

CSR leaders road-map

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Abstract

Purpose – The purpose of this paper is to outline how CSR can be effectively implemented and driven through the organisation. The emphasis of the paper is not on CSR definition but on the skills and capabilities needed by individuals and organizations to fully implement CSR application.

Design/methodology/approach – As a qualitative study, interview, data feedback, and participant observation were the particular methodologies adopted.

Findings – Three stages of CSR implementation and, within those stages, ten leadership skills and capabilities are identified. The nature of their inter-relationship and how that impacts on application, is discussed and explored. The ten skills and capabilities form a portfolio for individual leaders to consider and indeed develop in their management of CSR. These capabilities are called forth in three logical stages from those required for early decision making to those required for full enactment of CSR, forming a clear model. This model provides a road-map for leaders to increase their consciousness and their effectiveness in the implementation of true rather than token CSR.

Research limitations/implications – A limitation is the qualitative case-based method. The learning arising from the study can be pursued and further tested through quantitative survey methods in order to provide for balanced, comparative analysis.

Practical implications – A road-map to effective CSR application for leaders of organisations is offered. This road-map can be used to guide current leaders and as a guide to developing future leaders.

Originality/value – Originality is high as no such model of CSR application exists. The value of the paper is to offer a research-based practical guide to CSR implementation.

Keywords Corporate social responsibility, Leadership

Paper type Research paper

Introduction

Growing challenges posed by diminishing scarce resources, increased awareness of uneven global developments, and consumption driven by particularist market forces creating a need for sustainable development all call for new forms of environmentally aware leadership. Such leadership takes organisations forward in a socially conscious manner, making decisions based not only on tangible, financial issues and short term gains, but also on intangible or non-financial issues involving sustainable growth. We term this “corporate socially responsible (CSR) leadership”. Being a CSR leader is more than wanting to help the planet. CSR leadership is a difficult path to pursue, full of contradictions and dilemmas, where the overall destination depends on first determining a number of linking staging posts. For example, investing in social programmes requires the buy in of varying stakeholders and, in particular, shareholders who may hold different personal and organisational priorities. As Chester Barnard (1938, p. 262) observed, “the conduct of every man is in part governed by several private moral codes”. However, “if there exists several or many private codes governing the conduct of an individual, specific acts or concrete situations are likely to involve conflicts between codes” (Barnard, 1938, p. 263). Thus, an individual may feel responsible for some moral codes, but not so with respect to others, particularly if they are

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juxtaposed to each other, as sometimes are contractual obligations (e.g. to shareholders) and moral determinations (e.g., to preservation of environment). As Chester Barnard (1938, p. 262) points out, whatever morality exists in the individual becomes effective only in conduct.

Leading for sustainable social responsibility

On the way to gaining an understanding of CSR leadership is the need to analyse its components which, in turn, surfaces a complexity of paradoxes. The ability to run an efficient and profitable business can be consistent with a CSR agenda, but occasions will occur when the corporate financial agenda is not always consistent with stated CSR goals. In those instances, a level-headed look at integration is key to CSR goals being realised, rather than just talked about, through truly socially responsible leadership.

The “endurance of organisations depends on the quality of leaders; and that quality derives from the breadth of the morality upon which it rests” (Barnard, 1938, p. 282). Thus, CSR leadership requires the adoption of wisdom, considered as the “capability to identify pertinent pathways forward when direction is obscure(d)” (Kakabadse and Kakabadse, 1999, p. 321). The direction to take may be obscured because of the different views at top team level concerning market dynamics, or because colleagues, for idiosyncratic reasons, operate from different assumption or moral standards (Kakabadse and Kakabadse, 1999). Additionally, scholars (Burns, 1978; Conger and Kanungo, 1998; Zaleznik, 1989; Kotter, 1990), have highlighted the different perspectives adopted by individuals who hold senior leadership (i.e. strategic) as against middle management (i.e. operational) roles. Such differences are displayed in terms of goal orientation, career expectations and relations with employees and people external to the organisation. Kakabadse and Kakabadse (1999) argue that the pulling together of these different forces is critical to organisational sustainability and nowhere more so than in the case of CSR.

Purpose and method of study

This paper reports on extensive international research into CSR leadership. The study has been carried out to ensure the widest qualitative data collection possible. Case based analysis of over 65 organisations, consisting of both for profit and not-for-profit, located in the USA, UK, Continental Europe, Africa and Australia, gave a full range of issues for consideration.

The research sample was determined by opportunity for access, bearing in mind the purposeful and strategic nature of the study (Gilchrist, 1992, p. 57). In the subset of 65 organisations where the authors had access to board directors, CSR concerns were explored from the perspective of those directors. The interviews focused on the relevance of CSR to boardroom discourse. In other organisations, interviews were conducted across management levels, and CSR adoption was examined from the early stages of policy determination at board level to application at the operational levels of customer/community interface. This ensured that data collection was not only world-wide but also corporate-wide in nature. All levels of staff were considered in the total process and well over 300 people were interviewed for this study. Interviews, data feedback, and participant observation were the particular methodologies adopted.

With such a range of companies, such a range of countries, and such a range of people the intensive qualitative approach had every chance of capturing the type of information needed to isolate the skills a truly effective CSR leader would need.

Once the interviews were complete, a thematic analysis of the rich, qualitative data was conducted, gleaned from 300 interviews. Presented in this paper is the pattern of themes that recurred across participants' narratives (Riessman, 1993; Pentland, 1999). Whilst all human knowledge creation is a process of interpretation, “interpreting is a continuous monitoring process that takes place before, during and after a research performance”, highlighting the fact that qualitative data analysis is itself a process of construction.

All interviews were tape-recorded and transcribed. The narratives scripts were subsequently coded adopting a grounded theory approach, as emerging themes and frameworks were amended in the light of the subsequent transcriptions (Glaser and Strauss, 1965). The transcripts were read independently by all inquirers, identifying recurring narratives and staying close to original meanings (Miles and Huberman, 1984; Guba and Lincoln, 1994). In this way, the creation of abstract categories from each individual leader's experience was minimised.

Study results

Regardless of the country of residence or size of the company, research findings revealed three stages of CSR implementation, common to all, where particular and different CSR leadership skills would be needed. The decision-making stage is the initial stage, at which the individual leader or leaders come to terms with the need for personal and organizational movement towards CSR. The adoption stage follows the decision-making stage, and is the stage where most of the leadership capabilities the respondents mentioned would be required. This is the stage at which real forward movement begins and, if effective, starts to spread into and impact the CSR leader's organization. Finally, a commitment stage was evident in terms of a real signing up to CSR, rather than merely going through its process. This stage is reached, for individuals and for organizations, when it is clear that the CSR goals will be consistently pursued despite obstacles such as shareholder objections, conflicting priorities, difficulties of measurement, and the like.

From the interview data, we also identified ten specific CSR leadership skills and capabilities that appear to have relevance in one of the three stages discussed above. Each skill appeared to have its own place on the road to achieving CSR, and together they represent a coherent whole that provides the means for driving CSR through organisations. These are all represented in Table I.

Table I Stages and capabilities of CSR leadership		
<i>Stages</i>	<i>Capabilities</i>	<i>Description</i>
1. CSR decision	CSR awareness	Awareness and knowledge of CSR provides conviction and wisdom to craft a new future and change of old behaviours
	Reflexivity	Reflects on issues and actions both " <i>in vivo</i> " and <i>post hoc</i>
	Discerning CSR goals	Clarifying what is and what is not a CSR goal requires definition and commitment to sustainability
2. CSR adoption	Using business case language	Ability to present CSR as a business case rather than just as emotional appeal for doing "good" or moral argument
	Persuasion	Ability to get buy-in from others to support and own CSR initiatives
	Handle paradoxes and conflicting priorities	Able to see a way forward when confronted with two or more contrasting forces pulling in different directions, whilst at the same time not being able to simply opt for one or the other, but having to reconcile both alternatives that are contradictory, or accept their temporal or permanent coexistence
	Consistency of application	Consistent application of CSR message through all organisational activities (i.e. not only isolated or symbolic action of "doing good"). That is emotional zest and attention to detail in a consistent and sustainable manner
	CSR measurement	Ability to know and define clearly what success will look like so that appropriate measures can be designed; ability and willingness to monitor CSR performance for accountability
3. CSR commitment	Follow through	Ability to follow through from initiative to application, which requires discipline and passion for results
	Will to act	Staying power combined with sense of purpose and mission to make CSR vision work
Source: Compiled by authors		

While these capabilities are important for any CSR leader to have or to develop, one might envision that some of the skills might also be dispersed across or within a highly effective CSR team or department, and that in an organisation with a highly developed CSR application, all leaders would have each of the requisite skills, and would be able to use them appropriately and with the best timing.

Stage One: CSR decision

Within the first stage of “CSR decision”, the capabilities of awareness, reflexivity and discernment of goals are key to an individual's ability provide initial direction for CSR within his or her organisation (Kakabadse and Kakabadse, 2003). The individual's CSR awareness is, of course, a crucial initial factor in leading CSR actively and successfully. Once an individual is aware of the issues surrounding CSR (both in terms of its importance to society and the possible difficulty of taking a CSR stance within one's own organisation), the skill to reflect on the moral and organizational issues becomes salient. Reflection calls for examination of one's own reality as well as the ability to move out of it (to another reality) in order to reconsider the current circumstances. One respondent told us:

We are a very responsible, international company. We know our social responsibility legislation. To us, that is as important as business. CSR fits with our values as a company. So much of this is down to our founder's value system but there are often competing values even if ones own value system is care-based. Therefore, you need to stand back and reflect and question yourself whether you know what performance criteria should be used as indicators of the company's caring behaviour, or what is the opportunity cost of investing in CSR with respect to financial performance, shareholder value and the company's risk profile? These are all competing realities that continually require you to reflect on and negotiate them through! (CEO, European Company).

This ability to travel across realities or possible scenarios is an important aspect of learning and re-assessment. Reflexivity requires awareness of the leaders contribution to the construction of meanings throughout the leadership process and an acknowledgment of other possibilities and perspectives. Reflexivity enables leaders to explore the ways in which they influence and act upon available information within their context. In effect, reflexivity allows the leader to constantly reconsider their experience and learn from it (Kakabadse and Kakabadse, 2003). This is the groundwork which will ultimately make the cause believable to followers. From identification of realistic CSR goals, a clarity of motion can be established, providing the platform to articulate a compelling vision, set high expectations and model a consistency of desired behaviours. CSR clarity is both the start of and the result of a reflection and awareness that guides the decision process.

Even without going beyond the first stage, evidence of synergic activity is already visible. CSR awareness together with reflexivity creates knowledge which synthesises and inter-connects the other aspects, mediating between the higher intellectual faculties of understanding and wisdom, the emotional aspects of leading people, and the practical aspects of business skill. Without CSR awareness and reflexivity, all other aspects become dysfunctional. Only through CSR awareness and reflexivity can CSR goals be clearly defended, articulated and enacted. Deeper awareness or knowledge then can synthesise and inter-connect the other aspects, and in turn, can mediate between logic and emotion, resulting in a realistic and well-informed motivation for CSR leadership action.

Stage Two: CSR adoption

In the second stage, a critical bridge to action in the real world can be formed through acquisition of a set of six additional skills. In our model, the “CSR Adoption” stage ends with the ninth skill, “follow through”. Movement through this stage is only possible after an internal journey through persuasion and paradox, which ensures the individual and organization are equipped to address their environment with some knowledge and skill and with a more certain success, rather than empty promises and good intentions:

We all had good intentions with this corporate responsibility thing. Then the hard part; doing it. Things have gone a bit askew. On the day, so many other things to be priority, you know, day to day operational things (HR Vice President, US Multinational).

Although a growing body of research (Leonard-Barton, 1992; Lewis, 2000) has disclosed that individuals, groups and organizations are inherently paradoxical, the challenge of coping with paradoxes remains. Both the leader and the managers are required to deal with the problematic logic of mediating between contrasting assumptions, whilst maintaining a critical attitude to personal choice and interpretation. Whatever the reasoning for CSR initiation, the actual reality of CSR adoption surfaces perspectives and views originally not given full consideration. Reconciliation of contrasts now becomes a must.

The fifth skill is the ability to handle paradox and is also crucial for the survival of CSR goals, which are often contradictory to other organisational demands, such as resource management and making money. This, in turn, requires awareness of risks and opportunities, and ability to spot difficulties and recognise the legitimacy of other perspectives and stakeholders. Knowledge of existing and emerging clashes with the cause is essential.

In addition to such sight and foresight, a leader's ability to present CSR goals as a real business case that increases the firm's wellbeing, rather than being just emotional appeal for "doing good", is equally important. An effective business case can be presented as one that shows CSR activities as reducing business risk, protecting reputation, or increasing bottom line.

The capability to frame problems in a complex and changing world requires a discipline to discern and work through the intricate nature of challenges in a structured manner. Developing a well thought-out, credible and effective CSR business case is a time consuming task for any leader or group of leaders, and is one that needs consultation with numerous stakeholders and the taking of relevant views on board:

CSR itself just turns our management off. Once we linked corporate responsibility with business, management became more interested. We took time to make the business case. Although that irritated some, I am glad we made the effort (Non Executive Director, UK Board).

Thus, of comparable importance is the ability to negotiate buy-in from others to engage in, support, and own CSR goals, requiring an active ability to maintain meaningful dialogue with stakeholders by engaging, listening and inquiring (Kakabadse and Kakabadse, 2007). Determined and focused dialogue is mandatory for building CSR awareness and knowledge.

Designing appropriate measurement and feedback mechanisms to monitor CSR performance, together with consistent application of the CSR message through all organisational activities (i.e. not only isolated or symbolic action of "doing good"), are important aspects of leading CSR. Drucker (1999) concurs, emphasising refinement of measurement tools focused on addressing the challenges at hand, in order to ensure for successful implementation. Additional to the mechanics of feedback measurement and control, there is a need to take into account the effect of such monitoring systems on human behaviour. In most situations, measurement and control have a beneficial effect on performance; poorly handled, the impact is adverse (Kohn, 1993) – thus, the requirement for both emotional zest and attention to detail in a consistent manner. The consistency platform enables follow through from a CSR initiative to CSR application, discipline coupled with a passion for results.

Stage Three: CSR commitment

At the third stage, CSR commitment, the tenth skill or "will to act", represents the means by which less transparent CSR leadership aspects become known to the outside world. While it may not be difficult in any one instance for a leader to push through a CSR project or short term initiative, those organisations that achieve an outstanding reputation for CSR and leave a true legacy are those in which CSR leaders have been able to foster real longer term commitment. This research indicates that getting to this longer term commitment requires the will to act – that is, the sense of purpose and staying power to make one's CSR vision work over time, by way of many organisational systems and processes, across multiple boundaries, and in the face of various obstacles. Deficiency in the tenth skill, "will to act",

has the ability to nullify the final impact of all of the other nine aspects supporting it. As one manager told us:

We did everything right. Policy analysis, look at best practice, all of those things. But we just did not push hard enough with lower level management. I suppose we just lacked that extra drive that makes things happen and also makes you a bit unpopular. Here what people think of you is important (Middle Level Manager, Scandinavian Company).

So clearly, reaching the stage of commitment is no small achievement.

Implications and conclusions

The model presented here represents the journey to effective CSR implementation taken by the organisations we studied. It is based on two equally important components:

1. the stages through which the CSR leader progresses, both as an individual and with his or her organisation (if the leadership skills are developed and the leadership actions are effective), from initial uncertainty and ambiguity in understanding CSR, to moving forward to a new and concrete reality framed by deliberate leadership action; and
2. the skills and capabilities needed, or required to develop, at each of these stages, for successful movement forward of organisational CSR.

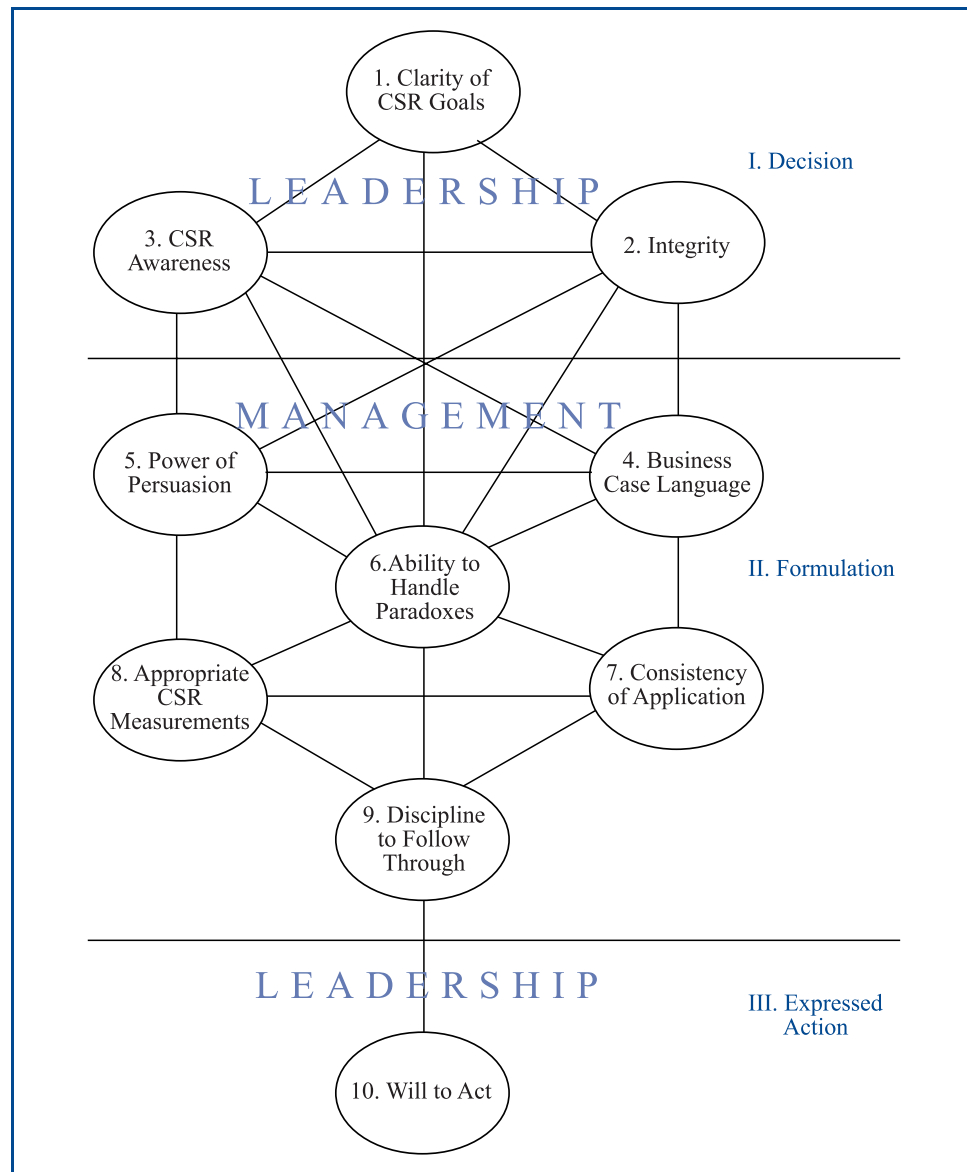
As shown in Figure 1, the skills are interconnected, in the sense that all need to be employed at many points over the course of time, and in that they need to be often used together to face inevitable challenges confronting the implementation of CSR. The focus is on highlighting both the leadership challenges in CSR and the management tasks and objectives – the interlocking of the need for individual leader capabilities and the movement or culture change needed in most organisations for full implementation of CSR.

As emphasised, truly potent CSR leadership requires the individual responsible to be able to energise all ten skills so that these come together, allowing organisational leaders to act in a coherent manner that makes sense to the outside world and that drives the organisation forward. A lack of or misuse of any one of the ten “travel points” of CSR leadership has potency to damage and undermine the effectiveness of others along the way. For example, should the leader have not fully thought through his/her case, then the persuasion of management is undermined and, in so doing, the business case for CSR and the language adopted are weakened. Under such circumstances, the tensions and paradoxes in the organisational system multiply, damaging CSR measurement and, in turn, consistency of application and hence follow through. Such experience undermines the will to act, display and live the commitment to CSR at both the level of the leader and the organisation – a particularly unwelcome phenomenon – for stage III acts as the window to the rest of the world. Stage 3 emphasises what is publicly evident, what the organisation will and will not do, can and cannot do. Should certain skills be neglected, that becomes evident, first to the organisation, and second, to the external world. Should the decision to adopt CSR be more driven by concern for external image improvement, such positioning is evident to the managers, whose motivation to seriously pursue CSR through disciplined measurement, consistency and application and follow through, is likely to be undermined.

Although, in some ways, the synergy arising from the ten unified aspects of leading CSR may be perceived by observers as being borne of innately charismatic leadership qualities, such serendipitous construction can be deliberately crafted by individuals who have a passionate desire to be CSR leaders. CSR leadership can be developed. Yet learning to master each aspect and then perform the ultimate alchemy is a challenge for leaders, as well as for active leadership development.

So these stages and skills, as well as their interconnectivity and impact, require deliberate consideration by the leader and by his or her organisation. Unaware of how one skill affects the other damages CSR adoption. Awareness of the intermingling of leadership and organisational concerns prepares all for ensuring that CSR initiatives can be made to work.

Figure 1 CSR leaders road map



Yet CSR awareness and good intent is not sufficient. Discontent arises from good intent going sour! All too often, the hard emotional labour of managing paradoxes, conflicts and clashes means organisational demands compete with CSR goals and initial good intent never reaches the bridge of follow through which allows for crossover to action. This, in turn, can create both a fear of CSR as well as an urge to understand CSR issues in more depth. By deepening their CSR awareness and enhancing their abilities to engage in reflexivity, leaders also nurture a level of leadership wisdom that accommodates the handling of paradox. Through contemplation and the re-focusing of one's own energy, as well as that of the organization, the CSR leader can help bring about the unification of all ten aspects into a harmonious, coherent and consistent leadership push. Connectivity that provides essence or energy creates the internal desire to incite action. Once this is accomplished, CSR goals can be achieved through a talented and creative synthesis which reconciles the tensions of organisational life and ensures CSR to become the gene of the organisation's DNA.

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