

# How Dutch United Nations Global Compact members learn from this corporate sustainability initiative



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## **Abstract**

The purpose of this study is to investigate how the United Nations Global Compact (UNGC) contributes to CSR-learning of Dutch members that are part of this network. This study increases knowledge on this topic and gives recommendations to the UNGC and its Dutch members how CSR-learning could be improved. Scientific literature about CSR and organizational learning is combined with a qualitative empirical case study of Dutch members from the UNGC. The UNGC contributes to CSR-learning through creating awareness about CSR and increasing transparency about CSR-initiatives. The UNGC can be seen as a multi-stakeholder initiative and members could learn from each other by sharing best practices. The learning about CSR through the UNGC occurs at the individual, group and organizational level through different learning loops. The UNGC offers several learning mechanisms through their initiative. Nevertheless, the CSR-learning possibilities are not fully utilized and critique on the UNGC regarding learning is confirmed by the respondents. Members are not involved in the UNGC and see this initiative as implicit and too complex. Learning does not seem to be the primary reason for being a member of the UNGC. The UNGC and the members should improve their interest in each other in order to improve CSR learning through this initiative.

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## Chapter 1: Introduction

Developing a sustainable world is not something organizations, people or governments can do on their own. According to Kofi Annan, the founder of the United Nations Global Compact (UNGC), organizations should work together and learn from each other and the UNGC in order to develop a sustainable world. “I believe what I am proposing to you is a genuine compact, because neither side of it can succeed without the other. Without your active commitment and support, there is a danger that universal values will remain little more than fine words - documents whose anniversaries we can celebrate and make speeches about, but with limited impact on the lives of ordinary.”  
*Kofi Annan, 1 February, 1999.*

The United Nations Global Compact (UNGC) began as a policy speech held by the former secretary-general of the UN, Kofi Anan in 1999. “Since its foundation, the UNGC has witnessed an unprecedented growth” (Voegtlin, Pless, 2014. p. 179). At the moment, more than 9000 companies and +4000 non-businesses are part of the UNGC, therefore it is world largest corporate sustainability initiative. The underlying idea of the Global Compact is that business participants – in partnership with other actors including NGOs, organized labour, UN agencies, and governments – advance broader UN goals as well as ten universal principles in the area of human rights, labour rights, the environment and anti-corruption (Kell, Slaughter & Hale, 2007; Therien & Pouliot, 2006; Willams, 2004).

The United Nations Global Compact contributes to the Corporate Social Responsibility (CSR) activities of different organizations through their membership. In this thesis the definition of Du, Bhattacharya & Sen (2010 p.8 ) will be used in order to explain CSR. Their definition of CSR is: “a commitment to improve societal well-being through discretionary business practices and contributions of corporate resources”. The reason for choosing this definition is the focus on improving societal well-being which perfectly fits the aim of the UNGC.

It is interesting and relevant to study the combination of CSR learning and the UNGC. The reason here is that the UNGC influences the learning about CSR and therefore CSR-activities of its members. This results in a contribution of the UNGC to the CSR of this specific organizations. The intention of Kofi Annan was to start a dialogue with the business and move the UN towards a more proactive role that regards business as part of the solution to global problems (Kell, 2013; Rasche 2009). Those supporting the UNGC regard the initiative as an opportunity for dialogue between international organizations, civil society groups, and private businesses with the aim of achieving a broad consensus on global ethical standards (Kell and Levin, 2003; Rasche 2009; Williams 2004). They further argue

that the UNGC has to be seen as a learning platform for corporations to improve their CSR engagement (Scherer and Palazzo 2011; Ruggie 2001).

There is written a lot of scientific articles about the UNGC. Rasche et al., (2009) and Orzes et al., (2017), contributed with a literature review about the UNGC. In the literature review and theory-based research agenda of Orzes et al., (2017. p.633) five main topics of UNGC literature are mentioned, “namely motivations driving the companies toward UNGC adoption, weak-nesses, impacts, contextual factors affecting adoption, and contextual factors affecting performance”. Furthermore, Voegtlin and Pless (2014. p.182), described CSR and the role of the UN Global Compact. In general, they state that the main body of research on the UNGC remains theoretical, discussing predominantly the purpose, effectiveness and legitimacy of the UNGC from different perspectives and theoretical lenses. Examples of this research are the currently published article of Jastram & Klingenberg (2018), who assess the outcome effectiveness and take the UNGC as example in their article, and the article of Williams (2014), who described the legitimacy and promises of the UNGC.

These articles mention that learning from the UNGC is important for CSR development, but do not specifically mention how to learn from the UNGC. What is mentioned about the UNGC and learning are the opportunities, described by Rasche et al., (2009). Furthermore, Knight (2002. p.429) states that “Prior literature reveals much work on learning in networks, but little that explicitly addresses learning by inter-organizational networks” .

Yli-Renko, Autio & Sapienza (2001. p.589), mention in their article that inter-organizational relationships, such as partnerships, create opportunities for organizational learning and knowledge acquisition. “Combined research to partnerships and organizational learning has been conducted to some extent” (Parengkuan, 2013. p. 4). The UNGC can be seen as a cross-sector-partnerships, because it is a CSR partnership with different kind of organizations in different industries.

If we focus specifically on the UNGC and CSR learning only Ruggie (2001) described the UNGC as learning network, but does not explicitly describe how the members are learning of the UNGC. There is a lack of knowledge on how the members can learn from the UNGC. This lack is a consequence of two main aspects. First of all, based on Schehmbera (2016. p.785), even though there is a potential significance of such an initiative to the corporate world, scholars have conducted little empirical research on the impact of UNGC. Consequently, the insights about the impact of the UNGC are rarely based on empirical research. Secondly, there is a deficiency in knowledge about organizational learning about CSR in a multi-stakeholder collaboration context.

The limited amount of research on organizational learning is also the case for learning about CSR within the cross-sector partnership the UNGC. Academics have studied the UNGC, but there is no empirical research on CSR learning through the UNGC of Dutch members. Rasche and Waddock (2013), state that learning remains a challenge for the UNGC. The content of this thesis will be relevant for the UNGC in order to learn how to improve their contribution to CSR-learning of its members. For their members, it will be interesting to know how they should use the UNGC in order to learn more about CSR. Furthermore, this thesis will be relevant for the literature about CSR and the UNGC, because it contributes to the unknown knowledge of how members can learn from the UNGC and gives information about organizational learning in a multi-stakeholder collaboration context. This thesis will influence the academic, societal and business aspects of this topic.

In the article of Voegtlin & Pless (2014. p.24), is mentioned that the literature gap could be filled by “investigating in more detail how the process and influence mechanism of the UNGC impact member firms, how and when does learning occur”. Parengkuan (2013. p.6), states that “NGO-business partnerships and organizational learning seem to be interesting up-to-date topics in practice as well as in academics, especially when they are combined”. At the end of her article about implementing CSR in the UNGC Schembera (2016. p.817) states that “Future studies on voluntary CSR initiatives should further investigate the relationships and dynamics of learning in and by organizational networks”

It is important to fill this gap, because it could help organizations to improve their CSR knowledge. The improvement of CSR knowledge can result in an increased possibility of reaching the UNGC goals and stimulate membership. “The implementation of corporate social responsibility is crucial for the legitimacy of an organization in today’s globalized economy” (Schembera, 2016. p.783) “In addition, NGO’s indicated that they value organizational learning and knowledge exchange as a critical factor in determining if a partnership is successful or not” (Parengkuan, 2013). Next to this, “A focus on learning can create peer pressure among participants to improve their corporate responsibility performance” (Rasche et al., 2013 p.7).

This gap can be filled because “learning from peers and sharing experiences may be possible through networks that offer business managers opportunities for learning. Furthermore, such learning can provide the possibility of creating a dialogue between the organization and its stakeholders, such as policymakers, governments, investors, social partners, civil society, and academics” (Maon et al. 2009. P.18). This is exactly where the UNGC consist of. This gap will be filled by providing empirical insights based on members of the UNGC in order to present how members could learn about CSR from the UNGC and focusing on the UNGC as multi-stakeholder initiative.

The focus within this gap is on organizational learning about CSR through the UNGC. These learning aspects will be described based on CSR, multi-stakeholder initiatives and organizational learning. The reason for the CSR aspect is based on the fact that the knowledge of the learning is about CSR. It is important to describe the aspects of a multi-stakeholder initiative, because the UNGC can be seen as this kind of initiative. Beside this, the theories of organizational learning are useful in order to learn from the UNGC. The theories used will focus on knowledge, learning levels, learning loops and the opportunities the UNGC offers.

This thesis differs compared to previous research on the UNGC and learning, because it focuses on the combination of learning about CSR and the UNGC, a voluntary sustainability initiative. The respondent focus in this paper is on Dutch companies that are member of the UNGC. There are several reasons for this choice. First of all, there is no research done to this particular members of the UNGC. Next to this, we can learn a lot of the Dutch members of the UNGC because according to Het Financieële Dagblad (2014) Dutch organizations are pushing forward in the Dow Jones Sustainability Index.

This gap in the literature combined with the focus on learning about CSR of Dutch UNGC members leads to the following research question:

“How does the UNGC contribute to CSR-learning of Dutch companies that are member of this international network?”

Based on this research question two sub-questions are designed. “These sub-questions have the function to divide the central research question into different sections” (Blijenbergh, 2013. P.27). The answers on the sub-questions will help to answer the main question of this thesis. The two sub-questions are the following:

**1) *What does the UNGC provide for their members in order to learn about CSR?***

This first sub-question will be answered in the theoretical framework and will be based on publications of the UNGC. This question is relevant because it will give insights in what the UNGC provides in order to learn and this is necessary for the contribution to their members.

**2) *How do Dutch members of the UNGC use this initiative in order to learn about CSR?***

This second sub-question will be answered based on the generated data by semi-structured interviews. This data will be analysed in the analytical part of this master thesis. This question is relevant, because it will give insights in how the theoretical aspects are used in practice. The answer of this question will give insights in the contribution to CSR-learning and therefore necessary for answering the research question.

The research question will be answered based on data collected from interviews with employees of Dutch UNGC organizations. This thesis is qualitative and has an inductive design. There is chosen for a qualitative approach, because this research needs to find out how Dutch members of the UNGC learn about CSR through this initiative. Qualitative research could help to generate these insights based on conducted interviews. The thesis has an inductive design, because what happens in the empirical truth need to guide the theory. This paper presents an in-dept analysis of the way Dutch UNGC members learn from this initiative. The aim of this thesis is to fill the gap with regard to UNGC and learning about CSR in the academic literature. Besides, it will give practical insights to the members of the UNGC how they can learn from this initiative and improve their own CSR activities. In the end, this thesis also contributes to the knowledge of the UNGC how they could improve the CSR-learning of their members.

This thesis is structured as follows: The first section will provide a theoretical overview based on literature about learning, CSR and the UNGC. This will help us to understand the most important aspects of this topic that are necessary to answer the research questions. The second section focuses on the methodology, it describes the empirical context, the data gathering method and method of analysis. Thereafter, the analysis is provided and findings are reported. The final section of this thesis consists of the implications of the findings and a conclusion.

## Chapter 2: Theoretical framework

In this chapter, the relevant theories will be described and discussed. This is necessary in order to maintain information about the topic and compare the literature with the obtained data later on. First of all, CSR will be described in order to have a better understanding of its meaning and consequences for organizations. Secondly, the UNGC as a multi-stakeholder initiative (MSI) will be explained so that there will be a better understanding of what kind of organization the UNGC actually is. Thereafter, the focus is on CSR-learning that will be described in order to understand organizational learning about CSR. Finally, possibilities described by the UNGC in order to learn will be expounded.

### 2.1 Corporate Social Responsibility (CSR)

In order to understand CSR, it is important to look at its origins and definitions. “Corporate social responsibility is a field of study with significant implications for academia, industry and society” (Okoye, 2009. p.613). According to Levy & Kaplan (2007. p.2), “the rise of corporate social responsibility is one of the more striking development of recent decades in the global political economy”. “Its early beginnings in academic writing can be traced to an exchange of articles in 1930s between Berle and Dodd on the role of corporate managers” (Okoye, 2009. p.613). It has been through the phases: innovation, diffusion (through writings, discussions, seminars etc.) and implementation which is just starting, particularly in Europe. Visser (2010) also states that CSR has been through different phases and is currently in the strategic phase. In this phase, CSR is seen as a management perspective that focuses on the core activity of organizations. Furthermore, in this phase it is important to follow CSR-guidelines.

“There is no strong consensus on a definition for CSR. CSR has been used as a synonym for business ethics, defined as tantamount to corporate philanthropy and considered strictly as relating to environmental policy” (McWilliams et al., 2006. P.8). It is so complicated to define CSR that there are different articles written specifically about defining CSR (e.g. the article of Sheehy (2013). Dahlsrud (2008), studied 37 different CSR-definitions and concluded that a combination of environmental, social, economic, stakeholder-related and voluntary factors makes up a dimension that is used most often.

The UNGC defines CSR as “a company’s delivery of long-term value in financial, environmental social and ethical terms.” (UNGC, 2014. p.9) In order to be sustainable, they say that companies must do five things: “Foremost, they must operate responsibly in alignment with universal principles and take actions that support the society around them. Then, to push sustainability deep into the corporate

DNA, companies must commit at the highest level, report annually on their efforts, and engage locally where they have a presence” (UNGC, 2014. p.7).

CSR is important for organizations because it can generate competitive advantages (Du et al., 2007), cause an improvement of relations with stakeholders (Sen & Bhattacharya, 2001), create influence on political agenda’s (Beckers, 2012) and entail a more productive way of doing business (Porter & Kramer, 2006). CSR is not only relevant for organizations, it is also relevant for our future, the future of the world and next generations. This is one of the main reasons there is an increasing focus on CSR. As stated by Kofi Annan, organizations can not do this on their own. “Partnerships started to emerge within these CSR strategies. More organizations started to engage in such partnerships due to complex social issues that could no longer be addressed by one single sector or organization” (Parengkuan, 2013. P.9).

The UNGC is one of these partnerships that Parengkuan and Kofi Annan mention. This organization is busy with “mobilizing a global movement of sustainable companies and stakeholders to create the world we want” (UNGC 2018. p.1). If organizations commit to a more sustainable business, shared responsibility could be created. This shared responsibility is based on different stakeholders and organizations. In order to understand these partnerships and shared responsibility, it is necessary to focus on the UNGC as multi-stakeholder initiative (MSI). Therefore, in the next sub-chapter the focus will be on the UNGC seen as a multi-stakeholder initiative in order to learn about CSR. The focus will first be on the UNGC as MSI’s and thereafter on learning strategies through MSI’s.

## **2.2 The UNGC as multi-stakeholder initiative**

Multi-stakeholder initiatives can be defined as “private governance mechanisms involving corporations, civil society organizations and sometimes other actors, such as governments, academia or unions, to cope with social and environmental challenges across industries and on a global scale” (Mena & Palazzo, 2012. p.4). The UNGC fits exactly to this definition and can be seen as a multi-stakeholder initiative.

As a response to emerging governance gaps in the 1990s different relevant actors were searching for a consensus on a new form of governance. This form should provide guidelines for global ethical standards. “One answer to this search was the foundation of the UNGC, which provides with its ten principles a broad catalogue of relevant global ethical norms everybody can accept” (Voegtlin & Pless, 2014. p.19).

The UNGC governance framework is designed based on being a multi-stakeholder initiative. “UNGC’s network-based governance framework reflects the initiative’s multi-stakeholder and public-

private character, distributing governance functions among government, business and civil society actors through several entities which engage participants and stakeholders at the global and local levels in making decisions and giving advice” (Dodds, 2015. p.5). This also can be seen in the UN Global Compact board, based on Gerami (2018. p.1), “this is designed as a multi-stakeholder body, providing ongoing strategic and policy advice for the initiative as a whole and making recommendations to different stakeholders”. Next to this, we can see how the adoption of this multi-stakeholder global policy expands opportunities for non-governmental actors to engage in this global governance.

“The governance structure of UNGC is a historical development of the relationship between the UN and business-firms. Low entry barriers and low monitoring enable learning by firms with insufficient CSR engagement” (Voegtlin & Pless, 2014. p.35). Next to this, Mena & Palazzo (2012. p.12) state that “MSI provide learning platforms where organizations can exchange experiences, signal their commitment, and learn from each other. The UN Global Compact is an example of such a learning platform”

There are various studies on how organizations can learn about CSR and implement this effectively. Schembera (2006), described that one of the levels of implementation is learning. Furthermore, Staff (2008. p.1) mentioned the following: “It is absolutely essential for employees, and especially managers, to spend some time learning about and understanding world issues-and particularly issues relating to their company – so they can learn about socially responsible behaviour. This will make it possible to mobilize them around individual and collective initiatives and for everyone to experience the satisfaction of seeing the significant and tangible results of implementing CSR”.

“By using and combining different learning strategies, organizations will learn to come to grips with the multidimensional content (economic, social, environmental and other) and the wider scope (local, national, regional and worldwide). By engaging together, organizations are likely to learn more and faster” (Antal & Sobczak, 2004. p.11). Engaging together is something that is facilitated through the UNGC. “Scholars have hypothesized that facilitating learning organization characteristics may improve the CSR adaptation process, as these characteristics enable and stimulate the company and its members to implement and embrace changes” (Osagie, 2016. P.23). It is important to describe how members of the UNGC can learn from this multidimensional content. The aspects that will be discussed are the code of conduct, network events, partnerships / collaborative solutions and involvement.

“In the past decade, one of the ways in which global rule-setting has taken place is through so-called Corporate Responsibility Standards (also labelled codes of conduct), which can be defined as guidelines, recommendations or rules issued by groups within society to enhance responsible behaviour of business” (Fransen & Kokl, 2007. p.3). The UNGC also asks their members for a code of conduct in recognition of the importance and integrating of the ten principles. “Global governance initiatives such as the UNGC help to reduce information asymmetry if they can credibly signal that participants comply with the requirements of the initiative. To be credible in this regard, such initiatives need to control the CSR engagement of participants and sanction non-compliance with the requirements of the initiative” (Voegtlin & Pless, 2014. p.15). Beside this, Rasche (2009. p.199) states that: “looking at the geographic scope of standards is worthwhile for managers as it allows learning about whether a standard is relevant to their particular business environment and acknowledged by stakeholders”. “The ten principles are not auditable compliance criteria, but represent a ‘yardstick’ for the exchange of ideas, learning, and discussion among participants” (Rasche, 2009. p.201).

Furthermore, members of the UNGC can learn through the diversity of the members. “Meetings with groups of various backgrounds can be justified with reference to notions of ‘learning’ between, among and inside different organizational actors” (Zadek, 2001. cited in Fransen & Kolk, 2007. p.670). “In this line of reasoning, stakeholders and companies have different sorts of expertise, which, when brought together, can lead to synergies and change organizational behavior for the good with respect to the issue at hand” (Fransen & Kolk, 2007. p.5). In order to be an effective platform for learning and dialogue it is important that companies are encouraged to join. The UNGC provides this by their entry barriers. These entry barriers are low for the UNGC, requirements are only providing a commitment form from the CEO, annual communication on progress (COP) and paying a little fee each year.

Besides this, learning in MSI can occur through partnerships and collaboration. Arenas, Lozano & Albareda (2009), describe that the opportunity for collaboration and learning occurs because different stakeholders see NGO’s as interesting partners for collaboration or as a way to open new perspectives for their business activities. “Since NGO’s are seen by CSR professionals as the main audience for their reports, it makes sense for them to collaborate and enter into dialogue with them, even if this is not always easy at the beginning” (Arenas, Lozano & Albareda, 2009. p.183) “The UNGC’s activities include policy dialogues, a learning forum, partnership projects and regional / country outreach, all of which bring together representatives from business, NGO’s, policy makers and research / advocacy organizations to develop collaborative solutions” (Khanna, 2012. p.387). “The learning literature argues that collaboration not only transfers existing knowledge among organizations, but also facilitates the creation of new knowledge and produce synergistic solutions. In this case, learning in a collaboration is about learning from a partner and the collaboration has served its purpose once the

necessary organizational knowledge has been successfully transferred”. (Hardy, Phillips & Lawrence, 2003. p.1).

Another important aspect of learning through MSI is involvement. Based on Hardy, Phillips & Lawrence (2003 p.339 , 340), “involvement is necessary for ‘first order’ learning, allowing collaborating partners to identify key resources and transfer knowledge that will enhance their core competences and distinctive advantage”. They also suggest that involvement and embeddedness are necessary for knowledge creation. “High involvement facilitates the interorganizational learning necessary to create new knowledge, while embeddedness facilitates the transmission of this knowledge beyond the boundaries of the collaborative relationship to distribute learning more widely in the community”. Based on Hardy, Phillips & Lawrence (2003 p.22), with intense collaboration organizations are more likely to produce learning.

Despite these learning advantages of the UNGC there are some rival ideas about learning through the UNGC as MSI. These ideas are based on greenwashing, complexity and implicitly. This critique will be mentioned and in the analysis will be checked if this critique is confirmed by the respondents.

Certain reviewers of the UN Global Compact suggest that “the concept of greenwash should now be broadened to embrace “bluewash,” i.e., the ability of participating firms to boost their image through their association with (the blue flag of) the United Nations, in return for having done little to improve their social and environmental performance” (Utting, 2002. p.88). Organizations could be member of the UNGC in order to gain competitive advantage instead of learning. “Companies that become members of the UNGC can hide information about their compliance with UNGC rules. These participants benefit from the reputation of the initiative, while at the same time shirking on their engagement with the UNGC principles” (Voegtlin & Pless, 2014. p.15). This also results in a situation where members can learn wrong practices. “We must be working towards independent monitoring of the application of the principles; there must be public reporting of how principles are implemented, and we must identify measures to be taken against those who have subscribed to the Global Compact but clearly are not adhering to the principles” (Utting, 2002. p.90).

Next to the critique of greenwashing, there is also critique on the complexity of learning through this initiative. “The Global Compact reveals many problems of contemporary global governance related to its understanding of globalization, the implementation and control of its core norms and rules as well as in regard to issues of transparency and democratic legitimacy” (Fritsch, 2008. p.1). This could also be the case for the members of the UNGC. There is a lot of information and are many opportunities, but they could be too complex to implement. Next to this, “its transnational and global character, its multilevel and network structures, the diversity of its participants, its initial implementation at a global

political level within the broader UN framework as well as its ultimate feedback at regional and local levels represents the complexities of today's multilevel governance." (Fritsch, 2008. p.3). The UN, SDGs, the Paris Agreement and other CSR initiatives are related to each other and therefore the complexity of these initiatives could increase.

The remaining critique on learning through this MSI is based on how implicit the UNGC is. "Some stakeholders are concerned that the "social learning" approach will be insufficient to assure corporate responsibility" (Utting, 2002. p.90). "The core task is to mainstream the principles in global business activities. Unlike other standards, the Global Compact does not enforce or even measure the behaviour of participating corporations" (Rasche, 2009. p.200). "Consequently, the initiative reflects a 'policy tool' bringing together a variety of actors to discuss, learn about, and advance its underlying principles" (Rasche, 2009. p.200).

The previous aspects show that the UNGC does not aim to be a tool to sanction their members, but represents a learning network in order to help their members improving the principles in their business. Based on Rasche (2009. p.202), "we should take the compact for what it is (i.e., a policy standard promoting learning and dialogue) and not criticize it for what it is not (i.e., an auditing standard)". Despite this, the UNGC has some requirements to check their members, based on the submission of the annual report towards the ten principles. These reports are publicly and can be viewed by anyone. This openness and knowledge sharing could result in learning and increases transparency.

In order to understand what this learning exactly is it is important to describe CSR-learning. An introduction about CSR learning will be provided in the next paragraph. This introduction is based on describing CSR learning and provides the link to organizational learning about CSR in paragraph 2.4.

### **2.3 CSR-Learning**

Before explaining CSR learning and describing the literature about this topic it is important to make a remark. In most researches about CSR learning, CSR learning is described as "collaborative strategic reading". "Collaborative Strategic Reading is a set of comprehension strategies designed to improve understanding of expository text" (Klinger et al., 2014. p.291 ). In this thesis with CSR learning is meant Corporate Social Responsibility learning, this is something totally different. There is no scientific definition of Corporate Social Responsibility learning and this term is not used in research, despite the fact that there are several articles and books about how organizations can learn about CSR.

Based on the literature about learning with a focus on corporate social responsibility described by Cramer (2005), Antal & Sobczak (2004), Blackman et al., (2013) and Wals (2009) the following definition can be made regarding CSR learning: the process of improving societal well-being through better knowledge and understanding of business practices and contributions of corporate resources. The reason behind the choice of this definition is based on CSR aspects: the improving of societal well-being, and learning aspects: better knowledge and understanding of business practices and contributions of corporate resources. This definition is described in this thesis because it could help in order to understand CSR-learning.

Learning is the key to dealing with corporate social responsibility (Cramer & Loeber, 2007. p.26). Based on Blackman et al. (2013. p.248), learning is of critical interest in the effective implementation of CSR in an organization. It is demonstrated that organizational learning may provide the supporting structure that is required to enable CSR. Tilbury and Coocke (2005), state that the people around the globe have come to the recognition that sustainability is an essentially and ongoing social learning process that actively involves stakeholders. Learning about CSR is difficult, because it involves particular obstacles to achieve that learning. The reason for this is that CSR is not something organizations can do on their own, but demand co-operation is necessary between groups with different interests.

Antal & Sobczak (2004), state that the current theories do not provide adequate ways of thinking about how companies learn to work with diverse stakeholders, to define and fulfill goals and responsibilities. “Therefore, by drawing on insights and concepts from the field of organizational learning, the gap inherent in theories of corporate social responsibility can be overcome, and a more substantial groundwork for understanding the dynamics of global responsibility can be laid” (Antal & Sobczak, 2004. p.10). Antonacopoulou & Chiva (2007), mention that organizational learning may provide the supporting structures required to enable CSR.

In general, has not been written a lot of specifics about CSR learning. The theories of organizational learning are used in order to learn about CSR. This results in a situation where organizations learn but the focus topic of this learning is CSR. The aspects: knowledge, learning levels and learning loops are used the most in organizational learning on CSR. Therefore, these concepts will be used and elaborated more in-depth.

## **2.4 Organizational Learning**

In order to understand organizational learning, it is important to have a look at its origins and definition. “Notions of organizational learning gained prominence in the nineteen fifties when they were thrown into an ongoing debate between behaviourists and economists” (Schulz, 2001. p.2).

“Organizational learning as a strategic tool has been proposed in the field of modern management for gaining competitive advantage and stabilizing organizational success” (Saadat & Saadat, 2016. p.219). Different models and organizational aspects that influence the organization through organizational learning have been developed.

In this thesis the definition used for organizational learning is “the process of improving actions through better knowledge and understanding” (Fiol & Lyles, 1985. p.4). This definition is chosen because improving actions relates to CSR actions and better knowledge and understanding is a pillar of the UNGC. “Organizational learning is based on applying knowledge for a purpose and learning from the process and from the outcome. It is the process of detection and correction of errors. The organization learns through its employees whose learning activities are facilitated by an environment in the organization that may be called an organizational learning system” (Satyendra, 2014. p.1). Organizational learning is more than just the collectivity of the individual learning process, it also is the interaction between individuals in the organization, with the organization, between organizations and between networks and its contexts is relevant. Therefore, organizations can learn in different ways and on different levels from the UNGC.

Scholars have suggested that companies should promote certain learning organization characteristics in order to stimulate a focus on CSR principles. (Jamali, 2008; Marcus & Greffen, 1998; Natrass & Altomare, 2002; Senge et al, 2001). According to Osagie (2016), scholars have hypothesized that facilitating learning in organizations may improve the CSR adaption process, as these characteristics enable and stimulate the company and its members to implement and embrace change. Senge et al. (2001) describe the importance of learning capabilities in order to develop CSR implementing programs. Jamali (2006) states that organizations with learning characteristics can adapt more easily to CSR principles and improve their CSR performance. In order to understand how organizations can learn from the UNGC it is important to know how organizations can learn about CSR in general.

### **2.4.1 Knowledge**

If organizations want to improve their CSR activities they need knowledge about CSR. “Knowledge is a multifaceted concept with multi-layered meanings” (Nonaka, 2000. p.15). It is widely observed that the society we live in has been gradually turning into a “knowledge society” (Drucker 1968; Bell 1973; Toffier 1990). “Any organization that dynamically deals with a changing environment ought not only to process information efficiently but also create information and knowledge” (Nonaka, 2000. p.14). Knowledge is a concept with an old history, it originates from the classical Greek period. “It should be noted that the process of organizational knowledge creation is a never-ending, circular

process that is not confined to the organization but includes many interfaces with the environment” (Nonaka, 2000. p.15).

This knowledge that organizations need in order to learn can be about CSR. “Considering the nature and scope of the challenges entailed in global responsibility for sustainability in the world, the abilities to create and use new knowledge have become essential organizational competences” (Antal & Sobczak, 2004. p.12). “CSR is created from prior experiences, it is a form of constructed knowledge and will frame all new knowledge creation” (Blackman et al., 2013. p.247). Next to this, Lund-Thomsen (2007. p.304), states that knowledge could result in “critical questions about the role of business in relation to CSR and development”.

There are different theories and views on the meaning of knowledge. Knowledge management will here be seen as “the practice of ensuring insights, results and learning within an organization is captured and made available for staff to find, use, update, adopt and integrate into company processes. Knowledge management is often aligned with training and learning, as well as with innovation and research initiatives” (Girard & Girard, 2015. p.3). These insights, results and learning will be about CSR in this thesis.

Information and knowledge are two concepts that are often used interchangeably, but there is a clear distinction between information and knowledge. Machlup (1983) states that information is a flow of messages or meanings which might add to, restructure or change knowledge. Brown & Duguid (2001 p.202) state that “learning is inevitably implicated in the acquisition of knowledge”.

“Knowledge can be accessed, developed, created, exchanged, maintained and appreciated as a valuable asset of individuals in any organization. However, not all knowledge is made explicit, but resides as tacit knowledge in both people and organizations” (Van Weltzien, 2011. p.1069). In order to understand this, it is important to distinguish tacit and explicit knowledge. Nonaka (2008) described explicit knowledge as formal and systematic. Explicit knowledge can be easily communicated and shared. “This kind of knowledge can be readily transmitted between individuals formally and systematically” (Nonaka & Konno 1998. P.42). According to Nonaka (1991. p.98) “Tacit knowledge can be seen highly personal. It is hard to formalize and therefore, difficult to communicate to others”. Michel Polanyi (1967. p.4), described it as “we can know more than we can tell”. “Tacit knowledge is deeply rooted in an individual's actions and experience as well as in the ideals, values, or emotions he or she embraces” (Nonaka & Konno, 1998. p.42). It has an important cognitive dimension and consist of mental models, beliefs and perspectives that we take for granted. Von Krogh et al. (2000) and Nonaka (1994) both suggested to foster an ongoing translation between explicit and tacit knowledge.

## 2.4.2 Levels of learning

After the explanation of knowledge it is important to know at what levels organizational learning about CSR can occur. Crossan, Lane & White (1999), argue that strategic renewal places additional demands on a theory of organizational learning and they developed the 4I framework of learning. These levels of learning and related process will give insight into possible ways of organizational learning.

Crossan, Lane & White (1999), describe that learning occurs at three different levels. These levels define the structure through which organizational learning takes place. “The 4I model conceptualizes organizational learning as a multi-level dynamic process, including both feed-forward and feedback processes. These processes span the individual, group and organizational levels, and include intuiting, interpreting, integrating and institutionalizing processes” (Jenkin, 2013. p.98). “Learning within organizations always includes three levels (individual level, team or group level and organizational level, because it is evident that this multilevel structure is vital for its performance” (Held, 2012. p.7).

One of the conclusions that all the different authors draw in the book social learning is that the advancement of CSR requires learning at all the three levels (Wals, 2007). Bawden et al., (2007. p.141 & p.181), state that “the society needs learning to occur at all levels if citizens want to engage actively in the construction of a more sustainable future”. One of the reasons for this is that environmental problems demand a co-operation between different groups in a society. This is one of the reasons the UNGC is founded. In order to understand this learning-concept the different learning levels and processes will be explained.

### *Individual level*

Bontis et al., (2002. p.7) define individual level learning as: “individual competence, capability, and motivation to undertake the required tasks. Thus, the combinations of what people are capable of, how motivated they are, and what their focal point is, can increase the individuals' capacity to learn”. Individuals are different in their nature and therefore also in their learning capabilities. “In reality, organizations are the purposeful association of individuals. The individual analysis includes the characteristics and behaviours of employees as well as the thought processes that are attributed to them” (Management Notes, 2016. p.1). According to Held (2012. p.8), “the knowledge generated by employees does not aggregate itself to the level of the organization”. Based on Cramer & Loeber (2007 p. 269), what is learnt at an individual level differs largely depending on the stage of development of corporate social responsibility within the organization, personal interest and characteristics.

Crossan, Lane & White (1999) describe in figure 1 that the individual level is the level of intuiting and interpreting processes. The inputs and outcomes that are related to this level are experiences, image, metaphors, language, cognitive map and conversations.

### *Group level*

Group level learning is defined as: “group dynamics and the development of shared understanding resulting in integration” (Bontis et al., 2002. p.8 and p.31). Blakeney (1983), defines a group as a set of mutually independent individual behaviour systems being influenced by and responding to the environment. Held (2012. p.8), “states that within organizations, groups are founded where employees share their knowledge”. “If learning occurs within a group it will involve the development of a shared understanding through sharing individual interpretations. In general group level analysis focuses on the way people interact” (Management Notes, 2016. p.1). According to figure 1, the group level includes the integrating process resulting in shared understandings, mutual adjustment and interactive systems.

### *Organizational level*

Organizational level learning is defined as: “alignment between the non-human storehouses of learning including systems, structure, strategy, procedures and culture, given the competitive environment” (Bontis et al., 2002. p.9). “The knowledge stock present within these groups then becomes institutionalized as an organizational product” (Held, 2012. p.8). The aim of learning at the organizational level is used in order to achieve a long-term transformation of the organization. This is done in order to satisfy the stakeholders. According to figure 1, the organizational learning level has institutionalizing processes resulting in routines, diagnostic systems and rules/procedures as inputs and outcomes. Cramer (2005. p.261) states that because the process of implementing corporate social responsibility is still under way, learning processes at the level of the organization as a whole are still scarce, especially in large organizations.

“The three levels of organizational learning are linked by social and psychological processes” (Crossan, Lane & White, 1999. p.523). These processes are translated into the 4I concepts. “Employees should be able to interact and work interdependently across various kinds of boundaries” (Held, 2012. p.8). Therefore, theories concerning learning about CSR stress to include individual, group and organizational level learning. In order to understand how learning about CSR can occur at these different levels the 4I’s will be explained. First of all, the processes at the individual level will be explained, thereafter at the group level and the organizational level.

### *Intuiting*

Intuition is a uniquely individual process. “It may happen within a group or organizational context, but the recognition of a pattern or possibility comes from within an individual” (Crossan, Lane & White, 1999, p.525). Next to this, intuiting is seen as the recognition of patterns and possibilities at the personal level. Intuiting can only influence others when they interact with the individual. “Although there are many definitions of intuition, most involve some sort of pattern recognition” (Miryala, 2015, p.125). “Whereas expert intuition provides insight into the important process of pattern recognition, entrepreneurial intuition has more to do with innovation and change” (Crossan, Lane & White, 1999, p.526). The inputs/outcomes of intuiting are experiences, images and metaphors.

### *Interpreting*

The second learning process on the individual level is interpreting. Whereas intuiting focused on the recognition and patterns, interpreting focus on conscious elements of the learning process. “Interpreting is the explaining, through words and/or actions, of an insight or idea to one’s self and to others. This process goes from the preverbal to the verbal, resulting in the development of language” (Crossan, Lane & White, 1999, p.525). “Through the process of interpreting, individuals develop cognitive maps about the various domains in which they operate” (Huff, 1990, cited in Crossan, Lane & White, 1999, p.528). Interpreting takes always place in relation to an environment. Interpreting includes refining and developing intuitive insights through a conversational process. “The interpretive process is likely to be much richer and more robust if the conversations and interactions are with others. This process spans the individual and group levels, but it does not extend to the organizational level” (Crossan, Lane & White, 1999, p.525).

### *Integrating*

Integrating occurs at the group level. “Integrating entails the development of shared understanding and the taking of coordinated action by members of a workgroup. Actions that are deemed to be effective will be repeated. It is the process of developing shared understanding among individuals and of taking coordinated action through mutual adjustment.” (Crossan, Lane & White, 1999, p.525). The focus of integrating is to translate shared understanding into coordinated action. The inputs and outcomes resulted from this process are shared understandings, mutual adjustment and interactive systems.

### *Institutionalizing*

Institutionalizing occurs at the last level of learning, the organizational level. “Institutionalizing is the process of ensuring that routinized actions occur. Tasks are defined, actions specified, and organizational mechanisms put in place to ensure that certain actions occur” (Crossan, Lane & White, 1999, p.525). It can be seen as the process in which learning by individuals and groups is transformed into the organization. The idea behind institutionalizing is to prevent knowledge loss. Individuals and

groups can come and go and it is important to embed their knowledge into organizational systems, structures and strategy. Crossan, Lane & White (1999) mentioned that institutionalized learning can not capture all the ongoing learning at the individual and group level. The reason for this is that it takes time to transfer these levels of learning into organizational learning. Due to a changing environment, the institutionalized learning may not always fit the context. The inputs/outcomes of the organizational level and institutionalizing process are routines, diagnostic systems and rule/procedures. “Although corporate social responsibility as a whole is difficult to institutionalize, because of its complexity, aspects of it could sometimes be quite easily built into routine operations at group level” (Cramer, 2005. p.8). Now we understand at what levels learning occurs, it is important to have a look at the three different ways of organizational learning, described with learning loops.

Level	Process	Inputs/Outcomes
Individual	Intuiting	Experiences Images Metaphors
	Interpreting	Language Cognitive map Conversation/dialogue
Group	Integrating	Shared understandings Mutual adjustment Interactive systems
Organization	Institutionalizing	Routines Diagnostic systems Rules and procedures

Figure 1. Learning in organizations, four processes through three levels (Crossan, Lane & White, 1999. p.525)

### 2.4.3 Learning loops

Organizational learning about CSR can occur in different ways. Argyris and Schön (1974), did research on different ways of learning. Since 1974 they found three different ways of organizational learning: single-loop, double-loop and triple-loop learning. They define learning as “the detection and correction of errors and error as any feature of knowledge or knowing that makes action ineffective. Error is a mismatch: a condition of learning and matching a second condition of learning, the detection and correction of error produces learning” (Argyris, 1976. p.365). “Learning involves inquiry into the cause of the mismatch and revision of the action to bring about the intended consequences” (Robinson, 2014. p.1).

The effectiveness of learning can increase based on two factors. These factors are according to Argyris (1976. p.365) “the degree to which interpersonal, group, intergroup and bureaucratic factors produce valid information for the decision makers to use and monitor the effectiveness of their decisions. The second factor is the receptivity to corrective feedback of the decision-making unit – that is, individual, group or organization”

In this thesis about the UNGC and CSR learning the model designed by Argyris and Schön (1996) is relevant. “There is evidence that organizations can recognize the need for single loop and double loop learning to improve their performance on several dimensions of sustainability simultaneously” (Antal & Sobczak, 2004. p.24). From a learning perspective there are different processes of participating and engagement. “Among the most important ones for global responsibility are: single loop, double loop and deuterio learning” (Antal & Sobczak, 2004. p.10).

### *Single loop-learning*

In the article of Smith (2001, 2013. p.1), is mentioned that “The emphasis on single-loop learning is based on making techniques more efficient” (Usher and Bryant 1989). Furthermore, Smith (2001, 2013. p.1), states that “Single-loop learning seems to be present when goals, values, frameworks and to a significant extend, strategies are taken for granted”. Researchers speak about single-loop learning if an error is revealed without focusing on the underlying reason. Single-loop learning is seen as a learning process where people, groups or organizations modify their actions based on the difference between the reached outcome and the outcome they expected. It is focused on how the ‘wrong’ situation could be fixed. “Learning to pursue “global responsibility” entails not only doing some things better than before but also challenging past ways of seeing and doing things in and between organizations” (Antal & Sobczak, 2004. p.10).

There are some problems with single loop-learning. “The biggest problem with it is that by acting this way we only remove the symptoms, while root causes are still remaining. That is not a good thing because we will have new problems in the future” (OL Group 2014. p.1). The focus on single-loop learning is to fix the error instead of making adjustments. In figure 2 is illustrated how actions lead to results and that based on these results actions occurred, this is called single-loop learning.

### *Double-loop learning*

Double-loop learning differs from single-loop learning and is more extended. “A double-loop model is proposed as providing feedback and more effective decision making” (Argyris, 1976. p.363). In general double-loop learning occurs when there is a change in the mental maps. “The adoption of corporate social responsibility requires what Argyris and Schön call a ‘double-loop’ form of learning, i.e. a critical reflection on the fundamental values, policy principles and operational procedures” (Cramer, 2005. p.3). “The idea of double loop learning has much in common with that of reflection, especially when the latter is conceived as a continuous process of critical inquiry into the adequacy of

assumptions about the nature and desirability of the status quo” (Robinson, 2014. p.3). Sometimes it could be necessary to change important variables in order to take action resulting in a permanent change. According to Ruijters (1974. p.204), double-loop learning is focused on changing governing principles. This will lead to a shift in the way in which strategies and consequences are framed. Argyris and Schön (1989. p.24) state that it resolves incompatible organizational norms by setting new priorities and weightings of norms, or by restructuring the norms themselves together with associated strategies and assumptions.

Figure 2 states that assumptions lead to actions and these actions lead to results. Based on these results new assumptions will occur what will result in learning. Organizations are forced to think about actions and analyze their processes. Questions like ‘what is going on’, ‘what patterns do we see’ and ‘how can we understand the pattern’ will occur. “Double-loop learning will lead to deepening understanding of our assumptions and better decision-making in our everyday operations. We also need to notice that double-loop learning leads to organizational learning.” (OL Group, 2014. p.2) “Every significant action in the double-loop model is evaluated in terms of the degree it helps the participants generate valid and useful information, including relevant feelings, and solve the problem so that it remains solved without reducing the level of problem-solving effectiveness” (Argyris, 1976. p.369).

### *Triple-loop learning*

The final level of learning is called triple-loop learning. Argyris and Schön (1989) state that learning in organizations occurs through learning systems. Triple-loop learning could be described as learning about learning. “In this kind of learning organizations, individuals or groups should reflect on how they think about rules and not only think that rules should be changed. Triple-loop learning helps us to understand more about ourselves or our organization” (OL Group, 2014. p.3). Triple-loop learning tries to utilize single-loop as well double-loop learning. It focuses on new ways of learning and understanding the overall picture.

Swieringa and Wierdsma (1992, in Syed et al., 2018. p.96) speak of triple loop learning as occurring “when the essential principles on which the organization is founded come into discussion” and involving “the development of new principles, with which an organization can proceed to a subsequent phase” (Tosey, Visser, & Saunders, 2012 p.7). According to Lasseby (1998), triple-loop learning even goes further and questions the role and mission of an organization. Figure 2 shows that triple-loop learning consist of context that leads to specific assumptions, these assumptions lead to actions and these actions to results. These results provide information for the context, based on this context the organization can learn.

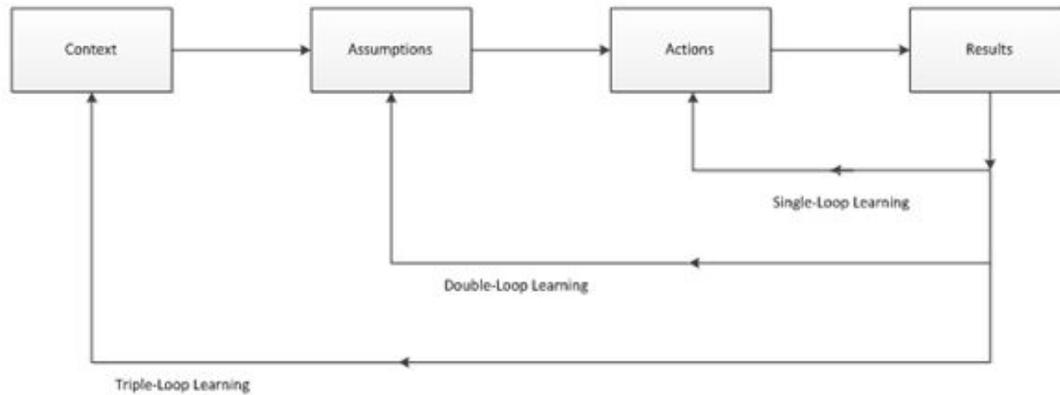


Figure 2. Three different kind of learning-loops.

In summary based on different authors, single-loop learning focuses on correcting errors without having a look at the underlying assumptions. Double-loop learning tries to detect the errors and assumptions where the actions are based on. Double-loop learning is used in order to learn from mistakes. The last learning level, triple-loop learning is based on an organizations ability to learn how to learn.

Next to the description of knowledge, learning levels and learning loops in the scientific literature, the UNGC provided some insights in what they offer for their members in order to learn. In the next chapter 2.5, the first sub-question “What does the UNGC provide for their members in order to learn about CSR?” will be answered. Learning based on the UNGC as MSI is already described in chapter 2.2. The tools provided by the UNGC will be described in order to give an overview of possibilities that Dutch members of the UNGC could use regarding CSR-learning through the UNGC.

## 2.5 Learning through the UNGC

The UNGC consists of four areas that cover the essence of their activities. These activities are the learning forum, global policy dialogues, multi-stakeholder collaborative development projects and support for the spawning of national networks. Knight (2002. p.435) defines learning networks as “groups of organizations that interact with the express purpose of learning together, from one another and through their interaction”. “The Global Compact complies with this definition, for it has been designed as a multi-stakeholder learning platform that facilitates new understanding in the hope of achieving clear learning objectives” (Kell & Levin, 2003. p.49). The complex structure of the UNGC results in a diversity of actors and variety of activities, this results in a unique context of multiple dialects in which several types of learning could occur. Besides being a multi-stakeholder initiative the UNGC also mention that they offer learning through the learning forum, learning bank, dialogues, events, UNGC academy, local networks and studies. All these types will be explained in order to understand them better.

### *Learning forum*

One method for generating learning through the UNGC is the global and local learning forum. “It is a mechanism to stimulate action, to enhance transparency and encourage information sharing. The learning forum should ultimately serve as an information bank of disparate experiences - some successful and some not - of company efforts to implement the Compact’s founding principles”. (Kell & Levin, 2003. p.52). The aim of the learning forum is to show studies and examples of good practices of companies who integrated the nine principles into their core activities. “The learning forums and the policy dialogues facilitate social dialogue and foster the codification of collective knowledge into policies and plans for effective action” (Kell & Levin, 2003. p.54). The operational concepts of the learning forum are stated as the example submission, business case studies, supportive research and analytical work, issue-specific networks and annual conferences. “The GC learning forum helps companies to internalize the relevant principles so that they can shape and reshape corporate practices as external conditions change. Employees are turning out to be vital allies in this process” (Ruggie, 2017. p.32).

### *Learning bank*

“One of the goals of the UNGC is to develop a learning bank of corporate best practices and integrate the principles into business strategies and operations” (Kell & Levin, 2003. p.53). This learning bank is a digital tool and also consists of a library with published articles about relevant topics regarding the principles. “This web portal offers a unique possibility for social vetting and public discussion of the case examples and company practices as they relate to the principles because it supports a worldwide, web-based dialogic process” (Kell & Levin, 2002. p.218).

### *Dialogue*

“A culture of dialogue and learning is crucial to continuous performance improvement. From its inception, the Global Compact has fostered and promoted dialogue between business and other stakeholders around critical challenges, covering a diverse range of sustainability issues” (UNGC, 2008). The dialogue can also occur through the forums. These forums strengthen and reinforce dialogue by developing knowledge. “Participation in the dialogues is voluntary and open to all Global Compact participants, including business, labour, civil society organizations, and leading commentators from the academic and public policy communities”. (Hirschland, 2006. p.107)

### *Events*

Voegtlin & Pless (2014. p.181) state that the UNGC offers opportunities for learning and dialogue by engaging participants through dialogue events, learning events and partnership projects. On the global level, an example of these events is the UNGC Leaders Summit or Policy Dialogues. The learning forum meeting could be seen as a learning event where businesses engage with civil society actors in partnership projects dedicated to the implementation of the UNGC principles. These partnership

projects can be facilitated through local networks that facilitate exchange between the different UNGC participants. In the Netherlands, there is a Dutch Global Compact Network. This is a national network of companies and stakeholders that support the ten universal principles of the UNGC. The mission of this initiative is to participate actively and help the stakeholders to implement the principles. They organize events where knowledge can be shared in order to reach their aim.

### *UNGC Academy*

The UNGC academy would help to assess learning and the development of the different participants in order to increase the perceived legitimacy of their initiative. The academy provides different development and training programs for implementing the 10 principles. At this academy, generalizable frameworks, theories, application tools are shared through different case studies and learning tools. “These cases should be developed with specific purposes in mind; that is, as descriptive stories, teaching cases and research cases”. (Kell & Levin, 2002) “The learning tools are web-based modules that integrate exercises and case studies on current trends and expectations towards business on implementations” (UNGC 2018. p.1). One of the examples is the learning-tool of the implementation of human right principles.

### *Local Networks*

The Dutch United Nation Global Network is already introduced and can be seen as a local network. The concrete goal of the network is “Provide Dutch business signatories with a vehicle for inspirational learning and benchmarking” (Global Compact Network Netherlands, 2016. p.3). They do so by reviewing the communication on progress (COP) of the members and discuss the conclusions. “The group convened and discussed the peer reviews to foster learning and exchange best-practices” (Global Compact Network Netherlands, 2016. p.5 ) The projects this local network runs are supported by different organizations like the Dutch Ministry of Foreign Affairs and Oxfam Novib. “The project will facilitate outreach, interaction and learning on key human rights topics and management approaches with companies, local stakeholders and Global Compact networks” (Global Compact Network Netherlands, 2016. p.9). “These informal networks currently convene Global Compact companies who wish to learn from each other’s experiences”. (Kell & Levin, 2002. p.15). “Multi-stakeholder collaborative development projects are fostered through participation in the network with the aim of furthering the Millennium Development Goals” (McIntosh, 2017. p.45). These local networks of the UNGC organize different activities and meetings in order to share knowledge and learn from each other.

### *Studies*

The last aspect of learning through the UNGC could be through their studies and publications. They produce newsletters, online reports and studies. These can be found in their online library. Kell &

Levin (2002), state that published research studies that report effective results and practices related to the Global Compact can provide a foundation for common understanding of what works and what does not work in adopting and implementing the Global Compact principles. Members also can learn from scholars that did research about what works and does not work in the adoption and implementation of the Global Compact principles. “Research published and ‘translated’ for practicing managers can provide important insights into and development of application tools and methodologies, evaluation instruments, processes and problem-solving approaches” (McIntosh et al., 2017. p.218)

## Chapter 3: Methodology

In this chapter the methodology of the research will be described. This is done by describing the methodological approach, method of data collection, respondents, method of data-analysis, operationalization of the concepts, limitations of the research and research ethics.

### 3.1 Methodological approach

In this thesis there is chosen for a qualitative approach. Bleijenberg (2013. p.10), states that qualitative research includes all kinds of research that are focused on generating and interpreting information in order to make statements about a (social) phenomenon in reality. The reason for this choice is that in this thesis the underlying way needs to be found how Dutch members of the UNGC learn about CSR through this network. Qualitative research helps to generate these insights, because through interviews specific information is generated. This thesis has a theoretical approach. The aim of theoretical research is to generate knowledge or expand knowledge. This thesis generates knowledge about how learning about CSR through the UNGC occurs.

When social scientific research is done we clarify and describe different phenomenon that could occur at people, groups or organizations (Swanborn, 1996. p.11). There is a distinction between the intensive and extensive approach. In this thesis the intensive approach is used because the focus is on a few organizations and therefore the applicable research strategy is a case study. The definition of a case study consists of several elements (Swanborn, 1996. p.27). First of all, it needs to be inside the boundaries of the social domain. In this thesis this is the Dutch members of the UNGC. The second aspect is that the case study needs to be done in the natural area of the case. In this case at the office of the organization or by phone. The third aspect is the specific period of time, which in this case was between 15<sup>th</sup> of April 2018 and the 20<sup>th</sup> of May 2018. Thereby the researcher described and elucidated the processes of the organization and explore the generated date. This is done in the analytical part of the thesis

The case study is based on the meso level and consists of more than one central actor. Swanborn, (1996. p.18), states that this level is based on networks or partnerships. The UNGC can be seen as one of these networks or partnerships. The case study consists of more than one central actor, because there are three cases, based on different organizations in this research. Bleijenberg (2013. p.38), states that the possibilities of generating new knowledge will expand if there are more cases in the research. In this thesis there is chosen for an inductive approach. According to Bleijenberg (2013. p.42), an inductive research approach is focused on fewer formulations of theoretical expectations. In this thesis, the outcomes of the interview guided the theory and the researcher had no strict expectations of the outcomes.

### **3.2 Method of data collection**

The method of data collection is based on gathering primary data. According to Boeije et al. (2016), primary research is research in which the researcher generates direct data by for example asking questions to the respondents. This is exactly what is done in this research. These interviews are recorded and transcribed in order to analyze them. There is chosen for qualitative semi-structured interviews in this thesis. In an interview with semi-structured questions the formulation of the questions is done at forehand. The reason for choosing semi-structured interviews is that the researcher could structure the interview and generate the information necessary but still leaves room for the respondent to add context. The interviews are generated based on a one-to-one conversation between the interviewer and the respondent.

In total 16 interviews are held and 15 interviews are used. One interview is deleted because the respondent did not know enough about the UNGC. The interviews started with general questions about the respondent. These questions were necessary in order to estimate if the respondent knew enough about the UNGC and CSR. Thereafter, general questions about the UNGC and the connection between the respondent's organization and the UNGC were asked in order to shape context. Subsequently, the focus was on organizational learning about CSR based on the UNGC. Topics discussed were knowledge, learning loops and learning levels. In the end, the questions focused on learning through the UNGC and if the organizations used the tools provided by the UNGC.

Furthermore, the data collection is based on practical aspects, for example, the time available of the respondents and willingness to cooperate. Several organizations denied the request because there was no interest, a lack of knowledge about the UNGC or they did not see the added value of participating.

### **3.3 Respondents**

At the moment there are 138 Dutch organizations member of the UNGC (UNGC, 2018). These organizations are divided into different types: companies, small or medium-sized enterprises, NGO Global and foundations are used in this case study. In this case study at least 5 respondents for each case participated.

With 5 respondents at each case the domain of this thesis is small. The main criteria for these respondents was that they had knowledge about the UNGC and CSR in the organization they are working. The companies are selected based on willingness to cooperate. The UNGC developed a list of all the Dutch members. If an organization did not want to cooperate or could not deliver 5 people fulfilling the main criteria the next company on the list was selected until 3 different cases were selected. The number of participants in this study needs to be at least 15 people. According to

Bleijenberg (2013), in a qualitative research interviewing 10 – 20 people will be enough. The companies are contacted through different ways. First of all, the organizations were e-mailed and called on their general addresses in order to find the right people that have knowledge of the UNGC and knowledge of CSR in the organization. Thereafter, these specific people were e-mailed or contacted through LinkedIn in order to ask for their permission to do an interview and contribute in the search to other respondents of the specific company they are working for.

In the first case, the functions of the respondents were quite different. The 5 people worked as; communication manager, event coordinator, director, sponsor/advisor and brand manager. In the second case, the job descriptions of the respondents were more similar to each other. The people that participated were local vice president (2), president outgoing volunteers, local chairman and the chairman of the Netherlands. In the third case, different organizations were selected and the jobs of these respondents also differed. The respondents that participated were corporate partnership manager, manager quality systems, CEO, manager marketing team and managing director. In case 1 and 2 a general interview about CSR and the organization is done in order to see if the organization could fit in this research. In case 3 this was different because this case exists of different organizations, the respondents of these organizations are all responsible for the UNGC commitment of their organization. Therefore, a general interview was not necessary.

### **3.4 Justification of case selection**

The first case is based on an organization that is trying to develop a new sustainable car and challenges the future of urban mobility in a sustainable way. This case is interesting because the UNGC changed their vision and they are trying to let the whole region participate in the UNGC. The second case, is based on an organization with the aim of facilitating cross-cultural exchanges linked to the Sustainable Development Goals (SDG). This case is interesting because they link their projects to the SDG and the UNGC influences their daily activities. Furthermore, this case is interesting because the organization consist of different offices and need to share their knowledge about the UNGC and CSR. The third case consisted of 5 different organizations. The reason here is that none of the other members of the UNGC with 5 persons that had knowledge of this initiative, could be found. Nevertheless, this case is interesting because it gave different insights and showed various perspectives on the UNGC. The organizations in this case are 3 NGO's, a steel manufacturer and a publishing company.

### **3.5 Method of data-analysis**

Based on Boeije et al., (2016), in qualitative data-analyses the description of people and situations is central and described in a way that the reader can understand what people move and how people can understand the situation. This only can be done by comparing different persons and insights with each

other. There are different researches about how data-analysis can be done. The core of a qualitative analysis is the analysis of the collected text. In this thesis the Grounded Theory Approach (GTA) of Corbin and Strauss (1990) is used. This theory is described as a combination of inductivism and deductivism. In this inductive thesis the GTA can be used, because it includes an open and flexible research method, data collection in the natural habitat of the respondents and a data analysis based on rough data.

The first step in the method of data-analysis in this thesis is the transcription of the voice records of the interviews. These records are transcribed extensively. Thereafter, the encoding process started. This encoding is done manually. After the transcription, the first phase was the analysis of the data whereby the researcher reflected on the data. The collection of data is used in order to find patterns and components that were useful in the data-analysis. In order to find these patterns, the data of the different interviews are constantly compared.

In this thesis, the codes are developed based on the cultivated data. Bleijenberg (2013, p.96), states that the encoding process starts with open coding, whereby text is labeled based on a concept out of the text. This inspection is done by reading through all the data and describe in general after every text fragment where it is about. These open codes are used in order to help split up different fragments. Thereafter, axial encoding is used. In this phase, the researcher looked for connections between all the open codes and looked for themes. These axial codes have a higher abstraction level compared to the open codes and therefore reduced the number of codes. In the following phase of the coding process, selective encoding is used. This is done by comparing the different fragments with each other.

These codes are also called pattern codes and help in order to connect the theory with the empirical material. The last step was the comparison between the outcomes of the data analysis and the scientific research. Based on the analysis of the data conclusions are made and the research question is answered. The codes are based on the different answers of the respondents and developed during the axial and selective coding process. In appendix 3, the coding scheme is presented. The selective codes are: the UNGC in general, CSR, MSI, organizational learning, learning through the UNGC.

### **3.6 Operationalization**

Despite the fact that the Grounded Theory Approach is used and the focus on inductive research, the use of theory is still relevant. Scientific research and theories helped to generate concepts that guide the research. Corbin and Strauss (2008), call these concepts, sensitizing concepts.

In this thesis the sensitizing concepts are the following:

<b>Concept</b>	<b>Definition</b>
<b>CSR</b>	“A commitment to improve societal well-being through discretionary business practices and contributions of corporate resources”.
<b>Organizational Learning</b>	“The process of improving actions through better knowledge and understanding”.
<b>CSR learning</b>	“The process of improving societal well-being through better knowledge and understanding of business practices and contributions of corporate resources”.
<b>Explicit Knowledge</b>	“This kind of knowledge can be readily transmitted between individuals formally and systematically”.
<b>Tacit knowledge</b>	“Knowledge that can be seen as highly personal, it is hard to formalize and therefore, difficult to communicate to others”.
<b>Learning loops</b>	“Three different ways of organizational learning based on error and mismatches”.
<b>Learning levels</b>	“These levels define the structure through which organizational learning takes place”.
<b>Multi-stakeholder initiatives</b>	“Private governance mechanisms involving corporations, civil society organizations, and sometimes other actors, such as governments, academia or unions, to cope with social and environmental challenges across industries and on a global scale”.

Table 1. Operationalization

### 3.7 Limitations of the research

There are some limitations of the methodology in this thesis. The first limitation has to do with the validity. 13 of the 15 interviews are held in Dutch but the quotes are translated into English. As a consequence of this translation, the pretended substance could have changed, resulted in an inappropriate understanding. Next to this, tacit knowledge about the UNGC can be seen as highly personal and therefore hard to share in an interview. This could be a limitation because not all the information could be shared in this way. Another limitation could be the little differences between the

UNGC and the Sustainable Development Goals. These goals are integrated with the principles and aim of the UNGC and therefore confusion could occur. The last limitation of this thesis is that due to practical and sustainable reasons some interviews are held by phone. The connection in these interviews was perfect but some information could be missed due to the fact that facial expressions cannot be recognized a phone call. This could have influenced the interruptions during the interviews, because the interviewer could not see if the respondent thought about an answer or was waiting for the next question. Therefore, some information could be missing, or the respondents can have the feeling that the interviewer did not listen properly. These limitations are further described in the discussion in chapter 5.

### **3.8 Research ethics**

Researchers are responsible for the consequences of their decisions and should avoid inappropriate effects based on their research. The researcher needs to follow some guidelines about the ethics of the research. The principles are based on APA's Ethics Code and based on a signed contract of property rights, which will be explained now.

#### *Intellectual property*

The researcher has signed that the intellectual property rights from the data and research are property of the Nijmegen School of Management at the Radboud University. All the participants are informed about this property rights in the interview guide that is read loudly to them.

#### *Conduct of the researcher in the field*

The conduct of the researcher in the field is based on general accepted norms and values of the Dutch society. Based on the APA's Ethics Code the researcher should not have relationships that could reasonably impact their personal performance or could exploit or harm others. The treatment of the participants is in compliance with the ethics code and Dutch and international law.

#### *Treatment of participants during the research*

The consent process needs to ensure that individuals voluntary participated in the research and that they had knowledge about the consequences of participating. Based on the federal standard, the participants had all the information that might be reasonably influence their decision to participate. This is conducted based on transparency and informing the participants on the different interests of the researcher and the Radboud University.

Based on the APA's Ethics Code the respondents are informed about the purpose of the research, the process and the duration. They are informed about this in the first contact with the researcher. Next to this, the participants are informed about their rights to decline or withdraw from the research. The participants could stop whenever they wanted.

### *Transparency of research goals and freedom to withdraw from the research at any time*

The respondents are informed about the research goals in the interview guide before starting the interview. Next to this, they are informed that they can withdraw from the research any time. They also have the freedom not to answer specific questions and check the transcribed interview at the end in order to make sure that everything they have said may be used for the research.

### *Ways to guarantee confidentiality and anonymity*

Based on the APA's Ethics Code several aspects of confidentiality and anonymity are discussed with the respondents. The respondents are informed about how the data is used and what will be done with the audio tape of the interview. Practical security measures are taken into account. The data is generated anonymous and personal information and names are deleted out of the data. The researcher is also aware of the limits of the internet and will not transfer the confidential information electronically.

### *Adequate ways of informing all participants about the results*

All the respondents will be e-mailed personally with the results and the final version of the research. Next to this, in the first e-mail to the respondents the contact information of the researcher are provided whom the respondents can contact anytime they have questions or remarks.

## Chapter 4: Analysis

In this chapter the answer on sub-question 2 will be given. This is done based on the empirical data collected from the interviews. The coded data is the guideline for this analysis. There will be an overview based on the different cases. The aim of this chapter is to generate information that could help in order to answer the research question of this thesis.

### 4.1 UNGC in general

The first part of the analysis is based on general knowledge and information of the respondents regarding the UNGC and CSR. In case 1, the first contact with the UNGC is based on own interest, seen on the news or through the organization. The respondents in case 2, all heard about the UNGC through working for their current organization. The respondents in case 3, have heard about the UNGC through the organization they work for, ISO norms or the SDG charger. One of the respondents mentioned that she came in touch with the UNGC through another program of the UN. The UNGC contributes to CSR-learning by creating awareness. Employees become aware of the UNGC through their organization. This awareness about the UNGC resulted in interest of this initiative and interest how this could improve their CSR-activities.

“Awareness is for sure one of the core elements of the UNGC” (Respondent 8)

In all the cases different reasons for membership are mentioned. The UNGC is used in order to gain media advantage, but on the other hand also increases the transparency through the code of conduct. Thereby it is used because clients ask organizations to be part of this initiative and in order to give direction to the vision. In the second case, the respondents stated that the UNGC helps in order to make projects and the SDG’s more concrete. Based on linking projects to the UNGC and SDG’s they could measure the specific impact, because the number of projects is measurable. In case 3, is mentioned that one of the reasons for the membership is the network of the UNGC that could be used. They mention that CSR can be better achieved in a network instead of working alone and is stated that organizations can learn from each other through this network. CSR learning occurs through transparency of other organizations, making projects more concrete and working together.

“Organizations that want to contribute to make CSR more concrete could better do this in a network instead of doing this alone” (Respondent 15)

### *Partial conclusion*

In general, the UNGC could contribute to CSR-learning because members become aware of the UNGC and the different principles. This results in interest how the UNGC could improve their CSR activities, resulting in learning. Next to this, the UNGC does contribute to CSR implementation because sustainability activities can become more concrete. Projects can be linked to the SDG's and UNGC in order to measure the impact. Furthermore, is mentioned that achieving CSR goals can be better achieved in a network instead of alone.

<b>Topic</b>	<b>Case 1</b>	<b>Case 2</b>	<b>Case 3</b>
<b>First contact UNGC</b>	<ul style="list-style-type: none"><li>- Own interest</li><li>- Organization</li><li>- News</li></ul>	<ul style="list-style-type: none"><li>- Organization</li></ul>	<ul style="list-style-type: none"><li>- Organization</li><li>- ISO norms</li><li>- SDG Charger</li><li>- Program UN</li></ul>
<b>Reason membership</b>	<ul style="list-style-type: none"><li>- Media advantage</li><li>- Transparency</li><li>- Sustainability Intension</li></ul>	<ul style="list-style-type: none"><li>- Making projects concrete</li><li>- Match SDG's</li><li>- Vision</li></ul>	<ul style="list-style-type: none"><li>- Client request</li><li>- ISO norms</li><li>- Collaboration</li></ul>

Table 2. UNGC in general.

## **4.2 MSI**

In this part, the focus is on the UNGC as a multi-stakeholder initiative (MSI). Different aspects that involve the UNGC as MSI will be described. These aspects are the code of conduct, network events, partnerships and collaboration and involvement. The critique on the UNGC as learning platform will also be discussed and focuses on greenwashing, complexity and implicitly.

Code of conduct are the topics, recommendations, and guidelines by groups within society that are used in order to enhance the responsible behavior of business. In the first case, a code of conduct or standards is not mentioned, despite the fact that they are signed in order to be a member of the UNGC. The broader aim here was to use it for media attention. In case 2, the national chairman signed the standards of the UNGC, but he is not sure if there was a code of conduct included. This could mean that it is signed in order to have it signed instead of learning of it. In the third case is mentioned that the code of conduct is used as a supplier code, the standards are shared with all the employees that join the organization. The problem with the code of conduct of the UNGC mentioned is the internal ownership of signing these standards. Despite this, respondents in different cases mention that it could be informative to see the code of conducts and standards of the different organizations in order to improve their CSR-activities.

“We have visited our suppliers in order to discuss the code of conduct and see how they operate, some of them are also member of the UNGC” (Respondent 15)

Network events and meetings organized by the UNGC can be used in order to learn between, among and inside different organizational actors. In all the cases, respondents mentioned that the added value of the UNGC is the network they offer. They state that they could learn from experiences and knowledge provided by different organizations that are also a member of the UNGC. The remarkable note here is that in none of the cases members went to specific UNGC network events or meetings. The respondents mention different reasons for this remarkable note. They mention that other network events have priority because they are focused specifically on their market, did not know these events are organized, receive to many invitations for these kind of events or set priority for core business instead of focusing on these events. In all the cases the respondents stated that it could be useful and that they will think about joining these events in the near future. Hence, we can conclude that the learning possibilities offered by the UNGC are not fully utilized

“I have heard about these networks, but we do not use them, nor use them to learn. If we should go this would be with the intention of meeting other organizations” (Respondent 1)

Partnerships and collaboration are used in order to learn from a partner and the collaboration serves the purpose once the organizational knowledge has been successfully transferred. In case 2 and 3, the respondents state that these partnerships and collaboration are the key of the UNGC. In case 1, they use these partnerships in order to improve the CSR activities in the region. Despite these comments, in all the cases the respondents state that they do not use these partnerships or collaboration based on the UNGC. They state that all the members have a shared interest and speak the same language regarding CSR, but they do not collaborate with them because of the UNGC.

“We have never used the UNGC for the purpose of partnerships. We don’t look at the list of the members and decide to call one of these organizations because they are a member of the UNGC. That’s not the way we work” (Respondent 7)

Involvement facilitates the inter-organizational learning necessary to create new knowledge. This can increase through low entry barriers. These entry barriers at the UNGC are low. In case 2 and 3 respondents stated that it was easy to become a member of the UNGC. In all the cases CSR involvement is high. Despite this fact, the involvement in the UNGC in all the cases is low. There are different reasons mentioned for this low involvement. First of all, in all the cases the respondents stated that they do talk a lot about CSR but not about the UNGC. Secondly, it is quite easy to become a member of the UNGC and thereafter the organizations do not use this initiative anymore. The UNGC is seen as something extra or used for media advantage and therefore the involvement is low. None of the respondents mentioned that they joined the UNGC because of learning. They could learn from the UNGC, but it is not seen as the main purpose. Despite this, the respondents think that next

generations will be more aware of CSR and this will increase the UNGC involvement.

“The UNGC is something that you are part of, but it is also kind of extra. If you decide to focus on public relations or working with other organizations this is great, but if this is not your focus you don’t take advantages of this” (Respondent 13)

Greenwashing in this situation is the ability of members to boost their image through their association with the UNGC without improving their CSR activities. In all the cases the respondents state that their membership for the UNGC also results in advantages despite the improvement of CSR activities. This does not directly mean that they use greenwashing through their membership. In case 1 is mentioned that it is good to use the name of the UNGC resulting in a connection with other organizations. Next to this, they mention that the membership is used for media advantage. In the second case, the respondents mention that it sounds great and makes them more relevant. In case 3, respondents mentioned that greenwashing is vulnerable to organizations. Besides this, they mention that employees sign a code of conduct, but just put their signature and do not look specifically at the content. In general, a remark needs to be made, in the cases, the UNGC is not only used for CSR implementation but also for other aspects. This does not directly mean that this is bad or has to do with greenwashing. Through the code of conduct and attention for greenwashing through the UNGC organizations become more aware of the consequences and will be more transparent. This results in learning because members can see what other members do and need to improve their own CSR-activities.

“Organizations can sign the principles, but subsequently nothing happens. It doesn’t describe what should happen now. The next day nothing has changed” (Respondent 14)

Complexity could lead to problems regarding implementing the principles or CSR activities of the UNGC. In all the cases is mentioned that the UNGC is too complex. In case 1, is stated that it is too abstract and that KPI’s of the principles are necessary in order to measure the impact. In the second case is mentioned that people do not understand how goals and principles are related. For example, the UNGC and the SDG’s they are intertwined but also different. It is not concrete enough. Next to this, the complexity of measurement of impact is mentioned. In case 3, is mentioned that it is not obvious enough what the UNGC can offer. The respondents mentioned that they are not aware of the possibilities and therefore it is elusive. What they also mentioned is the complexity of understanding what each specific CSR initiative offers. In general, this results in a situation where the UNGC could hinder learning about CSR because this initiative can be seen as too complex.

“I don’t think that people understand the goals and principles. They are intertwined, and people do not see that.” (Respondent 12)

Implicitly is seen as one of the critiques on the UNGC. This is based on the focus on social learning and not measuring the behavior of the participants. In all the cases the respondents mentioned the implicitly of the UNGC. In case 1, is stated that the UNGC does not help in order to show people what they could learn from the UNGC and what the possibilities are. It is not specific enough. In the second case is stated that there should be a bigger focus on the UNGC as the brand, more focus on the new generation and education. Next to this, one of the respondents was wondering if the UNGC actually knows what kind of organizations their members are. In case 3, is mentioned that the UNGC did not organize information meetings about how participants could use this initiative. They do not give enough information about the possibilities. This could be improved by for example the use of social media. They also state that the UNGC is not specific enough in verifying their members.

“They can call us and ask what we do. I am not sure if they are aware of what we actually do. If they know what organizations do, they can make links” (Respondent 13)

#### *Partial conclusion:*

In general, the UNGC seen as MSI could contribute to the CSR-learning of their members. Nevertheless, it is not used in the way that it could be used. The code of conduct could help to learn about CSR because you can see how other organizations use this. Anyhow, the members do not know literally what is in this code of conduct. Network events and meetings are seen as important in the UNGC in order to learn about CSR. The remarkable note is that the organizations did not visit these events yet. In different cases is mentioned that partnerships and collaborations are the key of the UNGC. Notwithstanding it, the organizations do not use these partnerships and collaborations at the moment. In all the cases is mentioned that the involvement with the UNGC is low. Next to this, the respondents do mention that they can use the UNGC for media advantage. There is a possible learning effect because of this strengthen CSR communication. Organizations can learn from other members publications.

In all cases is mentioned that the UNGC is too complex. The respondents state that they are not aware of the possibilities the UNGC has in order to improve their CSR learning. In the end, the respondents also state that the UNGC could be less implicit in order to let them learn more about CSR. They miss a description of the possibilities to learn, focus on education and they state that the UNGC is not aware of whom their members are.

<b>Topic</b>	<b>Case 1</b>	<b>Case 2</b>	<b>Case 3</b>
<b>Standards / Code of Conduct</b>	- Not mentioned	- Signed but not sure about the content.	- Supplier code of conduct - Shared standards - Internal ownership
<b>Network events &amp; Meetings</b>	- Not based on the UNGC.	- Not based on the UNGC	- Not based on the UNGC.
<b>Partnerships &amp; Collaboration</b>	- Used but not through the UNGC. - Focused on the region	- Used but not through the UNGC NL - Key UNGC - Shared interest	- Used but not through the UNGC. - Key UNGC - Shared interest
<b>Involvement</b>	- Low	- Low	- Low
<b>Greenwashing</b>	- Used for media	- Sounds interesting	- Vulnerable initiative
<b>Complexity</b>	- Abstract - Measurement of impact. - Unclear	- Intangible - Measurement of impact.	- Unclear - Not aware of the possibilities. - Elusive - Intertwined with other CSR initiatives
<b>Implicitly</b>	- They do not describe the possibilities - Not specific enough - Not sure if the principles cover enough.	- More focus on education and the new generation - More focus on brand awareness - Interest in their members	- To less focus on the description of possibilities. - Not specific in verifying their members.

Table 3. MSI.

### 4.3 Organizational Learning

As described in chapter 2.4 organizational learning about CSR could improve the CSR activities. The used theories are about knowledge, learning levels and learning loops. These different aspects will be described based on the information provided by the respondents.

#### 4.3.1 Knowledge

The first interview questions about organizational learning had to do with knowledge. The reason here is that if organizations want to improve their CSR activities they need knowledge about CSR in order to learn. The focus here will be on the kind of knowledge, explicit or tacit knowledge and knowledge sharing.

Kind of knowledge refers to the type of knowledge the respondents gather through the UNGC. In all cases is stated that the type of knowledge involves the increase of awareness of CSR. It increases the awareness about what is happening in the world and how to act more sustainable. The level of awareness about CSR is increased through the UNGC. This makes CSR efforts less voluntary. Beside this, in all cases is stated that it increases the knowledge about the SDG's. In case 1 is stated that the type of knowledge is based on the understanding side instead of the solution side. This knowledge can help in order to make organizations more responsible because they have information about the impact they can make. In the second case, the kind of knowledge is mainly focused on the understanding of CSR in order to link it to projects. The knowledge obtained by the UNGC is provided to volunteers in order to help them understand the impact they make with their project. In case 3, the kind of knowledge is based on knowledge about the other members and the implementation of the code of conduct.

“The society questions or CSR initiatives become clear based on the knowledge of the UNGC, it is important to share this knowledge and become part of a broad initiative” (Respondent 15)

Explicit knowledge is formal and systematic, it can be easily communicated and shared. In general, the respondents state that it is not hard to share the knowledge about CSR and the UNGC. In case 1, the respondents wrote a book about CSR. Furthermore, they stated that the design of the principles is very clear, and they do not have problems with sharing their knowledge about the UNGC. In the second case, is mentioned that they gave training and sessions to share their knowledge. Furthermore, this organization wrote a book about it and have an information hub where information regarding the UNGC is shared. In case 3, is mentioned that it is not hard to write content about the UNGC. Workshops are organized in order to share CSR knowledge and through the COP extend the

knowledge is made explicit. The members of the UNGC do contribute to CSR learning outside their organization by sharing their knowledge in different ways. The content of this knowledge mostly exists of a combination from CSR, the SDG's and the UNGC.

“It is important to show that the goals are present and making visible how the difference can be made regarding these principles” (Respondent 3)

Tacit knowledge can be seen as highly personal, it is hard to formalize and therefore difficult to communicate to others. In all cases, some difficulties about information sharing about the UNGC are mentioned. In the first case is mentioned that it is hard to share specific content, because their products are very technical. Furthermore, it is hard to show the visibility of solutions and people do not listen. In the second case, the tacit knowledge occurs based on experience and routines and could be lost through the switch of members. In the third case, the respondents mention that they struggle with the communications because others do not understand the content.

“We develop such a specific technique that other organizations do not understand it or not have experience regarding this” (Respondent 1)

Knowledge sharing refers to the way how the obtained knowledge is communicated to others. In the first case is mentioned that the knowledge about the UNGC is shared with the network in the region. Secondly, there is a focus on the new generation and educate students about CSR. The knowledge is shared based on documents and oral transfer. In the second case, the knowledge is shared through a book and the links with the projects. In these books information about the UNGC and CSR is described. It can also be seen as a daily guide for young people about what you can do in daily life in order to help the world reaching the SDGs. Besides this, the knowledge is transferred during training and sessions. These sessions are guided by keynote speakers with specific CSR or UNGC knowledge. In the third case, is mentioned that the knowledge about the UNGC is not shared that often. One of the respondents stated that knowledge could be shared through a developed talent bank. A remarkable aspect regarding knowledge sharing can be made in case 3. One of the organizations, in this case, organized a workshop in order to share their knowledge about the UNGC. In these workshops, the focus is on how the UNGC can be used in order to reach CSR goals.

“The network in the region could be used for the possibilities and help others with new knowledge and ideas” (Respondent 1)

### ***Partial conclusion:***

In general, the respondents stated that the UNGC contributes to their CSR-knowledge by creating more awareness of the principles. The respondents also state that they use this content in order to understand the SDG's. The respondents make their knowledge explicit by writing books, share experience, training sessions and an information hub. Besides this, they have difficulties making all the knowledge explicit. Some knowledge is too specific to share and is based on own experiences and routines. Furthermore, there are difficulties for people to understand the content of the UNGC. The knowledge about the UNGC and CSR is shared through the network in the region, documents and oral training and sessions. Next to this, some respondents feel a duty to share this knowledge with the new generation that could make an impact.

<b>Topic</b>	<b>Case 1</b>	<b>Case 2</b>	<b>Case 3</b>
<b>Kind of knowledge</b>	<ul style="list-style-type: none"><li>- Awareness</li><li>- SDG content</li><li>- Understanding side</li></ul>	<ul style="list-style-type: none"><li>- Awareness</li><li>- SDG content</li></ul>	<ul style="list-style-type: none"><li>- Awareness</li><li>- SDG content</li><li>- Other members</li><li>- Code of conduct</li></ul>
<b>Explicit</b>	<ul style="list-style-type: none"><li>- Wrote a book</li><li>- Design of principles</li><li>- Share experience</li><li>- Marketing purposes.</li></ul>	<ul style="list-style-type: none"><li>- Training and sessions</li><li>- Wrote a book</li><li>- information HUB</li></ul>	<ul style="list-style-type: none"><li>- Not hard to write content</li><li>- Workshops</li><li>- COP extend</li></ul>
<b>Tacit</b>	<ul style="list-style-type: none"><li>- Specific knowledge</li><li>- Visibility of solutions</li></ul>	<ul style="list-style-type: none"><li>- Experience and routines</li><li>- Switch of members</li></ul>	<ul style="list-style-type: none"><li>- Understanding of content</li></ul>
<b>Sharing</b>	<ul style="list-style-type: none"><li>- Network in the region</li><li>- New generation</li><li>- Documents</li><li>- Oral transfer</li></ul>	<ul style="list-style-type: none"><li>- Book</li><li>- Project</li><li>- Trainings and sessions</li></ul>	<ul style="list-style-type: none"><li>- Not shared that often</li><li>- Talent bank</li><li>- Workshop</li></ul>

*Table 4. knowledge*

### **4.3.2 Learning levels.**

The second aspect of organizational learning mentioned are the learning levels. It is important to know on what levels organizational learning about CSR occurs. The learning can occur at the individual, group or organizational level. These processes are translated into the 4I concept, intuiting, interpreting, integrating and institutionalizing.

Individual level learning is the combination of what people are capable of, their motivation and what their focal point in learning is. The two processes at this level are intuiting and interpreting. In all cases, individual level learning about the UNGC and CSR occurs. In case 1, is mentioned that the

learning is based on awareness and personal motivation to improve our world. The motivation is also to challenge the future of urban mobility in a sustainable way. The intuiting part is based on describing the personal vision and the design of the goals. The interpreting part in case 1 is based on the improvement of actions and a switch in the personal way of working. In the second case, individual learning is based on feeling responsible for this world and the creation of awareness about the UNGC and CSR. The focal point in learning is to link projects with the SDG's. The intuiting part is based on patterns in the different projects and the interpreting part is based on personal changes in daily life in order to be more sustainable. In case 3, is mentioned that the motivation is based on personal interest. Most respondents in this case work for an NGO or are trying to build the most innovative NGO in the world. The respondents state that they want to learn about CSR and the UNGC because they feel a need to protect the world and make a difference. The intuiting part is mostly based on working for an NGO and the interpreting part can be seen in the daily activities and signing and applying to the code of conduct

“The membership is more than just symbolical, it results in more thinking about CSR and awareness of your own situation” (Respondent 10)

Group level learning is the dynamics and development of shared understanding resulting in integration. The process at this level is integrating. In all cases is mentioned that learning at the group level occurs. In case 1, there is a shared understanding based on developing a shared vision about the UNGC and interpreting this in daily activities. There is a focus on a collective with the region. The integrating part in this case can also be seen in education programs in order to create awareness leading to the integration of the principles. In the second case, a shared understanding is created through a practical 21-day challenge regarding CSR. Next to this, there are training sessions about CSR resulting in a shared understanding that should increase the integration of the principles. Another point mentioned by respondents in case 2, is the focus on cross-cultural understanding regarding the integration of the principles. In case 3, the shared understanding and integration is based on a shared understanding of the code of conduct and the integration of this code in conduct in supplier assignments. The respondents, in this case, mention that group level learning could improve if it would be clearer what the UNGC could improve for them. This would result in a better-shared understanding and result in more integration of the principles.

“These sessions are about making plans about the SDG's and UNGC and implement these plans” (Respondent 2)

Organization level learning is used in order to achieve a long-term transformation of the organization so that the stakeholders will be satisfied. The process at this level is institutionalizing. In case 1, twice a year the organizations has a change of the board, the information about the UNGC is kept in the organization by information books and oral transfer. The UNGC is implemented in their daily activities and therefore part of the organization. This choice is made with the stakeholders in order to satisfy them in the long term. In the second case, the organizations also change from the board and do the same as in case 1 in order to keep the knowledge inside the organization. Besides this, the information about CSR is intertwined in the daily activities and shared with stakeholders. It became a routine to have meetings about CSR in order to discuss the long-term strategy. Next to this, the organization has an information hub where specific knowledge about the UNGC and CSR is saved and can be read by employees all over the world. In case 3, is mentioned that knowledge about the UNGC stays in the organization because of the COP. The long-term transformation of the organization is based on these principles. Next to this, the organizations share their knowledge about CSR and the UNGC with their other offices around the world in order to make sure that the knowledge stays in the organization. The UNGC helps to motivate the organization to put CSR on the agenda.

“The added value occurs at all levels, employees are motivated on personal and professional aspects. This potential is an enormous power that can be used for the organization and a lot of advantages can be gained” (Respondent 15)

### ***Partial conclusion:***

In all the cases the three different levels of learning are present. Individual level learning occurs because of awareness about the UNGC and personal motivation in order to improve our world. Group level learning in the cases is based on shared understanding of a vision to improve the sustainability of the organizations. There is a focus on a specific region or on cross-cultural understanding. Another important aspect is that this shared understanding could occur through the signed code of conduct of the UNGC resulting in more integration of the principles. Learning on the organizational level is based on documentation, information HUB, talent banking and the implementation in daily activities. These aspects need to assure that the knowledge stays within the organization and prevent knowledge loss in order to implement it in routines and daily activities.

Topic	Case 1	Case 2	Case 3
<b>Individual</b>	<ul style="list-style-type: none"> <li>- Awareness</li> <li>- Personal motivation</li> <li>- Challenge the future of urban mobility</li> <li>- Personal vision</li> <li>- Improvement of actions</li> </ul>	<ul style="list-style-type: none"> <li>- Feeling responsible</li> <li>- Creation of awareness</li> <li>- Link projects with the SDG's</li> <li>- Changes in personal lifestyle</li> </ul>	<ul style="list-style-type: none"> <li>- Personal interest</li> <li>- Working for a NGO</li> <li>- Need to protect the world</li> <li>- Make a difference</li> <li>- Daily activities</li> <li>- Code of conduct</li> </ul>
<b>Group</b>	<ul style="list-style-type: none"> <li>- Shared understanding</li> <li>- Collective in the region</li> <li>- Education program</li> </ul>	<ul style="list-style-type: none"> <li>- 21 day challenge</li> <li>- Training sessions</li> <li>- Cross-cultural understanding</li> </ul>	<ul style="list-style-type: none"> <li>- Code of conduct</li> <li>- Supplier assignments</li> <li>- Improvement if more clarifying</li> </ul>
<b>Organization</b>	<ul style="list-style-type: none"> <li>- Change of the board</li> <li>- Information book &amp; oral transfer</li> </ul>	<ul style="list-style-type: none"> <li>- Change of the board</li> <li>- Information book &amp; oral transfer</li> <li>- Daily activities</li> <li>- Meetings</li> </ul>	<ul style="list-style-type: none"> <li>- COP</li> <li>- Worldwide knowledge sharing.</li> <li>- Motivation</li> </ul>

Table 5. Learning levels

### 4.4.3 Learning loops

The last aspect of organizational learning about CSR described are the different learning loops. These loops are single loop learning, double loop learning and triple loop learning.

Single loop learning seems to be present when values, frameworks, and strategies are taken for granted. The focus is on fixing errors. In all cases, the organizations use single-loop learning based on the UNGC. In case 1, they state that they implemented the principles and try to fix how they could be related to their daily activities. In the second case, is mentioned that they try to improve what went wrong in order to take action. They try to fix their mistakes for activities that will return and what does help in order to reach the goals. In the third case, some respondents stated that the learning is based on the COP and the process of writing the COP and how mistakes regarding the principles and their COP could be fixed.

“Of course, not everything went perfect, these mistakes will be used as lessons that we could use the next time in order to fix the errors” (Respondent 12)

Double loop learning is focused on providing feedback and being more effective in decision making, it occurs when there is a change in mental maps. In general, double loop learning occurs while accepting the principles of the UNGC. This could influence the daily operations and make a change in the

mental maps. In case 1, double loop learning occurs through looking at the vision and principles regarding the UNGC and they talked and reflected about joining the UNGC and how this could influence their daily operations. In the second case, the respondents mention a change in mental maps based on their membership. They also often reflect and give feedback to each other, but not about the UNGC. In the third case, is mentioned that they analyzed the process of being member and the content of the code of conduct. Similar to case 2, respondents in case 3 stated that they often use reflection and feedback but not about the UNGC.

“Employees give feedback on the code of conduct, because they have to sign it. If people need to sign something they will read it for sure” (Respondent 8)

Triple loop learning can be seen as learning about learning. In none of the cases is something mentioned about triple loop learning. The respondents do not use specific learning systems in order to learn about the UNGC. One aspect that needs to be highlighted is that in case 1 and 2 is mentioned that they give lessons about CSR and mention the UNGC. Hereby, they reflect on how they could improve their lessons and learning activities.

“We reflected on how we gave these lessons. We focus on what we have learnt and how we can improve this in the future” (Respondent 4)

### ***Partial conclusion:***

In general, single loop learning about the UNGC and its principles is done in all the cases. They try to fix errors when something regarding the UNGC went wrong. Double loop learning occurs while accepting the principles of the UNGC and implement them in the daily activities. Reflection and feedback are used as double loop learning, but this is not about the UNGC. Triple loop learning is not used about the UNGC, despite the fact that in case 1 and 2 is learned how they could improve their lessons about CSR and the UNGC.

Topic	Case 1	Case 2	Case 3
Single	++	++	++
Double	+	+-	+
Triple	-	-	--

Scale:        --       -       -/+       +       ++

Table 6. Learning loops

#### 4.5 Learning through the UNGC

As described in chapter 2.5 the UNGC offers different possibilities in order to share information and learn. In general, the organizations did not use most of the offered mechanisms. The respondents mentioned that they are not aware of all the possibilities. One of the respondents mentioned that an information conference about all these possibilities could be useful.

The learning forum is the mechanism to stimulate action, to enhance transparency and encourage information sharing. The learning forum is an information bank with good practices from other members. In all the cases respondents mentioned that they did not use this learning forum, despite the fact that they think it could be useful. Especially, respondents in case 2 and 3 mentioned that they could learn from this learning forum if it contains new information. In case 1, the respondents state that their CSR activities are so specific that they expect that the learning forum does not add value. Next to this, in all the 3 cases the respondents stated that they need more information about the content of the learning forum.

“We have a lot of knowledge about human rights and labor, but this is based on a NGO perspective. It is always interesting to hear the perspective of other companies” (Respondent 7)

The learning bank is a digital tool and also consists of a library with published articles about relevant topics regarding the principles. The respondents in case 1 and 2 never heard about the learning bank. In case 3, some of them knew about the learning bank, but did not use it, because the studies they use are not from this digital tool. In none of the cases the learning bank is seen as extremely useful, this is because there are lots of other possibilities to purchase articles and information regarding the principles.

“It could be useful, but I don’t think that we will use it. It is time-consuming to read these articles and publications, it isn’t serviceable” (Respondent 5)

Dialogue is used for performance improvement. In all cases is mentioned that the members talk with their stakeholders about the UNGC. In all the cases the dialogue is used and seen as useful. In case 1, the dialogue is used in order to reveal the opinion of stakeholders about joining the UNGC. In case 2, the dialogue is used internal to talk about the UNGC but it is not used to talk about the UNGC with other organizations. In case 3, the dialogue is used in order to inform stakeholders about activities, based on ESG reports. In all the cases the respondents state that the dialogue can be useful in order to learn about CSR.

“We have thought about the UNGC for a very long time, what are we doing, and we used the dialogue with our team to develop our vision” (Respondent 6)

Events are organized by the UNGC in order to let members participate actively and help the stakeholders to implement the principles. In all cases, the organizations are not going to the events organized by the UNGC at the moment. They are going to other events about CSR, but these are not organized by the UNGC. Despite this fact, in all the cases is mentioned that the organizations think that these events could be useful in order to learn about CSR. Organizations are not going to these events because they have other priorities, the intentions are unclear, or they prefer other CSR events above the one of the UNGC. The UNGC network events do not seem to provide added value compared with other CSR events. They mention that other network events have priority, because they are focused specifically on their market, did not know UNGC events are organized or receive to many invitations for these kind of events. In all the cases the respondents stated that they could be useful and that they will think about joining these events in the near future.

“We are too busy to dive into this, they always invite us, but we don’t have enough information about what it contains. If we want to we can go to an event every day” (Respondent 9)

The UNGC academy would help to assess learning and the development of the different participants in order to increase the perceived legitimacy of their initiative. In all the cases, the respondents stated that they did not use the UNGC academy. In case 1, is mentioned that it could be useful depending on the content. In the second case, some respondents are enthusiastic about it, but others are more skeptical. In the third case, respondents mention that it depends on the training program that is offered. Next to this, in all the cases is mentioned that e-learning could be useful in order to learn about the principles. The UNGC does not offer this yet.

“The usefulness of the academy depends on the content. In my opinion it could be useful for organizations that want to implement the SDG’s” (Respondent 1)

Local networks are used in order to provide Dutch business with a vehicle for inspirational learning and benchmarking. In all the cases the organizations worked together with other members of the UNGC but not through the local networks in the Netherlands provided by the UNGC. In case 1 they state that it could be useful, but that their CSR knowledge is so specific that other members do not have this knowledge or could not use it. In the second case, the respondents state that it could be useful but would not influence the daily operations. In the third case the local networks are seen as useful, but unknown. Respondents in case 3 state that they will use this local network in the future.

“We definitely look at who are current members and there is definitely something for us to learn from, so I think in the future we will participate” (Respondent 11)

Studies are published by the UNGC. The aim of these studies is to create a common understanding of how the principles could be implemented and what does not work in the adaption process. In the first case is mentioned that sometimes information from the UN is used, but no specific studies of the UNGC. In case 2, the respondents state that only at the international level studies are used and not local in the Netherlands. In the third case they use the information on the website, but no specific studies. Another respondent in case 3 mentioned that studies are used as input, but it depends on the content if it is used. The respondents in all cases do not specifically mention if the studies could be useful. They state that it depends on the content and the structure of the studies.

“To the extent that the studies are available we use them as input, but it is dependent on the content if we can use it or not” (Respondent 8)

### ***Partial conclusion:***

The UNGC does provide mechanisms in order to help their members learn about CSR and the implementation of the principles. Despite this, the members are not aware of all the possibilities and do not use them in general. The learning forum is not used and it depends on the content if it can be seen as useful or not. Furthermore, the learning bank is not used as well or seen as useful because the respondents use other mechanisms to collect information. In general, the dialogue is seen as a useful tool and all the organizations communicate with stakeholders about the UNGC. They do not mention that the UNGC contributes to this dialogue, but the dialogue is about the UNGC. None of the organizations is going to UNGC events, despite the fact that they see these events as useful in order to learn about CSR. Next to this, the UNGC academy is never visited by the respondents, but they do state that e-learnings could be helpful in order to improve their CSR-knowledge. The respondents have not been to UNGC local network events, because they use their own or other networks in order to share their CSR-knowledge. They do mention that these events could be useful and maybe will be visited in the future. In the end, the respondents mention that the specific studies of the UNGC are not

used directly. The respondents do not mention if the studies could be useful, because this depends on the content.

Topic	Case 1		Case 2		Case 3	
	Use	Useful	Use	Useful	Use	Useful
<b>Learning Forum</b>	--	-	--	++	-	+
<b>Learning Bank</b>	--	+ -	--	+ -	--	+ -
<b>Dialogue</b>	+ +	++	+	+	+	+
<b>Events</b>	--	+	-	+	--	++
<b>UNGC Accademy</b>	--	-	--	+	--	+
<b>Local Networks</b>	-	+	-	+ +	--	++
<b>Studies</b>	+ -	+	+	+	+ -	+

Scale:        --        -        -/+        +        ++

*Table 7. Learning through the UNGC.*

## **Chapter 5: Conclusion and recommendation**

In this chapter, the research question will be answered based on chapter 1 – 4. Next to this, recommendations to the UNGC and their members will be provided. Then, the scientific and practical contributions will be discussed. Finally, theoretical and methodological limitations will be reviewed and suggestions for further research will be done.

### **5.1 Answer to research question**

The answer to the research question is based on the theoretical framework in chapter 2 and the analyzed data from the interviews. Based on all this information the different sub-questions are answered and partial conclusions are given. As a reminder, the research question of this thesis stated in chapter 1 is the following: “How does the UNGC contribute to CSR-learning of Dutch companies that are member of this international network?”

The UNGC in general, contributes to CSR-learning by creating awareness of its initiative. Through the UNGC, members gain awareness of the principles and focus on CSR-implementation again. This increasing level of awareness could make CSR-efforts less voluntary. Next to this, through the code of conduct more transparency is included in CSR-activities. Members can learn from other members by reading the different codes of conducts. The UNGC also contributes by making CSR-activities more concrete. This results in a better understanding of different CSR-activities.

The UNGC as a multi-stakeholder initiative contributes to the CSR-learning of their members but some aspects of it are criticized. The learning possibilities are not fully utilized. First of all, the respondents believe that they could learn from the network events and meetings but do not participate in them yet. The partnerships and collaborations consider the key mechanism of the UNGC in improving their CSR-learning. However, here is mentioned that the respondents did not use these partnerships yet. The involvement of the organizations with the UNGC is low. The respondents do use the UNGC in media, but this does not feel like greenwashing, because it is not the main purpose of their membership. There is a possible learning effect through CSR-communication because members can learn from the publications of other members. The respondents mention that they consider the UNGC too complex and therefore it does not contribute as much as it could to their CSR-learning. This complexity could hinder learning, because members are not willing to take the time to investigate the possibilities. The organizations are not aware of all the possibilities the UNGC offers regarding CSR-learning. This could have to do with the implicitly of describing the possibilities and showing interest in their members. The respondents mention that the code of conduct is useful as a standard and improves the transparency resulting in examples that could be used for learning. They mention that

learning about CSR is not the reason for joining the UNGC, but learning from other members is seen as useful.

The organizational learning about CSR based on the UNGC can occur based on knowledge, learning levels and learning loops. The type of knowledge that occurs from the UNGC and its principles increases the CSR-awareness resulting in CSR-learning. The explicit knowledge about the UNGC and CSR occurs through writing books, giving training and an information hub. CSR-learning occurs through sharing this knowledge. The COP is seen as a useful instrument of the UNGC in making knowledge explicit. Some difficulties regarding the sharing of information about the UNGC are mentioned. This is based on the knowledge about the UNGC and the network that is based on experiences and routines and could be lost through the switch of members. The respondents state that the knowledge sharing should be focused on the new generation. The transfer of knowledge about the UNGC is based on documents and oral sharing. This transfer of knowledge increases the CSR-learning of members. Members also contribute to CSR-learning outside their own organization because the information from the workshops, books and COP can be obtained by anyone who is interested.

CSR-learning based on the UNGC occurs at an individual, group and organizational level. All respondents do learn from the UNGC at an individual level. The CSR-learning on this level is based on personal motivation and a feeling of responsibility to save the world. This results in direct personal actions, signing and aligning to the different principles of the UNGC and the code of conduct. In all cases, the respondents learn from the UNGC on a group level. This is based on a shared vision on the UNGC and interpreting this in daily activities. Education programs are used to create awareness and training sessions result in a shared understanding and the integration of UNGC principles. The respondents also learn from the UNGC, because together they integrate the code of conduct and principles. The respondents also included learning at an organizational level. The knowledge is institutionalized based on knowledge transformation. The UNGC principles are also implemented in daily activities and are therefore part of the organization. Next to this, the knowledge about CSR stays in the organization because of the COP. The organizations also share their knowledge about CSR and the UNGC with their offices around the world in order to let them learn about CSR and make sure that this knowledge stays in the organization.

Single loop learning occurs through the UNGC. Members try to fix errors when something regarding the UNGC went wrong. The respondents learn from the UNGC regarding CSR when they accept the principles and implement them in their daily activities. This results in double loop learning. In none of the cases, triple loop learning is mentioned. In 2 cases respondents mentioned that they learn how they could improve the lessons they give about CSR and the UNGC. This could help in order to improve the CSR-learning through the UNGC.

The UNGC does provide some learning mechanisms to let their members learn about CSR and help them implement the principles. The respondents mentioned that they are not aware of most of the mechanisms and therefore do not use them to learn about CSR. The learning forum could be used to enhance transparency and encourage information sharing. The respondents do not use this mechanism, because the UNGC already contributes to their learning and transparency by signing the principles and the submission of the COP. Respondents mention that they could learn from the learning bank of the UNGC but do not use this yet. The UNGC can be used as topic for dialogue and the dialogue could be stimulated through the different events they organize. The respondents do not go to these events but see them as a useful contribution to their CSR-learning. Nevertheless, the respondents mention that the UNGC events do not have added value compared to other CSR-events. The UNGC academy is never visited by the respondents and it depends on the content if this is seen as useful in learning. In the end, different respondents mention that the studies of the UNGC could help learning more about CSR, but it depends on the content if they would use it.

In conclusion, the UNGC contributes to the CSR-learning of Dutch companies by creating awareness about the principles and their initiative. This awareness improves the CSR-interest and therefore the CSR-implementation. The members of the UNGC could share this implementation in the multi-stakeholder initiative resulting in the learning from other members. This learning about CSR is based on explicit knowledge and should focus on the new generation. The learning starts at the individual level, but based on developing a shared vision and integration of the code of conduct, the UNGC also contributes to the group and organizational learning level. By accepting these principles and implementing them the respondents learn from this initiative resulting in double loop learning. In the end, the UNGC could contribute to CSR-learning through the different mechanisms they offer. The organizations think that these mechanisms could be useful, but do not use them yet. The UNGC and their members could cooperate more as mentioned by Kofi Annan in the beginning of this thesis, “neither side of it can succeed without the other”.

## **5.2 Recommendations**

The recommendations can be separated into two different parts. The first part focuses on the UNGC as an organization and describes how it could improve their contributions to its members in order to learn about CSR. In the second part, the focus is on the members of the UNGC. This part will give recommendations about how they could use the UNGC better in order to learn about CSR.

Based on this thesis, recommendations to the UNGC will be provided. These recommendations will also be elucidated in a conversation with the UNGC. First of all, the different members mention that they are not aware of all the learning possibilities. The contribution of the UNGC to the CSR-learning

of their members could be improved if the UNGC develops a one-pager with the possibilities they offer. This also will result in triple loop learning, learning how the members could learn from this initiative. Beside this, it will result in a better use of the mechanisms. The respondents suggest that e-learning about the learning possibilities provided by the UNGC could be useful in order to improve the CSR-learning.

The members also feel the need for a training about how they could use the UNGC, because they want to utilize it more. The UNGC could organize an event once a year where they explain this. The UNGC could create more involvement by creating a close connection with their members, which would result in more awareness. This could be done by reaching out to their members. The members state that the UNGC should be more active and pro-active to its members.

The UNGC should also contribute to the CSR-learning by showing the advantages at all the levels of the organization. The focus should be on the potential of what the UNGC could offer instead of the administrative ballast based on the COP. It would be useful if the UNGC explains its connection and differences with other CSR-initiatives like the SDG's. This could increase the involvement to visit the UNGC network events and use partnerships for collaboration. In the end, the UNGC should focus more on the future and inspire the new generation with the CSR-principles in order to make them more aware of what the UNGC does resulting in a broader basis for their initiative in the future.

The members of the UNGC could do more in order to let the UNGC contribute to their CSR-learning. First of all, they should increase their involvement with the UNGC in order to learn more. The membership should be used to improve their CSR-implementation and activities instead of using it for media advantage. The members should start listening to what is really happening and take their responsibility for their activities. The UNGC does offer a lot of possibilities in order to learn about CSR, but the respondents do not use them yet. It could be helpful if the members give feedback to the UNGC and tell them how their CSR-learning could be improved. The members and the UNGC together could look for possibilities and improve the CSR-learning resulting in a more sustainable world.

## **5.3 Contribution**

In this paragraph, the contribution of this thesis will be described. This contribution focuses on the literature and practice. In the literature, it focuses on the gap described in chapter 1 and the practical focus is on the UNGC and their members.

### **5.3.1 Literature**

This thesis contributes to the existing literature on the UNGC based on different aspects. First of all, research found that learning from the UNGC is important for CSR-development. This thesis

contributes to this topic by providing recommendations and insights about how this learning could occur and what the UNGC and its members could do in order to create this learning. Secondly, existing literature focused on CSR-learning in networks but not explicitly on learning through inter-organizational networks. The UNGC can be seen as an inter-organizational network and therefore this thesis contributes to the limited research on these networks.

Furthermore, this thesis contributes to the research of Ruggie (2001), who focused on the UNGC and CSR-learning but does not explicitly describe how the members could learn from the UNGC. In this thesis the focus is on how the Dutch members could learn from the UNGC and therefore it is an addition to the research of Ruggie (2001). Schembera (2016), mentioned that there is a lack of empirical research on the impact of the UNGC. This thesis contributes to the insights of Schembera (2016) by adding empirical research to the impact of the UNGC on CSR-learning

Adjacent to it, there is a limited amount of research on organizational learning about CSR within multi-stakeholder collaborations. This research showed that learning about CSR can occur through these MSIs and is seen as one of the most important aspects of the UNGC. In this thesis it is described how members can learn from the MSI and why they do not fully utilize it. The thesis also influenced the scientific literature by combining organizational learning aspects with CSR. It contributes to the knowledge of CSR-learning, on which not much research is done and which is not defined by existing research. Voegtlin & Pless (2014, p.188), mention that “investigating in more detail how the process and influence mechanism of the UNGC impact members firms, how and when does learning occur” is necessary. This thesis contributes to this knowledge by describing how and when learning occurs or could occur.

In the end, this thesis contributes to the literature on the UNGC and how it could contribute to the CSR-learning of their members. No research has been done on this topic before and this thesis could influence further research about this topic.

### **5.3.2 Practice**

This thesis has a practical contribution to the UNGC and its members. First of all, there is a practical contribution for the UNGC, because it gives insights into how its contribution to CSR-learning of their members could be improved. This thesis gives recommendations on how the UNGC can make their members aware how they can create more involvement, how they can show advantages and how they can determine their future focus points.

On the other hand, it gave members insights into how they could improve their CSR-learning based on the UNGC. Furthermore, it shows how the membership could be used to improve CSR-implementation, how members can take their responsibility and utilize the possibilities provided by

the UNGC. In the end, the UNGC and their members should cooperate more, give more feedback and focus on each other needs more.

Next to a practical contribution of the UNGC and their members, this thesis has a broader practical contribution. Members will learn more from the UNGC resulting in an improvement of CSR-implementation. This contributes to the challenge of reaching the Sustainable Development Goals. Next to this, partnerships and collaborations will be made based on the UNGC. This could lead to more awareness and at the end to an increase in the number of members of the UNGC. It could lead to a situation where we can change the words of Kofi Annan and make sure that universal values will become more than fine words, documents whose anniversaries we can celebrate and make speeches about. We can make an impact on the lives of ordinary.

## **5.4 Limitations**

In this chapter different limitations of this thesis will be discussed. These limitations will first focus on the theoretical aspects and then on the methodology.

Regarding the theoretical limitations, there is a lot of literature on CSR. In this thesis, CSR is used very generally and broad. If there was a specific focus on a part of CSR this could have led to different outcomes. On the other hand, this broad focus is used because the UNGC could contribute to CSR-learning in the broadest sense of this concept. The same statement can be made regarding organizational learning about CSR. There are many theories and concepts about organizational learning. In this thesis the focus is on knowledge, learning levels and learning loops. If this was more extended or other theories were chosen, this could have influenced the outcomes. There was less scientific research available about CSR-learning. If there were more articles published on this topic the definition could be more specific. Paragraph 2.5, learning through the UNGC, is based on the opportunities the UNGC offers and combines these with relevant theories. If the UNGC changes these opportunities the theories could be less relevant. There are several initiatives like the UNGC, an example being the SDG. Theories about the difference between the UNGC and other initiatives could have been added in order to distinguish the UNGC from these initiatives. In the end, the theories could be more specific if in the methodology a specific segment of members was chosen. If, for example, the focus was on small and medium enterprises some theories about this segment could be added.

Regarding the methodological part, the research could be better if triangulation had been used. Currently the findings are based on literature and semi-structured interviews. The use of documents as data could add value to this research because it would make it more reliable. The reason for this is that

the answers of the respondents could be checked based on the code of conduct or standards by the UNGC.

Furthermore, there was a difference in the knowledge of the respondents about the UNGC based on the different cases. In case 3, the respondents had the most knowledge about the UNGC and their organization. This could be a result of the fact that this case consisted of different organizations.

Low involvement in the UNGC by all the organizations could have influenced the outcomes of this research. On the other hand, this is also a conclusion because the organizations are randomly chosen. Another remark regarding the validity that needs to be made is of a linguistic nature. This thesis is written in English but 13 of the 15 interviews were conducted in Dutch. The validity could be affected by the translation and interpretation of the quotes. On the other hand, if the interviews were held in English, which is not the native language of the respondents, they could have experienced problems in explaining their answers. This would also have influenced the validity, and therefore it was chosen to conduct the interviews in Dutch. If the native language of the respondent was English, the interviews were conducted in English.

The external validity of this thesis is not extremely high. There is chosen for three different cases, the first two cases are based on one organization and the third case exist of five organizations. A point for discussion is, whether these if these organizations are representative for the 138 Dutch members of the UNGC. Based on these three different cases a difference in knowledge can be seen already.

Concerning the knowledge of the respondents, two remarks need to be made. First of all, it was challenging to get to know more about the tacit knowledge of the respondents. It is possible that not all the information is collected as a consequence of difficulties in explaining. In the end, there was some confusion between the SDG's and the UNGC. The reason for this is that they are intertwined and influence each other. Some respondents mentioned this and they made some mistakes in the use of these terms.

## **5.5 Directions for further research**

Based on this thesis, there are some aspects that are interesting and relevant to study for further research. First of all, how the UNGC can make sure that its members use its mechanisms to improve their CSR-activities. If this gap is filled, the learning about CSR from the UNGC will increase, resulting in more CSR-implementation. Next to this, it could be interesting to find out how the involvement of the members of the UNGC can be improved. If there is an answer to this question the UNGC, as well the members, could use this multi-stakeholder initiative in a more effective way. There are some evaluations done on the UNGC, but none of them have to do with learning. It would be useful if a research could investigate differences in the CSR-learning of the members based on the duration of their membership.

## 5.6 Conclusion

The UNGC contributes to CSR-learning of Dutch companies. Nevertheless, the CSR-learning possibilities are not fully utilized and criticism on the UNGC regarding learning is confirmed by the respondents. The UNGC contributes by creating CSR-awareness and increasing transparency through the COP and code of conduct. Members can learn from the publications of other members. The network of the UNGC is seen as the key mechanism of the initiative and sharing insights in this MSI results in learning about CSR. The UNGC makes projects and CSR-activities more concrete because they can be linked to principles or SDG's. This learning about CSR occurs at single, double and triple loop levels and even outside the organization through writing books and giving presentations and workshops. Nevertheless, respondents do not mention that the primary reason for being a member of the UNGC is learning. The characteristics of the UNGC could even hinder learning. The UNGC as a CSR-initiative is seen as too complex and implicit. The UNGC offers mechanisms in order to learn, but the respondents are not aware of these learning possibilities or do not see the added value. In general, the UNGC and their members are involved too little with each other and as a consequence learning is not fully optimized.

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# Appendix

## Appendix 1. The ten principles of the UNGC

### The Ten Principles of the United Nations Global Compact

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

- HUMAN RIGHTS**
  - Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
  - Principle 2 make sure that they are not complicit in human rights abuses.
  
- LABOUR**
  - Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
  - Principle 4 the elimination of all forms of forced and compulsory labour;
  - Principle 5 the effective abolition of child labour; and
  - Principle 6 the elimination of discrimination in respect of employment and occupation.
  
- ENVIRONMENT**
  - Principle 7 Businesses are asked to support a precautionary approach to environmental challenges;
  - Principle 8 undertake initiatives to promote greater environmental responsibility; and
  - Principle 9 encourage the development and diffusion of environmentally friendly technologies.
  
- ANTI-CORRUPTION**
  - Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

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Contact information:  
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## Appendix 2. Interview guide

Beste (naam),

Mijn naam is Ruud Langerak, en ik zit momenteel in de laatste fase van mijn master Strategic Management aan de Radboud Universiteit. Dit interview is bedoeld om data te genereren voor mijn master thesis die over de United Nations Global Compact gaat en hoe organisaties hiervan leren.

Allereerst wil ik u bedanken voor de tijd die u heeft vrij gemaakt om deel te nemen aan dit onderzoek. Het interview zal tussen de 30 en 45 minuten duren. Ik zal u verschillende vragen stellen en u bent natuurlijk vrij om te antwoorden op de manier die u zelf wilt. Tevens kunt u op elk gewenst moment aangeven te willen stoppen met het interview of aangeven dat u een specifieke vraag niet wilt beantwoorden.

Voor we gaan beginnen met de inhoudelijke vragen wil ik graag nog vermelden dat de uiteindelijke eigendom rechten van mijn master thesis van de Radboud Universiteit zijn. Het interview zal anoniem verwerkt worden, dit betekent dat uw naam, organisatie en eventuele persoonlijke kenmerken niet vernoemd zullen worden.

Vind u het goed als ik dit gesprek opneem zodat ik de data kan transcriberen (uittypen) en kan verwerken in mijn thesis?

### Interviewquestions

#### *General*

1. Wat is uw functie binnen ...?
2. Hoe zien uw dagelijkse werkzaamheden er uit binnen ...?

#### *UNGC General*

3. Hoe bent u in aanraking gekomen met de United Nations Global Compact?
4. Waarom heeft ... besloten lid te worden van de United Nations Global Compact?
5. Welke voordelen ervaart ... van de United Nations Global Compact?
6. Welke nadelen ervaart ... van de United Nations Global Compact?
7. Spreekt u met stakeholders wel eens over de United Nations Global Compact?

#### *CSR*

8. Op welke manier komt CSR terug in de strategie van ...?
9. Is ... momenteel bezig met het verbeteren van de CSR-activiteiten?
10. Op welke manier draagt de United Nations Global Compact bij aan hoe ... CSR implementeert?
11. Wat zijn jullie anders gaan doen qua CSR door het lidmaatschap?
12. Is uw kijk op CSR veranderd door de United Nations Global Compact?

### *Organizational learning about CSR*

13. Op welke manier wordt ... kennis over CSR vergroot door de United Nations Global Compact?

### *Knowledge*

14. Is de CSR-kennis die ... heeft makkelijk overdraagbaar naar andere personen of instanties?  
→ Indien ja:  
14B. Hoe gebeurt dit?
15. Op welke manier maakt ... gebruik van rapporten en studies van de United Nations Global Compact?
16. Hoe integreert ... de verkregen CSR-kennis van de United Nations Global Compact in de eigen organisatie?
17. Denkt u dat er ook kennis wordt verkregen via de United Nations Global Compact die niet gedeeld kan worden met andere?
18. Op welke manier wordt individuele kennis over CSR verkregen door de United Nations Global Compact gedeeld met ...?

### *Learning loops*

19. Bespreken jullie binnen ... wel eens wat jullie van de UNGC vinden?  
→ indien ja:  
19.B Wat komt hier dan uit?
20. Op welke manier probeert ... de CSR-activiteiten te verbeteren?
21. Op welke manier geven jullie binnen ... feedback over wat er geleerd is van de United Nations Global Compact?
22. Reflecteren jullie ook op wat er geleerd is van de United Nations Global Compact?

### *Learning levels*

23. Hoe leren de medewerkers van ... over de United Nations Global Compact?
24. Welke afdelingen hebben het meest aan de kennis van de United Nations Global Compact?
25. Op welke manier leert ... als gehele organisatie van de United Nations Global Compact?
26. Op welke manier worden ervaringen over CSR-activiteiten gedeeld binnen ...?

### *Learning through the UNGC*

27. Maakt .... gebruik van het United Nations Global Compact learning forum?  
→ Zo ja, op welke manier gebruikt .... dit learning forum?
28. Maakt ... gebruik van de learning bank van de United Nations Global Compact?  
→ Zo ja, op welke manier gebruikt ... deze learning bank?
29. Gebruikt ... artikelen en publicaties afkomstig van de United Nations Global Compact om kennis op te genereren?  
→ Zo ja, op welke manier en gebruikt .... dit learning forum?
30. Is ... Nederland actief op fora en / of netwerk events die georganiseerd worden door de United Nations

Global Compact?

→ Zo ja, op welke manier gebruikt .... deze fora en evenementen?

31. Op welke manier spreken jullie met jullie stakeholders over de United Nations Global Compact?

32. Maakt ... gebruik van de trainingen en opleidingsmogelijkheden van de United Nations Global Compact Academy?

→ Zo ja, op welke manier gebruikt .... deze Academy?

33. De United Nations Global Compact heeft een lokaal netwerk in Nederland, is ... hier bij aangesloten?

→ Zo ja, op welke manier gebruikt ... dit netwerk?

#### *Extra*

34. Op welke manier kan volgens u de manier waarop organisaties kunnen leren van de United Nations Global Compact verbeterd worden?

#### *End*

We zijn nu aan het einde van het interview gekomen. Nogmaals wil ik u ontzettend bedanken voor uw tijd! Heeft u nog vragen naar aanleiding van dit interview?

Mijn laatste vraag aan u is of u interesse heeft om mijn masterthesis te ontvangen op het moment dat deze af is?

### Appendix 3. Code scheme

Open Code	Axial Code
First contact UNGC	<b>UNGC General</b>
Reason membership	
Advantages	
Disadvantages	
Stakeholder contact	
Standards / Code of Conduct	<b>MSI</b>
Network events & Meetings	
Partnerships & Collaboration	
Involvement	
Greenwashing	
Complexity	
Implicit	
Knowledge - Implicit - Tacit - Kind of knowledge - Sharing	<b>Organizational Learning</b>
Learning levels -Individual      -Interpreting -Group            -Integrating -Organization   -Institutionalizing -Ituiting	
Learning Loops - Single - Double - Triple	
Learning Forum	<b>Learning through the UNGC</b>
Learning Bank	
Diaglogue	
Events	
UNGC Academy	
Local Networks	
Studies	

## Appendix 4. Used Quotes

Respondent	Quote(s)
1	<p>“The usefulness of the academy depends on the content. In my opinion it could be useful for organizations that want to implement the SDG’s”</p> <p>“The network in the region could be used for the possibilities and help others with new knowledge and ideas”</p> <p>“We develop such a specific technique that other organizations do not understand it or have experience regarding this”</p> <p>“I have heard about these networks, but we do not use them, or use them in order to learn. If we should go this would be with the intention of meeting other organizations”</p>
2	<p>“These sessions are about making plans about the SDG’s and UNGC and implement these plans”</p>
3	<p>“It is important to show that the goals are present and making visible how the difference can be made regarding these principles”</p>
4	<p>“We reflected on how we gave this lessons. We focus on what we have learnt and how we can improve this in the future”</p>
5	<p>“It could be useful, but I don’t think that we will use it. It is time-consuming to read these articles and publications, it isn’t servicable”</p>
6	<p>“We have thought about the UNGC for a very long time, what are we doing and we used the dialogue with our team to develop our vision”</p>
7	<p>“We have a lot of knowledge about human rights and labour, but this is based on a NGO perspective. It is always interesting to hear the perspective of other companies”</p> <p>“We have never used the UNGC for the purpose of partnerships. We don’t look at the list of the members and decide to call one of these organizations because they are a member of the UNGC. That’s not the way we work”</p>
8	<p>“To the extend that the studies are available we use them as input, but it is dependent on the content if we can use it or not”</p> <p>“Awareness is for sure one of the core elements of the UNGC”.</p> <p>“Employees give feedback on the code of conduct because they have to sign it. If people need to sign something they will read it for sure”</p>

9	<p>“We are too busy to dive into this, they always invite us, but we don’t have enough information about what it contains. We want to, we can go to an event every day”</p>
10	<p>“The membership is more than just symbolical, it results in more thinking about CSR and awareness of your own situation”</p>
11	<p>“We definitely look at who are current members and there is definitely something for us to learn from, so I think in the future we will participate”</p>
12	<p>“I don’t think that people understand the goals and principles. They are intertwined and people do not see that”</p> <p>“Of course, not everything went perfect, these mistakes will be used as lessons that we could use the next time in order to fix the errors”</p>
13	<p>“The UNGC is something that you are part of but it is also kind of extra. If you decide to focus on public relations or working with other organizations this is great, but if this is not your focus you don’t take advantages of this”</p> <p>“They can call us and ask what we do. I am not sure if they are aware of what we actually do. If they know what organizations do, they can make links”</p>
14	<p>“Organizations can sign the principles, but subsequently nothing happens. It doesn’t describe what should happen now. The next day nothing has changed”</p>
15	<p>“Organizations that want to contribute to make CSR more concrete could better do this in a network instead of doing this alone”</p> <p>“The added value occurs at all levels, employees are motivated on personal and professional aspects. This potential is an enormous power that can be used for the organization and a lot of advantages can be gained”</p> <p>“The societal questions or CSR initiatives become clear based on the knowledge of the UNGC, it is important to share this knowledge and become part of a broad initiative”</p> <p>“We have visited our suppliers in order to discuss the code of conduct and see how they operate, some of them are also members of the UNGC”</p>