field ● Philanthropy ● Points of attention ● Relevancy ● Stakeholder management ● Targets ● Value based

## I3

### Used Codes:

- Adjustment to CSR Strategy ● Adjustments to CSR practices ● agency problem ● Agents' tasks ● Being able to learn and improve ● Benchmark ● Clarity/Transparency ● Compromise ● CSR ● CSR and doing successful business ● CSR as base for decisions ● CSR Strategy ● Customer demands ● Demands from organizational field ● Development of CSR ● Discussions ● Environmental challenges ● Future practices ● HIER NAAR KIJKEN ● Importance ● Incorporation ● Influence of stakeholders ● Information exchange ● Innovation ● Internal communication ● Leveraging own green energy ● Living up to expectations ● Measure/Analyse ● Multiple responsibilities ● Need for legitimacy ● No discrepancy ● Organizational Field ● Relevancy ● Shareholders ● Stakeholder management ● Starting CSR ● Stimulation ● Taking care of internal stakeholders ● Targets ● Tracking Progress ● Use of green energy ● Value based ● Whole organizatio

