

FOM-Conference

FOM International CSR Research Conference

Implementing Sustainable CSR Management Solutions

Track 2, Session 2
Human Resource Management

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„Getting employees on board the CSR train“

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Getting employees on board the CSR train

Köln, 18-19 April 2013

Snjólfur Ólafsson

University of Iceland



UNIVERSITY OF ICELAND
School of Business



Overview

- Background of my talk
- **Implementing strategy**
 - Implementing CSR = Implementing CSR strategy
- **Why** is it important that **all employees** participate in the implementation?
- **How** do we get **all employees** on the CSR train?





Background - 1

- About myself
 - PhD in applied mathematics – decision making
 - Professor, School of Business, University of Iceland, 1990-
 - Masters course: *Performance management and strategy implementation*
- CSR = Corporate Social Responsibility
 - I assume you know what it is
 - I assume you believe/know that it is important





Background - 2

- Lára Jóhannsdóttir's PhD thesis
 - *Nordic non-life insurer's interest in, and response to, environmental issues*
 - I was her main supervisor
 - Interview with over 70 people in 16 insurance companies
 - CSR with emphasis on the environmental dimension
- I base my talk on formal research and my knowledge and experience





Implementing strategy - 1

- Implementing strategy = Executing strategy
- More difficult than forming strategy
 - But not as sexy
- How best to implement strategy depends on ...
 - The kind of organization and the situation
 - The Top Management Team
 - Who describes the implementation
 - ...





Implementing strategy ...

- ... can for example been seen as:
 1. Choosing strategic projects and managing them
 2. Using performance measurements
 3. Using vision, values, pep talks, ...
 4. Changing the culture





Literature, a few examples

- **Kotter**, J. P. (2007). *Leading Change. Why transformation efforts fail.* *Harvard Business Review*, January 2007, 92-107.
- **Kaplan**, R. S., & **Norton**, D. P. (2008). *The Execution Premium: Linking Strategy to Operations for Competitive Advantage.* Boston: Harvard Business School Publishing Corporation.
- **Bossidy**, L., & **Charan**, R. (2002). *Execution: The Discipline of Getting Things Done.* New York: Crown business.
- **Speculand**, Robin. (2006). *Bricks to bridges: Make Your Strategy Come Alive.* Singapore: Bridges Business Consultancy.
- **De Flander**, Jeroen. (2012). *Strategy Execution Heroes: Business Strategy Implementation and Strategic Management Demystified* (Expanded Edition).





Flanders



AND



Implementing CSR - 1

- What kind of implementation is the implementation of CSR?
- I am focusing on service companies
- For some production companies, implementing CSR can e.g. focus on
 - reducing pollution
 - stop overexploiting some resources
 - stop using child-labour in India





Implementing CSR - 2

- Implementation of CSR in service companies:
 - Fundamentally changing something
 - Long time project – even never ending
 - Changing the company culture (behavior of employees)
 - Make very many changes, big and small, not all at the same time, but over a long time → Example next slide
 - No individual know everything that needs to be done
 - A lot of new ideas is needed
- **It is thus clear to me that many employees have to be involved**





Example of changes in own operations of insurers and potential results

Top management support

Educate & empower employees

Energy optimization & renewable energy

Transportation

IT, e.g. video meetings

Procurement

Waste handling



Less energy

Less resources

Less water

Less wastes

Less emission

Less costs





How do we get all employees on board the CSR train?

- Literally speaking?





How do we get all employees on board the CSR train?





How to get many to participate?

- Both the strategy implementation literature and the change management literature offer many answers
- I try to do two things:
 - Mention a few known issues
 - Mention what is special about implementing CSR





Known issues

- Involve many in the strategy formation or decision
 - Employees feel they own the strategy
 - (And the strategy or decision will be better)
- The business case
 - Employees must understand why the change is needed
- Overcoming resistance to change
 - See e.g. Example* on next slide
- Quick wins ... low hanging fruits ... results
- Celebration





Example*

Attitudinal locus	Dimensions of legitimacy		
	Pragmatic	Moral	Cognitive
Internal (propriety)	Is there a “business case?” Do I believe that this will benefit the organization?	Do I believe that this is the “right” thing to do?	Do I believe that this will make my job easier or more difficult?
External (validity)	Do peers/authorities believe there is a “business case? Do they think that this will benefit the organization?	Do peers/authorities believe that this is the “right” thing to do?	Do peers/authorities believe that this will make my job easier or more difficult?

Source: (Thomas & Lamm, 2012)





Special to CSR

- Long term thinking
 - A never ending story
 - Changing culture, behavior, processes, ...
- Some people's eagerness to change rather than resistance
 - Many people want to be responsible
e.g. regarding the environment
- Connection to live outside the company
 - “Now I want to sort my waste at home”





The CSR missionary

- You may feel that nobody understands you
 - www.youtube.com/watch?v=GA8z7f7a2Pk





Finally

- I have run quickly through a complex matter and my view is not necessarily the right one.
- We are planning a new and extended research project: **CSR in European service companies**
 - Interested?

Thank you





Memo 16 April 2013: **A possible research project**

CSR in European service companies

Lára Jóhannsdóttir defended her PhD thesis, *Nordic non-life insurers' interest in, and response to, environmental issues*, in December 2012 and is now a post-doc at the University of Iceland, and a board member of an occupational pension fund. Lára has 18 years of a working experience related to the finance sector, as a specialist, executive, and researcher. She and her supervisors, *Snjólfur Ólafsson* and *Brynhildur Davíðsdóttir*, are interested to build on Lára's work, and start a new research project. They are interested in making this a European research project, and are seeking interested people.

Possible boundary and focus of the research project

Corporate Social Responsibility (CSR) is the main subject of research. The PhD thesis emphasized the environmental dimension of CSR/sustainability, but the aim of the new research project would be CSR in general. Academics interested in sustainability, business ethics, or other related research areas might want to join as well.

We use *service companies* in the title but this could be labeled as non-polluting firms instead, depending on type of companies included in the study.

Our idea is to do a *multi-case study*, focus on *European companies*. Depending on interest, the scope could be narrowed (Nordic countries, Western-Europe), or broadened including companies in other continents as well. The aim is to study medium and large companies, employing somewhere between 50 and 5,000 employees. We would exclude large international companies, and small companies.

The argument for this choice is that actions of medium-large service companies (non-polluting) in the context of CSR, particularly environmental dimension of CSR, is an understudied area, as studies of this nature are heavily skewed towards large, heavy polluting firms, and producers of tangible products. Focus on the service sector is critical from CSR perspective as the service sector is the bridge between producers and consumers, therefore in position to influence sustainability actions on both fronts of the supply chain.

We will narrow the scope later but are open for any scope and focus that fits the title.

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