Capability Maturity Model of Corporate Social responsibility

A Qualitative Development, Application and Assessment

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Executive summary

Corporate social responsibility (CSR) is subject of constant debate on multiple CSR aspects: whether or not CSR activities and policies contribute to corporate performance; what the definition of CSR is; how to measure CSR activities and performances; whether or not CSR performances of different companies are comparable; and other discussions. Nevertheless, when an organization plans to implement CSR activities, it needs to formulate a plan or policy. A fundamental issue for a plan or policy is to identify the current position. The current position determines the actions needed for improvement; however, current literature does not provide such an organizational tool that dedicates to CSR implementation.

Nonetheless, literature does provide frameworks to formulate an assessment model in the form of a capability maturity model. A capability maturity model presents actions and activities categorized in levels of maturity, to assess a company on its current level of maturity. A typical capability maturity model provides insight in future steps that a company must perform to progress to a higher level of maturity, which enables a company to formulate an improvement plan. This report's goal is to formulate a CSR dedicated capability maturity model that organizations can use to determine their current CSR position and formulate CSR improvement activities. The main research objective is:

> *To develop a sound and fit capability maturity model that presents CSR as an 'Organizational Innovation'.*

When a company is 'CSR' it implies that the company incorporates actions to ensure that its employees act in a responsible manner. 'Becoming CSR' implies that an organization is in the transition of becoming CSR, which is done through the formulation and implementation of actions and policies that enable responsible behaviour. A document that helps to create insight in these actions and policies is the 'ISO26000 Social Responsibility' guideline. This guideline provides actions to organizations, to establish responsible behaviour through the entire organization. However, there is no level of maturity acknowledged on the actions, a list of 265 actions. This leaves the choice, of which actions are important and which are not, to the managers and owners of the organizations.

A method to create distinction in the maturity of the ISO26000 actions is to develop a capability maturity model. A typical capability maturity model exists out of five to six maturity levels. Each capability maturity level contains a set of actions and processes that an organization should perform in order to qualify for that specific level of maturity. A capability maturity model creates insight in the path of growth of the subject of the model, which is in this case CSR. The CSR capability maturity model aims to create an order of maturity within the set of ISO26000 actions. The model should also function as a method to assess organizations on their current CSR 'performances'. With these two functions, the CSR capability maturity model is a tool to assess an organization and immediately suggests actions to improve its performance.

The research and model development has been done in a qualitative manner. Two types of methods have been used to gather empirics, and multiple sources have been used for the collection of the data. The three research questions that have been derived from the research objective make use of semi-structured interviews in order to assess the theory. Research

questions two and three make use of empirics from a case study analysis that has been executed for this exclusively for this research. The case study results have been used to assess the theory besides the empirics that have resulted from the interviews.

The research has been done from a corporate perspective. Chapter two describes the corporate perspective and the context of the organization that has been subject of this research.

The corporate transition of 'not-CSR' into 'becoming- CSR' into 'CSR' is a process, and the capability maturity model describes it as a process. The active implementation of CSR actions is a new method to an organization, and this should be clear to the users of the CSR capability maturity model. There for research question one describes CSR as an organizational innovation. The identification of CSR as an organizational innovation makes it clear that CSR is the implementation of a new method in the company. The implementation of a new method inquires a process of transition. A process of transition can be assessed on its progression, and compared to a state of maturity. This is part of research question one in chapter three. Empirical data from interviews is used to assess the characteristics of CSR and to assess whether or not CSR is an organizational innovation.

Research question two focuses on the formulation of a CSR maturity model, the first step to develop a CSR capability maturity model. Chapter four contains the theoretical answer to this research questions, followed by the interview results and the results from a set of questionnaires. The combination of the interview results and the questionnaire results assess the theoretical answer on its validity.

The second and last step to formulate the CSR capability maturity is research question three in chapter five. The capability maturity has been formulated with the use of ISO26000 actions, through an iterative process. ISO26000 is an ISO guideline for CSR implementation, however does not provide any level of maturity of the actions. This guideline leaves the users of the unaware of when to implement what actions, and does not provide a framework to formulate an improvement program. The iterative process that is described in chapter five categorizes all actions from the ISO26000 into one of the levels of maturity of the maturity model, which transforms the maturity model into a capability maturity model. This process results into figure 18 on page 47 and into a whole set of categorized actions in appendix K. Appendix K is an excessive list of actions, while figure 18 displays the core of the model and is more easily understood as a process.

The model has been used in a case study research in order to test the validity and usability of the model. The case study assesses HMC on its performance in the CSR capability maturity model. The assessment results in a method by which the capability maturity model should be used to assess corporations. This assessment is has been included in appendix L.

The theory and research results contribute to existing literature and research on CSR and capability maturity models. The research describes a bilateral relationship between innovation management and CSR literature that has an academic value. The CSR capability maturity model contributes to academic literature on CSR practices and has the potential to become an implementation and assessment model for corporations and organizations. The managerial implications of the research are best highlighted by recent EU developments to oblige CSR reporting by corporations. (http://www.euractiv.com/specialreport-corporate-governan/sustainability-leader-csr-report-news-519227)

Acknowledgement

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Table of Contents

Acronyms

CD	Community Involvement and Development; topic within CSR
CI	Consumer Issues; topic within CSR
CSR	Corporate Social Responsibility
DMC	Dutch Maritime Cluster
E	Environment; topic within CSR
EC	European Commission
FO	Fair Operating Processes; topic within CSR
HMC	Heerema Marine Contractors
HR	Human Rights; topic within CSR
IM	Innovation Management
ISO	International Organization for Standardization
LP	Labour Practices; topic within CSR
MI	Management Innovation
NEN	Nederlands Instituut voor Normalisatie
OG	Organizational Governance; topic within CSR
PM	Project Manager
QASHE	Quality Assurance, Safety, Health and Environment
SR	Social Responsibility
TU Delft	Technological University of Delft

Terminology

HSE
HSE stands for Health, Safety and Environment. The term is commonly used in multiple industries and it stands for a department or the guidelines, which companies and industries use to secure environmental measures and employee's health and safety.

HMC
The facilitating organization for this research is Heerema Marine Contractors (HMC).

Innovation Management
The field of Innovation Management (IM) examines the management of innovation processes. It develops theories, tools and techniques to make businesses more innovative. This field includes such topics as knowledge management, strategic alliances, product development, supply chain management, marketing management, quality and reliability technique's and technology management.

IIF program
Incident and Injury Free program within the HMC organization that has the objective to lower the amounts of incidents and injuries.

Management Innovation
Management Innovation concerns the innovation in management practices and processes, thus is a type of innovation and falls within the field of Innovation Management.

Maturity Model
A model to assess a level of maturity applied in different practices, for instance the development maturity of software or the project management maturity of a company.

Organization(s)
Due to the organizational character of the research perspective, this thesis uses the term 'organization' to refer to companies, firms and other types of organizations like NGO's.

Philanthropy
Philanthropy is the dedication to improving the quality of life for human beings. This can be done by donating a financial contribution to charity, hiring personnel from a social perspective or by investing in a solution for a social issue. The social issue is the highest priority, and earning a profit or an advantage is a later priority.

QASHE department
This department delivers knowledge and advice to day-to-day activities within HMC regarding quality, safety, health, environment and security. It coaches, facilitates and supports the organization to deliver projects safely, on time and within budgets without compromising HMC's culture and reputation (QASHE future mission, vision and values, Communication QASHE department, July 2012).

List of figures and tables

1 Introduction

Chapter 1 provides a global overview of CSR, the outline of the research problem, the research objective and research-questions, and defines the structure of the thesis as a project.

1.1 Corporate Social Responsibility

CSR embraces three corporate, or better organizational, aspects: economic, environmental and social. A more common expression of these three organizational aspects is: people – planet – profit. An organization's impacts exist out of these three aspects, and the definition of CSR implies that an organization acts responsible on its impacts. The definition of CSR in this report has been developed by the author of this article in the early stages of the research. Different literature documents have contributed to the formulation of the definition:

> *"The economic, legal, ethical and philanthropic responsibilities of a company or organization for its economic, social and environmental impacts on its stakeholders."*

Paragraph 1.3 elaborates on the formulation of the definition and its background. CSR represents the responsibilities that an organization has for the impacts that it makes. These impacts are made in three different fields: economic impacts, environmental impacts and social impacts. The global impact that a company makes is a mix of these three different topics. Figure 1: CSR impacts (general knowledge, figure developed by author)' visualizes how CSR balances on these three subjects.

Figure 1: CSR impacts (general knowledge, figure developed by author)

Sustainability is a combination of economic, environmental and social aspects. CSR is a method for organizations to structure its activities to become sustainable.

1.2 Research core

The core of this research focuses on a problem that organizations experience with CSR. Organizations that want to become active practitioners of the CSR aspect, experience difficulties to identify their current position, and to develop an improvement plan for a future position[1] [2]. Organizations need an organizational tool to identify their current position and to formulate a plan for improvement.

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[1] In early development conversations to establish the scope of this study, the facilitating organization (HMC) explained how they experience difficulties to identify 'key performance indicators' (KPI's). The organization wants to use these KPI's to establish their current position and measure improvements.

[2] At an ISO26000 presentation organised by the NEN (contact person Ingeborg Boon), different representatives from organizations mentioned that they found it hard to implement CSR activities because they don't know where to start.

1.3 Theoretical background

CSR is a topic of research and discussion since Bowen (1953) introduced the concept that 'businessman have a social responsibility towards society' [3]. Past decade, the amount of literature on CSR has grown significantly (Aguinis and Glavas 2012), however the definition has been and still is a subject of debate (Abreu and David 2004). The research includes literature reviews from Garriga and Melé (2004), Carroll and Shabana (2010) and to some extend Aguinis and Glavas (2012). These literature reviews help to map the CSR literature and help to establish a perspective. Garriga and Melé (2004) conclude that most of CSR literature focuses on the following aspects: use CSR goals to produce long-term profits, act in a responsible way, integrate social demands, and contribute to a good society. Carroll and Shabana (2010) find positive results on the effects of CSR on business performance in a narrow view, a broad view however, highlights the complex nature of CSR integration. Aguinis and Glavas (2012) conclude that CSR literature should be made available to a broader audience. These literature reviews provided a start in the direction of mapping the CSR literature.

1.3.1 Definition of CSR

The definition of CSR is a recurrent point of discussion. Dahlsrud (2008) identified and analysed 37 definitions and concluded that the definition proposed by the European Commission (EC) in their Green Paper (2001) is the most common or 'referred to' definition:

> *"A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis"*

Dahlsrud concluded that the definition of the EU includes all five dimensions for which CSR stands: environmental, social, economic, stakeholder and voluntariness. Dahlrud concluded that the best scoring result is the definition of CSR. However, the EC itself adjusted the definition in 2008 (2008) in the Competitiveness Report (page 119), in order to add the strategic nature of CSR into the definition:

> *"A concept whereby companies integrate social and environmental concerns in their **strategic decision making processes,** in their business operations and in their interaction with their stakeholders on a voluntary basis"*

In 2011 the EC (EuropeanCommission 2011) completely replaced the definition by:

> *"CSR is the responsibility of enterprises for their impacts on society"*

This definition is basic and to the point. However, the definition leaves too much room open for such a topic of debate. For instance the environmental aspect; dumping waste in the ocean does not negatively affect society, but it does affect the environment. This open characteristic and due to its changes by the EC, this report uses another definition.

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[3] Literature on this phenomenon was present before Bowen introduced his book

Late 2010 the International Organization for Standardization (ISO) introduces the ISO26000 guideline on Social Responsibility (SR) (ISO 2010). The guideline is developed with the involvement of experts from more than 90 countries and 40 international or broadly based regional organizations. The choice to leave out the corporate aspect of CSR was deliberately done to have the guideline applicable to every kind of organization. ISO26000 defines SR as:

> *"The responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that:*
>
> > *- contributes to sustainable development, including health and the welfare of society;*
> > *- takes into account the expectations of stakeholders;*
> > *- is in compliance with the applicable law and consistent with the international norms of behaviour;*
> > *- integrates throughout the organization and practise in its relationships.*
>
> *(Activities include products, services and processes; Relationships refer to an organization's activities within its sphere of influence)"*

These definitions are provided by a political commission and non-profit standardization organization that aim to provide the corporate branch cohesion on the understanding of the CSR topic. However, it leaves out the economic aspect and does not define the different responsibilities. A definition of CSR in the academic literature that does define the different responsibilities comes from Carroll (1999):

> '*The social responsibility of business encompasses the economic, legal, ethical and philanthropic expectations that society has of organizations at a given point in time'.*

Carroll's definition includes the economic aspect besides the ethical, legal and philanthropic aspects of the responsibility, which he already acknowledged in 1979 (Carroll 1979). A company is responsible for making a profit, to continue its services and products to society (Carroll and Shabana 2010). The CSR definition in the ISO26000 does not mention the economic factor explicitly, which forms the 'corporate' factor in CSR.

1.3.2 Balancing economic, social and environmental impacts

Organizations can use CSR to cope with external changes and pressures that aim for a balance of 'the triple bottom line' of that company (Elkington 1998)[4]. The 'triple bottom line' is a topic of discussion that concerns the reporting on CSR results of organizations (Norman and MacDonald 2004; MacDonald and Norman 2007; Pava 2007). However, the concept of the triple bottom line clarifies an organization's total impact; a company has a triple-sided impact: economic, social and environmental. This report does not debate on the use of triple bottom line reporting. The importance of a corporate balance is stressed by the fact that a company cannot deliver any

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[4] Elkington is not the inventor of the triple bottom line. It was initiated by the 'AccountAbility thinktank', however Elkington was one of the first to publish on the triple bottom line Norman, W. and C. MacDonald (2004). "Getting to the bottom of" triple bottom line"." <u>Business Ethics Quarterly</u>: 243-262.

positive social or environmental impacts to society without making a profit. Profit is critical for a company's right of existence. On the other end, a company that only makes a positive economic impact (e.g. making profit) and disregards any social or environmental negative impacts is unwanted by society and can experience negative effects from society (e.g. Shell's Brent Spar disposal project or Nike's child labour practices). These incidents caused a more serious view on CSR by corporations. It has led to Shell's investments in future energy solutions and Nike its investment in an organized CSR strategy and commitment.

The 'triple bottom line' concept enables corporations and employees to become aware of the multiple impacts a company has. What a company does with this information is voluntary, but environmental rules are tightening markets and society is becoming more demanding due to globalization and the increased availability of information.

CSR has, besides SR, many other 'sister' references such as corporate citizenship, corporate social performance and corporate responsibility. This report retains the term CSR, because of the reputation and the focus it already has gathered.

1.4 Research problem

To change or innovate an organization towards a more responsible status requires CSR implementation or improvement. There are several documents available for the implementation of CSR (Moan, Lindgreen, Swaen 2010; ISO26000:2010 and the UN Global Compact). However, none of these documents enable organizations to assess their current CSR position, or provides more specific recommendations to further 'innovate' from an already developed CSR status. The documents clearly lack a dynamical character to serve different types of improvement suggestions. All documents just provide the content, nothing more. The available literature lacks one universal model to assess an organization on its CSR activities and to develop improvement suggestions.

Moan, Lindgreen and Swaen only provide a theoretical framework for CSR development. The UN Global Compact only provides an extensive set of principles. ISO26000 provides besides principles and explanation also a list of 265 actions and expectations divided over 7 categories. All actions and expectations from the ISO26000 are not classified to a 'status' or level of maturity of CSR. The amount of actions (21 pages) reflects the complexity of the ISO guideline and the time it can consume to assess the ISO guideline on applicable actions and expectations. For managers, executives and businessmen it is critical to have an efficient model because of the time and the effort it consumes to assess this document. A solution is to develop a capability maturity model that reflects the process of the transition to become CSR. A capability maturity model is a tool to objectively assess the ability of an organization's processes on a topic. (Paulk, Weber et al. 1993) In the case of a CSR capability maturity model, it is a tool to objectively assess the ability of an organization's processes on CSR implementation.

Capability maturity models originate from the project- and innovation management literature, and are a method to assess and scale an organization on a certain topic. A capability maturity model provides insight in different levels that an organization can have, regarding a specific topic. In this case the topic is CSR, and the content for a maturity model should be available concerning the three parts of literature mentioned above. A capability maturity model does not only provide insight in a current position, it also provides insight in future organizational

processes that an organization should perform to operate on a higher level of maturity. A CSR capability maturity model holds the possibility to fulfil a literature gap that provides information to organizations on how they can improve their CSR practices.

To view CSR as an organizational innovation contributes to another area of CSR understanding. CSR is now viewed by corporate business employees as a subject that is hard to understand, and most do not really know what it is[5]. To characterize CSR as an organizational innovation, a method to change the organization, could help to establish a clear purpose to CSR and to the CSR capability maturity model.

The CSR capability maturity model provides the opportunity to change the organization, the users of the model should be aware of that. To enable this idea at the users of the model, part of the research is whether it is justified to view CSR as an organizational innovation.

1.5 Research objective and questions

1.5.1 Main research objective
The research problem focuses on a gap between the existing academic literature on CSR and the business literature: the assessment of CSR processes of organizations and the identification of improvement suggestions.

The main research objective of this thesis:

To develop a sound and fit capability maturity model that presents CSR as an 'Organizational Innovation'.

The main research objective reflects the purpose of this research, to develop a CSR capability maturity model. The model should enable a change in the view of businessmen on CSR. Businessmen should start to see CSR as a process and not as just a topic or method to show 'how good a corporation is'.
The main objective views CSR as an organizational innovation. In order to establish CSR as a type of innovation, a part of the research problem focuses on the gap between academic CSR literature and academic literature on Innovation Management, see research question one.

1.5.2 Research-questions
The main objective exists out of three research-questions:

Research-question one:

Can CSR implementation in an organization be viewed as an organizational innovation?

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[5] From my own experiences at ISO26000 meetings and from the preliminary corporate interviews, I understood that corporations have trouble to assess their CSR activities and to plan improvements.

The literature gap concerns the literature between the CSR and Innovation Management. Kanter (1999) states that CSR literature contributes to innovation and introduces the term 'Corporate Social Innovation'. However, no bilateral link is made where innovation literature contributes to the locus of CSR. The main research question concerns a topic (capability maturity models) from the organizational and innovation management locus, applied to CSR activities and principles. To know what CSR implies for an organization, the relation between CSR and organizational innovation should be described.

A second reason is to enable more awareness among corporations and businesses about the process characteristic of CSR. Implementing CSR is a process that exists out of different actions and processes through different topics. Different meetings with corporate businessmen[6] indicated that CSR has a subjective and vague reputation, and that organizations do not know where to start CSR implementation. The identification of CSR as an organizational innovation determines more characteristics of the CSR implementation process, which makes CSR hopefully better and more easily understandable for businesspersons.

A second yet related reason to research CSR as an organizational innovation is that a capability maturity model represents a process, which in this case of CSR is the process of organizational change. Organizational change could relate to organizational, however this needs research.

Research-question two:

How does a CSR maturity model look like?

To develop a capability maturity model, two steps need to be done: first, determine how a CSR maturity model looks like and determine the characteristics of the maturity levels; second, determine for every maturity level the processes that a company should perform. The first step - to determine what the CSR maturity model looks like and to determine its stage characteristics - is reflected by this second research-question. The research-question requires a theoretical approach and answer. The theory has then been validated through two types of research methods: an interview session with nine interviewees and through a questionnaire among the same interviewees. The interviews provide an open and qualitative response while the questionnaire provides a closed and quantitative feedback on the model. The triangulation of the two types of research and the gathered literature leads to the conclusion on research question two. The theory and methods are discussed in chapter four.

Research-question three:

How does a CSR capability maturity model with integrated actions and processes look like?

After the first step to identify maturity levels, the second step is to develop a capability maturity model. The capability maturity model exists out of actual processes and actions that an organization should perform, according to the theory on capability maturity models. The theory

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[6] Preliminary project conversations with HMC, meetings from NEN, and informal conversations at those meetings.

is discussed to establish a foundation of characteristics and topics. ISO26000 already provides actions to improve an organization's business performance; however these do not provide a degree of CSR dedication, leaving the choice to companies onto which actions to implement when. Through an iterative and qualitative process, all actions have been categorized into one of the CSR maturity levels, transforming the maturity model into a capability maturity model.

Chapters three, four and five respectively discuss the research-questions. The conclusion discusses the outcome of the combination of the research-questions, which is the result of the main objective.

1.6 Thesis structure

The framework paragraph describes the research framework of this study.

See Figure 2: Research framework (developed by author)' on the next page for the schematic view of the research design. The research design exists out of four phases.

- Literature review
- Theory development
- Data collection
- Analysis & Conclusion

In the literature review several topics have been researched to form a perspective for the subject. To gain a perspective on CSR, CSR literature has been reviewed. To formulate a theory on the suggested innovation – CSR relationship, innovation management literature has been studied. In order to gain insight in the composition of a capability maturity model, chapter three consults the literature on capability maturity models.

The theory development part focuses on the theoretical formulation of answers based on the gathered literature. The first research-question comes directly after the literature research. The theory on the second research-question formulates a maturity model. The third step is to integrate actions to build a capability maturity model. The formulation of the capability maturity model is an iterative process where actio1ns are assessed and categorized. However, through new findings or similarities, actions might need to be categorized again in another level. This process is qualitative and iterative of nature. The result is a theoretical capability maturity model.

The data gathering happens through semi-structured interviews with a selection of employees from the organization where this thesis is conducted. The interviews are carried out in a case study within a technological and innovative organization. The case study fulfils two purposes: one is to obtain information on the theoretical capability maturity model; the second is to test the capability maturity within the organization. Thus, the organization shall be subject of an assessment by the capability maturity model.

The analysis of the three research-questions happens with the empirical data obtained in the interviews. Another verification of the capability maturity model is through the outcomes of the case study research.
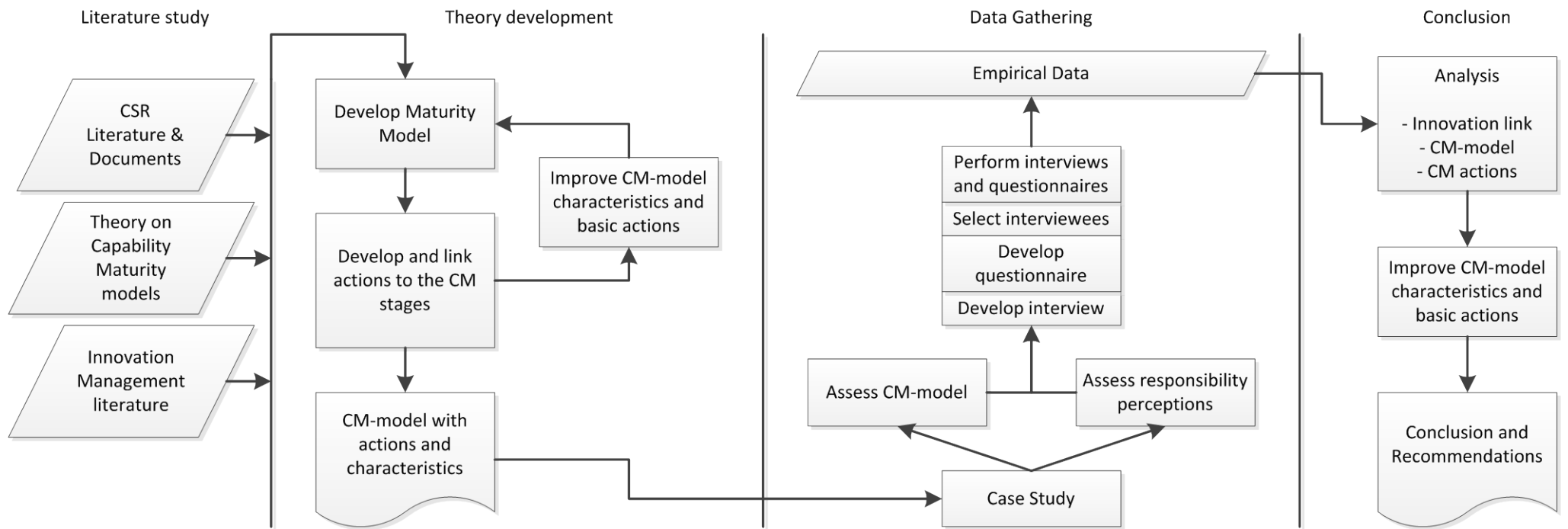
Figure 2: Research framework (developed by author)

1.7 Justification for research

The justification of the research is already elaborated in the research problem, however the problem has been split in three research-questions. This paragraph describes the justification for each research-question.

First, the literature study result shows a potential for innovation management practices and theories to become applicable to CSR, if CSR is a type of organisational innovation. Midttun, Gautesen et al. (2006) write that both CSR literature and innovation management literature are split. Through the theoretical approach, CSR literature can become linked to innovation management literature, and the other way around. The interview sessions assess the reciprocal relationship between CSR and innovation management. The interviewees provide their view on CSR and on the reciprocal relation in which CSR is an innovation to an organization. The reason why this relation is subject of research, is that the content of the following two research-questions are innovation management and organization management related.

The second topic of the research focuses on one subject, a CSR capability maturity model. To establish the entire capability maturity model, the objective of the model is split into two research-questions. The model aims to assess an organization on its CSR activities. CSR has been, and still is, a topic of debate. Whether CSR is or is not measurable, if an organization wants to improve its CSR practices, it should know where its current position is. A capability maturity model offers a solution for both the assessment of its current position, and the formulation an improvement plan. The article "the triple bottom line" by (Norman and MacDonald 2004) triggers the discussion whether or not CSR should be made measurable, comparable and reportable. The goal of the capability maturity model is to assess an organizations CSR activity and structure. The outcomes of the assessment should target an organization's internal use, and not to compare and benchmark results with other organizations.

In the pre-research and orientation phase of this research others told that they lack insight in the meaning of CSR or a system through which they can assess their current CSR status. This has been and is the main drive for the CSR capability maturity model. In a presentation by the NEN-ISO organization about ISO26000, several representatives from companies said that they lack a tool to assess their company's status. Such a model makes it possible for organizations and companies to gain insight in the process of becoming CSR and enables them to plan their process.
At the preliminary stage of this research, the organization's supervisors wanted a list of key performance indicators of CSR, to know how a company performs. Such a method includes measurements throughout the company. The literature research shows that measurements can be done, however those measurements are debated whether they are or are not representative for the overall performance of a company.
The capability maturity model helps to create insight and to formulate an improvement plan for those organizations that actively perform, or want to perform CSR activities.

The interviewees provided their insight on the model, and on whether or not the model can help a company to assess itself and to develop a plan. The goal of the interviews is to assess the model and the method on flaws. The interviewees should verify if the model is useful in corporate situations and practices.

1.8 Relevance

There are two types of relevance of this thesis: scientific relevance and managerial relevance.

1.8.1 Scientific relevance

This research contributes to the academic literature through a literature study after the relationship, and its characteristics, between the available literature on CSR and Innovation Management. The description of this relationship has the potential to either expand CSR and IM literature or to rule out any further research efforts. When the relationship is bilateral, it implies that the two fields of literature can contribute to each other. The development of the CSR capability maturity model contributes to the formulation of different levels of maturity of organizations, and links characteristics and actions to those levels.

1.8.2 Managerial relevance

Currently there is no assessment model to gain insight in a company's CSR status. Moan, Lindgreen and Swaen describe some states of CSR but don't link any concrete actions to those states. ISO does not categorize certain states of CSR but does provide an extensive amount of actions for CSR implementation.
By combining these methods into a Capability Maturity Model, managers gain a tool to assess their organization on its CSR status and get the implementation suggestions linked to the status. With the vision and mission of a company, a manager can choose the kind of status that fits the company and can build an improvement plan based on the results of the Capability Maturity Model. ISO26000 gains a method to, not only categorize CSR into subjects, but also the acquainted actions and expectations into certain levels of CSR dedication.

2 Context-setting

The context-setting chapter provides the information on the context of the research. The research contains qualitative data gathered through interviews and a case study. Both the interview session and the case study have been done within a specific company that operates in the maritime industry. This chapter explains the Dutch maritime industry, the company and the data collection.

2.1 Maritime industry

The context of the company where the data is gathered and the case study is performed is that of the Dutch maritime cluster (DMC). This paragraph explains the maritime industry and some of its characteristics.

2.1.1 Overview

The share of the DMC within the Dutch industry is twice as high as the European average (Nijdam and de Langen 2003), which reflects the importance of the DMC for the Dutch industry. The DMC recognizes eleven sectors over three parts, see Figure 3: Dutch maritime cluster (source: Peeters, Lefever et al. (1999))'.
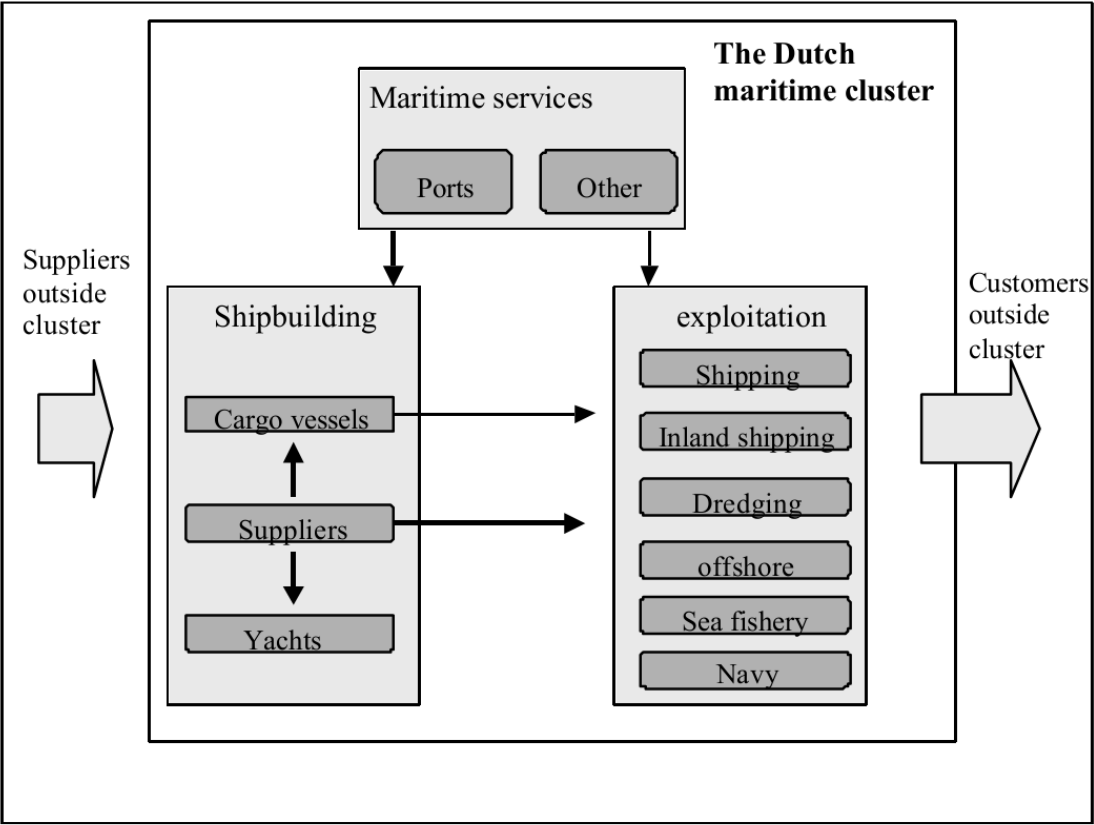
Figure 3: Dutch maritime cluster (source: Peeters, Lefever et al. (1999))

The DMC recognizes sectors that contribute to or perform 'shipbuilding' activities, sectors that provide 'maritime services' and as last the sectors that 'exploit' maritime vessels. Besides the DMC there is a large part of industry that supplies products and services to the DMC. Some sectors are not limited to the maritime cluster. As example, the offshore maritime sector mainly provides services to the energy sector. It could be even said that the offshore sector is part of the

energy production cluster, however to reach its goal it uses maritime products and processes. The objective of the offshore sector is to enable the production energy.

The following description comes from www.hollandtrade.com and captures the very essence of the Dutch maritime cluster, its far reaching influence in other industries, and the history that forms the foundation of today's Dutch maritime industry:

"Four hundred years ago, Dutch naval entrepreneurs operated the world's largest fleet and established the world's first multinational company. Today, Holland is once again a leading maritime nation, operating Europe's largest inland shipping fleet and with world-leading manufacturers of high-end yachts and special vessels specials. The Port of Rotterdam is Europe's largest port by far and Amsterdam is Europe's fourth-largest. The Dutch maritime cluster comprises 11 different, yet complementary industries that operate within a 100-kilometre radius. This encourages close co-operation on innovation and production, allowing industries to build on each other's strengths. The Netherlands also distinguishes itself with a globally competitive group of suppliers to the offshore (maritime) industry and specialized R&D institutes. Overall, the Dutch maritime cluster focuses on high-end, added-value markets that require high levels of expertise, exceptional craftsmanship and research-based innovation."

2.1.2 Turnover
According to Webers, Pernot et al. (2010) the Dutch maritime cluster was responsible for a total added value of € 15,6 billion in 2008 and a total added value€ 14,6 billion in 2009. The decrease is due to the worldwide economic crisis. This only represents the maritime industry, the total production value of maritime products in 2009 is € 31,2 billion. This reflects the size

2.1.3 Regulations
The maritime industry on itself is a complicated industry due to regulations and laws of different 'flag states'. All ships and vessels sail under a flag state, and every flag state has a set of laws and regulations. Every flag state enforces inspections, certifications and the availability of appropriate documents.
This is not so difficult; however, a vessel does not have to sail under the flag state of the country where the possessing business/owner of the ship is settled. Owners have the choice to choose a flag state that fits their demands. This is also called 'flag of convenience' as an owner can select the flag state with less strict regulations to reduce operating costs.

The world's largest flag state is Panama, followed by Liberia and the Marshall Islands. The registry is measured per tonnage of the ships.

The maritime industry is a large industry that has influences beyond its own boundaries. To have corporations within the DMC gain responsibilities as described by CSR, would be a significant increase of responsible companies and organizations, and a significant increase of responsible and balanced products and services. Here the proposed model offers a solution for the organizations.

2.2 Company description

2.2.1 Company

The research has been done from a position within Heerema Marine Contractors (HMC), an offshore contracting company within the Heerema Group. HMC is a niche player in the top segment of the offshore installation market. The top segment implies that HMC is capable of lifting the heaviest objects within the offshore installation market. In its niche market, HMC is dedicated to the transportation, installation and removal of offshore oil, gas and wind energy platforms and structures.

Figure 4: HMC's DCV Aegir (source HMC website)

HMC's corporate structure is project orientated in a matrix form and its culture is multinational with its roots in the Netherlands. Its main office is located in Leiden, other project offices exist around the world.

The organization's vision and mission form the backbone of its management policy and practices[7]

Vision
By any measure, to be and to be recognized as the best offshore construction contractor in the world, in carefully selected segments and regions of the market.

Mission
Our mission is to deliver projects safely, on time and within budget. We will strive to exploit the expected growth in market opportunities without compromising our culture and reputation built over the years. The business climate demands that we plan the work and work the plan.

The data collection paragraph 2.3 provides a more detailed description of the company and its primary business process.

2.2.2 Department Profile

The QASHE department, from where this study has been done, delivers knowledge and advice for the day-to-day activities within HMC regarding quality, safety, health, environment and security. It coaches, facilitates and supports the organization to deliver projects safely, on time and within budgets without compromising HMC's culture and reputation. (QASHE future mission, vision and values, Communication QASHE department, July 2012)

The environment in which the vessels and employees of HMC operate are harsh, with high risk profiles. Most objects with which it is operating are large and heavy. This enlarges the consequences of any accidents. The QASHE department's daily business is to make risk assessments for projects, provide previous gained knowledge on projects to new projects, and to produce new knowledge and procedures from those accidents that still occur. The departments main function is to be a source of knowledge to the whole HMC organization.

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[7] Source: http://hmc.heerema.com/content/about/vision-and-mission/

2.3 Interviewee selection process

The interviewee selection is based on the primary business process of the company subject of this research. The primary business process and the specific interviewee selection are discussed in appendix O.

3 CSR as an Organizational Innovation

This chapter develops a theoretical answer to research-question one: ***can CSR implementation in an organization be viewed as an organizational innovation?*** After the theory, the qualitative data is given in a table and an analysis is done upon the data followed by the conclusion.

3.1 Theory

3.1.1 Innovation Management and Management Innovation

The locus "Innovation Management" captures all literature on innovation. However, a literature review eliminates any misconceptions on the definitions of 'innovation', 'Innovation Management' (IM) and 'Management Innovation'. Before the link shall be made between CSR and organizational innovation, innovation management and management innovation are defined.

3.1.1.1 Management Innovation

Management innovation, interpreted as 'the innovation of management', implies the innovation of any management practice happens through a structural approach, or as Birkinshaw, Hamel et al. (2008) define management innovation:

> "*the invention and implementation of a management practice, process, structure, or technique that is new to the state of the art and is intended to further organizational goals*".

The research does not mention 'management innovation' anywhere else. The identification of the topic only aims to clarify it and to eliminate any misconceptions. Management Innovation only applies to CSR when CSR is an organizational innovation, and if the specific organizational innovation applies to management.

3.1.1.2 Innovation Management

P. Trott extensively describes Innovation Management in his book 'Innovation Management and New Product Development' (Trott 2005). It describes 'Innovation Management' as a non-linear management process existing from a triangle relationship between the subjects 'finance and business leadership', 'research and technology' and 'marketing' with the core idea that an organization's knowledge base accumulates over time. Each subject has different inputs in the process from the external environment. The core idea is that the model manages innovations in such a way that they become a success.

To this research, innovation management is a locus, as it has been introduced in master course 'Management of Technology'. The first research-question aims at a relation between the loci of CSR and innovation management. If the relation shall be found positive, organizational literature can contribute to CSR developments.

3.1.2 Definition of innovation and organizational innovation

The Organisation for Economic Cooperation and Development (OECD) provides the definition of innovation in its Oslo report[8]:

*"An **innovation** is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practice, workplace organization or external relations."*

The OECD acknowledges four different types of innovations: product, process, marketing, and organisational innovation. The last type of innovation applies to the topic of this thesis and its first research-question:

*"An **organizational innovation** is the implementation of a new organizational method in the company's business practices, workplace organization or external relations."*

Paragraph 3.1.3 contains an in depth analysis on CSR, innovation and organizational innovation.

3.1.2 CSR and innovation management, a reciprocal relationship

There is existing literature that already describes relationships between innovation, innovation management and CSR. Some literature is presented below and discusses CSR.

3.1.2.1 CSR and organizational learning

Heslin and Ochoa (Heslin and Ochoa 2008) elaborate on a method to stimulate a company's organizational learning, part of the innovation process, to engage and invest in strategic CSR programmes that have the opportunity to build a company's core competencies.

3.1.2.2 Competitive advantage

Dess and Picken (Dess and Picken 2000) and Tushman and O'Reilly (Tushman and O'Reilly 1996) accept that innovation is a source of competitive advantage in an increasingly changing environment (Lam 2004). Both pro and con literature exists that debates on whether or not CSR is a competitive advantage. Porter and Kramer (2006) and Smith (2007) and many others argue that CSR is a competitive advantage and should be used as such, in general or in specific topics. Vanhamme and Grobben (2009) argue that there is not enough evidence and that consumer scepticism is always present in the CSR topic. The competitive advantage of CSR remains unclear; however this does not aim to straighten that topic of research.

3.1.2.3 Corporate social innovation

Rosabeth Moss Kanter (Kanter 1999) introduces the term "Corporate social innovation". Corporate social innovation implies that social issues should be used for the development of new services and products, a perspective that is especially applicable for product development for low-income markets. Little (2006) describes that CSR is a implies to innovate according to social

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[8] http://www.keepeek.com/Digital-Asset-Management/oecd/science-and-technology/oslo-manual_9789264013100-en and for PDF version:
http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/OSLO/EN/OSLO-EN.PDF (Last entry has been on the 25th of March, definition is point 146 on page 46)

and environmental drivers towards new products and services that are more in compliance with societal and environmental needs and demands.

3.1.2.4 Unilateral information flow

These relationships between CSR and IM, as described, are unilateral information flows in which CSR contributes to the literature of innovation management. CSR principles are used to stimulate organizational learning, to develop a social aspect of 'competitive advantage' and to develop social innovations. Figure 11 reflects in a basic method the reciprocal relationship that now exists within academic literature and in practice. A relationship where CSR principles contribute to innovation practices and literature.
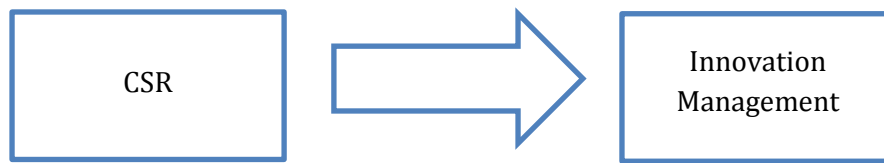
Figure 5: CSR is used for the benefit of innovation management

3.1.3 CSR as an 'Organizational Innovation'

There are two arguments to view CSR as an innovation. First, innovation management is a process with clear manageable activities: goal formulation and design of the process, organize and monitor the process. If necessary, adjustments can be made to the goals, process or the organization (Boer and During 2001).
Porter and Kramer (2006) write that an organization should practice CSR in a strategic manner: clear goal formulation, selection of social and environmental issues where the company can play a role with its core competencies (design and organize the process) and if necessary, adjustments of to the goals, processes or the organization. This process of strategic CSR fits the innovation process; concluding that organizing an organization such that it integrates strategic CSR can be considered an innovation on its own, a management innovation.

The second argument comes from Kanter (Kanter 1999), whom writes that companies should use social issues for their innovation process. This statement has the underlying argument that companies should innovate their innovation process by integrating social issues. CSR is applicable to more fields than social issues, and is applicable to a whole organization, not only the innovation department. Nevertheless, the idea is that a company should innovate itself through the adoption of an idea or/and behaviour new to the company, also referred to as 'Organizational Innovation'. ((Daft 1978; Damanpour and Evan 1984; Damanpour 1996) Organizational innovation embraces a wide range of phenomena (Lam 2004). This brings a shift of the perspective on CSR. CSR could be viewed as an organizational innovation. Midttun, Gautesen et al. (2006) write that both CSR and innovation literature are split. However, through previous reasoning, the innovation literature becomes applicable to CSR and its locus, and establishes a reciprocal relationship between innovation management and CSR. Figure 12 reflects in a basic visualization the reciprocal relationship where both parties, CSR and Innovation Management contribute to each other.

3.1.3.2 Innovation literature applied to CSR

To establish the reciprocal relationship between CSR and IM literature, some IM literature has been reviewed through the perspective of CSR. The perceived characteristics of an innovation are, according to Rogers (1983), its relative advantage, compatibility, complexity, observability and trialability. (Definitions: Moore and Benbasat (1991) page 195). These characteristics can categorize different innovation options and assess which innovation option fits the company best. These innovation characteristics can assess and categorize CSR action options, to estimate their benefit to the organization. The following definitions are identical to those that Rogers provides; however, 'CSR initiative' replaces 'innovation'.

- Relative advantage: The degree to which a CSR initiative is perceived as being better than its precursor;
- Compatibility: the degree to which a CSR initiative is perceived as being consistent with the existing values, needs and past experiences of potential adopters;
- Complexity: the degree to which the results of a CSR initiative are observable to others;
- Trial-ability: the degree to which a CSR initiative may be experimented with before adoption.

Moore and Benbasat (1991) include the characteristic 'Voluntariness', which fits CSR initiatives perfectly concerning that voluntariness is one of the five characteristics of CSR (Dahlsrud 2008). The definition of voluntariness, according to Moore and Benbasat is "the degree to which the implementation of a CSR initiative is perceived as being voluntary, or free of will". These dimensions enable assessments on CSR applications in the context of a company's situation. This meets the contextual character of CSR (Porter and Kramer, 2006), also recognized at innovation processes (Ortt and van der Duin, 2008).

Ben et al. (2006) mention that CSR activities through organizational change, either incremental change or transformational change. Transformational implies a disruptive change in the organization's work process, where incremental implies a more gradual change that conserves existing linkages and competences. A transformational organizational change implies a disruption in the existing linkages and competences (Abernathy and Clark 1985). Similar to innovations, CSR can introduce incremental or disruptive changes.

Teece Pisano and Shuen (1997) assess different strategic theories to form the dynamic capabilities of a company. They define dynamic capabilities as "the company's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments." (Leonard-Barton, 1992). CSR can be a topic of a company its dynamic capabilities.

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3.2 Empirics

This paragraph explains the method used to gather the data, provides tables of the interview results, analyses the interview results and concludes on the method and the analysis.

3.2.1 Set of interviews

The data has been gathered through a set of nine interviews, conducted with the persons that fulfil critical functions within HMC's primary business process (description of functions in paragraph 2.3). Each interview has been done individually, one interviewee at a time. The interview questions have been formulated based on the knowledge from the theory and the entire literature study, and the knowledge of the company's primary business process. The objective of the interviews is to validate the theory.

Every interview uses the same topic outline with similar questions; however, the structure of each interview is not entirely similar. The interviews are of the type focused (Merton, Fiske et al. 1990) and semi-structured (Strauss and Corbin 1990; Corbin and Strauss 2008). Each interview has the same topic outline (the bold sentence is applicable to this chapter):

- Introduction into thesis
- Introduction into topic, followed by semi-structured questions
- **Introduction into the relationship between CSR and innovation management, followed by semi-structured questions**
- Introduction of the maturity model, followed by semi-structured questions
- Introduction of improvement processes and the capability maturity model, followed by semi-structured questions

The focused questions allow the interviewees to give their opinion on the topic, which is in this paragraph whether CSR implementation can be viewed as an organizational innovation. The interviews have the characteristics of a conversation, where the theory as proposed earlier is the subject. The questions from appendix B help the researcher to not drift too far away from the core of the topic. This semi-structured interview allows the option for the interviewees to evaluate the theory and to allow for their own input into the research through their opinion.

Because the interviews are open, not all interviewees respond in the same manner. There for the interview answers shall be first accumulated into a single understanding before the analysis of the empirics.

3.2.2 Interview results

Tables 3 and 4 on this and the next page reflect the core results of the interviews. Appendix C contains the entire interview responses with analysis.

Interviewee's Function Question	A QA/SHE manager	B Project manager	C Commercial manager	D Supply Chain manager
1 Can you relate to an Organizational Innovation – CSR relation?	1 I do not think it is an innovation because it already exists.	1 It is only an innovation when it is completely new for an organization. When it already performs some activities, then it is an improvement to present activities.	1 I think it is not a major change in the organization, only a change in the mind-set of employees.	1 It is not an innovation anymore because it is not new for HMC.
2 How do you see the development of sustainable activities within a company?	2 CSR cannot be structured in the work, it happens everywhere. I think sustainability follows a path similar to safety. First, provide qualitatively good work, and then integrate social aspects in the core process. Create a change of mind-set.	2 The innovation department should acknowledge and assess new developments on sustainability. Within the organization, we stimulate people to take initiatives and to perform good. With such stimulus activities should develop.	2 People work on CSR aspects without them knowing it. A company should raise awareness about the CSR subject.	2 Developments should start in the innovation department.
3 Could CSR relate to an organizational innovation when it is completely new to a company? Or is it a change?	3 CSR is already used in the world, I'd rather say that people become aware of a new aspect that leads to a change in the organization's working method. That change can lead to innovations, but CSR is not an innovation on itself.	3 Not sure if CSR can be considered as an innovation. CSR is a mind-set in an organization. Taking responsibility is a mental decision, of which employees should be aware.	3 It is both, the innovation department should acknowledge CSR as an opportunity. Then the organization should change. But for CSR I think it is only a change in the mind-set of employees.	3 It is not an innovation, but an implementation of procedures and standards and improving them.
4 How do you think a company innovates or progresses towards a higher level of sustainability?	4 It is a mind-set and a set of actions that evolves in time. A company should only progress when it thinks it is good to do so.	4 Question yourself whether you can improve. Major part of sustainable practices is the mind-set of employees. Explain employees 'why' they have to behave responsible.	4 Whether it is a structural change or a slight adjustment, employees need to become aware of the CSR related aspects in their daily business. First, see whether a structural change is needed, then change the mind-set of the employees.	4 Sustainable developments should be enabled at the innovation department. From there

Table 1: Interview results research-question one, interviewees A - D

E Equipment manager	F Asset manager Thialf	G Business Development analyst	H Sr Innovation advisor	I Engineering manager
1 Do you innovate to become CSR? No.	1 CSR should not be the reason to innovate	1 The idea is not new to the industry.	1 CSR implies changes for a company, changes in methods, but the idea is not new.	1 Can relate to the link because he not only sees the organization as employees in different departments, but also the vision and mission of the company belong to its organization.
2 Most developments were done to improve maintenance or asset performance.	2 Gradually more and more activities are changed to be more sustainable in either social, economic or environmental	2 A company should not try to produce sustainable products, but produce its products through sustainable working methods and businesses.	2 Developments should start by an initiative from the owner, and a support from the board. That leads to request at different departments to work greener. Not an sustainable department.	2 Developments that occur in order to secure the future of a company. For instance procuring new assets.
3 Implementing CSR practices are not an innovation but a change of culture.	3 I don't think that it is an innovation or a change in the organization, but it is a change in the way we think.	3 CSR lies deeper and further in the company than a change. It is the method by which a company offers its products. No innovation output, but a thorough change. CSR is an evolution.	3 If a company is not familiar with CSR, it will endure dramatic changes, very deep changes.	3 CSR first needs an introduction before a company can deliver a CSR output.
4 First a company needs to become profitable, then it can improve on its CSR related aspects to become sustainable.	4 No it is not an innovation but a change that happens gradually. The changes that occur last and are permanent and the focus can move to new aspects to improve on the sustainability aspect.	4 A company should change its methods by which it produces its products or services. Change them into sustainable practices.	4 From a top down influence it should be initiated and then executed from there. For a company who is familiar with it, an awareness program could be a solution. Also the economic factor will be the leading factor, as companies need to make profit.	4 First a company needs to create recognition of the CSR aspects, awareness amongst its employees.

Table 2: Interview results research-question one, interviewees E - I

3.2.3 Empirics accumulation

This sub-paragraph is an accumulation of the interviewee responses to create an understanding of the different interview answers.

3.2.3.1 Can the interviewees see CSR as an Organizational Innovation?

Most interviewees could not agree with a link as described. The interviewees state that CSR is more of a change in a mind-set than an organizational innovation. The only link that they could describe is where the innovation process uses CSR as a goal on itself, or when it is completely new to a company. However, it has also been said that it is almost never completely new to company because everybody knows something about sustainability or 'people, planet, profit'. The theory of paragraph 3.1 describes a potential where CSR is an organizational innovation. There was almost no support for the idea that CSR principles could be a form of organizational innovation, only the engineering manager (1I) does agree.

The project manager (B) says that there are different policies, activities and programs already in place. Those might not be in place from a sustainable perspective, be that as it may they are in place from an industry need to which HMC responds (*re-active attitude*). For instance the IIF program that sets the goal to lower the amount of incidents and injuries is purely established from the perspective to lower the amount of injuries among personnel. HMC thinks that its personnel should be safe. Safety is a topic typical in the offshore contracting industry, and it is also a unique selling point. Because these are already in place, CSR is not an innovation anymore for this company.

To conclude on the answers of the interviewees: there is no link between CSR and organizational innovation, only when it is completely new to a company. However, they do see CSR as a change, a change in the mind-set of employees.

3.2.3.2 How do you see the development of sustainable activities within a company?

The business analyst (G) says that his organization can't maintain a cowboy attitude, because society now demands more from our clients, thus our clients demand more from us. Through an increasingly rise in demands from society, a pressure is laid upon the organization to operate in a more sustainable method. The asset manager (F) contributes that CSR related activities occur more and more through the company and on the vessels. This comes forward from a sustainable related mind-set from employees. CSR practices do occur through the company, initiated through pressure from society or through initiatives from individual employees.

CSR practices do happen within the HMC organization, even though there is no guiding strategy or principle to facilitate these practices. Practices and activities are mentioned in appendix D 'HMC CSR activities'. Every manager mentions some activities or examples that relate to CSR. Some activities happen due to regulations, some activities happen because "it is just better to do so". For instance: "the use of biodegradable oil in the hydraulics, so that in the case of a leak and a spill the accident is less severe" (equipment manager E). These activities occur gradually more and more (F Asset Manager). However the activities are not recognized from a CSR perspective. The activities occur because the organization's employees think it is better, because our clients demand it from us, or because the regulations demand it. As the commercial manager said: "our employees are probably working on CSR subjects without them knowing it".

From a commercial perspective, CSR activities are becoming a selling argument for the marine contracting industry. This can be the foundation for a business model of CSR activities: the approval and support of our clients (Business Development Analyst).

To conclude: activities happen through the whole company, without a CSR strategy or perspective, however they do just happen. Different reasons exist for the activities that happen; from pressure by clients or society to individual initiatives because the individual thinks 'it is better to do so'.

3.2.3.3 Could CSR relate to an organizational innovation when it is completely new to a company? Or is it a change?

The QASHE manager remarked in the first interview that becoming CSR dedicated is more a change due to the fact that 'people have to get aware of the new aspect'. It is a mind-set of the employees that needs to change, they need to get aware of their responsibilities and need to recognize opportunities for improvement. This was the overall answer that results from the interviews. The interviewees do not view CSR as an organizational innovation or change; they view CSR as a change in the mind-set of employees. Nevertheless, in the last interview a sketch visualizes the idea behind the relationship to view CSR as an organizational innovation. In order to become CSR, CSR first needs to be implemented and people need to be aware of the CSR principles.
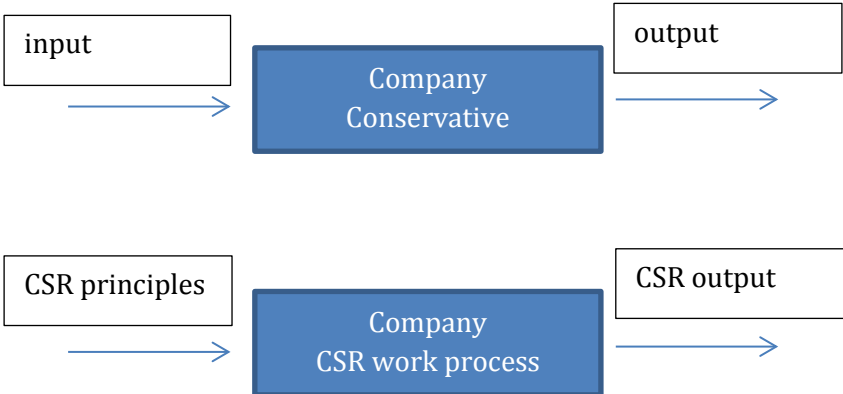
Figure 7: Organization CSR input/output

This input of CSR principles and dedication made the idea very basic. And the Engineering manager agreed that the company is not only an organization with some departments and employees that work, but that the company operates through a vision and mission. The engineering manager says that in order to be sustainable the organization needs to create a social and environmental value. It became very clear that this was also the implementation of an idea or principle in the company.

3.2.3.4 How do you think a company innovates or progresses towards a higher level of sustainability?

The mind-set of people needs to change in order to get the activities changed. This evolves in time according to the QASHE manager. The project manager also mentions that if a company wants to change or needs to change it needs to ask itself how and where it can change. From the interviews with the other interviewees the result is that CSR is a mind-set in an organization out of which actions result.

The answer from the asset manager is also consistent with the responsibilities model from Carroll, first be profitable, and then comply with the law and then ethical and philanthropic responsibilities.

3.2.4 Empirics analysis

Overall the interviewees, except for one (engineering manager), state that they do not see CSR as an innovation to an organization. The interviewees state that CSR is a change in the mind-set of all individual employees. This mind-set does not happen from one day to another; it is a change that shall happen in time by which the CSR activities shall occur increasingly through the company (see 3.4.2 'increasingly').

Why does only the engineering manager agree with the relationship? The relationship was described in words for all interviewees, except in the interview with the engineering manager. In that interview a sketch accompanied the explanation of the CSR-innovation relationship. Another difference was the explanation itself. In all previous interviews the CSR principles form the organizational innovation. However in the interview with the engineering manager, CSR principles form a method to initiate an organizational innovation. The following figure accompanied the explanation in that interview.
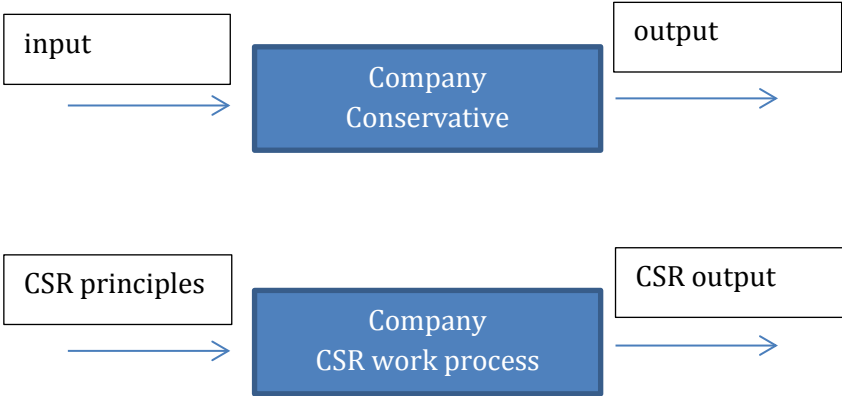
Figure 8: Organization CSR input / output

The figure shows very basically the theoretical situation in which CSR is used as an organizational innovation. However, most of the time, it was hard to explain the situation in which CSR could be a form of organizational innovation. The answer that was given is that CSR is a goal and to achieve that goal a mind-set change should be enabled.

The interviewees state that a company should implement CSR through a top-down strategy. However, as one interviewee also mentions (asset manager); this is not in line with a free and gradual change of the mind-set of employees. A top-down implementation strategy implies the stimulation of an organizational change in the company. An organizational change that fosters the change of mind-set regarding CSR activities. A company can influence the change of mind-set through implementation of organizational top-down stimulation. The asset manager mentions that the mind-set of CSR and its awareness should happen everywhere. All interviewees indeed mention some CSR activities that do take place through the company, however no active CSR strategy is in place.

The fact that the interviewees do not see CSR as an organizational innovation but as a change mind-set, does not exclude the possibility of a company to foster that change of mind-set. It could be that the interviewees do not see CSR as an innovation to the company, but just as a

change in the process. According to the definition of the OECD: "*An **organizational innovation** is the implementation of a new organizational method in the company's business practices, workplace organization or external relations*". This definition suggests, that if a company develops a policy to enable CSR practices and activities and it is new to the company, it is by definition an organizational innovation.

The interviewees are all technically skilled and operate daily in a business environment that is all about technical assets and structures. For the interviewees an innovation immediately implies something technical, advanced and opens new possibilities for the company to install or transport objects for their clients. All interviewees needed an explanation of an organizational innovation, and needed to process the idea. CSR is very broad, and an organization can perform CSR activities even though the activities are not initiated from a single strategy or perspective. It also happens that the activities are not acknowledged as CSR related at all. Three situations occur: first, where CSR is not known in an organization and no activities occur at all; second, CSR principles and understanding are not known to the organization, however CSR activities do occur from individual initiatives; third, CSR principles are known and actively applied through the organization to initiate and stimulate CSR activities.

In the first two situations, active CSR introduction is an organizational innovation. The idea to structure and stimulate CSR activities needs an organizational dedication. Either through adjusted work processes, decisions on which CSR activities to perform, or new relations with suppliers and clients; the idea of active CSR involvement is new to the organization, implies a change to the organization and can be viewed as an organizational innovation.

3.2.4 Organizational scheme of a social responsible organization

During the case study research, the company presented an schematic of an organization with CSR integration, which is presented on the next page. The schematic that the QASHE department formulates is a schematic of an organisation that integrates social responsible activities and awareness, and links it to education, training, awareness and motivation. The schematic is a proof from a company that it assesses whether an organisation should implement CSR (or SR) as an organizational innovation/change, even though it is a change in mind-set according to the interviewees. HMC does not yet implements the schematic in its organisation; however, it reflects the thoughts on CSR and its topics by a company such as HMC.

CSR is not only a mind-set within the company, because HMC has developed the schematic of CSR integration in the organization. The schematic reflects HMC's thoughts on an organizational integration of social responsibility. The schematic not only enables the change in mind-set of its employees on CSR, it also reflects how active parts of CSR already exist within the organization. The schematic creates awareness about existing CSR activities and new CSR activities.

HMC's QASHE department developed the following figure. It is a schematic of an organisation that integrates social responsibility.
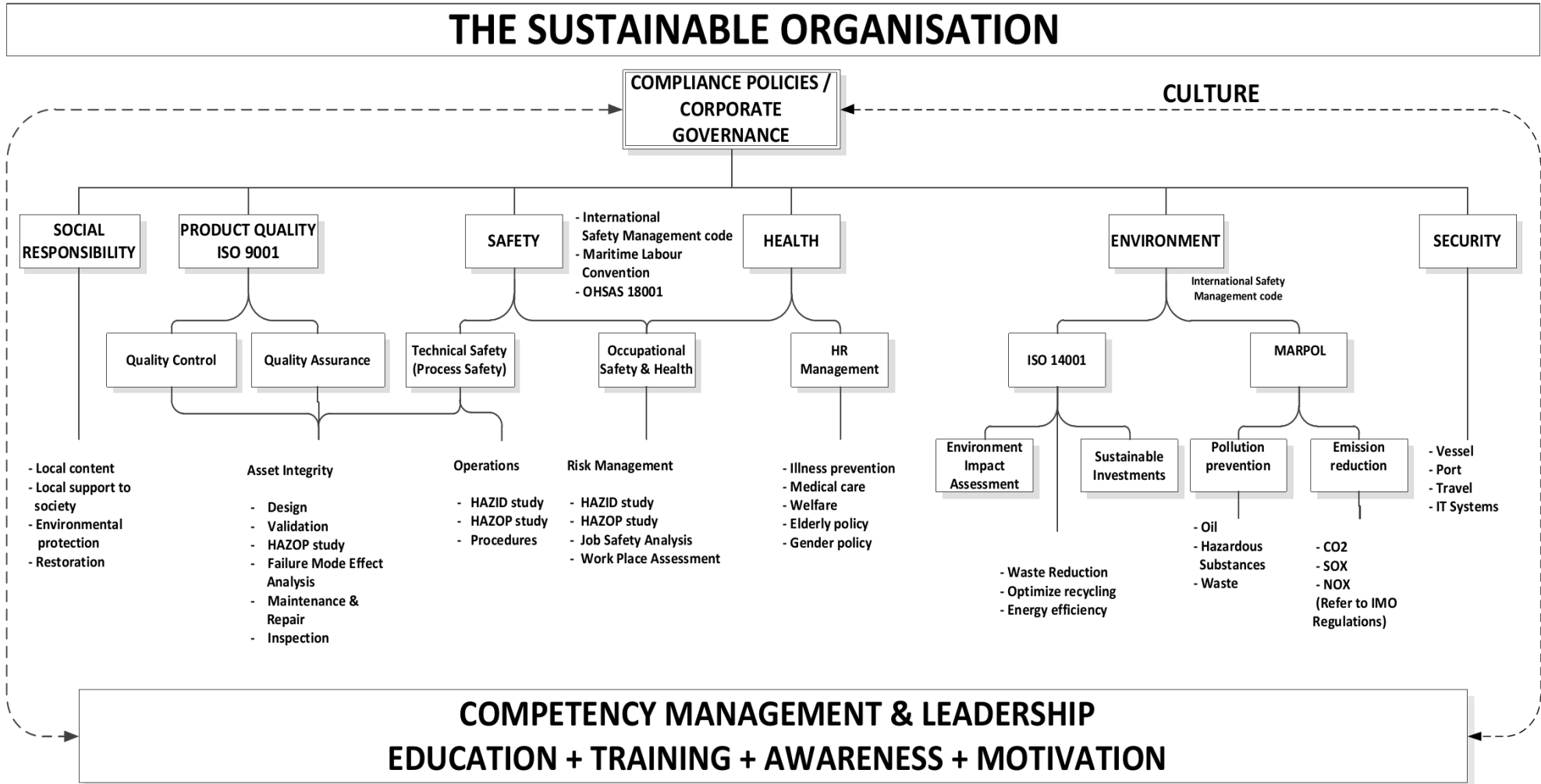
Figure 9: Schematic of 'the sustainable organisation' (Source: HMC)

3.4 Conclusion

Can CSR implementation in an organization be viewed as an organizational innovation?

The theory of this chapter describes CSR as an organizational innovation. Most interviewees could not agree with the situation in which CSR principles and activities form an organisational innovation. The interviewees do state however, that CSR principles and activities could lead to an organizational change, and that in order to become CSR a change in the mind-set of employees is necessary. According to the definition of the OECD: "*An **organizational innovation** is the implementation of a new organizational method in the company's business practices, workplace organization or external relations*". This definition suggests, that if a company develops a policy to enable CSR practices and activities by stimulating the change in the mind-sets of its employees, and it is new to the company, it is by definition an organizational innovation.

According to the interview results, CSR principles and activities are a change in the mind-set of an organization and its employees. When CSR does not have the potential to disrupt a company's primary business process, CSR implementation is a change. The change is as large as company wants it to be, and depending on the size of the change it can or cannot be identified as an organizational innovation.

The analysis of the interviews describes three situations of a company, before it wants to actively implement or improve CSR activities. In the first two of these situations, CSR is an organizational innovation by the OECD definition.

The schematic of a social responsible organization figure, designed by HMC, is proof that CSR can be accompanied by an organizational change.

The above standing arguments are all in favour of the perspective where CSR is viewed as an organizational innovation. To answer the research-question:

> **Yes, CSR implementation can be viewed as an organizational innovation, according to the research in this chapter.**

4 CSR Maturity levels

This chapter develops a theoretical answer to research-question two: ***How does a CSR maturity model look like?*** After the theory, the qualitative data is given in a table, accumulated, and an analysis is done upon the data followed by the conclusion.

4.1 Theory

This paragraph reflects and discusses literature from the literature review that is essential to establish an answer to the research-question stated above. The literature is in the following sequence discussed: First the literature on maturity models in general is given. Second is the theory of capability maturity models to make the reader aware of a critical distinction between maturity models and capability maturity models. Then the theory on CSR follows, that starts with earlier attempts to 'measure' CSR followed by the characteristics of CSR maturity levels. Finally, summation of the literature has been used to establish the characteristics of the CSR maturity levels.

4.1.1 Maturity model

Maturity models exist to assess and measure an organization's level of maturity. In the model, maturity refers to 'an organization' state, in which the organization is perfectly capable to achieve its business objectives'. However, an organization cannot operate perfectly, only a certain level of maturity is achievable (Meredith and Mantel Jr 2011). Many maturity models exist in the project management literature; nevertheless, the principle of maturity models can be applied to CSR as well.

Pennypacker and Grant (2003) have defined a maturity model as following:

"A maturity model allows organizations to assess its practices and compare with best practices, intending to map out a structured path for improvement."

A maturity model provides an organization a framework to assess its strengths and weaknesses on a specific topic. This can then be used to formulate an improvement plan and perform the improvements. Figure 10: The five general maturity levels (Rezvani 2008)', on the right, shows the five standard maturity levels and characteristics.
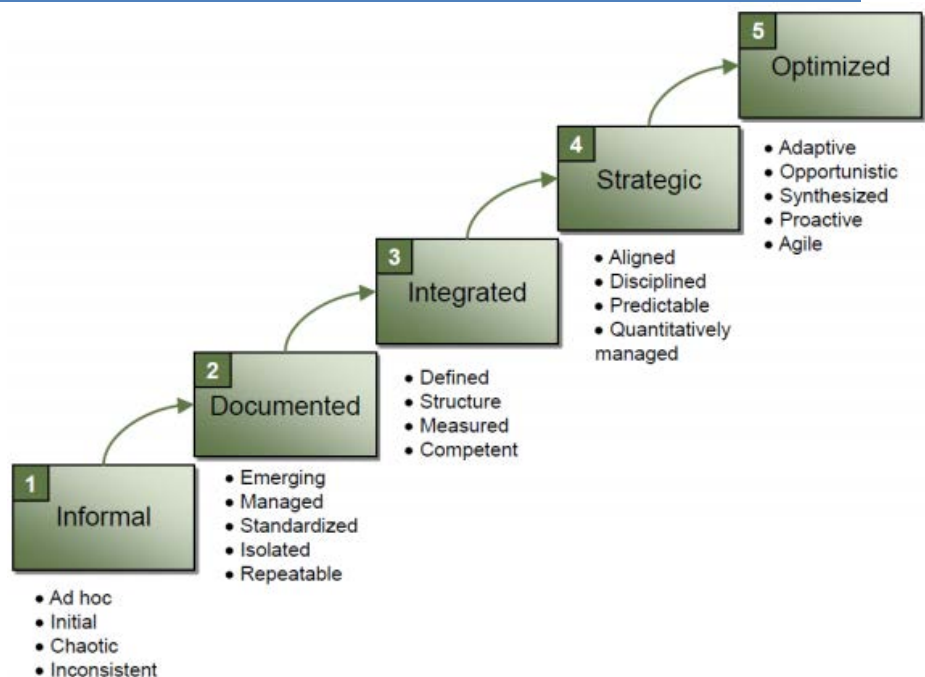
Figure 10: The five general maturity levels (Rezvani 2008)

4.1.2 Capability maturity model

The capability maturity model is a process maturity framework, through which an organization can actively 'mature' towards a higher state of maturity (Demir and Kocabaş 2010). The first capability maturity model exists out of five levels of maturity(Paulk, Weber et al. 1993). A capability maturity model has several aspects: it has a number of discrete levels; it focuses on the organization; it describes what processes an organization needs to adopt; and it consists out of several capability areas (Mullaly 2011).

A capability maturity model should describe levels and maturity paths, which organizations can use to assess their current position, assess their desirable position, and formulate a strategy and an improvement plan. Within this general outline, three different types of maturity models can be classified (Pöppelbuß and Röglinger 2011):

- Descriptive purpose of use
Assess an organization's current capabilities and define how the path of maturity looks like (Becker, Knackstedt et al. 2009; Maier, Moultrie et al. 2009; Mullaly 2011).

- Prescriptive purpose of use
Indicates how desirable maturity levels can be identified and provides guidelines to improve current processes (Becker, Knackstedt et al. 2009).

- Comparative
When internal or external benchmarking is integrated in the capability maturity model, the maturity model has a comparative purpose of use (De Bruin, Freeze et al. 2005; Mullaly 2011).

The distinction between a maturity model and a capability maturity model is that a maturity model only contains characteristics at each level of maturity. A capability maturity model consists out of actions and processes at each level that a company should perform. Chapter five is dedicated to the development of the CSR capability model, this chapter develops the CSR maturity model. The maturity model is used to develop the capability model.

As mentioned above, a path of maturity can be established by an assessment of a company's current capabilities (descriptive). Guidelines can help to establish a path of improvement (prescriptive), and benchmarking allows the model to be used to compare companies their CSR activities (comparative).

4.1.3 Measuring CSR

Researchers have already tried to link CSR performance to quantitative measures (Herremans, Akathaporn et al. 1993; Peloza 2009). Financial performance expresses itself in single values such as net profits in a given currency. However, how can an organization express all CSR related activities in one figure? It cannot. The activities that an organization performs on the employee safety topic, in order to lower employee injuries, cannot be combined with the outcomes of an investment in local child education to improve future local labour forces.

This thesis does not formulate CSR in a quantitative measurable figure because many others have tried to quantify CSR and there are comments on CSR that it is a subjective and non-replaceable topic. Non-replaceable implies that the CSR performance of organization 'A' cannot be compared with the CSR performance of organization 'B'. This thesis does attempt to 'measure' a company's state of CSR in a qualitative manner. The objective is to formulate a maturity level model together with different CSR topics and actions for each level. The level model's objective is

to assess an organization's current state of CSR. An organization can also use the model to choose a CSR position within the model. It can then formulate an improvement program with the combination of the assessment of a company's current position and the position where the company wants to be.

4.2 CSR maturity model development

In this paragraph the development of the CSR maturity model is described.

4.2.1 CSR maturity characteristics

Part of the literature research is the search for CSR maturity characteristics. The definition of CSR prescribes four types of responsibilities within the CSR topics: economic, legal, ethical and discretionary responsibilities (Carroll 1979). Carroll explains that these responsibilities are taken by companys in a certain order, making a profit is an organization's number one priority, then it should comply with the law, then ethical responsibilities should be taken and as last a company can take its philanthropic responsibilities. Regarding the philanthropic responsibilities, this cannot be demanded from an organization as stated by Schwartz and Carroll (2003).

The theory in chapter 3.1.3.2 Innovation literature applied to CSR mentions that there are incremental and disruptive CSR changes, which implies that both should be an option in the capability maturity model. The model should not prescribe that a company should change in an incremental or transformation way.

Maon et al. (2010) describe a consolidative model where they formulate different characteristics from academic literature into cultures and stages in which an organization can be. In order to formulate the consolidative model they have extensively researched the CSR literature on CSR characteristics. Maon et al. also performed a research on an implementation model and the consolidative model recognizes three cultural phases namely the 'CSR cultural reluctant phase', the 'CSR cultural grasp phase' and the 'CSR cultural embedment'. The grasp and embedment cultural phases each have three stages.

Figure 11: CSR maturity levels (developed by Author), based on consolidative model' visualizes the levels as described by Maon et al. (2010) in combination with the theory on maturity models. The levels are displayed in ascending order, categorized per cultural phase. Appendix E: 'Table of CSR characteristics' contains table 5 from Moan et al. (2010) that describes the characteristics of each level for a given dimension. The seven levels CSR development model is used as the scale for the CSR capability maturity model as presented.

The first stage is 'Dismissing' and is the only phase that falls into the CSR reluctant phase. In the dismissing stage a company's attitude is 'winning at any cost' and the culture is reluctant to any CSR initiative, it might even see CSR as a constraint on performance.

In the 'CSR cultural grasp' phase a company limitedly uses CSR and sees it as a implies to an end. The focus remains on the processes and results in the short term. In the 'self-protecting stage' a company doesn't have a real CSR dedication or vision, but does some unstructured activities, which do not have management involvement. In the 'compliance-seeking stage' top-management awareness begins to increase and frameworks are developed to meet minimum industry

standards. The 'capability-seeking stage' is the last stage in the CSR cultural grasp phase and implies that an organization has developed some skills in managing CSR fundamentals and their stakeholder management has become more active.
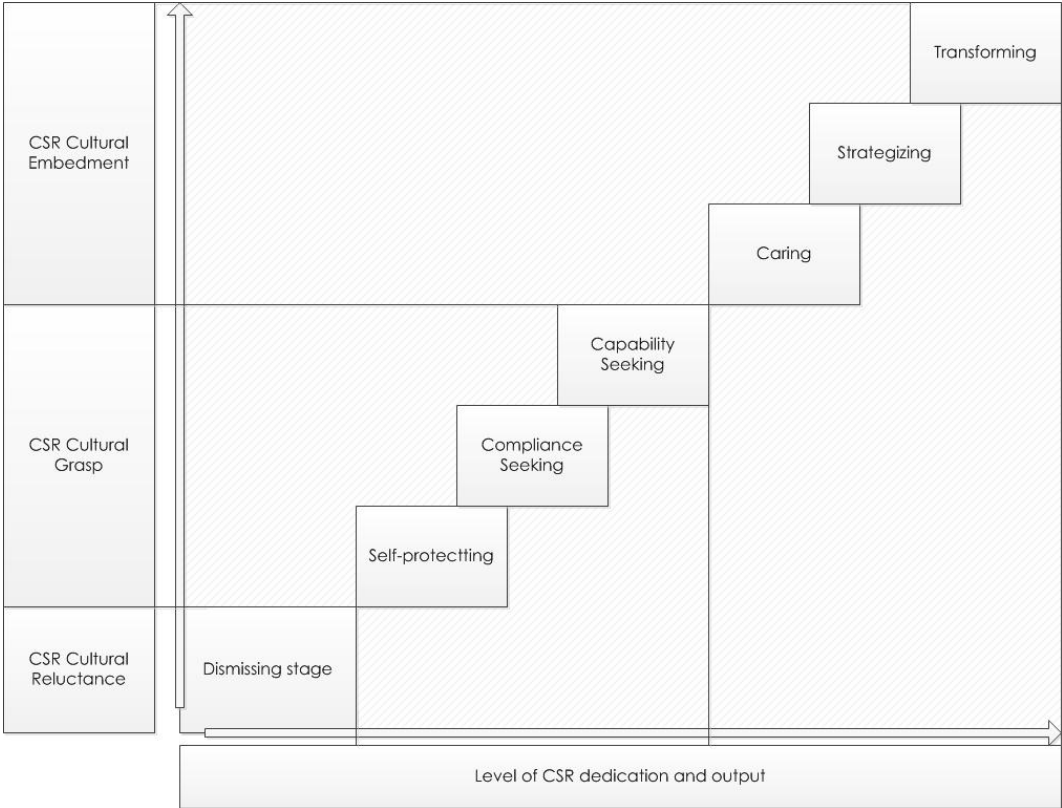
Figure 11: CSR maturity levels (developed by Author), based on consolidative model

The 'CSR cultural embedment phase' concerns companies that actively develop stakeholder relationships, extend CSR-related knowledge and dedicate internal resources to address CSR related issues. The organizations perform this because those companies see CSR a potential area to add value to their business. In the caring stage, top management becomes dedicated to the long-term opportunities that CSR offers. In the 'strategizing stage' CSR is strategically understood and implemented in the corporate strategy to contribute to the long-term. The last stage of the cultural embedment phase and of the capability maturity model is the transforming stage where a company fully integrates CSR in every aspect and activity. CSR has influenced the company's business model, culture and influence on society.

The rational interpretation of this model is that a higher dedication of the culture to CSR leads to a higher output of CSR activities or products. The model has been assumed dynamic of nature thus the stages and phases have areas of transition in which the state of a company can be interpreted in multiple stages or phases depending on the aspects of the company's CSR dedication and activities.

The stages formulate the basics for the levels of the first version maturity model. Maon et al. (2010) do not include any actions of what a company should or should not do for each level. Maon et al. only provide the characteristics per stage and a description of how an organization performs in each stage. Due to their extensive literature research for the consolidative model, and their previous article on an CSR implementation model (Maon, Lindgreen et al. 2009), the

article forms the foundation for the maturity model. Figure 12: Maturity model with the characteristics per level according to Maon et al. (2010)' shows the maturity model with the characteristics as provided in the textual description by Maon, Lindgreen et al. (2010).

Comparison of the model with the maturity theory (Figure 10: The five general maturity levels (Rezvani 2008)) shows that the content is comparable. Demir and Kocabaş (2010) write that the Office of Government Commerce identified 5 levels of maturity. Combine these with the 5 levels from Figure 10: The five general maturity levels (Rezvani 2008) to form the maturity characteristics:

- Level 1 / Informal: getting started/awareness/initial, + Ad hoc/initial/ Chaotic/ Inconsistent
- Level 2 / Documented: developing/focusing/repeatable/knowledge + Emerging/ Managed/ standardized/ isolated/ repeatable
- Level 3 / Integrated: complying/practising/competence/defined + Defined/Structure/ Measured/ Competent
- Level 4 / Strategic: sustaining/exploiting/managed/excellence + Aligned/disciplined/ predictable/ quantitatively managed
- Level 5 / Optimized: advocating/transforming/optimized + Adaptive/ Opportunistic/ Synthesized/ Proactive/Agile
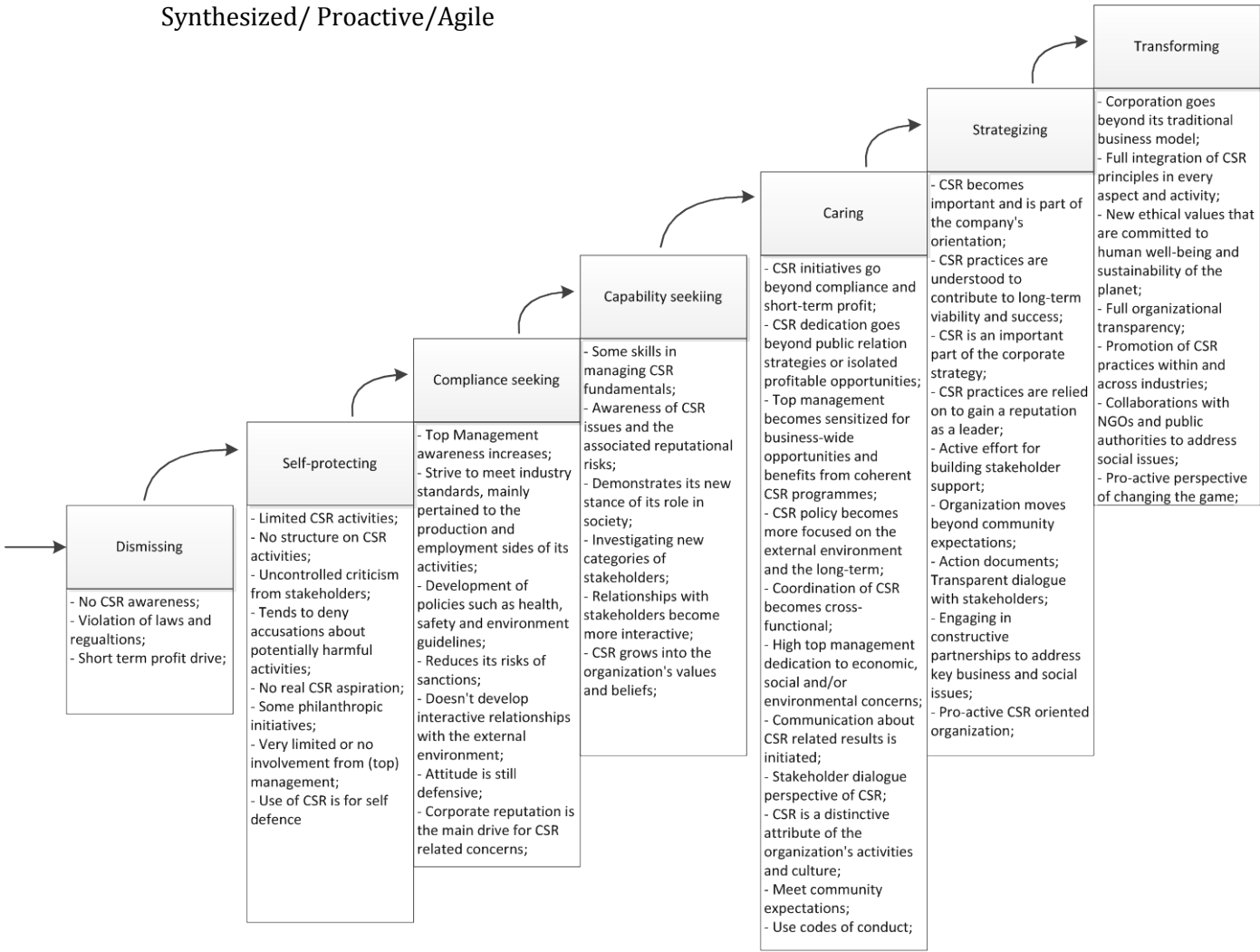
Figure 12: Maturity model with the characteristics per level according to Maon et al. (2010) (developed by author)

In some cases, a level 0 is applicable, which stands for unawareness. In the CSR case, level 0 is the dismissing level. The self-protecting level is the 'level 1 / informal' due to its unstructured, initial activities.

The maturity theory prescribes six levels (0-5), however Maon et al (2010) provides us with characteristics for seven levels. Some maturity level characteristics have been divided over the levels of the CSR model. E.g. the compliance level starts to document policies, likewise as the level 2 / documented characteristics. However, the capability seeking level refers to 'some skills in CSR fundamentals' that refers to knowledge from level 2 / documented. Since Maon et al. have done an extensive research; their consolidative model has been used as the basis for the maturity model. The literature on maturity models prescribes five to six stages, however maturity models that have more levels are not an exception (Mullaly 2011).

4.2.2 Moments of change and innovation

The consolidative model describes three cultural phases. One of the conclusions in the previous chapter was that a company can have three basic situations: 1) it is not familiar with CSR and does not perform CSR activities or processes; 2) a company does perform activities and processes, however is unaware or the term CSR and the possibility to increase or strategically steer CSR activities; 3) a company is familiar with CSR and does perform CSR activities.

The cultural phases show similar 'jumps', and the cultures have similar characteristics as the situations described above. The cultural changes, or change of attitude are the 'moments of innovation'. The culture of the organization needs to change in order to improve, and a change in culture or situation is a large change. These innovation moments are the moments of organizational innovation.

The smaller 'jumps' within the cultures represent the smaller changes and are not large enough to be an innovation; these are the 'moments of change'.

4.2.3 Topics within CSR

Regarding the content of CSR, it should be made clear in the model that CSR exists out of different topics. The ISO26000 guideline on CSR, or actually named SR by ISO, identifies seven topics within CSR. The guideline is a theoretical implementation model for an organization. The guideline is a document that describes on seven topics what a company could do to become 'social responsible' (ISO 2010):

- Organizational governance
- Human rights
- Labour practices
- The environment
- Fair operating processes
- Consumer issues
- Community involvement and development

The ISO 26000 guideline has been established with the input of experts from 90 different countries and 40 different organizations, through a multi-stakeholder approach. The guideline has the objective to make CSR understandable and implementable for organizations. However the guideline does not mention a start or a plan for organizations to implement CSR. The guideline states actions and expectations per topic, but does not provide and level of difference

in these actions and expectations. The use of a capability maturity model offers the solution for organizations to gain insight in their current position and their objective. The topics as provided by the guideline provide a more detailed perspective to observe and assess a company, and shall provide a more thorough analysis of an organization. This shall make it easier for organizations to identify their weaker subjects within the CSR aspects. Figure 13: Seven different topics within the CSR maturity model' shows that the CSR maturity model exists out of seven topics, which all can be assessed on individually.
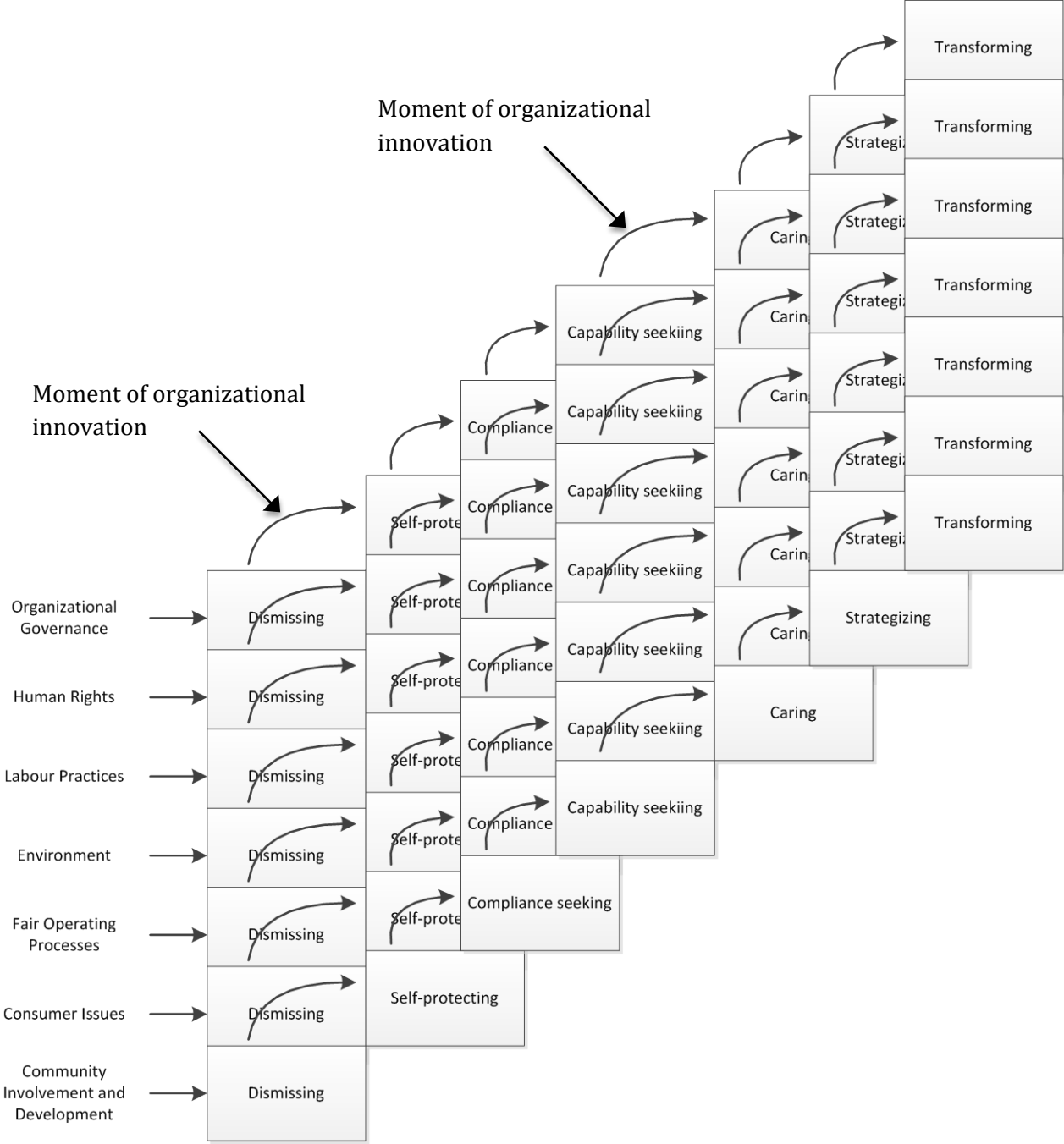
Figure 13: Seven different topics within the CSR maturity model

4.2.4 Relevant literature

The literature study acknowledges different articles as a guide on CSR implementation or a description on the process of it. The most relevant pieces of literature are Moan et al. (2010) Moan et al. (2009), ISO26000 (2010) and the UN Global Compact. Moan et al. review academic literature on articles that contain CSR process characteristics and build a consolidative model of 7 stages. Experts and organizations to guide organizations in their CSR integration have developed the ISO26000. It provides descriptions of relevant topics and related actions and expectations.

The United Nations (UN) provide literature and principles on the CSR topics, the UN Global Compact. The ISO26000 guideline covers the topics and content of the UN Global Compact. The guideline also mentions that it integrates these principles. Table 4 sums all relevant literature and the characteristics of the literature.

Publication	Subject	Categorization	Levels	Categories / Dimensions
Moan, Lindgreen and Swaen (2010)	Research on different stages of CSR	Stages of different levels of CSR dedication and implementation The different stages are subdivided in different dimensions	- Dismissing stage - Self protecting - Compliance seeking - Capability seeking - Caring - Strategizing - Transforming	- Organizational sensitivity to CSR issues - Driver of CSR initiatives development - Support of top management - Social responsiveness - Rationale behind CSR initiatives - Performance objects - Transparency and reporting - Stakeholder relationship - Resource commitment - Structuring of CSR initiatives - Coordination of CSR issues
ISO26000 (2010)	Guideline for the implementation of CSR practices in organizations	Acknowledgement of different subjects in the topic of CSR	No levels or levels of CSR are in the guideline	- Organizational Governance - Human Rights - Labour Practices - The Environment - Fair Operating Practices - Consumer Issues - Community Involvement and Development
United Nations Global Compact (UN GC; current)	Ten principles to implement and support for and by corporations and organizations	The UN GC formulates ten principles, which acknowledge four different categories.	No levels are acknowledged in the set of principles	- Human rights - Labour - Environment - Anti-Corruption

Table 3: Publications and contents used for the capability maturity model

4.3 Empirics

This chapter presents two types of gathered data.

The first type of data comes from a session of interviews, the second type of data comes from a questionnaire. The use of two types of data sources allows for a comparison of the data. The interview structure is equal to the structure that paragraph 3.2 Empirics' introduced. The interview requires of the interviewee, besides the qualitative opinions and statements, to position the interviewee's company in a maturity level of the model. The interviewee must select one position for the overall level of CSR maturity of the company. The questionnaire is a ten minutes assessment of 12 pages in which the interviewee must select statements and maturity levels for very specific topics. First this chapter introduces the qualitative interviews and the results in a table, followed by an accumulation of the interview results and an analysis of them. Then the chapter introduces the questionnaire and the results of the questionnaires in graphs. An analysis discusses the results of the questionnaires on itself and compares the results with the levels of maturity that the interviewees give the company in the interviews.

4.3.1 Interviews

For the type of interviews that is applied see paragraph 3.2. The topic of this interview session is the second research-question. Regarding the topic within the interview the fourth point is the topic of the interview (the bold sentence is applicable to this chapter):

- Introduction into thesis
- Introduction into topic, followed by semi-structured questions
- Introduction into the relationship between CSR and innovation management, followed by semi-structured questions
- **Introduction of the maturity model, followed by semi-structured questions**
- Introduction of improvement processes and the capability maturity model, followed by semi-structured questions

An introduction to maturity models was given to the interviewees, followed by the semi-structured questions. The question on what level the interviewee gives to his organization has been asked immediately after the introduction of the maturity model and its characteristics. Figures 17 and 18 of the maturity model and its characteristics have been used to explain the maturity model and characteristics to the interviewees.

4.3.1.1 Interview results

The following two tables contain abstracts of the answers given by the interviewees to each answer. Appendix C contains the entire interviews.

Interviewee's Function Question	A) QA/SHE manager	B) Project manager	C) Commercial manager	D) Supply Chain manager
1 Where should a CSR implementation start?	1It starts with the CEO who says it is important, and then it can be implemented top-down.	1 A company should identify where it stands and then set up a program to improve itself.	1 The start is a plan that sets out where the company is now, what it wants to achieve and then set out actions needed to get to where it wants to come.	1 Look at peers their performance, followed by a plan to fit it inside your own organization.
2 How would this help companies to improve on CSR practices?	2 It only identifies a position of a company; it does not help the company to move forward.	2 It can improve their level of operations.	2 Provides an opposing answer: be careful you do not bug-down the organization with an excessive number of endeavours.	2 I think the model is helpful, but you should be careful with targeting it to a department or setting up a department for it. It shall mostly change the mind-set of employees.
3 Does the model change your perspective on CSR?	3 No, the levels only show a company's position.	3 It clarifies the different levels of acting responsible.	3 No, CSR remains a mind-set change.	3 I was not aware of CSR so this only contributes.
4 Does the model needs adjustments?	4 Concrete actions to help an organization improve	4 N/A	4 How can you implement it through an organization?	4 You need to make people aware of this, which is the challenge.

Table 4: Interview results research-question two, interviewee A – D

E) Equipment manager	F) Asset manager Thialf	G) Business Development analyst	H) Sr Innovation advisor	I) Engineering manager
1 Start to think about practices that you can do, and do something good every day. Highlight the activities that are already in place.	1 Every employee has work to do and in everybody's daily task there is something where he or she can make a difference. It should start everywhere because it is a certain mind-set.	1 Make a case for the shareholders and investors where the implementation of CSR on the middle- to long-term financially benefits the company.	1 'Top Down' influence, decision by the owner and support + action by the CEO.	1 It's top-down. It is the support from the company and the board of directors to show support for sustainable activities.
2 The model identifies a company's CSR position, but you need to make it measurable.	2 Useful to identify current position. The model helps to structure progress towards a more sustainable organization.	2 N/A	2 It is a clear scale to identify the current position of companies.	2 The is useful to identify a current position, however this is static. The model on itself doesn't stimulate a company to initiate CSR practices.
3 No I haven't, but I also haven't heard about the subject up to now.	3 No, it has not changed my view, it emphasizes what I already knew and thought.	3 N/A	3 I think it is a very good way to position and measure a company.	3 N/A
3 You have to make it measurable.	3 No, not that he can think of.	3 We still need to rely on our clients that they want CSR, the model does not prescribes that.	3 Model is useful.	3 Integrate improvement suggestions to make the model dynamic, or less static. And it remains hard to persuade companies that are in the dismissing to become pro-active in it.

Table 5: Interview results research-question two, interviewees E – I

4.3.1.2 Interview accumulation

Two topics appear to be prominent in the answers given.

Where should the implementation of CSR practices begin?

Interviewees A, H and I say that (active) CSR should start top-down. It should be an initiative by the owner and the CEO, who further implement the idea through the board of directors and the departments. This enables sustainable initiatives or can form the bases for initiatives. Thus high management support is important. Several other interviewees agree with the fact that the owner needs to initiate top down influence to develop CSR related activities (Interviewees H and I). Interviewees B, C and D state that the CSR implementation starts with a plan. A plan is a process or policy for the organization to perform. This is too a top-down strategy.

As most early level plans and developments, one must first know where he/she/it's current position is. Thus, identification of the current position is critical in order to develop an improvement plan.

Interviewee (F) disagrees with a top down start. The asset manager says that it is everybody's daily task to act responsible, so it should not only start at the top. Without any real support from the top, individuals can already make a difference by thinking logical about consequences. Interviewee F also replies that it should start everywhere because it is a mind-set.

How would a CSR capability maturity model help a company?

The response of the interviewees is that the model itself only identifies the current position of the company, or just the characteristics of the company, and does not help to improve the CSR activities of the company. According to interviewees A and I; the model can help a company more when actions are integrated. Interviewee I states that the model is static; it only identifies and does not stimulates to improve the CSR activities.

Interviewee D notices that an organization can score different on different topics, as CSR is broad and captures several topics. Interviewee D says that HMC performs well on some points such as safety, but on the other side can improve. This implies that CSR, although one strategy, must also be tailored to a company.

The most general feedback is that the model is useful to identify the position of a company regarding CSR; however that it does not provide direct use for building an improvement plan. Fortunately, this has always been part of the research and chapter four discusses standard improvement suggestions.

Does the model change your perspective on CSR?

The overall response was that the model clarifies the different levels of maturity of CSR. However, it did not change the perspective of the interviewee on the content of CSR, if he or she already had knowledge on CSR.

Does the model need any adjustments?

The interviewees address the lack of integrated improvement suggestions in the model. Actions help companies the most because of their prescribing nature. Characteristics do not provide any specific actions for companies and are too subjective.

4.3.1.3 Interview analysis

CSR clearly needs a policy or initiative from the top executives of the company, in order to stimulate initiatives through an organization. In the previous research-question it is identified that CSR is partial a change in mind-set of employees, a mind-set that has to start everywhere

through the organization. However, in order to flourish it needs top-level support and dedication. By fostering and facilitating CSR initiatives and activities, more of them shall come in active use by the company. Here I can refer to the initiative of the sustainability club by a HMC employee in 2008. The employee initiated a Community of Practice, named the sustainability club, for people who want to develop more sustainable activities, products and methods through the company. Due to the crisis there was at that moment no time or money available to further develop the ideas that resulted. CSR initiatives need top-down initiative and support.

From the first look, the answers to question 2 of this part of the interview cover significant more time and pages than all the answers up to this one (See appendix C: Interview results and analysis). Thus, the model and the question on whether the model would help a company to develop CSR practices, triggers the thoughts and knowledge of the interviewees.

Remark from interviewee D where a company can score different on different topics, the interviewee is indeed true in his argument. The different topics have not been presented to the interviewees, only when they ask for it. The remark of the interviewee, however, does validate the idea that a company should be assessed on different topics.

The following quote below comes from an interviewee: *"it proofs that there is a transition going on from a single mind-set to a corporate mind-set. Your model is helping with that transition, making it become more transparent and making steps clear. It gives structure to where we are and where we want to be" (Interviewee F).* From his words, the single mind-set of the employees changes slightly to a corporate mind-set. When most employees perform small activities, why make an inventory of all the activities for corporate learning. The model indeed provides an insight in future steps, as long as the company initiates these future steps and is willing to undergo an organizational change.

Overall the interviewees state that the model provides insight in organizational developments of CSR, however they do lack clear activities. This is both specifically reflected in the last two questions of the interview.

Each interview was asked to allocate his/her organization in the model. The following graph is the result (1=Dismissing; 7=Transforming). The average result is 5,1, slightly better than the average of the caring stage. If we should scale HMC in the model, it would be in the caring stage. Because interviewee J did not fill out the questionnaire, interviewee J is not taken into account in this graph. Otherwise interviewee J's score would influence this graph and not influence the questionnaire results.
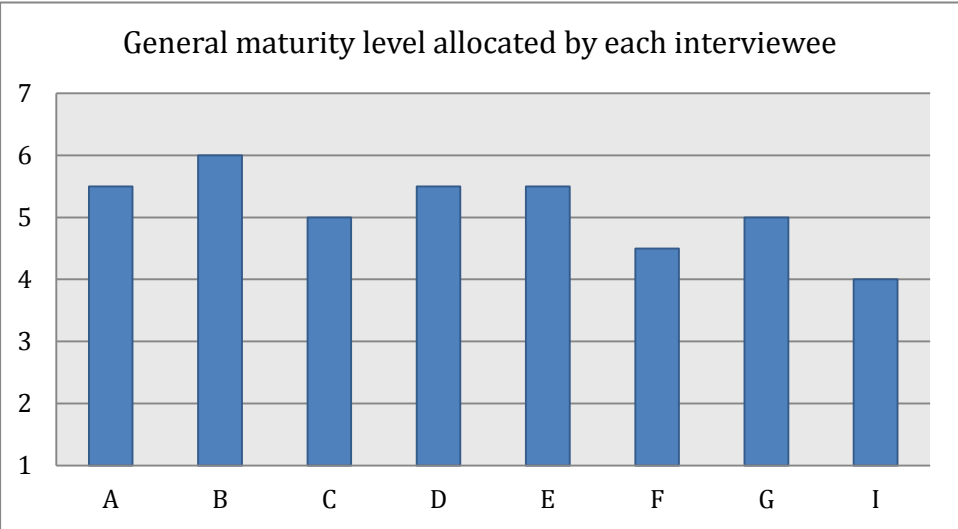
Figure 14: General maturity level allocated by each interviewee (developed by author)

4.3.2 Questionnaires

The questionnaires have been given to the interviewees at the end of each interview. Besides the questionnaire they've received a copy of the CSR maturity model to use while filling out the questionnaire. See Appendix F: 'CSR maturity model questionnaire' for the questionnaire.

4.3.2.1 Questionnaire structure and content

The purpose of the questionnaire is to assess the company's CSR maturity with more depth. More depth means to assess the CSR maturity of multiple CSR topics. The questionnaire uses the topics as introduced in the theory of this chapter; the topics from the ISO26000 guideline (4.2.3 Topics within CSR). All questions are based on the maturity model, and each answer refers to one of the seven maturity stages.

The questionnaire exists out of fourteen questions. All questions are multiple-choice questions. The questionnaire uses two types of questions. Type one: question and 7 statements, interviewee chooses the statement that is applicable to the organization. Type two: multiple subjects are stated, subjects that belong to one of the seven topics of the ISO26000 guideline. For every topic the interviewee selects the level of maturity that is applicable. In total, each interviewee has to answer 53 questions.

4.3.2.2 Questionnaire results

The questionnaire results are used to validate the model and are presented below in charts that are accompanied by textual explanation. A table view of all answers stands in Appendix G: 'Excel file of questionnaire results'.

The following chart displays the questionnaire results in comparison with the general estimation the interviewees gave in the interviews. For the reader's clarification of the grades and levels: 1=dismissing; 2=self-protection; 3=compliance seeking; 4=capability seeking; 5=caring; 6=strategizing; and 7=transforming.
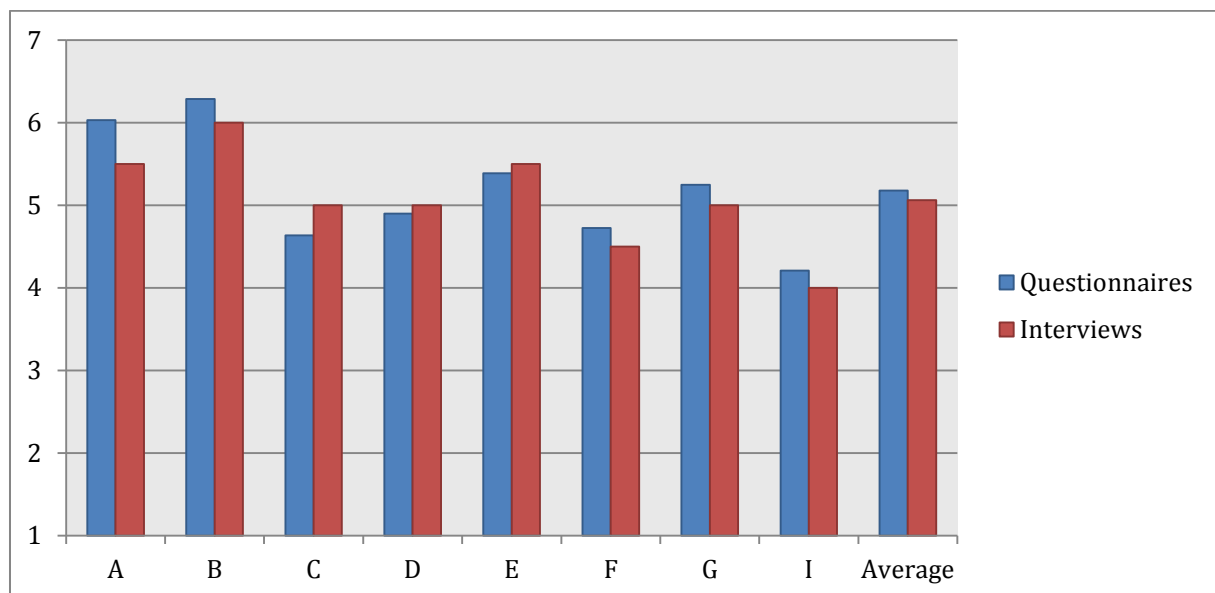
Figure 15: Questionnaire versus interview results (developed by author)

The chart shows that there are no significant differences. The largest difference is at interviewee A, where the organization scores better in details than in the general allocation.

The topics chart below displays the average grade of the questionnaire at each CSR topic.
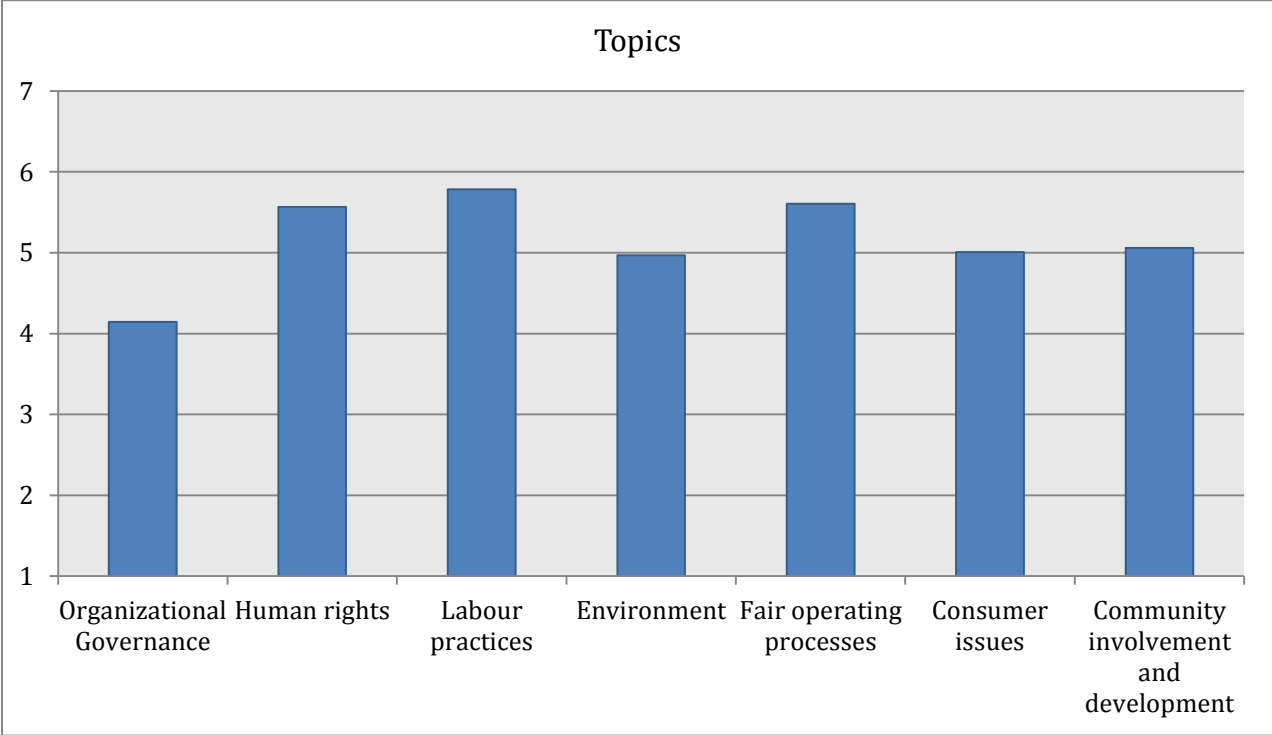
Figure 16: Results per CSR topic (developed by author)

The chart shows that in average the topic 'organizational governance' scores the lowest and 'labour practices' scores the highest.

4.3.2.3 Questionnaire analysis

The questionnaire results do not show significant differences in comparison with the general allocations given in the interviews. This implies that the questionnaire reflects the general allocation of a company.

The questionnaire does however show in detail where the organization's performance outperforms the average and where the performance lacks. The fact that the interviewees allocate organizational governance as the lowest and the rest on average or higher, means that activities do take place, however without a structure or policy. Here the quote 'it just happens' interviewee A is applicable to the outcome; activities do happen, without structure.

4.4 Conclusion

How does a CSR maturity model look like?

The literature on maturity models and capability models identifies a general model of five levels, where there is the possibility to have a 'zero' level and the possibility for more levels. It is upon the literature on CSR to formulate a CSR model. Maon, Lindgreen et al. (2010) perform a consolidative model of different stage characteristics. This consolidative forms the basis of the CSR maturity model. The ISO 26000 guideline prescribes seven CSR topics. These topics form the dimensions of the levels provide users of more details into the subjects of CSR, see Figure 13: Seven different topics within the CSR maturity model'.

The model, Figure 12: Maturity model with the characteristics per level according to Maon et al. (2010) (developed by author), that is established in the theory fits the expectations of the interviewees. The interviewees expect a model that identifies the current position and provides knowledge of the topics of CSR and of the steps of CSR maturity. Identification of different topics within the model ensures the dynamic properties of the model and ensures that it is usable by different organizations.

The interviewees state that CSR should be implemented by a top-down strategy, although it is also a change in the individual mind-set of each employee that should take place. Interviewee H describes it as an individual mind-set that gradually changes the corporate mind-set. The maturity model helps to determine the change and the state of the change. Two organizational innovation moments have been acknowledged in the model (see Figure 13: Seven different topics within the CSR maturity model): first, from the change from the dismissing level into the self-protection level: an organization becomes open to CSR principles. Second, from the capability seeking level into the caring level, where an organization actively implements CSR policies and processes with a honest dedication. The other level 'jumps' are only organization changes that introduce improvements on previous activities.

Concerning the model; the interviewees do want to see standard improvement actions and processes within the model. This would help more to get an organization started with CSR practices. The model now only determines a position based on characteristics. Fortunately, this has always been part of the research and chapter four discusses standard improvement suggestions. Luckily, this is all what a capability maturity model is about, in chapter 5.

5 CSR Capability maturity model

This chapter continues on the theory of the CSR maturity model that the previous chapter establishes. The theory in this chapter formulates a theoretical answer to research-question three: ***How does a CSR capability maturity model with integrated actions and processes look like?*** After the theory, the qualitative data is given in a table, accumulated, and an analysis is done upon the data, followed by the conclusion of this chapter.

5.1 Theory

The maturity model in chapter 4.2 CSR maturity model development' presents CSR characteristics and describes general CSR actions. However, the goal of the capability maturity model is to help organizations that start with the implementation of CSR. The interview results show that the interviewees would like to see standard improvement actions integrated in the model. Chapter 4.1.2 Capability maturity model' introduces the characteristics of a capability maturity model. Such a capability maturity model is more focused on processes that a company should perform at each level than corporate characteristics. In the following paragraph the processes and actions are identified and form a capability maturity model.

5.1.2 Source of CSR related activities and processes

The ISO 26000 guideline incorporates a set of actions at each topic, which it recommends to organizations to improve their CSR performance. The actions are only categorized per subject; however do not possess a level of maturity or something similar. Organizations are left to assess which action they should implement and when. The use of a capability maturity model offers the solution for organizations to gain insight in their current position and their objective, and to select the appropriate improvement actions.

The ISO26000 actions and expectations form the basis of the processes and actions of the capability maturity model.

5.1.1 Implementing the 'capability' factor into maturity model

A structured process extracts and categorizes the ISO26000 guideline actions, to enrich the maturity model with specific actions. These are the first steps to formulate the processes that an organization should adopt to become CSR aware and active. This process develops the capability maturity model. A maturity model only shows characteristics, a capability maturity model also contains specific processes that an organization should perform. Figure 17: Iterative process to categorize actions into their maturity level (developed by author)' shows the process to develop the CSR capability maturity model. The process is a qualitative process where the characteristics from Maon, Lindgreen et al. (2010) has been used to categorize the actions and expectations from the ISO26000 guideline.
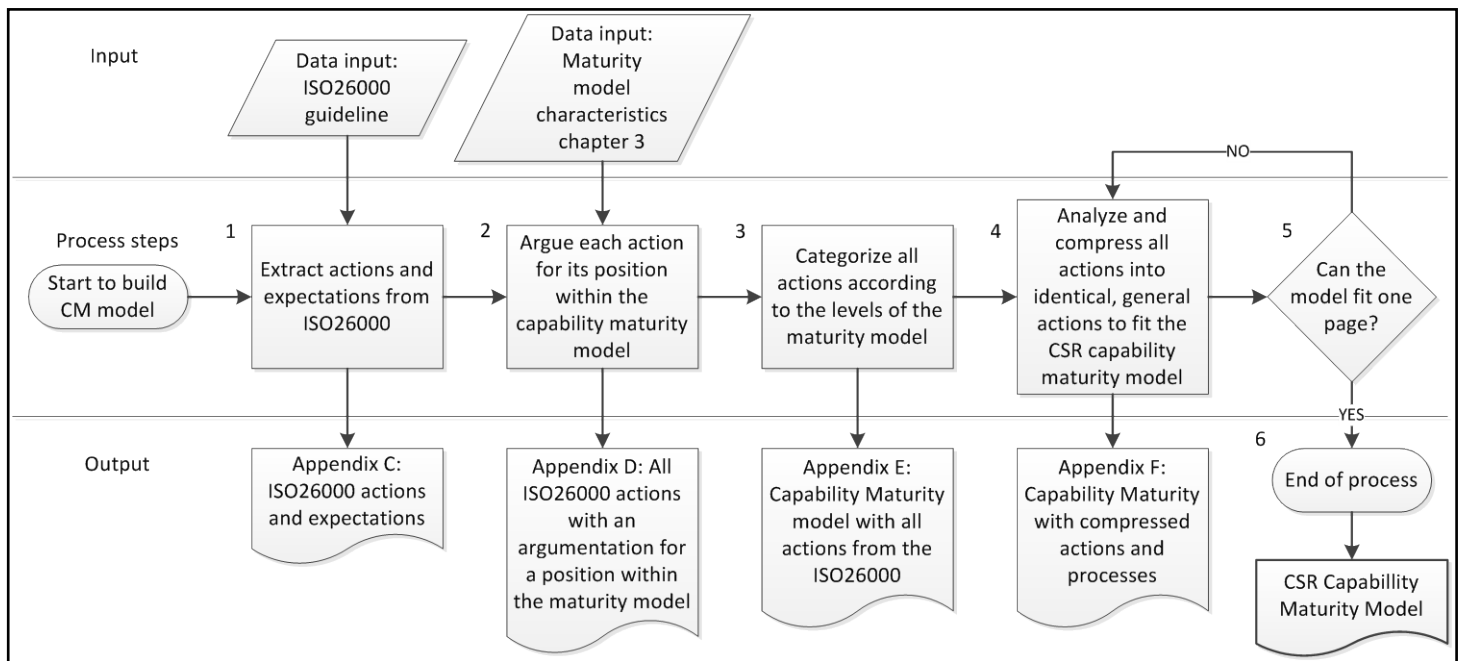
Figure 17: Iterative process to categorize actions into their maturity level (developed by author)

Step 1: this step extracts all actions and expectations from the ISO26000 guideline, and categorizes them per ISO26000 subject. The result stands in appendix H.

Step 2: position each action within the maturity model from chapter four, and define the argument why the action gets its position in the maturity model. Use the characteristics from Figure 12: Maturity model with the characteristics per level according to Maon et al. (2010)' to position the action and to define the argument. Further, all actions and expectations receive a number that refers to its position in the original ISO26000 document, e.g.: action 4.12 is the twelfth action within the fourth subject 'environment'. The total amount of actions in the ISO26000 is 265. The original document does not possess any numbers, so when someone uses the numbers he or she needs to count the actions in the original document. The result of this step stands in appendix I.

Step 3: categorize all actions in the order of the maturity model levels (see Figure 12: Maturity model with the characteristics per level according to Maon et al. (2010)). Level one is the dismissing level and level seven is the transforming level. The result is a very extensive document: Appendix J. In this document, all actions and expectations stand in their level according to the maturity model's categorization. This model has now reached its most extensive version of over 50 pages of actions and argumentations.

Step 4: Due to the size of all actions together, the capability maturity model is not simply understandable. Another remark is that there are similar actions for different topics, such as the 'identification of impacts a company makes'. This action holds for environment, human rights, and labour practices. There are even complete processes identical, such as that of a policy: where a company should identify its impacts (compliance seeking), research what the company should do (compliance seeking), research how the company should do it (capability seeking), develop a corporate policy (capability seeking), integrate policy (caring level), and assess the policy (caring level). The process that runs through different levels applies for human rights, labour practices, environment, fair operating processes, consumer issues and community involvement and development.

Step 5: the process of analysis and compression should continue until the most important actions and processes stand on one page in a normal font. The audience of the model are academics and corporate employees. The model should be easy to understand in its essence, the first figure of the model should reflect the core of the capability maturity model. Then in a later stage, a person can analyse the single actions in the extensive version of capability maturity model.

Step 6: when the CSR capability maturity model satisfies the decision condition, the process ends. The result is an extensive list of actions for an organization to assess its performance maturity level: Appendix K. This list of actions is the most excessive form of the CSR capability maturity model. The result is the capability maturity model that stands on the next page: Figure 18: Simplified CSR Capability Maturity Model'.

The model that figure 18 shows is a very simplistic reflection of the actual power of the capability maturity model. The essence is that this figure shows what happens globally, however every organization should assess the actions and processes of appendix K to know which topics need improvements and to acknowledge the improvement suggestions. The model on the next page does not represent the entire model.

The end results are one 'easy' model (figure 18), and one extensive list of actions (appendix K).

Topics to which the activities are applicable:
- Organizational Governance
- Human Rights
- Environment
- Labour Practices
- FairOperating Processes
- Consumer Issues
- Community Involvement and Development

Moment of organizational innovation

Moment of organizational innovation

Moment of organizational innovation

CSR Implementation

Dismissing

● No CSR dedication, activity or interest

● Most probably violates CSR principles on a structural basis

Self-protecting

Passive

● Use of CSR terms and knowledge to cover other non-CSR activities

● 'Green washing' and 'Window dressing': a sustainability report for activities that do not comply with CSR principles, and excessively report on the CSR activities that are performed

● Assess whether all actions are according to the law

Compliance seeking

Passive

● WHAT?
The company asks and answers itself 'What' impacts it makes and what CSR actions and principles are applicable to the company

● Identify its impacts from activities

● Assess CSR principles and society needs

● Compare impacts with the needs and conclude

● Already some CSR single activities

Capability seekiing

Passive

● HOW?
The company asks and answers itself 'How' it should comply with the previous identified actions and principles

● Assess methods to implement CSR practices

● Formulate a corporate policy based on the compliance assessment

● Performs some CSR related activities

Caring

Active

● Internal focussed improvements

● Active "internal - internal" stakeholder communication

● Create and nurture an environment and culture in which the principles of social responsibility are practised

● Actively integrate the formulated policy through the corporation

● Assess the formulated policy with internal stakeholders

● Encourage employees and stakeholders to engage in CSR practices

● Promote employee awareness on policies

Strategizing

Active

● Internal and external focussed improvements

● Active "internal - external" communication and relationships

● Involve external stakeholders such as partners and clients in the improvement of its policy

● Develop strategies, objectives and targets that reflect its commitment to social responsibility

● Raise awareness among stakeholders and partners about CSR practices and its policies

● Choose partners on CSR principles to strategically position the company

Transforming

Active

● Demonstrate leadership commitment and accountability

● All internal and external processes are CSR justified

● Openly promote its CSR related policies

● Select partners on their CSR dedication

● Involve public authorities and NGO's in its policy improvement

● Products or services are aimed to address societal, economic or environmental issues

● Full transparency about its activities, policies and structure

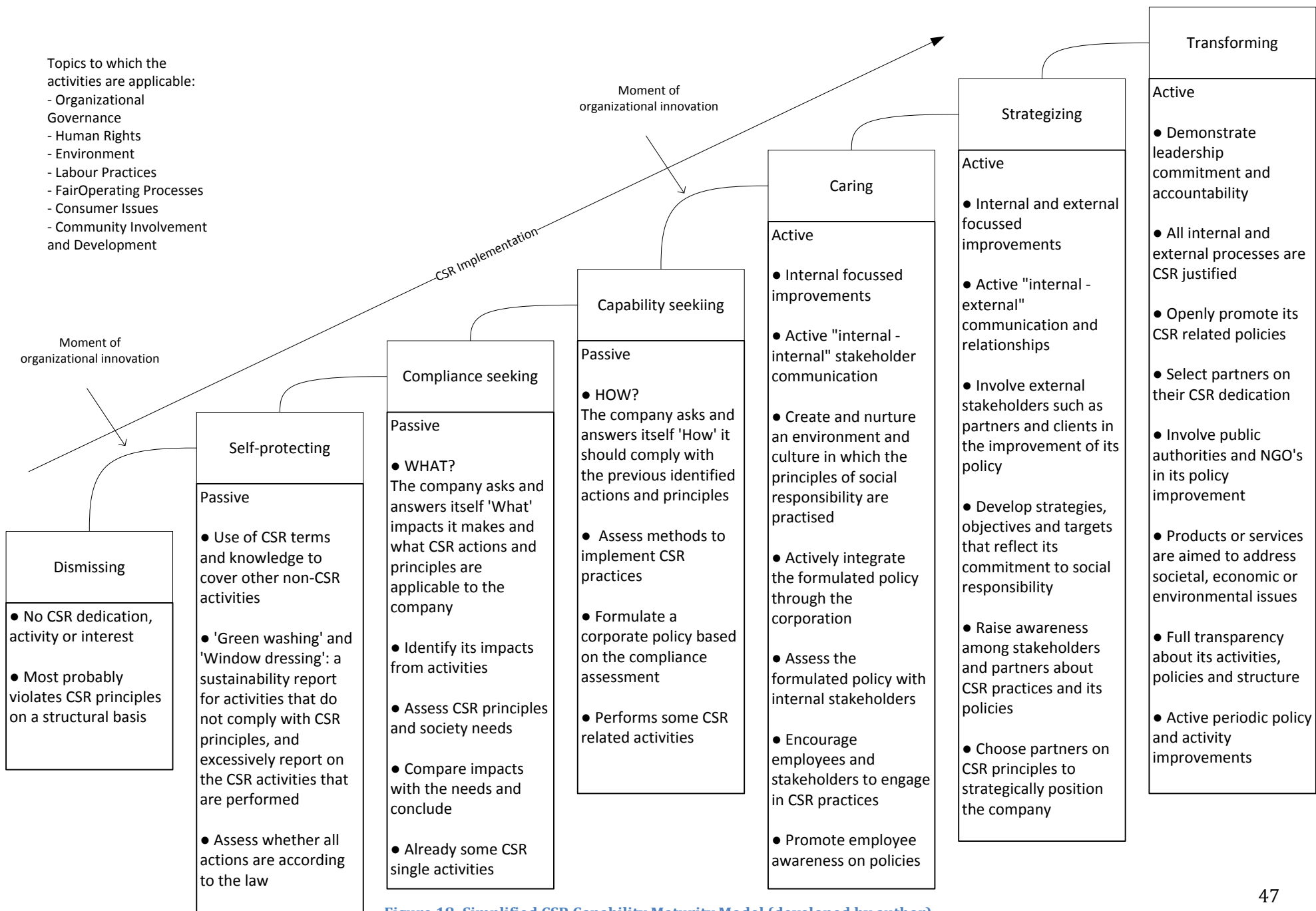● Active periodic policy and activity improvements

Figure 18: Simplified CSR Capability Maturity Model (developed by author)

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5.2 Empirics

This paragraph presents the empirics from the interviews and from the case study. It analyses and compares the results of both the interviews and the case study.

The empirics of the interviews are less relevant than the results of the case study analysis. The case study assesses the model and method in practice. The outcomes have been applied by the company of research.

5.2.1 Interviews

The interviews are the similar interviews from chapter three and four, only now the subject of the interview is research-question three. The following outline is the outline of the interview and the bold part is the part of the interview applicable to research-question three (the bold sentence is applicable to this chapter):

- Introduction into thesis
- Introduction into topic, followed by semi-structured questions
- Introduction into the relationship between CSR and innovation management, followed by semi-structured questions
- Introduction of the maturity model, followed by semi-structured questions
- **Introduction of improvement processes and the capability maturity model, followed by semi-structured questions**

The goal of this section of the interview is to assess whether an organization wants or needs standard improvement suggestions on the implementation of CSR. The questions that have been developed are presented in appendix B, the entire answers are located in appendix C, accompanied by an analysis. The next page displays an abstract of the answers in tables 8 and 9, followed by an accumulation and an analysis.

5.2.1.1 Interview results

The following two tables contain abstracts of the answers given by the interviewees to each answer. Appendix C contains the entire interview responses with analysis.

Interviewee's Function Question	A) QA/SHE manager	B) Project manager	C) Commercial manager	D) Supply Chain manager
1 How do you see standard improvement suggestions for a company?	1 This helps a company forward with the CSR implementation.	1 wants to see standard improvement suggestions in the model and thinks this helps companies in building their improvement plan.	1 A standard set of actions is formulated for each level to progress one level further. This shall be included in the model.	1 Does not have a clear view on standard improvement suggestions.
2 Do standard improvement suggestions have any worth?	2 Yes, a company should set a target level and then take the actions to get to the level.	2 Standard improvement suggestions help companies in building their improvement plan.	2 Standard improvement suggestions contribute to the plan and the actions that need to be taken by a company to move forward.	2 They give the developments a running start and this would make the CSR issues more clear for the managers responsible for the CSR activities.
3 Do you think this is an opportunity to organizationally innovate a company?	3 Does not see CSR as an innovation, but as a change.	3 Does not see CSR as an innovation, but as a change.	3 Thinks that almost everything is an opportunity to change, so broadly speaking yes. However, he doesn't see how you should change your organization to have it perform better on the CSR aspects. It is more a mindset change, well at least here in HMC, to be more aware of the CSR aspects.	3 Does not see CSR as an innovation, but as a change.

Table 6: Interviewee results research-question three, interviewees A -D

E) Equipment manager	F) Asset manager Thialf	G) Business Development analyst	H) Sr Innovation advisor	I) Engineering manager
1 Maybe that standard improvements help to speed up the growth of CSR.	1 I think standard improvements are really useful, it can help a company to already make steps and steer them to think in a certain way.	1 standard actions do help but you also need to be careful with them. But you also need to make the company aware of a deficiency. If you help a company with CSR, but it has a negative outcome, then the company might blame the external party for involving and advising. It might even end up that the whole topic CSR is disposed of as an active subject	1 I think a company needs a development program to progress itself on the identified subjects.	1 This is the most valuable for a company. That will provide a push in the back for companies and makes the model more dynamic. This is the dynamic aspect within the model.
2 Yes	2 Thinks about an example that this company could do. Such as: We go paperless. That's a statement and we could go paperless. How can we reach such a target? This is a change, but also an innovation for us personally.	2 If you help a company with CSR, but it has a negative outcome, then the company might blame the external party for involving and advising. It might even end up that the whole topic CSR is disposed of as an active subject. This is a possible negative side of external involvement.	2 Yes off course, every help is welcome off course.	2 From previous answer: yes
3 Does not see CSR as an innovation, but as a change.	3 Does not see CSR as an innovation, but as a change.	3 Does not see CSR as an innovation, but as a change.	3 Yes it is a method for a company to use to climb up to a better level of its performance. In this case the level of sustainability and CSR dedication.	3 Yes

Table 7: Interview results research-question three, interviewees E - I

How do you see standard improvement suggestions for a company?
Standard actions for improvement help a company to improve in a certain order. Be careful with standard actions, is what the business development analyst advised. The subject is subjective, so maybe standard actions do not work in specific cases. Then the standard actions could have the reverse effect where they disappoint the company and the company rejects CSR as a total due to not-fitting standard actions. Thus, keep in the actions also room for self-interpretation and assessment. The interviewees see the actions with checkboxes in general as positive and as helping the company move forward.

Do standard actions to improve a company have any worth?
General answer given: Yes
Most employees think the standard improvement actions contribute to an improvement plan and make it easier for companies to integrate CSR activities (interviewees: "running start" and "push in the back".

Interviewee G: "If you help a company with CSR, but it has a negative outcome, then the company might blame the external party for involving and advising. It might even end up that the whole topic CSR is disposed of as an active subject. This is a possible negative side of external involvement."

This remark from the business analyst is a unique remark through the research. Prescribing actions can also have an opposite outcome, or a discouraging effect.

Do you think this is an opportunity to organizationally innovate or change a company?
Not all interviewees answered this question directly, because from their previous answers this question was already discussed. Most employees already gave the answer in the first interview questions on the link between CSR and innovation management. They do not acknowledge CSR as an innovation but more as a change. Especially a change in mind-set, there lays the power of CSR, to change the mind-set of employees.

Interviewees C and H answer: the method helps companies to gain insight and help to pursue a faster start with CSR activities.

5.2.1.3 Interview analysis
It is very clear that the interviewees appreciate the standard improvement suggestion of the model. The reason why they like them is because of the prescribing nature and the help and direction the suggestions offer. However, they remain suggestions and a company needs to decide for itself how it applies the suggestions and the topics of CSR.

Most interviewees remain critical to view CSR implementation as an organizational innovation. However, the analysis on the interview results in chapter 3 already describes how it is possible that the interviewees do not see CSR as an organizational innovation. Since the interviewees do see CSR as a change, it is possible that the definition of an organizational innovation is not known or unclear. The interviewees see an innovation as something technical that offers new solutions, not as an organizational change in the work process.

5.2.2 Case study

The capability maturity model and its actions (appendices J and K) have been validated through a case study research. This case study has been done separately from the interviews and questionnaires, in order to assess whether the model is useful. The case study contributes to the entire project as a final assessment of the model and its content.

The case study research is a single-actor type of case study, in which one company is subject of the case study. The case study's objective is to assess the company on its compliance with each action from appendix J. Each action assessment is qualitative of nature; however the accumulation of all actions is quantitative. The quantification of the actions provides a detailed view of the company's CSR performance.

The qualitative assessment of the corporate compliance with the CSR actions has been done by two persons; one is the author and the second is a senior health, safety and environment advisor from inside the HMC organization.

More details on the entire case study have been included in appendix L.

5.2.2.1 Case study results

This part presents the results of a qualitative study on the actions and activities within the organization, subject of the case study.

The case study is a qualitative assessment of CSR processes and activities that do and do not happen within the organization. The activities and processes of this chapter's theoretical part have been used to assess the organization. The case study assessed the organization on which actions and processes the organization does or does not perform. The assessment is included in appendix M. For the entire case study report, see appendix L.

The analysis is done on HMC's overall CSR performance, and HMC's CSR performance per CSR topic. The total amount of actions that HMC scores is 177 out of 265 possible actions, which positions HMC in the final part of the caring stage, as highlighted by the green line in figure 25. This is a global position of HMC for the entire CSR capability maturity model. It does not state that HMC actually performs all actions in the previous stages. A more realistic position is where HMC stands at the end of its determined stage. This reflects what HMC should perform to complete all previous and caring stage actions (see the red line). HMC misses around 50 actions that it can perform to improve its performance in the first 5 stages. The realistic position prevents any 'noise', caused by the strategizing and transforming stage actions that are performed. Otherwise a company can globally perform all easy actions from all stages and then state that it is a true caring stage performer. However, in reality the easy actions from the strategizing and transforming stages that leverage the final performance. HMC's current CSR performance is in the early caring stage.

For a more specific stage analysis see figure 19 and its accompanied explanation, or view appendix L.
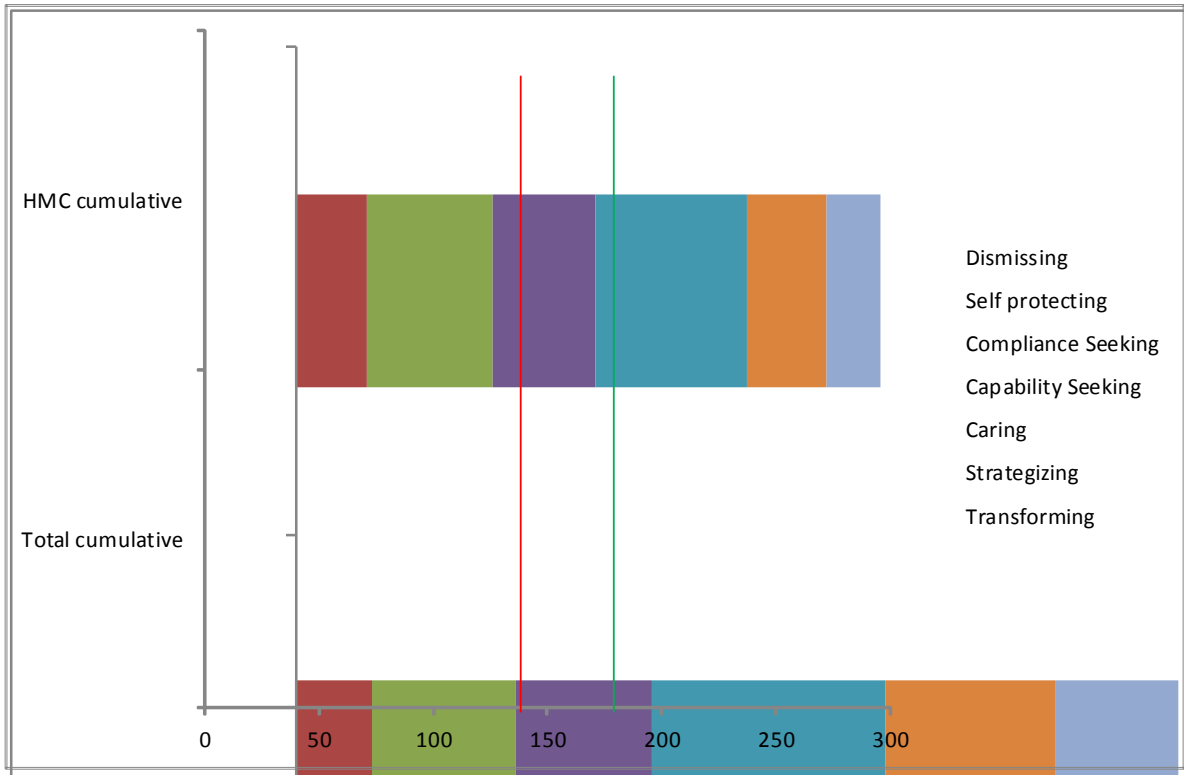
Figure 19: Cumulative HMC CSR actions versus total cumulative CSR actions

Figure 20 provides an overview of the percentage that HMC scores per stage. The figure shows that HMC's performance decreases per stage. The decrease is a realistic sign, as the actions become more demanding per stage.

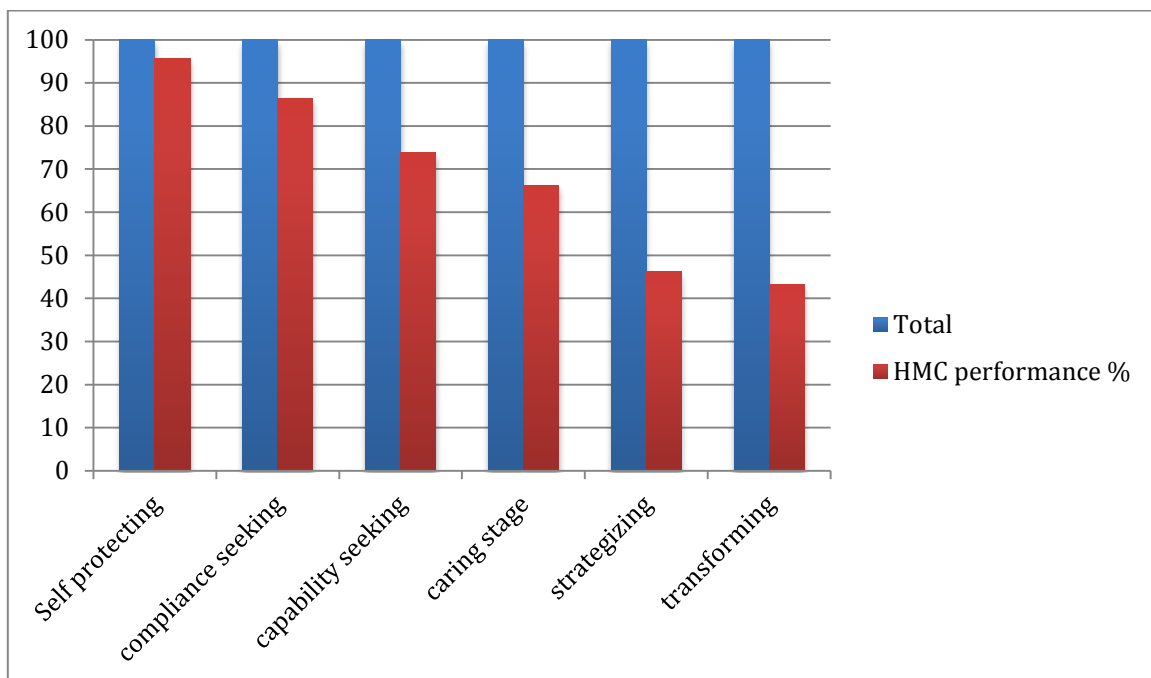**Figure 20: CSR Performance by CSR CM model in %**

To have a better insight in where HMC can improve, the specific topics are also analysed.
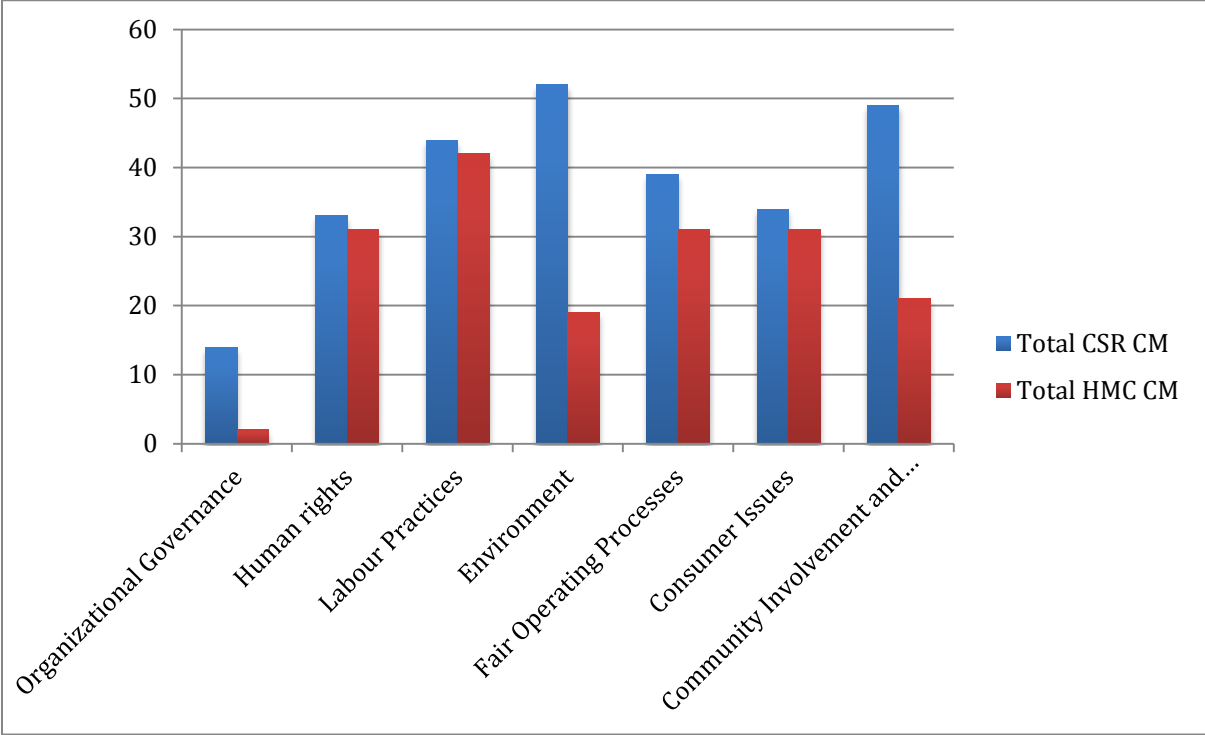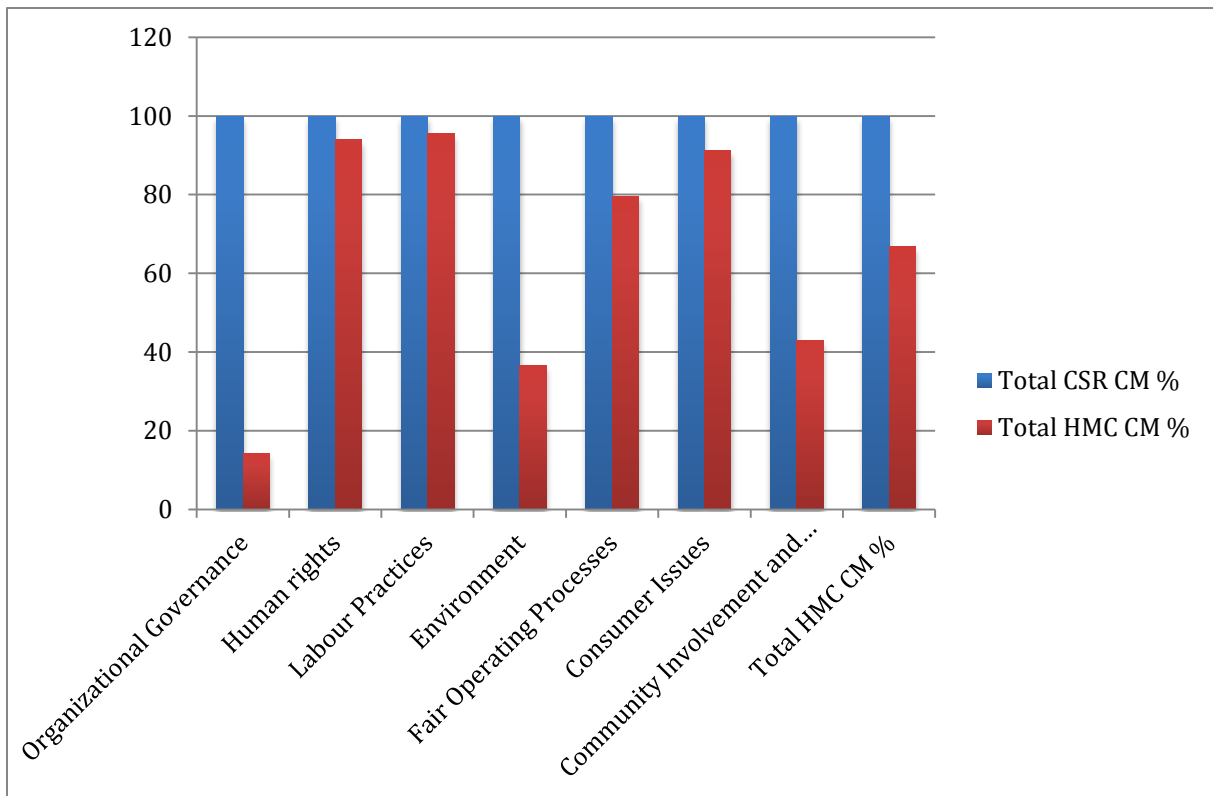

Figure 21: Performance of HMC at each CSR topic

Figure 21 shows that HMC scores lowest on the OG, E, and CD topics. The last figure shows the scores in a percentage of the total amount, which reflects that indeed OG, E and CD score below HMC average of 66%.

Figure 22: Performance of each CSR topic by HMC versus total in %

In a more thorough analysis in Appendix III of appendix L, it becomes visible that the action performance of the three topics does not decrease as linear as the overall performance HMC, as displayed in figure 22.
The analysis shows that HMC should perform improvements in the early stages of these topics.

From these statistics the conclusion is that the topics organizational governance, environment, and community involvement and development are the greatest challenges and areas of improvement for HMC. For specific improvement information, the actions with which HMC does not comply are listed in the Appendix III of appendix L. The case study report shows an assessment of each specific topic, and which maturity level HMC scores.

5.2.3 Case study analysis

The case study analyses the organization by the amount of actions that the organization does and does not perform. Each action is linked to a maturity level and a topic providing the possibility for a thorough analysis of the organization and addressing specific topics that score weaker than the average. The results show a similar outcome as the results from the questionnaire session of research-question two. There the lowest scoring topics are organizational governance followed by environment, consumer issues, and community involvement and development. According to the assessment of the actions and processes consumer issues is not a weaker topic. The interviewees that completed the questionnaire had the idea that they do not really have obligations to consumers. However, they do not assume their clients to be the consumer of their products and services. They think of consumers just like the normal families, not professional businesses. The topic consumer issues regards to the consumer as the user of the products and services.

5.3 Conclusion

Figure 18 and appendix K represent the result of the thesis theory; a simplified and an extensive version of the CSR capability maturity model. Figure 18 presents the global activities and processes that happen at each level, where appendix K presents the actions that a company should perform at each level of maturity for each CSR topic.

The results of the case study assessment comply with the results from the interviews of this chapter and chapter four, and with the questionnaire results. The model is assumed to be valid, based on the correlation between the interview results, questionnaire results and the case study assessment; organizational governance is the weakest topic followed by environment and community involvement and development; human rights, labour practices, and fair operating processes score the highest in all three assessments. The only difference, consumer issues, has a valid argument; the interviewees see consumers different as the definition of the consumers in the model.

The assessment of the organization shows a natural regression of the % of performed actions at each maturity level, see figure 26. This regression shows that the performance of a company is based on an average between all the levels. When an organization scores a caring level of maturity, the organization might still have to improve in the compliance or capability seeking levels.

The interviewees state multiple times that CSR is a change in the mind-set of employees. The model aims to change exactly that, to create awareness for CSR actions and activities amongst employees. The model creates awareness at employees that assess the model about the transition that CSR imposes. Transition of non-CSR related activities and relations into CSR related actions and activities. The model provides a set of actions that are categorized by level of maturity, and the employees can start at the bottom of the maturity model. The process to implement the actions in order of the capability maturity model enables the employees to keep track of their progression and to obtain a healthy state of all topics relevant to CSR.

6 Conclusion and discussion

The conclusion reflects upon the research's main objective through an accumulation of the conclusions on the three research-questions. The discussion focusses on some limitations of the research.

Can CSR implementation in an organization be viewed as an organizational innovation?

Most of the interviewees could not view CSR as an organizational innovation; however, they did provide arguments in favour of the perspective that CSR is an organizational innovation. The interviewees argue that CSR should be implemented top-down, that it is a change in the mind-set of employees, that it is an innovation if CSR is new to an organization, and that CSR implementation is an organizational change. The theory describes CSR as: "*An **organizational innovation** is the implementation of a new organizational method in the company's business practices, workplace organization or external relations"(OECD).* This definition suggests that if a company develops a policy to enable CSR practices and activities and it is new to the company, it is by definition an organizational innovation.

The analysis of the interviews results in the description of three situations of a company that starts with CSR implementation. In the first two of these situations, CSR is an organizational innovation according to the OECD definition.

Because CSR is identified as an organizational innovation, CSR is the implementation of a new method in the company. The implementation of a new method inquires a process of transition. A process of transition can be assessed on its progression, and compared to a state of maturity.

How does a CSR maturity model look like?

The literature on maturity models and capability models identifies a general model of five levels, however a level 'zero' and a level six or more are not uncommon. Maon, Lindgreen et al. (2010) have developed a consolidative model of different stage characteristics, based on a literature assessment. This consolidative model has been used as the basis for the CSR maturity model. The ISO (2010) 26000 guideline prescribes seven CSR topics. These topics are the 'dimensions' of the levels, which provide users of more details into the subjects of CSR, see Figure 13: Seven different topics within the CSR maturity model'. These dimensions provide more detailed level of analysis.

Two organizational innovation moments have been acknowledged in the model (see Figure 13: Seven different topics within the CSR maturity model): first, from the change from the dismissing level into the self-protection level: an organization becomes open to CSR principles. Second, from the capability seeking level into the caring level, where an organization actively implements CSR policies and processes with an honest dedication. The other level 'jumps' are only organization changes that introduce improvements on previous activities.

How does a CSR capability maturity model with integrated actions and processes look like?

Figure 18 and appendix K represent the result of the thesis theory; a simplified and an extensive version of the CSR capability maturity model. Figure 18 presents the global activities and processes that happen at each level, where appendix K presents the actions that a company should perform at each level of maturity for each CSR topic.

The results of the case study assessment comply with the results from the interviews of this chapter and chapter four, and with the questionnaire results. The model is assumed to be valid, based on the correlation between the interview results, questionnaire results and the case study assessment; organizational governance is the weakest topic followed by environment and community involvement and development; human rights, labour practices, and fair operating processes score the highest in all three assessments. The only difference, consumer issues, has a valid argument; the interviewees see consumers different as the definition of the consumers in the ISO26000 guideline.

Conclusion on the main objective

The objective of the research project:

> *To develop a sound and fit capability maturity model that presents CSR as an 'Organizational Innovation'.*

A CSR capability maturity model has been developed and tested in practice. The final result are one simple figure of general capability maturity actions and processes presented in figure 18, and one extensive set of detailed actions and process categorized into the seven levels of maturity that is presented in appendix K. The model identifies 'becoming CSR' as a process of organizational innovation. Further the model is ready to use by other interested people, who can follow the activities of the case study results in appendix L.

The interviewees state multiple times that the implementation of CSR needs, or is, a change in the mind-set of corporate employees. The CSR capability maturity model aims at to change the mind-set of the persons who assess the model, and create awareness on the core of CSR. The model provides information that CSR is not just a set of activities; it is a process of activities to improve CSR performance and dedication. The model's content contributes to create CSR awareness amongst corporate employees, and through that awareness the work processes should become of a higher level of CSR.

Academic contribution

The research contributes to the academic fields of CSR and innovation management through the identification of CSR as an organizational innovation, and through the development of the CSR capability maturity model. The CSR capability maturity model links CSR to a process characteristic of CSR implementation. Within the process of CSR implementation, two specific moments of

Managerial implications

In addition to the contribution to the academic field of CSR and innovation management, this research also contributes to practice. The CSR capability maturity model contributes to the

practical implementation of CSR in organizations, and clarifies the goal of CSR. The model provides information on the process of 'becoming CSR' and the changes that 'becoming CSR' implies.

Recent developments at the EU even highlight the managerial relevance of the CSR capability maturity model as corporations might become obliged to report and assess their CSR implementations[9]. The CSR capability maturity model offers a solution to create cohesion on the assessments of different corporations.

Discussion on the research's context

The model has been formulated with from a certain context that is described in the introduction chapter. However, the CSR capability maturity model is formulated with the input of several general documents. The ISO26000 guideline has been developed for all organizations, a broad audience. The consolidative model by Maon, Lindgreen et al. (2010) that the model project uses as a foundation for the maturity model, has also a no context other than the academic field. This makes the CSR capability model a general model in its base; only the validation took place in a specific context. A research where the model is tested or researched through the input of multiple organizations can add credibility to the model.

The model is now presented in two forms: one is figure 19, were the model stands on one page. This model lacks information on many details and different levels. The other form is presented in appendix K, a document of 20 pages that provides all details, however it remains a complex document due to its size.

Further research on the relationship between CSR and innovation management should be done. The results now show a theoretical approach to a positive relationship, interview data that tends to a negative relationship; however, the analysis pleads for a positive relationship, and a document that states the relationship is positive. A thorough quantitative study of multiple cases should assess the model on its broad applicability and provide credibility to the model.

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[9] http://www.euractiv.com/specialreport-corporate-governan/sustainability-leader-csr-report-news-519227

7 Reflection

This reflection describes the start of my master thesis and its progression. It has been written from a first person perspective, as it is my personal reflection upon this thesis project.

At the beginning of the thesis period at HMC the research proposal and plan were finished and approved. The thesis project would be hard nonetheless structured, organized and planned. The objective of the initial proposal was to formulate a model that incorporates CSR in a company, and to develop/describe the steps by which this happens.
In the literature research a paper of Moan, Lindgreen and Swaen (2009) was found, which already describes such a model. This meant that before the start of thesis the objective lost its value of contribution to the academic field of literature. This meant that the thesis had to be redesigned, two months before of the official starting date at HMC.
The new objective was to develop standard improvement suggestions and actions. The integration model of Moan et al. (2009) could be an integration framework by which standard actions could be developed. This would bring the nature of my thesis more towards the application of knowledge in organizations; however, the scientific part was to research whether standard actions could exist and what these could be. A redesigned and adjusted project proposal for the research and development of improvement actions was written, as no academic literature described such a set of actions. Academic literature… The redesigned project had been formulated on scientific literature; however the EU and other instances release literature on CSR as well. One of those pieces of corporate literature on CSR, is the ISO26000 guideline. While writing the adjusted project proposal some references to the ISO26000 document in the search for academic literature were mentioned. However, they have been ignored due to the fact that they were not an academic paper.

That was a catastrophic mistake to the new project proposal and it could have saved a lot of time in the Leiden University library if attention had been paid to the ISO26000 guideline. The problem was that the guideline cost 350 euros. No contact with HMC was made to buy this document. Why not? Due to shyness and missing the courage to do so because I am 'just a student'. The proposal was finalized with the mission to research and develop improvement actions and key performance indicators for CSR activities within a technological organization. The 3rd of September 2012, the starting date of the project at HMC, and in week one I heard employees of the QASHE talking about the ISO26000 guideline. The manager noticed that the ISO26000 guideline could be of help in the research, the department ordered the guideline and 2 days later a printed version and PDF version were made available. ISO26000, a document formulated by over 100 experts from different countries, full of improvement actions and suggestions on the CSR topic, established within the time frame of several years. Not only was the second proposal completely worthless, I underestimated the scope of the work that was proposed.

The weekend provided me the time to recover and clear my mind. By Monday I was ready to redesign my thesis project, and I started to read more academic and corporate literature, and kept the ISO26000 as a guide. I studied the ISO26000 document and followed a presentation from the NEN about the ISO26000 guideline from Ingeborg Boon. Several responses were that the ISO26000 actions from a company couldn't be measured, and that it is hard to keep track of their developments. This was exactly the confirmation I needed, to build an assessment model based on the actions and expectations that are provided in the ISO26000 guideline. Linking the

guideline with scientific papers such as Moan et al (2009 and 2010) I established categorized characteristics for a levels model. By assessing every action and expectation and categorizing it in a level in the model I developed a capability maturity model with characteristics and actions. Such a model can be used by companies to assess their current position and to develop an improvement plan with the other actions and expectations that are categorized in the model.

So the start of my thesis was much more 'bumpy' than I had anticipated for. Even my supervisors at HMC did not think it was going to end well. However, I did discover a way in which I could contribute and for HMC's concern; I did a good job. I am proud of the work that I've done.

For the model itself it would have been more credible if I performed the research from outside organizations and with the input or validation from multiple organizations. The model is now formulated with a corporate perspective, however; a new research where the model is tested through the input and assessment of multiple organizations can add credibility to the model. However, the CSR capability maturity model is formulated with the input of several general documents. The ISO26000 guideline is a document aimed for all organizations, a broad audience. The consolidative model by Maon, Lindgreen et al. (2010), which the project uses to establish a CSR maturity model as a foundation for the CSR capability model, is also a general article. Since the sources of the CSR capability maturity model are general, the model can be assumed to be generally applicable as well.

Besides the topic and the context, my capabilities as a true researcher lack in this research. Different interpretations from interviewees on the definitions of innovation and CSR do not benefit the outcomes. The topic is interesting but the literature background on the topics is enormous. The only background of the researcher was a course of CSR that taught its principles. However, no other research on CSR was done before this by the researcher.

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