

Enabling Corporate Social Responsibility:

Towards a better understanding and structural improvement of the incorporation of a CSR strategy within a Dutch hybrid organisation.



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Preface

A Master thesis is a final assignment for the master's Programme Environment and Society Studies at the Radboud University of Nijmegen. To reflect on the process of this thesis, I can say it has been of great value in addition to my Bachelor's Degree in Liberal Arts and Sciences at the University of Utrecht.

My interest in Sustainable Development and its related practices have led towards research in corporate social responsibility (CSR) practices in a hybrid organisation Deltares. During the thesis, it became clear that the discussions around this topic are exciting and even a precise definition of CSR in the literature is hard to find. In practice, it was somewhat difficult for me to get a grasp of the subject and its constitution. Solutions on becoming more involved in CSR practices and displaying the impact an organisation has in its surroundings are not so evident as it might seem in the beginning. Many interests must be fulfilled by both stakeholders and employees and management, and sometimes choices are not directly linked to sustainable practices. How to deal with these dilemmas? By interviewing external stakeholders, I was able to capture the perceptions they have of Deltares and its practices. During the interviews, I had many interesting discussions, and I, therefore, would like to thank all the organisations who made time for an interview and thereby helped to contribute to my research. I would appreciate them too for showing me how complex questions and dilemmas are dealt with in practice.

I executed the research during an internship at Deltares, and I would like to thank Deltares for providing me with this opportunity to do my research in a growing organisation. I much enjoyed the supervision of Dr Ir. Saskia Hommes and Ir. Gerda Lenselink, who were both very patient with my divergent ideas on the research. I would like to thank them for the numerous feedbacks and advice given on my work. I would like to thank Asma Grissa and Diana Vlad, for the excellent help and the sharing of thoughts on this exciting topic.

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Finally, I would like to thank my boyfriend Kenney, my parents, and my dear friends for their unconditional support and love during this process. I could count on many advises and they provided me with enough distraction when needed. I could not have done it without their full support and faith in my ability to finish the project.

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Main Research Question:

What changes should be made to the CSR strategy of Deltares for it to create more value and to align better with the expectations of external stakeholders and the internal perceptions of employees?

Key concepts:

Corporate Social Responsibility (CSR):

CSR implies that firms must foremost assume their core economic responsibility and voluntarily go beyond legal minimums so that they are ethical in all their activities and that they consider the impact of their actions on stakeholders in society, while simultaneously contributing to global sustainability.

CSR strategy:

CSR strategy is primarily concerned with embedding socially and environmentally responsible actions throughout the organisation to enhance long-term value

Hybrid organisations:

Hybrid organisations are characterised by an organisational identity (member's identification with the organisation, corporate structures, and member's practices) that systematically integrates civil society and markets

Stakeholders:

Groups and individuals who benefit from or, are harmed by corporate actions

Stakeholder expectations:

The positive or negative future-oriented assessments of an organisation's ability and willingness that form in the interplay between normative and predictive factors and can, ultimately, convey optimism, hope, cynicism, or pessimism toward the organisation and its actions

Summary

Sustainability should have a central place in the agenda of organisations as its impact becomes more apparent in the next few decades. However, as CSR activities are usually voluntarily, they often lack a lasting impact on the technologies, products and growth plans of business' operations. Besides the impact, organisations struggle with increasing and more complex stakeholder' demands nonfinancial reporting and need guidance in the process. Research identifies hybrid organisations as promising actors with new business models to address ecological and social issues while remaining economically viable. Considering it has a dual mission of both financial and social value, the incorporation of CSR in these organisations calls for a greater understanding in the discussion of how a hybrid organisation is striving to make more impact through its CSR programme. Moreover, hybrids to experience difficulties in gaining insight in their added value. The expectation is therefore that improvements in CSR incorporation, in general, are a necessity.

The purpose of this research is to obtain an understanding of the discussion and dialogue on CSR within a Dutch hybrid organisation, Deltares. The answer to this research question allows recommendations on how to gain more (social) impact in the business practices of a hybrid organisation. Therefore, the research question is:

What changes should be made to the CSR strategy of Deltares for it to create more value and to align better with the expectations of external stakeholders and the internal perceptions of employees?

The research consists of the study of a case. Interviews with external stakeholders and internal employees were conducted. Additionally, observations, two brainstorming sessions, as well as document analyses, were done to understand the current CSR practices of Deltares. From the analysis, it became clear to align with general CSR strategy norms and stakeholder expectations and employee perceptions, Deltares should practically include CSR into daily practices for more impact. Notably, the social dimension of CSR was mentioned to be missing and should be given more priority and accordingly, should be involved in regular methods to make the projects of Deltares an integrated whole. However, dilemmas arise from this, as Deltares does not have the capacity to include the social dimension in the project content and having a too strong opinion can harm their reputation as unbiased organisation. The research question was focused on improvement (for more impact generalisation), but the current practices of Deltares are ambitious and relevant when it comes to environmental sustainability. However, if not following the advice and by not realising CSR should be broadened in the organisation, CSR will remain a niche in the organisation, and less impact will be generated for keeping up with the societal transition. The last chapter presents the practical recommendations and can help Deltares to realise more impact.

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Chapter 1. Introduction

1.1. Societal and theoretical backgrounds

1.1.1. Societal Context

Sustainability should have a central place in the agenda of organisations as its impact becomes more apparent over the next few decades. Sustainable development is to be one of the most significant challenges of the 21st century as, by the end of the century, the warming effect of our greenhouse gas emissions will take us away from pre-industrial climatic conditions (Howard-Grenville, Buckle, Hoskins, & George, 2014). In the absence of measures, climate change will cause a series of long-term risks, from flooding and drought to political instability and social unrest (Giddens, 2009). Subsequently, it will have an impact on the structure and functioning of value chains and industries, resilience of organisations, individual work patterns and practices, and the social orders and broader governance systems upon which organisations rely. It will furthermore alter and reshape many of the current interactions and relationships between institutions, business and society. For these reasons, it should be a necessity for the whole of society to behave and act more sustainably (Howard-Grenville et al., 2014).

Since a few decades, organisations and society have acknowledged the importance of a more humane, a more ethical and a more transparent way of doing business (van Marrewijk, 2003) and corporate social responsibility (henceforth, CSR) has become the modern corporate mantra (Sarkar & Searcy, 2016). Organisations have increasingly attracted attention to the sustainability debate as they play a significant role in the generation of adverse impacts on the environment, people and their prosperity (Benn, Dunphy & Griffiths, 2006). Consequently, over the last years, there has been a significant shift in the stance of institutions and businesses concerning corporate sustainability as they have become increasingly involved in corporate social responsibility activities. Nowadays, 92% of the world's largest 250 organisations report on their sustainability performances ("About GRI", n.d.).

Paradoxically, despite the increasing and intensifying CSR efforts, on a global level social inequity and the erosion of many ecological systems continue to worsen (Haigh & Hoffman, 2014). Furthermore, CO₂ emissions have continued to rise to a maximum of 3% a year until stalling in 2014 (Levy, Reinicke and Manning, 2016). Even CEOs of well-known firms have stated that their companies need a broader sense of value creation. Conveying these statements is a big leap forward, but although rhetoric's state otherwise, concern for sustainability is not a top issue for most of the CEOs. 70% of large companies are not actively pursuing it (Elkington & Love, 2011 in Haigh & Hoffman, 2014). It puts more pressure on organisations to integrate and optimise their CSR strategy from this day onward.

How can the predicted environmental and social consequences of climate change, being of such magnitude, still not seem to be adequately acted upon by the full range of organisations in the private, public and non-profit sector? Levy, Reinicke and Manning (2016) discovered an important reason: the sustainable activities are voluntarily embedded in policy as CSR. Moreover, since these CSR activities are voluntary, they usually lack a lasting impact on the technologies, products and growth plans that constitute the heart of businesses' operations. Besides the impact, organisations are struggling with increasing and more complex stakeholders' demand for non-financial reporting. A lack of guidance on how to undertake integrated reporting causes part of

the struggle. Organizations must realise that CSR integration into their corporate communication is central to understanding how environment, social and governance issues are creating value for the organisation. Increasing incorporation of CSR is therefore essential for organisations to engage in sustainable development (Ioannou & Serafeim, 2015).

1.1.2. Hybrid organisations and CSR

The need for reform in the current situation points to opportunities to reconceptualise organisations and their objectives and to create new business models that actively address ecological and social issues while remaining economically viable, called: *shared value* (Porter & Kramer, 2011). Research in CSR and social impact identifies hybrid organisations as promising actors for the search to shared value creation, as these organisations have been established to reach a societal mission through the use of market mechanisms (Ebrahim, Battilana & Mair, 2014).

Hybrids have been systematically integrating society and markets. On the other hand, there is a critique of the promising viewpoint of hybrid organisations as they can have difficulties measuring their (social) impact and their failure or success in being sustainable. They experience an (external) pressure to measure this value, and a significant gap exists between aspired impact and real impact (Haigh & Hoffman, 2014). Plus, hybrids are inherently at risk of losing sight of their social mission in their efforts to generate revenue (Ebrahim, Battilana & Mair, 2014).

The dual mission of hybrid organisations and integration of CSR calls for a greater understanding of how hybrid organisations account for both social and financial value (Doherty, Haugh, & Lyon, 2014) in the process of becoming more sustainable and how this process can be improved. However, the manner a (hybrid) organisation incorporates CSR depends entirely on the organisation's strategy, country, and structure. Hybrid organisations differ in structure and legal status compared to the regular type business model. This thesis describes the discussion of how a hybrid organisation is striving to make more (social) impact through its CSR programme.

1.1.3. The discussion about CSR

Hybrids are enacting a broader definition of sustainability as they are born from a social mission viewpoint. Limitations of knowledge in their CSR practices and added value point towards a more significant understanding of the situation about CSR. CSR is often regarded as the panacea which will solve the global poverty gap, social exclusion and environmental degradation. However, the many current concepts and definitions align often with a management discipline. Consequently, this makes the idea very complicated (Searcy, 2012). It has been stated by Banjeree (2001 cited in van Marrewijk, 2003) that it is too broad in its scope, and there is no consensus which provides a direct basis for action (van Marrewijk, 2003). Moreover, although organisations increasingly feel compelled to engage in CSR, most have not figured out how to do so. Critics additionally note that CSR is approached as a form of public relations or promoting a company's image and brand, with an emphasis on publicity rather than social impact, or genuinely strategic philanthropy (Porter & Kramer, 2002). Subsequently, CSR programs lack altruism and are serving as a sign of submission to institutional pressures.

Being engaged in CSR includes a broad spectrum of actions and strategies that can open opportunities that benefit both business and society. Various studies demonstrate CSR practices have positive effects on company image and reputation (Gray & Balmer 1998), it strengthens the organisation's legitimacy and creates win-win situations (Fombrun & Shanley, 1990). Furthermore, it has a positive effect on employee motivation, retention and recruitment; it leads to costs savings

and revenue increases (Weber, 2008). Finally, CSR can provide organisations with a competitive advantage by integration of non-economic factors (Porter & Kramer, 2006).

Internal and external stakeholders widely encourage organisations to behave responsibly, and this is possible in a variety of ways. A growing number of organisations are involved in environmental and social programmes, develop an ethical code of conducts with their shareholders and stakeholders, and collaborate with local partners (Maon, Lindgreen & Swaen, 2010). Furthermore, CSR can include a critical look at the use of resources, treatment of employees, community engagement and distribution of profits (Sakar & Searcy, 2016).

The latter shows there is a need for sustainable reform that directs towards opportunities to reconceptualise organisations and their objectives and to create a business model that actively addresses ecological and social issues while remaining economically viable (Harding, 2004). Organisations must reconnect company success with social progress by creating shared value. To build “economic value in such a way value is created for society by addressing its needs and challenges” (Kramer & Porter, 2011 p. 4, cited in Haigh & Hoffman, 2014). To address the needs and challenges of society, CSR is recommended to be used in research as a social and ethical strand of the sustainability concept and builds on a stakeholder approach. Enacting on CSR, the focus primarily lies on the corporate engagement realising its responsibilities as a member of society and thereby meeting the expectations of all stakeholders (Ebner & Baumgartner, 2006). This research regards CSR in this way.

1.2. Research objective

This research focuses on obtaining an understanding of the discussion and dialogue on CSR within a hybrid organisation. To comprehend from an inside perspective how Deltares, a Dutch hybrid organisation, is combining its societal mission and CSR, and how it organises dilemmas around CSR in the project context. From this understanding, recommendations can be drawn to improve the CSR activities/strategy within the organisation to create more impact. The research serves as a single case study of a Dutch hybrid organisation on its CSR practices.

In sum, the case study research aims at researching the discussion of CSR and recommending on improvements of CSR incorporation. For this, a detailed insight into the current CSR strategy is provided, and external stakeholders expectations and employee perceptions are identified.

1.3. Research Context

Deltares is an independent, not-for-profit knowledge institute with a hybrid structure based in The Netherlands with offices abroad. Deltares was established in 2008 by merging (parts of) 4 different water technology research institutions in the Netherlands and is the preferred supplier to the Dutch government. Deltares wants to improve its positive global impact and reckons that at the same time a good strategy concerning CSR could increase their position in the international project market. With a combined government and business financial model, this institution is one of its kind and holds a high-qualitative knowledge position in and outside the Netherlands.

Nowadays it is amid integrating CSR, and sustainable practices throughout its organisation as national and international stakeholders of Deltares have put sustainability into their agendas and are demanding Deltares to do the same. Deltares needs more information on how to integrate CSR into Deltares' systems. Therefore, the question was how this process can be managed the best way possible and moreover, in such a way that its CSR practices increase and display the impact of Deltares?

This research will help the CSR team of Deltares to improve the current CSR strategy in achieving more impact. This practice approached research should provide an insight into the CSR strategy of Deltares and offer practical suggestions for improvement of the existing policy.

1.4. Research Question

As this research expects improvements are necessary for creating more CSR impact, the central research question of this practice-oriented research project is:

What changes should be made to the CSR strategy of Deltares for it to create more value and to align better with the expectations of external stakeholders and the internal perceptions of employees?

The research framework (**Figure 1**) is a study about the understanding of a CSR strategy in a hybrid organisation. The consultation of the relevant scientific literature yields a conceptual model on how to analyse the organisation's strategy and for the analysis of the stakeholder expectations. Data for the study of the CSR incorporation of Deltares is collected by doing internal stakeholder interviews and document analysis. Internal focus groups and external interviews provided data for expectations perceptions and improvement. Together all information resulted in an extensive study and practical recommendations for Deltares for its CSR strategy and the enhancement of their (social) impact.

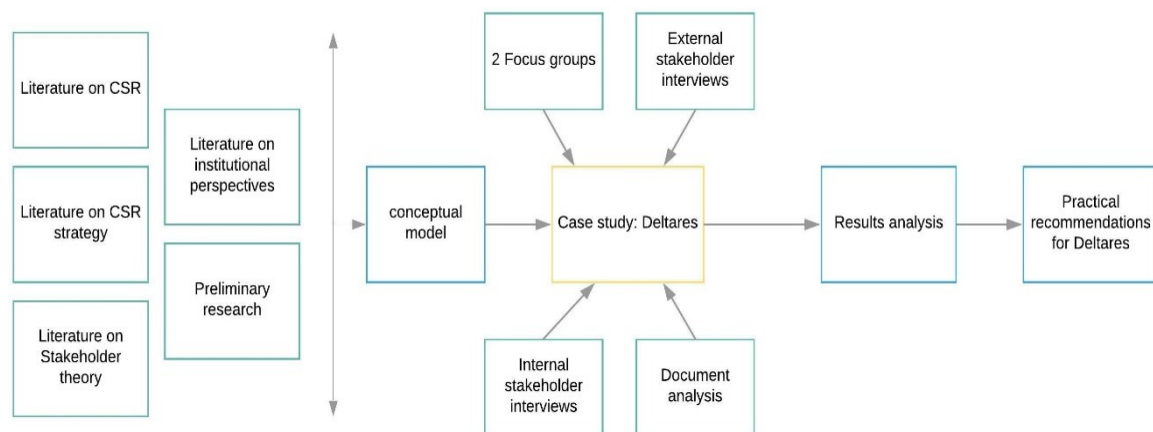


FIGURE 1 A RESEARCH FRAMEWORK FOR THE CONCEPTION AND APPLICATION OF THE THESIS (BY AUTHOR)

The research framework gives rise to the following sub-questions:

Sub-Question 1: What theoretical concepts and perspectives are necessary to consider when researching CSR, a CSR strategy and CSR practices?

Sub-Question 2: What is the current CSR strategy of Deltares and how does this fit with the dimensions of a CSR strategy that make an impact?

Sub-question 3: What are stakeholder expectations and employee perceptions for Deltares regarding its CSR practices?

This research considers the concept of CSR as a construction that is under continuous improvement and the analysis on the CSR strategy of Deltares as a moment in time where feedback is gathered from in and outside the organisation. Perceptions and expectations can change over time and therefore serve as a point in history where information was collected and analysed subsequently. Thus, generalisations are hard to make, and an iterative process is not possible.

1.5. Societal and scientific relevance

1.5.1. Societal Relevance

Research institutions like Deltares are vital organisations for the Netherlands. Daily, Deltares provides tools and guides innovative projects to improve water and subsoil management of high quality. Also, on the global market, it is a partner in water and subsoil knowledge as well. Their projects of modelling and research to combat current and future water issues in vulnerable parts of the world are increasing. Understanding and discussing how a hybrid organisation as Deltares incorporates a CSR strategy and to examine the stakeholder expectations and employee perceptions in detail can deliver practical input to optimise their CSR strategy and integration programme to enhance their impact. After this research, advice on the CSR strategy of Deltares is given. Preferably, after this research, Deltares can gain more projects and find ways to improve their social impact.

1.5.2. Scientific Relevance

Organisations addressing their contribution to CSR have been a topic of increased importance in research (Linnenluecke and Griffiths, 2013). In many cases, this research starts with understanding corporate social responsibility from the perspective of stakeholder engagement and the need for companies to respond to the societal context (Asif, Searcy, Zutshi, & Fisscher, 2013). This study attempts to fill the knowledge gap in the literature on gaining insight in understanding how hybrid organisations, having a dual mission, can account for both social and financial value (Doherty, Haugh, & Lyon, 2014) in the process of incorporating a CSR strategy.

This study, therefore, contributes to the literature on more understanding of hybrid organisations, within the Dutch context by researching a Dutch knowledge institute. Also, in practice, there is confusion about what constitutes the precise responsibilities of an organisation (Dalhsrud, 2008). Generalisations in businesses, organisations and institutions are hard to make as for every organisation a CSR strategy is a tailored process. This research contributes to this in a way to understand the CSR strategy of an organisation and offers an insight into how to make it practical and provide practical recommendations

1.6. Outline

After the introduction of Chapter 1, the following Chapter 2 describes the relevant institutional context and theory of this research. Furthermore, it presents the literature that is of use in building the conceptual model. Chapter 3 indicates the philosophical and methodological choices of this empirical research used in this project. Chapter 4 presents the CSR strategy analysis, and H5 presents the results of the interviews. Finally, Chapter 6 serves as the conclusion and discussion of

the research project and provides recommendations for this case study and offers perspectives for further research.

Chapter 2: Theoretical Framework

This chapter elaborates upon the relevant literature concerning the critical concepts in this research. The chapter discusses the concepts; hybrid organisations, CSR, CSR strategy and stakeholders. The chapter begins with an explanation of a hybrid organisation followed by an overview of the literature on CSR and its definitions. Likewise, it elaborates upon CSR strategy and CSR value creation and ends with describing stakeholder theory. The gathered information results in a conceptual framework that forms the basis for the practice of this research.

2.1. Hybrid organisations

2.1.1. Hybrid organisations, what are they?

In 2012, Nardia Haigh and Andrew J. Hoffman (2012) wrote that the market had shifted, and a new kind of organisation had emerged over time: the hybrid organisation. They foresaw that this kind of organisations had the fortune of being more suitable to effect a “positive social and environmental change” (Haigh & Hoffman, 2012, p. 126).

There are many definitions of hybrid that vary depending on the source, but in general, an organisational identity (member’s identification with the organisation, corporate structures, and member’s practices) that systematically integrates civil society and markets characterises a hybrid organisation. (Jäger & Schroër, 2014). They are created to address needs of public and produce public services, and they maintain a mixture of the market- and mission-oriented practices, beliefs and rationale to address social and ecological issues. At the same time, hybrids count as private corporations. In fact, many hybrid organisations have correspondingly been called social enterprises or environmental enterprises and may be legally structured as for-profit or non-profit, while some use both (Haigh & Hoffman, 2014). Hybrids enact a broader definition of stakeholders including traditional stakeholders such as investors and customers. However, non-human stakeholders are involved too: economic and biophysical phenomena as hybrids have a deep involvement with social and natural systems in which they operate.

2.1.2. Hybrids’ Competing Logics

In the literature, hybrids are studied using different viewpoints and frameworks. One body of work existing within the institutional research focuses on hybrids embeddedness within multiple fields with competing logics. The logic establishes the “rules of the game” at the societal level. They shape beliefs and behaviour within an organisation (Smith, Gronin, & Bersharov, 2013).

To clarify these concepts, competing logics within hybrids are the *social welfare logic*, focussing on improving the welfare of society, whereas *economic reasoning* stresses profit, efficiency and operational effectiveness. Social protection associates with philanthropic actors and a non-profit legal form; a commercial logic relies on earned revenues and a for-profit legal structure (Smith, Gronin, & Bersharov, 2013). A complication of holding the hybrids mission and commercial logic is that hybrids deviate from the norm of exponential business growth. Hybrids do not avoid growth since a level of expansion is needed to achieve economic viability. However, they experience less than the maximum speed of growth because of self-imposed mission constraints. One challenge for hybrids is to sustain commitments to both social welfare and commercial logics amidst institutional pressure to prioritise the latter.

There are challenging unintended consequences of the institutional complexity of hybrids and the competing logics (Jay, 2013). Smith, Gronin, and Bersharov (2013) articulated four main types of tension arising out of this situation: Performing Tension, Organising Tension, Belonging Tension and Learning Tension. As the performing tension is particularly interesting in the context of a societal programme as CSR, the following section explains this tension in more detail.

2.1.3. Performing Tension

A performance tension surfaces as an organisation seeks varied and conflicting goals or strive to address inconsistent demands across multiple stakeholders (Smith & Lewis, 2011 in Smith, Gronin, & Bersharov, 2013). A broad range of stakeholders are benefitting from the success of a social mission of a hybrid and evaluating progress towards these goals frequently involved qualitative, ambiguous, and non-standardized metrics (Epstein, 2008). Creating challenges in measuring and comparing social mission success. In contrast, a mission associated with business ventures involve commercial success and profitability. These aspects are measured with specific, qualitative and standardised metrics.

These divergent goals, metrics and stakeholders create conflicting demands and performing tensions in hybrid organisations. A critical challenge is to define success across contradictory goals. Behavioural decision-making theory demonstrates that we tend to emphasise metrics that are more quantifiable, clear and short-term oriented. Choosing metrics over those that are more qualitative, ambiguous uncertain and long-term oriented (Levinthal & March 1993 in Smith, Gronin, & Bersharov 2013). In the context of hybrid organisations, a preference for quantifiable metrics can lead business objectives to become dominant. The figure below provides a summary of the performance tension (**Figure 2**).

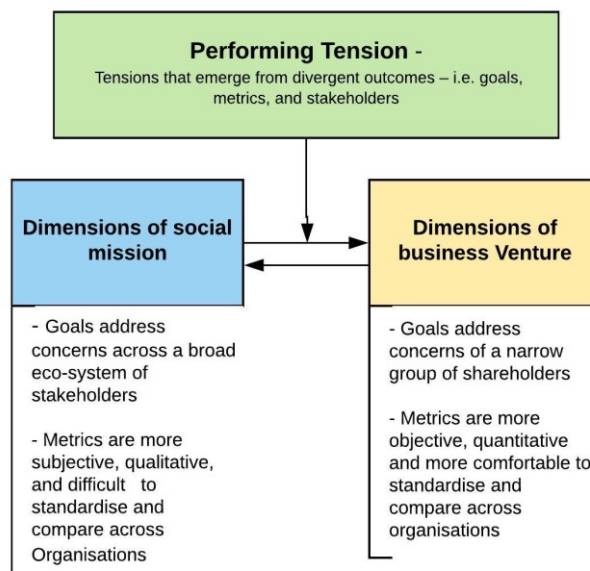


FIGURE 2 THE PERFORMING TENSIONS WITHIN A HYBRID ORGANISATION (DERIVED FROM SMITH, GRONIN, & BERSHAROV 2013). FIGURE MADE BY AUTHOR.

2.1.4. The relevance of hybrids for sustainable development

Hybrid organisations are emerging as a model of different business values and practices that challenge the beliefs embedded within strategic management and corporate sustainability literature: favouring economic stability and slow growth over increasing economic growth. They prioritise social and environmental missions over or on par with profit, internalising social and ecological systems, appreciating nature beyond its resource value, competing by benefits, and creating positive impacts to social and environmental networks. As such, hybrid organisations offer stimulating insights into redefining how the role of organisations in society and the natural environment towards producing positive social and ecological change (Haigh & Hoffman, 2014).

The researcher of this thesis states that although hybrids strive for their social mission, opportunities for the stabilisation of the arising tensions lie at incorporation of CSR into the organisation as being explicit on the tension could increase legitimacy, enhance reputation and performance. Therefore, the next sections of this chapter follow up on the concepts of CSR and CSR strategy.

2.2. Corporate Social Responsibility: The Phenomenon

2.2.1. The Rise of Corporate Social Responsibility

The concept of CSR is examined throughout the last 70 years, and the literature on CSR is very diverse; there is no consensus on the precise definition (Scherer and Palazzo, 2011; Social Economic Council, 2001). With the over the years decreasing (rather than increasing) numbers of CSR conceptualisations a rather old characterisation of CSR by Votaw (1973 cited in Carroll, 1999) is still valid;

The term [social responsibility] is a brilliant one: it means something, but not always the same thing to everybody. To some, it conveys the idea of legal responsibility or liability. To others, it says socially responsible behaviour in an ethical sense. To still others, the meaning transmitted is that of 'responsible for' in a causal model. Many simply equate it with a charitable contribution, and some take it to mean socially conscious. Many of those who embrace it most fervently see it as a mere synonym for 'legitimacy' in the context of 'belonging' or being proper or valid. A few see it as a sort of fiduciary duty imposing higher standards of behaviour on the businessmen than on citizens at large (Carroll, 1999, p. 280).

In its modern formulation corporate social responsibility (CSR) is a product of the post-World War 2 period in the US caused by changes in social consciousness. Together with the emergence of social movements in the sphere of civil rights, women's rights, consumer's rights and a desire for environmental protection, it grew to such a level of activism that nowadays these rights take their place as the most important forerunners to the modern CSR movement (Carroll, 2015). The concept CSR takes these matters into account as according to it, all business activities must comply with the values that society demands. Nowadays managers have become more aware of the importance of the idea (Snider, Hill and Martini, 2003) and there is a firm belief that organisations nowadays must take the lead in bringing business and society back together (Kramer & Porter, 2011). As CSR and the concept of 'sustainable development' have vital connections the next section discusses elaborates on these.

2.2.2. Sustainable Development and CSR

The previously mentioned socio-economic impulses after the 1950s have driven increased attention to global sustainability, and in 1987, the World Commission on Environment and Development defined Sustainable development as an ethical concept and defined it as follows;

Sustainable Development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED 1987, p43).

This definition contains two concepts; the 'needs' is concerning the needs of the world's poor. It is about who should get overriding priority. The idea of limitations is imposed by the state of technology and social organisation of the environment's ability to meet the present and future needs. Elkington (1997) went more into detail about this when arguing that companies should not only focus on enhancing its value through maximising profit and outcome. In turn, they should concentrate on the environment and social issues equally, the so-called Triple bottom line framework (**Figure 3**). This sustainable framework can be used by businesses to evaluate their performance in a broader perspective to create more business value by asking the questions; Is it economically viable? Is it socially responsible? Is it environmentally sound?



FIGURE 3 TRIPLE BOTTOM LINE FRAMEWORK (ELKINGTON, 1997). FIGURE MADE BY AUTHOR.

Mainstream sustainability in business has led to certain limits and a newer definition of sustainability highlights this aspect. Ehrenfeld (2008, p. 6) describes sustainability as the “possibility that humans and other life will flourish on Earth forever”. He redirects proponents away from “being less sustainable” toward becoming “more sustainable”. This shift in thinking is essential as it could cause a leap forward in practising sustainability in an organisation.

2.2.3. Global Drivers of sustainability in society

In 2003, Hart & Milstein identified four ongoing primary global drivers of sustainability in society. The first driver is the increasing industrialisation and its associated material consumption, pollution and waste generation. Resource efficiency and pollution prevention are in here crucial to sustainable development as industrial growth is having irreversible effects on climate, biodiversity and ecosystem functioning. Secondly, the proliferation and interconnection of civil society stakeholders. Sustainable development challenges organisations to operate in a transparent, responsive manner due to a very well-informed active stakeholder base. The third driver is the technologies that may provide potent and disruptive solutions that could change many of today's energy- and material-intensive industries for good. Genomics, biomimicry, nanotechnology, information technology, and renewable energy hold the potential to drastically reduce the human footprint on the planet and have the potential to reverse the industrial depletion of resources. These disturbed new technologies hold the potential to meet the needs of the rural poor in a way that dramatically reduces environmental impact. The final driver is the increases in population, poverty and inequality associated with globalisation. Social development and wealth creation on a massive scale, especially among the worlds most impoverished is essential for sustainable development. However, this kind of growth must follow a fundamentally different course if it is not to result in an ecological meltdown.

More recently in 2015, and in recognition of the need to take more action on sustainable development, the United Nations adopted 17 Sustainable Development Goals (henceforth called SDGs) (GRI, UN Global Compact, & WBCSD, 2015) (**Figure 4**). Due to the broad scope of the development of global sustainability, it is argued the public sector cannot address sustainability alone (Sarkar & Searcy, 2016). As such, private sector contributions to sustainable development are essential (GRI, UN Global Compact, & WBCSD, 2015) and many businesses have committed to be working on sustainable development and the SDGs.



FIGURE 4 THE UNITED NATIONAL SUSTAINABLE DEVELOPMENT GOALS (GRI, UN GLOBAL COMPACT & WBCSD, 2015).

The sustainable development even has become the business paradigm of the 21st century as diverse stakeholders and society have been increasingly exerting pressure on companies and organisations to address ecological, social and economic sustainability.

2.2.4. The Difference Between Corporate Social Responsibility and Corporate Sustainability

CSR stems initially from an interest in social issues since 1970 when Elbing (1970) wrote about the responsibilities of people in business, as they have a responsibility more critical than profit maximisation. In earlier definitions of CSR, the environmental (planet) dimension was accounted for less than it is now (Carroll, 1991; Dahlsrud, 2008). Nowadays, there is a trend to describe CSR as an umbrella term for sustainability issues – especially in practice – as the sustainability science has become more and more diffuse.

The term relating more to the environmental responsibility is corporate sustainability. According to van Marrewijk (2003), CSR and corporate sustainability (CS) are two sides of the same coin. In here, sustainability refers to environmental responsibilities, while CSR moreover includes social aspects. The two are often seen as synonyms, but Van Marrewijk (2003) argues for keeping a distinction between them. “CSR relates to phenomena such as transparency, stakeholder dialogue and sustainability reporting, while corporate sustainability focuses on value creation, environmental management, environmentally friendly production systems, human capital management and so forth” (van Marrewijk, 2003 p. 102). CS and CSR often appear together in organisational strategies.

Nonetheless, a consensus of the concept CSR occurs in six recurrent enduring core dimensions that underpin the CSR concept throughout the six decennia of its existence. They relate to economics, ethics, social side, stakeholders, sustainability and voluntariness. In this thesis, the concept of CSR is a synonym for the six dimensions that it entails according to Sarkar and Searcy (2016).

2.2.5. Criticism of CSR and sustainability practices

Although CSR efforts have been increasing nowadays, social inequities and the erosion of many ecological systems continue to worsen (Sakar & Searcy, 2016). Authors such as Blowfield and Frynas (2005) for instance characterise CSR as “the failing discipline” due to its difficulty to relate to structural conditions, such as globalisation, political-economic institutions and power relations in developed and undeveloped economies. These kinds of critiques should be taken in mind when researching CSR. Scholars in management and organisation fields demonstrate too that the purposeful management of organisational culture can be a complicated, persistent process that seldom succeeds, except at a superficial level (e.g. Ogbonna & Wilkinson, 2003). Furthermore, the possibility and desirability of managerial control over the values, beliefs and assumptions of organisational members remain contested in that existing cultural values and ideas about what is right and wrong tend to resist purposeful change (Matten & Crane & Chapple, 2003).

Smith (2003) refers to CSR as the obligation of the firm to society or more specifically, the firm's stakeholders, which are those affected by corporate policies and practices. In this case, there is evident desire to do good (the ‘normative’ case) and CSR that reflects and enlightened self-interest (the ‘business case’). Organisations’ reasons for engaging in CSR might reflect a mixture of these motivations. Furthermore, there is a growing distrust of corporations and accusations of corporate greenwash (Lyon & Maxwell, 2011).

Moreover, there is a growing argument that sustainability is undermined by corporate interests, such that it has become a label for strategies driven by standard economic and institutional mechanisms (Jacobs, 1993). Because of this, sustainability is everywhere but exists as a demoted and diluted notion within the realms of business practice and business research (Haigh & Hoffman, 2014). Triple Bottom Line (TBL) frameworks have been providing businesses with a helping hand for reporting as there was a need for better integration into the core of business practices. Within implementing the process, it can become clear that TBL language may be sometimes unhelpful, and even encouraging parallel activities rather than actual integration (Henriques & Richardson, 2004).

The critics on CSR and sustainability are legit, but sixty years of developing in the concepts have brought structural change in the organisational practices of sustainability and CSR of today. Where it was first a 'heresy' - an idea at variance with the dominant orthodoxy of business - it has now become 'dogma' - accepted, legitimate and even required (Hoffman, 2001) by society. Consequently, corporations have been increasing, voluntarily implementing social responsibility programs over the last couple of years. The following section elaborates on the evolution of the concept CSR from its beginnings.

2.3. Evolution of the concept CSR

One of the leading authors on CSR, American Archie B. Carroll (2015), reckons that at present day, CSR is a worldwide used concept that has progressed from the interplay of thought and practice. It is a popular term, even though it competes with complementary and overlapping concepts such as corporate citizenship, business ethics, stakeholder management and sustainability. At the same time, the idea of Corporate Social Performance (CSP) has become a broad umbrella term which embraces the descriptive and normative aspects of the field. When analysing, all core elements as value, balance and accountability are related. In this, CSR stays the dominant term in the academic literature and business practice (Carroll & Shabana, 2010). In the following paragraphs is explained how the concept of CSR evolved in line within the institutional field.

2.3.1. Developments of the concept CSR before the 1990s

1945 -1950:

The first statement to mention the social responsibility of businesses stems from Harvard University, The United States. In the aftermath of the WW2, Dean David offered in 1946 a persistent and consistent voice on behalf of expanding the role of business in the American society. Moreover, he engaged the larger world by acknowledging the public responsibilities of enterprise (Spector, 2008). As he expended the notion of CSR as a means of aligning business interest with the defence of free-market capitalism against the perceived danger of the Soviet Communism (Spector, 2008).

Large businesses were said to be the centre of power and decision making, and Bowen (1953) set forth the initial definition of the social responsibilities of businessmen with his publication "Social Responsibilities of the Businessman" (Bowen, 1953). He asked business managers to consider their role in society with the following question: "what responsibilities to society may businessmen reasonably be expected to assume?". His initial idea was that businesspeople had obligations to pursue policies, decisions and actions that were desirable by society. However, as the nature of the business is profit-oriented, every market in the world aims to obtain financial gain as its primary objective. As a part of a community, however, companies are demanded to take a

role in increasing social welfare and therefore, financial matters and social matters become opposing issues (Bowen, 1953).

Three core ideas stood out in the 1950s, created by William C. Frederick, one of the early pioneers of CSR. He asserted the view of corporate managers as public trustees, the concept of balancing competing claims to corporate resources and the acceptance of philanthropy as a manifestation of business support of good causes (Frederick, 2006). However, in this period, there was more 'talk' than action concerning CSR. Attitudes changed, but there were very few corporate actions beyond philanthropy to report.

The 1960s

The 1960s is a period of heightened interest in CSR. Business organisations with uses such as "The Conference Board" in the U.S. and the "Confirmation of British industry" in the UK called for business to provide further attention to CSR (Smith, 2003). Keith Davis, one of the first and most prominent writers in this period, defined CSR as "businessmen's decisions and actions are taken for reasons that least partially go beyond the firms' direct economic or technical interest" (Davis, 1960 p.70 in Carroll, 1999). Furthermore, Frederick (1960 cited in Carroll, 1999) asserted "businessmen should oversee the operation of an economic system that fulfils the expectations of the public", and he expressed "production and distribution should enhance total socio-economic welfare" (Carroll, 1999).

The 1970s

In this decade, theories of corporate philanthropy and stakeholder theory developed. Here was suggested by Johnson (1971) proposed the conventional wisdom which he defined as the following:

A socially responsible firm is one whose managerial staff balances a multiplicity of interest. Instead of striving only for more substantial profits for its stockholders, an accountable enterprise additionally considers employees, suppliers, dealers, local communities and the nation (Johnson, 1971, p. 50 in Carroll, 1999).

In the same period, Carroll (1979) proposed his influential four-part definition of CSR embedded in a conceptual model of corporate social performance.

The 1980s

The 1980s produced fewer new definitions of the concept; there were more empirical research and the rise and popularity of alternative themes. CSR variants included concepts as corporate public policy, business ethics and stakeholder theory/management as well as further development in CSP. Frederick termed these times as the start of the 'corporate/business ethics' stage wherein the focus became fostering ethical corporate cultures (Frederick, 2008, in Carroll & Shabana, 2010). Furthermore, research to link CSP and CSR were booming.

2.3.2. CSR from 1990 till today – three global trends

Beginning in the 1990s and forward, three evident trends in CSR emerged, grew and continued until this day: Globalization, institutionalisation and strategic reconciliation (Carroll, 2015).

At first, globalisation and the rising global competitiveness led to a great dilemma of global businesses, a difficulty of balancing and reconciling the conflicting pressures, demands, and expectations of home and host country stakeholders. Companies wanted to achieve legitimacy in the eyes of their countries, especially in developing countries. Being a socially responsible enterprise was the surest path to legality in these countries.

Second, CSR became more institutionalised, which means integrated into business practices. The challenge here became framed as what companies were doing for themselves (owners, investors) versus what they were doing for 'others' (stakeholders, society). Furthermore, due to ethical scandals, CSR became increasingly crucial for role and responsibility for the board of directors in the 21st century, and it became an issue of corporate governance.

The third and last trend in CSR is the rise of the idea of the business-case for CSR. The business-case refers to the arguments that provide a rational justification for CSR from a corporate finance perspective. In favour of the business case, CSR-oriented firms are rewarded by the market in economic and financial terms. The next section discusses the role sustainability and CSR in the Dutch context.

2.3.3. Environmental governance and CSR in the Dutch context

Driessen, Dieperink, Laerhoven, Runhaar, and Vermeulen, (2012) discussed that the role of environmental management (and sustainability measurements) in the Netherlands had and mainly is still featured with centralised governance. It is in line with findings of Matten & Moon (2008) who distinct between 'explicit' and 'implicit' CSR. They argue an "implicit" form of CSR has dominated the European CSR field, whereas, in the US, the "explicit form of CSR dominated more (Matten & Moon, 2008).

The discussion of the role of the Dutch government in urban environmental governance and sustainability production in the Netherlands from the 1990s explains the developments shape the current CSR context of today. They moreover provide an institutional setting for this thesis. It is concluded that due to policy changes, there has been a shift towards more decentralised and interactive governance since the 1990s (Driessen et al., 2012). Between 1990 and 2010 various measures were implemented by the central government to bridge the gap between urban and environmental planning.

Sustainable production and consumption are fields where appeared a shift in environmental governance. The primary drivers of these shifts seemed to have been implementation problems and conflicts. Controversies related to production and consumption created a pressure on industries and the government to deliver sustainable results. Policy entrepreneurs in the market domain have been innovative in creating useful new instruments of self-regulation.

Consequently, organisations, convinced of the need for corporate social responsibility, have developed their routes whereby often NGOs were involved in collaboration initiatives. Moving away with solely working the centralised governance, has enabled a robust internal dynamic in this field between the many stakeholders (market, NGOs, media, and new hybrid actors). These interactions have allowed front-running actors to step forward, create new coalitions and reframe issues. Building and learning of new approaches for sustainable production and consumption took place as well (Driessen et al. 2012).

2.3.4. CSR 2017 trends in NL

The current CSR trends in the Netherlands are explained to provide an idea of current developments in the Dutch context. The Dutch public organisation for CSR (MVO Nederland) described the current CSR trends in the Dutch society of 2017 (**Figure 5**). Accordingly, organisations must keep a close eye on these trends when they want to participate in the societal transition towards a more sustainable society (Reinhoudt & Teuns, 2017).

CSR trends in the Netherlands
1. International goals are setting the tone for sustainability (fulfilling SDGs)
2. Setting clear ethical norms (financial norms and technical norms are not withstanding) and be transparent in this
3. Cities are showing some (sustainable) guts and are taking a leading role
4. Stakeholder dialogue is not without obligations anymore, they have to turn into collaborative actions
5. Sustainability is the new normal (not old fashioned and typical leftist anymore)
6. Creating a net positive impact (instead of doing less damage)
7. More sustainability in society because of tipping points in markets

FIGURE 5 THE CURRENT CSR TRENDS IN THE NETHERLANDS (REINHOUDT & TEUNDS, 2017). FIGURE MADE BY AUTHOR.

2.4. Defining what constitutes the concept CSR

2.4.1. Carrolls' Definition of CSR

Throughout the years, many definitions of CSR were developed. Archie B. Carroll formulated the first way to look at a definition of CSR in 1979 (1991). He developed a typology on CSR, and thereby he explained what constitutes the CSR of business using designing the "Pyramid of CSR", a four-part definitional framework for CSR (Carroll, 1991). The pyramid has become one of the most widely cited articles in the field of business and society (Lee, 2008 in Carroll, 2015). Carroll's definition of CSR is as follows:

Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organisations at a given point in time" (Carroll, 1991, 2015).

The set of four responsibilities created the foundation and infrastructure to delineate the concept in detail and to frame and characterise the nature of businesses' obligations to the society of which it is part of (Carroll, 2015). The corresponding pyramid (**Figure 6**) displays the evolution of importance and a brief explanation of the responsibilities.



FIGURE 6 CARROLL'S PYRAMID OF CSR (CARROLL, 1991). FIGURE MADE BY AUTHOR.

In a global context, the economic responsibility is to do what is required by global capitalism. Legal obligations are to do what is needed by global stakeholders, ethical responsibilities are to do what is expected by stakeholders, and philanthropic trust is to do what is desired by global stakeholders (Carroll, 2004).

CSR is generally related to the top levels of the pyramid, so to say the ethical responsibility and the philanthropic responsibilities. These two responsibilities extend the economic and legal obligations. Carroll made the notion of CSR even more explicit when he contended that the economic and legal duties are 'required' and the ethical responsibilities are expected, and the philanthropic responsibilities are 'desired' (Carroll & Shabana, 2010).

According to Carroll (2015) reviewing his typology 24 years later, businesses nowadays are expected to fulfil all responsibilities simultaneously. The CSR driven firm should strive to make a profit, obey the law, engage in ethical practices and be a good corporate citizen (Carroll, 2016).

2.4.2. Dahlsruds' Definition of CSR

To recognise the different forms and areas of corporate responsibility one must look at additional research which introduced the various dimensions of CSR. Dahlsrud (2008) has tried to clarify the unclarity around defining CSR by analysing 37 definitions of CSR. He developed five aspects and examined these to demonstrate that the existing definitions in literature are in no small degree congruent. The five dimensions are; the environmental, the social, economic, stakeholder and voluntariness aspect. The description that most fit these dimensions counted most frequently in the Dahlsrud analysis was the official definition of the European Social Economic Council (2001) which defines CSR as:

A concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders on a voluntary basis (Dahlsrud, 2008).

Dahlsrud furthermore detected two aspects about the ways of defining CSR. First, the environmental dimension of CSR received a significantly lower dimension ratio than the other dimensions. An explanation for this is that ecological definition is not included in the early definitions of CSR. Moreover, secondly, none of the descriptions defined the social responsibility of business but instead described CSR as a phenomenon. According to Dahlsrud, this might relate to the definitional complications; there is never an actual confusion on how CSR is defined. However, the complexity revolves around the question of what exactly constitutes the social responsibility of business as this differs per organisation (Dahlsrud, 2008).

2.4.3. A 2016 Definition of CSR

The six dimensions of CSR

More recently, Sarkar and Searcy (2016) analysed a multiple of definitions and diversity of terminology of CSR in the last sixty years in close detail as today (2018), there still has not been a commonly agreed upon definition. They investigated 110 interpretations of the concept, exploring how the idea evolved during the fields' historical development. They analysed the resulting networks and the centrality degrees in the different CSR periods. When considering the overlaps and proximities of some conceptual elements, their findings result in six (instead of Dahlsruds' five) recurrent enduring dimensions that underpin the CSR concept. They combine similar ideas to create enduring (integrated) aspects. The resultant dimensions are economic, social, ethical stakeholders, sustainability and voluntary. Their newly drawn definition is as follows:

CSR implies firms must foremost assume their core *economic* responsibility and *voluntarily* go beyond legal minimums so that they are *ethical* in all of their activities and that they take into account the impact of their actions on *stakeholders* in society, while simultaneously contributing to global *sustainability* (Sakar & Searcy, 2016 p. 1433).

The above definition will be used in this thesis as the researcher finds this the most recent elaborated and well-defined dimensions for being corporate socially responsible. **Figure 7** displays the description graphically.

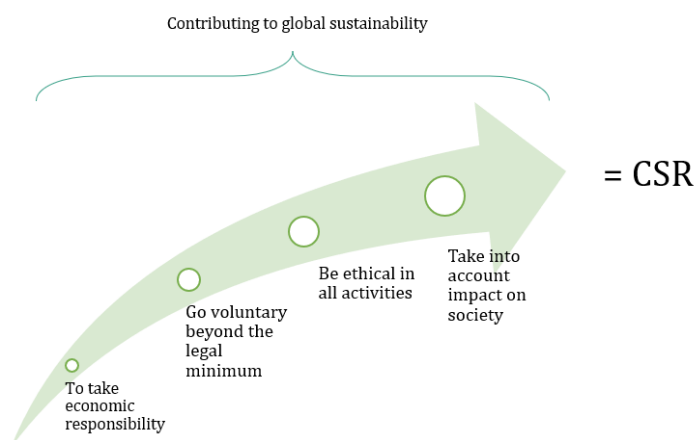


FIGURE 7 THE GRAPHICAL DISPLAY OF THE DEFINITION OF SAKAR & SEARCY (2016). THE FIGURE MADE BY THE AUTHOR.⁸

2.4.4. The six dimensions of CSR explained

In the following paragraphs, the six dimensions will be described more in detail using the description of Sakar & Searcy (2016). The ethical aspect of CSR (left out by Dalhsrud) is a critical dimension in the definition as stated by Carroll's pyramid (1991). **Figure 8** displays the six dimensions and its core concepts.

Economic Dimension

This dimension consists of conceptual elements and critical terms that are related to financial responsibility, law abidance, business strategy and firm ownership. Argued by Friedman (2007), the most significant contribution that a business can provide to society is performing its natural role in the production of goods and services with the responsibility to maximise shareholder returns. In pursuit of the core economic goals, the recognition business' 'primary' interest is an economic one hold primacy in the definition of CSR.

Another critical concept is the strategic aspect. The strategic call is for business to integrate CSR into business activities with the rationale being that 'CSR creates new opportunities for business.'

Social Dimension

The call for social responsibilities implies that businesses should not only accept and bear responsibility for the consequences of their actions but as well align their economic responsibility with certain "obligations" towards the betterment of society.

Ethical Dimension

Concerning the ethical dimension of CSR, what it constitutes remains debatable. For instance, Schwartz and Carroll (2003) hold that many philanthropic activities could fall under the ethical domain. Ethical perspectives can hold a framework where a moral reflection by managers and investor is instrumentally necessary for business, normatively commanded and socially desirable. This conception holds that the narrow economic view is insufficient and short-sighted. Moreover, fairness, openness transparency, accountability and preserving reputation in all the organisation's dealings. Status is here included as an essential part as there is an enormous potential impact of ethics on a corporation's reputation.

Stakeholders Dimension

The stakeholder dimension of CSR broadens the internal and external actors to whom corporations have obligations. Over the years many more stakeholder groups were included than only the shareholders and investors. It constitutes now of citizens, the local community, employees (and their families), competitors, suppliers and customers. This dimension is critical as stakeholder theory is often considered as a CSR variant and a descriptor of the field.

Voluntary Dimension

A contribution of CSR activities can be assessed along the dimension of voluntarism. One of the central features of CSR the need to go beyond the minimum requirements specified by law. Integrated the related discretionary and philanthropy components together gives the voluntary dimension.

Sustainability Dimension

In the last six decades, the environmental conceptual element emerged as a central element of the CSR debate. Over time this broadened in the discussion of sustainability. There is a need for economic performance to be balanced with social and environmental performance. The need for a long-term perspective is implicit in the dimension, and this dimension implies for an integrated view of the economic, social and environmental issues.

ECONOMIC	SOCIAL	ETHICAL
<ul style="list-style-type: none"> • Economic interests, profits and profitability, financial goals, wealth and returns • Core (responsibility, function, goals) • Legal abidance • Business strategy • Stockholders, owners, investors and shareholders 	<ul style="list-style-type: none"> • Social wellbeing, interest, justice, social needs, health, well-being, equality • Quality of life • Gender equality • Obligations to society, social norms 	<ul style="list-style-type: none"> • Ethical, moral, fairness • Openness and transparency • Accountability, reputation
STAKEHOLDERS	SUSTAINABILITY	VOLUNTARY
<ul style="list-style-type: none"> • Stakeholders, employees and their families • Local community • Suppliers, customers, government, competitors, constituent groups 	<ul style="list-style-type: none"> • Environmental value and protection, ecological • Sustainable; long run • Triple bottom line • Future generations 	<ul style="list-style-type: none"> • Voluntary • (going) Beyond and in addition (to) • Discretionary • Philanthropy

FIGURE 8 THE SIX DIMENSIONS OF CSR DERIVED FROM SAKAR & SEARCY (2016). THE FIGURE MADE BY AUTHOR.

2.5. CSR in organisations

When looking at the more practical side of CSR, integration into an organisation is understood from an institutional perspective. Institutional theory offers insights on motives and enables the explanation of the macro influences that affect an institution (Bondy, Moon & Matten, 2012). Furthermore, the institutional theory describes the process of societal programs (as CSR) and their values, rules and routines incorporation into an organisation as guidelines for decisions and social behaviour (Scott, 2014). In the following section explains two central concepts of institutional theory related to CSR to understand CSR in the organisational context, and the way incorporation into the corporate setting occurs.

2.5.1. The concepts legitimacy and adaption

Legitimacy and adaption are two critical concepts of institutional theory related to CSR. The core assumption of the institutional approach is that an organisation's survival and growth depend on acquiring legitimacy from institutional actors. In here, legitimacy means a generalised perception

or assumption the actions of an entity are desirable, proper, or otherwise appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Onwubiko, 2017).

The first focus of an organisational strategy is, therefore, adherence and response to institutional rules and norms with the primary driver for this, legitimacy. Early institutional scholars emphasised that “complete legitimacy” required creating internal clarity and coherence within organisations to align with external stakeholders (Meyer & Rowan, 1977 in Smith, Gonin, & Besharov, 2013). A key prediction of an institution that incorporates CSR is that CSR helps the organisation obtain and strengthen the legitimacy and thus there is a definite association between CSR and organisational outcomes.

A second aspect of the institutional theory looks at the interaction of an institution with broad/national institutional context. A key word here is the adaption of organisations CSR initiatives to local institutional settings and its impact on organisational outcomes. The core assumption from this is that adaption leads to legitimisation and henceforth improves performance. For an organisation to gain external legitimacy abroad, they need to manage local social pressures and priorities rather than transplant their home nonmarket practise. (Mellahi, Frynas, Sun, & Siegel, 2016). Additionally, organisations deal with institutional contradictions where a given action may be socially responsible from one stakeholder perspective, but irresponsible from another, or with institutional pressures to engage in corrupt practices (Mellahni et al., 2016).

This kind of contradictions create an environment where a CSR strategy may lead to one group of stakeholders to confer its legitimacy to the organisation, but in the meantime, it may lead another group of stakeholders to withdraw its legitimacy. Attending to conflicting demands was thought to diminish alignment, fostering instability and threatening survival but as recent research suggests, most institutional environments are characterised by institutional pluralism and complexity such that they impose institutional demands on organisations (Pache & Santos, 2010 in Smith, Gonin, & Besharov, 2013).

2.5.2. CSR incorporation

To adapt and create legitimacy an organisation needs to incorporate societal programmes as CSR. The definition of integration is according to Achterbergh and Vriens (2010, p. 356) “the process where organisations include themselves in an institutional context by including relevant societal programmes to guide decisions”. In here, the organisation uses practices related to CSR to make decisions about organisational actions and to form a frame of reference. Text and other documents are here fundamental in the process of incorporation as these are used to guide decisions (Delmestri, 2009). Examples are rules, checklists, reports and procedures and these serve as a stabilising function.

In general, there are two ways of CSR incorporation into an organisation. At first, there is instrumental CSR. Meaning that CSR is regarded as an instrument to reach financial goals for the organisation. If an organisations identity is not related to CSR in any kind, the organisation will often act from instrumental based reasons to incorporate CSR. Secondly, there is the value-based stream of CSR. The general thought here is that members of society can live a fulfilled life because it feels right, and thus economic responsibilities should align with social and environmental responsibilities (Crane, Matten & Spence, 2014).

2.5.3. Critique on current CSR incorporation practices within Dutch organisations

The main problem including sustainability in a corporate environment in the Netherlands, according to Witjes (2017), is that it results in a company's business potential not fully exploited. Organizations are still focussing too much on compliance with the requirements of stakeholders or standards, instead of developing an authentic vision based on intrinsic motivation. The incorporation of CSR mostly concentrates on the formal physical dynamics of the organisation (these are the measurable outputs). Resulting in not full integration into the organisational processes (by not including the social dynamics and focusing on the regulatory outcomes) nor can it be found in daily business activities.

Witjes states firmly that an organisation needs to develop a corporate strategy leading to CSR as an added value to their business to improve the contribution to sustainable development in the organisation (Witjes, 2017). A clear vision on the improved output of their business activities on CSR issues is, therefore, a necessity, accompanied by a strategy on how a plan for the integration could improve this enhancement into all business activities.

2.5.4. CSR strategy

The incorporation of CSR into an organisation regards as a strategic task, and the foundation of sustainable policies and activities are here an essential precondition for success (Baumgartner, 2014). Strategy theory holds to be successful; an organisation must be able to create a distinctive value proposition that is meeting the needs of a chosen set of customers. The organisation gains competitive advantage from how it configures the value chain, or the set of activities involved in creating, producing, selling, delivering, and supporting its products or services. For decades researchers have studied positioning and the best practices to design activities and integrate them into the management system. As a result, a CSR strategy refers to the corporate actions that appear to advance some social good and allows a firm to enhance organisational performance, regardless of motive (McWilliams, Siegel, & Wright, 2006).

Unfortunately, organisations have overlooked opportunities to meet fundamental societal needs and misunderstood how societal harms and weaknesses affect value chains. Their field of vision has been too narrow (Kramer & Porter, 2011). Corporate sustainability management must focus on innovative developments and all stakeholders' requirements, as well as on the effectiveness of business processes. So, for a comprehensive corporate sustainability strategy, it is necessary to consider all CSR dimensions, their impacts and interrelations (Baumgartner & Ebner, 2010).

In business operations, CSR reflects all the social imperatives and the social consequences of businesses successes. It exists of clearly articulated and communicated policies and practices of corporations/institutions that reflect business responsibilities for the broader societal good (Matten & Moon, 2008 in Scherer and Palazzo, 2011). The appropriate policies for an organisation depend on the organisations' circumstances. The underlying economics of its industry, its position within the broader field, its internal capabilities and the specific strategy it has chosen are all examples. It is imperative to notice that there is no one-size-fits-all environmental policy/strategy (Reinhardt & Stavins, 2010). Still, it is often seen that the direction of the responsibilities tends to go towards the specific interest of the business alone (van Marrewijk, 2003 in Scherer & Palazzo, 2011).

2.6. How CSR creates additional value for the organisation

Burke and Logsdon (1996) examined social responsibilities programmes which develop strategic benefits for organisations. They identified five strategy dimensions that help to assess the value created for the organisation by CSR programmes: centrality, specificity, proactivity, voluntarism and visibility (**Figure 9**). These five dimensions are according to Burke and Logsdon critical to the success of the organisation CSR programmes (for it to yield economic value) and are useful CSR policies, applications and processes of value creation by the organisation.

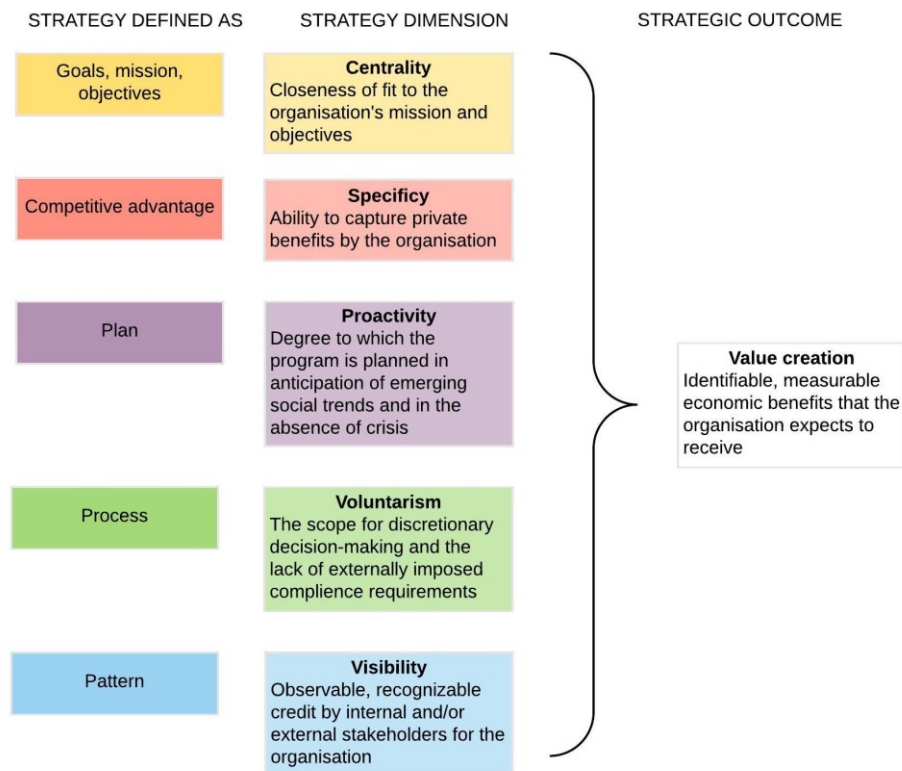


FIGURE 9 HOW STRATEGY IS LINKED TO VALUE CREATION DERIVED FROM BURKE & LOGSDOM (1996). THE FIGURE MADE BY THE AUTHOR.

For a comprehensive and successful CSR strategy assessment, it is necessary to consider the five dimensions of Burke and Logsdon (1996). These dimensions are not intended to encompass all CSR activity. Much observed CSR behaviour remains nonstrategic, regardless of how valuable it is for stakeholders and society. The following paragraph explains the five dimensions and the assessing of the probable contributions of CSR activities to value creation.

Centrality Dimension

This dimension measures the closeness of fit between the CSR activity and the firms' strategic objectives. Centrality provides direction and feedback for the organisation by revealing whether given actions or decisions are consistent with the mission, goals and objectives of the organisation.

Actions or programmes with high centrality are expected to receive priority within the organisations and to yield future benefits. Ultimately this translates into profits within the organisation. Concerning strategic CSR, programmes or policies which are related closely to the organisation's mission or are tightly linked to its accomplishment have much higher centrality than traditional broad-based corporate philanthropy programmes. Philanthropic decisions can have a high degree of centrality, as this can lead to enhanced reputation, employee morale, productivity and retention.

Specificity Dimension

Specificity refers to the firm's ability to capture or internalise the benefits of a CSR programme, rather than merely creating collective goods which can be shared by others in the industry, community or society at large. Externalities (positive or negative) and public rights are non-specific. The activity in CSR should fit with the firms' strategy in contracts to their assets which are creating more benefits for the community, industry or society. Concerning strategic CSR, documentation and capturing the impact of an organisation display the specificity of CSR. For example documents on effects, value creation, and impact numbers, qualitative and quantitative.

Proactivity dimension

This dimension reflects the degree to which behaviour is planned in anticipation of emerging economic, technological, social or political trends and in the absence of crisis conditions. The organisation that recognises critical changes in their environment will be better positioned to take advantage of opportunities or to counter threats. The positioning is visible by an organisations ability to have new long-term strategies for international developments. Even earlier than that, an organisation can anticipate upon future trends with long-term consequences.

Voluntarism dimension

Voluntarism indicates the scope of discretionary decision-making by the organisation in the absence of externally imposed compliance requirements. This dimension is closely linked to proactivity as it presumes the lack of regulatory or other mandates. In general, voluntarism relates to philanthropic contributions. The CSR activity can yield both strategic and social benefits. In CSR domain, when an organisation exceeds minimum standards for instance on quality or safety, this exhibits voluntarism.

Visibility dimension

Visibility refers to the recognition from internal and external stakeholders. Either the profile of the activity can be positive and negative. Positive forms of clarity can involve normal business activities including favourable media mentions or new product launches. Profile of CSR is less likely to be negative, although the CSR behaviour and resulting publicity may arise from adverse events.

2.6.1. Sustainable Value Creation

Burke and Logsdon's strategy dimensions for assessment are focused on the way of doing with internal practices of CSR programmes. They do not display how such a strategy could look like nowadays with more involvement of stakeholders and a more open mindset due to globalisation. Therefore, the latest concept of value creation, sustainable value creation, of Hart & Milstein (2003) must be elaborated upon to complete the picture and provide new standards of such strategies that create lasting (non-economic) impact.

The concept and adhering strategies of sustainable value creation are complex. It is a multidimensional theory that cannot be addressed by single corporate action. Creating lasting value requires organisations addressing each of the four sets of drivers mentioned by Hart and Milstein (2003) (**Figure 10**). By discussing, in turn, four specific strategies: Clean Technology, Sustainability Vision, Pollution Prevention and Product Stewardship. The policies and practices can be used to build a business case to assess current practices of cost and risk reduction (internal/today) or by innovation and repositioning (internal/future) and to increase their reputation and legitimacy (external/today) and their growth trajectory (external/future).

The relevance of the value creation model on CSR strategy for this research is the sustainability vision. Meaning a focus on a shared roadmap for meeting the unmet needs (and therefore creating a social impact). Many organisations have been institutionalising the lower half of the model and found new opportunities in the upper half of the model. A relation is seen with the integration of CSR in businesses practices, as by acting more upon the strategy dimensions, the more intrinsically motivated the organisation is to add sustainable value to the world

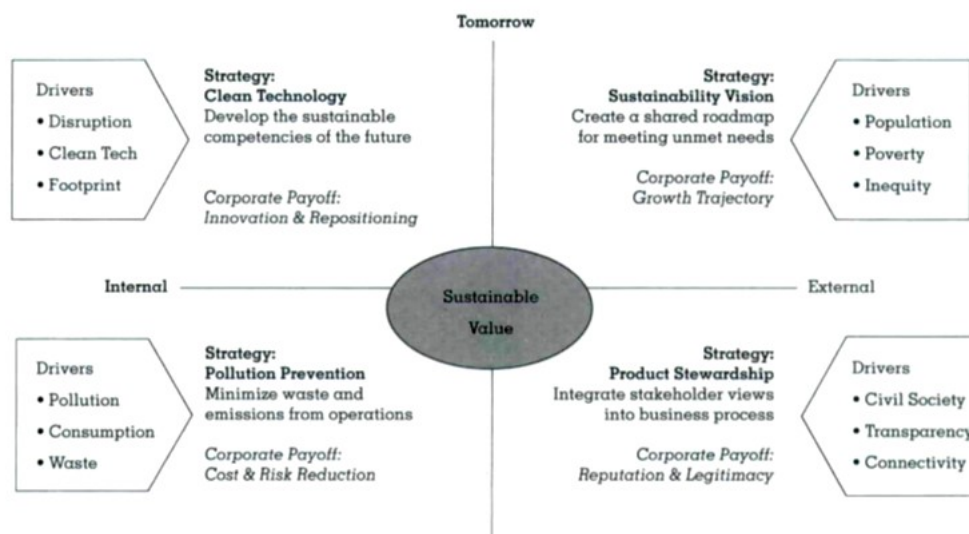


FIGURE 10 SUSTAINABLE VALUE CREATION HART & MILSTEIN (2003).

2.6.2. Stakeholders and CSR

Research of Jonker, O'Riordan & Marsh (2015), tells us a successful CSR strategy happens at the intersection between stakeholders and the organisation. In here, new substantial, sustainable business opportunities are expected. The combination of enlightened entrepreneurship and the implementation of the new concepts via collaborations across the entire value chain enable such value (Jonker O'Riordan & Marsh 2015). The next section clarifies stakeholder theory in

conjunction with CSR more thoroughly, and it elaborates the ideas and relevance of stakeholders expectations for this thesis furthermore.

2.7. CSR and Stakeholder theory

The stakeholder aspect of CSR is essential to give notice to as stakeholder theory is considered as a CSR variant and a descriptor of the field (Sakar & Searcy, 2016). Besides, CSR depends more heavily on stakeholder claims that the concepts of sustainable development and corporate sustainability (Steurer, Langer, Konrad & Martinuzzi, 2005). Often, research building on stakeholder theory is done from a normative perspective. In this research, a stakeholder theory approach is used to explore and analyse the stakeholder expectations of the organisation. As society is demanding organisations to change their process and products to become more responsible towards their stakeholders, organisations become more and more aware of this and want to respond in a way that is meaningful and right. Organisations need to redefine their stakeholder demands and ask specifically for their expectations and perceptions by doing Stakeholder Relations Management (Steurer et al., 2005).

2.7.1. Stakeholder theory explained

According to stakeholder theory, the firm is an abstract entity where a variety of interests converge. The organisation has the purpose to relate to the benefit of different individuals or groups who affect or are affected by the activities of the firm. Furthermore, it has the intention “to serve as a vehicle for coordinating stakeholder interests” (Freeman, 2001). It contrasts with Milton Friedman’s (1970) point of view that profit for shareholders was the social responsibility of a business. The stakeholder approach considers the individuals or groups with a ‘stake’ or claim in the company.

Donald and Preston (1995) define stakeholders as groups and individuals who benefit from or, are harmed by corporate actions (Donaldson & Preston, 1995). A visual representation provides clarification on samples of groups and individuals (**Figure 11**).

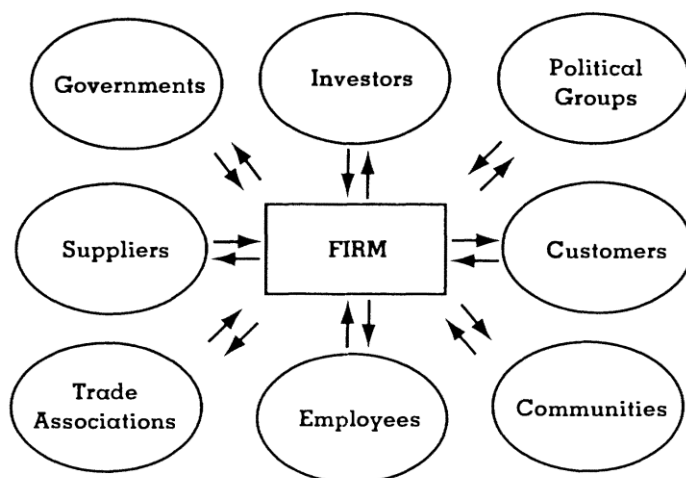


FIGURE 11 THE STAKEHOLDER MODEL (DONALDSON & PRESTON, 1995).

Over time, the concept of the firm has transitioned through stages wherein more stakeholders have become relevant to business functioning, and they have increasingly voiced their stake in the business operations. In 1984, Freeman and collaborators insisted the authentic responsibility of an organisation be to create value for stakeholders, including the local community (Freeman, 1984). They suggest CSR is to create value for stakeholders and fulfilling the firm's responsibilities to them without separating business from ethics. However, these groups of stakeholders differ in their legitimacy (validity of their claims), power (ability to affect the organisation) and urgency (timeless of expectations) (Carroll, 2015).

2.7.2. The corporate perspective of stakeholder theory

Stakeholder theory provides a normative framework for responsible business towards society. It constitutes organisational management and business ethics and addresses morals and values in managing an organisation. Donaldson and Preston (1995) argued stakeholder theory to be "managerial", and they distinguished between descriptive, instrumental and normative aspects or usages (**Figure 12**). The purpose of these aspects was that through the creation of specific indicators, the satisfaction of various people or groups affected by the business model enabled measurement for success. According to Donaldson and Preston (1995), the corporate perspective of stakeholder theory:

- describes (or sometimes explains) specific corporate characteristics and behaviours regarding stakeholders (*descriptive aspect*),
- identifies "the connections, or lack of connections, between stakeholder management and the achievement of traditional corporate objectives" (*instrumental aspect*) and,
- interprets the function of the corporation, including the identification of moral or philosophical guidelines for the operation and management of corporations" (*normative aspect*) (Steurer et al., 2005).

As for this research, the interpretation and identification of moral or philosophical guidelines are essential the normative aspect is explained in more detail.

Three Aspects of Stakeholder Theory

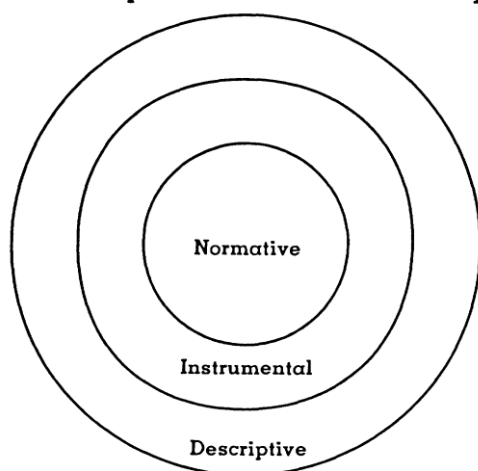


FIGURE 12 STAKEHOLDER THEORY IN THE SPHERE OF AN ORGANISATION (DONALDSON & PRESTON, 1995).

Donaldson and Preston (1995) argue stakeholder theory is found mainly in the normative aspect. It attempts to interpret the function of, and offer guidance about, a corporation with some underlying moral or philosophical principles. They phrase it as follows:

Managers should acknowledge the validity of diverse stakeholder interests and should attempt to respond to them within a mutually supportive framework because that is a moral requirement for the managerial function (Donaldson and Preston, 1995, p. 87).

An interesting viewpoint that follows from the normative aspect is to mention Wijnberg's scope of the philosophy of Aristotle. Wijnberg (2000) argues that the more significant the role of stakeholders in organisational politics, the more society will benefit from virtuous managers who act with practical wisdom based on ethical norms. This Aristotelian approach is to take a position with respect to what one considers being good (Wijnberg, 2000 cited in Cummings & Patel, 2009).

2.7.3. Expectations of stakeholders

As mentioned before, corporate social responsibility is often explained as compliance with societal or stakeholder expectations (Scherer & Palazzo, 2011). Expectations are one of the factors that organisations should try to identify and monitor to keep abreast of changes in their environment, along with attitudes, values, and norms (Heath & Bowen, 2002; Ledingham, 2003 cited in Olkkonen, 2014). The conceptual use of CSR expectations can mean:

To bring corporate behaviour up to a level where it corresponds to current prevailing social norms, values and performance expectations. It furthermore entails anticipating new societal expectations before they are codified into legal requirements (Westhues & Einwiller, 2006, p. 145).

The researcher of this thesis regards these expectations therefore as an addition to a CSR strategy that must be considered when investigating the discussion about CSR in a hybrid organisation.

2.7.4. Stakeholder expectations in the organisational context

Public relations literature uses stakeholder expectations in multiple ways. It can entail the concepts of reputation, relationship, legitimacy, satisfaction, trust and identity. Laura Olkkonen (2015) did an overall observation, and she concluded to view expectations as positive constructs that when met or fulfilled, will strengthen organisations and their relationships with the stakeholders (Olkkonen, 2015). She defines expectations as:

The positive or negative future-oriented assessments of an organisation's ability and willingness that form in the interplay between normative and predictive factors and can, ultimately, convey optimism, hope, cynicism, or pessimism toward the organisation and its actions (Olkkonen, 2015, p. 60).

The normative baseline for expectations derives from the stakeholders' values and interest that are not dependent on the actions of any organisation. When assessing the baseline level in the context of a specific organisation, it is affected by information and experience. This assessment makes an expectation positive or negative. It depends on the confidence placed on an organisation's willingness and ability to provide desired outcomes or prevented undesired outcomes.

The definition of stakeholder expectations considers that expectations are multi- rather than one-dimensional. To understand them requires different phases in expectation formation, and to recognise the various factors that influence the process, at the same time. Therefore, it takes time

and knowledge for the researcher to understand the context of the organisation and the position of the stakeholders. Value-free expectations do hardly not exist. However, values can take different forms. An illustration is a very limited self-interest- to utilitarianism. Also, it depends on how open the stakeholders be in telling their values and how they respond to the organisation's translation of their CSR strategy. They can agree (optimistic, or hopeful) or see gaps (are cynical or pessimistic) in their role and responsibilities within society (Olkkonen, 2015).

2.8. Conceptual model

This chapter elaborated upon hybrid organisations, what constitutes CSR and a CSR strategy. It described furthermore how CSR creates value for an organisation and how CSR is related to stakeholder theory and stakeholder expectations. The core concepts relate to each other, and this leads to the conceptual framework as shown in **(Figure 13)**.

The frame represents the expected value creation of CSR when organisations want to incorporate CSR into the organisation. At first, the question is what constitutes CSR, the content side of CSR. The answer is to consider and cover the six dimensions of CSR. On the other hand, when operationalising this in practical manners, the five CSR strategy dimensions of Burke & Logsdon (1996) give the notion of how much value the CSR policy creates. An extra element to the dimensions is a strategy of incorporation of the (normative) expectations of stakeholders as adhering to these can lead to additional value creation for the organisation. Four business strategies that then provide a focus on value creation. According to the author, the most (social) impact is made with a sustainability vision for the future (how to provide for the needs of the world's most unfortunate).

For this research, the conceptual model has a dual function. As it links the essential concepts of this research towards CSR value creation, besides, it functions as a model that helps to unravel the discussion on CSR within an organisation. For this, one can analyse the CSR strategy dimensions separately, focusing on one aspect each time and thereby examining the CSR strategy of an organisation. Furthermore, when interpreting and incorporating the expectations of stakeholders, one can categorise them by using the six CSR dimensions as they provide the content of CSR. Therefore, this conceptual model serves as a summary of the linkages of the theoretical chapters, but additionally as a mode of analysing the discussion around CSR and CSR strategy in an organisation and by its stakeholders, and the researcher will use it in that way.

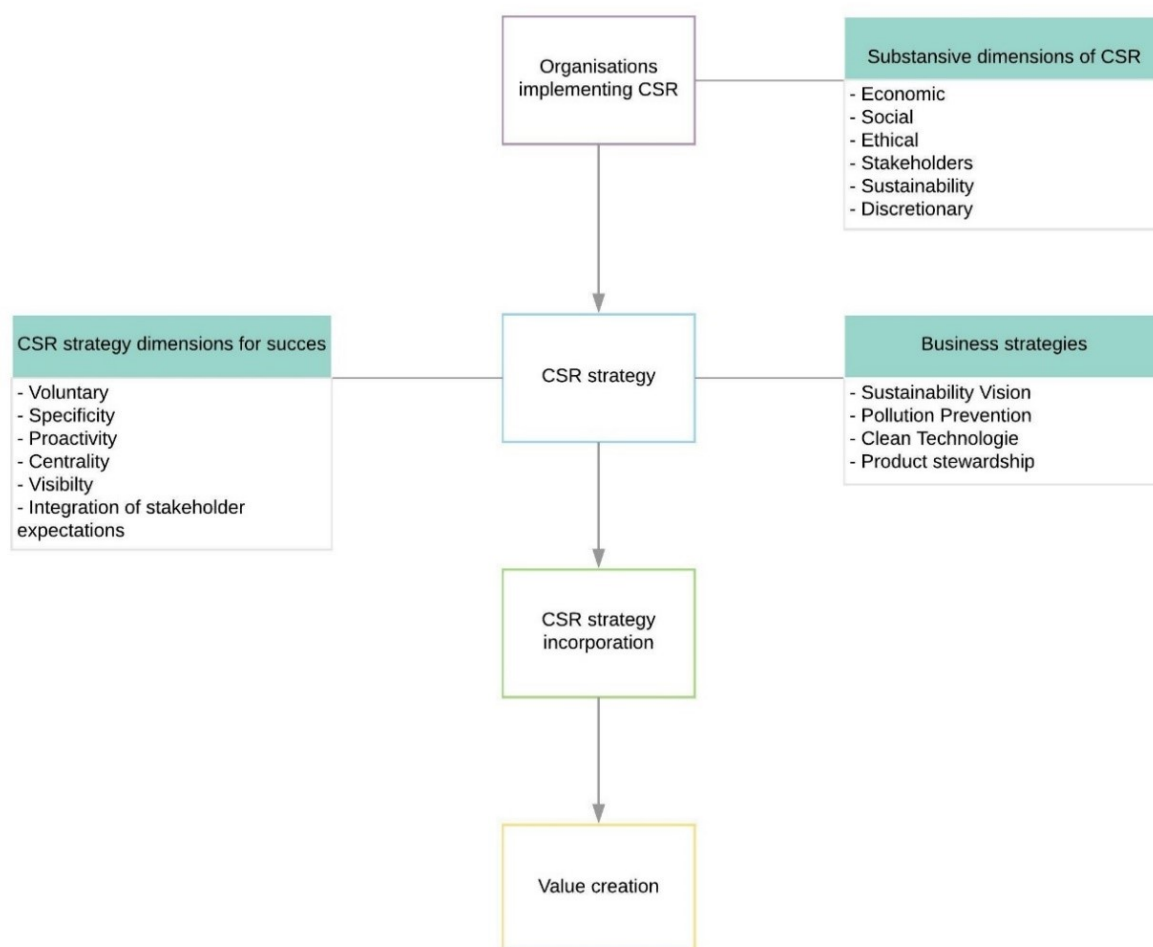


FIGURE 13 THE CONCEPTUAL MODEL BASED ON THE LITERATURE OF CHAPTER 2. THE FIGURE MADE BY THE AUTHOR.

2.9. Concluding remarks of Chapter 2

Chapter 2 answers **Sub-question 1**: What theoretical concepts and perspectives are necessary to consider when researching CSR, a CSR strategy and CSR practices?

At first, the context of this research was established. Hybrid organisations must compete for logics as their mission has a social aspect and a financial aspect. Sometimes these cause performance tensions. Subsequently, a definition of CSR from the literature was established to get a grasp of the phenomenon.

The literature review revealed CSR has had different interpretations since the beginning of its construction. The section concluded with the most recent description which includes six dimensions of CSR: the economic, social, ethical, stakeholder, sustainable and voluntary aspects. These dimensions will then form the thematic base for the analysis of the interviews. Furthermore, the literature suggested which strategy dimensions define how a strategy for CSR could create additional value for an organisation. By analysing the five aspects of a CSR strategy of an organisation

and adding a six dimension: the integration of stakeholder expectations, a CSR strategy of an organisation can be analysed by how much this strategy is creating value for the organisation.

Furthermore, attention is paid towards the business strategy 'sustainability vision' as in there, the most social impact is made (meeting the unmet needs). The description of the concepts provides a theoretical context for the analysis of the empirical data.

Chapter 3 will elaborate upon the decisions concerning the methodology to find an answer to the central research question and to study the relationships between the core concepts, as shown in the conceptual framework above.

Chapter 3. Research strategy

3.1. Introduction

This chapter presents and explains the research strategy chosen for this research project. All the choices for this thesis should be strategic as all components of the strategy are interrelated. The choice of one element (the research design) can influence the next (research methods). In the diagram (**Figure 14**) the relationship is summarised between the chosen research paradigm, belonging ontology and epistemology, the theoretical perspective, methodology and methods used in this research. Besides, it serves as a reading guide for this chapter and informs the reader of the choices and discussion points of the study and the corresponding methods used.

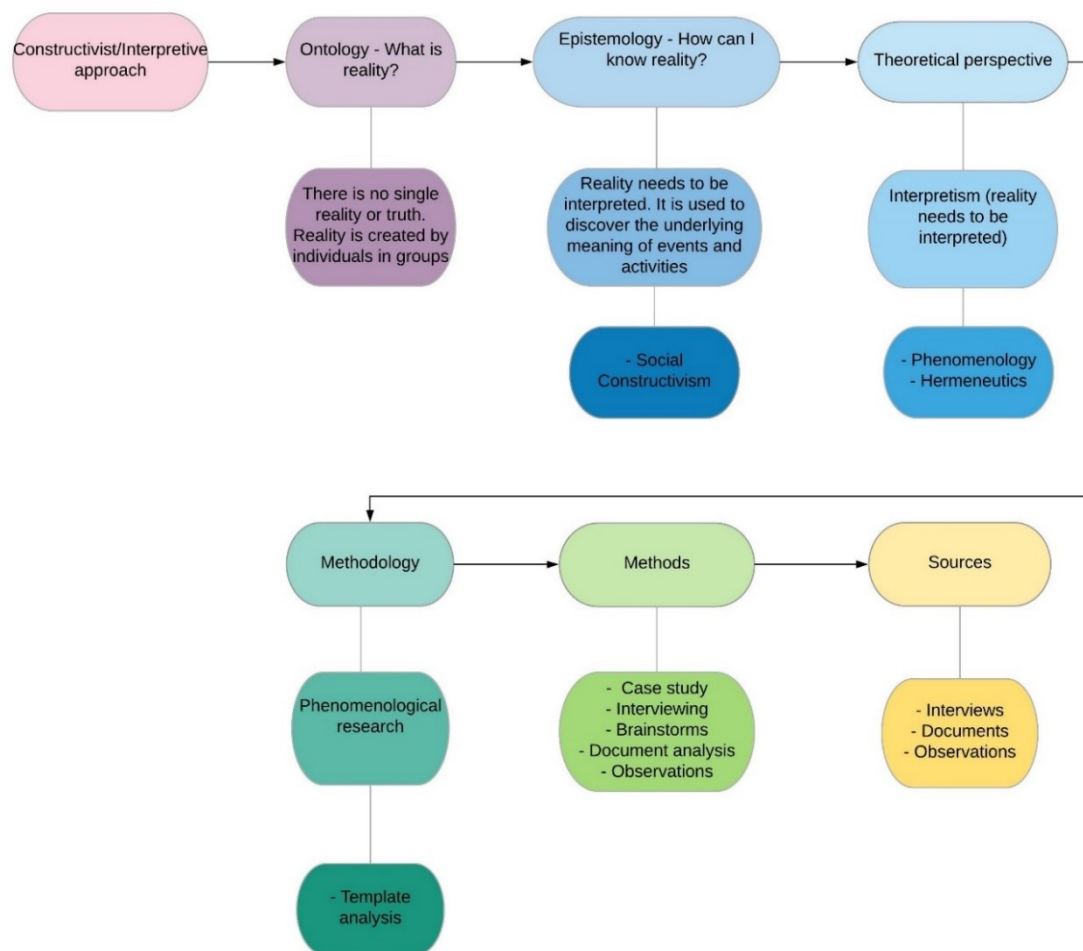


FIGURE 14 THE RELATIONSHIP BETWEEN THE CHOSEN PARADIGM AND THE CONSEQUENT ONTOLOGICAL AND EPISTEMOLOGICAL STANCES, THEORETICAL PERSPECTIVE, METHODOLOGY AND RELEVANT TECHNIQUES USED IN THIS RESEARCH (DERIVED FROM CROTTY, 1998 CITED IN SCOTLAND, 2012). FIGURE MADE BY THE AUTHOR.

3.2. The Constructivist/Interpretive approach

This thesis chooses the constructivist/interpretive approach as a method of use. In here, the intent of the user (and thus researcher) shapes the meaning of the themes. The themes regard as sensitising concepts, as general descriptors for a free couple's family of methodological and philosophical persuasions (Blumer, 1954 cited in Schwandt, 1994).

The constructivist researcher trusts to understand this world of meaning; one must interpret it. This approach is principally concerned with matters of knowing and being, and not with methods per se. By attending carefully to the details, the complexity and situated meanings of the everyday lifeworld are achieved through a variety of ways. Too much focus on methods (techniques for gathering and analysing data) often masks a full understanding of the relationship between method and inquiry purpose according to Wolcott (1992) and Erickson (1986) in Schwandt (1994).

As the research focusses on gaining an understanding of CSR and it is interested in methods of knowing, therefore, the complexity of a hybrid organisation is being researched, and a less realist perspective is chosen as a method of use. Consequently, the decision has an influence on the ontological and epistemological stances for this research.

3.3. Ontology – What is

Ontology is understood as the *study of being* (Lawson, Latsis, & Martins, 2007). Ontological issues are related to the nature of reality and its characteristics. It is concerned with “what is”, with the structure of reality as such. When a researcher is conducting qualitative research, he/she is embracing the idea of multiple realities. Moreover, researchers have different realities as do the individuals studied and even the readers of a qualitative study. The ontological stance is therefore that there is no single reality or truth and individuals are creating reality in groups. In here, the evidence of the various facts lies in the presentation of different perspectives. This objective is called *materialism*, where only the objects in it, hold the real world.

These stances fit in this research, as it will appear that in here, the reality is created by different perspectives of individuals within and outside of an organisation. Besides, the view of the researcher is critical as this has an influence interpretation of the data by creating his/her reality.

3.4. Epistemology - The way we know

Except for only looking at the study of “what is”, the scientific, philosophic epistemology is about “the way we know”, or even “how do we know what we know”. Creswell (2009) describes in his book “Qualitative Inquiry and Research Design” the importance of understanding the philosophical assumptions that underlie qualitative-based research. These assumptions shape the formulation of the problem and research questions to study, and they explain how data is searched and explored. More importantly, it acknowledges the researcher's worldview.

The epistemological assumption of this research is getting as close as possible to the individual studied. Subjective evidence is here assembled based on individual views and used to discover the underlying meanings of events and activities. In here it is essential to examine the field where the participants work to understand the context of the views of the individual. In the interpretivism stance that this research follows, natural science methods are not appropriate for social investigation because regularities that hold law-like properties do not govern the social world.

Epistemology provides this research with a philosophical background for deciding what kinds of knowledge are legitimate and adequate. It clarifies issues with the research design, and it means

more than only defining the research tools. It explains the overarching structure of the research including the kind of evidence gathered from where, and how this information it is going to be interpreted (Gray, 2013).

Axiology – Bringing ‘personal value’ into the study

An important note about the axiological assumption of this research: the axiological assumption characterises qualitative research as researchers bringing in their value in a study (Gray, 2013). In a qualitative study, the inquirer admits the value-laden nature of the study. He or she furthermore actively reports on their values and biases as well as the value-laden quality of information gathered from the field of research. He or she ‘positions’ themselves in the study.

By investigating CSR in a hybrid organisation and expectations and perceptions of external stakeholders with subjective opinions of employees, the evidence gathered by examining individual views is value-laden. In here, the researcher tries to get as close as possible to the case. The researcher analyses the value-laden information and discusses this explicitly in the discussion section of this thesis.

Social Constructionism

The concept of social constructionism is an essential concept in this research and originates from the constructivist/interpretive paradigm and epistemology. There are two approaches how to view reality: objectivism (how social entities exist independent of social actors) and subjectivism (understanding the meanings that individuals attach to social phenomena (Saunders, Lewis & Thornhill, 2009).

Subjectivism associates with social constructionism. Stein and Edwards (1999) describe this approach as to conceive human reality as a socially constructed reality, rather than naturally given or merely taken for granted. The outcomes of interaction between social actors and nonhuman entities are studied as the in a so-called: action arena.

Critical factors for underlying cooperation and other actions in everyday life are interactions between individual stakeholders and the non-human objects in their environment, as well as agreements between resource users and other people. The individuals’ ‘choice for a specific course of action, is influenced by:

- Social relations and- technical networks;
- The meaning that is attributed to the collective management system;
- Perceptions of the broader environment in which the joint action process is embedded;
- The social experience.

For this thesis, the researcher tries to understand the complexity of the views rather than narrow the meaning into a few categories and ideas. The researcher considers subjective meanings are negotiated socially and historically, and they formed through interaction with others and historical and cultural norms. During this research, no one possesses all knowledge and people might not maintain the same amount of knowledge on the subject the researcher has. Clarification of both parties about concepts and facts in the field is therefore necessary. A collaborative attitude and working with a good understanding of the people will lead to more precise results.

3.5. Theoretical approach – Interpretivism

Following on the social constructivism approach, the corresponding theory chosen for this research is interpretivism. Interpretivism looks for culturally derived and historically situated interpretations of the social life-world. Interpretivism asserts that the natural reality (and the laws of science) and social reality are different and therefore require different kinds of method. Meaning that with the physical science, looking for consistencies in the data to deduce 'laws', in the social sciences often deals with the actions of the individual. (Gray, 2013). The concept that belongs to this theory is the study of phenomenology.

Phenomenology

Phenomenology holds when attempting to understand, social reality must be grounded in people's experiences of that social reality (Gray, 2013). This concept insists upon that we must lay aside our current understanding of phenomena and revisit our immediate experience of them so that new meanings can emerge. The aspect must speak for itself. The principal purpose of the researcher is here to gain the subjective experience of the subject. There is a strong focus on meanings and experiences the approach uses multiple methods to establish different views of a phenomenon. In this paradigm, interpretations of the data are constructed using an inductive approach. As CSR in the literature is often describes as a phenomenon, this research will use the same classification of the topic.

3.6. Methodology: Phenomenological research - Hermeneutical perspective

The chosen theoretical perspective for this research has direct consequences for the methodological choices. The preferred direction of this research is the hermeneutics. Hermeneutics deals with understanding and interpreting the meaning of human beings (Burrell & Morgan, 1979). According to a hermeneutical perspective, social reality is seen as socially constructed, rather than being rooted in an objective fact. This perspective argues furthermore that interpretation provides more standing than explanation and description. Besides, the social reality is too complicated understand through the process of observation. The researcher must interpret to achieve deeper levels of knowledge and even self-understanding (Gray, 2013).

The Metaphor of Texts

One way of hermeneutics understanding of meaning is the understanding and interpretation of texts. The so-called metaphor of text (Ricoeur, 1971 cited in Morgan, 1980), suggests the organisation theorist should view an organisation acting as a symbolic document and employ hermeneutic methods of analysis as a means of unravelling its nature and significance. In here, the text gives form to kinds of language games, explicate themes, and make use of metaphorical expressions to convey significant patterns of meaning. Now the text is authored, it is available for interpretation and translation by others, which may vest it with significance and purpose other than that by the author. These mentioned qualities are evident in day-to-day organisational life where everyone is both author and reader, though some are more significant than others.

The researcher of this research is concerned with understanding the way organisational activities are authored, read and translated, the way in which the structure of discourse may explore specific essential themes and develop kinds of imagery. The analysis of the CSR strategy of

Deltares, the study of organisational documents, organisational talk and action was done using this metaphor (Manning, 1979 as cited in Morgan, 1980). Furthermore, this is the case for the transcribed interviews with internal employees and external stakeholders and two brainstorming sessions.

The researcher and Hermeneutics

Gadamer (2004) argues that a person who is trying to understand and interpret a text starts the process with fore-conceptions, a pre-made idea of the meaning which the document includes. Moreover, following material can only be fully reached when the fore-conceptions of the researcher are not arbitrary at the beginning of the research. A researcher must be aware of the pre-concepts he or she has about the situation as this is important for the analysis. The problem of prejudice here always causes hermeneutic difficulties. Lastly, there is the problem of the historical position of the researcher and experiences he or she had in the past. The researcher must be aware of the potential influence this has, and avoidance of prejudices and biases must be used to increase the validity of the finding of the research.

Template analysis

Following the line of reasoning, the next step is to explain the method chosen to analyse the interviews that linking with the hermeneutic definition, with the epistemology. Template analysis is being used to demonstrate the construction of expectations of external stakeholders and internal employees within the hybrid organisation Deltares.

For this research, template analysis method is used to capture the gathered data. As mentioned by King (2004), template analysis works particularly well when the aim is to look at the perspectives of different groups within a specific context. For this reason, it applies in the context of the case study, Deltares. Although this method has a straightforward name, the term 'template analysis' does not describe a single, clearly delineated way; it refers to a varied, but related group of techniques for thematically organising and analysing textual data. The essence of template analysis is that the researcher produces a list or matrix representing the themes identified during research. Some of them will usually be defined a priori, but they will be modified and added as the researcher reads and interprets the texts. The template analysis, as a technique rather than a method, can be used within a range of epistemological positions.

The researcher of this thesis assumes that there are always multiple interpretations made of any phenomenon. These interpretations depend on the position of the researcher and the context of the research. Coding reliability is therefore much more irrelevant, but rather the issues of reflexivity of the study, the attempt to approach the topic from different perspectives and the richness of the description produced are essential (King, 2004). The practical side of template analysis is explained in the section 'Data analysis'.

This section discussed philosophical stances of this research and provided its justification. The next part will discuss the technical research design for this research. It elaborates on practical choices of the study.

3.7. Methods - Technical Research Design

The research is qualitative research of a case study. Although definitions vary, the aims of the qualitative research generally direct towards providing an in-depth and interpreted

understanding of the social world. The research learns how people's social and material circumstances influence their experiences, perspectives and histories (Creswell, 2009).

Case study research design: the social construction of reality

Within this qualitative research, there has been made a distinction using a case study approach linked to the concept of social constructivism. This approach will be used as an instrument to collect the necessary data and to draw conclusions. The term case study is strongly associated with qualitative research although it is used in a variety of ways. The difference lies in the sample design. It is structured around context rather than around a series of individual participants. This case study research design is according to Stake (2005) aimed at investigating the social construction of reality and meaning. According to this philosophical assumption, there is no "real world" that pre-exist independently of human mental activity and symbolic language (Ridder, 2017). In this thesis, the researcher is not looking for facts, nor aim at identifying and measuring patterns which can be generalised. Contrarily, it researches specific actions, places at times.

Intrinsic Case Study

This thesis uses the intrinsic case study type (Ridder, 2017). In this type of case study, the case itself is of interest. It is about the curiosity of the fact as the case is already selected for research. In here, the researcher looks for specific characteristics, aiming for full descriptions with the opportunity to learn and to improve. Representativeness or generalisation is not considered and applicable. In this case, the context is the organisational context of Deltares. The integration of different perspectives on the meaning or interaction means that case study design can build upon very detailed in-depth understanding. It requires an integrated, holistic comprehension of the case complexity (Stake, 2005 cited in Ridder, 2017).

Deltares commissioned this research and therefore serves as a single case. This study is an in-depth understanding, an insight, in the discussion of the CSR strategy of the case Deltares with external expectations and internal perceptions. Analysed using concepts from the theoretical framework. The template analysis comes with an inductive/deductive approach to study CSR within a case. General conclusions on the base of the case-study are not possible. Despite this, more inside knowledge of hybrid organisations and their CSR strategies could help in understanding the transformation of organisations to become part of a more sustainable society.

3.8. Method – Data Collection and analysis

Qualitative data such as interviews, documents and observations of the researcher, all construct this intrinsic case study. At first, the method of triangulation serves as clarifications of meaning. Secondly, the researcher is interested in the diversity of perceptions (Stake, 2005 cited in Ridder, 2017). For this study, the researcher collected primary and secondary over a period of 6 months during a research internship at Deltares in Utrecht and Delft. This paragraph describes in which ways the researcher retrieved the data.

Primary data

A total of 18 interviews were conducted to gain an understanding of practices, perceptions and expectations and recommendations that employees and stakeholders experience regarding CSR practices of Deltares. Interview meetings provide the researcher with clarity because of the

possibility to ask explanations of specific subjects (Symon & Cassell, 2012). The needed information for this research was retrospective, present and future data. These were impressions, activities, decisions about new policies and expectations about future practices.

Internal collection of primary data

Together with another university research student (A. Grissa), interviews with internal employees were conducted. As this was done simultaneously for two separate theses, the discussions were pre-set for every person to be as efficient as possible and to get as specific information as needed. In total nine employees were interviewed, ranging from the communications officer to the director of Deltares, as well as project leaders and researchers. Furthermore, two brainstorming sessions were organised by the researcher and the fellow research student. These took place in April and May 2017 in Deltares' offices (Delft and Utrecht). Participating in these sessions were Deltares' project leaders and department heads. These sessions were guided using a sheet with written questions (**Appendix A**). The information gathered from these focus groups provided elements of context that were necessary for this case study research.

External collection of primary data - The stakeholder interviewees

The selection of an external view was by executing stakeholder interviews, and an interview guide was made to structure the conversation (**Appendix B**). Sometimes this structure would not hold, and the discussions became open interviews instead of semi-structured. The selection of interviewees happened by using the 'snowball' effect and by asking employees of Deltares for their professional network of connections with stakeholders.

Most of the selected stakeholder organisations to interview were derived from a stakeholder network analysis done by Saskia Hommes (Hommes, 2015), a consultant/researcher governance of Deltares and the supervisor of the researcher. In a memo, she investigated the stakeholders of the department of the theme Water and Subsoil Resources (WSR) per programme, and their influence on the programme. The document served as an inspiration for the selection of external stakeholders, whereby the researcher selected the stakeholders with the most control in the programme. The researcher considered those as essential stakeholders of Deltares.

Furthermore, their expectations are expected to be more important than, for instance, stakeholders who have less influence on the programme. It resulted in a list of five stakeholders from different organisations, who are all regarded as influential on the programme within the various themes. The rest of the organisations were gathered through the method of 'snowballing'. The lists of interviewees are displayed in **Table 1** and **Table 2**.

TABLE 1 ORGANISATIONS SELECTED BY USING THE MEMO OF STAKEHOLDER ANALYSIS

Reference Nr	Programme Deltares within WSR	Organisation	Function	Date/Time
1	Exploration of the subsurface	Government	Senior advisor – Water, Traffic and Environment	03/07/2017 – 10:00

1	Water Energy Food Nexus	Government	Project advisor Partners for Water	27/06/2017 – 11:00
2	Water Energy Food Nexus – International Stakeholder	Intergovernmental organization	Disaster Risk Management Specialist	04/07/2017 – 11:00
1	Water Energy Food Nexus – National Stakeholder	Government	Environmental Economist	10/07/2017 – 10:00
1	Water Energy Food Nexus – National Stakeholder	Government	Advisor and developer within the topic of energy and water	20/07/2017 – 09:30
1	Water Energy Food Nexus	Government	Programme manager CSR	02/10/2017 – 16:00

TABLE 2 ORGANISATIONS SELECTED BY THE METHOD OF “SNOWBALLING”.

Number of reference	Organisation	Function	Date/Time
3	Engineering company	CSR manager	13/9/2017 – 10:00
4	Governmental Partner	Director	04/10/2017 – 10:00
5	Hybrid organisation	Sr. Environmental and Social officer	12/10/2017 – 10:00

Secondary data – Literature and organisational documents

First, the primary was gathered by doing interviews with individuals with a view of the case (Deltares). For the literature review, secondary data was collected from a desk study with academic articles and handbooks on hybrid organisations, CSR, CSR strategy and stakeholder expectations. These articles are found using the search engine of the Radboud University Library and Google Scholar. More secondary data on Deltares is being collected through analysis of organisational documents. The server of Deltares provided the requested information.

Data analysis

The primary function of an intrinsic case study is to offer the reader an understanding of the case after the research. The researcher has been given the job to present the material in a sufficient way (full descriptions). Through this, the reader can learn from the case as well as draw his or her conclusions (Stake, 1995 cited in Ridder, 2017). The primary sources to gather data for this

research are interviews, observations and two brainstorming sessions. By conducting pre-set interviews with employees, nine semi-structured discussions with external stakeholders and the organisation of two brainstorms at Deltares, an effort has been made to gauge the CSR situation and get a sense of the expectations and perceptions of CSR of Deltares. The information was recorded and transcribed, working with notes and summaries of the textual data, using a combination of inductive and deductive approach.

Direct interpretations and categorical aggregation

An intrinsic case study approach considers two methods of data analysis. Direct interpretations and categorical aggregation (Ridder, 2017). The primary task of the case study is to understand the case. The resulting thick descriptions are offered to the reader, and it is the job of the researcher to provide the material sufficiently.

Direct interpretations are made using an inductive approach, similarly known as inductive reasoning starts with the observations and at the end of the research, conclusions are proposed because of the remarks made (Goddard & Melville, 2004). The inductive analysis involves the search for a pattern from observation and the development of explanations – theories – for those patterns through series of hypotheses (Bernard, 2013). The inductive reasoning is a bottom-up approach to knowing, in which the researcher uses its observations to build an abstraction or to describe a picture of the phenomenon studied (Lodico, Spaulding & Voegtler, 2010). Through coding, specific patterns and summaries could be drawn from the data, and the appendix illustrates the result of this process (**Appendix C**).

Categorical aggregations could not be done using inductive methods only as there has been made use of existing theories to structure and guide the research, the researcher used the deductive approach to gather the data using the interview guide (**Appendix B**) and to structure the data from the interviews. By using a matrix template (**Appendix D**), the data were categorised and made suitable for analysis of the different expectations and perspectives of the interviewees.

The stakeholders of Deltares implicitly and explicitly acknowledge how they perceive Deltares as an organisation before they discussed their expectations regarding CSR. All the interviewed stakeholders of Deltares were familiar with Deltares and collaborated with its employees on a diverse range of projects and other activities. Their impression of Deltares can, therefore, be taken seriously.

Next, chapter 4 starts off with an analysis of the current CSR practices of Deltares, using the framework for value creation and paying attention to social impact.

4. Current CSR practices at Deltares

The current CSR practices of Deltares are analysed in this chapter to display the current practices and how and if they create enough value for the organisation in the current situation.

4.1. Current social mission and impact of Deltares

4.1.1. The economic and institutional context of Deltares

Deltares is a knowledge institute, and it has no direct responsibility to shareholders regarding monetary obligations. Towards the Dutch government, it has commitments to be an excellent functioning knowledge institute. Every year Deltares receives a budget from the Dutch government through projects (as other similar research institutions in the Netherlands). Agreements about the full cost price are made with the Dutch Ministry of Economic Affairs because Deltares has a unique position in the Dutch market as it cannot compete with the regular consulting market with its products. For the Dutch ministry, Deltares counts as the flagship of the Dutch knowledge-base on water: “In the Netherlands, we are in a special position. “In the Dutch context, we are the knowledge institution for the Dutch government (17)”. Often foreign delegations of ministers (with interest in water, subsoil and infrastructure) coming to the Netherlands pay a visit to Deltares. They will get a guided tour around the campus and provided with information on Deltares’ projects. Moreover, Deltares joints Dutch delegations to foreign countries to support and strengthen the reputation of the Netherlands as a country with a substantial share in water knowledge.

Deltares is a project organisation with a hybrid organisational structure. It has, therefore, a sizeable societal mission. The mission of Deltares is to develop, transfer and apply knowledge of top-level expertise to enable delta life. The work of Deltares has directly or indirectly an added value for society, and their work serves the public interest (Deltares, 2013). The added benefit of Deltares is found in the themes as “Flood Protection”, “Adaptive Delta Planning”, “Water and Subsoil Resources”, “Ecosystems and Environmental Quality” and “Building in the Delta” in the countries Deltares works. Deltares assesses every project by the research objectives found in the research programme (www.worldofdeltares.nl).

Deltares’ societal role is to be an independent advisor for governments on a local, regional and national level. Often Deltares works for governments inside -and outside of the Netherlands. Being part of the Dutch sector in water management, Deltares tries to accelerate innovation worldwide and strengthens the position of the Dutch private water sector. By developing applied solutions derived from scientific research, Deltares can do so. In collaboration with other universities, research institutes, governments, non-governmental organisations and the private sector, Deltares combines its knowledge with societal actors and stakeholders.

4.1.2. Deltares’ societal impact evaluated by the Dutch Ministry of Economic Affairs

The impact of Deltares towards society and Deltares’ clients is evaluated as substantial by the Ministry of Economic Affairs in an evaluation done in 2017 (Schaaf, Declerck, Jonkman, Soete, & Moors, 2017) Furthermore, the societal impact of Deltares in the Netherlands and Europe is analysed as ‘good’ to ‘very good’. Researchers looked at the connections of Deltares with its stakeholders, the use of research results by the stakeholders and the strategic importance of its knowledge utilisation for the Dutch and European economic and social challenges.

At this moment, Deltares is seen as an international player in the field of Delta issues due to the unique combination of disciplines (subsurface and water) and associated experimental research facilities and tools. According to the evaluation of the Ministry, the institution delivers good and highly valued research for its stakeholders, and moreover, the research themes are relevant and of great value for addressing national and international problems.

The report correspondingly states that, although Deltares takes various initiatives to increase their reputation and public image, the Committee considers Deltares could demonstrate its social added value much more emphatically and proactively. It states that: “Deltares must proactively describe the societal business case and quantify this case if possible” (Schaaf et al., 2017, p. 27). From this impact, it can be noted that Deltares has a social mission which is of great importance for society to enable Delta life to protect the people from floods and to create sustainable and long-term solutions.

4.1.3. Competing logics?

The website World of Deltares provides the ambitions and expected impacts of Deltares research programmes generally, and this impact differs per theme. This impact is general and not expressed in numbers (**Appendix E**). Examples of the effects of Deltares mentioned is the national and international governments can implement water policies more efficiently, get more insights on water risks (scarcity or lack of quality), and to make more efficient use of water and raw materials. Moreover, for instance, for all the themes, Deltares supports universities co-develop research initiatives, professors, and PhD and MSc students that are hosted and supervised by Deltares. On the other hand, work of Deltares (Theme Delta infrastructure) is of importance to business clients such as the oil and gas industry to improve their competitiveness and business. Furthermore, governments can minimise risks and increasing cost-effectiveness of construction and maintenance of infrastructure.

This practice displays that within Deltares operations there is a vast difference in partners and clients (government and businesses) and demonstrates that the realisation of the societal mission is happening next to creating revenue from (some) unsustainable partners and projects. As it shows, competing logics is likewise something this hybrid organisation deals with.

4.2. Current CSR practices of Deltares

As stated before, a CSR programme reflects all the social imperatives and the social consequences of businesses successes. It exists of clearly articulated and communicated policies and practices of corporations/institutions that reflect business responsibilities for the broader societal good (Scherer and Palazzo, 2011). CSR practices can, therefore, be analysed by examining the current CSR programme and methods of an organisation which is different from its societal mission.

4.2.1. Practices and drivers for CSR

At Deltares, the concept of Corporate Social Responsibility is mentioned in an internal policy draft in 2013 for the first time. The objective of this policy paper was to develop a Deltares-wide notion of how to address corporate social responsibilities. For future purposes, it wanted to receive a formal certification for employees and stakeholders to measure and monitor to which extent Deltares incorporates its CSR and sustainability aspects in its projects (Deltares, 2013). This draft version displayed the drivers for the focus on CSR.

The first driver of CSR was an increased focus due to increased collaborations with governmental institutes and commercial partners in the field of sustainable innovation. Secondly, growing market pressure was noticed. In here contractors and subcontractors of Deltares demanded a transparent CSR policy. The third driver was the willingness to better align with its natural “moral fibre”. The moral fibre of Deltares is its social mission as a hybrid organisation to provide knowledge and research on flood defence mechanisms. Despite this existence of the document, the policy paper is officially not published inside and outside of Deltares.

The international sustainable development goals were as well a driver for Deltares to become more active in developing policies and guidelines related to CSR. Deltares expects that its focus on the SDGs will increase its international revenue from projects as many international partners are demanding organisations to work with them. In 2015, Deltares adopted the United Nations Sustainable Development Goals after consultation and interviewing experts from other Dutch organisations like Rabobank and Witteveen and Bos. The members of the CSR team which was established around the same time, choose the following SDGs for focus: 7, 9, 11, 13, 14 and 15. For the CSR team, employees were selected from different units to make the team as integrated as possible. The teams are divided into different subjects. For example, CSR and communication, CSR and business, CSR and operational, CSR and ethical business.

More focus on global agendas was put that same year on increasing the international positioning of Deltares. Apart from the UN SDGs, they adopted the UNISDR Sendai Framework for Disaster Risk Reduction (2015-2030), the UNFCCC Framework Convention on Climate Change (2015-2020/2025/2030) and the HABITAT 111 – the New Urban Agenda (Deltares 2017). Another team within Deltares, The GAIN team, is working on these international agenda’s and Deltares’ position worldwide. Only after one year, the GAIN team and CSR team started working together and integrating their goals.

In 2016, the CSR team developed an internal ‘Action plan for CSR’ in which emphasised the linkage of Deltares activities and contributions to the SDGs (Deltares, 2016). The idea is to make the SDGs more prominent in the CSR vision of Deltares and to increase the impact of projects using the SDGs.

In 2017 the CSR team developed and integrated code of conduct into the organisation that is based on the UN Ten Guiding Principles of the Global Compact. Employees and clients of Deltares sign this code of conduct to enact in responsible business.

4.2.2. Policies and actions

Since the establishment of the CSR teams in 2015, various policies and actions have been put in place. The names of these policies and measures have been put under MVO (CSR in Dutch) but also under the name Corporate Social Responsibility & Sustainability in its communication on the website. When adopting the Guiding Principles in 2017, the contribution to sustainable development of Deltares was through the five themes of expertise of the organisation (Deltares, 2017). In this way, the SDGs aligned with Deltares’ motto “Enabling Deltares Life” and is going to be integrated into the organisation. In the Strategic Agenda 2018-2022 Deltares ambition to align with the SDGs is expressed explicitly by focusing on the seven SDGs and linking them with the societal programmes of Deltares (**Figure 15**).

Theme	Focus areas	Sustainable development goals
Flood Risk Theme	<ul style="list-style-type: none"> • Flood risk assessment: pluvial, fluvial and coastal • Understanding flood risk in a multi-hazard context • Early warning and crisis management 	13 Climate action ¹⁹
Ecosystems and environmental quality theme	<ul style="list-style-type: none"> • Health Nexus • Transition to circular economy • Nature-Based Flood Defences 	14 Life below water 15 Life on Land
Water and subsoil resources theme	<ul style="list-style-type: none"> • Food Nexus • Water and Conflicts 	6 Clear water and sanitation
Delta Infrastructure theme	<ul style="list-style-type: none"> • Energy Nexus • Infra Nexus • Transition to sustainable energy 	7 Renewable energy 9 Innovation and infrastructure
Adaptive delta planning theme	<ul style="list-style-type: none"> • Transition to climate adaptation • Urban resilience • Climate Change Impact 	11 Sustainable cities and communities
Software Programme innovation	<ul style="list-style-type: none"> • (Big Data) Multi-Scale Modelling 	

FIGURE 15 THE THEMES RELATED TO THE CHOSEN SDGs FOR IMPACT (DELTAIRES, 2017).

The knowledge Deltares produces is used to solve societal questions, for instance, to keep Delta's in the living space of people. In here beta-knowledge makes a link with social and economic sciences, an integrated approach to knowledge creation. For example, Deltares is aware that in South-East Asia problems in delta areas are not only solved by Delta-technology. Political, demographical and economic factors are playing a role in addressing local issues. To make their impact more explicit, Deltares has started to map their ambitions against three of the Sustainable Development Goals, to help them explicate the impact Deltares generates through the SDGs. Deltares uses the content of the projects for this only.

Besides, Deltares hold ISO certificates for CSR compliance. ISO 14001 (environmental management) and ISO 9001 (Quality management) standards were integrated into 2014. Additionally, Deltares is interested in working with ISO 26000 principles on CSR, but this ISO is not certificated. It provides guidelines for incorporation of CSR into the whole organisation. In 2017, Deltares wanted to incorporate the SDGs into the organisation and its themes, but this is still in development.

4.3 Deltares in light of the CSR strategy dimensions

After analysing Deltares societal mission and impact and the current CSR practices, an analysis is made of the current CSR strategy of Deltares using the CSR strategy dimensions by Burgke & Logsdon (1996). As mentioned before, Deltares does not work with an official policy document for CSR. The management has decided that due to its fundamental societal relevance, official policy documents such as the code of conduct using the Guiding Principles and the Strategic Agenda

2018-2021 inherently touch upon CSR principles. As such, an official CSR policy form or document is therefore not published on the website. Instead, the site displays the best results and samples of operational CSR practices.

Despite this, an attempt is made here to analyse the current non-visible CSR strategy of Deltares by the five dimensions of CSR strategy to comprehend if and how they create value for the organisation.

4.3.1 Centrality

The centrality dimension of the CSR strategy means that given actions or decisions are consistent with the goals and objectives of the mission. Deltares is a not-for-profit organisation, and its activities point towards relevant knowledge development for society as this is their mission (Deltares, 2017). Since its establishment as a hybrid organisation in 2008, fifty per cent of the projects are financed by public funds. Their statement mission, Enabling Delta Life, and being socially relevant is regarded to be in the DNA of the organisation. Deltares' work revolves around working on socially relevant topics and joining sustainable projects.

With the relatively new focus to uncover the added value, Deltares put some specific SDGs into the strategic agenda. By using these goals and its indicators, Deltares wants to generate more impact. However, it has to say that the SDGs, in general, is of use for documenting and identifying effects expected and cannot provide for the additional impact that projects generate.

As stated before, not all projects are helping to bring a positive impact on the world. In general, Deltares deems it can help by doing 'less damage' being involved in unsustainable projects. However, explicit and complete CSR statements in management documents are not visible, and it is, therefore, challenging too to get a grasp of the precise added value of Deltares apart from their advisory content for clients.

4.3.2. Specific

The strategic dimension calls upon the specifics of the CSR policy and the ability of an organisation to capture the benefits of the strategy rather than creating collective goods which can be shared by others in society (as Deltares' societal impact does). Although Deltares' sustainability ambition through the SDGs is visible in the current strategic agenda, Deltares has currently difficulties capturing and internalising the benefits of its sustainability/CSR strategy. For the best operational CSR practices, a few results are visible on the general website. Policies for clean energy or the mobility programme and recycling are present. For instance, new plans made clear windmills will be installed on the terrain.

In project management (where it is considered the most impact is generated) explicit policy on CSR is not presented yet for the public and employees or to capture the positive effects of a project. As this is not specified consistently, structural impact measurement is not possible, and no overall and specific picture exists of the impact of CSR for the broader good. At this moment, there is a CSR risk management paragraph in the project form (**Appendix F**).

4.3.3. Proactivity

Proactivity in a CSR strategy means recognising current international trends, and Deltares is aware of the current Dutch and global trends in their work field and CSR and sustainability. At this moment Deltares is proactivity integrating the SDGs to follow on the international agendas of

clients and trends. New and long-term strategies are formulated about the SDGs and global agenda's (which Deltares likewise adopted). However, in the Dutch CSR world, Deltares is not noticed (3) and documenting specific impact for every project in a general form not existing yet.

4.3.4. Voluntarism

Voluntarism indicates the scope of discretionary decision-making by the organisation in the absence of externally imposing compliance requirements. As a hybrid organisation, to be socially relevant is in the mission of Deltares. Much voluntarism exists on gaining societal relevance and impact, and in fact, employees of Deltares are highly motivated to bring change to the world and have a positive effect (Deltares, 2017). Sharing knowledge is a big topic now, Deltares holds 14 open source and free software communities online (Deltares, 2017). Meaning Deltares' policy is to be transparent regarding their produced software.

As the SDGs and CSR are current trends, a budget has been made available for CSR projects and the construction of CSR teams. CSR importance and SDGs adherence are developments outside of Deltares and are not imposed upon Deltares. However, Deltares wants to keep up with the societal transition. As work of Deltares is regarded as socially relevant since its establishment (12), the general climate is that is not necessary to construct an official policy document or document on current impacts (as these were obvious to the personnel and the management).

In the operational domain, when an organisation exceeds minimum standards on for instance quality, safety or sustainability measurements, this exhibits voluntarism. Deltares is operationally doing this through CSR initiatives of recycling and mobility and green electricity.

In projects, employees mention work efficiency could be improved, and from a management perspective, pushing standardised CSR practices into project management is regarded as not possible as there is not enough time for the project leaders. However, there is a general belief that most impact Deltares generates, is made in projects. A strategy could encompass taking responsibility measurements for the sustainability of the project. Setting such an approach means voluntary attending specific significant sustainability events and meetings, organising sessions and writing documents that are in line with this strategy.

4.3.5. Visibility

Visibility refers to the recognition from internal and external stakeholders of Deltares CSR strategy. This visibility can be positive or negative. At this moment, an official CSR policy document with a CSR strategy is not visible for the employees and public yet. Consequently, employees and stakeholders are not aware of what Deltares does to pursue CSR or how it actively tries to gain an impact on its projects. This was similarly noticed during the external stakeholder interviews as no one knew how Deltares was actively pursuing CSR in its practices.

As CSR or sustainability is referred to as in the DNA of the organisation, it is difficult to extract the contribution on the topics precisely. Another consequence of this missing policy document is that CSR is not explicit in daily activities and not visible in official records, the artefacts. Therefore, tracks of changes and impact generation cannot be measured.

CSR practices not made explicit in projects does not mean no impact is made on projects of Deltares. However, throughout the organisation, displaying the social results are done irregularly. A case of such a (social) impact (**Figure 15**) shows the contribution of Deltares in the international context. It is not standardised for every project, and it depends on the project content, project

form and consortium if and how the impact is displayed. The results of the projects were improved forecasting and warning, inundation forecast warning dissemination and communication, capacity building of community people, digital centres and volunteers.

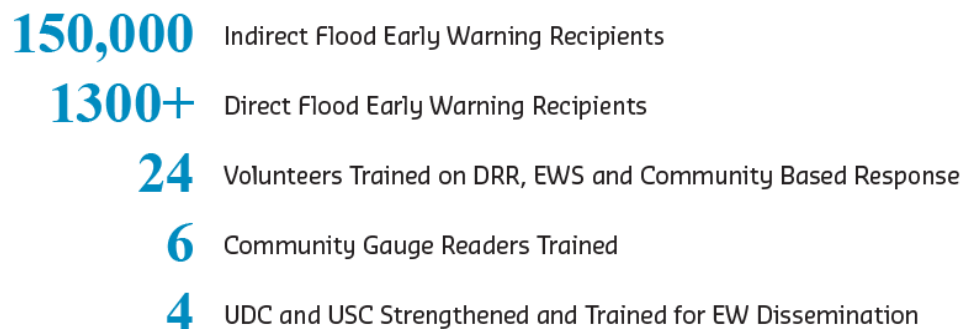


FIGURE 16 THE SOCIAL IMPACT OF TAM TAM PROJECT AFTER THE INVOLVEMENT OF, AMONGST OTHERS, DELTARES (DELTARES, 2017).

The complete overview of the overall impact of Deltares is missing, depending on the project consortium if the results are projected as in **Figure 16**. Deltares wishes to be more socially relevant in their projects and this value proposition of how social applicable they are not communicated sequentially yet. Long-term proof of Deltares' contribution to sustainability and CSR in the long run still misses. If Deltares claims to do better, evidence of this must be visible.

4.4 Concluding remarks of Chapter 4

This chapter provides an answer to **Sub-question 2**: What is the current CSR strategy of Deltares and how does this fit with the dimensions of a CSR strategy that make an impact?

This chapter discussed Deltares' practices concerning the current economic context, its societal mission and impact and its CSR strategy. An analysis assesses the CSR strategy according to the five CSR strategy dimensions analysing current practices and illustrations from Deltares as there is not an official CSR strategy document available yet.

Deltares is a not-for-profit Dutch hybrid knowledge institute that thrives on contributing to the transition of society towards a more sustainable world. Deltares adds to projects that are often of impact on people, the environment and society. The competing logics or a so-called performance tension (that was expected to happen within this hybrid) has been identified meaning a possible conflicting situation between becoming more sustainable and contributing to unsustainable clients and projects in the market.

The current organisational strategy focusses on Deltares' societal role and adhering to the UN sustainable development goals, and operational practices are of significance for Deltares private practices. However, as a specific CSR policy document is not available, Deltares' CSR total impact cannot be measured, sustained and be made visible. Moreover, adhering to the SDGs does not guarantee an additional positive CSR effect on project results as this is often used to reveal the current contribution of consulting practices in projects.

Sustainability has a central place within Deltares but mainly through the advisory content of their projects. It means attending projects that improve sustainable development. However, it

depends on projects and partnerships on how this sustainability unfolds and is displayed. Deltares has introduced a code of conduct that ensures sustainable practices with companies and projects, but the impact and measurements are taken to guarantee the sustainability are not made visible yet.

Therefore, in sum, CSR remains a niche within the organisation, and by putting the SDGs and core societal contributions central, CSR practices and developments are not on the forefront of the organisation's mission and are not documented in such a way.

Chapter 5. Analysis of external stakeholder expectations and internal employee perceptions of Deltares

5.1. Introduction

In this chapter, the interviews with stakeholders and employees are analysed using the six dimensions of CSR as explained in Chapter 2. The chapter starts off with a general description of Deltares by its stakeholders. Secondly, the information gathered from the interviews and brainstorming sessions is analysed by categorising them into the six dimensions of CSR. A distinction in the results is made between the perception of external stakeholders and, between the opinions of the employees. It will help in the storytelling and understanding of CSR within Deltares' practices and discover the differences in perceptions and expectations of stakeholders and Deltares' employees. The analysis can, also, point out possible dilemmas within the organisation and its practices. A final note, the reader must bear in mind that within the study, there spoken about a difference in the context of CSR, the project context, the project content and the role of Deltares.

5.2. The Perception of Deltares

The reputation of Deltares, several stakeholders, explained, is excellent when it comes to their core business: Safety against flooding. Deltares' consults and modelling on the nature-based flood defences and its consequences are well known (1)(2). Furthermore, Deltares is recognised for providing its clients and stakeholders with high-quality products and is as well known for their open source software Deltares is known for this approach in the international context (2). Products are of high quality, and employees are recognized for their powerful motivation to deliver high-quality products. However, Deltares works at a costly rate (1) (2), which sometimes leads to internal discussions, as one governmental stakeholder mentioned. A precondition is the added value of Deltares is evident, and then the higher price is justified. One stakeholder suggested that it is sometimes not so evident why to hire Deltares (instead of other consulting organisations) and to pay a higher rate (1).

5.3. The Social Dimension of CSR

5.3.1 Expectations of external stakeholders regarding the social CSR dimension of Deltares

When stakeholders of Deltares mentioned statements regarding the obligations of an organisation towards society and social norms that are needed and executed, these count as the social dimension of CSR.

The humanitarian side of water management

Deltares often works on the environmental technical modelling and calculations of a project, and as societal issues and water availability are closely linked in practice, the social side can be called "the humanitarian side of water" (1). The social aspect of CSR is therefore essential to consider when integrating a CSR strategy into an organisation. The human element of the project context is inevitable and therefore two interviewees of the governmental stakeholder that provide subsidies to organisations like Deltares, expect Deltares to make the best compromises as possible regarding the social side of CSR in operations and projects.

Another stakeholder from the Dutch government agrees and expects Deltares to look at water issues in the Netherlands in an integrated way. In an integrated approach means in here to include the social side of water management and to solve research questions for instance on how to deal with climate adaptation combined with the need for constructing houses.

The social dimension of CSR in projects of Deltares

Currently, Deltares is assigned fundamental and in an integrated way research questions, and it is in their mission and core business to solve these. At this moment Deltares has been given the assignment by the Dutch government to research solutions to urbanisation about climate adaptation and renewable energy in an integrated way, and it is expected that these kinds of projects are increasing for the future. Deltares' work includes sustainable environmental projects. The initiative to resolve the social problems comes externally from the type of project and the client. One stakeholder whom worked at Deltares and therefore possesses much inside knowledge of the organisation attests this statement as hardly any employees are involved in the social side of CSR of projects.

I honestly think when talking about sustainability, and considering the principles of people planet profit, Deltares is very advanced on the planet aspect. They are also searching for connections for collaboration (for example, smarter cooperation with Wageningen University). However, on the People side, there is still a gap. Yes, there is awareness of the people side when talking about river widening or big projects in Jakarta, and of course, Deltares knows this concerns fishermen too, and what it does to the human environment. However, that is something that Deltares sometimes overlooks (4).

Results from internal research done by Asma Grissa and Diana Vlad, students from the Master Sustainable Development at Utrecht, confirmed this viewpoint. Vlad (2017) noted in her study to specific projects in the Energy Nexus department of Deltares "The social dimension is not covered in the projects and it should be covered" (Vlad, 2017). All her respondents acknowledged that the social dimension is only indirectly addressed to a small degree in this specific department. Moreover, Grissa (2017) recommended Deltares, regarding the current integrated approach in the advisory content, that the organisation could consider integrating more economists and social scientists for higher integration of issues in research (Grissa, 2017).

Societal function vs social context

One governmental stakeholder mentioned doing research is not only about producing knowledge. More important is the usage of the generated knowledge, in the context of society. The stakeholder expects Deltares to try to connect their expertise to the societal context strongly.

Yes, you must take the social aspect of sustainability and make the connection. Deltares is a knowledge-driven club. However, the knowledge is created in a context, and an organisation has the responsibility to think about it in the social context, or to make a disclaimer, or to give advice. I think you should do something with that (4).

Two other stakeholders mentioned this as well and confirmed that the social side of CSR is something Deltares could develop in the content of their advice (4) (5). Practically by not solely consulting on sand flows and erosion and the biology and green side. However, even going a step

further: reasonably looking at the people that could be affected by the project. An illustration: when Deltares is doing calculations for a client for a new African harbour area, what is more, to tell than the technical side/aspect (5)? One governmental stakeholder puts this more firmly, in the advice itself, Deltares should investigate not only the scientific issues but likewise the social consequences, looking at it from a holistic viewpoint (1).

In the advice, you must not only consider the aspects of the natural sciences, but you must consider the social consequences too. To discuss this as a broader issue to be solved. Moreover, that is what we expect from the Netherlands, whom Deltares sees as a figure-head of water and Delta (1).

Furthermore, stakeholders mentioned Deltares should feel more responsible for the use of the results of the projects. Consequently, it should present their product in such a way the client/local people make use of their product more efficiently. Especially in developing countries there are essential areas for social development (2) and creating ownership of the product and doing capacity building on site is necessary for their growth and, additionally, their product will become more (socially) sustainable in the long run.

A positive (social) impact in projects

According to many stakeholders, being socially responsible does not only require doing a CSR risk analysis and management. It demands to assess the positive effects a project generates (1) (2) (4) (5). One of the social obligations is showing the social added value of the organisation. For Deltares this value is found mostly in the context and content of their projects. Meaning science and knowledge building are not only about constructing and building theory/building models (the core business of Deltares) but adding to a positive impact in the project context (international) and content and displaying this impact structurally in a transparent manner. Deltares could moreover, for instance, advise on social matters of the project from a holistic perspective.

In sum stakeholders expect Deltares to be executing projects in an integrated way and thereby covering the social dimension of CSR. Furthermore, to feel responsible for project results usage (capacity building, creating ownership) and moreover, assessing the positive impact of a project, and the societal business case proactively.

5.3.2. Perceptions of employees regarding the social CSR dimension of Deltares

Holistic view on the project

One employee explicitly mentioned Deltares' view should encompass the entire project rather than only a small part of the project context at the project site to determine how sustainable a project is. The current lack of beta-gamma integration at Deltares is a common problem related to this. There do exist holistic and integrated projects. A case of such a socially relevant project of Deltares is called Tam Tam (as mentioned in 4.3) in which Deltares participated and tried to involve communities in Bangladesh in collecting risk information, disseminating warning and engage in response. In the brainstorming, session employees mentioned that there exists no standardised system to monitor the (positive) impact of every project.

Not-for-profit Deltares vs NGOs

Within Deltares management there exists a sense of fear that clients will see Deltares as an NGO with a strong opinion on sustainability. Then, Deltares supposes its neutral position does not hold. The director once said:

If we want to cover this (the social aspect), we are almost a benefactor. However, we must stay independent in the role of a knowledge institute and be able to play with a certain degree of freedom. Of course, linked to what the project needs.

The business manager of Deltares jestingly names Deltares a “technical NGO” as officially Deltares is a not for profit organisation, a foundation without profit objective. However, he makes clear Deltares is not an NGO. Deltares can provide the client with technical advice, but no information on social matters as this is not in the core business of Deltares.

Responsible projects

Deltares works on projects all over the world as it is confident its relevant knowledge can add to a project in such a way that it will be done the best way possible (this is being evaluated beforehand by Deltares). However, the business manager says Deltares cannot deliver anything on for instance resettlement of people in the project area. The current mission does not include this proposition, and it will not be their mission for the future. Another employee is more critical on this viewpoint. He senses Deltares does not contribute to sustainable practices when only being a technical consultant. No extra steps are being taken in project content for instance to add applications for socio-cultural scientific disciplines.

I think Deltares does currently not yield anything in (social) sustainability because we are a technical consultancy. We hardly invent applications for the socio-cultural scientific disciplines in our products. It is necessary to bring to the fore: what constitutes CSR. Besides, Deltares should opine on certain aspects that must be investigated if a piece of nature is lost (give an opinion). We are the guardians of the long-term project and of the overarching layer in governance and global processes and structures. We can apply this locally in projects as evidence, successes.

This employee furthermore expects Deltares to standardise an integrated approach to the impact of its projects and Deltares should take according to him the lead in this approach. At the moment he is one of the few people within Deltares that applies this principle himself. It was challenging, but he favours taking a leading role. His observation is that within Deltares people are interested and involved in projects for a shorter amount of time (which has to do with project budget). He doubts current credos as “the customer is God” and principles of cost efficiency are going to solve longstanding worldwide water issues. Due to climate change, the projections are increased water-related disasters and relating amounts of crises around the world. To translate dilemmas into economic values will become more problematic and he thinks altered commercial constructions for projects are therefore a necessity.

5.4. The Voluntary Dimension of CSR

5.4.1. Expectations of stakeholders regarding the voluntary CSR dimension of Deltares

Proactivity and responsibility

Many stakeholders expect Deltares to have a proactive strategy in the project context, as this is part of CSR. It means to wonder if extra steps in the process necessary (1) (3).

Often, it demands of parties to be proactive. Especially with the expectations (of other parties). You must understand each other very well in the process and questioning if there are extra steps you can take (1).

It is additionally about repeatedly questioning if you can do better in every situation and to reconsider the added value of the project. This questioning guarantees involvement in CSR on the project level. That is something Deltares should do with projects in the Netherlands and international projects.

The voluntary dimension includes the responsibility of Deltares in the “water value chain”. In other words, its place in the entire project process. According to a stakeholder being an expert in CSR, Deltares responsibilities is going as far as the whole (project) value chain instead of the fraction of the chain that they are working on. Deltares’ part is referring to the early stages of the project (modelling and advising phase). She expects Deltares to go for the highest possible positive impact and the maximum minimalisation of all the CSR risks of the entire project. It moreover means not starting the project when there are too many adverse side effects (1) (4). A fictitious practical case to illustrate: when Deltares researched groundwater mapping for a project for a client, because of this project, the client can now locate the water and begin extracting this water. A governmental interviewee providing tenders thinks Deltares should feel responsible for the results of the project afterwards as extraction of groundwater can pose a risk for/affect the environment and local people.

In this kind of situation, Deltares could have a standard strategy to consult the client on the additional risks of groundwater pumping for the region (for instance, drought) and show or teach them how to keep the groundwater situation sound. From time to time it can even do check-ups with the client to see if the situation is still manageable. Today at Deltares there is no existing procedure for this type of responsible management, and therefore it depends on the project leader and the consortium if this happens and is being documented.

OECD - A soft law instrument of business ethics

Furthermore, the CSR expert expects Deltares to integrate the OECD guidelines into the organisation and in projects, as Deltares is a multinational enterprise of an OECD country (7). The OECD Guidelines are an annexe to the OECD Declaration on international investment and multinational enterprises signed by the Dutch government (OECD, 2017). These guidelines are set especially for multinational enterprises and are providing principles and standards for responsible business conduct for operation in or from countries adhering to the declaration. It is a soft law instrument of business ethics. Applying these principles requires recognising and communicating the CSR risks of the entire project of Deltares participation. The guidelines include a provision on Due Diligence and proactively engaging in an argument with the client on unsustainable practices of the project.

Is doing sustainable water management, CSR? No, there is always your behaviour. How your organisation behaves in the international context, and to know and be aware of the risks of your project. It is about your reputation, your due diligence, and do you know the (CSR) dangers of your plans? These are the OECD guidelines. Deltares should incorporate these guidelines into their practices (1).

According to the OECD guidelines, an indirect type of responsibility is non-existing. From the moment an organisation is involved, a duty lies with the executor. The position in the value chain/project process (being upfront, in the middle or at the end) determines your level of influence. There are different degrees of persecution action. Not acting at all means directly or indirectly ruling out a host of possibilities that might help human beings or the environment

Usually, organisations point out the responsibility lies with the local government. That is not the case, that is just not true. Yes, the nations have all kinds of treaties with the UN and are obliged to comply with all sorts of laws. However, that does not relieve companies from taking responsibility themselves. That is a crucial aspect, and sometimes this aspect is forgotten. It is fascinating, and you should confront Deltares with this matter (1).

The necessary knowledge and skills are of responsibility for Deltares, and the stakeholder mentions organisations are obliged to make sure their business management includes this aspect (8). Deltares' stakeholders are thus expecting Deltares to take a voluntary responsibility. An illustration of taking responsibility is given by the CSR expert (1) who is convinced that in a country like for instance in Colombia you can show to individual clients that you are willing to give something extra. That you are not only there for economic reasons but that you are eager to help them and to point out, for instance, social and environmental issues. A sensitivity in communication is required here. By not using technical communication but intercultural communication. Furthermore, enhanced collaboration with other parties in the consortium to stand together on this matter is necessary. The Dutch textile, banking, and gold sector are all binding their forces with similar organisations to overcome this problem of taking responsibility for example. The Dutch water sector should start doing this as well, and Deltares should be looking for collaborations with Dutch partners on this topic.

Integrity

Courage and integrity are crucial aspects of Deltares when working in the water sector around the world. The reason being, water has different purposes depending on its place in the world. For instance, it functions as protection, consumption or a boundary. Often the matter is surrounded by political discussion and prone to corruption (1) (3).

The CSR expert (1) expects Deltares to take a stronger position in international the water sector. In this sector, politicians are often aiming for quick wins and division of money is a top priority. Occasionally their goals are more critical than preserving local biodiversity, providing social security and abolishing child labour. To some extent, it means working with water is to walk a problematic political tightrope with social, ecological and ethical dilemmas on one side and carry out projects on the other. Another stakeholder of the same organisation mentioned Deltares should compromise and to come to the best alternative possible. Moreover, Deltares needs to proactively prove they cannot be manipulated and being honest and proactive is preferable to being reactive (3).

Participating in the public debate

For stakeholders, being more proactive could furthermore mean engaging in the public discussion on climate change and sustainability. One interviewee (specialised in CSR business management) considers Deltares as old-fashioned in this sense (3). He recognises Deltares as a knowledge organisation with not enough transparency to the outside world on what they are doing on sustainable matters. According to him, Deltares is doing it implicitly or is passively acting upon sustainability in their organisation and not being proactive in this matter as he does not see their contribution on sustainable issues in the Dutch CSR business-scene.

Yes, I think Deltares is implicitly working on sustainability. I think it needs to be done more. My role (as CSR advisor) is to say that. I believe that it should be more with us too. I moreover find that Corper Aid, as a 100% sustainable consultancy, should do it more. It needs to be done in the whole society. That is my opinion (3).

Furthermore, the stakeholder expects all organisations in the Netherlands to participate more in the public debate on sustainable solutions and to give their opinion on this. This statement is backed by a stakeholder from the intergovernmental organisation who suggested that:

I think, as a knowledge institute, you must be a leader. In which you have to do the agenda-setting. I guess Deltares still follows too much (on the practices of the international world) (2).

A case of an organisation with a pioneering role is the organisation of CSR in business practices. His organisation has an extensive CSR programme for internal and external practices, and they are very open and transparent about their CSR practices. Moreover, employees are attending Dutch CSR business events, media events searching for sustainable projects. In addition to this, they participate in sustainable projects organised especially for employees. In here the mindset of the employees is of importance. The stakeholder illustrates he sees the employees of Deltares as a bit narrow-minded highly specialist engineers working on technical solutions (3).

5.4.2. Perception of employees regarding the voluntary CSR dimension of Deltares

Employees of Deltares recognise the issues mentioned above on transparency on CSR contributions. They understand to share what is being done, the resulting impact and participation in the public debate on climate change and sustainability are significant for CSR. At present Deltares is aware of these trends and admits keeping up with the transition of organisations is required.

Proactivity

After 70 external stakeholder consultations done by the three directors of Deltares in 2016, comments on proactivity became evident. The audit concluded that stakeholders see Deltares as too reactive instead of proactive (Vissers, 2016). Furthermore, as too much following society instead of agenda-setting and being cautious to take a leading role. An interesting viewpoint as the employees of Deltares joining the brainstorming session shared an opposing position. They mentioned in the discussion Deltares should not run too far (being a front-runner) but should follow society.

Another comment related to being proactive was brought during at the brainstorming sessions. There seems to be a need for more leadership in sustainability/CSR. Employees were perceived as modest, and they do not have the time to be proactive and strategic due to their workload. All employees see this as complicated as the organisational structure of the organisation relies on employees having many responsibilities in their projects. People make the comparison that this structure sometimes gives the impression of “being your boss” within an organisation. Within Deltares there are currently initiatives underway to tackle this problem.

The CSR story of CSR

In 2017, the Communications officer of Deltares stated being critical on CSR within Deltares is still required. The story of the CSR of Deltares is not clear to her yet, and this automatically means Deltares is not doing good enough. Deltares could, as an idea, invite some NGO's and after their pitch invests in their projects. She stated:

CSR should be in the whole organisation. As already discussed in departments for the project selection. Do we want to go for these projects? The discussions are already here. Most of the people inside Deltares do think about it.

Indeed, most other employees think CSR is essential. An internal employee survey revealed that 85% of employees find CSR important in operational management and 82% find it necessary for projects. In general, employees are socially responsible individuals and are not the typical type of business consultant/entrepreneurs. A high level of willingness to work on sustainability identified the organised brainstorming sessions where enthusiastic employees were happy to contribute to the discussions. However, despite the reviews on project selection and recent operational measures of sustainability, most of them do not know what exactly constitutes CSR at Deltares and how it shows in their daily work.

CSR in project selection

In the brainstorming session, project selection and the discussion on sustainability within the projects was mentioned as part of CSR. In 2017, Deltares approached some controversial projects different than they did before. For the first time, there was at a higher management level within Deltares a discussion on controversial plans from a CSR perspective. These discussions led to a new strategy for the approach to such unsustainable project tender. In the new policy, Deltares courageously said to the client: we would like you to hire us, however, in addition to the six you want to have researched, we will add 4 points ourselves on your costs (these points were from a sustainable/CSR perspective). Deltares furthermore demanded the client to follow its advice on these points.

It was for the first time Deltares acted from a CSR perspective in project selection. The result of this strategy is unknown, as the tender is still in process. Apart from this new strategy, Deltares is cautious about giving a definite opinion whether to do a project in the first place. As said before, Deltares thinks this can conflict with their neutral position and reputation.

If the project continues, we do it in the right way. We have no opinion about whether to build such a project. That is a political decision. We are outside of this decision-making. We deliver the facts. We have sometimes said as Deltares; we have no opinion, we provide

the facts. We do not do fake news. We offer the real facts. Everyone can say what he or she wants, but we present the facts.

For Deltares the starting point is that projects are a political decision, and Deltares has no influence in this process. When the project starts, Deltares can come in to help to do the project in the most sustainable way possible.

5.5. The Ethical Dimension of CSR

When stakeholders of Deltares notice the ethical dimension of CSR, it relates to matters as accountability, reputation, openness and transparency. This dimension of CSR is about taking a stand in the water sector.

5.5.1. Expectations of stakeholders regarding the ethical dimension CSR

The ethical dimension of CSR is about being accountable for actions linked to the communication on CSR practices governmental stakeholders mentioned. How to explain the things you do responsibly? These questions must be asked to and within an organisation. Furthermore, it is about having a critical discussion within the organisation about these matters. It is not possible to be expecting others to be sustainable and responsible when you do not have the policies and practices in place. One stakeholder explicitly mentioned that he hopes Deltares to give honest and unbiased advice, when it comes to sustainability too, even when the Dutch state hires them. He compares this situation with a visit to the doctor.

You go to see a doctor when you think something wrong with your heart. At this moment you expect the doctor to do his utmost to help you with this problem. The same counts for Deltares, whom I see as the “Doctor of Water”. I expect them to do ethically their best, and that to get the most out of the project.

The ethical difficulties of working with water

However, why are these moral matters important? Many stakeholders brought forward water is a problematic (international) sector for executing projects (1) (4). Often the subject is the centre of political discussion attributable to its different functions and values. These factors make water a challenging theme to work with and require moving around in various political arenas.

Water is a fascinating, exciting, innovative and complex topic, pointed out by the interviewees. A challenging subject as well as water conflicts in different regions in the world over agriculture, industries and drinking water (4). Moreover, streams cross boundaries.

The current situation at the river Nile is a case of such complexity. At this moment the government of Ethiopia is planning on building a dam which will have a significant influence on the water flow downstream, the Nile stretches over other countries as North Sudan and Egypt. Consequently, there are many political levels involved in this conflict. International standards, national and local policies. If Deltares participates in these kinds of ‘masterplans’ like the Nile project, and in this situation, there might be for instance a humanitarian side of water management more important than the political position to report. Ethical problems in the project chain could arise, and one stakeholder asserts Deltares has to make its considerations on this matter and communicate these ethical considerations towards society (1).

Furthermore, different governments all over the world have different policies on how to deal with specific (humanitarian) situations. In the Netherlands, we have our version of what is right and wrong. On the other hand, many governments have policies and tactics that are less common for us Dutchman. In here there are more “grey” areas of what is right and wrong as this depends on the context of the project and country. In the water sector, it is not so black and white. Ethical issues are, as an illustration, more apparent with child labour in the clothing industry. This kind of practice is something everyone naturally condemns. In the water sector, ethical mistakes are not very visible and highly political. In this tense playing, field compromises have to be made, and a Dutch organisation like Deltares has to manoeuvre through this. The following quote of one stakeholder who himself is a project leader in water illustrates this somewhat ethical tension field when speaking of the resettlement of people in the project context.

How to use your influence in the game? There might be some challenge there. Do we want this challenge? We may compare the international case to our standards and our little (Dutch) country where we have to be very careful with the environment. While in China a minister in Beijing says we compensate the locals with a present, and it is settled. Sometimes this has disastrous consequences in the long-run. Moreover, what is Deltares' role in this? On the one hand, you want to have a new assignment in a new country. That is how I can imagine it. The question is do you want to interfere or not. Alternatively, in states where perhaps, the general regime is not so neat. Would you withdraw completely? (1)

Such questions are corresponding to the CSR of an organisation. The governmental CSR expert made an interesting note on water management projects in combination with CSR. Stating that being involved in water management programmes does not automatically makes an organisation engaged in CSR (7). A more critical outlook on Dutch water management projects is, therefore, a necessity.

What I am trying to say: everyone thinks it is a fantastic water management project, indeed, but you do not automatically include CSR by working in water management"... "It is essential that the Dutch water sector put off the rose-coloured glasses a bit (1).

In sum, being involved in water does not automatically identify an organisation as sustainable or active in CSR. Water is a complicated matter with different functions and working with water requires moving into a playing field where ethics are interpreted in different ways the various countries. An organisation has to be aware of this and communicate this explicitly.

5.5.2. Perceptions of employees regarding the ethical dimension CSR

Integrity

Having an independent position and being the neutral party when the situation conflicts are elements of the core values of Deltares and this type of value is sometimes controversial. The following case illustrates this in practice. A few years ago, Deltares removed an employee from a project in an area in the Netherlands that was in the middle of the discussion (the Hedwig polder). This area was under political debate, as the government wants to flood the area for nature preservation. As the employee of Deltares lived in the area, there was doubt if he could hold his unbiased position (as the government's decision directly infected him). The following quote illustrates this value of Deltares strongly.

We are always watching for our independence; if we can report the facts as they are. That is the most important. If we are not able to act independently and say the facts as they are, then we will not do it

Controversial projects

After the internal discussions about controversial plans in light of CSR, Deltares concluded its CSR responsibility is limited. This stance is visible from the following statement about the construction of a new canal in Nicaragua:

There are things relating to the situation that is inhuman in our eyes. For example, the hatching of the people from a land plot, do they get enough compensation? Is the complete rehabilitation well supervised? Presumably not. Should we be worried? If we would have to be concerned about all of this, then we would have much work to do. Our responsibility is limited in that sense. We the discussion we talked about that. How far does the responsibility go? As a person, as an individual, you can think more freely about this, but it is difficult how this counts as a professional.

During the discussions of the controversial projects within the CSR teams, two criteria that touch upon the core of Deltares became leading for these types of projects. The first one is their independence. Is there a sense that they can be independent within their interaction with the project and the client? The second criteria: does Deltares have the freedom to determine or to add what is necessary concerning the content of the project. Deltares must be careful of clients “cherry-picking” their knowledge as some clients tend to write along with Deltares’ results.

We are not going to remove whole pieces of text on request. It is our report, our advice, you can throw it in the trash, that is up to the client. Our information is our advice. That is important. I mean that with independence and integrity. Customers tend to co-write with us.

For Deltares, it is essential to follow the core values of the societal function. It becomes clear that stakeholders mention other ethical aspects such as the water sector and that a critical outlook on Dutch water management projects is necessary. To communicate the choices publicly and being transparent in your options is mandatory.

5.6. The (Environmental) Sustainability Dimension of CSR

5.6.1. Expectations regarding the sustainable dimension of CSR of Deltares

As shown in chapter 2, as a dimension of CSR, the sustainability dimension is mainly concerning the environmental value proposition, sustainability for the long run, the triple bottom line, and future generations. So how can durability be added into Deltares as an organisation and in their projects?

Stakeholders identify Deltares as an organisation working on prevention programmes regarding long-term consequences of for instance climate change on water systems in the world.

Stakeholders mention for instance to make developing long-term plans and being a strategic partner. It can entail communicating on contributions to the sustainable development goals or longstanding future-proof projects. Sustainability could require avoiding double work (efficiency) or look after your delivered work. For instance, as mentioned before, being involved in projects for a more extended period to help sustain the results of the project, can help to improve the (social) impact of the project.

Knowledge creation, is it sustainable?

One governmental stakeholder, and a client of Deltares mentioned sustainability as the ability to consider the essential points of knowledge creation, rather than the details of the projects and its content (1). She expects Deltares to start rethinking the concept of knowledge and research and about the deeper meaning of knowledge and knowledge production. She mentions sustainability is about the environment, and this is Deltares' core business. However, Deltares is using a very technical vision of the situation and though sometimes the view of Deltares is too technical and is disconnected from the environment. According to her, sustainability is bringing the usefulness of it something back into the light. Doing Deltares type of work and creating new knowledge is not about repeatably developing new concepts, building new models, and inventing new instruments. The current manner of practising knowledge creation. In collaboration with Deltares this stakeholder is currently experimenting on pilots and impacts, and the subsequent learning process.

Sustainable projects

Another governmental stakeholder pointed out sustainability is anchored in their relationship with Deltares and being visible as most projects are about environmental sustainability for a more extended period.

We give the order to carry out that work, to get the advice. Sustainability is presented in the advice and references. Moreover, questioning if it all works together in an environmentally-friendly way. It is already in the relationship we have with Deltares" (1).

Despite the projects on the environmental value proposition of sustainability, being sustainable means according to one stakeholder, presenting the results of your research/project in such manner the usefulness of the client increases and it is more effectively used.

Long-term outlook

An aspect that came forward by most of the stakeholders' answers on their expectations of Deltares regarding CSR is the long-term perspective of doing business. In general, when projects last longer, projects tend to have a long-term oriented approach and therefore have more impact. Besides, concerning the recommendations, will these be used for the long-term in the first place? An interviewee pointed out he had attended a policy hackathon (an extensive workshop for 1 or 2 days) of Deltares. During this working solution for 2050 were discussed and invented. He found this a remarkable development as he is not familiar with any policy areas where they are looking this far into the future as Deltares.

However, being involved in the projects longer take more risks as a more holistic view demands more from Deltares than only a technical approach. Broadening the niche of Deltares, in

the end, asks for another type of employees with other types of specialisations and asked for different operations in projects.

No, it is about the broader picture. So if I wanted to give Deltares, an advise: dare to consult on more than sometimes the technical case only. However, you must be able and willing to do that (1).

5.6.2. Perceptions of employees regarding the sustainable dimension of CSR of Deltares

Within Deltares (environmental) sustainability is seen as an in an integrated way part of the daily work. During the organised brainstorming sessions most employees of Deltares, when talking about sustainability at work, referred to the operational aspects (**Appendix G**). For instance, recycling, “huis op orde”, and clean energy. Furthermore, attendees of the brainstorm session were mostly not aware/a bit aware of sustainable policies and practices (**Appendix H**). For employees, sustainability of projects is working on a viable plan and the project selection process (the type of projects/clients/country). In many projects for (governmental) clients, sustainability (environmental) aspects are included in the plan. On average employees give Deltares a 7 for sustainability in projects (**Appendix I**).

A case is now provided to display how sustainability is included in a project. A motorway near Utrecht, Amelisweerd has to be broadened, and the precious forest will be cut for the construction. The project counts as a political decision of the province of Utrecht and involvement of Deltares is needed do research on ways to construct the motorway with a minimum of environmental damage. As quoted by the director: “We deliver the facts (environmental facts) on political choices”. In general, Deltares develops methods in such a way for projects to have the least environmental damage.

Unsustainability

Consulting for all kinds of industries to help clients be more (environmental) sustainable is part of Deltares’ business. For Deltares, to opt for a project in a sector is possible under the conditions that the objective of the project (which industry does not matter in this) is to improve the current situation, as the director states:

Is the objective of the project (which industry does not matter) to improve the situation? Then, there is no problem for Deltares for working with the industry. A criterion in here is: Is the objective of the project sustainable and acceptable to work for, for both employees and Deltares.

To ensure a project is going to happen more sustainably is a value Deltares finds crucial. In general, Deltares judges the plan will be executed more sustainably when Deltares is involved. So, to say, Deltares’ effort will make these kinds of developments less untenable. Though Deltares does not take a stand about the establishment of the project, as it feels like they are not in the position to have an opinion on this and as commercial interests lie with projects.

According to employees of Deltares, sustainability has to do with focusing more on the long-term of projects. For instance, the results of mapping groundwater flows could be complete extraction within five years if not being handled for responsibly. Moreover, as one employee pointed out, part of the responsibility for this problem lies in the hands of Deltares. Being sustainable in

projects is not possible with short-term projects. Likewise, sustainability improves by doing less parallel activities in some work. Another employee asserts that no standard format for CSR or sustainability exists in the report for the client and there is no room for follow-ups on clients. She reckons it should be included as a standard as this will integrate CSR into daily activities.

During the brainstorm, someone remarked that there is still room for improvement and sustainability differs per working unit and topic within Deltares. Another other employee mentioned he sees some projects that he does not feel comfortable with Deltares involvement.

As well, being a sustainable organisation encompasses working with nature in projects by for instance doing less damage to the environment. A solution could be integrated resource management. One employee explicitly expects Deltares to work more adhering to this management type. Its principles can help an organisation to move away from only a super technical advisor that delivers modelling and software, towards being a low-profile partner for a more extended period.

5.7. The Stakeholder dimension of CSR

5.7.1. Expectations of external stakeholders regarding the stakeholder dimension of CSR of Deltares

Collaboration and position as a hybrid organisation

Although Deltares excels at consulting for solutions and being a strategic partner for governmental decision-making, clients and Deltares are aware of their somewhat non-transparent style of cooperation (Vlad, 2017). Definite improvement in this working style is needed as they often tend to work privately at matters. The following illustration makes this clear. As the partner stakeholder elaborates:

That it is difficult for Deltares (cooperation) because it seems like the shutters close after the research question is provided, and sometimes, a long time later you get an answer, and that's it (1).

For its stakeholders, Deltares has a position which is sometimes complicated. When hiring Deltares in the Netherlands, the client has to prove that Deltares' knowledge is exclusive and that no other organisation can do the same work.

I furthermore noticed at our department in the discussion about cooperation with Deltares you immediately get the question: what makes Deltares different now than, for example, well-known Dutch engineering firms? Occasionally that is difficult to explain for us. They involve a lot of indirect costs (the extra costs for the facilities) (1).

Operating on the international market their position becomes even more diffuse as one stakeholder mentioned (1). Deltares occasionally acts as a strategic partner for national parties, work together with other engineering companies in a consortium. Whereas other times they serve as a competitive actor with the same engineering companies. Depending on their client Deltares has different roles (but regarding content they produce the same). A model of this could be an advising role, strategic role, or competitive role. In general, stakeholders mentioned these roles could be highlighted more.

To know your stakeholders well and to partner up

Knowing consequently and structurally whom and what to deal with within a project is required (1). At the beginning of projects, one has to be familiar with all the stakeholders that are involved in the project. A Dutch case, The Afsluitdijk in the Netherlands is not only a concrete strip of land. Other goals of this project have to be included in the process. Energy making through water, the fish who make use of the area, the people are using the space to travel; all stakeholders have to be satisfied with this project. Plus in collaboration with a concrete goal. The interviewee talked about experimenting in practice instead of the ongoing research and knowledge production. Being a partner in translating this experiment into practice is desired.

She stated collaboration is an ecosystem of networks where all the different nodes have to work hard on sustaining this network. Deltares is a partner of knowledge creation, but likewise as a societal partner. This way, communication will be different in this sense that Deltares becomes part of the societal dialogue and debate. Being in this position means moving towards social and taking part in discussions. Not only with civil society but with partners and peers too.

Again, proactivity is here an essential concept (1). Another interviewee mentioned collaboration with start-ups is part of Deltares' societal task and should be part of the collaboration strategy (2).

I am aware that Deltares is working on research, of course, but I wonder whether that is their own research, or whether they are already enough involved in those studies with startups and innovations (1).

In project management working together on risk management and mitigation empowers actors for change in the whole system. The Dutch water branch should collaborate more in the international context as making an impact always happens in collaboration with clients and stakeholders.

Holistic perspective

As stated earlier in this analysis, if Deltares wants to get more projects internationally a more holistic view is required. As a research institute, Deltares finds itself in a particular niche. Broadening this niche for more international projects and binding more with the social component requires more involvement of employees as well as partners and peers (1).

Moreover, Deltares is, of course, a knowledge institute with a niche, and if they want to tender for more international projects, they have to broaden the niche and connect it with the social component that I just mentioned. Moreover, yes, I think they need people to do that too. That is the question. What you can do is partner up with institutions that are very good at it because it is not your core business (1).

So, a stronger link with society and the usefulness of Deltares' work has to be made to show the impact.

5.7.2. Perceptions of employees regarding the stakeholder dimension of CSR of Deltares

One employee of Deltares agrees and highlights this problem. He raises the awareness of this general problem and learning process at Deltares. Technical problem-solving is Deltares' core business, but cooperation and collaboration are often forgotten.

At Deltares employees notice an increasing societal call for CSR as stakeholders are expecting Deltares to have an extensive CSR policy and behave accordingly. Five years ago, no CSR and the UN Sustainable Development Goals' practices were required. Nowadays Deltares is sure that if it does not fulfil societal wishes, it will lose the competition with other engineering companies. It is stated that CSR will not change the projects much, but it can add new accents. For instance, developing new instruments to put stakeholders in the modelling of Deltares. This will enable stakeholders to give inputs in the project. Contrasting to previous times, when the stakeholders were not involved in the plans since the projects were too technical.

External audits are recommending Deltares to find partners and peers that are like Deltares to collaborate. A problematic assignment for Deltares, as it currently has not seen a similar organisation yet. To enhanced collaboration during project process and continuing the dialogue with clients and stakeholders are learning points too for Deltares. It realises it should be more curious about what drives the stakeholders and now they are not as curious as it wants to be.

We like to do engineering and technical stuff but, asking where the problems come from and how to give this back is still a learning process for Deltares.

The external evaluation by the government noticed Deltares extensive national and international network of other knowledge institutions, clients and partners and is often involved in the agenda-setting process (Schaaf et al., 2017). Working in co-creation with the stakeholders and clients is something Deltares strives for, feels comfortable with and wants to increase. A critical employee explains.

We think that is very important to involve people in the decision-making process. When we can make a communication plan together with the customers, we feel more comfortable. Stakeholder participation comes with it. Another observation when we look at projects, they should not be in megalomaniac projects where many people feel the burden, and only very few have the profits.

The critical employee furthermore observes that it looks like everyone knows what needs to happen not being able to explain how. Deltares should find a modus operandum for this change. To be involved longer in projects and become a strategic partner (instead of consulting), you should keep the finger on the pulse. A commercial party cannot do this, but Deltares has its unique (hybrid) position which puts them in a position to do so.

5.8. The Economic dimension of CSR

The expectations fitting in the economic dimension of CSR detected from the interviews where mainly regarding the responsibility a business has and how a new market strategy could help Deltares for its future position on the (international) market

5.8.1. Expectations of external stakeholders regarding the economic dimension of CSR at Deltares

The expectations of most stakeholders regarding the economic CSR dimensions concerned the reality for projects bringing in money and that they are a necessity for the existence of Deltares. Being too strict on project selection can cost money. Some opportunities/solutions were brought forward by the stakeholders. According to one stakeholder, Deltares could search for new

financiers in their market. It is about making a difference with outstanding projects (not only from a knowledge profile) (1).

Adhering to international agendas could bring in more projects. Getting around the table with the project investor even before the proposal phase can increase influence and this is the position Deltares likes to be in the most. Only following the international agendas is regarded as too passive, trying to influence them top-down would be more successful one stakeholder asserts. Deltares should steer this by inventing strategies on how to put CSR and sustainability into projects and to use marketing to get new projects out of this. It is more than only a sales talk but changing the value chain of the project. As well, by attending meetings/ essential events, organising sessions to promote this new approach. Another stakeholder insists that meeting the client's question is most important (regardless of the opinion of Deltares).

5.8.2. Perceptions of employees regarding the economic dimension of CSR at Deltares

A much referred to assumption within Deltares is that adhering to the SDG's will bring in new projects and increase their societal impact. Likewise, strengthening the competitive advantage and linking Deltares to the international agendas and enhancing Deltares' reputation could be welcome advantages of this strategy. A necessity as every year there are cuts on political contributions, and more financial pressure is put on Deltares to increase their (international) market revenue. Deltares is going to use a few of the 17 goals that match with activities of Deltares to show the world what Deltares is doing in their work, and at the end, the goal is to get more business out of it.

Deltares pushes the SDGs into the strategic agenda since 2017. These are very new principles and indicators to work with for the employees of Deltares. However, it is being said the primary focus of Deltares' business remains to find solutions for safety against flooding. It does not recognise itself as an NGO or development organisation but as a business that produces knowledge (not-for-profit). There are no shareholders, no contributions, no obligations towards anyone but the own board of directors. Deltares core business is to get enough revenue for reinvestments (about 10%). Deltares cannot afford to be very strict on the project selection as their number of projects will decrease drastically. There is a sense of fear that a too critical Deltares is going to be compared with NGOs like Greenpeace. This comparison could damage their reputations as an independent organisation and knowledge advisor, and they could lose tenders. This finding contrasts with the comments of the stakeholders on proactivity in section 5.4.1. whereby stakeholders are demanding more proactivity of Deltares in this sense.

Added value

Deltares needs to find and display its added value for society, the societal business case according to Schaaf et al., 2017. The high quality of work is for Deltares a crucial aspect of their work as they often win projects for their top quality of work. However, linking with their work in practice and the social impact is often missed. Often, people within Deltares are very enthusiastic about the quality of their work. The connection between the added value and does the project result matches the question of the client gets less attention. As stated in the stakeholder dimension section, when a good connection with the client is missing the impact of the work is not visible enough. Questions like: is the client able to build faster now, or cheaper, or has less maintenance? Is there more support for what he is doing? What is the exact added value for the client and how did Deltares contribute to this? Are not structurally visible for every project result.

When the added value cannot be demonstrated to the possible clients in tenders the project will go to other parties who offer similar work at a lower price. Deltares' price rate is not in line with the (international) market, and problems will arise from this.

A case to explain the difficulty with the added value of the project (and SDGs) was pointed out by an employee. In here, Deltares is cooperating in local water management using the newest developments. In these type of projects, finding the added value can help with the search for generating global, inclusive projects and not only by using some indicators to track impact. When doing fundamental problem solving one has to be aware that using an SDG target is mostly informing about practices is used for framing corporate performance. One even has to be careful as well using the SDGs for sustainable measures. It is to question if helping 2000 people to get access to drinking water is viable too. Possibly the natural area cannot provide for the desired amount of water (as it was not there in the first place). A cascade effect could follow. When people are drinking the generated water, they are not integrated into the process of getting it. Therefore, their behaviour and consumption do not fit into the sustainable picture.

It has become a very integrated problem where we can still do a lot with technology, but in the end, the combination of humans and nature must clarify how far you can go in sustainability.

Furthermore, he notices that in general employees of Deltares are interested and involved in a project (and its goals) for a shorter amount of time. It has to do with the division of money. In current economic/capitalistic market, the client is king, and cost efficiency (consultancy bureau). The question is, what is the ambition? Only wanting to make billable hours? The transition is difficult and achieving these goals is challenging.

5.9. Concluding Remarks of Chapter 5

This chapter provides an answer to **Sub-question 3**: What are stakeholder expectations and employee perceptions for Deltares regarding its CSR practices?

An extensive summarising table (**Appendix J**) provides the findings of sub-question 3 in more detail. For now, the most interesting comments are presented (**Table 3**) and described.

TABLE 3. A SUMMARY OF (ACCORDING TO THE AUTHOR) THE MOST RELEVANT RESULTS OF THE ANALYSIS

CSR dimension	External expectations of stakeholders	Internal perceptions of employees
Social	Incorporate social dimension of CSR into organisation more	The social dimension is not covered in projects and organisation - it should be
Voluntary/ Discretionary	Be more proactive and feel responsible for CSR practices in international context and projects	Deltares should follow society in sustainable practices
Ethical	Make the ethical dilemma's more explicit	Independent position and is crucial for project execution. Responsibility for CSR in project context is limited
Sustainability	Rethink efficiency of knowledge production	There are sustainable projects and operations, but Deltares also works with unsustainable projects
Stakeholders	Improve collaboration style with clients and stakeholders	Co-creation with more stakeholders is preferred
Economic	Keep executing large projects	Being too critical on projects could costs projects

When discussing the social dimension of CSR, stakeholders and employees explicitly expected Deltares to incorporate the social dimension of CSR actively into the organisation in various ways. This dimension is missing in the organisation as sustainability is perceived as mostly environmental sustainability.

In the voluntary dimension, proactivity was a keyword in discussion with the external stakeholders; to be and to feel responsible for contributing to CSR practices in the international context. Inside Deltares, there is a general feeling it should follow society instead of the agenda-setting.

When discussing the ethical dimension, stakeholders mention Deltares should make their ethical dilemmas more explicit and be aware that water management is not automatically sustainable by heart. In the internal discussion about CSR, the ethical dimension of CSR is regarded as integrity, independence and freedom to add content to the project. For Deltares, these matters are crucial, and the responsibility of Deltares is viewed as limited when it comes to the sustainability of the project content and context. It is interesting as external stakeholders mention there is always a responsibility that can be taken to improve the current situation.

In the sustainability dimension, the societal role of knowledge was mentioned by the stakeholders and to rethink this concept, and its efficiency as knowledge production is not a sustainable practice by itself. Internally, discussing the sustainable dimension of CSR, it became clear that (environmental) sustainability is there in the viable projects and operational practices, but there are still projects that harm the environment and that Deltares is involved when there is an opportunity to make it less unsustainable.

The stakeholder dimension highlights improvements of the working style of Deltares regarding collaboration practices. From Deltares perspective, Deltares is doing CSR and SDGs to fulfil societal wishes. Co-creation with stakeholders is comfortable and needs to increase on this matter. However, there is a difficulty in finding peers of Deltares, and they are aware of their sometimes-different working style.

Finally, the economic dimension stressed the essential aspect enough projects should be executed for the existence of Deltares, but that these projects and their management could be done differently from a CSR perspective. In Deltares, it is considered adhering to the SDGs will bring in new projects and increase social impact (meeting the unmet needs). It is furthermore stressed CSR is not the primary business but safety against flooding. Being too critical could lead to reputation damage and the neutral position Deltares beholds consequently becomes challenging. The next chapter draws conclusions based on the findings of the previous chapters.

Chapter 6. Conclusion, discussion and recommendations

This chapter provides an answer to the central research question of this thesis, as following the analysis of Chapter 4 and 5. The objective to gain an understanding of the discussion of how a hybrid organisation incorporates CSR and if and how changes are necessary for improvement was researched by investigating the current social mission and CSR strategy of Deltares. This was studied by analysing the current practices regarding CSR and examining external stakeholder expectations and internal perceptions of Deltares' CSR.

Through this, an insight is developed in the CSR strategy the hybrid organisation Deltares viewed from the stakeholders and employees. In addition to this, the chapter discusses the findings of this research in the light of theoretical and practical relevance, reflects on the methodology, and recommends results for further investigation.

6.1. Conclusions

This conclusion answers the research question:

What changes should be made to the CSR strategy of Deltares for it to create more value and to align better with the expectations of external stakeholders and the internal perceptions of employees?

At first, the analysis identified the current situation at Deltares regarding its social mission is ambitious and is contributing to large sustainable projects with much-added value. Also, competing logics with a performance tension is present. On the one hand, the social mission of Deltares shows the contribution to society but additionally displays its contribution to projects of possible unsustainable businesses and projects. Now, the impact of Deltares is substantial, especially in specific projects, but it depends on the project consortium and collaboration of the partners if a project is contributing to a more positive world and how its impact is documented. If Deltares wants to follow the societal transition towards a more sustainable society and receive additional value for their impact, it is recommended to adhere to a strategy to document all their CSR practices, considerations and dilemmas. When displaying its impact, Deltares has to find a practical way to communicate on how its impact attributes to a sustainable world and has to find a way to make it more explicit.

Secondly, both stakeholders and employees mentioned similar and different aspects about Deltares' CSR, by discussing different possibilities for improvement and comments on the current situation. The general climate for both stakeholders and employees is that Deltares is viable in its operational practices and contributes to substantial (environmental) (inter)national sustainable projects. The most remarkable finding is that both parties mention Deltares does not include the social side of CSR in its practices and both parties say this should be included. How it could be done includes, for instance, to apply CSR in a local project context and include structural capacity building. Now, CSR and sustainability are considered by Deltares more as environmental sustainability, and not the social dimension. A difficulty here is that inside Deltares, this is not in their practices and they don't have the capacity to do so.

Also, stakeholders mention a more proactive strategy and more responsibility for (unsustainable) projects should be taken and communicated, but this is different as inside Deltares voices are heard Deltares should follow societal transition instead of being a frontrunner. Being too activist on sustainability is believed by Deltares as damaging their neutral position. This seems like

a dilemma of Deltares whereby stakeholders' expectations differ from their own perception. Furthermore, CSR responsibilities in projects context are regarded as limited as Deltares is often present in the project development phases in the beginning. A final important note must be made. Deltares, as a research institute, produces knowledge and accordingly, this is fact-free and provides them with their neutral position. But according to Deltares' stakeholders, this does not release them from the responsibility, as this knowledge is created in a context.

As a recap and to answer the research question, to align with general CSR strategy norms and stakeholder expectations and employee perceptions, Deltares should practically include CSR into daily for more impact. Notably, the social dimension of CSR was mentioned to be missing and should be given more priority and accordingly, should be involved in regular methods to make the projects of Deltares an integrated whole. However, dilemmas arise from this, as Deltares does not have the capacity to include the social dimension in its advice. Furthermore, Deltares has doubts to take too much responsibility as it can harm their reputation as an unbiased organisation. According to Deltares, working with unsustainable clients is still possible if a sustainable impact can be made.

To create more added value and impact, and for the organisation to gain more legitimacy, the distinctions and goals related to CSR in daily projects have to be thought through. Also, the difference between impact in project content and project context and role of Deltares has to be distinguished to create more clarity. For example, one must be aware that using the SDGs in the project content is an instrument for communicating the impact of the advisory content and does not provide for an extra impact by itself.

During the interviews and workshops suggestions were elaborated upon making the discussion not so abstract anymore. A solution could be structural communication on all project choices and how they contribute to positive change and the precise role of Deltares in this. Additionally, to incorporate a form to capture the positive/negative impact of a project Deltares works with. It is to say that these suggestions are applicable for Deltares to be incorporated into the organisation as there is a visible motivation by its employees to work with CSR in daily practices. A summarising table (Table 4) is provided with the most relevant improvement for CSR strategy based on the analysis of chapter 4 and chapter 5. More practical suggestions for project management and including CSR more into Deltares are supplied in section 6.3 with the primary aim to enhance the social impact (CSR- Sustainability vision strategy) and the added value of Deltares in an international context. In the project setting this offers most opportunities for more CSR.

TABLE 4 A SUMMARY OF THE MOST RELEVANT IMPROVEMENTS OF CURRENT CSR STRATEGY BASED ON THE ANALYSIS OF CHAPTER 4 AND 5

CSR strategy (theory)	External expectations of what is to be Deltares' CSR strategy	Internal perceptions of what is to be in CSR strategy
<ul style="list-style-type: none"> - Make the CSR strategy visible in order to capture impact structurally and to make it more central 	<ul style="list-style-type: none"> - Social dimension of CSR in projects assessed - Positive impact of a total project assessed - Calculate societal business case - Take responsibility for whole value chain - Participating actively in public debate on climate change - Be agenda setting on incorporating CSR practices in project management - Make ethical dilemma's explicit - Consider the sustainability of new knowledge creation - report on usefulness of product for client - Actively report on responsibility of total project results - Present a holistic view on future project management - Link the projects with the benefits for society - Structurally look for outstanding positive impact projects 	<ul style="list-style-type: none"> - Bring CSR practically into daily practices - Use a more holistic approach to combat societal problems related to water issues - Encompass the total project (instead of small part of project Deltares is involved in) - Take the lead in approach to standardise integral approach for project impact - Keep up with sustainable societal transition - Standard format for sustainability in projects - Strategy to work more with integrated resource management - More co-creation with peers

6.2. Discussion and reflection

This section discusses the empirical comparison and its implications considering the theoretical background. The goal of the discussion is to identify in what ways the empirical results relating to theory and how the results can contribute to existing approaches. The second part of the chapter is a reflection on the research methodology. The last section recommends issues that might be interesting for further research.

6.2.1. Relevancy

The relevance of theory and practice are of importance in this practice-oriented research. In literature, there is a demand for more knowledge of hybrid organisations and its position in sustainable practices. It is hard to assume that success and failure will be easy to define within a hybrid organisation due to the fact a hybrid organisation has a combined mission of private service and public service. In this research, the question is, what changes can be made in current practices? And, is it wrong to work for unsustainable projects and clients anyway if your organisation has a societal mission and loads of sustainable projects? Does a hybrid organisation need a separate and explicit CSR strategy? Yes, to gain more legitimacy for the organisation and in the international context, a CSR strategy can put the focus on current and new practices and could bring CSR to the daily practices of the employees. Consequently, as a result, more value is created for the organisation.

As the research question was focused on improvement (for more impact generalisation), the conclusion was less focused on commenting on the evaluation of the current practices. These current practices are mentioned as ambitious and relevant, but by not following the advice and by not realising CSR should be broadened in the organisation, CSR remains a niche in the organisation, and less impact will be generated for keeping up with the societal transition.

This project used a single case study to gain an understanding of the debate on CSR within a hybrid organisation. A mixed approach was used for semi-structured interviews, open interviews, brainstorming sessions and document analysis to unravel the discussion around the topic of CSR and strategy within a hybrid organisation. The information was gathered in a specific moment in time and for one case study. Opinions of people can change therefore this research served as a static moment in time. This research displayed the complexity around the question of what exactly constitutes CSR within an organisation as Dalhsrud (2008) explained. The in-depth discussions and the analysis of the current social mission and CSR practices resulted in an advisory that the CSR strategy of Deltares must be more specific and explicit and must cover the social dimension.

These findings are in line with the recommendation of Witjes (2017) who states that a clear vision on the improved business activities on CSR is necessary and should be accompanied by a strategy on how a plan for the integration could improve the enhancement into all business activities. Furthermore, to present and develop an “explicit” form of CSR relates to the idea of Matten and Moon (2008) that explains the difference between implicit and explicit CSR in Europe and the US. As CSR is an American construction of the sixties, the incorporation of CSR within Europe happened in the last 20 years implicitly. An explanation for this is that in Europe there has been a stronger role of the state in risk sharing and coordination of the economy with a relatively minor part of capital markets (Matten, 2005).

The current focus on sustainability transition (in the European context) explains why Deltares wants to participate in the current EU trends of CSR and the SDGs. Over the years there has been

an increase of explicit CSR in Europe through isomorphisms (external rules, demands, expectations, norms, laws which have to be respected to avoid sanctions of loss of trust). More reasons for more explicit CSR is the corporate role in privatised public services leading to increasing stakeholder expectations. As well as, industrial meta-standards (ISO, SA, AA) and standardisation efforts of the EU has been the reason for explicit CSR policy implementation in Europe. Furthermore, normative pressures can lead to more explicit CSR too, as the emergence of numerous professional networks and industry associations in CSR in Europe (Matten & Moon, 2008).

Another interesting note is that the environmental focus on sustainability at Deltares, relates in general to one of the peculiarities of European's explicit CSR, as one of these peculiarities is the dominant role of ecological and environmental issues in CSR. Many European countries see CSR specifically about the protection of the natural environment (Crane, Matten & Spence, 2014). As Deltares is a hybrid research organisation in water and subsoil resources and consults governments, this has probably to do with the primary domain of Deltares' business, which is related to environmental research and technical engineering practices. Moreover, within European corporations, for long, social CSR has been of only marginal importance, but the tide is changing. This development links with the current discussions within Deltares about projects within a controversial context project from a CSR perspective. It is therefore likely that there is a connection between the integration and matureness of CSR and the European context in which it is happening.

The situation of Deltares confirmed with the literature discussed in Chapter 2 on the hybrid organisation that due to its position in the Dutch society, Deltares understands it has to keep up with the societal transition towards a more sustainable world. The results of the analysis are in line with those of previous studies (Carroll, 1999, 2015; Onwubiko, 2017) whereby institutions predict incorporation of CSR strengthens the legitimacy of the organisation. In the context of Deltares' projects, generate the most impact (as it is a project organisation). The advice of the stakeholders to manage the local setting and increase the local impact, support the idea of Mellahni et al. (2016) that for an organisation to gain external legitimacy abroad, local management of social pressures and priorities is a necessity instead of transplanting home nonmarket practices.

In general, organisations predict strengthening legitimacy is accompanied by an increase in the organisational outcomes and Deltares is currently motivated to increase CSR and the SDGs to gain more legitimacy, reputation and more projects. It can thus be suggested that the link of CSR and organisational outcomes, as presented in the literature, is of importance too in a hybrid organisation. Moreover, a combination of practical and value-based incorporation of CSR can be detected, as Deltares want to increase its projects and strengthen global position using CSR (and SDGs) and because it feels like the right thing to do.

Moreover, more focus on the measurable outputs (numbers) was recognised than to the non-easy quantifiable numbers. Therefore, full integration in the organisational processes by focusing on the regulatory outcomes (competitive advantage, more projects) could be hampered. An explanation could be the institutional complexity of Deltares and the competing logics detected by the researcher, a so-called performance tension. The finding is in line with the previous study done by Witjes (2017), in which incorporation of CSR focused on formal physical dynamics of the organisation. It seems logical as measurable outputs are more easily to document than the not easily quantifiable impact of social impact or added value.

Progress towards the social mission involves qualitative, ambiguous and non-standardized metrics (Epstein, 2008) and together with the sometimes opposing demands from stakeholders and employees to read in (**Appendix J**), it is understandable why CSR incorporation within this hybrid is a complicated matter. A critical challenge lies ahead to define success across the

sometimes-divergent goals of business and social mission for legitimisation. Moreover, it is a challenge on how to integrate and communicate this. This study added its piece in unravelling the complexity and providing some practical recommendations to help in this organisations' specific problem.

One surprising result is that there exists a fear to become too activist within Deltares to have a too strong opinion on sustainability in projects. Deltares considers that this could damage their reputation as an unbiased organisation when being hired when there are conflicting interests by the client. At this moment, contributions of Deltares to unsustainable projects are regarded as contributing to "being less unsustainable" practices of unsustainable projects and businesses. Deltares considers this as a sizable part of its added value. The current trends within the Dutch society of CSR founded in the MVO Trendrapport (Reinhoudt & Teuns, 2017) reveals the current trend is not about "doing less damage" but creating a net positive impact. Plus, sustainability is regarded as the new normal, and not as activist leftish and old fashioned. The fear of becoming too activist is therefore unfounded in the current CSR climate. When considering sustainability as the "possibility that humans and other life *will flourish* on Earth forever" (Ehrenfeld, 2008), and relating this to the mission of Deltares "enabling Delta life", CSR is redirected from being less unsustainable to having a positive impact (flourish) and should be regarding this as the new normal.

The last comment for the relevancy description of this thesis is the discussion about science, facts and values. As Deltares is a research institute, it produces knowledge, and therefore this knowledge (often produced as models and scientific calculations) is regarded by Deltares as value-free and presented as facts. Therefore, this product is counted as 'neutral', value-free, and not unsustainable or sustainable. However, in science, it is argued that values are ubiquitous in scientific practices and play an essential role in research from the early planning stage to the dissemination of results (Ludwig, 2016). Deltares could be (and might be unaware of) endorsing the Value-Free idea. In here, one can ask two types of questions: 1. Fact questions what is the case in the world? 2. Value questions: what should be the case in the world? Sustainability and CSR can count here as Type 2 value questions; what kind of world do we want? The dependency on value then undermines the Value-Free Idea. It is argued by Ludwig (2016) that the truth values of scientific statements depend on ontological choices and that these ontological choices often depend on an-epistemic values. So, instead of pursuing objectivity in its purest, when applying ideas of Porter (1996) for Deltares, it's better to recognise the crucial role of trained, caring and committed individuals, rather than to idealise impossible subjectless objectivity. Furthermore, as Deltares is consulting national parties, it has to bear in mind that public numbers are intrinsically value-laden, at least in the sense that they have consequences for people. Lastly, a public measurement is often already an action. It is necessary to consider in advance how people will react to it (Porter, 1996).

6.1.2. Methods - Data collection and analysis

The literature search was crucial to better understand the institutional setting, the concept of CSR, CSR strategy and stakeholder theory (and expectations). However, the literature search had its limitations. The search focused on relatively few articles in comparison to the whole existing body of literature. Besides, in some cases, the most recent research was used, as the researcher found this most suitable for, for instance, the conceptualisation of the six dimensions of CSR (instead of the four invented by Carroll (1999) or the most cited article of Dahlsrud (2008)). It would furthermore have been interesting to deal with the concept Corporate Sustainability (CS) in more depth

and to dive into the literature of the integration of CS. However, as this is a whole new body of research, it was impossible to cover in this thesis. Furthermore, it would have been confusing as the two concepts (as explained in the introduction) have differences and similarities. The idea of CSR was justified and described and was used as this is the most elaborative phenomenon to study.

Regarding the interviews, from the nineteen people that were approached for an interview, nine people responded. It took some time to directly find and contact a person, while on the other hand, it took some time to know if they were willing or had the time to participate in an interview. Most notable from this process was the fact that governmental organisations were more willing to participate, than the business organisations.

Furthermore, the use of the data of the nine external interview data that was gathered from partners of Deltares can be discussed as their perceptions and knowledge are sometimes not based on a solid understanding on CSR, the incorporation, or experience on Deltares' practices. Sometimes, an interviewee knew Deltares well, but not much about CSR strategy and integration and practices. On other occasions, this was turned around and recognised someone a lot about CSR and the SDGs but had not worked with Deltares before. Some organisations were in a more advanced stage than Deltares and other were at the starting point of incorporating CSR into the organisation. It would have been complete to interview more stakeholders who had experience in both CSR and projects with Deltares, to have an optimum perception and expectations. It is, therefore, to question if all the expectations and perceptions are all as relevant as they are normative and personal. However, this is in line with the chosen approach of this research which build on stakeholder theory based on a normative perspective. Due to the difference in stakeholders and their experience, some interviewees were cited more than others, as they displayed their expectations more than others, or when they knew much about the subject. Important to note is that as Olkkonen (2015) stated, value-free expectations hardly exist and the reader of this study should bear this in mind. The interviews were thus valued laden and normative, and interpreted by the researcher. Therefore, this research relied heavily on face validity. Meaning the researcher made choices based on what felt right. This is subsequently based on the experiences and knowledge of the organisation that was obtained during an eight-month internship when all information was gathered. Especially in the social sciences, it is challenging to measure the exact content validity. Often there are too many interlinked factors that are practically impossible to account for. As in social sciences, it hard to apply the scientific method, experience and judgement are regarded as valued assets (Shuttleworth, 2009). In all, this study provides an in-depth understanding of an organisation and its practices at a specific moment in time.

All in all, this thesis provides insight on strategic CSR and how it creates for more value, and furthermore how impact can be made in the practical field and is therefore of the value of Deltares to get an honest and understandable insight into the perceptions and expectations of CSR, and the differences in these internally and externally. This thesis mapped the expectations and perceptions of stakeholders to present practical advice on how the current situation could be improved. The recommendation will help Deltares to respond in a way that is meaningful and right.

As Deltares is an organisation with 800 employees, data collection was not easily accessible, and it took the researcher more time than expected to get a grasp on the internal structure, names of employees and to collect all the data that was needed for this research. Inside Deltares, documents and policies were continuously developed, clarified and updated during the period of the research projects. It is, therefore, possible that situation is changed by now. Moreover, the number of interviewees were nine and together with the participants in the brainstorming sessions, this sample was probably one of the employees with a much higher interest in sustainability than

others. Employees of Deltares differ in interest as of their department, research in specific topics and personal interests. At some point, enough interviews were done to provide an overall image of the situation, although, more meetings would have provided a more diverse representation of the practices inside Deltares, this was not possible within the scope of this research.

The method of analysis worked for the construction of the study. The template analysis allowed to get an overview of the external expectations per dimension of CSR, and for internal perceptions per aspect of what constructs CSR. Furthermore, the use of coding made it possible to sort data and find data easier to include in the analysis. By using these two forms of study, they can complement each other. However, searching for information required much scanning, but this is inherently linked to the method of triangulation. Moreover, the analysis presents the most relevant findings as interpreted by the researcher; this method presents value-laden expectations.

6.2.3. Limitations and recommendations for further research

It would have been interesting to compare the complexity of the discussion of Deltares and the current CSR strategy with another research institution in the Netherlands to see if more research institutions are dealing with this matter in the same way. In the Netherlands, there are six institutions in the same institutional range as Deltares. It would however not fit well within the time frame and scope of this research. Besides, it might have been interesting to talk to consulting agencies as well, MVO Nederland or other consultancies specialised in the incorporation of CSR. The research represents the case study of Deltares, and therefore it is hard to make generalisations on hybrid organisations, although some aspects of hybrid organisations were found inside Deltares and confirmed with the literature.

The reader should furthermore bear in mind that this study is a qualitative, interpretive study and that truths and values are inherently making this study a unique piece of work whereby nobody has all the knowledge. By combining different methods, the researcher tried to interpret the research findings most suitably and logically. For Deltares to get an honest and elaborate recommendation on current practices and expectations. It is therefore hard to make generalisations and suggestions for other knowledge institutions in the Netherlands, but a same type of study could help other research organisations in their process of gaining more impact and enhance their CSR strategy.

6.3. Practical Recommendations for Deltares

This section describes the practical recommendations for Deltares on how to map the social impact in an elaborate way. The willingness to contribute to sustainable practices is there as controversial projects are being discussed from a CSR perspective. Deltares is eager to increase their sustainable practices, and these recommendations are written as a helping hand. It provides questions that can be used to assess if and how a project of Deltares has a (social) impact. It can be used to find best practices and can be used as guidelines for investigating whether to select (controversial) projects and to communicate on this.

Three points to consider when applying CSR in Deltares

The main result of this study is the finding that for Deltares to adhere to internal and external expectations, the CSR strategy must be made widened and made more explicit and include more the social dimension of CSR (meeting the unmet needs). For Deltares, the following three points must be considered when looking at projects and impact of Deltares:

1. The project context: In here, the responsibility and dilemmas on CSR risks and (more importantly) opportunities have to be considered, communicated and mapped for every project extensively.
2. The project content: The content of the advice of Deltares could contribute to sustainable development. Crucial here is the integration of the advice and capacity building in the local setting. The most social value is found in capacity building and communication and integration. A strategy for every project on how to include these aspects is necessary for an overview (and gaps).
3. The role of Deltares in the project situation (strategic role, advising role, business role). The position determines the level of influence of Deltares on the total project to be sustainable. This should be mapped and communicated and to follow up on long-term project results.

An important note to make is the distinction between project context and project content. For instance, regarding the analysis of the project context requires a systematic view. Whereas the regarding the study of the project content, the contribution of the content of the specific part of Deltares is analysed.

The proposed list of questions is presented in **Appendix K** for mapping impact and qualitatively describing the impact. These were derived from existing CSR integration programmes, MVO Nederland website, GRI, SDGs and ISO 26000, project sustainability strategies from Aarseth, Ahola, Aaltonen, Okland and Andersen (2017) and from suggestions of employees. They are tailored for Deltares' situation. Considering these questions brings CSR to the daily practices of employees of Deltares, as Deltares is a project organisation being dependent on its projects. Furthermore, these questions can be taken into consideration for mapping sustainability of all projects of Deltares together for the year report. By doing so, Deltares can show the impact of Deltares' projects has on a yearly basis. In project reports, this can be added, as well as a theory of change/logic model to map the impact of the project.

The proposed handout is an addition to the CSR reporting strategy made by Asma Grissa (2017). Following these reporting tools increases Deltares sustainable practices and impact. Furthermore, a table is provided with stakeholders recommendations (**Table 5**).

TABLE 5 STAKEHOLDERS' EXTRA TIPS CATEGORISED IN CSR, ADVISORY CONTENT AND CSR/BUSINESS PRACTICES

CSR	Advisory content	CSR/Business practices
Make projects more complete by explicitly emphasizing sustainability into project design/strategies (designing PKI's, LCA for every project)	To work more for projects with international agenda's (Sendai, SDGs).	Aim to be a strategic partner (instead of advising role) and make the distinction more explicit in projects and communication.
Inclusion of sustainability/CSR promoting actors/stakeholders in project organization (NGO) (especially in controversial projects)	To communicate not for profit role/open software more (for World Bank)	Having long term relationships with partners (outside NL). Make use of local sourcing, do extended customer care (after project finishes), track impact of projects for the long-term
Developing CSR/sustainability competencies for project leaders (training) and how to include it in projects and communicate about decisions.	Work with standards (provide advice on environmental sustainability) for example the IFC Performance Standards on Environmental and Social Sustainability.	To have a broader view on the total project (at start) and about its impact (positive/negative) <ul style="list-style-type: none"> - Minimize all the MVO risks - Have more influence for impact - Be more involved -> leads to more projects/follow ups
Sustainability-emphasis in project portfolio management (client list/black list/grey lists)		Aim for ownership/capacity building for every project (make an overview of how this is done per project)

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Appendix

Appendix A: Questionnaire used to guide the focus groups

Strengthening sustainability in our Deltares' projects

By Marlene Huijer, Gerda Lenselink and Asma Grissa

Please fill in all questions of this questionnaire. Answers are anonymous and will be used for academic purpose. These questions will serve as a basis for table discussions.

Part 1: Views on sustainability

- What does sustainability mean to you?

- How does it show:

Personally

At work

Current situation

- Do you feel aware of Deltares' current policies and practices regarding sustainability?

☐ Not aware ☐ A bit aware ☐ Aware ☐ Very aware

- To what extent do you think Deltares' is sustainable within projects? (0 = not sustainable, 10 = very sustainable)

0	1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	---	----

Please provide a short motivation:

● To what extent do you think Deltares is sustainable in its operations ('*bedrijfsvoering*', facilities)? (0 = not sustainable, 10 = very sustainable)

0	1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	---	----

Please provide a short motivation:

Advantages of sustainability policy in Deltares

● Having a sustainability policy can provide many advantages. Express how valuable you find the following advantages:

Advantages	Not important	Important	Very important
Consensus on sustainability			
Better practices			
Increased motivation at work			
Better reputation due to communication			
Better competitive advantage			
Better relationships with stakeholders, partners			

Please provide a short motivation:

Part 2: Sustainability in Projects

● How can projects better contribute to each of the Sustainable Development Goals? How to assess the progress we make? (Brainstorming + Sticky-note activity)

Other comments?

Resources and tools for sustainability

● What resources or tools are needed to integrate sustainability into daily practices better? Can you give precise ideas or examples?

A. Guidelines

B. Training

C. Checklist/indicators

D. Internal communication, meetings

E. Other suggestions

Stimuli and barriers to sustainability

● Which elements from inside or outside Deltares can stimulate or slow down the use of a sustainability framework in projects? (Sticky notes activity)

Any comments?

Project leaders' involvement

- How would you like to involve in implementing sustainable practices?
(choose **only one** answer)

- A. Being informed
- B. Giving your opinion
- C. Co-deciding
- D. Taking initiatives

Please motivate you answer:

--


Feedback

Did this brainstorming session meet your expectations and what can be improved?

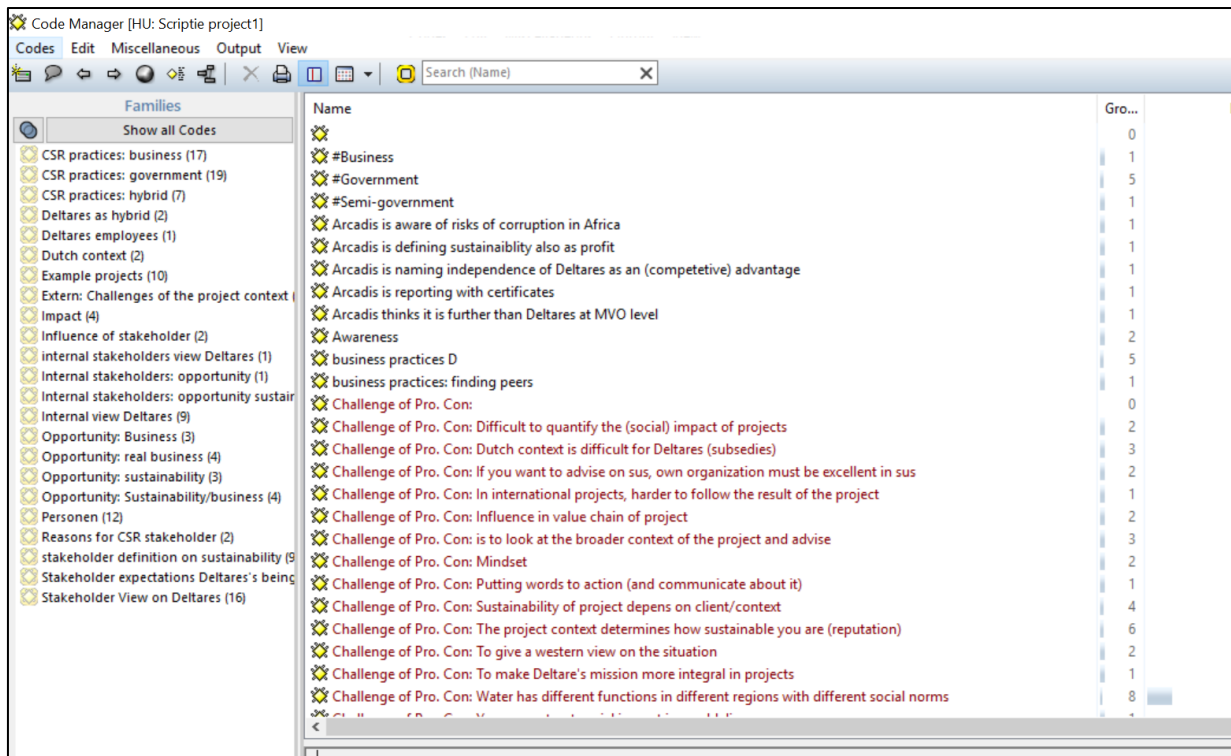
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Thank you!

Appendix B: Interview guide external stakeholders of Deltares

Memo		
To: —		
Date: 01/01/2001	Number of pages 2	
Time 10.00 @ Deltares Utrecht		
From: Marlene Huijer	E-mail Marlene.Huijer @deltares.nl	
Subject Interview CSR Deltares		
Introduction:		
<ol style="list-style-type: none">1. Would you like to introduce yourself and your function, work and educational background?2. What is your knowledge on CSR (MVO)?		
Corporate Social Responsibility (MVO)		
<ol style="list-style-type: none">3. How does RVO define CSR?<ol style="list-style-type: none">a. How does it show in practice?4. What is the purpose of CSR according to you, for the province, and in general?		
Stakeholder Expectations		
<ol style="list-style-type: none">5. How do you experience working with Deltares?6. What topics/subjects you think are most important for CSR in general<ol style="list-style-type: none">a. And for Deltares?7. What are your expectations of Deltares on sustainability? Can you explain?8. How aware are you of Deltares sustainability measurements?<ol style="list-style-type: none">a. How do you think Deltares is doing well on sustainability?b. Do you think it is enough that Deltares is doing?9. Do you have the feeling that you could influence in Deltares being more sustainable? And how?		
Projects		
<ol style="list-style-type: none">10. According to you, what defines, in general, a sustainable project?11. Do you have suggestions on how to be more sustainable in the project process?12. Do you expect Deltares to be a leader when it comes to sustainability?		
Would you like to be informed by this research? Thank you!		

Appendix C: A print screen of Atlas code manager



Appendix D: A sample of matrix model categorising interview quotes

Economic: Economic interests, profits and profitability, financial goals, wealth and returns <ul style="list-style-type: none"> Core (responsibility, function, goals) Legal abidance Business strategy Stockholders, owners, investors and shareholders 	Social <ul style="list-style-type: none"> Social wellbeing, interest, justice, social needs, health, well-being, equality Quality of life Gender equality Obligations to society, social norms 	Ethical <ul style="list-style-type: none"> Ethical, moral, fairness Openness and transparency Accountability, reputation
<p>1. Beheer en onderhoud van een gemeente werd gedaan door Deltares en misschien is duurzaamheid en MVO wel een bereidheid om terug te gaan naar de tijd, een soort keten van kennis en hoe dat in de praktijk ervaren wordt. Dat dat weer onderdeel wordt. Deltares heeft een andere positie dan adviesbureaus, dus echt een nationaal werkend kennisinstituut maar ze moeten weer opnieuw op zoek naar eigen financiers en een eigen mark. Maar dat is een moeilijke positie.</p> <p>1. Je moet wel een verschil maken. Precies wat je zegt. Je moet met hele aansprekende projecten. En niet alleen vanuit een kennisprofiel.</p> <p>3. De enige manier waardoor je daar meer naar toe kan, door agenderende te werken. Voor proposal fase bij de grote financier aan tafel gaan zitten. Internationale agenda's niet gaan volgen.</p>	<p>1. Maar laat maar zien dat je projecten evident een meerwaarde bieden. "The proof of the product is in the eating".</p> <p>1. Wij hebben gezegd: duurzame leefomgeving is het fundament van het handelen van RWS. En dus in die zin duurzaamheid dus leefomgeving zijn mensen die ook moeten wonen. En we laten zien dat het in die zin een doorsnijdende waarde is.</p> <p>2. Een ander thema van MVO is de mens en waterbeschikbaarheid. Dat is natuurlijk belangrijk. Bijvoorbeeld als je er bovenstrooms voor zorgt dat lokale boeren water kunnen gebruiken voor hun landbouw of hun energie centrale zou daar moeten komen en daardoor is er irrigatiewater beschikbaar. Maar wat betekent dat voor benedenstrooms. Daar komt dus de menselijke kant bij kijken, het sociale aspect.</p> <p>2. Dat je dan in ieder geval je uiterste best doet om er het beste van te maken. Zo als het ware.</p>	<p>1. Dat gaat er dus om, (accountability) hoe leg je het uit. Ik merk het met het onderwerp bodem en ondergrond, niemand ziet het. Je moet eigenlijk al weten. An sich is het een onderwerp waarvan die profilering belangrijk is. Hoe profileer je het nu? Dan kun je jezelf als de expert profileren, maar vervolgens gaat iedereen over op de orde van de dag. Dus qua communicatie, hoe maak je het onderwerp leefbaar</p> <p>2. Dat is net zo iets als dat je naar een dokter gaat met een hart kwaal. Je verwacht dat de dokter goed bekend is echt het beste zal doen om je beter te maken. en zo zie ik Deltares als een water dokter. Dat ik ze ethisch acht het allerbeste te doen, dat ze het onderste uit de kan halen.</p> <p>2. Dan denk ik toch, en dan hoop ik dat Deltares net als een zorg autoriteit, zich zodanig kan opstellen. Dat ze een eerlijk en neutraal advies zouden gaan geven. Ook op dat dossier, ook al wordt je ingehuurd door de Nederlandse staat.</p>

Appendix E: Expected societal impact of Deltares' programmes

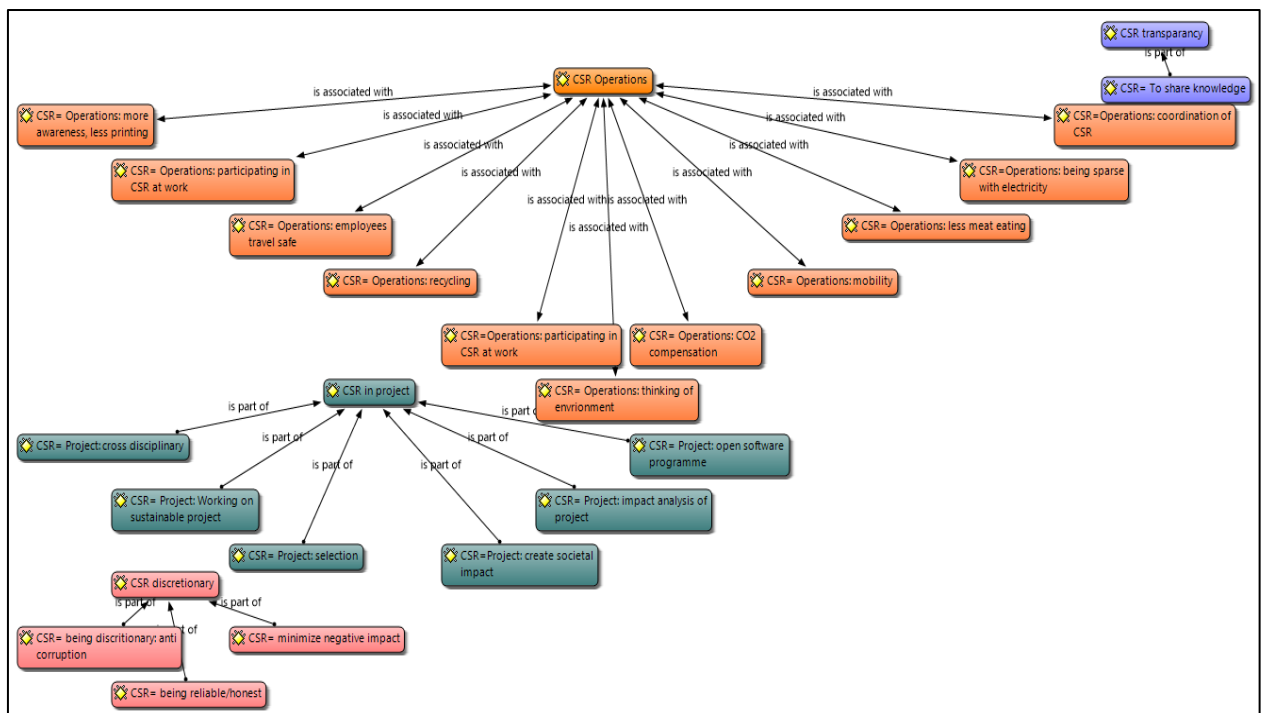
Theme	Impact
Flood risk	<ul style="list-style-type: none"> - Governments better respond to flood risk issues using expertise and practical tools - Dutch consultants strengthen their international competitiveness because of Deltares' knowledge and international recognition - Civil society trusts Deltares' expertise and judgement.
Environment	<ul style="list-style-type: none"> - Governments implement European water policies more efficiently with the support of Deltares' information and advice. - Dutch consulting and dredging companies open up new markets worldwide through cooperation with Deltares. - Non-governmental organisations substantiate their vision and strategies by using Deltares' expertise. - Knowledge institutions can conduct their research efficiently by profiting from Deltares' 'dare to share' policy.
Water and subsoil resources	<ul style="list-style-type: none"> - National governments formulate national water- and Delta plans with the support of Deltares. - Governments worldwide gain insight into water risks, such as scarcity or lack of quality, using Deltares' analyses. - Businesses optimise their products and services using Deltares' valorisations of new methods and techniques for data gathering, data handling and visualisations. - Governments, businesses and civil society make more efficient use of water and raw materials. - Knowledge institutions strengthen their capacity for research and development by cooperating with Deltares.
Delta infrastructure	<ul style="list-style-type: none"> - The (inter)national oil and gas industry, contractors and consultants have access to knowledge, software and facilities to improve their competitiveness. - Knowledge institutions and companies can connect their research to societal demands through exchanging facilities, software and experts with Deltares. - Governments profit from minimised risks and increasing cost-effectiveness of construction and maintenance of infrastructure. - Public authorities can create sustainable solutions with minimised environmental impact, such as Green Ports.
Adaptive Delta planning	<ul style="list-style-type: none"> - Governmental organisations on water management, subsurface and spatial planning integrate and apply Deltares' knowledge in support of adaptive planning issues. - Businesses advise governments using Deltares' tools for consulting services, such as environmental assessments and climate adaptation planning. - Scientists and professionals profit from Deltares' contributions to training and capacity building programmes on adaptive planning issues.
Software innovation	<ul style="list-style-type: none"> - Governments base their decisions on simulated processes of flooding, hydrology and geo-technology. - Businesses create new products by using Deltares' software. - Researchers contribute and share their knowledge by adding it to Deltares' open source software. - Society is safe from floods because of dyke assessments and flood simulations performed by Deltares' software.

Appendix F: Deltares' internal CSR checklist (Deltares 2017)

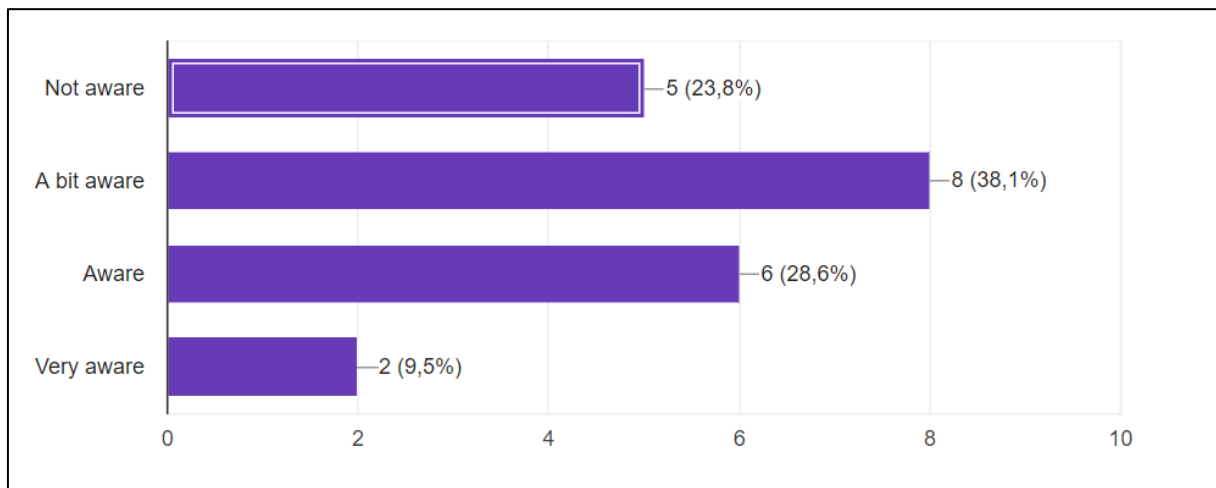
Checklist Questions*	Choices
Are there health and safety risks for employees?	No / Probably / Definitely
Are there negative impacts for the local communities?	No / A few / A lot
Is there a risk involving clients' privacy and/or confidentiality of the details and results of the project?	A few / Some / A lot
Is there a negative impact for the surroundings/environment? (<i>omgeving</i>)	A few / Some / A lot
Is there any purchase or use of harmful chemical substances?	No / Yes, but not harmful / Yes, but no other choice
Is there a probability of corruption of Deltares by other parties?	Little / Some / Big
Can the results of the research be explained in a political or potentially damaging way?	No / Probably / Definitely
Is the local community educated?	Yes / Probably not / No

*This checklist has been translated from Dutch

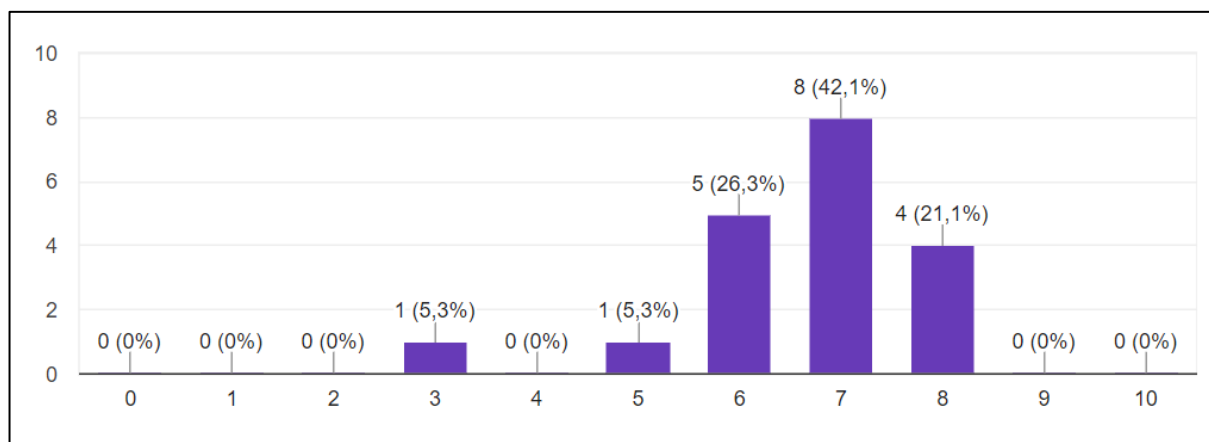
Appendix G: How does sustainability show at work? Employees answers



Appendix H: Awareness of Employees of Deltares on CSR practices



Appendix I: How sustainable are Deltares' projects?



CSR dimension	External stakeholder expectations	Internal employee perceptions
Social	<ul style="list-style-type: none"> - To take the social dimension of CSR take into account when integrating CSR into an organisation - Look at the social side of water management - To make best compromises as possible - Connect knowledge to social context at project side - Social dimension put in advise -> holistic viewpoint - To look at the people affected by the project of Deltares - Feel more responsible for results of the project -> capacity building, realise more training of local people - Assess the positive impact a project generates - Demonstrate the societal business case 	<ul style="list-style-type: none"> - The social dimension is not covered and should be covered - A more holistic approach to combat societal problems related to water issues should be used - To encompass the whole view of the project (instead of small part of project context at the site) - There is a lack of gamma scientists/integration - When having an opinion sustainability-> we will lose neutral position - We are a technical NGO (not social), the social matter is not the core business of Deltares - Deltares cannot deliver on f.e. resettlement of people - At the moment no extra steps are being taken to add applications for socio-cultural scientific disciplines - Standardise an integral approach for project impact -> Deltares should take the lead in this approach
Voluntary /Discretionary	<ul style="list-style-type: none"> - To have a proactive strategy and to wonder if extra steps are necessary - Consider the societal added value of the project - Voluntary take responsibility for matter in the whole (project) value chain - Use OECD guidelines (extensive CSR risk assessment) - To collaborate with Dutch partners on these topics - Being honest and proactive is preferable to being reactive - Participating in the public debate on climate change - Be more agenda-setting on this matter 	<ul style="list-style-type: none"> - To keep up with the sustainable transition of other organisations is required - Deltares should follow society (instead of agenda-setting) - There is no time for employees to be proactive and strategic due to workload - The story of CSR of Deltares is not clear yet - Employees are very enthusiastic and motivated for CSR, but don't know what exactly constitutes CSR at Deltares and in daily work - Since one year, Deltares has a more proactive CSR strategy in project selection process on controversial projects
Ethical	<ul style="list-style-type: none"> - Deltares should make ethical considerations explicit - Water management projects are not automatically CSR - Give honest and neutral advise 	<ul style="list-style-type: none"> - Maintain independent position and freedom to add content to the project - Responsibility is limited to controversial projects

Appendix J: A summarising table of Chapter 5

Sustainability	<ul style="list-style-type: none"> - Start to rethink the concept of knowledge and research - The present result in such manner the usefulness of the client increases - Feeling more responsible for project results - The long-term perspective of doing business (a holistic view) 	<ul style="list-style-type: none"> - Sustainability at work is in operations, and sustainable projects define sustainability in projects - Making projects less unsustainable - Not having a too strong opinion - No standard format for sustainability in projects, it should be there - Still working on a project that harms the environment - Deltares should work more with integrated resource management
Stakeholder	<ul style="list-style-type: none"> - To work more from "outside in" - Improvement in Deltares somewhat non-transparent working style - More explicitly on different roles and function in a different context (strategic partner) - To partner with stakeholders in experimenting in practice - To partner with start-ups in collaboration strategy - Holistic perspective-> partners and peers - To make a strong link with society 	<ul style="list-style-type: none"> - CSR and SDGs to fulfil societal wishes - CSR can add new accents to projects. F.i to put stakeholders in the modelling - The difficulty of finding peers - More curiosity is needed to see what drives it stakeholders - Co-creation with stakeholders is comfortable and needs to increase - Employees are encouraged to involve people from outside Deltares in the project - Modus operandi needs to be found for new cooperation - More strategic projects (instead of short consulting)
Economic	<ul style="list-style-type: none"> - To bring in enough projects - Making a difference with outstanding projects (and not only from a knowledge profile) - Infiltration with international agenda's, to influence top-down - To change value chain of project - Deltares should always meet with the clients question 	<ul style="list-style-type: none"> - Adhering to SDGs will bring in new projects and increase social impact - CSR is not our business but safety against flooding - Not too strict on project selection, then we will lose business - When Deltares is too critical-> a fear that comparison with activist NGO will be made -> damage of reputation - Increase the societal business case, demonstrate added value of Deltares more - In general employees are interested and involved in projects (and its goals) for a shorter amount of time every year -> impact is difficult to trace

Appendix K: Handout for CSR for Deltares practices in projects

Legend UL = Unit Leader SA = Sustainability advisor PL = Project Leader	QUESTIONS	ACTIONS	BY WHOM?	BEFORE/DURING/AFTER PROJECT?
1. THE PROJECT CONTEXT	Project strategy			
	How can we emphasize sustainability in project design?	Include sustainability issues in early phases of project and explicit in project design document (set performance indicators, or do LCA)	PL/SA	Before
	How can we include sustainability promoting actors in project organisation?	Map, select and include actors that bring sustainability promoting skills, capabilities and role to the project	PL/UL/SA	Before/ during
	Are sustainable suppliers included?	Map and support suppliers that implement sustainable practices (ecological materials etc).	PL/UL /SA	Before
	Do we need to develop sustainability competency for people included in project?	Train project leaders about the sustainability of the project	UL/SA	Before
	CSR RISKS			
	Does the project pose risks? (MVO risks assessment, country, international sanctions, political situation, industry, environmental/social harm):	Map the total value chain of project Do a complete risk analysis (MVO Risico Chekcer: Tool) Set priorities in MVO risks are taken care of Work together with partners in the project to minimise the risks and communicate about which risks are avoided Put this in the working process (evaluation form)	PL/SA/UN	Before /after

What is the role of water in the project (risk, non-renewable resource?)	Describe in what way the position and role water can pose a risk for this project	PL/UN/SA	Before
What are the reasons behind the project/question of the client?	Ask and describe the precise reasons why the project is initiated (f.e. client description and political climate etc.)	PL /UN	Before
POSITIVE IMPACT			
Is the project economically feasible? How?	Describe in what way the project bring economic prosperity for the local context	PL	Before/After
Does the project inspire enough people?	Describe in what way the project inspires local people (building awareness/sharing of knowledge) and describe how to make sure this happens consequently (f.e. training and education).	PL/SA	Before
Will local parties be involved before, during and after the project?	Describe in which ways the project includes local parties	PL/SA	Before
Will there be enough collaboration in sharing of information? (putting the end user central)? How?	Describe in which way the end user of the product of Deltares is put central, and how it is made sure	PL/SA	Before/check after
What is the long-term vision of project (of Deltares, and total project result), is it sustainable?	Describe in what ways the entire project contributes to sustainable development	PL/SA	Before/after
Do we work on international agenda's? Which ones? What is the proposed impact of project?	Map on which indicators of the SDGs the total project makes an contribution	PL/SA	Before/after
2. THE PROJECT CONTENT			
Do we contribute to one of the targets of the selected SDGs? Could we include one ourselves?	Map which indicators of SDGs apply to the content of the project and explain contribution	PL/SA	Before
What have we done to align the result of the project at best with the client?	Provide extended customer care, ask if the client is satisfied, if extra (free) help is needed, and an evaluation form	PL/SA	After

Is the advice is followed by the client?	Verify if client followed the advise of Deltares and ask why or why not. Map the impact the advise of Deltares generated, and what can be done to improve next time	PL	After
Does Deltares works on the international agenda's? Which ones? What is the proposed impact?	Map how the content of the advise contributes to the SDGs	PL/SA	After
3. THE ROLE AND RESPONSIBILITY OF DELTARES			
Can we put sustainability-emphasis in project portfolio management?	Actively use a sustainability framework for project selecting or include sustainability as a dimension in early-phase appraisals	UL	Before
What is the influence of Deltares in the total project context ?	Check on the website of MVO Nederland. the influence of Deltares in the project context and write a plan how this influence is used to address issues	UL	Before
Does the project pose a risk to the position of Deltares? How? How can this be mitigated?	Projects can pose financial risks, or reputation risks. Map these risks and communicate them in order to justify participation of Deltares in the project.	UL/SA?PL	Before
Is Deltares' independent position protected?	Communicate how Deltares independent position is being protected in the country Deltares is working in (f.e. corrupt countries).	UL	Before/during

