STRATEGIC COMMUNICATION OF CORPORATE RESPONSIBILITY IN
CAPGEMINI NORWAY
ABSTRACT

This thesis investigates how Corporate Responsibility (CR) is practiced in Capgemini Norway, a Norwegian branch of the Capgemini Group. The analysis is performed in retrospect to perception of corporate responsibilities, strategic issue selection, and in a possible applied inside out approach, as suggested by Morsing, Schultz and Nielsen (Morsing, Schultz and Nielsen 2008).

Key findings show that Capgemini Norway views corporate responsibility as both a way to contribute to society, as well as increase company reputation, competitive advantage and long-term revenue. This is partially achieved by strategically selecting issues that incorporates all of these four perspectives. The communication towards the analyzed group of stakeholders is of a strategic nature, but could benefit from emphasizing motives, strategic drivers and a more lucid comprehension of the CR concept. The inside out approach is applied, but not in its full potential, as organizational anchoring could be stronger.

SAMMENDRAG


Preface

“If we knew what it was we were doing, it would not be called research, would it?”

- Albert Einstein

The process of writing this thesis has been an adventurous journey that has presented me with both challenges and opportunities. In times of frustration these words by Einstein have given me some relief as it reminded me that even the greatest of academics experience frustration and uncertainty on their path towards concluding their research. However, it has also been the greatest academic experience I have ever been through. Frustration has turned into excitement and uncertainty has turned into knowledge.

This would not have been possible without the invaluable help I have received. First and foremost, I would thank my supervisor Øyvind Ihlen, who has guided me through the whole process, not only academically, but also through encouragement and support. Secondly, I would like to thank Capgemini who have provided me with support and access to their operations, culture and strategies. I would especially express my gratitude towards Anders Lier and Gunilla Resare, who welcomed my research and gave me support and vital insight in this process. In addition, I would like to thank my fellow students who have aided in times of despair and confusion through valuable suggestions, discussions and long breaks. Finally I would like to give thanks to family and friends, whose support is always reliable and invaluable.
# Table of Contents

## 1 Introduction

1.1 Research topic  
1.2 Research question  
1.3 Theoretical outline  
1.4 Research design outline  
1.5 Structure  

## 2 Theoretical Review

2.1 Historical development of CR  
2.2 Corporate responsibilities  
2.3 Issue selection  
2.4 CR communication  
2.5 Summary  

## 3 Research Design

3.1 Case studies  
3.2 Research subject  
3.3 Data collection  
3.4 Validity  
3.5 Reliability  
3.6 Summary  

## 4 Capgemini Norway Case Study

4.1 Historical development of CR in Capgemini  
4.2 Views on corporate responsibility  
4.3 Issue selection  
4.4 CR communication  
4.5 Summary  

## 5 Concluding Remarks

5.1 CR in multinational corporations  
5.2 CR and financial recession  
5.3 Key findings and practical implications  
5.4 Further research  
5.5 Limitations  

## 6 References
1 INTRODUCTION

Over the past few decades, many modern corporations have experienced an unprecedented growth in both financial and organizational areas. This provides many synergies, one of them being increase of societal influence. Since corporations are increasingly dominant institutions, with economies and operational scale surpassing many small nations, many state that they inherently hold a responsibility to preserve and improve environmental and social conditions as well as ensuring economic growth (Bakan 2004). Some even suggest that corporations now govern society more than governments do themselves (Robbins 2005). As a result of this corporations are facing increased mistrust, fear and accountability demands from the general population (Vogel 2005). It is therefore vital that companies act responsibly and adapt to these demands (Fombrun and Riel 2004; Morsing and Beckmann 2006).

In the process of enforcing such corporate responsibility, communication with those who influence and are influenced by the company, is an important tool in perceiving expectations and informing of corporate actions. The challenge lies in developing and communicating corporate responsibility engagements that contribute to a sustainable development in a way that proves beneficial for society, environment and shareholders. Examining how corporations can contribute to such development is important in order to understand how societal demands and corporate actions can be further aligned in a way that enables corporations and society to bilaterally administer the needs of future generations, without compromising the ability to maintain present needs.
1.1 Research topic

In our modern society the proliferation of media and communication channels generate a cacophony of messages. Consequently it is increasingly important for corporations to be clear, concise and unified throughout their communication, in order to be heard, and understood. Corporate Responsibility (CR), a concept that will be further elaborated on in chapter 2, poses some new challenges to the strategic communication corporations engages in (May, Roper and Cheney 2007). The communication itself must be analyzed in retrospect to a prerequisite knowledge of the underlying ideology and operations in the business area that is communicated. By doing so it is possible not only to answer how the communication is performed, but also what is communicated and why.

In the area of CR the underlying ideology can be described as how any corporation regards its corporate responsibilities. There are many differences in what responsibilities corporations acknowledge. While some corporations only recognize that their responsibility is to create wealth for their owners, others see a responsibility to contribute to society’s welfare beyond the social impacts of employment and maintaining a sound financial development. In addition to the corporate responsibilities, the selection of issues to address in the CR area conforms the other factor useful when examining CR communication. The different issues corporations choose to pursue in CR are likely the source of much of the content in the communication. It can be summarized that the views on corporate responsibilities are what responsibilities the corporation acknowledges, and the issues selected are the ones that are actually pursued. These are two areas that can be said to conform the background for all CR communication.

These two aspects serve as valuable background for analyzing corporate CR communication. The question of what corporate responsibilities Capgemini Norway upholds, and what issues are selected will enable the comprehension of why the communication is performed, and what underlying motives and agendas come in to play.

This can help align theoretical and practical approaches and is valuable in order to understand how corporations can align their comprehension, selection and communication. An alignment that is vital in order to be heard in modern society.
1.2 Research question

As presented in the previous chapter, the research topic for this thesis is strategic communication of corporate responsibility. It was also identified two important subsequent areas that impact the communication of CR (views of corporate responsibilities and issue selection). These two areas will consequently be examined in the case study, and will provide the background for analyzing the CR communication.

The corporation examined in this thesis is Capgemini Norway. Capgemini Norway is part of the multinational corporation (MNC) Capgemini, which has operations spanning across 36 countries and exceeding 90,000 organizational members. The rationale behind the selection of Capgemini as research subject is further elaborated on in chapter 3.2.

The research question of this thesis can be summarized as following:

*How is corporate responsibility (CR) strategically communicated in Capgemini Norway?*

As the previous have shown that the views on CR and selection of issues conform prerequisite knowledge for analyzing strategic CR communication. However, they are not included in the research question as they are analyzed in order to understand the underlying drivers and motives for the communication. The communication towards different stakeholder groups (Norwegian government, the Norwegian community and organizational members) is analyzed in relation to the inside out model and endorsed communication process, with an emphasis on organizational members.
1.3 **Theoretical Outline**

The theory used in this thesis can roughly be divided into four parts, which are addressed respectively in the analysis. When handling the *historical development and ambiguities* in the terminology, the World Council for Economic Development (WCED 1987) presents the main contribution, in addition to May et al. (2007). The question of *corporate responsibilities* is described through L’Etangs concept of direct and indirect responsibilities (1995), and Friedman (1970) and Freemans (1984) views on corporate responsibilities, in addition Garriga and Melés approaches will be factored in. The works of Archie B. Carroll (1979, 1991, 1999) is also included in this section. The area of *issue selection* is handled by drawing upon the strategic framework by Porter and Kramer (2006). The *communication analysis* is mainly based upon the *inside-out approach* by Morsing et al. (Morsing et al. 2008)

1.4 **Research Design Outline**

This research was performed as a single case study of Capgemini Norway. The selection of Capgemini Norway as my only research subject is based upon two rationales, which both validate the use of a single case study for this research. Data collection was performed through triangulation of direct observations, participating observations, documents and a brief E-mail interview. The participating observations are the main contributions to my data collection and were performed throughout 2008 in processes where simple tasks involving CR communication were performed.

1.5 **Structure**

In chapter 2, a rather extensive theoretical review will be conducted, handling the historical development, views on societal responsibilities and the area of strategic issue selection. Further, CR communication involving external stakeholder communication
strategies and the inside-out approach is presented. Finally, the theoretical review is summarized.

In chapter 3, the research design will be described. I will handle various aspects of case studies and review the selection of my research subject. Different aspects on my data triangulation, validity and reliability are handled before the research design is summarized.

In chapter 4, the Capgemini Norway case study is presented. In this analysis I draw upon the aspects presented in the theoretical review. Historical development, and views on societal responsibilities are elaborated on. The question of strategic issue selection is addressed with respect to Capgemini Norway’s most prominent CR initiative. Analysis of Capgemini Norway’s CR communication is then handled, investigating if the communication towards three major stakeholder groups, with the main focus on organizational members, applies the principles outlined in Morsing, Schultz and Nielsens (2008) suggested approach to CR. Finally the analysis of the case study is summarized.

Chapter 5 presents concluding remarks in relation to the findings. Since Capgemini Norway is the Norwegian branch of a multinational corporation some implications of this is handled. Accordingly, the question of CR practices in financial recession is elaborated on. Finally, some practical implications and advice related to my key findings are presented before ideas for further research and my research’s limitations are addressed.
2 THEORETICAL REVIEW

In this chapter I will clarify the theoretical framework applied in this thesis. I will start by examining the historical development of corporate responsibility (2.1). This is important in order to provide a common origin for the conception of CR and comprehension of its underlying development and ideology. Following this, a theoretical discussion of what responsibilities corporations hold towards society is presented (2.2). Porter and Kramers framework for operationalization through strategic issue selection is then elaborated on in chapter 2.3. The inside out approach is presented in chapter 2.4. Finally, the theoretical review is summarized (2.5). As stated earlier the extensive theoretical review of corporate responsibility and issue selection is important in order to establish what prerequisite ideology corporations may hold in their CR communication.

2.1 HISTORICAL DEVELOPMENT OF CR

The idea of corporations having a responsibility exceeding their statutory responsibility is not an idea conceptualized over the past decade. The first approach to corporate social responsibility was in Howard Bowen’s Social responsibilities of the Businessmen (Bowen 1953 in Vogel 2005). In this publication, Bowen raised the fundamental questions of what exact responsibility corporations hold, and how society can make institutional changes that encourages corporate embrace of such responsibilities. He further defined the responsibility held by corporations as the obligation to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society (Bowen 1953 in Vogel 2005).

Even though some of the principles of responsible corporate behavior emerged over a half century ago, it was not until the 60’s and 70’s that it got its widespread acknowledgements. This newfound consciousness followed in the wake of scandals, protests and boycotts directed towards well-known corporations. In this period regulation initiatives were developed, these included social audits, codes of conduct, social
investment funds and ranking of responsibility performance (Friedman 2007; May et al. 2007).

However, it was not until the 90’s that the amount of scandals directly related to corporations’ responsibility in society increased. These scandals included huge multinational corporations such as the oil company Shell’s dumping of the Brent Spar oilrig, and sportswear manufacturer Nike using child labor in contract factories. With the scrutiny following such scandals, and the increased public awareness, the importance of CR has only increased. It is especially in the past decade that the number of social investment funds, CR reporting and non-governmental organizations (NGOs) that challenge corporate behavior have shown a substantial growth (Vogel 2005).

**AMBIGUOUS TERMINOLOGY**

*Corporate responsibility* is a term with many definitions and interpretations. Though development has it incorporated into corporate agendas. However, this conceptual comprehension it is still surrounded by many ambiguities. Terms such as corporate sustainability, sustainable development, corporate social responsibility, business ethics and corporate citizenship have been applied. Numerous different descriptions have been applied over time and in different contexts.

Two commonly used terms are corporate social responsibility (CSR) and corporate responsibility (CR). In this thesis, I will use the term corporate responsibility (CR). Although one could argue that this is just a question of semantics, I regard it as a more appropriate term to apply. In the following I will substantiate this assertion.

Although some state that all of these terms are so prominent that they are ubiquitous in nature (Schwartz and Carroll 2003). The idea of sustainable development serves as a good origin for the CR concept, as there is no universally applied terminology (May et al. 2007). Sustainable development conceptualizes the idea of resource scarcity and that we must direct our development such as we do not use resources in a way that deters future capability. In 1987, the World Commission on Environment and Development defined sustainable development as: “Development that
meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987).

The WCED definition covers three main areas of development:
- Financial development: the way we build, sustain and maintain our financial systems in a way that prevents meltdowns and global recessions to create a sustainable economy and prosperous growth.
- Environmental development: the way we handle our limited resources and how we may consume them in a way that does not reduce them beyond the system’s ability to rebuild.
- Social development: they way we build our society so as to eradicate poverty, ensure human rights and facilitate that basic need are met globally. This emphasizes the interrelationship between financial-, environmental-, and social impacts of corporate activities and operations in order to promote sustainable development. CR can in relationship to this be viewed as a conceptual tool for operationalizing sustainable development.

However, the WCED definition of sustainable development does not include some aspects that CR encompasses, such as labor rights. As of this, the CR concept broadens beyond sustainable development, and includes issues such as welfare and work environment. It is therefore possible to regards CR as an extension of the sustainable development term.

Consequently, sustainable development covers financial, social and environmental aspects, and conforms the basic idea behind corporate responsibility. While corporate social responsibility implies that social relation is superior to, or includes both environmental and financial responsibilities, corporate responsibility equally includes these aspects. Based on this term.
2.2 Corporate Responsibilities

The question on what responsibility corporations hold towards society is thoroughly debated in both CR and general management literature (Berg and Brønn 2005; Robbins 2005). As shown in the previous section, CR is a complex concept with the underlying goal of sustainable development. Although the benefits and corporate responsibility of sustainable development may seem obvious there are different types of responsibility. One fundamental question in this discussion is presented by Jacquie L’Etang (1995). She presents us with the concept of direct and indirect responsibility towards society and stakeholders. The direct and indirect responsibilities are described as this:

(Direct responsibilities) are those, which arise directly from a company's existence and operation. Internally, these include a responsibility for a company's mission, culture and objectives and for aspects of the well being of employees. The extent to which responsibility can be attributed to the corporation as a whole should hinge on the extent to which decision-making is shared/devolved


(Indirect responsibilities) arise from the position of power which companies have in society either individually or collectively [...] and which enables them to wield influence and lobbying power over government and to ensure that their views are well-represented in the media. Companies are able to take up a great deal of space in the public sphere and it seems fair that such influence should be matched with a reciprocal responsibility


Ihlen and Robstad point out that many of these responsibilities are regulated through legislation. In spite of this it is public opinion that sets the ethical boundaries, and not the corporation itself (Ihlen and Robstad 2004). The debate over corporate responsibility is therefore a discussion of whether responsibility extends beyond statutory
requirements. This may point towards a diversification of the two types of responsibility. The direct responsibility is the fundamental responsibilities of a corporation. In most western countries such responsibilities are, for the most part, regulated through legislation. The indirect responsibility can be viewed as the reciprocal responsibility corporations inherit as their social influence increases. Consequently, the direct responsibility is mainly required and the indirect responsibility is mainly voluntary, yet increasingly demanded.

Arcie B. Carroll outlined in 1979 a pyramid model which described different motives for CR (Carroll 1979). Schwartz and Carroll later extrapolated a three-domain approach to CR from this model (Schwartz and Carroll 2003). The first type is financial responsibility, which promotes profitability as the foundation for responsible behavior. It stresses the importance of a competitive position and maintains a high level of operational efficiency. Second comes the fulfillment of the legal responsibilities, which is a basic premise to obtain a license to operate. The ethical responsibility, where corporations must act according to ethical principles is the third category. These domains serves as useful tools when analyzing what responsibility corporations partake in towards society. In relation to the direct and indirect responsibilities, the legal responsibilities for the most part reside in the direct responsibility category.

However, the question is not only to what extent, or which motives corporate responsibility encompasses, but also to whom it reaches. This is where the term stakeholders come into play. Stakeholders can be described as “those people or groups that affect or can be affected by an organizations decisions, policies and operations” (Post, Lawrence and Weber 2002:8). The term stakeholder is derived from Edward Freeman’s stakeholder theory (Freeman 1984). Garriga and Melé observe that:

In recent times, corporations have been pressured by non-governmental organizations (NGOs), activists, communities, governments, media and other institutional forces. These groups demand what they consider to be responsible corporate practices. Now some corporations are seeking corporate response to social demands by establishing dialogue with a wide spectrum of stakeholders.

(Garriga and Melé 2004:59)
The basic idea is that organizational success depend on how the company manages their relations with these stakeholder groups (Ihlen 2008).

The direct and indirect responsibility, the three domains of CR and the various stakeholders are all important in relation to the two dominant positions regarding corporate responsibility. These are respectively partaking a direct- and indirect-responsibility approach towards stakeholders. However, the neoliberalistic- and the socioeconomic position present contradicting aspects on how CR should be handled (Robbins 2005). They present two fundamentally different perspectives and by examining these positions, it is possible to further analyze corporate responsibility.

**THE NEOLIBERALISTIC POSITION**

This position derives from one of the dominant economic positions applied by western democracies since the free market economy was introduced, the neoliberalistic mindset. In this view, the market and corporations interact without involvement of ethical issues (May et al. 2007:210). From this position, the corporate responsibility towards society is solely concerning maximizing shareholder value (Vogel 2005).

The most outspoken advocate for this position, in relation to CR, is the economist Milton Friedman. In his article “The Social Responsibility of Business is to increase its Profits” (Friedman 1970), he argued that executives are organizational members of the shareholders and therefore has the sole purpose of serving the interests of this principal. The management holds a fiduciary responsibility to fulfill shareholder concerns, which Friedman argues, inevitably is to maximize dividends. Any actions that do not seek to maximize profits are in direct violation to the managerial scope of action:

> There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.  
> (Friedman 1970:125)
In this view, any corporation’s sole purpose is to maximize profits, without concerns for other interests. However, Friedman also states that companies must oblige to both society’s legal and ethical customs (Friedman 1970:123). It may seem that because CR is viewed upon as a dilution of purpose, this position oppose to the idea of corporations acting socially responsible. This is not right; as Robbins (2005) points out, this position argues that the extent of that social responsibility is only to maximize shareholder revenue. In other words, if the CR actions result in value maximization, it shall be performed and all actions that do not contribute to this agenda are questioned. Another view in his position is that corporations cannot be morally accountable for their actions, as they are not individuals. Only the multiple individuals that conforms the corporation can hold a moral responsibility. As such, the moral responsibilities are not inherently valid for corporations (Garriga and Melé 2004). One final argument we can derive from Friedman is that society’s issues are state-affairs, and CEO’s do not have the competence to decide what is best for society. The intervention of corporations in societal issues threatens the core of democracy as CEO’s are not elected through public democratic processes, and should not interfere in social issues.

As corporations must oblige to society’s legal and ethical customs, and their goal is to maximize profits. What happens if society’s ethical customs change towards encouraging CR beyond legislated requirements, and encompass indirect societal responsibilities? This brings us to one of the major flaws in this position, which is the lack of long-term perspective. Although inconclusive, research shows, at best, a weak correlation between CR practices and secured long-term profits (Orlitzky, Schmidt and Rynes 2003; Garriga and Melé 2004; Robbins 2005). Even if CR engagements themselves may not provide income, possible synergies must be taken into account. These may be harder to predict, but can also be easier to quantify on the bottom line of the company and inherently prove value to shareholders.
THE SOCIOECONOMIC POSITION

The other dominant position regarding corporate responsibility towards society is classified by Robbins (2005) as the socioeconomic position. In this view, corporations do not merely act as economic institutions, but are expected to become involved in social, political and legal issues (Robbins 2005). In contradiction to the neoliberalistic position, this view argues that since corporations have a great deal of power, they need to balance it out by taking an equally large amount of responsibility towards all those affected by the organization. The socioeconomic position is derived from another fundamental concept; stakeholder management.

Stakeholder management is founded upon two key principles introduced by Emshoff and Freeman in 1978 (Garriga and Melé 2004:59). The first principle defines the cooperation between a corporation’s objective, and its entire system of stakeholder groups. The second principle states that the most effective way of managing stakeholder demands is to involve operations and efforts that simultaneously deal with issues that affect multiple stakeholder groups (Freeman 1984). In contradiction to Milton Friedman’s neoliberalistic view, stakeholder management seeks to integrate all the different groups into managerial decision-making. The firm needs to address the interests of all the company’s stakeholders and deliver a balanced fulfillment of different stakeholder-needs through company operations.

APPROACHES TO CORPORATE RESPONSIBILITY

As seen in the previous chapter, the neoliberalistic and socioeconomic views are one way of describing how corporations may regard the concept of CR. However, there exists other ways to describe how corporations view and approach their corporate responsibilities. An article by Elisabet Garriga and Domèneç Melé (2004) presents such a view. This article seeks to clarify the situation in the vast amount of CR theory by classifying CR theory and approaches into four groups. These can be seen in relation to the two positions described in the previous chapter and therefore show how different approaches and existing theory aligns. Consequently, the operations of any corporations can tell us something of their approach, and view on their corporate responsibilities.
**INSTRUMENTAL APPROACH**

The first theory is labeled *instrumental theories*, and is described as those where the corporation acts as: “An instrument for wealth creation and that this is its sole social responsibility” (Garriga and Melé 2004:52). Instrumental theories are closely aligned to the neoliberalistic position as the authors state that: “Representative of this approach is the well-known Friedman (i.e. neoliberalistic) view […]” (Garriga and Melé 2004:51-53). They outline three different instrumental approaches. In the first group, *maximization of shareholder value* the foremost criterion is that all investments in social demands must result in an increase of shareholder value. Consequently, all social demands that only inflict cost should be rejected (Garriga and Melé 2004). The second group set focus on: “how to allocate resources in order to achieve long-term social objectives and create *competitive advantage*” (54). To create such advantage corporations can either apply *social investments in competitive context*, whereby corporations make their social investments in a way that is aligned to their operations\(^1\). Corporations may partake a *natural resource based view of the firm and dynamic capabilities*, where the ability to outperform competitors depends on the ability to effectively deploy organizational, human and physical resources. The final possibility is to target the *bottom of the economic pyramid*, which emphasizes the fact that most strategies are focusing on upper and middle-class, and argues that certain strategies can serve some of the worlds 4000m poor, and still make profits (Garriga and Melé 2004). The third group of instrumental theories is called *cause related marketing*. This is where the corporation seeks to increase profits and customer relations by building reputation through social responsibility, and create product differentiation by creating socially responsible attributes.

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\(^1\) The most outspoken theory regarding this is promoted by Michael Porter and Mark Kramer and are further addressed in chapter 2.3.
**INTEGRATIVE APPROACH**

While the instrumental approach can be linked to the neoliberalistic position, the integrative approach can be said to partake the socioeconomic position. This group emphasizes how corporations integrate various social demands, as they recognize that business depends on society for its existence, continuity and growth (Garriga and Melé 2004:57). Consequently, chief executive officers (CEO’s) should emphasize societal demands and values, and integrate them into their core operations and overall strategy. By doing so, the corporation will obtain legitimacy or license to operate. Garriga and Melé outline several integrative approaches. Issues management is defined as “the processes by which the corporation can identify, evaluate and respond to those social and political issues which may impact significantly upon it” (Wartick and Rude in Garriga and Melé 2004:58). As such, it is a way for corporations to identify, evaluate and respond to relevant issues. The principle of public responsibility emphasizes the fact that appropriate guidelines for corporate behavior is found within existing public policy, however this does not only include legislation, but also societal direction (58).

As of this, the integrative approaches can be aligned with the socioeconomic position where issue- and stakeholder management is applied to the principle of public responsibility.

**POLITICAL APPROACH**

Political approaches concern how corporations maintain their position in society by taking social responsibility. This category sets focus on: “interactions and connections between business and society and on the power and position of business and its inherent responsibility. They include both political considerations and political analysis in the CSR debate” (Garriga and Melé 2004:55). The acceptance of societal rights and obligations results in cooperation on social issues within the political sphere. In corporate constitutionalism, the power business has in society and the social impact this power has is introduced by Davis as a new element in the CR debate (Davis in Garriga and Melé 2004). As corporations have grown and globalized, their power to influence political decisions has increased simultaneously. However, there is a prerequisite that corporations
administer this power, which is described as the iron law of responsibility (Garriga and Melé 2004). If a corporation fails to administer their power in a way that society expects, the power will be transferred to someone who responds to the societal demands. As Davis eloquently puts it: “whoever does not use his social power responsibly will lose it. In the long run those who do not use power in a manner which society considers responsible will tend to loose it because other groups eventually will step in to assume those responsibilities” (1960:63). Another concept within political CR theories is the idea of corporate citizenship, which promotes corporations equal to regular citizen’s responsibility towards society (Garriga and Melé 2004). This stands is in strong contrast to the neoliberalistic position where corporations cannot be held morally accountable for their actions, as only the individuals constituting the company can have such accountability.

**Ethical Approach**

The last category Garriga and Melé outlines is not strategic, but with a normative perspective. The ethical approach sets focus on the ethical requirements between corporations and society. “They are based on principles that express the right things to do or the necessity to achieve a good society” (Garriga and Melé 2004:60). It is also interesting to notice that in corporate citizenship, corporations also have ethical responsibility towards society.

Another familiar concept the authors align with ethical approaches is sustainable development. As described in chapter 2.1, the WCED (1987) outlined the importance of directing our development in a way that emphasizes resource scarcity, and do not reduce future generations possibility to maintain their needs. This is clearly a value and ethics based concept. Although Garriga and Melé state that this concept was developed at macro level, it demands a relevant corporate contribution. The ethics of CR is therefore not secluded from the integrative and political perspectives, hence the inclusion in the socioeconomic position.
2.3 Issue Selection

As described in the introduction the area of issue selection is an important part of corporations work regarding CR. When corporations seek to engage in CR, there exists a vast amount of possible initiatives to pursue. A CR initiative/issue is here understood as the specific operations corporations take in the area of CR. The collective of initiative further conforms the corporations CR engagements. However, it is impossible for any corporation to address all possible initiatives. This is where the area of strategic issue selection comes in to play. Theory on strategic issue selection offers practical guidelines on how corporations can map and prioritize issues in strategic way. By doing so it is possible to know what issues should be addressed, and not only what issues could be addressed.

The most prominent theoretical contribution to the area of strategic CR issue selection is found in the article “Strategy & Society: The link between competitive advantage and corporate social responsibility” (Porter and Kramer 2006). In this article, Michael E. Porter and Mark R. Kramer provide practical pointers towards developing CR initiatives that are mutually beneficial for society and corporation. The authors point out two main reasons for why the CR efforts are not as productive as they could be:

First, they pit business against society, when clearly the two are interdependent.
Second, they pressure companies to think of corporate social responsibility in generic ways instead of in the way most appropriate to each firm’s strategy

(Porter and Kramer 2006:1)

Instead of a static approach to CR, they propose that corporations analyze their CR possibilities in the same way as every other core business operations are evaluated and planned. The traditional arguments for CR is, according to Porter and Kramer only focusing on the tension between business and society, and not on their interdependence (Porter and Kramer 2006). As of this, they do not offer any help in identifying, prioritizing and addressing the most important social issues, and the social issues where
the corporation can make the biggest impact. Thereby, the corporations CR initiatives remain purely philanthropic and do not result in a win-win sphere.

The way society and corporations interact intersects in two different ways. *Inside-out linkages* are the ways every part of a corporations’ value chain impinges upon society through regular operations. A simple example may be how operations produce emissions and consume energy and water. The other type is labeled *outside-in* linkages. These are the areas where external conditions influence the corporation. In short, this can be described as existential pretences imposed on the corporation by society at large. An example of this may be how transportation infrastructure affects corporations’ competitive ability.

In order to map out what various issues to address Porter and Kramer provide three different categories. *Generic social issues* are issues that are important to society, but are not affected by corporate operations or influencing long-term competitiveness. Those issues that are significantly affected by company operations, in any part of the value chain, are labeled *value chain social impacts*. These mitigate harm from value chain activities and transform such activities to benefit society while reinforcing strategy. The final category is labeled *social dimensions of competitive context* and are defined as: “the factors in the external environment that significantly affect the underlying drivers of competitiveness in those places where the company operates”(Porter and Kramer 2006:6). These are issues that may be harder to map out, as the issue itself may not prove beneficial for the corporation, but its synergies.

Porter and Kramer suggest that corporations sort all relevant CR issues into these three categories, and then prioritize them with regards to their potential of creating social, and corporate benefits\(^2\). However, this is merely a way to map out the CR field related to individual corporations. In order to initiate CR policies, corporations must create what is described as a *corporate social agenda* which “moves from migrating harm to reinforcing corporate strategy through social progress” (2006:7). As of this they divide the three types of engagements into responsive CR, which merely reacts to societal

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\(^2\) The Global Reporting Initiative (GRI) provides a standard list of potential issues and auxiliary lists for different sectors - www.globalreporting.org
demands, and to act as a good corporate citizen by addressing every social harm the corporation inflicts. The other type is the strategic CR, which differentiates the corporation from its competitors in a way that lowers costs or serves particular customer needs. The responsive CR only focuses on the outside-in linkages as they only respond to societal demands. This does not mean they are not crucial to address, it merely states that the initiation of responsive CR does not promote financial benefit, only license to operate and company survival. It is within the strategic CR, which incorporates both inside-out and outside-in perspectives, the true potential for shared value between corporation and society lies, according to Porter and Kramer.

The framework outlined by Porter and Kramer combines the integrative and instrumental CR theory. As such, their position is neither purely neoliberalistic nor purely socioeconomic. They argue towards the need to address social issues, but to do so in a way that creates business opportunities. They acknowledge the fact that corporations are requested to address hundreds of CR issues, but only a few of them present a real opportunity to make a real impact on society, and competitive advantage. Corporations must prioritize and choose the issues where they have the potential to make a difference, and this is not possible without the linkage between CR and corporate financial performance. This aspect is further supported by 11 “key success factors” outlined in the 2004 EU round table discussion (CSREMS 2004)\(^3\). Although these are no theory-based principles, they clearly demonstrate important principles emphasized by the participant organizations\(^4\). The second “key success factor” states that CR engagements should be linked more closely to the organization’s core purpose (for companies, its core business). This shows that strategic issue selection is not only important from a theoretical perspective, but is also recognized by several business representatives.

In their article, Porter and Kramer also address four arguments proponents of CR have used to promote their case: sustainability, license to operate, reputation and moral

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\(^3\) This discussion lead to agreement upon the twelve most important factors for practicing CR in way that leads towards “successful” and long lasting CR practices

\(^4\) List of participants:
responsibility. They consider some practical limitations of these approaches. The authors state that the principle of sustainability offers little basis for “balancing long-term objectives against short-term costs” (Porter and Kramer 2006:3). The problem, as Porter and Kramer sees it, is that the “sustainability school” does not offer a framework for striking such balance. These results in corporations postpone CR initiatives and costs, which the authors argue can lead to greater costs in the long run. The license to operate argument is emphasized as more pragmatic, and Porter and Kramer also stress the views of stakeholders as important. However, they argue that stakeholder groups never can understand a corporation’s capability, competitive positioning or trade-offs. They also point to the fact that stakeholder groups not necessarily signify the true importance of any issue, either to the company or the world (Porter and Kramer 2006). Consequently, they feel that this approach results in a series of short-term activities that has minimal value to society, corporation and can only be regarded as having short-term reputational benefits. Porter and Kramer regard the argument of reputation as justification for CR initiatives as important, but with no presentation of a framework CEOs can rely on in issue selection. Porter and Kramer also emphasize the limitations of the moral imperative that imbues the field of CR. The problem with morality in the area of CR is that it offers no way in weighing one social benefit over another or including financial costs in the consideration. They state that: “moral principles do not tell a pharmaceutical company how to allocate its revenues among subsidizing care for the indigent today, developing cures for the future, and providing dividends to its investors” (Porter and Kramer 2006:3). As of this, the morality of CR is not denoted, but the lack of practical guidelines makes it difficult for corporations to solely pursue the moral imperative.

By applying the Porter and Kramer framework corporations have a unique position to develop a better comprehension of how to solve social, environmental and financial problems and maintaining financial benefits, which enable the initiatives to be further developed. In this way, it could also be easier to provide shareholders with the business case for CR. One limitation of Porter and Kramers article, in relation to this thesis, is the lack of a communication aspect. The communication aspect is further discussed in the next section.
2.4 CR COMMUNICATION

Communication is often described as the missing link in practicing corporate responsibility (Dawkins 2004). The problem may very well lie in the fact that due to the nature of corporate responsibility, and the different domains of CR (Schwartz and Carroll 2003), the communication processes is altered beyond regular strategic communication (Morsing and Beckmann 2006). One of the basic premises in strategic corporate communication is that the communication is coordinated and executed in a consistent manner. This is not only beneficial for the perception of the message, but also makes the underlying communication processes more effective (Berg and Brønn 2005).

Corporate communication is often directed towards the organizations stakeholders. As described in chapter 2.2 stakeholders can be described as: “people or groups that affect or can be affected by an organizations decisions, policies and operations” (Post et al. 2002:8). Corporations may map out these stakeholders in a stakeholder map that identifies the groups that affects, or are affected by the company, their influence and position, in order to have overview of their surrounding forces. The communication towards these groups is emphasized in the 11 EU “key success factors” for CR where the fourth key point stresses dialogue and engagement with stakeholders. By doing so: “the benefits of using a tool, or adopting a practice, can be maximized by doing so alongside on-going engagement with relevant stakeholders” (CSREMS 2004:8).

2.4.1 THE INSIDE OUT APPROACH

In 2008, Professors Mette Morsing and Majken Schultz along with managing partner at Reputation Institute, Kasper Ulf Nielsen, published a study named “the ‘catch 22’ of communicating CSR: Findings from a Danish study” (Morsing et al. 2008). Based upon research from the Reputation Institute and two case studies of Danish corporate CR frontrunners, a normative model for handling and communicating CR was developed.
THE SELF-PROMOTERS PARADOX

In Morsing, Schultz and Nielsens paper, they use the term “catch 22”, which is a situation that presents the illusion of choice, while real choice in reality is prevented. As corporations pursue their CR ambitions the challenges and the opportunities are equally large. According to Starck and Kruckeberg (2003) these challenges lie both within developing the virtue of global citizenship and the development of effective communication. Friedman (2007) conceptualizes these challenges by analyzing how globalization makes communication and operational procedures actions that with the rise of the technological development, level the playing field and provide all competitors equal opportunities. These opportunities lie not only within the operational development of such initiatives, but also in the development of profitability. Studies have shown that as corporations expand their social ambitions and ethical values, they will attract critical stakeholder attention (Morsing and Beckmann 2006). On the other hand, if they communicate too intensely, various stakeholders may suspect that the company tries to hide something. In their study, the paradoxical nature of communicating CR is highlighted once again by Morsing, Schultz and Nielsen (2008). They conclude in relation to the self promoters paradox that:

On the one hand, the general population has a high regard for those companies associated with social responsibility, while on the other hand, the majority of Danish citizens encourage companied either not to communicate about their social responsibility or to communicate in a less conspicuous way

(Morsing et al. 2008:102)

This is one of the major factors to emphasize within strategic CR communication. If a corporation communicates too intensively regarding their CR engagements, they may be accused of “green-washing” their operations. On the other hand, if they do not inform of their CR, they may evoke skepticism. Especially in Scandinavia where a more conservative approach towards CR communication is favored in the general population. Morsing and Beckmann further states that this paradox leads to the assumption that
corporations that are perceived as legitimate do not need to communicate their CR efforts loudly (Morsing and Beckmann 2006). The avoidance of the self-promoters paradox, and the iron law of responsibility are two pitfalls the inside-out approach and twofold communication process seek to address.

**THE INSIDE-OUT MODEL**

The suggested model, takes the self-promoters paradox into account by stating that employee commitment must be in place before any external communication regarding CR engagements should be performed. The prime task of this approach is to build a strong level of employee commitment towards the company’s general CR strategy, policies and motives. The key to this is the comprehension of why and how CR can be done, and how top-management seeks to do it in their respective companies. It is only when organizational anchoring is in place that the company has a “precondition for trustworthy CSR communication” (Morsing et al. 2008:103).

As of this, it is important to recognize that any company’s organizational members are its most important stakeholders and outspoken advocates, but the commitment of senior management is also vital. This is also emphasized in the first key point of the EU list for “successful CR” which states that: “The active commitment of the organizations’ most senior managers […] is an important determining factor, and can help ensure that the CSR approach is linked to organizational purpose or strategy, and help ensure that it is linked to and integrated with mainstream policies, processes and procedures.” (CSREMS 2004:8). Further, the sixth key point stresses involvement of organizational members as critical (CSREMS 2004:8), which is the prime notion in the inside out approach. By this the company effectively increases the commitment and organizational support. As such commitment is obtained, and it further encourages organizational members to contribute to the further development and support of the company’s CR policies and practices (Morsing et al. 2008).
This model is based upon findings from the Reputation Institute and the case study presented in their paper. However, there is not only the research of Morsing, Schultz and Nielsen that substantiate the importance of internal commitment. As seen from Figure 1 different types of CR initiatives are initiated as organizational anchoring is developed. The first stage is ensuring a safe and appealing work environment for all organizational members. The second step is when CR is directed towards the local community and directly inflicted stakeholders. Third, national and environmental issues are addressed. The final stage of CR is when international issues related to the company or industry is initiated\(^5\). The argument is that the first stages promote employee identification and commitment to the CR agenda. As the scope of the initiatives progresses, the internal identification decreases. It is therefore imperative that the stages are executed in sequence.

The findings of Morsing et al. is further supported by Kotler, who argues that, in general, the most important stakeholders in terms of company reputation are the organizational members through the advocacy they perform if they are on board and understand the underlying strategy for the company’s choices (Kotler 1999). Dawkins’

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\(^5\) Note that this point emphasizes the Porter and Kramer approach, by relating CR practice to company and industry.
research has further strengthened the correlation between positive employee perception of their employer and their involvement and awareness in the company’s CR programs (Dawkins 2004). The fact that existing research supports their model further strengthens its external validity, which is also stressed by the authors and further handled in chapter 3.4.

THE TWOFOLD COMMUNICATION PROCESS

As described in chapter 2.4, different stakeholder groups holds different interests toward corporations. In addition their comprehension of CR, its challenges, risks and rewards also differs. Consequently, communication must be nuanced in order to meet these challenges. Morsing et al. address this problem, by proposing twofold communication processes (Morsing et al. 2008). These are interdependent processes, with a prerequisite that the inside-out approach is applied. This communication process considers the different information needs of stakeholders. The basis for the differentiation of CR communication into two processes is the self-promoters paradox. The twofold communication processes are labeled the expert CR communication process and the endorsed CR communication process, which seeks to help companies strategically capture reputational advantages from their CR initiatives.

The expert communication process is the CR communication directed towards “expert” stakeholder groups such as organizational members, local government, investors, media and NGOs. These are receivers of corporate communication that the companies themselves regard as “elite readers” of CR communication. These groups are able to understand and interpret CR messages with an “almost scientific discourse”. This form of communication uses facts and figures. The message is tailored by facts and figures, but are somewhat congenial (Morsing et al. 2008). Messages are conveyed through channels where enlightened and interested readers can find it, such as websites, intranets, reports etc. Consequently, as the communication has no form of marketing distribution tied to it cannot be labeled as marketing, even though the inconspicuous form of glossy reports, facts and figures may incline skepticism and the self promoters-paradox.
However, companies have to communicate to the stakeholders that are not experts as well. A common, and much appreciated strategy for doing so, is through pro-active third party endorsement (Morsing and Beckmann 2006). Morsing, Schultz and Nielsen name this the endorsed CR communication process. This is described as the “key to avoid appearing as a self-complacent and self serving organization in the eye of publics” (Morsing et al. 2008:107). The experts are the key conveyers of this endorsement towards local communities, where they express their support of the company’s CR engagement.

These two processes are highly interdependent. The experts must be successfully informed and responded to through the different stakeholder communication strategies. These stakeholders can then disseminate a favorable reputation towards local communities, and other stakeholder groups. One important consideration is to let the message in the “expert communication” address what is regarded as important to various stakeholder groups. The probability that favorable messages will be conveyed further is more probable if the message has general interest. This relies on applying either a stakeholder response-, or involvement strategy that can interpret what topics are considered important.

2.5 Summary

As described in chapter 1 the research question of this thesis is how CR is strategically communicated in Capgemini Norway. In chapter 2.1 a brief summary of the history of CR, and terminology was presented, spanning from Howard Bowens article, *The Social responsibilities of the Businessmen* (Bowen 1953), and the development culminating during the 90’s. The vast amount of interpretations results in many ambiguities. However, the term corporate responsibility was found the most applicable and precise, in this thesis, as it does not exclude financial, social or environmental aspects.

The fundamental discussion of what responsibility corporations hold towards society was handled in chapter 2.2. This conforms the background for analyzing underlying motives of the CR communication performed by Capgemini Norway.
Corporations have two fundamental types of responsibility. *Direct responsibilities* are those responsibilities corporations are (legally) required to address, and the *indirect responsibilities* being mainly voluntary, yet increasingly demanded. In addition, two dominant positions regarding CR was emphasized, the *neoliberalistic view*, rooted in the thought that the only responsibility corporation’s hold towards society is to maximize its profits, and the *socioeconomic position* arguing that the increased societal influence requires a balanced fulfillment society’s different needs through company operations. Different approaches towards CR was also handled emphasizing *instrumental approaches*, which regard corporations as an instrument for wealth creation, and *integrative approaches*, which focuses on how corporations integrate social demands in their operations.

Further, *issue selection* was introduced in chapter 2.3 as another subject conforming the second background aspect for the communication analysis. This was done by drawing upon the theoretical approach of Porter and Kramer (2006), which introduces a framework for selecting CR issues mutually beneficial for corporation and society. These bilateral advantages is achieved by combining *inside-out* linkages, which are the areas corporations affect society, and *outside-in* linkages, which are the areas where society affects the corporation.

With the previous two chapters serving as valuable background information to the analysis, the focus turned towards CR communication in chapter 2.4. This chapter outlined the communication theory used in my analysis. The normative *inside-out approach*, proposed by Morsing, Schultz and Nielsen (2008), sets focus on how corporations can avoid the *self-promoters paradox* and the *iron law of responsibility*, by emphasizing organizational anchorage as imperative in order to excel in CR communication. This is performed through a twofold communication process, incorporating both the *expert* and *endorsed communication process*. 
3 Research Design

In this chapter I will account for the research design of this thesis. I will start by handling various aspects of case studies before my research subject and data collection are presented. Following this, the questions of construct and external validity and reliability are addressed before the research design is summarized.

3.1 Case Studies

Case studies are a research approach that is widely used within sociology, social science and anthropology. In spite of the broad appliance of this research approach, there exists no general definition for this methodology (Andersen 1997). Historically, there has been a debate over the efficiency of case studies as a formal research method (Yin 2003), however the legitimacy of case studies has been proven through several best practices from the 1980’s (Andersen 1997).

There exist two main types of case studies; the descriptive and the analytical (Andersen 1997). Within the descriptive theories we find the *a-theoretical*, which investigates social conventions on a given population. The other type is the *interpretive*, which emphasizes the perspectives best used to answer empirical questions. Analytical case studies consist of *theory generalization*, which searches for, and investigates, theoretical patterns that are not yet described in existing theory. The final analytical category is the *theory developing*, where new theory, models or correlations will be examined, created or modified. (Andersen 1997:127-128).

Following my research question, this thesis can be described as both analytical and descriptive. The descriptive aspects are those where Capgemini Norways view on societal responsibilities, issue selection and CR communication is described. The analytical aspect comes in to play where the inside-out approach and communication processes proposed by Morsing et al. (2008) is examined in light of the described practices, and in such, discussing existing theory.
SINGLE AND MULTIPLE CASE STUDIES

A case study may be of single or multiple cases (Andersen 1997). Although multiple-cases studies are considered to produce more compelling and “robust” answers, Yin (2003) and Andersen (1997) state that there exist several situations where a rationale for single case studies is present. These are when it represents a critical case in which existing well-formulated theory may be tested and dismissed, confirmed or altered. The second possible rationale is when a unique case occurs. The revelatory case is when researchers have an opportunity to observe a phenomenon previously inaccessible or uninvestigated by researchers. Sometimes a single-case can be defended when the unit investigated can be described as a general case. As such, the unit has similarities with many of its peers and the lessons learned from here are informative about the experiences of the average person or institution. Finally, the longitudinal or horizontal case exists when it could be interesting to study the same case at different points of time. Another perspective in the battle between single- and multiple-cases approach is the amount of data needed for such a strategy. Inevitably, the collection of multiple cases requires extensive recourses and time, which is “beyond the means of a single student or independent research investigator” (Yin 2003:47).

Following the previous, my case study is best categorized as a single case study. The rationales for performing a single case study in my particular case are presented in the following chapter.

3.2 RESEARCH SUBJECT

When I first developed my research topic, it became obvious to me that I had to investigate a corporation with an already implemented CR program, and ambitious visions of their engagements. One such corporation is Capgemini Norway, which is the Norwegian branch of the multinational corporation Capgemini. They are a global leader in consulting, technology, outsourcing, and local professional services. Their operations span across 36 countries and incorporate over 90,000 organizational members in North
America, Europe and the Asia Pacific region. There are numerous reasons for why Capgemini is a particularly interesting research Subject:

First comes the aspect of Capgemini's CR practices. Because Capgemini gets a lot of its business from public sector contracts, and this sector increasingly demands corporate responsibility, it is natural that they need to focus on incorporating CR in their operations. Secondly, their stated commitment to CR is notable. The Capgemini Website proclaims that “CR & Sustainability is integral to, the way we do business today and will remain so in the future” (CapgeminiGroup 2008). This shows a commitment to CR as well as the communication of such commitment from the entire group. What makes Capgemini's Norwegian offices particularly interesting is found in the Norwegian CR strategy which states that “Capgemini Norway shall be in front of corporate responsibility, both within our industry and within the Capgemini group”. Third, the scale of Capgemini Norway's operations and organization makes them interesting in the perspective of corporate communication. As such it is particularly interesting to analyze in retrospect to internal communication stressed in the inside-out approach. There also exist several other interesting aspects with Capgemini Norway in relation to this thesis. First and foremost, much of the case studies performed in relation to CR is arguably performed on corporations that i.e. have great environmental impact. Capgemini Norway does not have any immediate impact upon the environment, other than energy consumption etc. Another aspect is the fact that a large part of their operations involve consulting services. This presents an interesting viewpoint as it could be investigated if Capgemini Norway's own CR acknowledgements and operationalization influences on the consulting operations. In addition to the previous, Capgemini was also selected because of their availability and compliance.

From the previous we see that Capgemini has some characteristics that are useful for obtaining the research data to answer the research questions. Because of their four different service offerings they have customers and other stakeholders that cover a variety of industries. As they possess experience and insight on operational priorities, as well as challenges and values for a wide array of different sectors, I would argue that they could serve as a general case. This also defends the single-case approach and points towards the ability of generalization. They state that they recognize the importance of CR and
incorporate this into their strategy. Finally they are a large corporation with substantial international experience. As of this, Capgemini arguably has similarities to many of their peers. In addition, the Capgemini Norway case study can serve as a *critical* case study, where existing theory evolving societal responsibility, strategic issue selection, CR communication, inside out approach and the twofold communication process is handled.

However, Only one or more of the rationales must be fulfilled to legitimize a single case study (Yin 2003). From the previous it is possible to conclude that the case study of Capgemini Norway fulfills both the rationale of a *general* and *critical case*. As such, the selection of a single case study is further defended.

### 3.3 Data Collection

The possibilities of data collection in case studies are numerous. In the planning phase of this thesis, much methodological theory pointed to the “dangers” of single data case studies, as this weakens the reliability of the study (Yin 2003). I wanted to gain insight in how business relates to and communicates corporate responsibility. In order to collect the relevant data from multiple data sources I had the choice between numerous sources of information, such as: documentation, archival records, interviews etc.

Reviewing all data sources would be too immense for the scope of my research and I chose to triangulate three of these evidence types: direct observation, participating observations and documents. In addition, a brief e-mail interview was conducted in order to clarify views found in the analyzed evidence.

**Direct Observation**

Yin (2003) uses an analogy of direct observations by stating: “If a case study is about new technology […] observations of the technology at work are invaluable aids for understanding the actual uses of the technology or potential problems being encountered” (Yin 2003:93). While the case in this thesis is not about new technology, the core principles of direct observations remain the same. In our case, the observation of CR communication, related work, its potential and limits have been invaluable when
developing my comprehension of the concept. Direct observation has its advantages in that it covers events in real time, and the researcher gets the context of the events. Contextual understanding is especially important in communications research (Morsing and Beckmann 2006).

In this direct observation I also analyzed the content of internal communication, and divided this into four groups. This was mainly done through analyzing 18 messages from the intranet and newsletters, sent to all organizational members. The information was categorized into two groups based on their content, and provided valuable information on what type of information Capgemini Norway conveyed to their organizational members. This is further elaborated on, and analyzed in chapter 4.4

PARTICIPATING OBSERVATION

In the research phase of this thesis, I engaged in participating observations at Capgemini's offices in Norway throughout 2008. This provided me with the possibility to gain a “clear view from within”, which is important in order to gain proper insight and understanding (Morsing and Beckmann 2006).

Throughout this period, I was in direct contact with the senior management team. The environment in Capgemini Norway is of an open nature and I was given access to available desks, which gave me contact with other organizational members. I was allowed to participate in meetings and discussions, and attended several meetings regarding CR. The general management team gave me valuable insight regarding the business comprehension and view on societal responsibility. The communication with the marketing and communications director was valuable in examining their external and internal CR communication. The ability to access such a “closed” environment is extremely valuable to any researcher (Yin 2003). In many ways it is a relationship of trust, and I was surprised by the goodwill of the management to answer my questions and include me in their development process. This is commonly argued as a prerequisite to produce accurate portrayal of a case study’s findings (Andersen 1997).

However, I faced many challenges with respect to how one should perform research in this environment. By participating in some of the work related to CR, my
presence was further accepted. I found that after a short while, I was not perceived as a researcher, but as a colleague. This is probably due to two factors: by participating in normal operations and being part of the organization for a full year. This inclusion was valuable in order to ensure that my presence did not put any restraint to discussions or “normal” behavior, a common pitfall when performing observation within any given organization (Yin 2003). This made it possible to minimize the effects of my presence, and I would definitely not have been given such an insight if I did not participate and became a part of the organization. Therefore, I believe that my presence and interaction had little or no consequence on the data collected.

It could be proposed that my observation methodology may cross the line between participant observation and action research. Action research is described by Kurt Lewin, who first introduced the term, as a comparative research on the conditions and effects of various forms of social action and research leading to social action (Lewin 1946). It is a reflective process where individuals work together to address various issues. However, in my case I would argue that the work I performed for Capgemini Norway, was far apart from final decision-making (in order to avoid bias), which is a major part of action research. In addition a goal in such research is to provide solutions on practical issues. Although it can be said that any participant observer contributes to organizational issues, I cannot see that this was done during my stay. As such, my methodology separates from action research.

The scientific approach I performed can be described as hermeneutic interpretive critical tradition where data is provided through dialogue. However, the clear positivistic scientific ideal of “pure data”, without influence from the researcher is hard to obtain in participating observation (Bruhn Jensen 2002). To address such reflexivity issues, I developed an awareness of my position and influence as a researcher, which is vital in maintaining “pure data” in the interpretation process, and increase data reliability (Bruhn Jensen 2002). During meetings and discussions, I took successive field notes, which described situations and opinions as accurate as possible. In addition, I included own reflections and notes alongside methodical observations. These field notes were only accessible to me, and were not subject to any review of any kind. In addition, I always recorded initial procedures and policy prior to my suggestions. As of this, I was able to
obtain descriptive “pure” data, which was separated from my own evaluation, hence avoiding the problem of biases where “the participant-observer is likely to follow a commonly known phenomenon and become supporter of the group or organization being studied” (Yin 2003:96).

Another challenge in participant observation is the time spent on work, and the time spent on research. To meet this challenge, the maximum workload on my tasks was set to reflect a 20 percent workload. The work I performed was mainly focused around my inclusion in the employee committee of the Naandi Norway initiative, which is handled in chapter 4.3. Other tasks included helping to drive Capgemini Norways CR initiatives further through internal communication and aligning strategy. Although it might seem problematic that I participated in work related to my research questions, I would argue that the work I performed was separated from the underlying work and principles already present in my field notes. I was not included in any final decision-making, as the management team did this. When attending meetings where decisions and discussions regarding my work were performed, I was provided with arguments on my proposed aspects. As such, I could gain insight on further perspectives that would not have been present without my participant observation. Although my suggestions were to some extent applied, I used my field notes to separate views already present with the views influenced by my proposals.

With the inclusion of field notes, separated from own evaluation, and the previous, I would argue that the participant observation role made it possible to analyze the case of Capgemini Norway in an adequate way. It enabled me to experience and record as many arguments and views as possible, with a self-reflexive consciousness. It was therefore possible to challenge views and to get challenged on my views. As such, I was provided with aspects on, not only applied practices, but also other possible approaches.

I feel convinced that participating observation was the most vital part of my data triangulation. The insight in business aspects regarding CR is far greater than I could ever have read in any literature. In addition, the integrated comprehension between corporate perspectives on CR, business drivers, internal and external communication makes this data collection method what I consider the main strength of my research design.
DOCUMENTS

The final forms of evidence used in my research design are *documents*. Documentary information is likely to be relevant to every case study. In addition they have the advantage of not being influenced by the researcher (Bruhn Jensen 2002). As seen in the previous, all such documents were analyzed prior to my possible influence. Examples may be letters, agendas, reports, intranet articles and so forth, and they are useful in corroborating and augmenting other sources (Yin 2003). As of this, they may support the observations made through the direct and participating observation stage. It is, however, not only when proving facts that documents are important. They are also vital in disproving false information. In addition they present clear findings without any information “lost in translation” between sender and recipient, which is much more likely in interpersonal communication(Yin 2003). Because of this, documents are important in any data collection study. However, it is important to remember that far from all documents present the unmitigated truth.

In a large corporation such as Capgemini Norway there are a vast amount of documents possible to examine. I based my analysis on the annual report of 2008 and the CR and sustainability report for 2007 and information from their web site. In addition I gained access to a great amount of documents, such as ethical guidelines and, CR strategies. This was invaluable in order to answer my research question in an adequate way. These documents are used to support findings in the case study. Some information from these documents is included, but not attached in full. They are also presented in a form that does not violate any confidentiality agreement. This is further handled in the next section. All documents are originally written in English, as this is the working language in Capgemini Norway. By this, no translation has occurred.

E-MAIL INTERVIEW

Although my research is foremost based upon observations and documents, one brief e-mail interview was conducted 8 months after my field study ended. I chose not to perform any regular face-to-face interviews, as my direct and participating observation gave me a chance to ask questions and get answers without the formal bounds of regular
interviews. I wanted to make sure that the answers gained reflected actual views in Capgemini Norway. I could therefore get the information I needed through conversation in a far less formal and constrained form than through face-to-face interviewing.

The short E-mail interview performed was based upon my needs after analyzing many of my findings. This helped clarify any ambiguities and further support findings from the previously analyzed evidence. While the direct, and participating observation resulted in discussion and statements recorded in my field notes, an e-mail interview was deemed appropriate in order to have solid reference for direct statements. My E-mail interview was conducted towards Capgemini Norway’s head of marketing and communication, Gunilla Resare.

In the methodological discussion of E-mail interviews, the article “E-Mail Interviewing in Qualitative Research: A Methodological Discussion” by Lokman I. Meho (Meho 2006) provides various aspects on this form of interview. The article summarizes findings from studies that performed such interviews, and discusses benefits and challenges within the methodology.

One clear benefit with this interview form is that no transcribing is necessary, and this electronic format requires little, or no processing before it is suitable for analysis (Meho 2006:1285-1288). Although response time may vary, such interviews enable the participant to answer questions in a familiar environment, without the time-constraint present in face-to-face interviewing. Although Meho presents this as an advantage for the interviewee; I found that it also applies for the interviewer, as questions following from replies can be formulated more carefully. The response time may also be a challenge as it can take some time to obtain the answers. In my case, the response was received within 10 days of sending.

The foremost difference between such interviews and face-to-face interviews is the impossibility of intercepting visual and non-verbal cues. On the other hand, e-mail interviews eliminate some interviewer/interviewee effects that might result from visual or nonverbal cues or status differences. (Meho 2006:1289). Another challenge is the formulation of the questionnaire, which has to be far more self-explanatory to avoid ambiguities.
3.4 Validity

Any research design is supposed to represent a logical set of statements. It is also possible to judge the quality of any given design according to certain logic tests (Yin 2003:33). These tests constitute proof of the validity of the research (Andersen 1997).

Constructing operational measures for the studied concepts assesses the construct validity of this thesis. My ability to develop these concepts without too much subjectivity is important for the construct validity of this thesis. The studied concepts of CR responsibility and communication are not examined in their nature, but in their process throughout the corporation. I have therefore selected and described the specific processes to study in order to answer the research question. Moreover, the multiple sources of evidence presented in chapter 3.3 are also, according to Yin (2003), increasing the construct validity.

When evaluating the external validity (or generalization), it is a major pitfall to apply statistical generalization, as this is not appropriate for case studies. Rather, one should aim for analytical external validity. In this thesis, previously developed theory is used in addition to findings from the case study in order to develop new comprehension or confirmation. According to Andersen (1997) this can provide analytical external validity. In addition, Andersen stresses that a comprehensive theoretical review further enables external validity. This is the main reason for the extensive theoretical review of this thesis, which incorporates all these elements and increases the external validity.

However, since any case study is “unique”, it would apparently be impossible to generalize (Østbye (2002:244)). However, Østbye points to the fact that there are no inherent contradiction between detailed and “real life” description, and important and basic principles, explanations and prime movers of a process. One important way of investigating this is through data triangulation, which makes case studies fit to provide general knowledge (external validity) (Østbye, Helland, Knapskog and Larsen 2002:244). As seen in chapter 3.3 data triangulation is the data collection method of this thesis, which further increases the external validity.
With respect to the research design presented in the previous sections, my design may provide findings that are of adequate construct validity and with some degree of external validity. Through data triangulation I obtain a “real life” description and insight in processes of how Capgemini reviews their CR responsibility and communication aspects. Although these are performed within Capgemini, analytical generalization could be achieved with the help of extensive discussion of terminology, viewpoints and theory, which predominantly presents already generally accepted findings. However, this generalization is not automatic, and the external validity of the normative proposals in this should be tested further through horizontal case studies.

3.5 Reliability

Reliability is about the accountability of any research. In the ideal case, a later investigator, who followed the same procedures and conducted the same case study would get the same findings. The historical weakness of case studies has been its poorly documented research procedures, which severely weakens reliability. As it is stated by Yin: “The goal of reliability is to minimize the errors and biases in a study” (Yin 2003:37).

The main threat to this thesis reliability is the data collection done through participating observation. There are reliability challenges with this approach. In addition to the issue of reflexivity and bias (addressed in chapter 3.3) there is fact that as a participant observer I contribute to the social phenomenon I am studying. I cannot denote the fact that my work may have influenced the organization, as any organizational member does. I cannot reject the fact that it may weaken reliability. As described initially, in the ideal case of total reliability, a later investigator, who followed the same procedures and conducted the same case study would get the same findings. This would not be possible without the later researcher gaining the same insight I did through participant observation. As this researcher then would be caught with the same reliability issues I faced, the participant observation methodology is stuck in an infinite loop of the same reliability problems. Consequently it is a question of pros and cons. In addition
comes the fact that organizations and society develops, and makes it difficult to account for views presented in prior research. The best ways of addressing this issue is by using field notes and create an awareness of the various problems in this methodology (Yin 2003). In addition I use data triangulation, which includes material that cannot be affected by my participation, to strengthen my observations.

The other aspect that is relevant to the reliability of this thesis is the use of non-published documents. The non-published documents used in my research were mainly the general CR strategy. The general CR strategy is confidential in its nature, but is developed as an “open document”, which finally shall be able for external insight. As such, the document does not contain any vital information, but is protected by confidentiality agreement until it is released externally. The general CR strategy is referred to as Capgemini Norway CR Strategy, but is not accessible without agreement from Capgemini Norway. Consequently, it is not referred to in any other way that through stating that it derives from the CR strategy. It is also excluded from the references.

I would argue that the fact that this document is not publicly available does not make its content less true. I chose to include these for two main reasons. First, although many of these documents are not publicly available at present, their content will be released for general scrutiny at a later time. In addition, it is not impossible to gain access to these documents, but they are not accessible without a signed confidentiality agreement. However, the major reason for the inclusion of these documents is the fact that although they weaken the reliability, these are of such importance that their exclusion would impugn the analytical background. In such, it would weaken the analytical background to such an extent that the analysis would be incomplete if they were not present. This enabled me to go beyond what is publicly accessible in my analysis. In the weighing of this against the reliability issues, I found that the possibility of conducting research with insight in such material defends reliability issues it poses. This does not denote the reliability issues, it merely means that I concluded that the analytical depth such documents provide, tipped the scale in favor of inclusion rather than exclusion.
3.6 Summary

My research design can be categorized as a *single case study*, with a scientific approach that can be described as following a hermeneutic interpretive research tradition. The use of Capgemini Norway as research subject was motivated by several benefits, including representativeness and availability. The study was held against these, and found in compliance with, general methodological requirements.

The data collection was performed through direct observation, participating observation, documents and one E-mail interview. The direct observations have the advantage of covering events in real time, where contextual comprehension is also intercepted. The participating observations enabled me to record views, comprehensions and aspects not possible to perceive otherwise, and analyze these with a self-reflexive consciousness. The documents used were beneficial in proving or disproving the findings from my observations. In addition, the E-mail interview helped clarify any ambiguities and support findings from the previously analyzed evidence.

My research findings maintain construct validity and to some extent also external validity as data triangulation and extensive theoretical review is presented. Still, the validity of the normative proposals in this study should be tested further through horizontal case studies.

There are some reliability issues with my methodology. As described earlier, it is a question of the advantages of participant observation, and the disadvantages of weakened reliability. The issue of self-reflexivity is addressed as far as possible, by using successive field notes. The problem of evidence reliability is another challenge in my methodology, with the use of non-published documents as background for my analysis.

In the end, it is a question of pros and cons. Reliability is an important factor in any research. In my case, I had a great opportunity to gain access to information that demonstrates underlying motives, drivers and agendas. Although it presents a clear reliability issues, the possibility to access these documents is important. This document is therefore used in the analysis as it presents key information that is imperative in the analysis performed in this thesis.


4 Capgemini Norway case study

In this chapter, the case study of Capgemini Norway will be presented. I will start by briefly addressing the development of CR in the Capgemini group. Further an analysis of what responsibility Capgemini Norway, in their view, holds towards society. Capgemini Norway’s CR strategy and their most prominent initiative will be reviewed in light of the discussion on strategic issue selection. Following this, it is reviewed whether the inside-out approach is being applied in the CR communication towards three major stakeholder groups, emphasizing organizational members.

4.1 Historical development of CR in Capgemini

As seen in the theoretical review in chapter 2.1, corporate responsibility was an idea derived from Howard Bowens Social responsibilities of the Businessmen (1953). This publication stressed the need to make decisions and follow lines of action that are desirable in terms of objectives and values desirable to the general society. Although Capgemini was founded a decade after Bowen’s publications, the early stages of CR within Capgemini was guided by seven “group-values” that arguably can be said to align with desirable societal values. These seven group values were: honesty, boldness, trust, freedom, team spirit, modesty and fun. As of this, the early stages of CR in Capgemini can be said to be in correlation with the “standards” of that time, at least in accordance to Bowen’s statements. This mentality is still emphasized in a 2007 statement from founder and CEO of Capgemini Paul Hermelin:

Capgemini has believed that being a responsible business means far more than just legal compliance and philanthropy. It is, and always has been, an integral part of who we are and what we do […] together, we can make a real contribution, for our clients, suppliers and business partners, to the communities, for our own wellbeing and for the sustainability of the world in which we live and operate.

(Capgemini 2007:5)
The seven “core-values” are still preserved within the Capgemini group, and conform the underlying concepts of their CR development. Regards to community and environment are incorporated as two out of six “strategic pillars” that underpin all aspects of Capgemini’s business areas (Capgemini 2007:13). This shows the recognition of community (social responsibility) and environment in strategic decision-making within Capgemini.

According to David Vogel (in chapter 2.1) the 90’s brought a substantial growth in NGO activity. This resulted in a rising amount of scandals related to corporate responsibility. During this period Capgemini remained faithful to their fundamental values, without further emphasis on the concept of CR. It was not until 2003 they formalized these in relation to CR, by developing a CR and Sustainability strategy.

In Capgemini, the central management (located in France) outlines the overall strategic decisions and directions, which are then locally adapted. They present different principles for the group to follow. An example of this is the UN Global Compact that Capgemini joined in 2004. Distribution of such principles provides a coherent vision and sets the agenda from the top. In 2006, the Ethics and Governance Committee was set up, whose task was to verify that all group activities followed the seven core values, and that general corporate governance rules were applied to all operations. In 2007, Capgemini initiated a one-year internal CSR & Sustainability Awareness campaign. Over the course of this year several community programs were initiated, and the successive development and expansion of these programs throughout the group are being maintained to present day.
CR TERMINOLOGY IN CAPGEMINI NORWAY

In chapter 2.1, the theories of May et al. (2007) showed that there exists no universally applied terminology or conceptual comprehension for corporate responsibility. However, the concept is based upon the ideal of sustainable development outlined by the WCED, which encompasses environmental, economic and social responsibilities. With the enclosure of a CR and sustainability strategy in 2003 Capgemini demonstrates that they employ the sustainability-ideal as a foundation for CR.

Capgemini's conceptual comprehension of CR is further demonstrated in their CR strategy where they outline they emphasize the following key points in their perception for corporate responsibilities:

- Recognize our social, economic and environmental responsibility
- Use and stride for best practices
- Deal in a transparent way when dealing with risk, uncertainty or irreversibility
- Continually improve our CSR agenda
- Practice good governance
- Ensure appropriate valuation and restoration of natural resources.
- Preserve our ecological integrity
- Integrate environmental and social goals in our policies and activities

As seen in the first point of this list, the CR and sustainability strategy incorporates economic, financial and environmental aspects, which is in alignment with the WCED sustainability definition. Another notion is the fact that Capgemini applies the term CSR (corporate social responsibility). As shown in chapter 2.1, CR was found as a more expedient term as it could equally emphasize social, financial and environmental motives. However, as stated earlier, this is more a question of semantics and common practice, rather than demonstrating exclusion of financial and environmental aspects, as these aspects are mentioned first in their commitments.

The outlined actions are not only the actions taken towards the goal of “being in front of corporate responsibility”. They also emphasize further their conceptual
comprehension of CR. In addition to ambitions such as “Recognize our social, economic and environmental responsibility”, which further underline their conceptual comprehension as in alignment with WCED. The strategy further states that CR can be defined as a business approach that creates long-term shareholder value by managing risk and embracing opportunities deriving from economic, environmental and social developments.

As of this, the general CR strategy outlines overall principles for the corporate comprehension of CR. The terminology Capgemini Norway has of CR is based upon the WCED definition. As such, they emphasize the interrelationship between financial-, environmental-, and social impacts of corporate activities and operations in order to promote sustainable development. Consequently, CR is viewed within Capgemini as a conceptual tool for operationalizing sustainable development.

### 4.2 Views on Corporate Responsibility

The first question in order to assess what view Capgemini Norway has on societal responsibility is the question if they take on both direct and indirect responsibilities. As shown in the theoretical review (chapter 2.2), Jacquie L’Etang (1995) outlined these two different types responsibilities. The direct responsibilities were the fundamental responsibilities of a corporation, which for the most part are regulated through legislation. The indirect responsibilities were the reciprocal responsibilities corporations inherit in accordance to their societal influence. They are voluntary, but increasingly demanded, and not as clear and concise as the direct responsibilities.

Norway is a country where direct responsibilities are legislatively controlled. Legal requirements include, amongst others, the well being of organizational members. This is, in Norway, regulated through the Norwegian Accounting Act (Norge 2009:§3-3a). This, and other direct responsibilities are consequently being adhered to by Capgemini Norway, in order to meet legislative requirements. Capgemini Norway also fulfill the legal responsibilities on this area and are then, according to Carroll and Schwartz domains for CR, fulfilling one basic premise to earn a license to operate.
Capgeminis approach towards indirect responsibilities is shown in their 4th strategic pillar, labeled “community”. Community is its own strategic area within Capgemini, and it is stated that: “Capgemini wants to ensure a positive impact on the communities in which we live and operate” (Capgemini 2007:32). This shows a willingness to take societal indirect responsibilities, and demonstrates an ethical approach to CR, following Carroll and Schwartz (2003). The Norwegian CR strategy further promotes this view by stating that: “It is not only our possibility, but also our responsibility, to support and encourage positive social change”. This shows an acknowledgement of societal impact and the willingness to administer this impact responsibly. Capgeminis community projects are focused on the areas of education, diversity and growth. These areas are all part of an indirect responsibility approach. As Capgeminis commitments to these areas are not directly related to their operations, the question is not whether it resides on a strategic level, but whether it is performed throughout operations. This will be further handled in chapter 4.3. However, the indirect responsibilities are at least being incorporated into strategy, as such they are present as the societal influence is matched with a reciprocal responsibility outlined in their strategy.

Although both the direct and indirect responsibility is identified in Capgemini Norway, this merely states that such responsibilities are acknowledged and acted upon. As described in chapter 2.2, there exists two opposite views on societal responsibilities, ranging from Milton Friedmans Neoliberalistic perspective (Friedman 1970) to Edward Freemans socioeconomic viewpoint (Freeman 1984). As shown chapter 2.2, the neoliberalistic view emphasizes maximization of shareholder value as the sole responsibility of business, where market and company interacts without involvement of ethical issues. On the other side, the socioeconomic view expects corporations to be involved in social, political and legal issues, in addition to being economical institutions.

The question is therefore CR is regarded as something more than commercial business-practice, or if a more socioeconomic approach is applied? The answer to this question can partially be found in statements from the 2007 sustainability report where the Capgemini Group General Secretary states that: “Social responsibility is today a strong commitment for the Group. It forms a global approach for taking on board the
principles of sustainable development both at the level of corporate strategy and commercial practice” (Capgemini 2007:12). This points towards a converged view of CR in the Capgemini group where both maximizing shareholder value and other stakeholder interests are being emphasized. As CR engagements are both viewed as strategic and commercial practices, the pitfall is that such statements are superficial if local management teams do not follow them through. This was examined in the case of Capgemini Norway, and statements found in the Norwegian CR strategy enforce the view that a this converged view is also present within Capgemini Norway:

In today’s society, CSR is increasingly acknowledged as one of the most important areas where companies can improve to maximize society’s (and stakeholders) value and profits. […] Sustainable companies are increasingly gaining economical benefits from their sustainable development projects. The economic benefits are increasing and revealed as sustainability is put on more and more corporate agendas. […] It is also important to stress that doing good is a motive in itself.

The strategy clearly demonstrates an approach towards CR, which encompasses both socioeconomic and neoliberalistic viewpoints. The neoliberalistic profit maximization is converged with the socioeconomic as the goal of profit maximization goes through socioeconomic means. It is not purely neoliberalistic as profit maximization is not seen as the sole purpose of the company, but may follow as a consequence.

When these views are put in relation to the different approaches outlined by Garriga and Melé (2004), these statements can be said to show how integrative approach is the means to instrumental ends. As shown in chapter 2.2, the instrumental approaches are aligned to the neoliberalistic position. Following the three different instrumental approaches outlined by Garriga and Melé we can see that investments of social demands is also seen as a possibility to create business benefits deriving from Capgemini’s CR program. In such the approach of maximization of shareholder value is present as an underlying ideal. In addition the approach of competitive advantage is promoted as head of marketing and communication, Gunilla Resare states that: “Capgemini shall make an
impact locally and in areas where we work and operate[…]” (E-Mail-interview Gunilla Resare 05.10.09). This shows that Capgemini Norway stride to make their social investments in a way that is aligned to their operations, and in such applies social investments in competitive context.

The CR strategy outlines several different advantages for CR practices, such as competitive advantage, embedding CR into core operations, cost reduction and employee engagement. However, motives such as reputational benefits and license to operate were also outlined as equally important. This shows that although many of the stated motives were instrumental, the belief is that the way to achieve them is through an integrative approach. Garriga and Melé described this as: “how corporations integrate various social demands, as they recognize that business depends on society for its existence, continuity and growth” (Garriga and Melé 2004:57). The following statement from the CR strategy shows that Capgemini recognize the interdependence between society’s sustainability and their own possibility of growth:

When we engage in CSR matters we see a broad range of opportunities. Not only in strengthening the societies we operate in and minimizing ecological impact, but also business benefits deriving from our CSR program. By overall encouraging sociological development we strengthen the community’s sustainability, but also our prospects of maintaining and developing business in the very same communities.

This statement shows that the correlation between societal and business sustainability is emphasized. By strengthening and responding to society’s sustainability demands, they recognize that their own prospect of business increases.

As of this, Capgemini Norway can be said to have a contingent view on CR where both the instrumental approach of shareholder value and the integrative approach where considerations of society and stakeholders are emphasized. While their ultimate motives can be classified as neoliberalistic, the real convergence in societal responsibility lies within the realization that the way towards such goals increasingly requires a socioeconomic approach to CR.
4.3 ISSUE SELECTION

As seen in chapter 2.3, strategic issue selection is an important part of CR. Strategic issue selection occurs when corporations addresses issues to include in their engagements that are strategically important for the company, and beneficial for society. This is imperative as it is impossible for any corporation to pursue all possible CR initiatives.

Porter and Kramer’s framework outlined in 2.3, states that CR initiatives should be performed on the social issues where the corporation can make the biggest impact. As seen in chapter 4.1, Capgemini Norway defines CR as “a business approach that creates long-term shareholder value by managing risk and embracing opportunities deriving from economic, environmental and social developments”. This implies that strategic issues selection is applied. In addition the 2007 group CR report initially states:

Our approach to business is to provide top-down leadership and strategic vision, and to ensure we create the right environment for our people to be able to individually apply their creativity, experience and expertise to developing innovative and effective solutions that work for their areas of work and influence.

(Capgemini 2007:12)

This shows the recognition of adapting CR to the areas of “work and influence” or the areas where the organization has impacts. The Norwegian CR strategy stresses integration of CR work into the nature of all business practices, emphasizing the 4th key point from the EU list of “successful” CR where setting appropriate goals or targets, related to the core business is stressed. As the strategy outlines commitments on mapping relevant sustainability issues, engaging in dialogue and cross-sector collaboration, it also aligns with the 9th key point outlined. Here sharing experience, learning from and with peers, in sectoral and multi-stakeholder initiatives or through networks, good practice examples is underscored as vital for ”successful” CR engagements. If the mapping of relevant sustainability (CR) issues is done in a manner that identifies social issues that intersect with the core operations, strategic issue selection is applied. This conforms to
the 3rd EU key point and the CR strategy of Capgemini incorporates this view in the following statement:

(CR) initiatives must be incorporated into our business practice. In order to maximize our potential impact we must be able to sustain all our initiatives. We firmly believe that CSR initiatives should be conducted both where we see the need, and where we see an opportunity.

This demonstrates that strategic issue selection is emphasized in strategy, and partake indirect liabilities to some extent. The question is therefore whether Capgemini Norway are able to enforce this strategy into CR operations based on where they can make the biggest impact, consequently enforcing strategic issue selection as outlined by Porter and Kramer.

The most prominent example of Capgemini Norway’s CR engagements is the Naandi Norway initiative. This is a social awareness and contribution program developed in collaboration with the Indian NGO Naandi. Naandi seeks to combat poverty in India by creating public, private and pluralistic alliances with governments, corporations and civil society institutions. They do so by channeling their collective resources into new approaches to solve large-impact social-sector issues across the country. This is done through a variety of initiatives emphasizing water & sanitation, education and livelihood. In 2007 Capgemini established a local Naandi foundation in Norway. The focus of Naandi Norway, and Capgemini is towards supporting the “Nanhi Kali” program. This program supports education of underprivileged female children. Naandi Norway collects donations from Capgemini Norway organizational members, and external contributors. Capgemini Norway has committed to match each donation by its organizational members, limited to a total of NOK 500,000 (approx 90,000 USD) annually. In addition to this, Capgemini Norway supports Nanhi Kali with management of the foundation through administrative and legal competence.

In relation to the inside-out approach, shown in Figure 1 in chapter 2.4.1, this initiative resides in the third step: national social and environmental issues. Although the program is not addressing issues anchored in Norway, national social issues also points
towards country of operations. Although it cannot be classified as an international issue, as Capgemini employs a workforce exceeding 12,000 in India through their outsourcing services, this issue is definitely addressing a national issue in a country of operations. In addition, the fact that it is an employee-contribution program incorporates the 8th point of the EU list of CR “success” factors which proposes: “Involving organizational members and their representatives in developing and implementing CSR, programs, activities and initiatives”.

When Capgemini Norway launched the Naandi Norway initiative, a mission statement was presented. This was intended to document why and how Capgemini Norway was initiating this program. This document starts by outlining 10 different business drivers for the program, thereby demonstrating the business case. These arguments can be divided into the general that are not directly linked to any specific initiative, but overall strategy targets, and the specific, which is linked to the business advantages that may be derived from the specific program. According to Porter and Kramer’s (2006) arguments, these must at least be present within each category. Out of the 10 presented drivers 8 were general and only 2 specific. As Porter and Kramer’s (2006) strategic issue selection stresses that specific drivers for individual initiatives should be presented in order to demonstrate strategic selection of initiatives, the mission statement does not point towards strategic issue selection of the Naandi initiative according to Porter and Kramers framework. However, the selection of the Naandi initiative, and all CR engagements within Capgemini Norway are selected by the criteria that they shall: “make an impact locally and in all areas where we work and operate” (E-Mail-interview Gunilla Resare 05.10.09). When analyzing the Naandi initiative according to Porter and Kramers (2006) framework, the Naandi initiative can be categorized as strategic, as it combines both inside-out and outside-in linkages. As seen in chapter 2.3, inside-out linkages are the various ways the corporations value chain affects society through its operations. With a large workforce in India, Capgemini certainly has an effect on society, providing jobs and economical development by providing business and employment. However, it is the outside-in linkages that are most prominent in the case of the Naandi and Capgemini collaboration. As described, outside-in linkages are the external influences society impinges on corporations. As a major employer Capgeminis
contribution to education addresses a problem of national concern, and can increase reputation, employee retention and attractiveness. In addition, local initiatives may be valuable leverage towards local governments etc.

In addition to the two types of relations between company and society, Porter and Kramer (2006) outlined three categories of CR initiatives. The **generic social issues** were the issues that are important to society, but not affected by, or affecting the company’s competitiveness. **Value chain social impacts** were the issues that mitigate harm from the value chain while reinforcing strategy. Finally, the **social dimensions of competitive context** are the issues that affect the underlying drivers for competitiveness in areas of operation. The selection of the Naandi initiative can be described as mainly residing in this final category of CR engagements. The Naandi Norway initiative helps leverage Capgemini’s competitive context in India through business drivers such as employee attractiveness, local support and increased dialogue with local authorities. In addition it leverages the company’s capabilities to improve salient areas of competitive context such as the outsourcing services that Capgemini offer towards their clients, which is viewed as a key competitive advantage. In addition they emphasize that such outsourcing may also have a positive environmental impact by stating that:

> Outsourcing can have a positive environmental impact as well as offer cost savings and other benefits. Capgemini provides innovative datacenter and workplace platforms designed with energy efficiency and reduced carbon footprint in mind. Outsourcing can be a valuable tool in helping companies to meet legislative or corporate driven carbon reduction targets.  
> (CapgeminiGroup 2008:¶ 12)

This statement shows how Capgemini also transforms this initiative to an issue addressing **value chain social impact** for their clients. By mitigating value chain social impacts, they transform such activities to societal benefits, and act as a corporate responsible for parts of their client’s value chain when they use their outsourcing services. The Naandi initiative cannot be said to be a **generic social issue** as education...
and economic prosperity in the Indian society certainly may affect Capgeminis operations in India.

In addition to the Naandi initiative, Capgemini are engaged in other CR initiatives. However, many of these are initiated at group level, such as the UN global Compacts “Caring for climate” initiative. Locally, Capgemini Norway has several initiatives going. Examples of such engagements are energy consumption initiatives, and the ”Green IT” project. This is a collaboration where corporations seek to minimize the environmental impact of IT, and demonstrate how new technology can aid to sustainable environmental development. The Naandi initiative is the initiative Capgemini Norway has initiated locally, and seeks to adopt globally, as Capgemini Norway works towards deploying the Naandi program throughout the whole Capgemini group. Through 2008, they managed to include several local Capgemini offices in this program. However, it can be argued that this several such programs should be initiated. As shown, there exists several engagements, but Naandi is the prime initiative. This is due to the fact that the Naandi initiative is fairly new in Capgemini and the initiation of several initiatives simultaneously may be difficult, even in large organizations. As head of marketing and communication puts it: “it is a challenge to get time out of a busy schedule to develop new initiatives. The will is there, but time is a scarce resource […]” (E-Mail-interview Gunilla Resare 05.10.09).

Initially, the CR strategy was found to emphasize strategically selecting CR initiatives, the question was whether this was applied in practice. As most of the other CR engagements Capgemini Norway are part of are directed on group level, it is the Naandi initiative that is most suitable for analyzing Capgemini Norways initiatives in retrospect to Porter and Kramers framework. With the review of the Naandi initiative it is clear that the Naandi initiative lies within the area of strategic CR as it fulfills the criteria’s in Porter and Kramers framework (2006). Both inside-out and outside-in linkages are present. The initiative lies within social dimensions of competitive context, and also provides a synergy effect of value chain social impacts for their customers. Therefore, it can be concluded that strategic issue selection was applied in conforming this initiative.

6 More info on the Green It initiative can be found at: http://www.gronnit.no
4.4 CR COMMUNICATION

As seen in chapter 2.4, Dawkins (2004) emphasizes communication as a missing link when practicing corporate responsibility. This is a statement that is also promoted in the EU “key success factors” for CR (CSREMS 2004). This communication must be directed towards all stakeholder groups, which, following the description in the theoretical review, are those groups or individuals that are significantly affected by the company; and whose actions may affect the company’s ability to implement strategy and operations. This is a description that encompasses every receiver of corporate communication. Consequently it includes both internal and external stakeholders.

Capgemini Norway does not presently have any published, or non-published, stakeholder map. Figure 2 shows a simple outline of three major stakeholder groups in Capgemini Norway, which conforms the starting point for the communication analysis.

These groups were not weighed according to influence, level of interest and other criteria’s that would be natural to include in the mapping of a company’s stakeholders. These were considered to be superfluous as they only serve as a categorization to conform the basis of my analysis of CR communication, the inside-out approach and twofold communication process. As stated earlier, the focus in the analysis is on organizational members.
4.4.1 Norwegian Government

Constructive dialogue with local government have been described as a good strategy to avoid “CR regulation” (Morsing and Beckmann 2006). In the case of Capgemini Norway there are few ongoing processes towards this group. During my observation period, top management attended three meetings with members of the Norwegian parliament. This is in alignment with Wiig and Brønn which states communication performed by senior management, is key to legitimize the company within this stakeholder group (Berg and Brønn 2005:54). As seen in chapter 2.4.1 Morsing et al. (2008) categorize politicians as receivers of expert communication in the twofold communication process. As the material presented by Capgemini Norway mostly included facts and figures of a near scientific discourse, it can be concluded that the expert communication process was applied in the relatively little interaction with this group.

Meetings were focused on tax-deduction policies for CR initiatives. The dialogue resulted in an official letter to the Norwegian financial minister, sent by a member of parliament and the Norwegian Progress Party (Gåsvatn 2008). This letter sought to change current legislation so that contributions from both organizational members and corporation would be tax-deductable, consequently making it more favorable to contribute and increase donations. The answer from the finance minister denied the request on the grounds that any organization (in this case, the Naandi Norway foundation) must receive financial support from the Norwegian government, and be of a national scale, in order to receive such deduction. As a result, Capgemini Norway began an application process for financial contribution from the Norwegian government to Naandi Norway, a process that was still ongoing at the end of 2008 when my field study ended.

This example shows how the communication towards Norwegian legislators is not only performed to promote the corporation, but also help drive the initiatives further. When put in relation to the conclusion in chapter 4.3, that the Naandi initiative was selected strategically, an interesting aspect becomes clear. Processes resulting in aiding strategically selected initiatives also promote the business case for such initiatives.
Consequently such processes are strategically beneficial both in a instrumental and integrative view.

Capgemini Norway also has an “ambassador” of the Naandi foundation that is a member of the Norwegian parliament. This is not only a way of legitimizing, but may also point towards the application of an endorsed communication process. This endorsement is used as a way of further legitimizing Capgemini’s CR engagements both towards the Norwegian community and other experts.

During my stay, only one communication processes towards the Norwegian government and members of parliament, was performed and analyzed. This may be because political processes are time consuming, and Capgemini Norway may be cautious in how much pressure they want to apply towards this group. Another reason is the fact that such communication and processes are quite time consuming, and one of the prime challenges of driving CR initiatives further in Capgemini Norway, is the lack of time (E-Mail-interview Gunilla Resare 05.10.09). However, seen in relation to the business-advantages in driving strategically initiatives further, communication towards this group could be given greater priority.

4.4.2 Norwegian Community

Communication towards the Norwegian community is the category of stakeholders where the endorsed communication process should be applied, according to Morsing, Schultz and Nielsen (2008). In the endorsed communication process, the media plays a significant role. As they are considered somewhat “uncontrollable”, they have the power to add much credibility to companies CR messages. As such, they conform one of
the most influential endorsement powers towards local communities, simply by being someone outside the organization attesting to the significance and validity of the information being presented.

Capgemini Norway’s communication towards the Norwegian community is not promoted is only through sub-areas on the Capgemini webpage. Other communication goes through articles in local media. An example is an article from the newspaper *Dagens Næringsliv* evolving how poor CR performance may affect organizational members in social situation (*Dagens Næringsliv* 2008). In this article, Capgemini Norway’s communication director promotes the Naandi initiative as a way of how Capgemini Norway partakes their societal responsibility and acts as a social contributor to the countries they operate in. Another example is when a Norwegian graduate-school Bestum collected NOK 20,000 to the Naandi Norway foundation. In the article presenting this in the local press, Capgemini ensured that the focus was turned solely on the contributors, and Capgemini Norway was not mentioned in relation to the Naandi Norway foundation (*Akersposten* 2008).

As of this the awareness of the self-promoters paradox results in certain reluctance of media exposure. This view also becomes clear when asked what Capgemini considers their prime challenge in their external communication regarding CR issues: “This is a matter of balance. We have until now chosen to keep a low profile. It is important not to mix a CSR strategy to become a PR stunt” (E-Mail-interview Gunilla Resare 05.10.09).

Through this indirect communication to the local community, Capgemini Norway conveys information on what their CR program encompasses. This list includes values and ethics, relations to organizational members, customer’s supply chain and affiliates, and environmental influence as the most important areas of CR operations. It is interesting to notice that these are purely ethical and integrative points. The reason for the absence of communication regarding instrumental motives is the fear of scrutiny, as instrumental motives may easily be framed as “they only do this to make money” (which is a distorted view on reality because there are both instrumental and socioeconomic motives with heir engagements). It could therefore be interesting if Capgemini Norway incorporated some of their instrumental motives in their communication towards local
communities. However, this is not likely due to the self-promoters paradox and the fact that it is philanthropic motives that are expected, legal requirements that are required while financial motives are only suspected. The use of local media is a way of trying to enforce an endorsed communication process. In such it incorporates third party endorsement, although Capgemini is cautious not to make their CR engagements and communication towards the Norwegian community appear like a PR stunt.

4.4.3 Organizational Members

As shown in chapter 2.4.1, the inside out approach addresses the self-promoters paradox by emphasizing that employee commitment must be in place before external communication should be performed. It is only when this anchoring is in place, the company has a “precondition for trustworthy CSR communication” (Morsing et al. 2008:103). This trustworthiness comes through what is described as the endorsed communication process.

The inside-out approach requires internal anchorage of organizational members’ value picture in order to receive the reputational benefits CR engagements can provide. As described in chapter 2.4.1 the communication process is further divided into expert- and endorsed communication processes. In their description of this twofold communication process, Morsing et al. constitutes organizational members, as receivers of expert communication. In turn, they disseminate a favorable reputation towards local communities and the other stakeholder groups in the endorsed communication process. This approach seems to differentiate the two communication processes, not only in message and receivers, but also in what stakeholder strategy is applied. Expert
stakeholder communication is presented as a more symmetric communication task than the endorsed process, which seems to rely on a more informative strategy. When organizational members are receivers of expert communication, and further apply this information in an endorsed communication process, it is fundamental that the information being conveyed is understood, and provides solid alignment with corporate conceptual comprehension and motives.

In order to analyze whether Capgemini Norway’s organizational members could be seen as sufficiently informed to advocate through the endorsed communication process, I analyzed their internal communication. Two types of CR messages being conveyed through the formal channels were apparent; *strategy-oriented* and *initiative oriented messages*. These were mainly articles published on the intranet. The *strategy-oriented* messages either informed or referred to strategic goals, business drivers or in other ways legitimized the company’s CR engagements. These messages would inherently help to increase conceptual comprehension of CR. The comprehension of these underlying drivers for engaging in CR can further improve employee advocacy in an endorsed communication process. The second category of formal internal messages was the *initiative-oriented* messages. In this category, news regarding specific initiatives was presented. The messages informed about specific initiatives, success stories, progression and employee participation. As a consequence, organizational members were more knowledgeable about specific CR initiatives. Table 1 summarizes the two types of internal CR communication distinguished.

<table>
<thead>
<tr>
<th>Type</th>
<th>Content</th>
<th>Goal</th>
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| **Strategy-oriented** | - Overall strategic goals  
- Business drivers  
- Legitimization | - Increase awareness  
- Comprehension of drivers  
- Anchor CR mentality  
- Maintain Inside-out approach |
| **Initiative-oriented**  | - Specific initiative information  
- Success stories  
- Progression  
- Contribution information | - Increased participation  
- Informed of current initiatives |

Table 1 - Categorization of internal CR message content

Throughout the period of the case study, the messages from the intranet and newsletters were analyzed. This was conducted in the period of the case study, which was
from January to December 2008. In this period, as much as 81% out of the registered internal CR messages conveyed through formal channels were initiative oriented (N=18).

The skewed relationship between these types of messages demonstrates one of the pitfalls of internal company CR communication. As shown in the theoretical review, the most important channel for company reputation is the advocacy the organizational members perform if they are on board and understand the underlying strategy for the company’s choices (Kotler 1999; Morsing et al. 2008). In Capgemini, the skepticism of certain organizational members was for the most part anchored in questions such as “why is Capgemini initiating its CR engagements?” Suspicion of motives was the prominent interjection towards initiatives. Although these views only conform a small fraction of the organizational members in this case, they are important issues to address in order to provide overall comprehension and involve the organizational members. The skeptic opinions were often conveyed through the informal channels and interpersonal communication. As such, they were harder to intersect by management. Such opinions may show that organizational members without proper conceptual comprehension interpret the CR ambitions as purely fulfilling the legal and financial motives from Carroll and Schwartz’s types of CR, and acting with instrumental motives. This skepticism is not widespread, and the 2007 one-year internal CR awareness campaign arguably resulted in some increased awareness amongst organizational members. Although one way of meeting such skepticism is through awareness campaigns, Capgemini Norway would arguably benefit from conveying more strategy-oriented messages in their internal communication.

It is not sufficient to perform such a campaign and then decrease internal awareness communication. As the initiatives are driven further, the awareness must develop accordingly and always be promoted in company communication in order to sustain internal recognition of drivers, motives, goals and means.

Although the importance of an internal conceptual and strategic comprehension of CR has been stressed earlier, it does not implicate that the initiative-oriented communication has a lesser role. To the contrary, research has shown that organizational members involved in CR programs are far more likely to advocate beneficially than organizational members not involved (Dawkins 2004). As one of the results of the
initiative-oriented communication is increased participation, such communication is imperative in the long run.

In addition, the CR program is dependent on the commitment of senior managers, as described in the 1st key point of the EU list towards long-lasting CR practices (CSREMS 2004). In the Capgemini case, the CR engagement is partially anchored within the senior management team. There is an awareness of all initiatives. However, the acknowledgement of the importance of such initiatives varies. One of the main challenges is the ambiguous comprehension of the CR concept. The profound comprehension of the business advantages is somewhat clear, but could be given greater emphasis. As of this, demonstration of the business case is important. There is no doubt that the commitment exists; however it could arguably be more profoundly rooted within the entire management team. There is a great deal of commitment and comprehension from the top-level, as this is anchored in their overall business approach, which is “to provide top-down leadership and strategic vision” (CapgeminiGroup 2009). However, the development of a unified comprehension and business case for CR requires a lot of communication and information towards and from the senior management team. In multinational corporations, such information and communication can be rooted in central management teams, and distributed locally through statements, guidelines and policies. The comprehension of why CR should be prioritized over other business activities is a challenge for many senior management teams, as long as the business case is not thoroughly demonstrated, the awareness is not present on all levels, and the concept not fully understood.

The key point is to balance the amount of strategic and initiative oriented communication across time for both senior management and organizational members. At the initiation the profound comprehension and strategy oriented communication must be emphasized. The organizational members cannot only experience the company as responsible; they also have to understand the underlying drivers and strategies.

As shown earlier, strategy-oriented information seeks to convey the company’s conceptual comprehension to its organizational members in order to increase awareness. If this comprehension is not in place, the expert communication will not be understood, and the internal anchorage will fall short of the target. As such, organizational members
cannot be categorized as experts if the inside-out approach, which ensures comprehension and commitment, is not in place prior to the strategic communication towards other experts stakeholder groups. To understand and endorse the CR engagement, a profound comprehension must be present. The problem arises when organizational members are receivers of expert communication, without the proper knowledge of the company’s CR engagements, or CR as a concept. This is the reason for the strong interconnection between the inside-out approach and these two communication processes, as they do not conform if the internal anchoring of CR is not present.

In the Capgemini case, the strategic advantages of CR have been conveyed, but the communication was not thorough enough before getting a more initiative oriented character. As shown in Figure 3, the inside-out approach could be secured by ensuring constant communication of profound, strategic and initiative-specific comprehension.

In addition, the underlying conceptual comprehension must be fully in place, according to Morsing et. al (2008) in order for the communication to be trustworthy through an endorsed communication process. When asked if the internal anchorage and knowledge of CR in Capgemini is adequate, or could be strengthened, head of marketing and communication, Gunilla Resare answers: “We have a pretty strong and successful anchorage and knowledge regarding Naandi. We got certified as a green beacon in May, and we have been communicating this since, and will strengthen this throughout the year.

Figure 3 - Illustration of the three internal communication messages in order to secure the inside out approach.
The group has just initiated an ethics and compliance program, and this will also be a strong focus further on“ (E-Mail-interview Gunilla Resare 05.10.09). This vision is somewhat in coherence with the findings in the case study. It is acknowledged that the organizational anchorage is present, but several initiatives are being promoted internally in order to further strengthen awareness amongst organizational members. However, this also implies that the knowledge of underlying drivers and motives are present, which differs from the findings of the case study.

With this in mind, Capgemini Norway can further secure that organizational members have the profound comprehension of the concept, before the strategic and initiative-specific information is conveyed further. Organizational members will advocate stronger as they are not persuaded to the advantages and company approach on CR; they understand and conform to it. This is imperative in order for organizational members to act as experts, and consequently contribute to the external CR communication in the endorsed CR communication process.

It is therefore possible to conclude that the internal communication in this case proves the ambition of an inside-out approach. Also, the internal communication in the Capgemini case seeks to make organizational members experts in order to aid the endorsed communication process. Through their awareness program they have partially succeeded in achieving this, but the awareness could be higher and more profound as it lacks some conceptual and fundamental employee comprehension. This is probably a result of not thoroughly engaging in the strategy-oriented communication.
4.4.4 The inside out approach in the Capgemini case

The previous chapters have analyzed the communication Capgemini Norway performed to three key stakeholder groups in relation to the inside-out approach.

The communication towards the **Norwegian government** is found to be consistent with expert communication according to Morsing, Schultz and Nielsen’s (2008) framework. The inclusion of endorsement in the form of a CR ambassador, who is a member of the parliament, demonstrated an awareness and appliance of the endorsed communication process towards other stakeholder groups.

Communication towards the **Norwegian community** can be classified as non-expert, and addressed through an endorsed communication process. The general contents of the messages conveyed an ethical and integrative approach, with no focus on the instrumental motives. The communication of CR is not only a question of communication about initiatives, but also the openness of all types of motives; instrumental, ethical and integrative. The self-promoters paradox was taken into account by not addressing the local community directly, but through endorsed communication processes. The endorsement by organizational members were present, but was weaker than what would ideally be the case. In relation to this paradox, it would be interesting if Capgemini Norway chose to include more of their instrumental motives in their CR communication.

The inside-out approach requires internal anchorage of all **organizational members**. Ideally they serve as experts in an endorsed communication process, which heavily relies on organizational members being able to interpret expert communication and provide solid alignment with corporate conceptual comprehension and motives. The internal communication of Capgemini Norway was divided into two categories. The **strategy oriented** internal communication, seeking to improve conceptual comprehension and organizational alignment, was greatly outnumbered by the **initiative-oriented** communication messages. Even though **strategy-oriented** messages were conveyed heavily through Capgemini’s 2007 CR awareness campaign, skepticism and a somewhat superficial comprehension of the underlying drivers and motives for CR amongst organizational members were found.
Conversations with various groups of Capgeminis organizational members lead me to the distinct impression that the internal conceptual comprehension of CR was not fully in place throughout the organization, in spite of the 2007 awareness campaign. Organizational members were aware of the most prominent initiative (the Naandi initiative), and to some extent the general motives. However, while the knowledge of initiatives, motives and progression was known, it was not necessarily understood and several organizational members could not clearly state Capgeminis motives for pursuing CR. This points towards a lack of a conceptual comprehension. Inherently, not all organizational members can act as true experts in an endorsed communication process. This, in addition to the analysis of the internal formal communication, and the informal communication perceived in the case study, indicates a mismatch in the comprehension of CR for management and organizational members. The information conveyed was at first of a strategic nature, but when the awareness campaign was over, there was too little strategy-oriented information. As a result, organizational members had some knowledge of company motives for CR, but no profound comprehension of it. As organizational members are key to CR communication (Morsing et al. 2008), their conceptual comprehension must be in place before any other actions are taken. This may be a pitfall that is easy to fall into. As top management outlines the CR strategy, they should have developed a more profound comprehension of the concept. This shows that as initiatives are driven further, the awareness must be maintained and developed accordingly in order to sustain internal recognition of drivers, motives, goals and means. Another notion, in order to secure the inside-out approach, the initiatives should follow the four steps in the inside-out approach. There is a lack of initiatives addressing the third step, evolving national social issues.

I must conclude somewhat ambiguously to the question of whether the inside-out approach is applied in the case of Capgemiini Norway. The inside-out approach was to some extent applied, though not to the extent proposed by Morsing Schultz and Nielsen. The 2007 awareness campaign demonstrates an effort in accordance with the inside-out approach, but a somewhat impatient attitude towards external promotion may have prematurely launched the process of developing organizational members to experts, thus neglecting organizational comprehension of the underlying concept. This results in a
somewhat superficial advocacy by organizational members, which is unfavorable for the external communication. By securing the comprehension of the underlying concept, a more profound comprehension could be developed and a more thorough inside-out approach could be secured in the case of Capgemini Norway.

4.5 Summary

First, the historical development and conceptual comprehension of CR in Capgemini Norway has been examined. Even though Capgemini have had fundamental values incorporated into their business practice from their establishment in 1967, it was not until 2003 that a formalized CR and sustainability strategy was developed. Over the next few years, Capgemini joined the UN Global compact initiative: “Caring for Climate”, amongst other initiatives.

Next, the question of societal responsibilities was addressed. The direct responsibilities are in the case of Capgemini Norway for the most part ensured through legislation, and as such representing an enforced form of CR. However, Capgemini also consider their indirect responsibility towards society as they have a separate strategic area focusing on ”community”. The indirect responsibilities are handled as their societal influence is matched with a reciprocal responsibility enforced through their strategy. The indirect responsibilities are being incorporated into the overall CR strategy.

The question of whether Capgemini Norway has an instrumental, integrative or converged view on CR was answered by analyzing their strategic documents and operational practice. The analysis pointed towards a converged view where societal responsibilities are included. Although many motives are of an instrumental nature, the way to achieve them is perceived to be by incorporating an integrative approach. As of this, Capgemini Norway can be said to have a converged view on CR, which emphasizes both the neoliberalistic and socioeconomic position. This further strengthens the view presented in chapter 2.2 where it was stated that in order to conform to both societal
requirements and revenue maximization, corporations must integrate both views in a converged view on their societal responsibility.

Capgemini Norway’s issue selection was analyzed by reviewing their prime and most prominent CR initiative in relation to Porter and Kramer’s theories on strategic issue selection. First, the general CR strategy was examined and was found to prioritize issues where the most impact could be achieved. The Naandi Norway initiative reflects several of the key points from the EU list for “successful” CR. Additionally, the initiative was found to reside within the social dimensions of competitive context-category according to Porter and Kramer’s (2006) framework. Furthermore it can be seen as a competitive advantage and as having several value chain social impacts. The initiative a generic social issue and the Naandi Norway initiative is found strategically selected, following Porter and Kramers framework.

The inside out approach was found to be somewhat applied in the case of Capgemini Norway. Organizational anchoring is the foremost criteria in this model, and in my analysis I found that the comprehension of the CR concept and underlying motives were not fully in place throughout the whole organization. As of this, organizational members cannot fully constitute as experts in the endorsed communication process. This resulted in a somewhat superficial advocacy of CR. As of this, the organizational anchoring must be strengthened in order for the communication towards other stakeholder groups to be fully in place.
5 Concluding remarks

In this final chapter, various concluding remarks will be presented. These will address some issues in a broader context, and in light of the case study. I will start by presenting aspects on some of the specific challenges of CR in MNCs. I will continue by addressing the issue of CR in financial recession. Key findings in this thesis will be handled along some practical implications and advice. Finally limitations to my research are presented.

5.1 CR in multinational corporations

In this thesis I have examined the CR communication and practices of the Norwegian branch of a multinational corporation. However, corporations with this structure differentiate from others in many ways, with no exception on the area of CR.

As seen in chapter 4.1, Capgeminis central management outlines the overall principles, which then are locally adapted. The strategic actions are very much focused upon nurturing a coherent vision, and to support and encourage such local adaptations. The tasks of local management teams are to apply the provided principles into local company operations. The local teams can then adapt initiatives and practices that, as seen, help meet stakeholder expectations. The group encourages innovative solutions and the application of CR practices both towards clients and local community. While this adaptation is important in order to address local CR requirements and expectations, it poses a challenge to the overall integration of CR within an MNC. The organizational anchoring will differ in local offices. This poses a great challenge for MNCs as organizational members need to perceive a unified view on CR, but such a view differs between local offices. The task of central management is therefore to provide general business drivers, conceptual comprehension and so forth that are eligible for further local development in accordance to expectations and legislation. The vast amount of new and cheap communication channels, following the technological expansion, makes the task of aligning central and local management far easier than before. On the other side, the
technological expansion is one of the major influences for the increased globalization and development of MNCs in the first place.

The other aspect of such an alignment is the fact that whilst MNCs must substantiate their legitimacy and maintain their license to operate by following the local legislation in each country of operation in addition to global unified requirements. As one of the main effects globalization has on the area of CR is national authorities’ capability to regulate economic activities. When corporations grow and globalize, their power to influence political decisions has increased simultaneously through corporate constitutionalism. This results in the iron law of responsibility, which makes administering corporate power an issue of expectations management. Many find this skewed relationship between legislators and companies unfortunate (Bakan 2004), however the increased activity of NGOs and media coverage has made MNCs more able to address stakeholder expectations instead of facing increased regulation. The financial and technological power of some MNCs has grown to such an extent that it is superior to many nations. Consequently, the available resources for CR activities make many companies eligible to tackle challenging social and environmental issues. The lack of enforced international standards makes global CR governance a difficult task for legislators, and the governance is in large placed with the MNC itself.

A third aspect MNCs must consider is the global variations in views on CR. This is where the local adaptation of the overall CR principles comes into play. For example, the skepticism and consumer activism is higher in developed countries than in transitional or underdeveloped economies. Consequently, the self-promoters paradox and the iron-law of responsibility are of greater concern when communicating in these areas. As little as 29% of local communities in developed countries agree that companies communicate honestly about their CR (Dawkins 2004). The developing countries pose greater challenges in social areas. They have far more emphasis on social problems and the initiatives should therefore be socially directed. As of this, the main contribution any MNC that operates in a developing country can make is to contribute to sustainable economic activity and growth and communicate such activities in a transparent and

7 examples being the GRI initiative and the UN Global Compact
meaningful way. In transitional economies, largely represented by China and Russia, we find the main examples of regions where CR is a fairly unknown concept (Dawkins 2004). In the Asiatic region, the ethical perspectives are of more concern and an inside-out approach is not as usual, which makes expert communication the prime discourse in CR messages for transitional economies in Asia. In underdeveloped economies, the prime responsibility can be said to be contribution to economic growth and social welfare. These aspects must be considered in the local adaptation. This is where MNCs has a great advantage as their local offices can adapt CR initiatives, which align with the direct, and indirect responsibilities corporations hold in the specific area.

As of this, there are numerous considerations MNCs must address, both on a strategic and an operational level. Regional differences must be handled and further research mapping out how expectations differ in separate regions, would arguably prove valuable for multinational corporations and contribute to illustrating how the conceptual comprehension of CR differs.

5.2 CR AND FINANCIAL RECESSION

The global financial crisis of late 2008 and early 2009 can be linked back to the unsustainable practices as a result of deregulation and securitization of real estate mortgages in the United States. This sparked a global economic meltdown, which are still not fully mapped, understood or handled. However, this downturn has created a need for corporations to cost expenses and streamline productions. It could be stated that in such times there is no place for CR in company operations. In my opinion, it is in these times the importance and potential of CR should not be overlooked. The financial recession may result in a variety on impacts on how corporations relate to, and engage in CR.

As seen in the case study of Capgemini Norway, one of the prime challenges the management team sees in relation to CR is the time consumption of CR activities. This is especially sensitive in periods of recession, where cost reduction is initiated in almost every corporation worldwide. However, any firm needs to be financially sustainable in order to be able to act responsibly. If a company is not financially viable then it is
impossible to perform any activities in the long run. The impact of liquidating a responsible corporation may affect society as adversely as a company acting socially irresponsible. If a corporation ceases to exist, jobs will be lost, and their contribution to the social economy will be negative. This is of course not a general rule, as there will exist exceptions, but for the most part, corporations create positive social revenue and contributes to a wealthy economy. This statement does not undermine the importance of the social and environmental aspects as failure to act responsible in these areas impacts financial performance as well. It is meant as an acknowledgement that a healthy economy and the possibility of growth and expansion lie beneath CR as a basic premise. However, the area of CR should be seen as a tool to create long-lasting financial and reputational improvements, especially in times of financial recession.

First, corporations that do not see CR as an add-on, but has an integrated and strategic approach to CR may outperform their competitors, thus proving the financial viability of CR, both to the company, the economy and society at large. As of this, the financial downturn may set CR in a new light, and corporations will evolve their conception of CR as well. Selection of CR issues to address, following Porter and Kramers (2006) strategic framework, is arguably more appealing as the pressure to engage in long-term profitable initiatives may be at its peak during such downturns. Corporations, such as Capgemini Norway, that select their initiatives strategically, and (at least partially) according to Porter and Kramers (2006) framework will possibly rest easier, knowing that their CR initiatives are not a money-drain, but strategically and economically beneficial for the company. By focusing on issues, such as carbon accounting, can lead to cost savings in the long run, in addition to its environmental benefits. Secondly, the opportunity initiate, and not cut down on effective community initiatives that helps maximize wealth of all stakeholders can consequently help strengthen the corporate brand. As financial recession puts more pressure for accountability and transparency of large corporations, an increased media attention and scrutiny will occur. This is an excellent opportunity to further prove responsible by acting accountable and transparent. The increased scrutiny also poses an opportunity to engage further relations with NGOs that will provide credibility for CR initiatives, as well as benefiting from NGO expertise.
These opportunities pose challenge within the area of communication. By increasing communication towards all stakeholders can help demonstrate your resilience to the current market climate. The possibility to surpass competitors by telling about strategic CR initiatives, their impacts and rewards, is especially great in times when focus tend to be elsewhere. Such communication can be performed through continuous reporting, increased third party endorsement as a result of increased NGO cooperation proposed in the previous, but in such times it is also vital to maintain the internal support and anchoring of CR initiatives. This opens up for further research where effects of more external communication of the CR business case could be analyzed.

A final remark on the subject of CR and financial recession is linked to how large corporations and governments interact in times of recession. Increased legislation, especially in the financial sector is one result. While many free market liberalists would denote all help, and proclaim that the recession would only ensure “survival of the fittest”, several bailouts from governments have been issued. Many corporations have been provided substantial support in order to survive. This demonstrates the close interrelationship between society and corporations. If many of the large corporations, which received financial aid went bankrupt it would have had too large social implications and further contribute to a downward spiral in the financial meltdown. As of this, the recession proves that corporations depends on society to the same extent that society depends on corporations. As of this, it would be irrational if corporations did not enforce CR in order to further help the positive growth of society, both socially, environmentally and financially. As Gordon Brown, the Prime Minister of the United Kingdom puts it: “we can use today's interconnectedness to develop our shared global ethic and work together to confront the challenges of poverty, security, climate change and the economy” (TED 2009).
5.3 Key Findings and Practical Implications

In this thesis, I have analyzed how corporate responsibility is viewed, selected and communicated in Capgemini Norway. The views on corporate responsibility are analyzed with retrospect to the neoliberalistic and socioeconomic views, which are two dominant positions on the subject. The selection of CR issues was analyzed by reviewing the most prominent CR initiative within Capgemini Norway and investigate if the initiative was strategically selected using Porter and Kramers (2006) framework. The CR communication was analyzed with respect to the internal communication and the inside out approach suggested by Morsing et.al (2008).

Capgemini Norway was found to have a converged view on societal responsibility where ultimate motives are of an instrumental nature, but are achieved through an integrative approach. This means that in order to achieve instrumental motives, societal regulations and expectations requires integrative measures. As such, a converged view where both instrumental and integrative mindset, is applied. However, it is not possible to conclude that one position is dominant over the other. The societal awareness of what impact large corporations have upon society is increasing, and this can be one reason for why a converged view on societal responsibility must be applied. The question remains if such a converged view is gaining grounds, and this subject is eligible for further research.

Capgemini Norways most prominent CR engagement, the Naandi initiative, was selected strategically according to Porter and Kramers framework. This initiative is incorporated into their business practice, and the more general, indirect responsibilities, are partially addressed. This engagement also incorporate social dimensions of competitive context for Capgemini, but also have value chain social impacts for their customers. However, Capgemini Norway would clearly benefit from initiating a systematic mapping of potential areas where CR engagements could be initiated, as no such “mapping of potential engagements” exists at the present. This does not implicate that any corporation should engage all initiatives they identify, but an awareness of other potential initiatives should be sorted out. In addition, this would help Capgemini identify which areas they are vulnerable for scrutiny and which areas have potential for
improvement in a CR perspective. This is not exclusively for the Capgemini case, but every organization that seek full control of their potential CR conflicts and initiatives.

The CR communication towards the *Norwegian government* was of an expert nature, and in accordance with the expert communication process according to Morsing, Schultz and Nielsen’s (2008) framework. The *Norwegian community* is addressed through an endorsed communication process, and the self-promoters paradox is taken into account by using third party endorsement and mainly communicating through local media. The communication towards *organizational members* was divided into strategy-oriented and initiative-oriented communication, with the initiative-oriented messages far surpassing the strategy-oriented. This further emphasizes one of the biggest challenges Capgemini Norway, in my opinion, holds towards CR. The internal anchorage must be strengthened. This can be by informing organizational members to a greater extent of the underlying drivers and motives for CR. Although an awareness campaign was initiated in 2007, the communication must regularly be strategy-oriented as the internal comprehension must be maintained and developed in accordance with the initiatives. This would also help conform organizational members as experts in order to apply a more developed endorsed communication process towards non-expert stakeholders.

I must conclude somewhat ambiguously to the question of whether the inside-out approach is applied in the case of Capgemini Norway. The inside-out approach is applied to some extent, but not to its full potential. The willingness to apply such an approach is present, but what seems to have been an impatient attitude towards external promotion before a thorough internal anchoring is in place, was present. The advocacy of organizational members in the endorsed communication process was also somewhat superficial. An inside-out approach closer to the ideal proposed by Morsing et al. (2008) could be secured by developing a more profound comprehension for the underlying concept and organizational view.
5.4 **Further research**

As seen throughout this thesis the area of CR is immense. The research in this field is great, and helps corporations develop a comprehension of this ambiguous concept. The question of what view corporations have on their societal responsibility would be valuable in order to narrow the gap between expectations and fulfillment.

In the area of CR communication it would be valuable to examine if the inside-out perspective and twofold communication process is being applied in other cases, mapping out the effects of such an approach. This would help strengthen or weaken the value of this normative inside-out model.

Given Capgemini’s business as a consultancy company, it would be highly interesting to examine how their perceptions of CR influences their consulting operations. Are they providing consultancy in the area of CR? Do they advise the same approach towards their clients as Capgemini has itself? These are just two possible questions possible to investigate in this context.

As stated in chapter 5.1 there exists many regional differences in how, and why, CR is being practiced globally. Research on such regional differences would therefore be highly interesting.

With the financial development of late 2008 and 2009 it would also be highly interesting to see research on how CR is performed in times of financial distress. This could help demonstrate if CR is, in reality, viewed as added initiatives or integrated in core operations. If companies reduce their CR efforts in such times it could prove that CR is not viewed as value adding activity, thus demonstrating the need for further research on the business case and approach of CR. In addition it would be interesting to analyze the effects of clear external communication of the business case for CR.
5.5 Limitations

In this thesis I have performed a case study of Capgemini Norway’s CR communication, practice and view on societal responsibility. The methodology of this thesis has been extensively handled in chapter 2. However, there are some limitations to this research that needs further handling.

The area of CR is a rather immense theoretical field and many other theoretical contributions could be applied. I chose to combine classical contributions with new research. I based my research on Garriga and Melés (2004) classification of CR theory. Strategic issue selection was handled by reviewing Porter and Kramer’s (2006) framework. The area of communication in Capgemini used the normative inside-out approach by Morsing, Schultz and Nielsens (Morsing et al. 2008) as a theoretical starting point. The inside-out approach is merely one approach suggested, and other theoretical contribution and approaches could be applied. However, I wanted to analyze if an “updated” normative model, such as the inside-out approach was applied in the case organization. The inside-out approach then served as a good framework as it was first introduced in late 2008 (although based on principles outlined before (Morsing and Beckmann 2006)).

In relation to my case study of Capgemini Norway I started my observation at a point where the startup of CR initiatives and initial phases were already performed. It would be beneficial if I had entered the process at an earlier stage. However, the possibility to investigate what has been done in these early stages, and access to the people who performed such tasks was considered sufficient to develop an adequate comprehension of the initial phases.

Another remark is the fact that I selected three major stakeholder groups in my analysis. There is no doubt that a large corporation, such as Capgemini Norway have several other stakeholder groups (such as customers, suppliers etc.). However, the selected groups were prioritized as they have major impact on Capgeminis Operations, and all stakeholder groups could not be analyzed within the scope of this thesis.
Finally, the methodological challenges can be viewed as a limitation to my research, especially the reflexivity problem addressed. However, I regard the participating observation as invaluable to my data triangulation. In section 3.3, the remonstrance towards this method of data collection was handled. The use of publicly unavailable documents certainly poses some reliability issues. These were handled in chapter 3.5, and I feel confident in stating that the use of these documents are of such importance that they could not be excluded without significantly harming the empirical grounds necessary to answer the research question.
6 References


E-Mail-interview (Gunilla Resare 05.10.09).


