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Authors:

Caroline C. Ditlev-Simonsen and Petter Gottschalk
BI Norwegian Business School

This is the authors' final and accepted refereed manuscript to the article published in

***International Journal of Corporate Governance*, Vol. 2 (2011) 3/4: 268–287**

DOI: 10.1504/IJCG.2011.044378

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Caroline D. Ditlev-Simonsen
Petter Gottschalk
BI Norwegian Business School
Nydalsveien 37
0484 Oslo
Norway
caroline.ditlev-simonsen@bi.no
petter.gottschalk@bi.no

Printed in: Int. J. Corporate Governance, Vol.2, Nos. 3/4, 2011 – to be used as reference

Abstract: The purpose of this article is to explore the concept of stages of growth in organizational research by applying this concept to the issue of corporate social responsibility (CSR). The article starts by reviewing theory building from a stage model perspective. Next, key CSR models are reviewed, before the stage model perspective is applied to the CSR phenomenon. We suggest a stage model for corporate social responsibility consisting of three combined stages. For each of these stages we highlight the distinction between first movers and followers. By including these perspectives we put forward the “hidden fact” that corporations that might look equally CSR engaged from the outside, can be at very different levels of CSR on the inside. The model suggested should be tested in the future through benchmarking corporations. By applying the suggested model, corporations can get a deeper understanding of their CSR status. The model suggested takes into consideration an issue which has received little attention in CSR research so far. Rather than studying annual reports and statements about corporate social responsibility, the practice of local and global companies should be studied, as there seems to be a substantial discrepancy between talk and walk in CSR. To this end, the stage model is proposed to help guide future CSR development in companies.

Keywords: model, conceptual research, corporate social responsibility, stage, growth, change.

Biographical notes: Caroline D. Ditlev-Simonsen holds a PhD in corporate social responsibility (CSR) and is a researcher at BI Norwegian Business School. She has international and comprehensive business and organizational experience in the area of CSR, including Project Manager, World Industry Council for the Environment, New York; Executive Officer, Norwegian Pollution Control Authority; Advisor, Kværner ASA and Vice President, Head of Community Contact, Storebrand ASA, one of Norway’s largest companies. From 2002-2008 she was a board member of WWF-Norway (World Wide Fund for Nature). She is also an Associate Director at the BI Centre for Corporate Responsibility www.bi.no/ccr.

Petter Gottschalk is professor of information systems and knowledge management in the Department of Leadership and Organizational Behavior at the Norwegian Business School. He has been the managing director of several companies including ABB Data Cables and the Norwegian Computing Centre. He received his MBA in Germany (Technische Universität Berlin), MSc in the USA (Dartmouth College and MIT), and DBA in the UK (Brunel University). Dr. Gottschalk has published extensively on white-collar crime, organized crime, policing, and law enforcement.

Introduction

In this article, we suggest that the powerful concept of stages of growth is extremely important in management research. To capture this concept, we introduce stages of growth modeling and present elements of a growth stage theory exemplified with the case of corporate social responsibility (CSR). We propose that a CSR arrangement may change over time as the relationship between stakeholders matures. The changes occur in terms of discrete stages with their own unique characteristics.

Researchers have struggled for decades to develop stages of growth models that are both theoretically founded and empirically validated (e.g., Nolan, 1979; King and Teo, 2000). However, stages of growth models have the potential of creating new knowledge and insights into organizational phenomena. Such models represent theory-building tools that conceptualize evolution over time in a variety of areas. For researchers, a stage model represents a theory to be explored and empirically validated. For practitioners, a stage model represents a picture of evolution, where the current stage can be understood in terms of history and future.

Theory Building in Management Research

There are numerous examples of theory building in the management literature. An example found in the *Academy of Management Review* is the theory of psychological ownership in organizations by Pierce et al. (2001). They suggest that the powerful concept of “mine” is extremely important in organizations, as it is in other realms of human life. To capture this concept, they introduced the psychological ownership construct and presented elements of a theory of psychological ownership in organizations. According to their theory, organizational members may experience feelings of ownership for the organization or various organizational factors.

Another example of theory building is the theory of virtual customer environments developed by Nambisan (2002). A conceptual model of customer roles is an important part of the theory. The theory sets a broad agenda for future research that involves using a wide theoretical canvas to depict the underpinning design and deployment issues of virtual customer environments exemplified with the case of new product development.

A third and final example is the theory of corporate integrity developed by Maak (2008). The theory consists of a framework linking commitment, conduct, content, context, consistency, coherence, and continuity to explain integrity. These 7 items all labeled 'c' of corporate integrity are explained in terms of their impact on our understanding of corporate social responsibility.

These four theories demonstrate the importance of and diversity in theory building and testing. These four examples also illustrate the challenges in theory building discussed by scholars such as DiMaggio (1995), Sutton and Staw (1995), and Weick (1995) more than a decade ago.

The academic debate started with Sutton and Staw (1995), who argued that references, data, variables, diagrams, and hypotheses are not theory. DiMaggio (1995) commented on Sutton and Staw by arguing that there are at least three views of what a theory should be: (i) theory as covering laws, (ii) theory as enlightenment, and (iii) theory as narrative.

Weick (1995) argued that the process of theorizing consists of activities like abstracting, generalizing, relating, selecting, explaining, synthesizing, and idealizing. These ongoing products summarize progress, give direction, and serve as place makers. It is in this sense of theorizing as suggested by Weick (1995) we develop our stages of growth theory in this article.

A theory might be a prediction or explanation, a set of interrelated constructs, definitions, and propositions that presents a systematic view of phenomena by specifying relations among variables, with the purpose of explaining natural phenomena. The systematic view might be an argument, a discussion, or a rationale, and it helps to explain or predict phenomena that occur in the world. Some define theory in terms of relationships between independent and dependent variables, where theory is a collection of assertions, both verbal and symbolic, that identifies what variables are important and for what reasons, and that specifies how they are interrelated and why. It identifies the conditions under which variables should be related or not related. Other scholars have defined theory in terms of narratives and accounts (Colquitt and Zapata-Phelan, 2007).

It is difficult to overstate the importance of theory to management understanding of CSR issues. Theory allows analysts to understand and predict outcomes on a probabilistic basis (Colquitt and Zapata-Phelan, 2007). Theory allows analysts to describe and explain a process or sequence of events. Theory prevents analysts from being confused by the complexity of the

real world by providing a linguistic tool for organizing a coherent understanding of the real world. Theory acts as an educational device that creates insights into intra-organizational as well as inter-organizational phenomena such as CSR functions.

Stage Modeling in Management Research

Stages of growth models have been used widely in both organizational research and information technology management research. According to King and Teo (2000), these models describe a wide variety of phenomena – the organizational life cycle, product life cycle, biological growth, and so forth. These models assume that predictable patterns (conceptualized in terms of stages) exist in the growth of organizations, the sales levels of products, the diffusion of information technology, and the growth of living organisms. These stages are (1) sequential in nature, (2) occur as a hierarchical progression that is not easily reversed, and (3) involve a broad range of organizational activities and structures.

Benchmark variables are often used to indicate characteristics in each stage of growth. A one-dimensional continuum is established for each benchmark variable. The measurement of benchmark variables can be carried out using Guttman scales (Nunnally and Bernstein, 1994; Frankfort-Nachmias and Nachmias, 2002). Guttman scaling is a cumulative scaling technique based on ordering theory that suggests a linear relationship between the elements of a domain and the items on a test.

Embodying such characteristics, organizational learning and innovation diffusion theory can be applied to explain stages of growth models. Organizational learning is sometimes placed at the center of innovation diffusion theory through a focus on institutional mechanisms that lower the burden of organizational learning related to approach adoption. Organizations may be viewed, at any given moment, as possessing some bundle of competence related to their current operational and managerial processes. In order to successfully assimilate a new process technology, an organization must somehow reach a state where its bundle of competence encompasses those needed to use the new technology (Fichman and Kemerer, 1997).

Innovations through stages of growth can be understood in terms of technology acceptance over time. Technology acceptance has been studied for several decades in information systems research. Technology acceptance models explain perceived usefulness and usage intentions in terms of social influence and cognitive instrumental processes. For example,

Venkatesh and Davis (2000) found that social influence processes (subjective norm, voluntary, and image) and cognitive instrumental processes (job relevance, output quality, result demonstrability, and perceived ease of use) significantly influenced user acceptance. Similarly, Venkatesh (2000) identified determinants of perceived ease of use, a key driver of technology acceptance, adoption, and usage behavior.

Theory Building for Stage Models

Researchers have struggled for decades to develop stages of growth models that are both theoretically founded and empirically validated. Two decades ago, Kazanjian and Drazin (1989) found that the concept of stages of growth was already widely employed. Later, a number of multistage models have been proposed which assume that predictable patterns exist in the growth of organizations, and that these patterns unfold as discrete time periods best thought of as stages. These models have different distinguishing characteristics. Stages can be driven by the search for new growth opportunities or as a response to internal crises. Some models suggest that an organization progresses through stages while others argue that there may be multiple paths through the stages. Therefore, a stages of growth theory needs to allow for multiple paths through stages as long as they follow a unidirectional pattern.

Kazanjian and Drazin (1989) argued that either implicitly or explicitly all stage of growth models share a common underlying logic. Organizations undergo transformations in their design characteristics, which enable them to face the new tasks or problems that growth elicits. The problems, tasks or environments may differ from model to model, but almost all suggest that stages emerge in a well-defined sequence, so that the solution of one set of problems or tasks leads to the emergence of a new set of problems or tasks, that the organization must address. Growth in areas such as CSR maturity can be viewed as a series of evolutions and revolutions precipitated by internal crises related to leadership, control and coordination. The striking characteristic of this view is that the resolution of each crisis sows the seeds for the next crisis. Another view is to consider stages of growth as responses to the firm's search for new growth opportunities once prior strategies have been exhausted.

Benchmark variables in stages of growth models indicate the theoretical characteristics in each stage of growth. The problem with this approach is that not all indicators of a stage may be present in an organization, making it difficult to place the organization in any specific

stage. Nevertheless, a stages of growth theory needs to allow for benchmark variables applied in the modeling process.

Guttman scaling is relevant and applicable to stages of growth modeling. Guttman scaling is also known as cumulative scaling or scalogram analysis. Guttman scaling is based on ordering theory that suggests a linear relationship between the elements of a domain and the items on a test. The purpose of Guttman scaling is to establish a one-dimensional continuum for a concept to measure. We would like a set of items or statements so that a respondent who agrees with any specific question in the list will also agree with all previous questions. This is the ideal for a stage model – or for any progression. By this we mean that it is useful when one progresses from one state to another, so that upon reaching the higher stage one has retained all the features of the earlier stage (Trochim, 2006). Therefore, stages of growth theory might be empirically validated using variables that are measured on Guttman scales.

Based on the reviewed literature, four core topics emerge when theorizing stages of growth modeling:

1. *Number of Stages.* Typically, stage models for empirical testing have four to eight stages. More importantly, the classification and identification of stages have to satisfy several criteria. First, all stages have to be conceptualized and theoretically defined as significantly different from each other. Second, no overlap in contents should be found between stages. Third, no stage should be perceived as a subcategory of another stage. Finally, each stage must be transferable to an empirical setting. These criteria determine which and how many stages are appropriate for a specific stage model.
2. *Dominant Problems.* At each stage, a set of dominant problems is to be identified. Dominant problems imply that there is a pattern of primary concerns that organizations face for each theorized stage. In the area of CSR maturity, dominant problems can shift from lack of skills to lack of resources to lack of strategy associated with different stages of growth. How dominant problems change from one stage to another stage has to be conceptualized as well.
3. *Benchmark Variables.* Benchmark variables in stages of growth models indicate the theoretical characteristics in each stage of growth. While dominant problems change from stage to stage, benchmark variables do not change. Only the attributes of benchmark variables change from stage to stage. For example, the role of management

might be a benchmark variable, where the attributes change from entrepreneur via resource allocator to spokesman.

4. *Paths of Evolution.* The most obvious path is from the initial stage via intermediary stages to the final stage. However, other paths are possible. For example, some stages may be bypassed and skipped. Also, a temporary return to an earlier stage might be possible as well.

Based on these four topics in theorizing stages of growth, four corresponding research propositions can be formulated as the core of a stage of growth theory:

Proposition 1. Organizational phenomena undergo transformations in their design characteristics that can be defined in terms of discrete stages of growth.

Proposition 2. Dominant problems at each stage of growth will statistically correspond with the conceptual formulations given for that stage.

Proposition 3. Values of benchmark variables for each stage of growth will statistically correspond with the conceptual formulations given for that stage.

Proposition 4: An organizational phenomenon shows a predictable pattern of development from first stage to second stage, and so on, until it reaches the final stage, either directly or via bypassed or revisited stages.

Critique of Stage Models

Stages of growth models have been criticized for a lack of empirical validity. Benbasat et al. (1984) found that most of the benchmark variables for stages used by Nolan (1979) were not confirmed in empirical studies. Based on empirical evidence, Benbasat et al. (1984) wrote the following critique of Nolan's stage hypothesis.

The concept of stages of growth has created a number of skeptics. Some argue that the concept of an organization progressing unidirectional through a series of predictable stages is overly simplistic. For example, organizations may evolve through periods of convergence and divergence related more to shifts in information technology than to issues of growth for specific IT. According to Kazanjian and Drazin (1989), it can be argued that firms do not necessarily demonstrate any inexorable momentum to progress through a linear sequence of stages, but rather that observed configurations of problems, strategies, structures and processes will determine firms' progress.

Kazanjian and Drazin (1989) addressed the need for further data based research to empirically examine whether organizations in a growth environment shift according to a hypothesized stage of growth model, or whether they follow a more random pattern of change associated with shifts in configurations that do not follow such a progression. Based on a sample of 71 firms they found support for the stage hypothesis.

For several decades, there has been a need to validate the stage model hypothesis both theoretically and empirically. Furthermore, there is a need for benchmark variables that will have different content for different stages. The alternative is to apply dominant problems and identify how they change from one stage to the next. Also, pros (strengths) and cons (weaknesses) to suggested models have to be taken into account. There is definitely a need to provide a more critical analysis of a stage models and solve some of the basic issues that are long overdue.

This is a valuable effort. Rather than thinking of knowledge management technology or other efforts in terms of alternative strategies, the stage thinking suggests an evolutionary approach where the future is building on the past, rather than the future being a divergent path from the past. Rather than thinking that what was done in the past is wrong, past actions are the only available foundation for future actions. If past actions are not on the path to success, direction is changed without history being reversed.

Concepts of Corporate Social Responsibility

Corporate social responsibility is a concept related to the behavior and conduct of corporations and those who are associated with them. During the best of times, it is a concept adopted and taken for granted. During the worst of times, however, corporate social responsibility becomes a threatening concept to most business as well as public organizations (Jayasuriya, 2006). Corporate social responsibility (CSR) is a set of voluntary corporate actions designed to improve corporate actions. These corporate actions not required by the law attempt to further some social good and extend beyond the explicit transactional interests of the firm. The voluntary nature of CSR means that these activities can be viewed as gifts or grants from the corporation to various stakeholder groups (Godfrey et al., 2009).

Basu and Palazzo (2008) define corporate social responsibility as the process by which managers within an organization think about and discuss relationships with stakeholders as well as their roles in relation to the common good, along with their behavioral disposition

with respect to the fulfillment and achievement of these roles and relationships. It is an intrinsic part of an organization's character, with the potential to discriminate it from other organizations that might adopt different types of processes.

Corporate social responsibility is a concept by which business enterprises integrate the principles of social and environmental responsibility in their operations as well as in the way they interact with their stakeholders. This definition shows two perspectives. First, social and environment responsibility in their operations requires internal change processes to integrate the principles into business operations. Second, interactions with stakeholders require stakeholder engagement (Zollo et al., 2009).

The concept of corporate social responsibility developed as a reaction against the classical and neo-classical recommendations from economics, where rational decision-making and free markets are concentrated solely on profits. This narrow economic view has been questioned due to inconsistencies with the economic model and the evidence of unethical business practices. These problems have led to the realization that organizations should also be accountable for the social and environmental consequences of their activities (Mostovicz et al., 2009).

Corporate motivation for CSR can be explained through several theories. However, research shows that stakeholders (board members NGOs and consumers) think managers are motivated by branding and reputation. The same stakeholders furthermore think the managers should be motivated by sustainability.

Frontiers of Corporate Responsibility

According to Jayasuriya (2006), the frontiers of corporate responsibility continue to expand, casting a wider net to encompass almost all those who have something to do with corporate practices and management. Therefore, the regulatory landscape is rapidly changing and trained staff in corporations is required to deal with the new requirements. Staff training and supervision are major undertakings to improve the ability to carry out tasks involved in corporate social responsibility.

At the core of corporate social responsibility is the idea that it reflects the social imperatives and the social consequences of business success. It consists of clearly articulated and communicated policies and practices of corporations that reflect business responsibility for some of the wider societal good. It is differentiated from business fulfillment of core profit-

making responsibility and from the social responsibilities of the government and public authorities (Matten and Moon, 2008).

Matten and Moon (2008) make a distinction between explicit and implicit corporate social responsibility. First, explicit responsibility describes corporate activities that assume responsibility for the interests of society, while implicit responsibility describes corporate role within the wider institutions in society. Next, explicit responsibility consists of voluntary corporate policies, while implicit responsibility consists of values and norms. Finally, explicit responsibility involves incentives and opportunities motivated by expectations, while implicit responsibility is motivated by societal consensus.

Furthermore, even if it looks like corporations are doing more and more within CSR, research shows that the increase in CSR communication mostly reflects openness about already ongoing CSR activities within the corporations.

The idea of coupling decoupling (Meyer & Rowan, 1977), suggests that even though corporations start to engage in new CSR rituals, this does not necessarily imply actual changes in the corporation. The ritual is decoupled from the corporation's day to day business (Weaver, Trevino, & Cochran, 1999). This suggests that even though corporations claim to be more concerned about CSR and sets goals to become more sustainable, this does not necessarily imply that the company has become more responsible.

It can be argued that size, responsibility and hierarchical structure of large business corporations sometimes foster conditions that are conducive to organizational deviance and financial crime. In many situations of economic instability and crisis, the nature of organizational goals may promote illegal behavior. Organizational goals can easily be perceived as absolute requirements with personal consequences following non-achievement. Therefore, goals may seem to justify almost any means used to fulfill goals (Dion, 2008).

Abuse of responsibility, rather than corporate social responsibility, may occur when the type of structure allows the company to decouple components if that is deemed necessary. Rules may be violated, decisions not implemented and inspection systems subverted or rendered so vague as to provide little coordination (Dion, 2008).

Corporate social responsibility has not been equally addressed in every country around the globe. Hansen (2009) argues that American corporations so far have been leading the trend towards increased awareness, with corporations in some other parts of the world just entering the debate. Furthermore, size matters: large corporations are much more likely to keep track

of and communicate their CSR engagement and activities. For example, almost all Financial Times 500 corporations report about CSR, while small companies are much less engaged in CSR. Maybe this is due to the reduced risk of brand value loss for unknown corporations.

Godfrey et al. (2009) phrased the question: Do shareholders gain when managers disperse corporate resources through activities classified as corporate social responsibility? Strategy scholars have recently developed a theoretical model that links such activities to shareholder value when a firm suffers a negative event. The insurance-like property of corporate social responsibility can be tested. Such activity can lead to positive attributions from stakeholders, who then temper their negative judgments and sanctions towards firms because of this goodwill.

Godfrey et al. (2009: 425) extended the risk management model by theorizing that some types of responsibility actions will be more likely to create goodwill and offer insurance-like protection and found a positive answer to the above question:

We find that participation in institutional CSR activities - those aimed at a firm's secondary stakeholders or society at large - provides 'insurance-like' benefit, while participation in technical CSRs - those activities targeting a firm's trading partners - yields no such benefits.

The frontiers of corporate social responsibility are moving into a focus on a new relationship between business and society. That is, according to Waddock and McIntosh (2009), new ways of looking at the corporation and its role in society, both in practice and in management education. Management education, which has been criticized in the financial crisis period, has an important role to play, but in a changed form. Corporate responsibility is becoming a social movement.

Internal Change Management – and CSR

There seems to be two perspectives on corporate social responsibility in terms of alignment between executive management and their stakeholders. One perspective stresses the importance of stakeholder engagement, while the other stresses the importance of internal change management. Zollo et al. (2009) argue that even though the two components are part of the same definition, they each describe different types of activities. While activities related to internal change management are internal, activities related to stakeholders are external. While activities related to stakeholders are conducted at the periphery of the organization, internal change management is carried out at the core of the organization.

Zollo et al. (2009) studied the influence of the two perspectives on the quality of social performance in business enterprises. They found that internal change management had the strongest influence on social performance. Perceptions of corporate social performance were measured in terms of level of social performance as judged by interviewees.

The positive result related to the internal change management perspective is interpreted by Zollo et al. (2009) as additional evidence of the importance played by organizational capabilities dedicated to the management of internal change. Internal change is important in the business enterprise's ongoing quest to adapt to ever-changing environmental expectations and pressures. Firms that integrate corporate social responsibility into business processes may develop better cognitive alignment as a result, and firms with greater cognitive alignment may be more inclined to integrate responsibility into business processes.

Organizational change requires leadership. D'Amato and Roome (2009) developed a stage inspired framework of leadership for corporate responsibility and sustainable development. Important elements in the framework are:

1. Developing vision, strategy and policies including practices such as grounding the company vision for global responsibility in its context.
2. Making corporate social responsibility operational by practices that make global responsibility part of everyday processes and procedures, and that integrates actions across business lines and locations.
3. Top management supporting adequate resourcing for global responsibility projects, creation of dedicated positions, and specific investment decisions.
4. Engaging across boundaries internally and externally. There is a need to work across personal boundaries of social identity, internal boundaries of level and function, and structural boundaries of organization country or region.
5. Empowerment and development of stakeholders to become more globally responsible, such as enhancing individual power to properly promote and perform global responsibility.
6. Communication for corporate responsibility comprises the development of policies and procedures to effectively collect and share information.
7. Performance development and accountability to encourage global responsibility efforts and hold individuals and groups accountable for their contributions.

8. Acting ethically with integrity sets an example inside and outside the company that global responsibility is taken seriously.

D'Amato and Roome (2009) argue that by isolating effective leadership practices it is possible then to identify required competencies and skills for the CEO and other corporate executives. This is in line with research by Mostovicz et al. (2009) that stress the important role of leadership in driving ethical outcomes. They argue that the different approaches to corporate social responsibility are not necessarily ethical since ethics is based on the knowledge and ethical involvement of the actor.

Since leadership can be conceptualized as the emotional ability to follow one's worldview, rather than a hierarchical position, knowledge combined with involved attitude and interest is an important requirement in management. Furthermore, executives need to replace their micro view with a macro view, and their short-term view with a long-term view. The macro view argues that CSR is interwoven into the organization's fabric and cannot be addressed separately from the organization's other goals. This view claims that organizations have a moral obligation toward society and its goals range from economic to social and environmental ones. The long-term view not only considers the organization as an entity whose purpose is far beyond the narrow for-profit perspective, but argues that the organization's responsibility should be past, present and future oriented. The ultimate goal of an organization is sustainability (Mostovicz et al., 2009).

Aldama et al. (2009) suggest embedding corporate responsibility through effective organizational structure. They argue that integrating the corporate responsibility function has become a must for companies if they wish to remain competitive in the markets they act. They found that the way in which companies are integrating the corporate responsibility function varies, and that the old adage "structure follows strategy" does not always seem to be the rule.

Stages of Corporate Social Responsibility

Some business enterprises are more advanced than other enterprises in the area of corporate social responsibility. Such differences can be conceptualized in terms of stages of growth for organizational maturity, where the extent of learning is an important characteristic of higher stages of growth.

Maturity levels in terms of stages of growth models have been used widely in both organizational research and information technology management research. According to King

and Teo (2000), these models describe a wide variety of phenomena – the organizational life cycle, product life cycle, biological growth, and so forth. These models assume that predictable patterns (conceptualized in terms of stages) exist in the growth of organizations, the sales levels of products, the diffusion of information technology, and the growth of living organisms. These stages are (1) sequential in nature, (2) occur as a hierarchical progression that is not easily reversed, and (3) involve a broad range of organizational activities and structures.

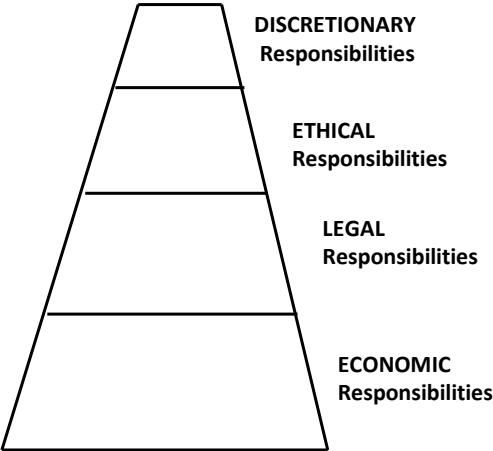
There is an emerging variety of stage models associated with CSR. The most recent review of these models is to be found in Maon et al.'s (2010) article on organizational stages and cultural Phases when modeling corporate social responsibility development. They give an historical overview over CSR models and, based on a comparison, suggest a new model. This model is a seven-stage development process towards CSR, articulated around three cultural phases, i.e., CSR reluctance, CSR grasp and CSR embedment (Maon et al., 2010 :20). In this paper we will not repeat the CSR stage model review, but rather give a snapshot of different views or dimensions of CSR models, to position our new model and explain how it addresses key elements of CSR development that other models are not capturing. Our general critique of existing models is that they do not include the perspective of discrepancy between what corporations claim and what the actual status is with regards to CSR. Our model takes into account how CSR is approached in practice, and we are coming forward with concrete examples illustrating these stages. A corporation can, seemingly, look like it has done substantial work on CSR and that this work is integrated throughout the company. However, this might not be true at all. A corporation that “talks” a lot about CSR activities, might not necessarily be any more responsible in practice than another corporation that is not even mentioning the term CSR. On the contrary. It seems that corporations which are the most criticized in the CSR field, are also the ones that talk the most about CSR. Maon et al. (2010: 27) state that “in all cases, they [the corporations] describe a CSR-related development which consists of a progressive integration of social concerns into organizations’ decision-making processes”. In reality, however, we know through numerous scandals - working conditions Telenor in Bangladesh, working conditions Adecco in Norway, safety BP Mexico Gulf etc. - that corporations which are categorized as having fully integrated CSR, are not so in practice. In the remaining of this section we will give an overview over different “schools” of CSR stage modeling dimensions. These models will again be used to explain our new model. We will start with some models which are more than 30 years old (Carroll, 1979). However, these

models are the origin and base of more recent models. We have also included a model of a slightly different format suggested by Castello and Lozano (2009). Finally, we focus on Matten and Moon's (2008) implicit-explicit CSR dimension and Meyer and Rowan's (1977) coupled versus de-coupled perspective of CSR. These two dimensions seem crucial in CSR stages in practice and will be integrated in our new model.

An early model for describing corporate responsiveness with regards to social performance is presented by Ian Wilson (Carroll, 1979). This model which is based on the philosophy of social responsiveness, categorises corporations according to stages related to their approach to social responsiveness. The first stage is labelled Reaction, reflecting when corporations actually realises that there is a social challenge or problem. Next phase is the Defence stage. Here corporations defend their status towards society, 'we have done nothing wrong'. Third phase is Accommodation. Here corporations acknowledge the problem and try to adapt and accommodate for critics. Final phase is Proaction. That is when corporations are ahead of its critics. This model thus reflects the process some corporations go through on their CSR path. On the other hand, not all corporations go through this process, and the model also misses distinct stages which are relevant for corporations in the CSR process.

The most well-known stage model for CSR was introduced by Archie Carroll in 1979, and is later called Carroll's pyramid (Figure 1). At the bottom of the pyramid, as a foundation, economic responsibilities exist where being profitable is the overriding theme. Next level in the pyramid is labelled legal responsibilities, where business practises are compliant with the law. Ethical responsibilities represent the third level, while discretionary responsibilities, like philanthropy, represent the fourth and final level in the pyramid (Carroll, 1979, Carroll, 1991).

Figure 1. Social Responsibility Categories



A more recent model for CSR is developed by Castello and Lozano (2009). Their stage model for corporate social responsibility has two perspectives, Time and Level of Maturity. (Figure 2).

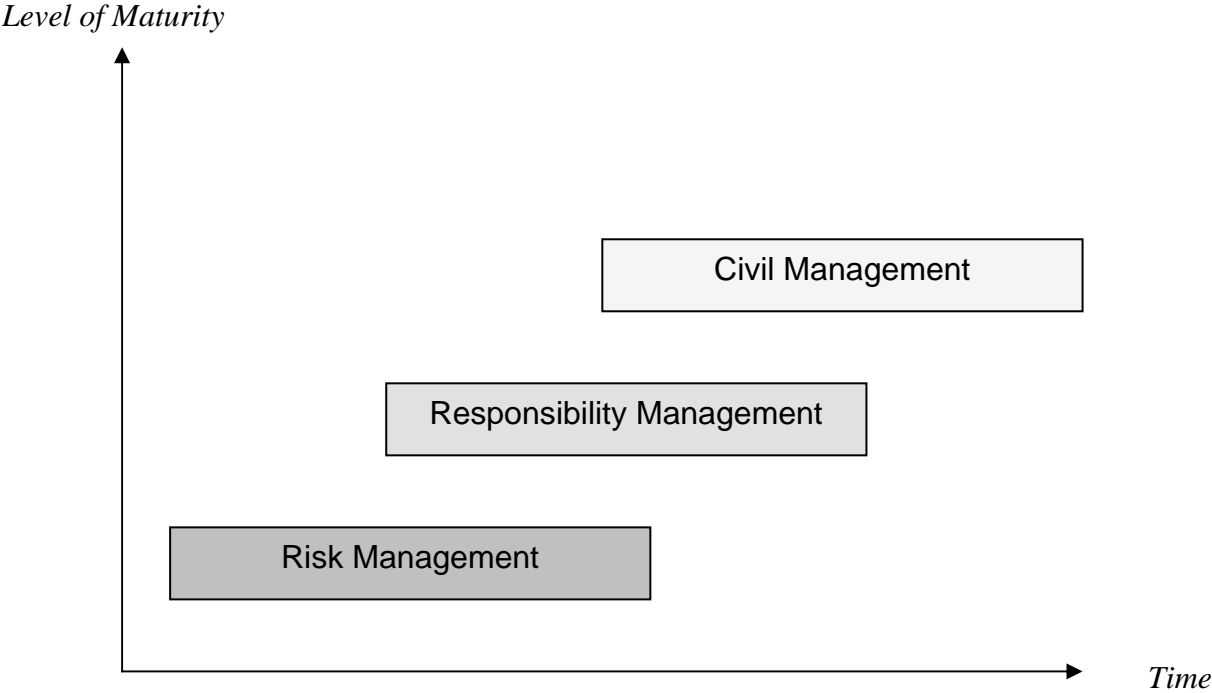


Figure 2. Stage model for maturity in corporate social responsibility

There are three stages in the model adapted from Castello and Lozano (2009):

- *Stage 1. Risk Management.* This is a base stage where corporate social responsibility is seen as a tool to protect reputation value. Within risk management, firms start to develop systems to measure and control environmental and social issues and threats. These control systems involve the planning and social forecasting, preparing for social response and development of the first set of corporate social policies.
- *Stage 2. Responsibility Management.* Business enterprises change their business processes and control mechanisms to reflect social and environmental responsibilities. Social issue management is proactive and systematic, often through the use of publicly accepted performance standards. There is often a need for a change in authority structure so corporate social responsibility departments are created.
- *Stage 3. Civil Management.* At this stage, the business enterprise is focusing on its citizenship as a civil corporation. The enterprise is open to integrating social issues as part of their responsibilities, assuming a citizenship role in leading social issues and transforming their business models to achieve this objective. This transformation is often driven by the internal redefinition of the company's role, mission and vision to the corporate social responsibility values. The span and depth of responsibility programs often drive social innovation, which benefits firms and the communities they operate in. Management systems are developed to monitor targets related to the improvement of environmental and social impacts.

Castello and Lozano (2009) identified several factors that drive the evolution from the risk stage via the responsibility stage to the civil stage. They acknowledge the importance of management systems as a major factor in the development of corporate social responsibility change. Codes of conduct, measurement systems, responsibility policies, and audits are the most common systems. Furthermore, policies and management systems need to be supported by active programs to help companies create an identity around them.

At stage 2, corporate social responsibility departments are often created. A study by Jacopin and Fontrodona (2009) questions the corporate social responsibility department's alignment with the business model of the company to provide some insights concerning the strategic

focus of the department. The study shows that embedding responsibility into the organization is one of the most challenging issues in corporate responsibility today.

None of the models associated with CSR presented here take into account the dynamic perspective of CSR, the implicit explicit concept (Matten and Moon, 2008), or the coupled decoupled perspective (Meyer and Rowan 1977). As the CSR concept in itself is dynamic, models addressing CSR need to reflect this perspective too. These different perspectives on reality are crucial in the CSR development and integration. Thus, in the next section we will present our stage model for CSR which takes into account the above perspectives and elements.

A New Stage Model for Corporate Social Responsibility

Our model, (Figure 3) consists of three stages, the First movers, the Doers and the Changers. A “by-product” of each of these three stages is a second category; the Followers, the Reporters and the Responders. These three groups or stages follow each of the three first stages, but are a lag behind each of them. This model thus takes into account how corporations might look as though they are at the same level of CSR, when they in fact are not.

If a company started out as a Follower, its next stage might well be among the Doers, for so again move to the Responders. Some companies might follow the first category all the way, the First mover, the Doers and the Changers, whereas other companies might follow the second path as laggards; being Followers, Reporters and Respondents all the way. More concretely, the following is a closer description of the six categories in the model:

1. **The First movers.** This stage contains corporations which take a new step in the CSR sphere. Looking at for example non-financial reporting, such companies are identified as the ones which for example take the initiative to introduce a new title of their non-financial report, moving from Environmental report to Sustainability or CSR report. It can be argued that individuals in these first mover corporations are the source of these initiatives (Ditlev-Simonsen, 2010).
2. **The Followers.** This stage consists of corporations which start to behave as other corporations do in the field of CSR. It is closely related to and can well be described through legitimacy and sense making theory (DiMaggio & Powell, 1983; Weick, 1995). CSR engagement has become a norm.

3. **The Doers.** This stage consists of corporations which actually introduces changes associated with CSR. To some extent the first corporations applying ISO 14000 can be examples of such corporations. Other examples can be associated with CO2 emission accounting and setting goals for CO2 emission reduction, ref. the Carbon Disclosure Project. Introducing recycling of products, voluntary, is another act which can be used to describe Doers.
4. **The Reporters.** This stage consists of corporations which CSR engagement might look good from the outside, for example by reviewing the growth in CSR reporting. However, all what these companies actually have done is to start reporting about CSR related activities they already are engaged in (Ditlev-Simonsen, 2010). This stage is thus characterized by increased openness on ongoing CSR activities – i.e. no actual changes have occurred, other than increased reporting.
5. **The Changers.** Such companies are the ones that are ahead of both other corporations and governmental regulators. Instead of lobbying for less regulation in the CSR field, these corporations want government to introduce stricter laws which will benefit the companies which are ahead of regulations. Several CSR related activities are associated with increased costs. Therefore CSR activities are initiatives to some extent are initiatives which corporations engage in during “good times”. (Of course, some CSR activities have immediate pay-off, but the majority have a longer investment horizon.) By being ahead of regulations and at the same time lobbying for increased regulations along the lines of what the company itself has engaged in, a company can ensure that regulations are effective and increase their competitive advantage.
6. **The Responders.** These are the companies which adapt new regulations initiated by other forefront corporations. Their disadvantage is that the new regulations might not be as cost efficient for them as it can be for the corporations which took the initiative to the changes in the first place, and put forward how they wanted the changes to be laid out.

Generally, there are just a few corporations in the first category (First movers, Doers and Changers). More corporations are in the second category (Followers, Reporters and Respondents). The majority of corporations are however in the “Nada” category. None of the previous models actually and explicitly include and address the “Nadas”, even though most corporations are in this category. Other models, like Wilson and Carroll’s four stages: Reaction, Defense, Accommodation and Proaction, or Maon’s three stages; CSR reluctance,

CSR grasp and CSR embedment, are built on the assumption that corporations are aware of and react to CSR. However, most corporations do not recognize or relate to CSR at all. Nada reflects companies which do nothing in the CSR field. Nada consists of corporations which are not on the FT 500 list, or are among the 100 largest corporations in each country. These are the companies without a well-known brand or logo to protect and display. These companies have hardly received any attention in the CSR debate and studies, even though they are a key element of the sustainability issue. This is, however, another debate that is outside the scope of this paper.

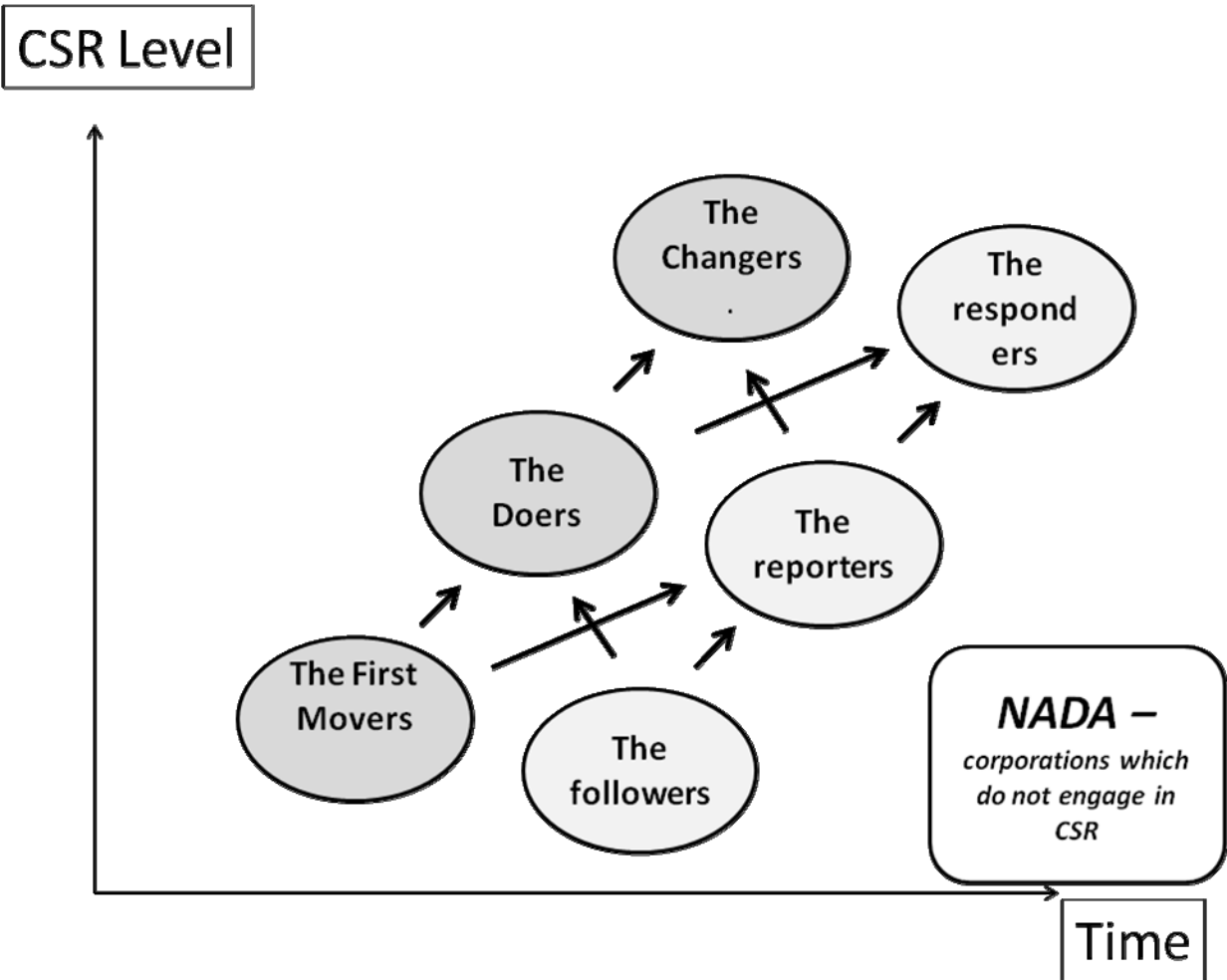


Figure 3: Stages of Growth Model for Corporate Social Responsibility

Discussion and Conclusion

Our study proposes four topics in the theorizing of stage models and apply these to the CSR concept. We will now discuss how our suggested model is linked to these propositions.

Proposition 1. Organizational phenomena undergo transformations in their design characteristics that can be defined in terms of discrete stages of growth.

The model in Figure 3 defines three plus three distinct stages (three first movers and three followers) and exemplifies their distinctiveness. Contrary to earlier CSR models, this model also takes into account that at every first-mover stage, there is a corresponding follower stage. From the outside at a given point in time, it is hard to distinguish the first movers from the followers.

Proposition 2. Dominant problems at each stage of growth will statistically correspond with the conceptual formulations given for that stage.

The model is based on opportunities rather than problems. How some corporations capture this opportunity rather than others is reflected in our model.

Proposition 3. Values of benchmark variables for each stage of growth will statistically correspond with the conceptual formulations given for that stage.

Each stage of the model contains conceptual formulations. When evaluating which stage to place a company, it is easy to benchmark and put into the right stage. However, it is necessary to evaluate the company from the inside. The fact that it is not enough to evaluate corporations from the outside (through external CSR communication and reporting) to place the company in the right category, is addressed in the model.

Proposition 4: An organizational phenomenon shows a predictable pattern of development from first stage to second stage, and so on, until it reaches the final stage, either directly or via bypassed or revisited stages.

While a predictable pattern is assumed, the model in Figure 3 takes into account as well that corporations can move back and forth between stages, and also jump over stages.

Our model combines key previous CSR development models and put them into a growth stage format. Wilson's (Carroll 1979) four phase model - Reaction, Defense, Accommodation and Proactive stages - are the basis for our first three stages: the First movers, the Doers and the Changers. The Defense and Accommodative stage is merged into the Doers – the corporations which do something in practice. Carroll's CSR pyramid including Economic, Legal, Ethical and Discretionary measures, the latter two mainly reflected through voluntary acts. However, according to the EU definition of CSR, this concept in itself represents a voluntary activity; CSR is a “concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission 2001).

Castello and Lozano's (2009) model is based on CSR as Risk Management, Responsibility Management and Civil Management corresponds to the “by-products” or “by-stages” of each of our above stages: the Followers, the Reporters and the Responders. Here, CSR is addressing a response to societal culture and corporate norm.

The Implicit-Explicit CSR concept suggested by Matten and Moon (2008) is, together with the Coupled - De-coupled perspective suggested by Meyer and Rowan (1977) is not included in the more classical CSR stage models, like for example Wilson, Carroll and Maon suggestions. By introducing “by-products” or “bystages” in our model, this new model includes both the Implicit–Explicit CSR concept and the Coupled–De-coupled perspective. First movers, Doers and Changers are corporations with Explicit CSR, whereas the Followers, Reporters and Responders are in the Implicit category. They engage in CSR to ensure that they are following the CSR norm, and communicate this to the surroundings.

The Coupled – Decoupled perspective is more complex. In general, corporations in the First Mover, Doers and Changers are in the Coupled category, whereas the Followers, Reporters and Responders are in the De-coupled category. The latter CSR engagement is based on norm and imitation. However, the First Movers can be both in the Coupled and the De-coupled category, depending upon how deep into the corporate day to day business the CSR enactment is anchored. Some corporations may for example have an active and creative information or marketing department, which uses CSR actively as a tool for branding and marketing, yet no actual CSR related changes are occurring within the company. In such cases, CSR is de-coupled from day to day business. If the First Movers activities is integrated in day to day business, the CSR engagement is coupled. Testing average employee's awareness is one tool to test to which extent the CSR engagement is of a coupled or de-coupled format.

We have given an overview over modeling issues as such, models in the CSR field and contributed with a revised or new model which we argue captures the growth in CSR better than other available models.

We suggested a stage model for corporate social responsibility consisting of three combined stages. First movers are at the first stage representing corporations which take a new step in the CSR sphere. Looking at, for example non-financial reporting, companies are identified as the ones which take initiatives to introduce new titles in their non-financial reports. Followers represent corporations that start to behave as other corporations do in the field of CSR. At the second stage we find Doers who are joined by Reporters. Doers introduce changes associated with CSR. Reporters passively report what they do, so this stage is mainly characterized by improved corporate openness. At the third and final stage, we find Changers that are ahead of both competitors and regulators. Instead of lobbying for less regulation in the field of CSR, these corporations want government to introduce stricter laws. At the third stage we find Responders as well, who adapt new regulations initiated by other forefront corporations.

For corporations, these findings can be valuable as a benchmarking tool. A next step from an academic perspective will be to empirically test and categorize existing corporations and their development path relative to this new model.

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