

# **Mandatory CSR Embracement: The Future?**

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*An investigation into the desirability of mandatory CSR embracement in the Netherlands, and into possible discrepancies or similarities between views on CSR within Dutch businesses and the Dutch government: a qualitative analysis*

**Hugo Albert Jan de Graaf**

*Student Number: 920215274030*

**MSc Thesis**

**DEVELOPMENT AND RURAL INNOVATION**

**SUPERVISOR: PROF.DR. NOËLLE AARTS**

*Second examiner: Dr. Ir. S. (Sietze) Vellema*

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I, Hugo de Graaf, hereby declare that I wrote this thesis on my behalf and I take full responsibility for its contents. Moreover, I take full responsibility for my interpretation of the collected data and the according (scientific) analysis of that same data.

I confirm that the text and the work presented in this thesis is original and that it is not taken from sources other than those mentioned in the text, or consequently from references other than those mentioned in the reference list.

## FOREWORD AND ACKNOWLEDGEMENTS

This thesis is a compulsory element in order to complete my Master in *Development and Rural Innovation* at Wageningen University, the Netherlands. The two-year Master programme strives to educate students on dealing with complex, fast-changing and diverse knowledge processes in the field of international development. Next to the compulsory thesis element, students enrol in a full year of courses and must conduct an internship prior to graduation. Both the thesis and internship are subject to specific University protocols. The Master programme entails three specialisations of choice, namely (1) *Strategic Communication*, (2) *Sociology of Development and Change* and (3) *Knowledge, Technology and Innovation*.

The main topic of this thesis, Corporate Social Responsibility (hereinafter CSR), fits the domain of my chosen specialisation in *Strategic Communication*. Businesses around the globe increasingly view CSR as part and parcel of their corporate communication and external relations strategy. Furthermore, businesses and its managers are increasingly concerned with the long-term solidification of societal wellbeing and environmental sustainability. Under the header of CSR businesses strive to depict how their business activities may have a direct or indirect positive impact on society and the globe in all its facets.

The thesis process commenced in September 2015 with writing a sound research proposal. I regard the year I spent on writing my thesis as rewarding. Especially the data gathering phase gave me a first-hand insight into the functioning of the corporate work floor, and in the diverse and many tasks of Dutch governmental departments. Not only does the topic of CSR entertain my personal interests, I have also managed to expand my knowledge on the concept.

The future of CSR in part depends on the advancement of academic knowledge on the concept. As this thesis approaches the concept of CSR from a unaccustomed perspective, it provides a direction for how CSR can possibly be understood in the future by Dutch businesses and the Dutch government.

I would like to thank Prof. Dr. N. (Noelle) Aarts for her close and extensive supervision during the many phases of the research. Her directions and academic insights enabled me to form and articulate my ideas to a better extent, and they generally added to my confidence when making important methodological and analytical decisions. During the numerous meetings I had with Noelle our communication took place on a friendly yet professional basis. The same counts for her supervision during my internship at the Embassy of the Netherlands in New Zealand. Needless to say, I look forward to remain in contact after graduating. In closing, I sincerely appreciate the input and co-

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**Hugo de Graaf**

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## 1. INTRODUCTION

### 1.1. Research background

In February 2014 the Dutch government (Rijksoverheid) issued a document on the Corporate Social Responsibility (CSR) policy of the Netherlands. In this document the Dutch government states that CSR is, or should be in any case, part and parcel of businesses activities. Moving along this line, the interplay between society and businesses, in which the latter party is actively concerned with the impact its conduct may have on society as a whole, can lead to a long-term solidification of the sustainable development of society (Rijksoverheid, 2014).

The theme of sustainable development is currently a pressing topic of debate and it can be foreseen that increasing importance will be attached to it as time progresses. The necessity for a sustainable development of our society finds its way in the many facets of societal concern, such as climate change, sufficient employment and natural resource depletion. As traditional guardians of societal functioning and progression, (national) governments play an important role in fostering sustainable development by means of dedicated policy. In a world now recognized by its interdependence and international character, globalization and sustainable development go hand in hand if society is to attain a more even-handed and sustainable global order (French, 2002).

However, moving beyond the above depicted traditional role of the state, *“the crisis of the welfare state has made people look for new ways to develop collective action to deal with (social) demands that cannot be met by the state”* (Albareda al., 2008, p.349). These new demands have resulted in the state being viewed as an actor in a wider system of societal governance in which the government, businesses and NGO's (non-governmental organisations) are intrinsically connected to each other (Moon, 2004). This is backed by Albareda et al. (2008) who state that partnerships between a government, businesses and NGO's are essential for tackling societal issues. Therefore, businesses will have to increasingly show leadership in attaining to these societal issues. As a result of these shifting power relations, new responsibilities have come to the fore for businesses (Rijksoverheid, 2014). CSR forms the foundation for businesses to take that responsibility and enables them to contribute to the sustainable development of society.

### 1.2. Motivation

An increasing number of businesses recognize the necessity of CSR and see the opportunities which an active stance towards the development and implementation of a CSR plan can bring forth. From an economic and shareholder point of view CSR has the potential to form a business case, as Flammer (2013) points out. Flammer provides empirical evidence for a (positive) causal relationship



between CSR and the financial performance of businesses on the long run. Consequently, it is of importance to highlight the focus of Dutch governmental policy on CSR. At current, the emphasis lies on actively stimulating and facilitating (Dutch) businesses to embrace CSR. In addition, the Dutch government strives to lead by example. The Dutch government does so by stressing and communicating the importance of CSR for the sustainable development of society, but also by pointing out how CSR can positively contribute to the quality of business activities and the future prospects of businesses. As the Dutch CSR organization, CSR The Netherlands, puts it:

*“The Dutch government helps companies gain maximum benefit from their CSR policies. It fosters dialogues about CSR with -and within- the business community. It also compiles expertise, publishes practical guides, establishes clear framework agreements and purchases sustainable products.”* (CSR The Netherlands, n.d., para. 1)

This quote coincides with the generally accepted voluntary essence of CSR. It is considered that CSR goes over and beyond the general framework of national laws, regulations and legislation already in place to guide corporate behaviour. As a matter of fact, Dutch businesses which do not embrace CSR are (currently) not fined or sanctioned (Moratis & van der Veen, 2006). What rationale underlies, or should underlie, a fine or sanction is evidently arbitrary in this context. However, at current, businesses can easily do away with not embracing CSR by simply stating that there is no case for it where in fact there might very well be. Moreover, they can take subtle advantage of the positive image of CSR for pure profit making, can piggyback on other people's success and can easily let go of CSR as a corporate priority in times of changing (economic) contexts. In the Netherlands CSR is currently not backed by national laws, regulations or legislation. In other words, embracement of CSR by businesses essentially comes down to their willingness to do so. This implies a potential challenge. Voluntarism relates to issues of self-regulation. As Rahim (2013) points out, a systematic approach in the self-regulation of businesses to ensure embracement of CSR can pose a major challenge.

As businesses are not required by law to embrace CSR, within the fields closest to their business activities, external parties can wonder when a published commitment to a CSR plan translates into actual implementation and provable results (Ramus & Montiel, 2005). Too often CSR plans of businesses are not believed; people simply have no trust in them. This occurs in the first place when businesses act other than they say and do not back their promises through their corporate behaviour. Speaking in conceptual terms, this is called ‘greenwashing’. Furthermore, a CSR plan can be used to justify the purely financial and commercial aims or targets of businesses, potentially leading to a loss of business credibility. Although CSR is regarded as an action out of self-interest, credibility is at the heart of any CSR plan. And precisely because the traditional power of the state

has shifted towards businesses, the Dutch government should feel they have a task to *“to create (...) the right framework to achieve change through market forces”* (Albareda et al., 2008, p.359). The challenge for the Dutch government here is to design its policy in such a way that it is ensured this change will indeed take place, to the end that more businesses embrace CSR or that businesses continuously improve their CSR plans. Moreover, the main task for the Dutch government here is to influence the morality around the concept of CSR within the wider Dutch business network. To conclude, it is therefore relevant to put the voluntary aspect of CSR embracement by businesses into perspective, and to shine a light on its impeachability from the viewpoints of both Dutch businesses and the Dutch government.

### **1.3. Research aims and objectives**

The research focuses on the manner in which Dutch businesses embrace CSR and connecting thereto, on the aim(s) and role(s) of Dutch governmental policy on CSR and how this relates (or not relates). The scope of this research extends towards investigating if there is a desirability around making CSR embracement by businesses mandatory, made effective by stringent Dutch governmental policy. To that end, the main aim of the research is to lay bare perspectives of Dutch businesses and the Dutch government on mandatory CSR embracement by businesses (see the methodology section).

Moreover, this thesis aims to add to the knowledge on the extent to which businesses regard CSR as a core business activity or on the extent to which CSR forms a social norm for and within businesses. Many articles on CSR have been written in the context of developing or emerging economies, such as the economies of India or Indonesia. Visser (2008, in Crane et al., 2008) presents four reasons for this:

*“1. Developing countries represent the most rapidly expanding economies, and hence the most lucrative growth markets for business;*

*2. Developing countries are where the social and environmental crises are usually most acutely felt in the world;*

*3. Developing countries are where globalization, economic growth, investment, and business activity are likely to have the most dramatic social and environmental impacts (both positive and negative);*

*4. Developing countries present a distinctive set of CSR agenda challenges which are collectively quite different to those faced in the developed world.”* (Visser, 2008, in Crane et al., 2008)

In order to continuously advance the academic knowledge on the concept of CSR, an analysis from multiple perspectives is a welcome addition. This research strives to give a balanced account of the desirability around mandatory CSR embracement by businesses in the context of a developed economy. A further objective of this thesis is to discuss the concept of CSR from a perspective contrary to the voluntary perspective on CSR, hereby attaining to a more balanced conceptual understanding under researchers, businesses, government officials and others alike. Finally, by exploring how different stakeholders view mandatory CSR embracement, this thesis functions as an original addition to the empirical research already conducted on CSR. This is needed as, written by the Dutch Ministry of Foreign Affairs, *“the effectiveness of different approaches for supporting CSR is still scarcely documented and not always well understood”* (Ministry of Foreign Affairs, 2013, p.11).

#### **1.4. Further interests**

Nowadays many Dutch businesses (both multinational enterprises and small and medium-sized enterprises) have CSR plans or have a section on CSR on their website. One could wonder to what extent CSR forms a means for businesses to save face with respect to the public opinion around their business conduct, and how the Dutch government can improve its policy in order to advance CSR embracement within the wider Dutch business network. Moreover, it is interesting to find out if the views on CSR between Dutch businesses and the Dutch government show discrepancies or similarities and if there is an evident need to bring both views closer to each other. Therefore, I hope the conclusions of this research can function as a mirror for both Dutch businesses and the Dutch government in advancing their understanding around the concept of CSR. It makes little sense to choose a fitting definition of CSR beforehand as CSR is a highly contextual and multi-interpretable concept. More important here is how both parties involved in this research define CSR and how those definitions relate (or not relate).

Even more so, I hope that the results of this research can help stimulate a dialogue on CSR between public and private parties in contexts in which this is required. Dialogue can foster a (better) mutual understanding on the concept of CSR.

### **1.5. Research question**

The main research question guiding the research is formulated as follows:

***How do Dutch businesses and the Dutch government look at whether or not mandating CSR policies and activities through stringent governmental policy, and how should this then be shaped according to the views of both parties?***

### **1.6. Limits of this study**

The scope of this research does not lend itself to a consideration of the European Commission's policy on CSR. Even though the Dutch government is subject to decisions made on a European level, time constraints do not allow for integrating European CSR policy in this thesis. Also, an extensive discussion of the role of non-governmental organizations (NGO's) in stimulating CSR in the Dutch context falls outside the scope of this thesis. Finally, this thesis only focuses on the Dutch government's domestic policy on CSR and not on its international variant.

### **1.7. Thesis format**

The thesis is structured along eight sections. This section serves as an introduction to the thesis. **Section 2** presents a literature review on the concept of CSR and reflects on the voluntary aspect. Also, a more precise overview is given of Dutch governmental policy on CSR. **Section 3** presents the theoretical framework and the sub-research questions that support the main research question. **Section 4** discusses the methodology and the according research design. **Section 5** is dedicated to the results of the research. **Section 6** discusses the results of the research. **Section 7** provides a conclusion and gives certain recommendations. Also, ideas for further research are presented. **Section 8** gives a complete overview of the references used in this thesis. To conclude, the interview transcripts are spread upon request. The transcripts have been made anonymous and do not contain any references to the respondents or the organizations the respondents works for.

## 2. LITERATURE REVIEW

The following section provides a literature review in which a search was conducted for literature expanding on definitions of the concept of CSR, the Dutch government's domestic policy on CSR and the notion of mandatory CSR embracement. Before this thesis can provide an alternative and original discussion on the concept of CSR, it is important to understand what is currently meant by the concept.

### 2.1. The concept of CSR

In literature, definitions of CSR abound and confusion about the interpretation of the concept remains. The prominence of the concept of CSR has resulted in an expansion of available literature. An analysis of thirty-seven CSR definitions conducted by Dahlsrud (2008, p.1) shows that *"in both the corporate and the academic world there is uncertainty as to how CSR should be defined"*. In his study on concepts and definitions of CSR, Van Marrewijk (2003) mentions that this uncertainty is inevitable as organizations specifically define CSR according to their development, awareness and ambition levels. On the contrary, although arguably one of the most cited definitions of CSR, Carroll (1991) places CSR in the sphere of obligations businesses have to society, by stating that they should embrace the economic, legal, ethical and discretionary expectations society has of these businesses. Here, an evident dilemma is already visible, namely that of whether CSR should be approached from a business or societal perspective. From a business perspective, Smith (2011) has tried to bridge this gap by proposing a more detailed definition of CSR:

*"Corporate social responsibility is a business system that enables the production and distribution of wealth for the betterment of its stakeholders through the implementation and integration of ethical systems and sustainable management practices."* (Smith, 2011, p.3)

McWilliams et al. (2006) state that the numerous definitions of CSR make theory building and measurement of CSR a difficult task. They present a definition which attaches CSR and law, namely by defining *"CSR as situations where the firm goes beyond compliance and engages in actions that appear to further some social good, beyond the interests of the firm and that which is required by law"* (McWilliams et al., 2006, p.1).

In an attempt to guide conceptual definition making, but at the same time moving away from the complex abundance of CSR definitions, Crane et al. (2008) focus on highlighting specific characteristics of the concept of CSR advocated by the academic and practical debate. They state that six primary characteristics can be attached to CSR, namely that it is voluntary, it internalizes

externalities, it entails a multiple stakeholder orientation, it aligns social and economic responsibilities, it focuses on practices and values, and it goes beyond philanthropy (Crane et al., 2008). It has to be noted here that, although these characteristics provide more direction to a conceptual understanding of the concept of CSR, they still remain susceptible to many and varied interpretations.

It can be concluded that there are many definitions of the concept of CSR, and thus the understanding of the concept differs, even among scholars. This essentially implies that it is difficult to formulate unambiguous policy and to determine which activities should or can be classified under the header of CSR. The latter can create a barrier for productive co-operation between different parties as the many definitions do not provide a constructive direction. However, it also opens doors for ‘surprising coalitions’ to be established as it is there that definitions of CSR can be brought together, for instance between businesses and NGO’s. After all *“working on a shared agenda from different perspectives leads to results with a sufficiently strong support base to survive in the long term”* (Rijksoverheid, 2014, p.21). Building on the notion of shifted power relations between businesses and the state, ‘surprising coalitions’ relate to a new paradigm of partnerships between governments, businesses and civil society. Nelson & Zadek (2000) define this new paradigm as a form of social partnership in which an important source of innovation is represented in both practical action at the local level and policymaking on a European and national scale. Furthermore, ‘surprising coalitions’ can be understood as certain stakeholders attaining to a collective issue, whereby the involved parties act outside of their institutionally established roles. This type of new reality is promising as *“it is this co-operation that enables companies to achieve their ambitions to make a real contribution to society”* (Rijksoverheid, 2014, p.4). Amongst all, this contribution to society can be established through the embracement of CSR by businesses, be it voluntary or mandatory. In that light it is interesting to review the current role and position of the Dutch government in advancing CSR embracement by businesses. A discussion of current Dutch governmental policy on CSR contextualizes this role.

## **2.2. Dutch governmental policy on CSR**

In a study conducted by the Dutch Ministry of Foreign Affairs, the Triple P-dimensions (People, Planet and Profit) are seen as essential to the concept of CSR. By including these, *“corporate social responsibility focuses on creating social and environmental value in addition to economic performance”* (Ministry of Foreign Affairs, 2013, p.3). Consequently, the study denotes that businesses can voluntarily decide to what extent they add social and environmental value through their business conduct. The policy of the Dutch government here is based on supporting businesses

in taking their responsibilities outside of their business walls (Ministry of Foreign Affairs, 2013). To specify, this policy is explicitly focused on inducing, supporting or facilitating CSR embracement by businesses. It can, thus, be said that Dutch governmental policy is currently based on encouraging businesses to install voluntary (CSR) activities going beyond those activities which solely ensure for businesses adhering to regulations and legal frameworks. However, in the same breath the Ministry of Foreign affairs states that CSR embracement can be enforced by legal frameworks:

*“CSR behaviour by private companies can, however, be encouraged, supported or enforced through different types of policy activities, ranging from practical guidelines and partnership arrangements to procurement rules and legal frameworks.”* (Ministry of Foreign Affairs, 2013, p.11)

In the Dutch Cabinet’s published vision for 2008-2011, named *‘Inspiring, Innovating and Integrating’*, the Dutch government expresses that a primary pillar of its CSR policy is to guide the moral behaviour of entrepreneurs and to influence the attitude towards the concept of CSR on a societal level in order to raise awareness for the concept’s necessity (Heemskerk, 2007). Hereby, the Dutch government actively encourages businesses to regard CSR as a core business activity.

The Social and Economic Council (SER), an independent Dutch governmental policy advice body, points to the importance of fostering the elements of transparency and dialogue when discussing the concept of CSR (SER, 2000). In a recent policy document titled *‘Corporate Social Responsibility Pays Off’*, building on the Dutch Cabinet’s vision 2008-2011, SER’s vision is incorporated. The Dutch government mentions that businesses do not operate alone and it is therefore advisable for them to incorporate the views and opinions of their shareholders and stakeholders in their decision making processes (Rijksoverheid, 2014). However, at the same time, the Dutch government highlights that CSR embracement relies on the own responsibility of businesses:

*“It is up to businesses to weigh up opportunities, dilemmas and challenges in terms of ‘people, planet and profit’. At a national level, legislation provides the basic framework, while CSR is about what businesses do over and above what the law prescribes.”* (Rijksoverheid, 2014, p.1)

The outcome of a study conducted by Steurer (2010) on governmental CSR policy across Europe shows that the voluntary aspect of CSR is deeply woven in governmental policy across Europe:

*“(i) They are all characterised by the governance principles of voluntariness and collaboration, (ii) the policy instruments are consequently soft-law in character, and, (iii), they all share the*

*purpose of fostering CSR and sustainable development complementarily to traditional hard regulations.” (Steurer, 2010, p.2)*

However, the voluntary aspect of CSR is not unimpeachable as the example of India proves. This example will be explained in the next paragraph.

Concluding, current Dutch governmental policy on CSR is based on facilitating and stimulating voluntary CSR embracement. This research strives to unravel if any advancements can be made in this current policy, as seen from the perspectives of Dutch business representatives and Dutch government officials, or if there is a desire to make a turn towards stringent Dutch governmental policy on CSR.

### **2.3. Mandatory CSR embracement: the Indian perspective**

In April 2014 the Indian government wrapped CSR into legislation under the Companies Act 2013, hereby mandating businesses to invest in CSR programs. The legislation passed by the Indian Parliament was the first revision of corporate law in fifty years. The rationale for this legislation finds its way in the wish for a modernization of India’s corporate governance (Ghuliani, 2013). Moreover, by mandating CSR, India strives to take away the subjectivity of CSR embracement arising from an absence of legal backing (Mehta & Aggarwal, 2015). Amongst all, the installed legislation clarifies how much to spend, who has to spend and where to spend around CSR (Mehta & Aggarwal, 2015). In other words, the Indian government regulates and standardizes CSR by mandating it. This fully contradicts with the voluntary focus of Dutch governmental policy on CSR and with the according notion that businesses should embrace CSR out of an intrinsically felt responsibility. India is the first country in the world to mandate CSR embracement. Within the Companies Act 2013 the ‘two percent’ requirement in fact mandates CSR. In short (Ghuliani, 2013):

- *Businesses are forced to spend at least two percent of their average net profits made during the three preceding financial years, as seen from the moment the investment is done, on CSR activities (see definition below); if businesses fail to do so this must be made public in the annual report of the respective businesses. No adequate reasons which justify avoiding investments are listed in the Act;*
- *Businesses must install a CSR board which consists of a minimum of three managers, one being independent; the board has to agree and review the investments proposed, and is responsible for adequate reporting and the CSR policy;*



- *The legislation applies to both domestic and foreign businesses active in India, and which are valued at a net worth of at least ~EUR 76,- million, have an annual turnover of at least ~EUR 146,- million and make a net profit of at least ~EUR 757.000;*
- *In the Companies Act 2013, CSR activities are divided into: poverty reduction, education, health, environmental sustainability, gender equality and vocational skills development. If a business does not want to invest in any of the above fields, the sum can be transferred to a government fund dedicated to socio-economic development.*

It is important to note here that this Act explicitly moves away from Dutch governmental policy on CSR, which indorses that the concept of CSR should be seen as a core business activity. The Indian legislation is based on ‘mandatory philanthropy’ and not on embedding CSR in the entire organizational structure of a business. Thus, the Dutch government believes CSR is more than just charitable giving. However, Indian policy-makers advocated that the new CSR legislation will release much-needed funds for social development and that charitable giving will lead to an increase in awareness within Indian businesses around their wider social responsibility.

Indian businesses, and their respective managers, are also subject to fines or even imprisonment when doing away with the provisions set out in the legislation (Deodhar, 2015). A precise discussion of the latter falls outside the scope of this thesis.

In a conference paper Japhet et al. (2015) criticize India’s mandatory CSR embracement. They state that:

*“It kills the competitive spirit of businesses, it leads to triple taxation, the legislations brings in extra costs for the businesses, it sees businesses as a legal citizen, it deviates from the basic principles of CSR and it views businesses as a charity” (Japhet et al., 2015, p.5).*

The above quote touches on the desirability of mandatory CSR embracement by businesses, which is apparently questioned here. Therefore, it is interesting to research this desirability from the viewpoint of Dutch business representatives and Dutch government officials; what in fact constitutes the basic principles of CSR in the Dutch context?

Various authors have balanced the voluntary aspect of CSR (see Frynas, 2012; Gayo, 2012; Japhet et al., 2015). These authors mainly weigh off the possibilities of a turn towards mandatory CSR embracement through stringent governmental policy, but they do not point at the perceived desirability. Adding to this, the rationale for mandatory CSR embracement by businesses lies in a shift away from a laissez-faire Dutch governmental stance to stringent Dutch governmental policy on CSR

in the case businesses do not embrace CSR. Moreover, according to Masaka (2008), stringent governmental policy on CSR can be justified:

*“Primarily as a reaction to widespread cases of corporate misdeeds in the form of pollution to the environment, disregard of consumer rights through, among others, selling substandard commodities and profiteering, and general disregard for the welfare and well being of stakeholders” (Masaka, 2008, p.16).*

Summarizing, the literature study shows that definitions on CSR are ample as a result of context specific business activities and that the voluntary aspect of CSR is currently at the heart of Dutch governmental policy on CSR. It has also become clear that CSR is a major driver for the sustainable development of society. At current, not all businesses in the Netherlands embrace CSR. It is not known to what extent mandatory CSR embracement could possibly advance the effectiveness of CSR. Therefore, in the first place, this research investigates the desirability around mandating CSR embracement through stringent Dutch governmental policy on CSR, to the end that (the concept of) CSR and Dutch governmental policy on CSR can be advanced if and where needed.

The next section addresses the theoretical framework and the sub-research questions.

### 3. THEORETICAL FRAMEWORK AND SUB-RESEARCH QUESTIONS

On the one hand, this theoretical framework further operationalizes the research, hereby helped by the sub-research questions which have been derived from this same framework. On the other hand, the theoretical framework helps to analyze the research data. The framework is structured along two chapters:

- *Views on the social responsibility of businesses and the according role of a government;*
- *Governmental policy instruments to effectuate voluntary and mandatory business behaviour.*

#### 3.1 Social responsibility of businesses

Debates on how to conceptualize the social responsibility of a business are ongoing. Two distinct views on businesses and their relationship with CSR will be discussed, namely the *classic* and *stakeholder* views on businesses. Both views consider different roles for a government.

##### *Classic view on businesses*

The classic view states that the role of a business is to reap profits in the interests of the people directly benefitting from the operations of that business. This is backed by Milton Friedman who said that:

*“There is one and only one social responsibility of business, namely to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.”*  
(Friedman, 1970, p.6)

According to Friedman, it is the government that has to set these ‘rules of the game’. Furthermore, within the classic view, the duty of a manager is to operate his or her organization in such a way that the interests of shareholders are protected by means of increasing financial returns. Through their contract, managers act as agents of the business shareholders. Thus, actions relating to social responsibility should be disregarded by the business when they bring additional costs. In relation to this, Robbins et al. (2006) point out that, amongst all, opposition to social responsibility comes forth from the fear that social targets may negatively affect economic productivity. Advocates of this view regard CSR to be practically incompatible with the classical stance of profit maximization, as social benefits will automatically follow suit when profit is maximized (García & Rodríguez, 2010).

However, markets are not perfect and often incorporate negative externalities (e.g. environmental hazards or violating human rights). Therefore, the government must intervene in markets to guarantee that benefits for society as a whole are reached:

*“The State must participate in markets to guarantee improved efficiency, to set an efficient property rights system, and to supply those goods and services whose provision is not reliable, because of their general interest.”* (García & Rodríguez, 2010, p.6)

On a practical level, the classic view entails that businesses are not obliged to be socially responsible, but that it is the task of a government to increase societal wellbeing. Besides, social institutions/organizations (for instance NGO's and civil society organizations) can play a major role in helping the government achieve this. The classic view places responsibility for societal wellbeing with the government.

#### *Stakeholder view on businesses*

The stakeholder view takes an opposite stance. According to this view, businesses have a social responsibility which goes beyond the pure economic aspect, towards considering the interests of all stakeholders affected either positively or negatively through their conduct (Branco & Rodrigues, 2007). Freeman (1998, p.174) defines stakeholders as *“groups and individuals who benefit from or are harmed by, and whose rights are violated or respected by, corporate actions.”*

The stakeholder view does not rule out profit making as an essential aspect within a business. However, at the same time, an understanding of broader societal issues should be shown. Amongst all, this finds its way in an intertwined business approach to economic, political, social and ethical issues. Businesses should attempt to allocate business resources in such a way as to allow them to take into account the impact of those allocations on various groups within and outside the firm (Jones & Wicks, 1999). Furthermore, the stakeholder view favours a business pursuing its ambition to create a optimum situation for not only itself and its shareholders, but for everyone and everything directly or indirectly affected by its operations. Frederick (1992, in Buchholz & Rosenthal, 2005) sums this up by mentioning that businesses should take into account the needs, interests, and power of those subjected to their conduct and operations.

Traditionally seen, the role of a government within the stakeholder view has been depicted in two distinct ways (Dahan et al., 2015), either as a 'regular' stakeholder or as a 'setting the standards' stakeholder. In addition, Dahan et al. (2015) draft three new roles for a government within the stakeholder view, namely the government as a framework setter, the government as a business

partner and the government as an advocate. Essentially, the stakeholder view fits the philosophy of transferring substantial traditional government responsibility to businesses in order to ensure societal wellbeing.

#### *Relation to literature review*

The relation to the literature review lies in the nature and aims of governmental policy on CSR in regard to CSR embracement by businesses. Where the classic view on the role of businesses in society is justified, a government can opt to take a more stringent and directive policy stance towards CSR embracement by businesses by means of legislation and regulations. The shortcomings of an imperfect market could justify government intervention here.

On the contrary, the stakeholder view depicts a government as an enabler of CSR embracement by businesses, whereby the voluntary nature of CSR is respected and the government is situated in the business-society interface. In this case, a leaner and less directive stance in governmental policy is regarded as more fitting.

### **3.2     Governmental policy instruments**

Aarts et al. (2014) mention that stringent governmental policy is not always directly accepted by those being subjected to the respective policy. In the case of governmental policy, citizens knowing and accepting the existence of a problem does not, for them, immediately justify a government to intervene. According to the authors, stringent policy is only accepted by citizens when they signal that the policy will bring great benefits. Five reasons are presented why citizens don't immediately accept stringent policy (Aarts et al., 2014):

- *Citizens don't see the urgency of a problem on which new stringent policy is based;*
- *A problem does not immediately justify government intervention;*
- *Citizens doubt the effectiveness of the new stringent policy;*
- *Stringent policy is not seen as a realistic option for implementation in everyday practices;*
- *The new stringent policy is perceived as not fair.*

As a matter of fact, the difficult relationships between governments and their citizens have been a reoccurring topic of debate over the years (Aarts et al., 2014). When citizens have the feeling some form of conduct is mandatory it could lead to resistance (Stinesen & Renes, 2015). Amongst all, this feeling arises as a result of a lack of shared meanings given to new policies by a government and its citizens. Moreover, new government policy can lead to undesirable subconscious processes surfacing under citizens (Stinesen & Renes, 2015). Both a government and its citizens are often self-referential,

keeping their own (social) systems of believe and decisions intact by continuously and exclusively referring to themselves. Van Woerkum (1999) frames self-referentiality as a characteristic of people and organisations to see the environment from an own point of view, from an own degree of relevance and from what is important to themselves. Van Herzele & Aarts (2013) further describe that self-referential systems go by their self-created operational logic rather than following an external logic. In more practical terms, the notion of self-referentiality can thus clarify why businesses do not embrace CSR. Simply put, a business can have its own system of beliefs justifying its decision not to embrace CSR.

However, a government can utilize numerous policy instruments to pursue both voluntary and mandatory behaviour change (Aarts et al., 2014). Put differently, a government has a set of policy instruments which can effectuate a desired change in citizen behaviour, be it under certain conditions. Kinzig et al. (2013) point out that governmental policies are essential when citizen behaviour does not benefit societal wellbeing. A study by Bichta (2003) shows that CSR has the potential to improve societal wellbeing, constituting the primary goals of governmental policy. Governmental policy will be most potent when changes in citizen beliefs and norms can be created on the long-term.

To exemplify on these policy instruments, this theoretical framework will use the behavioural change model of Aarts et al. (2014). Hereinafter, the instruments of regulations and legislation, government/public provisions, fiscal incentives, communication and social pressure will be discussed.

### *Regulations and legislation*

Regulations and legislation force behaviour change. On the one hand, regulations and legislation can change behaviour directly through the threat of sanctions. On the other hand, regulations and legislation can lead to a change in attitude about the underlying morality of certain behaviour (Bilz & Nadler, 2014). Hence, 'normalization' of regulations and legislation can, thus, take place in the long term, taking away the necessity of direct enforcement. Regulations and legislation have then become routine in daily life.

For regulations and legislation to be effective three criteria will have to be met:

- *Regulations and legislation have to be clear and logical so that they can be understood;*
- *Undesired behaviour needs to be visible and controllable;*
- *Undesired behaviour needs to be punishable.*

On the other hand, enactment of regulations and legislation can be an indicator of symbolic governmental policy. Symbolic policies convey the message of change, but ultimately leave an existing situation as it is (Suárez, 2014). It is means for policymakers to present themselves as agents of change, but their efforts are largely symbolic and keep the status quo intact (Edelman, 1985). Amongst all, this is a consequence of poor execution and/or undefined policy objectives. Therefore, it can be said that symbolic policy prescribes and echoes desired social values and is a means for a government to uphold its principles to the public.

Furthermore, linking regulations and legislations to CSR has both its strengths and limitations. The strengths in following a regulatory, top-down approach lie in the fact that it emphasizes the societal position on the pressing topic of CSR, implements and enforces transparency and accountability within CSR, takes away conflicts of interests (in times of changing economic contexts) and sets standard levels (Webb, 2011).

A limitation is that the enactment of regulations and legislation often brings along lengthy, expensive and blurry enforcement processes for a government (Webb, 2011). Furthermore, governmental command-and-control has a tendency to cause legalistic and compliance behaviour, be it within businesses. This tendency can be a barrier for the establishment of optimal solutions to societal problems (Harrison & Coussens, 2007). Hence, you can ask the question here to what extent one can speak of CSR when it is merely a law.

#### *Provision of public services*

A government can force behaviour change by restricting certain government/public provisions. However, a government can also stimulate voluntary behaviour change by increasing provisions. By restricting provisions, undesired behavioural conduct becomes more difficult, enforcing a desired behaviour. By increasing provisions, a desired behaviour is facilitated. Here, behaviour change is externally motivated.

#### *Fiscal incentives*

Fiscal government incentives, either in the form of subsidies or levies, have the potential of controlling undesired behaviour. By using this instrument, a government can make certain behaviour financially attractive or unattractive. Armstrong & Green (2013) state that subsidies aimed at promoting CSR, and reducing corporate social irresponsibility, are based on the belief that a government must provide a guiding hand. Again, a change in behaviour here will be externally motivated and will be voluntary. Fiscal government incentives cannot force behaviour change. A government could also opt for a combination of fiscal incentives to effectuate a change in behaviour.

### *Communication*

A government can use communication to intrinsically motivate citizens to change their behaviour. Here, behaviour change is brought about through the processing of arguments made up of facts and justified insights (Aarts et al., 2014). Although communication can dictate, it cannot enforce. However, communication can positively alter the underlying morality of certain behaviour, causing a voluntary change in behaviour.

### *Social pressure*

Stimulating social pressure is a fifth and final policy instrument. Essentially, social pressure revolves around people regarding certain behaviour as desired or undesired, and not around facts and justified insights. Social pressure shifts or alters the social norm around particular behaviour. A social norm guides the promotion of socially responsible behaviour, as irresponsible behaviour will not be accepted anymore by others. Therefore, people will adjust their behaviour to current social norms.

Increasing social pressure is not a definable task a government should or can undertake. Rather, an increase in social pressure is brought about by the interplay between the other instruments, which have been described above. Social pressure may increase when the other instruments are carefully and successfully combined. According to the background and context of the problem, a government can combine instruments to the end that behaviour change is both internally and externally motivated. A government can also utilize a combination of mandatory and voluntary instruments to realize behaviour change.

### **3.3. Sub-research questions**

Based on the theoretical framework above, the following sub-research questions have been formulated. The sub-research questions reflect the ongoing discussion around the social responsibility of businesses and the role of a government in pursuing CSR embracement by businesses:

***1) Do both Dutch businesses and the Dutch government view mandatory CSR embracement as desirable, and why or why not?***

***2) If yes, how should this stringent Dutch governmental policy on CSR be designed from the perspectives of both Dutch businesses and the Dutch government?***

***3) If no, why is mandatory CSR embracement viewed as undesirable?***



***4) Can any discrepancies, similarities or patterns be found in views on the nature of CSR between Dutch businesses and the Dutch government?***

The next section expands on the methodology.

## 4. METHODOLOGY

This chapter explains and justifies the methodological choices made in this research. Besides, it underpins the research results presented in the next section. According to Sapsford (2006, in Jupp, 2006, p.175) methodology implies “*a philosophical stance of worldview that underlies and informs a style of research*”.

### 4.1. Philosophy of research

This research is based on an interpretivist approach to science. Interpretivism relates to particular epistemological (how do we know what we know?) and ontological (what is social reality?) assumptions on the nature of reality; it separates the social world from the natural world in understanding reality. According to Husserl (1965, in Kelliher, 2005) interpretivism adheres to the belief that reality is socially constructed instead of objectively determined. On an ontological level this implies that reality is created by individuals and, thus, reality rests on the many subjective experiences of these individuals. On an epistemological level this implies that knowledge is subjective and relies on interpretation, as opposed to the natural worldview which views knowledge as being of an objective and measurable kind. Chowdhury (2014, p.433) backs this statement by saying that interpretivism “*denotes that the methods of the research which adopt the position that people’s knowledge of reality is a social construction by human actors, and so it distinctively rules out the methods of natural science.*” Myers (1997) states that interpretivism is concerned with the singularity of a particular situation.

Relating to this thesis, the interpretivist approach is highly insightful in the quest for subjective knowledge on the desirability of mandatory CSR embracement by businesses. Subjectivism is the belief that reality is mutable and that individual perceptions decide over what is to be termed ‘good’ or ‘bad’. In that light it is possible to investigate a possible shift from voluntary towards mandatory CSR embracement, as these individual perceptions guide the answering of the research question posed in this thesis. In closing, Burrell & Morgan (2005) approach the analysis of the business sector from an interpretivist perspective by mentioning that businesses are socially constructed and, thus, can only be analysed from the point of view of the individuals who are directly involved in their activities. Therefore, this thesis adopts a *qualitative* research design, which is described in further detail in the next paragraphs.

## 4.2. Research approach

The desirability of mandatory CSR embracement by businesses revolves around underlying context-specific perceptions owned by actors closely related to the theme of CSR. Therefore, a *qualitative* approach is most useful here, as this approach is sensitive to context and provides empirical ground for the viewpoints of actors involved in the research (Bryman et al., 1996). The qualitative approach is considered traditional to the social sciences for its ability to unravel underlying perceptions, meanings and processes. Within qualitative research data is gathered systematically with great care and precision, often making use of different methods for data collection.

A limitation of using a qualitative research approach is the fact that the quality of the research rests assured on the research skills and the (personal) interpretation of the data by the researcher. In order to counter this, all (methodological) choices made in this research have been made explicit and are substantiated.

### 4.2.1. Data collection methods

Qualitative interviews were chosen as the prime data collection method. Adhering to the research philosophy, interviews allow the researcher to gather *“in-depth information pertaining to participants’ experiences and viewpoints of a particular topic”* (Turner, 2010, p.754). Continuing on this line, Gill et al. (2008) state that interviews allow the researcher to acquire a broader and deeper understanding of the social context in which particular topics of interest are situated. Thus, in the light of this thesis, interviews fit as a data collection method when investigating mandatory CSR embracement by businesses.

#### *Semi-structured interviews*

Interviews can be designed in three distinct forms: exploratory, semi-structured and in-depth. Where I proposed to make use of both exploratory and semi-structured interviews for gathering data, I solely conducted semi-structured interviews. This type of interviewing allows the researcher to ask a variety of questions, both open ended and theoretically driven. Through this combination the interview can evolve into a conversation, eventually resulting in the researcher and the participant both being entertained by the topic under study (Galletta, 2013).

#### *Amount of interviews*

A total of fourteen semi-structured interviews were held over a time span of six weeks in the fall of 2015, hereby reaching out to fifteen respondents (one interview had two participants). Specifying,

eight interviews were held with representatives of Dutch multinational enterprises (MNE's) and six interviews were held with Dutch government officials.

#### *Characteristics of conducted interviews*

The interviews were conducted in Dutch and were all held on different dates and locations. All interviews, but one, were recorded for transcription purposes after asking for the respondent's permission. The interviews had a duration of thirty to sixty minutes, with the average duration lying around forty minutes. Of these interviews nine were held on location and five were held through phone. The latter was necessary as the respective respondents preferred to be interviewed through phone. If not otherwise possible, conducting interviews through phone did not have my preference. Although phone interviews are a good substitute for face-to-face interviews, it is harder to read the emotional cues of the respondent(s) and, thus, it can be difficult to establish a conversational relationship (Rubin & Rubin, 2012). I found this to be particularly true, also because of the missing body language. Besides, transcribing phone interviews can be an enduring task as the audio recording can be difficult to understand at times.

#### *Interview guide*

The interview guide was deliberately formulated broadly. I pursued to give the respondents the ability to talk open and freely, and to enable them to share as much information as possible with me. The questions in the interview guide were based on the theoretical framework. The questions covered a range of fields, namely:

- *Personal ties of the respondent(s) to CSR;*
- *Current understanding of the concept of CSR in the Dutch context;*
- *Extent to which business conduct should be socially responsible;*
- *Government stimulation with respect to CSR embracement by businesses;*
- *Current state of Dutch governmental policy on CSR;*
- *Extent of moral behaviour within businesses;*
- *Notion of government authority in regard to CSR.*

The questions were not sensitive (questions about personal situations and financial consequences of business decisions were avoided) as to avoid a lack of information due to respondents holding back information. Moreover, whilst making sure every interview I conducted followed the structure and topics of the interview guide, the manner in which the questions were asked differed according to the context and setting of the interviews. This enabled conversation like interviews and, with hindsight, it did not limit the data. Open ended and general questions were asked at the beginning of

the interviews to sooth the interview atmosphere. Besides, the interview guide was piloted and adjusted accordingly after the first interviews; it turned out certain questions had to be rephrased or were overlapping. In closing, the interview guide was the same for all interviews. Upon request the interview guide was spread to the respondents beforehand.

#### 4.2.2. Respondents

This paragraph will expand on the selection of the respondents.

##### *Small and medium-sized enterprises (SME's)*

Reflecting on the number of interviews with Dutch business representatives, this diverts from the number presented in the research proposal. Clarifying, only representatives of Dutch multinational enterprises were approached. After a pilot interview with a Small and Medium-sized Enterprise (SME), listed in the list 'Dutch SME Innovation Top 100 2015' (<http://www.mkbinnovatiетop100.nl/>), I was of the opinion that the respective information would not add to the research. In defining an SME I followed the definition of the European Commission in terms of staff headcount, being between ten and 250 (European Commission, 2015). The rationale for leaving out SME's in the research is that they, amongst all, underutilize CSR instruments as opposed to larger businesses, design less (extensive) CSR plans, are less inclined to report on CSR embracement and have fewer investment opportunities to their availability (Spence et al., 2000; Graafland et al., 2003; Perrini et al., 2007, in Vo, 2011).

##### *Multinational enterprises*

I define(d) a multinational enterprise, also called a multinational corporation or a transnational corporation, as a business headquartered in one country but with operations in one or more other countries. In selecting MNE's suitable for this research, I applied the following criteria:

- *Listed in the 'Elsevier Top 500 biggest companies in the Netherlands';*
- *Headquartered in the Netherlands;*
- *Of Dutch origin and established in the Netherlands;*
- *Must be operating within the borders of the Netherlands;*
- *Must be supplying the Dutch local market;*
- *Has to have a section on CSR on its website and/or a Manager CSR;*
- *Has to have a publically accessible CSR plan and/or a CSR strategy;*
- *Has to have a staff headcount of over 250;*
- *Has to have an annual turnover of more than €50,- million.*

The selected MNE's meet these criteria.

In order to make sure no MNE's would have a similar background, the MNE's were diversified by looking at different business sectors. The rationale for this is fourfold. First of all, the wish for business-specific data. Secondly, to avoid biased sector-specific research results. Thirdly, in order to unravel if certain ideas are specific to particular respondents. Fourthly, to look for patterns in the data that transcend contexts.

A total of twenty-six MNE's were approached during the data gathering phase, of which eight approved an interview, six rejected an interview (due to various reasons) and twelve did not respond. The eight participating MNE's are situated in the following sectors:

- *Banking;*
- *Insurance;*
- *Aviation;*
- *High-tech;*
- *Engineering & management consultancy;*
- *Retail;*
- *Dairy;*
- *Consumer goods.*

The respondents were contacted by sending an e-mail to the respective CSR departments or by utilizing the snowball effect. Important to note here is that the respondents are all experts on the theme of CSR (Manager CSR, Manager Corporate Communications) within the respective MNE's. Thus, in a way the respondents were also selected on the basis of expert sampling. The amount of eight interviews was based on the data saturation point, which neared as the amount of conducted interviews increased.

#### *Government officials*

Within the Dutch government four Ministries are actively concerned with designing governmental policy on CSR, namely the Ministry of Social Affairs and Employment, the Ministry of Economic Affairs, the Ministry of Infrastructure and the Environment and the Ministry of Foreign Affairs (see: <https://www.rijksoverheid.nl/onderwerpen/maatschappelijk-verantwoord-ondernemen>). Of the six interviewed government officials:

- *One official works at the Ministry of Social Affairs and Employment;*
- *One official works at the Ministry of Foreign Affairs;*

- *Two officials work at the Ministry of Infrastructure and the Environment.*

The remaining two respondents work in government affiliated organizations. These organizations work closely with the different Ministries listed above, and give policy advice to the Dutch government. Besides, they provide assistance in the actual policy making process.

A total of fourteen government officials were approached on the basis of snowball sampling, of which six approved to an interview and eight either provided relevant follow-up contacts or rejected an interview. Here, the amount of conducted interviews depended on the willingness of government officials to participate in the research and the data saturation point, this being identical to the selection of MNE's. All government officials were approached by e-mail. Snowball sampling relied on approaching relevant contacts, which were provided by a key gatekeeper. This gatekeeper was also the respondent to the first interview. As the interviews progressed, the other respondents also provided relevant follow-up contacts (whom had not yet been approached). A primary criterion in the selection of respondents was that they have to be actively engaged in the design of Dutch governmental policy on CSR, either in an advisory function or in actual policy development. This was verified through their profile on LinkedIn or by looking at author contributions in publically accessible Dutch governmental policy documents on CSR.

#### **4.3. Data analysis**

In order to analyze the dataset from the fourteen interviews, the interview transcripts were coded. The interviews were transcribed with help of an online transcription software package called 'Transcribe Wreally'. Information not corresponding to the questions asked or to the research in general has been left out in the transcripts. I denote that this is susceptible to the subjective interpretation of the researcher. The coding scheme builds on the theoretical framework. All codes have been formulated in the form of questions, namely:

1. *How can CSR be conceptually understood?;*
2. *How do or should businesses embrace CSR?;*
3. *How can CSR embracement by businesses be stimulated?;*
4. *How is mandatory CSR embracement perceived?;*

Paragraphs or sentences in the transcripts which coincided with the codes were highlighted (see colour scheme above). This made for reciprocal comparability of all interviews, between and amongst both groups of respondents.

#### **4.4. Ethics**

Confidentiality was ensured to all respondents. This entails that all quotes in the results section are anonymous and do not contain any references to the respondents or the organizations/businesses the respondents work for. This also accounts for the interview transcripts. However, the respective Dutch Ministries have been named. The reason for this is that Ministries are public institutions and the Dutch government publicly lists the Ministries which are concerned with governmental policy on CSR on its website. The respective governmental departments have not been named.

This thesis will not be published without the mutual consent of all respondents. However, the thesis will be placed in the thesis bank of Wageningen University and Research Centre under standard University protocol. All respondents received a *Respondent Information Letter* in which the above was stated.

Regarding the interview transcripts, these were shared with the respective respondents by e-mail for their perusal. Errors in the transcripts, as identified by the respondents, were corrected accordingly and, if applicable, suggestions were incorporated. Without further notice from a respondent, the interview transcript was regarded to be approved and valid.

In closing, throughout all research stages, the *Wageningen Code of Conduct for Scientific Practice* was respected. I made sure I was continuously aware of conducting sound research and that I respected generally accepted societal norms, values and forms of behaviour, the latter being especially valid during the data gathering phase.

#### **4.5. Enterprise 2020 Summit**

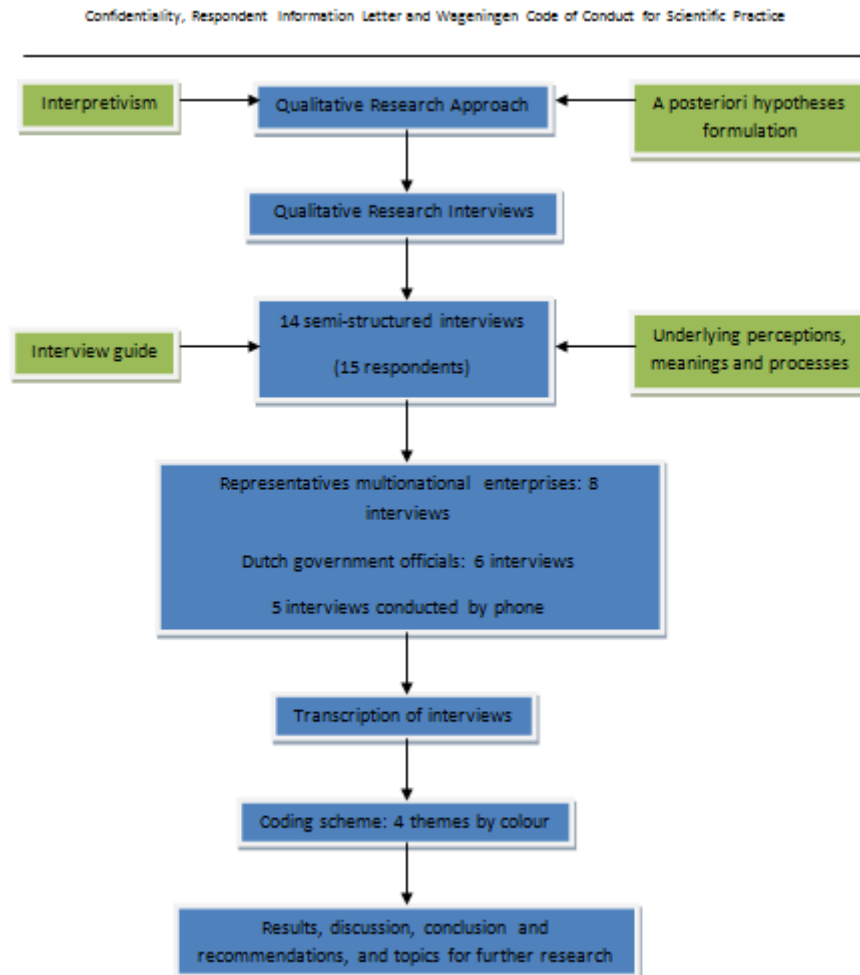
On the 16<sup>th</sup> and 17<sup>th</sup> of November 2015, CSR Europe, the overarching European CSR body and a key CSR mediator in Europe, organized the *Enterprise 2020 Summit* in Brussels, Belgium. During the conference numerous speeches, keynotes and seminars were given. This high-level two-day summit with CEO's, high level EU-officials, respected people in the field of CSR and others was organized in order "to debate and inspire the most innovative approaches to Corporate Social Responsibility." (see <http://www.csreurope.org>). I attended this conference on the first day.

The information gathered from the conference and from the informal talks I had with other attendees has not been used in this thesis. In any case, attending the Summit was worthwhile as it increased my general knowledge and made me more familiar with the way people speak about the concept of CSR. Next to attending this conference I planned numerous other informal talks with people in the field of CSR, again solely for my own knowledge.



#### 4.6. Diagram

The following diagram shows a summary of the methodology:



## 5. RESULTS

This section presents the results obtained from the conducted interviews. The results are presented in an orderly sequence along the lines of the four questions which make up the coding scheme.

### 5.1. Conceptualizing CSR

For the respondents four elements appear to be essential in CSR. These elements are:

#### 5.1.1. Bearing individual responsibility

All respondents supported the belief that CSR rests on the individual responsibility of businesses to advance the world and society we live in. Here, individual responsibility relates to free will, whereby respondents perceived that it is up to a business to consider the extent to which it embraces CSR and to choose that CSR strategy closest to its interests and business activities. The following quote, coming from a government official, adequately backs this thought:

*"CSR rests on own responsibility. We are all responsible for how we live. And I think that responsibility gradually increases in magnitude. As a result, society is continuously advanced. A government needs to help. And if collectively we do not find CSR important, then we should not do it. CSR must be embraced on the basis of individual responsibility."*

Individual responsibility also relates to issues of self-regulation, as two Dutch business representatives explained:

- 1) *"I think the essence of CSR lies in the fact that businesses take their responsibility on issues, on social issues, because there are just some things which are not going well in society."*
- 2) *"I believe that you should look at CSR from a self-regulatory point of view. If a business sees and feels a sense of urgency, than a business will do that what it needs to do."*

At the same time, respondents revealed that individual responsibility does not give businesses the permission to feel they have no obligations towards society; businesses should always bear a sense of individual responsibility. This relates to the above quote of collectively finding CSR important. This view is broadly shared by both sides to the research:

- 1) *"The Dutch government stresses the own responsibility which businesses have and wants the concept of CSR to be viewed in a lesser informal manner by businesses."*

2) *“CSR is not a point on the horizon but a movement. As a business you should always strive to make improvements, and to be fairly ambitious in and when doing so. As a business you have to do more than nothing on those material grounds most applicable to your business.”*

3) *“If you talk about CSR you know there will always be projects. But CSR is a way of running your business. CSR is a life-long project where you place emphasis on certain aspects.”*

#### 5.1.2. Beyond law

A second element respondents pointed to is the fact that CSR goes beyond law. In every society general national and international laws are in place to ensure businesses operate correctly and function according to established social norms and values. Businesses are expected to comply with these laws as a basic minimum. The Dutch government upholds these laws and it enables the Dutch government to accuse businesses of corporate misdeed. However, according to respondents, CSR is not subjected to these laws and rises above legal obligations:

*“CSR goes beyond law and regulation; it rises above legal obligations. Businesses embrace CSR out of own conviction, inspiration and commitment, as they want to be part of societal solutions instead of only being part of societal problems.”*

Kilcullen & Ohles Kooistra (1999) back this quote by mentioning that CSR is situated in the domain of ‘moral obligation’ or ‘normative principles’, and not only focuses on businesses obeying the law.

As mentioned by a respondent, the Dutch government also stresses the importance of businesses ‘doing more’ than laws prescribe them to do, hereby referring to individual responsibility:

*“If you install laws for CSR, businesses will adhere to them. At the end of the day businesses won’t do anything extra, as they have adhered to those laws. However, essentially seen, you want businesses to do more than current Dutch law prescribes them to do.”*

Furthermore, respondents widely agreed the above mentioned conviction, inspiration and commitment not only allows businesses to be part of societal solutions, but that it can also bring forth financial and competitive advantages:

*“A special feature of CSR is that it gives businesses the opportunity to be actively concerned with their social role in their specific field. This enables them to distinguish themselves from their competitors. Provided the latter fits the business and the sector it operates in.”*

This notion is confirmed by Kakabadse et al. (2005) who state that a combination of goals (tangible and non-tangible) guarantee a business's survival and prosperity in a changing environment.

In terms of morality, respondents further highlighted that moral behaviour cannot be brought about by laws on CSR embracement. As a matter of fact, moral behaviour is complementary to CSR and arises when businesses take their individual responsibility. The following quote backs this notion:

*"Within the borders of the Netherlands we have the fiction that businesses should only adhere to basic laws. The moral behaviour going above the behaviour already forced by law is what we term CSR."*

In closing, it is interesting to note here that some Dutch government officials rallied around the 'OECD Guidelines for Multinational Enterprises' in an attempt to define the concept of CSR. In their view, CSR is complementary to businesses obeying to these *guidelines*. The *guidelines*, signed by forty-four governments worldwide, contain far reaching recommendations for responsible business conduct wherever businesses operate or intend to operate. Strikingly, the *guidelines* were left unmentioned by Dutch business representatives.

#### 5.1.3. Context specific

CSR as a context specific concept is a third element to which respondents pointed. The definitions of CSR, as presented by respondents, were all unique and incomparable. Thus, presenting a standardized definition of CSR in this thesis is not possible. Although not strictly necessary, the latter doesn't take away that certain patterns have been discovered in the data, namely the four elements which appear to be essential in CSR. As a matter of fact, CSR is viewed as a very broad and diverse concept by respondents. Adding to that, a definition of CSR depends on the context in which the concept is applied. Athanasopoulou & Selsky (2015) note that literature recognizes that *"implementing CSR not only depends on organizational actors (...) but also on the social context within which CSR occurs"*.

Moreover, defining CSR is regarded by respondents as near impossible. CSR is understood to be more a mindset, a principle, then a definable practice:

*"CSR is a belief that people should have about what sustainability means in creating value for your customers, how it contributes to business opportunities, how it contributes to mitigating risks and how your relationship with stakeholders takes form."*

When CSR is regarded as a mindset the eventual implementation of the concept can be easily woven into that specific context which will allow CSR to come to its full right, and into which it will have the

biggest impact. In other words, CSR is an all-purpose concept as businesses are left unimpeded to attach everything to their liking to it, and as it can be easily integrated with the focal points of businesses and their operations. As these focal points differ per business, definitions of CSR differ. A business representative expands on this:

*“CSR is a very broad concept and I also notice that it means different things to many businesses, precisely because CSR has to have a link to the businesses themselves. There must always be a evident element of self-interest in CSR if you really want to anchor the concept in a business. If you ask a business to do something that does not fit with their identity and activities, then it is very easy to let CSR go by unnoticed. While if there is a mutual interest, and it provides benefits for both sides of the coin, CSR becomes a much more tangible concept.”*

Another business representative spoke in more practical terms:

*“As you know CSR is extremely broad. So to speak, CSR is just as much about the origin of the coffee we drink as about the way we work on the talent development of our employees.”*

In line with the earlier notion of CSR as a belief, CSR is seen as a context specific process in which businesses constantly think about how they can improve themselves and how they can better their business operations. As businesses are all inherently different, and, thus, focus solely on their own business-specific improvements, CSR cannot be standardized. The latter is backed by a government official:

*“Businesses are inherently different. CSR cannot be standardized. CSR entails so many different facets that not all businesses are continuously confronted with the same facets.”*

Even more so, our society is ever changing and the importance that needs to be attached to different societal issues is constantly shifting. This requires businesses to adjust to new circumstances over and over again. This has been mentioned in the introduction of this thesis. Standardizing CSR would delimit the flexibility of businesses to attain to pressing societal issues.

When regarding CSR as an all-purpose concept, opinions differ on whether this entails a potential challenge, as the following quotes show. A Dutch government official stated that:

*“Combating child labour is something which a business should always do. If we place such a thing under CSR, businesses will always embrace CSR. As a result they don’t distinguish in what CSR is actually about, namely (...) that CSR touches on the decency the market in itself does not yield. Businesses should interpret CSR correctly.”*

This is backed by a Dutch business representative who said that businesses should always ask themselves the question of what is most important and least important to them. However, another Dutch business representative had a different opinion:

*“The fact that CSR is an all-purpose concept implies a potential benefit as it allows CSR to be embraced by different businesses alike.”*

#### 5.1.4. Part of entrepreneurship

Finally, according to respondents, CSR should be regarded as an element within the domain of entrepreneurship. Both sides to the research endorsed the idea that a business should not only seek ‘profit’, but should also care about ‘people’ and ‘planet’; the so-called concept of ‘People, Planet, Profit’ (3 P’s). Businesses should embed CSR, and the 3 P’s, in an integrated approach to running the business and its operations. This again relates to CSR as a mindset, as opposed to a definable practice. Essentially, CSR allows businesses to be receptive to the needs of society, as mentioned by a government official:

*“In essence, CSR implies that an entrepreneur is admissible for the needs of society in business operations. He or she should not merely pursue profit, but he or she should consider how the business can contribute to other ‘People, Planet and Profit’ aspects. And where the entrepreneur sees that he or she can play a role, that he or she fulfils this role. CSR is essentially a concept that is situated in the mind of the entrepreneur. ”*

Even more so, CSR adds to sound entrepreneurship. This sound entrepreneurship should not only be applied to direct business operations but should also be carried down the supply chain; *“the responsibility of a business goes past its own operations”*. Regarding CSR as an element within the domain of entrepreneurship also opens up possibilities for sustainable business strategies and the sustainable growth of a business, as mentioned by a business representative:

*“We are mainly discussing here what social entrepreneurship implies. It's actually no different than regular entrepreneurship, but in a responsible way. It adapts to time. We strive to continuously integrate it to a greater extent into our business. It is the way we do business and the way we run our operations.”*

It is interesting to note here that Dutch government officials did not explicitly state that CSR can open up possibilities for the growth of a business. Rather, they see CSR as a form of sound entrepreneurship in which the harm businesses bring to the environment, and society as a whole, is limited.

*In sum, following the answers giving by respondents, CSR can be conceptualized along the lines of four elements. These elements are 'bearing individual responsibility', 'beyond law', 'context specific' and 'part of entrepreneurship'. Viewing CSR as an integral part of entrepreneurship will contribute to establishing CSR as a mindset, a social norm, within the wider Dutch business network on the long-term.*

## **5.2. Embracing CSR: the underlying reasons**

This chapter expands on how and why businesses embrace, or should embrace, CSR in practice.

### **5.2.1. Stakeholder management**

According to both government officials and business representatives, stakeholder management lies at the heart of embracement of CSR by businesses. Businesses have been pushed towards embracement of CSR because, apparently, they have signified that their internal and external stakeholders attach importance to knowing what the businesses' position is in the world. More and more businesses are being asked by their stakeholders (and shareholders) to think about how they can make a *specific impact* on societal issues such as environmental sustainability or youth employment. This also allows businesses to take part in the public debate instead of only being subjected to it, as pointed out by respondents. In a way you could say that stakeholder management empowers businesses. Even more so, respondents said that businesses should explicitly balance what society needs at a given moment. Businesses are willing to take this to heart, as the following quotes by Dutch business representatives show:

1) *"I keep an eye on the outside world and I observe what happens there. Also, I look at what is relevant for our business to act upon, to weigh or to take notice of. It is very broad. That may also be in our surrounding area. For example, I started a project in which we invited the direct neighbours to come and see our business from an insider perspective. Not a lot of attention was given to this group before and I saw a need in doing so. You can say that's very close."*

2) *"Our aim is that in 2020 all our ingredients are sourced sustainably and that we have increased the standard of living for a billion people. That implies people having access to toilets and good hygienic circumstances, and education. But also that women have more chances in life and that economic standards have risen."*

Seen from the perspective of the Dutch government, the freedom which businesses demand to make a *specific impact* is facilitated, as a Dutch government official mentions:

*“We want businesses to do as much as possible to operate in a socially responsible manner and that they have a certain motivation for embracing CSR. For example, from a certain ethical thought or social point of view. And that is also consistent with what businesses value as important, I think. One will focus more on the social aspect of CSR, the other on the environmental aspect of CSR. That is also a choice of the businesses themselves in my opinion. A business should be able to choose which aspect they grant priority, based on the risks in the chain. Of course, you can argue about the priorities businesses set.”*

In closing, Dutch business representatives value the fact that businesses have their own distinct set of core activities which allow them to collectively work on the same specific topic, albeit with different inserts:

*“Every business embraces CSR in its own way. Every business has a different impact (...) Through that you do see that different businesses can work on the same topic, whilst at the same time having different approaches.”*

Around this topic no fundamental differences in views of Dutch government officials and business representatives were evident.

#### 5.2.2. Intrinsic motivation

Rather than looking at external factors which influence businesses to embrace CSR, respondents indicated that businesses often feel an intrinsic motivation to do so anyway; CSR embracement is internally initiated. Nowadays, most businesses already advocate CSR to be one of their core values. However, relating to this, respondents provided some interesting insights.

Especially long-term employees indicated that their younger colleagues, both in terms of age and contract, feel a stronger drive and a greater sense of urgency than the established employees when it comes to embracing CSR. These younger employees also initiate CSR initiatives on a personal basis and try to get people along with their ideas, simply because they find a certain topic within the domain of CSR important. They tend to focus more on community initiatives and sound entrepreneurship in combination with financial margins, instead of solely on financial targets. Some businesses have even decided to include dedication to CSR in employee hiring procedures. However, respondents indicated that CSR had not made been explicit in employee targets as of yet, as measurement is subject to debate. Some of the interviewed businesses do have the ambition to implement this in the upcoming years.



Continuing along this line, respondents hinted towards the fact that intrinsic motivation also depends on the culture of the respective business and on CEO's motivating their employees in this field. More and more CEO's take the concept of CSR to heart and give non-material directions to their employees. For instance, businesses increasingly set up partnerships in the field of CSR with civil organizations and CEO's are understood to be increasingly forced to listen to their employees when doing so:

*"Our corporate volunteering program actually arose because a bunch of people working for us do volunteer work and wanted to share that with their colleagues and work. The management team realized that there was a broader need to facilitate employees in volunteering activities and, as a result, they are currently working on setting up a volunteering policy."*

According to respondents, it has proved difficult for some businesses, or their business, to implement the concept of CSR across all departments, and to get all employees on the same line. The latter is perceived to be the case as some employees tend to believe that CSR is not part of their tasks but should be a concern of the management team or the Director/Manager CSR. On the contrary, some Dutch business representatives believe that CSR *has* found its way to all departments, be it with some effort. An all-round integration of CSR in a business can have positive turn outs for employee motivation, long-term growth prospects and the image of a business on the labour market (Sanchez-Hernandez & Grayson, 2012). The latter can be a deciding factor in attracting new and junior employees who highly respect the concept of CSR. Dutch government officials unanimously noted that CSR should be regarded as an automatism within a business. Yet again, this relates to CSR as a mindset. Moreover, in order to realize this, CSR should be regarded as an integral component within the tasks of the management team and should not only be the prime responsibility of the Director/Manager CSR.

### 5.2.3. Public opinion

Respondents differed in opinion regarding the extent to which public opinion exerts influence on the embracement of CSR by businesses. Although public opinion has gained importance over the years, its focus continuously shifts due to societal developments and priorities. As a result, certain businesses will feel a bigger necessity to respond to perceived public expectations around social responsibility than others. A second thought is that public opinion can urge lagging businesses to set themselves in motion or to enter into public dialogue.

Respondents consider public opinion of bigger importance to Dutch businesses when their customers are situated in the Netherlands. In this context, public opinion forms a financial incentive. Consequently, some Dutch business representatives indicated that their business took a longer time to embrace CSR as, for them, public opinion did not form a financial incentive:

*“For us it is not really important what our environment thinks of us. In fact, we could perfectly exist on our own little island. Nobody in the Netherlands uses our product (...) However, we can no longer look at only ourselves. That awareness emerged later as compared to the more consumer-oriented businesses.”*

#### 5.2.4. Supply chain responsibility

Supply chain responsibility was less cited by Dutch business representatives compared to Dutch government officials. Although supply chain responsibility can drive innovation and can lead to smart solutions in the entire sphere of a business, supply chains have become very complex nowadays. As a result, the transparency of supply chains has been affected and responsibilities are easily shifted.

Patterns in the data suggest that mentioning supply chain responsibility and CSR in one breath can be susceptible to debate. One could ask the question when the responsibility of a business ends or if supply chain responsibility should be regarded as part and parcel of CSR? In any case, answering these questions proves to be tricky. For instance, healing is prohibited by law; businesses need to know where products from their suppliers come from. But should this responsibility rest with the purchasing party?

A Dutch government official indicated that the Dutch government puts great emphasis on Dutch businesses taking responsibility for evident risks in their supply chain(s), to the extent that they are able to do so:

*“A business should actively look at the risks that may exist in its supply chain. That is what the Dutch government expects of a business; that they take as much action as possible to make the risks as small as possible. But to completely guarantee this is not necessary and not possible. The only thing we expect is that businesses commit as much effort as possible in order to minimize risks and, accordingly, to make them transparent.”*

Another Dutch government official acknowledges that it can be a difficult task for businesses to take responsibility for risks in their supply chain(s):

*“Supply chain responsibility implies that international businesses do not only look at what they do themselves but also at what their suppliers do; businesses should go one step further.*

*But we acknowledge it is very complex. The longer the supply chain, the more distanced you become from it.”*

*In sum, following the answers given by respondents, businesses (should) embrace CSR out of one or more of the following motivations: stakeholder management, intrinsic motivation, public opinion, supply chain responsibility.*

### **5.3. Stimulating businesses to embrace CSR**

Respondents provided numerous insights on how the Dutch government can (or cannot) stimulate businesses to embrace CSR.

#### **5.3.1. Facilitating and encouraging CSR embracement**

At current, the Dutch government applies numerous instruments to stimulate embracement of CSR by businesses, such as the *Transparency Benchmark* and the *CO2-ladder*. On an international scale, bigger instruments such as the *Dow Jones Sustainability Index* are used. These instruments are based on the concept of ‘naming and shaming’. Frontrunners in the field of CSR are highly listed, amongst all benefitting their corporate reputation, and laggards are indirectly urged to follow the example set by frontrunners. These instruments mainly focus on specific domains within CSR, for instance on transparent reporting. A potential problem of these instruments is that they are only effective when they are applied sector-specifically.

The interviewed Dutch government officials were all convinced that the policy of the Dutch government should continue to focus on facilitating and encouraging businesses to voluntary embrace CSR in their own way instead of forcing businesses to do so in a particular manner. Facilitating is defined here as assisting and accommodating businesses in their actions and activities to the end that a process is made easier; in this case the process of embracing CSR. This is also depicted by the European Commission; the Dutch government should be a helping hand in promoting CSR embracement. The Dutch government tries to achieve this by providing businesses with the help of advisors and experts. As noted before, the Dutch government takes the stance of CSR embracement being voluntary but not optional. Consequently, three Dutch governmental policy principles can be identified which relate to stimulation of businesses, namely:

- *Facilitating frontrunners in the field of CSR (agreements, ‘Green Deals’, drafting sector analyses) to the end that laggards are automatically pulled along;*

- *Raising awareness on the benefits and necessity of CSR, and entering into more and closer dialogue with the Dutch business network in order to establish a better mutual understanding;*
- *Formulating clearer and tougher expectations with respect to the Dutch business network to the end that sound entrepreneurship is stimulated.*

In order for these policies to sort effect, respondents highlighted that targeted businesses should have an open stance towards CSR. Some Dutch business representatives stated that they do not see a facilitative role for the Dutch government as their businesses already regard themselves as progressive in embracing CSR. As a matter of fact, these business representatives spoke more in terms of interaction *with* the government than in terms of facilitation *by* the government:

*“I don’t see the Dutch government having a facilitative role. That sounds rather directive. It is more of an interaction and a co-operation with the government.”*

A Dutch government official also noted this:

*“The policy makers set the agenda. But in some aspects businesses are way ahead of the Dutch government, even more than the Dutch government can imagine sometimes.”*

In the above quote the relationship between the Dutch government and the wider Dutch business network is being redefined.

### 5.3.2. Rewarding good behaviour instead of punishing bad behaviour

‘Naming and shaming’ is subject to debate, as reflected by respondents. As only negative business activities are brought to the attention of the public, ‘naming and shaming’ is not always justified. At the same time a business can be actively concerned with CSR, be it that this is often left unnoticed. Both Dutch government officials and Dutch business representatives are of the opinion that the debate around CSR in businesses is generally negative:

1) *“Till now CSR has mainly focused on negativities and scandals. The Dutch government and the Dutch parliament follow this blindly. The general outrage is everywhere. CSR always touches upon negative events.”*

2) *“I am of the opinion that the Dutch government has to show that a lot of things are actually already going very well. Mostly, CSR is approached and talked about in terms of problems. But at the same time a lot of initiatives really contribute to a better world.”*

*Businesses should be given more credits for this by the Dutch government. I think that is very important.”*

3) *“Nowadays a lot of businesses deliberately don’t talk about their CSR initiatives because they are afraid that they will be held accountable in a negative way. They think the public won’t believe them anyway.”*

Dutch government officials see the importance of positively approaching businesses, and also doing so to a bigger extent:

1) *“Dutch businesses are frontrunners when it comes to CSR in Europe, possibly in the world. The Dutch government sees that it should be proud of this achievement and should value this more towards the outside world.”*

2) *“Only in rare instances are businesses approached positively. Businesses are never perfect; we should be more realistic. Businesses should be given more credits for their CSR initiatives and should be approached more positively, in the sense that we value their effort to embrace CSR. This should be a bigger focal point. Within the current framework that has proved to be very difficult.”*

3) *“The Dutch government should acknowledge businesses which take their own responsibility. As a matter of fact, we should be prepared to applaud them. Only that makes our policy effective.”*

#### 5.3.3. Leading by example

Both government officials and business representatives hinted towards the fact that the Dutch government should lead more by example. In more detail, the Dutch government should become a more trustworthy partner for the wider Dutch business network in order to allow both parties to contribute equally to the advancement of society. A business representative puts this in practical terms:

*“To be honest, I do think the Dutch government uses CSR to fill its own shortcomings. The Dutch government retreats and subsequently they say we live in a ‘participation society’. I have some difficulties with that. The government is there to offer basic societal services and should keep on doing this.”*

Moreover, leading by example finds its way in the sustainable procurement policy of the Dutch government. With a yearly budget of €60,- billion, the Dutch government can be regarded as an

entrepreneur. As written before, the Dutch government puts great emphasis on sound and sustainable entrepreneurship, but also on businesses taking responsibility in their supply chain. In order to make this message effective, the Dutch government should be more convincing when it comes to their own policy. A Dutch business representative explains:

*“If the Dutch government has a sustainable procurement policy they should lead by example; the Dutch government should practice what they preach. The role society should encompass is namely that it should operate sustainably. The Dutch government does have a sustainable procurement policy but in the end they do not apply an integral and consistent approach (...) For instance, they could systematically prefer businesses who meet certain criteria over others who don’t meet these.”*

Even though the Dutch government is partly tied to EU-procurement rules, another Dutch business representative completely did away with the sustainable procurement policy of the Dutch government:

*“The biggest cooperation between the Dutch government and us is that they are the client and we are the contractor. If I look at their sustainable procurement policy it comes to my attention that it does not contain any sustainability criteria. However, they go into the counter attack by saying that they have all kinds of agencies which ensure these sustainability criteria are present. Giving them all the respect I have, it does not contain anything at all (...) In no single government tender and in no single government request is sustainability packed in the form of minimum criteria.”*

The interviewed Dutch government officials noted that the sustainable procurement policy should be better respected and can ensure that the Dutch government leads by example:

1) *“The sustainable procurement policy of the Dutch government is the major issue. The Dutch government must do much more and it should be much better. We may say that businesses should embrace CSR but the Dutch government needs to do it too.”*

2) *“The Dutch government is in fact an entrepreneur and then I find quite firmly that the Dutch government should give a better example in comparison to how they do today. In this context the ‘Action Plan for Sustainable Procurement’ was made. This also indicates that the Dutch government wants to improve itself.”*

#### 5.3.4. Integral governmental vision

Both parties to the research noted that the Dutch government should put effort into moving towards a more integral governmental vision on CSR, instead of Ministerial or departmental visions. However, a Dutch government official was sceptic that this would happen in the short term:

*“An integral vision would be nice. The Dutch government has a conflicting policy. It is not only a win-win situation; ‘People’, ‘Planet’ and ‘Profit’ conflict with each other. It would be nice to jointly represent more interests as a government. Therefore, I am very much in favour of an integral vision. But I do not see that happening in the short term or for every domain within CSR.”*

Although the Dutch government has revised its CSR policy (in the document ‘Corporate Social Responsibility Pays Off’), respondents also indicated that the respective Ministries and departments should work more in conjunction with each other. A Dutch government official pointed out that, within certain Ministries and departments, CSR is more tangible and measurable, and thus, it is easier to set ambitions and targets. This causes for a mismatch in priority given to CSR within different Ministries and departments. One respondent stated that only the Ministry of Economic Affairs is in the position to address a business on sound entrepreneurship. Other Ministries often approach businesses with ulterior motives not relating to CSR.

Dutch business representatives further indicated that their business operations are hindered by this lack of integral government vision:

*“With regards to a strategic vision, the Dutch government does not maintain a holistic approach (...) Sometimes we notice that the various departments are only interested in certain elements of the bigger picture. If we have a business case that covers numerous government departments, we have to switch to all these individual departments concerning separate elements of that case. That hinders us to proceed effectively.”*

According to respondents, the Dutch government’s social innovation system is severely lacking behind. Hereby respondents pointed towards the culture of the institution, the system of working and the way of thinking. Apparently there is an emphasis on efficiency, there is a lack of co-ordination and government officials work at cross purposes. This is said to be limiting creativity and innovativeness within Dutch businesses, as a Dutch business representative notes:

*“The system of the Dutch government makes for our employees not needing to think anymore. It is all based on efficiency. We don’t think, we just do. Just as the Dutch government wants us to do it.”*

#### 5.3.5. Subsidies

Respondent opinions on the effectiveness of subsidies in stimulating businesses to embrace CSR differ. Especially Dutch government officials are sceptic when it comes to providing subsidies to businesses. It is feared that businesses will start looking at the Dutch government as a money provider instead of as a creator of an enabling environment for CSR, or even partner. The Dutch government is facing budgetary cuts and that requires the Dutch government to make choices. Moreover, the Dutch government regards subsidies as a supporting mechanism rather than as a stimulation mechanism. A Dutch government official said that the Dutch government should be very specific in its subsidy policy, only providing subsidies when it sorts real effect. Going further, the respondent mentioned that process financing could be an alternative option. Process financing is based on assisting businesses to implement CSR with help of external or government advisors, and/or workshops and information events:

*“I find subsidies controversial. There are subsidies that have worked very well but also those that have worked out differently. What makes a difference is a government that chooses specifically. Subsidies are all supportive mechanisms. We need process money in the Netherlands (...) Of ten initiatives only six might succeed but that’s the way it goes.”*

Most Dutch business representatives explicitly stated that their business operations do not depend on subsidies. Firstly, their businesses are not sensitive to the current height of the subsidies. Secondly, their businesses fear that subsidies are not resistant to policy changes and, thus, they do not base their long term financial plans on them. Subsidy provision tends to change when governmental policy is altered as a result of a shift in government priorities, or when parliaments are replaced. Thirdly, subsidies bring along a lot of administration, which deters businesses:

*“Subsidies mostly turn around small amounts of money. The amount of administration it requires scares me off before I even apply for it. If only I look at a subsidy for wind energy...don’t even bother!”*



#### 5.4. Perceptions on mandatory CSR embracement

The perceptions of respondents on mandatory CSR embracement are generally negative. Dutch government officials and Dutch business representatives do not differ in opinion, albeit that different reasoning is used. However, a number of relevant perceptions come to the fore.

##### 5.4.1. Government enforcement

In the first place, mandatory CSR embracement is understood in terms of government regulations and legislation. In other words, it is perceived that the government will start using force to urge businesses to embrace CSR, which is regarded as negative. If enforcement is not adequate, the regulations and legislation will be ignored and, thus, will not have the desired predefined effect. It can also be questioned if enforcing CSR would be a priority of the Dutch government. Respondents indicated that the Dutch government is already struggling to enforce certain existing policies, let alone that they will be able to enforce newly formed policy(ies) on CSR:

*“I am afraid that when you ‘move’ CSR to the Dutch government, the responsibility of the government will also increase. The Dutch government will have to monitor if businesses are sustainable and responsible, or not. As a government you simply cannot live up to such a promise. If you really want to do that, you will have to have superb control mechanisms and numerous government enforcement units. Besides, you will have to define between the ‘good’ and the ‘bad’.”*

As mentioned before, the concept of CSR is context specific and, thus, new regulations and legislation policy will not be applicable to all businesses alike, unless the new policy is of very great social importance. This is explained in more detail by a Dutch business representative:

*“I think mandating CSR embracement is a wrong thing to do. You are imposing something which is not applicable to all businesses. You have to allow businesses to be businesses and to take their individual responsibility. The latter should not be managed through legislation and regulations.”*

On the contrary, some Dutch business representatives view mandatory CSR embracement as a possible means to force laggards to embrace the concept of CSR, but it should not affect frontrunners. Evidently speaking, defining a laggard is subject to one’s interpretation and is arbitrary. This also accounts for punishing businesses which don’t embrace the concept of CSR, be it in the form of sanctions and fines, as there is no clear cut division to when a business embraces CSR or not. Respondents noted that businesses are already punished when their reputation is damaged.

Respondents further indicated that sector-specific governmental CSR policy would be way to make CSR embracement mandatory. This touches upon mandating certain domains within the concept of CSR, such as a CO<sub>2</sub>-emmission strategy.

Another difficulty, as reflected by respondents, is that regulations and legislation always lack behind societal developments and will very quickly lose touch with reality:

*“There are a couple of barriers to government regulation and legislation. Most importantly, regulations and legislation always lack behind market developments. In that case the Dutch government is not an enabler anymore, but a disabler.”*

Regulations and legislation are mostly perceived by businesses as crying over spilt milk when businesses have already taken their individual responsibility.

Concluding, none of the respondents hold a positive view on mandatory CSR embracement and none come up with concrete examples of how this should then look like. Respondents indicate that imposing mandatory CSR would be a difficult task for the Dutch government. A number of reasons have been given: adequate government enforcement and control will not be guaranteed, one cannot make a clear-cut distinction between the ‘good’ and the ‘bad’ (CSR cannot be defined), CSR cannot be contextualized, mandatory CSR is not perceived as being of great social importance and will thus not be widely accepted, and the government will be viewed as a business disabler. The results do show that mandatory CSR is easily rejected, without exploring possible options and its feasibility, or conditions that would have to be met when making CSR mandatory.

#### 5.4.2. CSR as a checklist

Mandating CSR embracement would be at odds with the concept of CSR, as respondents described. One respondent termed it a ‘*contradictio in terminis*’. It is at odds with the concept of CSR because stringent governmental CSR policy will only increase the minimum standards to which businesses should adhere. As mentioned before, CSR should go beyond these minimum standards. A government official explains why mandating CSR is a ‘*contradictio in terminis*’:

*“All the things which are listed in current policy before a business gets a permit, of all these criteria the bar can be raised (...) Certain sustainability requirements will then be installed. However, the behaviour of businesses, businesses taking their individual responsibility has not been mandated. Thus, you have not mandated the concept of CSR (...) Conceptually mandating CSR is a ‘contradictio in terminis’.”*

Moreover, businesses might wait until the new stringent governmental CSR policy is enacted whilst in the meantime doing nothing out of individual responsibility:

*“The Dutch government has to stimulate businesses to embrace CSR. I am of the opinion that businesses have an individual responsibility. For me that forms the basis for CSR embracement. If you start mandating CSR, businesses will only adhere to what is required from them whilst doing nothing extra. Eventually you want businesses to do more than the current Dutch law prescribes them to do.”*

Finally, respondents explained that the threat of regulations and legislation already motivates businesses enough to go one step further, even before the new policy is enacted. Therefore, it is useless to draft regulations and legislation on CSR, as businesses will always find a way to avoid being part of the proposed policy target group. Dutch business representatives see regulations and legislation as a means for the Dutch government to create more regulatory powers for themselves. Dutch government officials revealed that this is not desired by the Dutch government in any case, as the Netherlands is currently going through a transition towards less government bureaucracy.

#### 5.4.3. Mandating domains within CSR

Concerning mandating certain domains within the concept of CSR, one domain was depicted by respondents as being of great importance. Besides the Dutch government being stricter on a businesses' CO<sub>2</sub>-emission strategy, stricter on the need for businesses to implement due diligence in their supply chain and stricter on inter-business dialogue, mandatory reporting on CSR was especially brought forward. On a European level preparations for mandatory reporting on CSR have already been made. Mandatory reporting forces a business to be transparent in its annual report, albeit not in a prescribed form, about its CSR strategy and according initiatives. The report will have to put a focus on five topics: human rights, anti-corruption policy, employee working circumstances, environment and diversity in the business management team. Some Dutch business representatives indicated that reporting on CSR is already an element in their businesses' annual report.

Honesty is not guaranteed in mandatory reporting on CSR. In fact, businesses could deliberately lie as not to damage their reputation. However, numerous respondents indicated that overly lying about one's CSR strategy and according initiatives, will morally work against a business in the long term:

*“Mandatory reporting forces businesses to think about their CSR strategy. This is also a means to stimulate lagging businesses to draft a CSR strategy. Lying about CSR strategies in annual reports morally works against businesses at a certain point. Reporting about CSR strategies is much broader than only writing about it.”*

In other words, the risk of not reporting on one's CSR strategy is large.

#### 5.4.4. Following the Indian example

Although an interesting thought, respondents believed that the Dutch government should not follow the example set by their Indian counterpart. India recently passed legislation which makes CSR initiatives mandatory for businesses of a certain size. Dutch government officials indicated that the Dutch government sees the Indian example more as a form of charity. CSR as charity does not coincide with the Dutch government's current policy focus. Moreover, the Indian example is perceived to be an extra form of taxation on top of the many taxes Dutch businesses already have to pay; the concept of CSR should not be financially underpinned. Also, the Dutch government wants Dutch businesses to regard the concept of CSR as an integral business component. Besides, respondents hinted towards the fact that the Indian example would not be culturally possible in the Netherlands:

*"Indian businesses act as an extension for the Indian government to do good for society. The concept of CSR in India is based on charity, not on business practices which can do harm to the environment (...) In the Netherlands we want to make clear that businesses can also do harm besides being a charity organization."*

## 6. DISCUSSION

This section discusses the research results and reflects on the conducted research.

### 6.1. Research results discussed

All interviewees refute the stance that the only responsibility of a business is to increase its profit in the interest of its shareholders. The survival of a business in part depends on the public value a business creates (Bowie, 2012). Businesses and society should not be seen as distinct to each other but rather as interwoven entities (Wood, 1991). Businesses need society for their operations, but society also has certain expectations of appropriate business behaviour and outcomes. CSR forms a means to foster this linkage and provides businesses with the opportunity to add to the overall wellbeing of society. Although the results indicate that the voluntary nature of CSR is preferred, generally speaking, businesses should feel they have an obligation to work for social betterment (Frederick, 1984, in Freeman, 1984). Mandating this obligation through stringent governmental policy is not desired.

#### *CSR as a mindset*

The results indicate that businesses should regard CSR as a moral requirement rather than as a definable practice or a conduct a business should or can undertake (Ralston, 2010). The Dutch government should not focus on externally motivating a change of behaviour in regard to CSR; businesses have to intrinsically feel the necessity of CSR. Thus, the underlying morality around or attitude to CSR needs to be influenced.

Amongst all, the undesirability around mandatory CSR embracement correlates with an overall negative perception on government mandates, also within the Dutch government. In fact, stringent Dutch governmental policy on CSR embracement is seen to be a barrier for businesses to take their individual responsibility and to make a difference in the context most applicable to their business activities. This ultimately disallows businesses to continuously develop their relationship with society. Furthermore, using government force doesn't stimulate businesses in collectively finding CSR important.

Besides, the results show that it is difficult to imagine how the concept of CSR can be made mandatory. Only certain domains within the concept can be made mandatory, such as mandatory reporting. After all, CSR is a vague context-specific umbrella term that encompasses various overlapping areas, such as corporate citizenship, stakeholder theory, business ethics and corporate sustainability (Freeman & Hasnaoui, 2011). Standardization is, thus, not possible. However, if CSR is

positioned as a mindset within the integral conduct and management of a business, standardization of the concept will eventually take place under businesses alike. Thus, if businesses are stimulated to adjust the positioning of CSR within their organization to the end that it becomes part and parcel of business conduct, CSR will automatically become a social norm. Eventually this will lead to a wider embracement of CSR within the Dutch business network and to an increase in intrinsic motivation (Shen & Benson, 2016).

### *Role of the government*

Discussing the preferred role of the Dutch government in stimulating embracement of CSR by businesses, the results indicate that the Dutch government should pursue to take on the role of enabler and facilitator of CSR. This coincides with a laissez-faire stance in governmental policy on CSR. However, in order to keep on encouraging businesses, the result indicate that the Dutch government will have to lead by example, will have to facilitate more dialogue and will have to draft an integral Dutch governmental vision on the concept of CSR. In relation to establishing CSR as a social norm, the government will have to appreciate businesses more for embracing CSR. Besides, leading by example also relates to practicing what you preach. If the Dutch government practices what it preaches, the government will not only be regarded as a trustworthy partner within the wider Dutch business network, its policy will also be more convincing and accepted.

## **6.2. Reflection on research**

### **6.2.1. Sensitivity**

Although CSR is a hot topic on the organisational chart of the interviewed businesses, I observed that the concept was still a sensitive topic of discussion. This comes at a time in which businesses around the world are likely to increase the priority given to CSR and can simply not ignore the concept anymore (Time, 2012). I felt, even though confidentiality was ensured, that the business representatives were reluctant to provide me with full answers to my questions or effectively mitigated my questions to a topic with which they felt more at ease to talk about. As I argue that my interview questions did not give an inclination for them to reveal business-sensitive information, I find the reason to be that the aspect of *stringent governmental policy* within this research discouraged full answering. As mentioned in the results section, businesses simply like to keep control over CSR in their own hands and were therefore put off by questions about potential government intervention. Nevertheless, patterns have arisen from the analysis of the interviews which give an insight into what constitutes CSR in the Dutch context (individual responsibility, beyond law, context specific and part of entrepreneurship), the underlying reasons for businesses to

embrace CSR and why mandatory CSR embracement is viewed as undesirable (and in the same breath, why the voluntary aspect of CSR should remain in place).

Moreover, the interviewed business representatives constantly strived to convince me that their businesses' CSR strategies are and have been successful, and that there was no apparent reason for doubting this from any perspective. On the contrary, the interviewed government officials gave more balanced and open answers.

#### 6.2.2. Semi-structured interviewing

The methodological choice of semi-structured interviewing led to a wide range of different understandings and perceptions on the concept of CSR given by the respondents. This created both benefits and drawbacks for the research. As the interview questions encouraged a broad discussion on CSR, a lot of general data was generated. Although the data was at times incomparable due to its general nature, fell outside the scope of the thesis or was sector-specific, it was, however, easy to identify common threads. Furthermore, differences in the understandings and perceptions between government officials and businesses representatives were quickly identified due to the broad range of information. This led to the saturation point already being reached before the final interviews. However, near the end of the data gathering phase, the held interviews confirmed the earlier found common threads. The information was vast but I am certain I have portrayed the most appropriate findings of this research.

On the other hand, semi-structured interviewing also brought along a major drawback in this research. Some respondents shifted to a discussion on environmental sustainability during the interview rather than sticking to a discussion on CSR. Environmental sustainability is only a domain within the concept of CSR. With hindsight, I should have been more firm in interrupting the respondents when this occurred, as to keep to the track of a discussion on the concept of CSR as a whole. This fact further shows that CSR still remains to be a practice for some businesses rather than a mindset.

## 7. CONCLUSION, RECOMMENDATIONS AND FURTHER RESEARCH

The research has pursued to answer the following main research question:

***How do Dutch businesses and the Dutch government look at whether or not mandating CSR policies and activities through stringent governmental policy, and how should this then be shaped according to the views of both parties?***

In answering, the main conclusion that can be drawn from this thesis is that both Dutch businesses and the Dutch government look *negatively* at mandating CSR embracement through stringent governmental policy; mandatory CSR embracement is not desired. The research has indicated that Dutch government officials and Dutch business representatives constitute CSR as resting on individual responsibility, as going beyond the law, as context specific and as an integral part of entrepreneurship. Both parties respect the voluntary nature of CSR and value this as preferred. However, the Dutch government emphasizes that although CSR embracement by businesses can best be denoted as voluntary, it should not be regarded as optional by businesses.

As a matter of fact, mandatory CSR embracement should never be the aim of governmental policy, hereby leaving aside the question of whether mandatory CSR is a ‘*contradictio in terminus*’. Mandatory CSR embracement not only takes away the necessity for businesses to feel an individual responsibility, it will also lead to CSR being regarded as a checklist by businesses. In such a case businesses will not do more than what the government forces them to do. The aim should be to position CSR as a mindset within the integral conduct and management of a business. Hence, governmental policy should contribute to effectuating CSR embracement as a social norm, which is (re)produced by social pressure, rather than as a separate activity next to core business activities and a target with measurable results. The government could do so by stimulating in different contexts with different instruments and by practicing what they preach.

Conceptually speaking, CSR remains to be a vague, incomparable and mouldable concept. Therefore, a standardized definition on the concept of CSR cannot be formulated. However, the concept of CSR is becoming increasingly important in the business-government-society interface. Businesses are increasingly deemed to provide for a share of social welfare, coinciding with the stakeholder view on businesses. Businesses are in the position to make a specific impact, in their sphere of influence and using their particular strengths, on society. CSR provides a means for businesses to do so. Although there is no need in defining CSR, the concept needs to be concretized in order to establish it as a social norm. An evident dilemma remains, namely that the vagueness of the concept is also functional. It enables CSR to be context specific, in the sense that it provides businesses room to



manoeuvre in embracing CSR in the, for them, most applicable way. As a result of this vagueness, businesses might even go to greater lengths as compared to a situation in which the concept would be more concrete and less vague.

### *Recommendations*

The key for the Dutch government in this respect is to demand businesses to be more transparent about the way they embrace CSR, even if a business does not embrace CSR. An increase in transparency will make the concept more clear-cut and constructive, eventually taking away its mouldability and vagueness and disallowing businesses to use CSR in their own advantage and for their own gain, otherwise referred to as 'greenwashing'. One way to increase transparency is to mandate reporting on CSR. Mandatory reporting urges businesses to be actively concerned with their CSR strategy, thus positioning the concept as a social norm for businesses alike and thereby increasing the comparativeness of the concept. Not reporting or misleadingly reporting on one's CSR strategy will carry large (economic) risks for a business as a result of not meeting the social norm. A social norm in this context would also further stimulate the intrinsic motivation within a business to embrace the concept of CSR.

A second recommendation is that the Dutch government should reward to a larger extent the efforts of Dutch businesses which embrace CSR. By doing so, (other) businesses will feel encouraged and stimulated to raise the bar of their CSR efforts and will feel appreciated for their contribution to societal wellbeing. How this should be done is a topic for further research.

A third recommendation is that the Dutch government should (continuously) review its own functioning. The Dutch government should lead more by example, for instance in their sustainable procurement policy, and should draft an integral governmental vision on the concept of CSR instead of drafting separate departmental visions. It should work more consistent and smarter, collaborating more with the wider Dutch business network to organize and stimulate dialogue in and between businesses. Only then will the Dutch government and the wider Dutch business network succeed in working on shared agenda's and will possibilities open for an increase in collaboration between both parties.

In short, the Dutch government should practice what it preaches, should organize and stimulate dialogue on CSR and should strive to design a unified governmental approach to CSR.

*Further research*

I present four other topics for further research. First of all, noting the amount of disdain and the sense of distrust against the government coming from some respondents in this thesis, an extensive analysis of the underlying reasons behind, and nature of this phenomenon could be worthwhile. Removing this disdain and distrust could lead to better government-business collaboration, needed for stimulating CSR .

Secondly, it could be interesting to research why there is so much fear and anxiety around the threat of government intervention and enforcement. A clear understanding of this could potentially enhance the understanding around the acceptance of (new) governmental policy. Even though there is no need to define CSR, concretization of the concept is desired to

Thirdly, in the light of this thesis, exploring how a clearer distinction between the concepts of CSR and sustainability can be drafted is essential. Sustainability is a domain within the concept of CSR but the concepts are often used in conjunction. A clearer distinction could contribute to making the concept of CSR more clear-cut and constructive.

In closing, one could investigate to what extent the answers given by the respondents in the interviews are socially desirable answers. Such research could contribute to externally validating the patterns found in this research. Moreover, it can deepen out the analysis of the research results.

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## APPENDIX I: INTERVIEW GUIDE

This interview guide serves as a lead for semi-structured interviews with company representatives and government officials involved with my topic of study. All interviews will be conducted systematically along the questions in this interview guide. Certain follow-up questions may differ as I will respond to answers from the respondent which require further explanation.

### MAIN QUESTION TO BE ANSWERED:

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- **How do Dutch companies and the Dutch government look at whether or not mandating CSR (engagement) through government policy, and how should this then be shaped according to the views of both parties?**

### **Part 1: Introduction**

- Introduction of myself, my university programme and the research. Explain the aim of the research. Answer any prevailing questions the respondent might have.
- Questions are open-ended as the interview strives to lay bare the perspectives, views and opinions of the respondent.
- Ensure confidentiality, anonymity and good research practice.
- Present explanation and confidentiality letter to respondent and ask permission for recording from respondent
- Record name of respondent, the function/position of the respondent and the date of the interview

*[Begin interview]*

**1. To which length are you concerned, and/or have you been in the past, with CSR policy in The Netherlands or within your organization?**

*[Sub-questions if applicable]*

1. Did you contribute, or are you currently contributing, to any notable CSR projects or policy initiatives/developments? Please expand.
2. Do you feel personally attached to the concept of CSR? If yes, in what way? If no, why not?
3. To what extent is the concept of CSR an intrinsic belief of the people working within your organization or department?

**2. From your perspective, to what extent are companies obliged to society, and the Dutch government alike, to carry out their corporate activities in a socially responsible way?**

*[Sub-questions if applicable]*

1. In your opinion, to what extent should companies be actively concerned with engaging in CSR initiatives nowadays?
2. At present, how would you define the collaboration and interplay between companies and the Dutch government regarding CSR? Do they work on separate or shared agendas to advance the design and implementation of CSR in The Netherlands?
3. Can you identify notable conceptual developments regarding CSR and its implementation in the Dutch context? If yes, which developments? If no, why not?

**3. In your opinion, can more be done by the Dutch government in order to ensure that companies are motivated to engage in CSR, or in order to advance the design and implementation of their CSR policy? If yes, what can be done? If no, why not?**

*[Sub-questions if applicable]*

1. In what way can this motivation be stimulated according to you?
  - By means of subsidies?
  - By means of sanctions?
  - By means of communication and information?
  - By means of rules, regulations, and national and European law?

*[End of introduction]*

**Part 2: Embracing CSR**

- *Interested in the general understanding of the concept of CSR in the Dutch context.*
- *Interested to find out if there is 'room for manoeuvre' in the generally established definition of CSR as being voluntarily practiced.*

**4. What is sound CSR policy for you?**

*[Sub-questions if applicable]*

1. How would you define the concept of CSR?

2. CSR is generally established as a companies' voluntary contribution to sustainable development. In what way do you agree with this generally established notion and do you think this notion is unimpeachable?
3. Say you could decide over the CSR policy of your organization, how would it look like and which domains of CSR would you identify as essential for this policy?

**5. Social responsibility can only become reality if more managers become intrinsically moral. Do you agree with this? If yes, why? If no, why not?**

*[Sub-questions if applicable]*

1. Can the Dutch government establish this morality through force according to you? If yes, in what way? If no, why not?
2. Does societal pressure already establish this morality sufficiently enough? If yes, in what way? If no, why not?

*[End of Part 2: Implementing CSR]*

### **Part 3: Mandating CSR**

- *In order to explore if CSR should be made mandatory in The Netherlands and what the role of the Dutch government could be in doing so or not doing so.*

**6. CSR is currently not a national demand backed by law, meaning there are no according fines or sanctions when not engaging in CSR. Should companies not engaging in CSR be punished in your view? If yes, in what way and who is entitled to do so? If no, why not?**

*[Sub-questions if applicable]*

1. Can legal frameworks set an example of social responsibility according to you? If yes, how? If no, why not?
2. Should engagement in CSR, or involvement in certain domains of CSR, be mandated according to you? If yes, why? If no, why not?
3. To what extent is the Dutch government in the position to, or entitled to, possibly mandate CSR engagement by companies according to you?

**SOURCE:**

Banerjee, J. (2013). India Mandates Corporate Social Responsibility: The 2 Percent Bill. Retrieved from <http://www.businessfightsaids.org/asset/india-mandates-corporate-social-responsibility-the-2-percent-bill/>.

*In August, the government of India passed controversial legislation that requires large companies to spend at least 2 percent of their profits every year on corporate social responsibility (CSR). The bill applies to companies with an average net profit of at least 50 million rupees (approximately \$816,000 USD) over a period of three years. Companies will be able to develop their own social investment strategies and decide where to invest and implement programs, but the government has recommended particular areas of need, including eradicating hunger and poverty, maternal and child health, HIV, TB and malaria, promoting gender equality and environmental sustainability. Companies should give preference to the local areas where they operate. If a company does not conduct its own CSR, it can give the required amount to the government's socio-economic welfare programs such as the Prime Minister's National Relief Fund.*

**7. How do you perceive the current role of the Dutch government in enabling CSR engagement or hindering CSR engagement by companies?**

*[Sub-questions if applicable]*

1. Should the Dutch government follow the example that India has set? If yes, why? If no, why not?
2. How do you perceive the quality and effectiveness of the current Dutch governmental policy on CSR?
3. From your perspective, how does the Dutch government contribute to establishing CSR engagement as a social norm within companies?

**8. How would you say the Dutch government is in the position to execute its social and legal authority over a company when socially responsible behaviour is perceived, by that same government, as being absent within a company?**

*[End of Part 3 and end of interview]*

## APPENDIX II: RESPONDENT INFORMATION LETTER

To whom it may concern

Wageningen, 24 October 2015



**Dear respondent,**

as part of the data gathering phase of my Master thesis I wish to conduct interviews. The thesis is a compulsory part of the Master of Science program *Development and Rural Innovation* at Wageningen University. I identified you as an important respondent for my research and I am glad I can conduct an interview with you.

The main question the thesis will address is whether or not there is a desirability for mandating Corporate Social Responsibility (CSR) by means of stringent Dutch governmental policy. I will interview both government officials as well as company representatives. The reason for this is that it is essential for my research to lay bare the underlying views, perceptions and opinions on mandatory CSR engagement within the Dutch government and Dutch companies. The interview will be conducted in a semi-structured style along an interview guide.

The answers you give to my interview questions will be kept confidential and will not be publicly published or spread to third parties, unless disclosed and approved by all respondents in my research. However, the thesis will be placed in the thesis bank of Wageningen University as part of standard university policy. Furthermore, in case I quote certain interview passages in my final thesis report I will do so anonymously. The quotes will not contain any references to you as a respondent or to the organization you work for. I adhere to the Wageningen Code of Conduct for Scientific Practice. Also, I will hand you my thesis report after completion, as well as the transcript of this interview. Finally, I would like to have your permission to record the interview. This will help me to transcribe the interview.

I hope to have informed you. If any remaining questions arise after the interview, please feel free to contact me by e-mail ([iHugo92@gmail.com](mailto:iHugo92@gmail.com)) or by phone (+31 6 12126979).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Hugo de Graaf', written over a horizontal line.

**Hugo de Graaf**