There are different motives or drivers for companies to get involved in CSR activity. Despite of this, most academics treat CSR as one solid unity when trying to explain how to implement CSR in the organization. They are using Lewin's (1957) classic model for change management that goes in three steps un-freeze, move, and re-freeze. Make the organization ready to change, perform the transformation and finally anchoring changes in the new organization (Burns 2004).


Critiques of Kotter's eight steps wonder whether these steps apply to all change initiatives, and to whether Kotter's model lead to a non-reflecting check box mentality of leaders. When you have to implement something as value-laden as social responsibility, this might not be the right strategy. A passable technique to reduce resistance to change in the organization is to include employees in the process. Back in 1948 Coch and French found that the involvement of the employees had a great influence on productivity and job satisfaction during a change period. They found that the greater influence employees had, the more satisfied were employees and the sooner was the new production targets reached (Holt et al. 2007).

According to a longitudinal study employees in active jobs with influence are more willing to organizational change than employees in passive jobs with no influence. Similarly, if the work consists of analyzing and solving problems, employees are more likely to accept changes (Cunningham et al. 2002).

So, instead of the non-reflecting n-step mentality we can look at another approach, that is whether the change process must be top-down controlled with programmed structure (Theory E) or through employee involvement, focusing on culture and emergent processes (Theory O) (Beer & Nohria 2000). Theory E has as its purpose the creation of
economic value. Its focus is on formal structure and systems. It is driven from the top with extensive help from consultants and financial incentives. Change is planned and programmatic.

Theory O has as its purpose the development of the organizations human capability to implement strategy and to learn from actions taken about the effectiveness of changes made. Its focus is on the development of a high-commitment culture. Its means consist of high involvement, and consultants and incentives are relied on far less to drive change. Change is emergent, less planned and programmatic.

The study will be conducted as a case study, focusing on the five Danish shipping companies that have committed themselves to the UN Global Compact. In general, case studies are the preferred strategy when \( \text{?how? and ?why?} \) questions are posed. Furthermore, the case study is a good strategy when the focus is on contemporary phenomenon within a real-life context (Yin, 1994).

Interviews with relevant company employees together with internal strategy papers and CSR policies will be analyzed in the software program Nvivo. Furthermore, the study will follow the process of Building Theory from Case Study Research. Eisenhardt (1989) developed a complete roadmap of how to build theory from case study research which the study will pursue.

The contribution of this paper is to distinguish between different change management models when a company implements CSR, depending on the motives for adopting CSR. A review of CSR literature, with regards to implementation of CSR and change management, presents the setting to develop a multiple case study among Danish shipping companies. The resulting framework, based on this multiple case study and change management models, provide an instrument to companies to use when getting involved in CSR issues.
How do companies effectively implement CSR?

A case study of Danish shipping companies

By

Jan Skovgaard, Copenhagen Business School

Abstract

This paper focuses on implementation of CSR and reports on research findings from a multiple case study in Danish shipping companies. Building theory from case studies is used as the research strategy and the data is analyzed following Grounded Theory assisted by NVivo, a program for handling qualitative data. The study demonstrates how the CSR agenda has been implemented using a combination of change management theories E and O. Furthermore, the study shows how the CSR organization changes and develops as the concept of CSR matures in the company.

Introduction

1) Getting started

The concept of Corporate Social Responsibility, CSR, has increasingly gained foothold within most businesses. What started in the United States as a notion of philanthropy is now spread worldwide and most major firms throughout all industries have committed themselves to CSR. This has resulted in a large amount of researchers working with the concept of CSR in various directions. Despite of this huge interest in CSR from academia, legislators, and businesses, the shipping industry has, until recently, managed to be remarkable indifferent with the concept. There can be various reasons for this indifference e.g. the shipping industry is mainly operating within the
Business to Business (B2B) segment and most customers in the B2B segment have price as their main concern (Wolf & Seuring, 2010). Furthermore, research suggests that the more companies expose their ethical and social ambitions, the more likely they are to attract critical stakeholder attention (Morsing & Schultz, 2006). Likewise, contemporary research suggests that CSR communication can have a backlash effect if stakeholders become suspicious to the motives in companies’ CSR initiatives (Du, Bhattacharya, & Sen, 2010).

The local watch dog, Danwatch, refers to the Danish shipping companies as flying under the radar. The shipping companies are mostly involved in business to business operations. And even though some of the major customers are introducing codes of conduct and thereby push the spirit of CSR down the supply chain, the majority of customers in the business to business segment are concerned with price as the main driver for procurement. The situation is that there in general is a very little customer pressure for introducing CSR and the media attention on the shipping companies are limited and if, furthermore, the companies believe that they always have been doing CSR then why should the shipping companies change behavior?

Corporate social responsibility, CSR, has become a mainstream activity among larger companies operating on the global scene. Long before the concept of globalization was born, the shipping industry had to deal with the consequences of globalization. International organizations, civil society groups, and private businesses in cooperation with state agencies have started to voluntarily contribute expertise and resources to fill gaps in global regulation and to resolve global public goods problem (Scherer and Palazzo, 2011). The international regulatory system concerning shipping has been in place for a century and the four pillars.

The shipping industry has been a late-comer concerning reporting and implementing CSR. This, however, has recently changed and accordingly, the academic has world begun to show an interest in CSR within the shipping industry. So far, the literature is scares, however, several conferences
are dealing with the subject witch predict that an increasing number of articles in journals. Like the 2nd INTERREG Conference, 24-25 October 2012, Southampton, UK, where one of the streams are “CSR in service industry with special emphasis on the maritime sector”. Another example is the 2nd International Maritime Incident and Near Miss Reporting Conference (IMISS2013), 11-12 June 2013, Kotka, Finland, where one of the sessions are “Corporate Social Responsibility in shipping”. Greek shipping and “Wilh. Wilhelmsen Shipping Company: moving from CSR tradition to CSR leadership” by Hargett and Williams, 2009.

Even though the economic condition of the organization affects the likelihood of pursing CSR activities, various institutional factors that prevail in the environment mediate the adoption of CSR practices. These factors include, amongst others, the level of state regulation and industrial self-regulation, the degree of institutionalization of CSR issues in the environment, the level of competition, the number of monitoring entities (e.g. NGOs, institutional investors and press), and the level of membership and dialogue with trade unions and employer associations (Campbell, 2007).

There are different motives or drivers for companies to get involved in CSR activity. Despite of this, most academics treat CSR as one unity when they explain how to implement CSR in an organization. The use of n-step change management theories, like Lewin's (1951) classic model “un-freeze, move, and re-freeze” or Kotters (1995) eight steps, are predominate in the literature regarding implementation of CSR (Maon et al. 2008). Critiques of the n-steps theories question whether these steps apply to all change initiatives, and whether these models lead to a non-reflecting check box mentality of managers. When you implement something as value-laden as social responsibility, this might not be the right strategy. This study will explore the possibility of employing other change management approach, maybe depended upon the various drivers or
motives for applying CSR in the first place.

One of the main reasons for the many problems attributed to changes is that people seem to have an ingrained aversion to change. However, much of this opposition is not directed against the change, but rather against the accompanying uncertainty. Uncertainty is a more practical size than resistance, and can be controlled by information and communication. But it is essential that the amount of information is sufficient to enable the individual to calculate the risks and benefits of change. To reduce resistance to change it is important to include the employees in the process. In 1948 Coch and French found that the involvement of the staff had a major impact on productivity and job satisfaction during a change period. They found that the greater influence of the employees had, the more satisfied were employees and the faster, the new production targets achieved (Holt et al., 2007). According to a longitudinal study employees in active jobs with influence are more willing to organizational change than employees in passive jobs with no influence. Similarly, if the work consists of analyzing and solving problems, employees are more likely to accept changes (Cunningham et al. 2002).

So, instead of the non-reflecting n-step mentality we can look at another approach, that is whether the change process must be top-down controlled with programmed structure, Theory E, or through employee involvement, focusing on culture and emergent processes, Theory O, (Beer & Nohria, 2000) (Beer & Nohria 2000). Theory E has as its purpose the creation of economic value. Its focus is on formal structure and systems. It is driven from the top with extensive help form consultants and financial incentives. Change is planned and programmatic. Theory O has as its purpose the development of the organizations human capability to implement strategy and to learn from actions taken about the effectiveness of changes made. Its focus is on the development of a high-commitment culture. Its means consist of high involvement, and consultants and incentives are relied on far less to drive change. Change is emergent, less planned and programmatic.
Only looking at change management theories a list of the following prior Constructs can be found:
Top-down, Bottom-up, Conflicting implementing strategies, Change is emergent, Change is programmed. When several of these constructs emerge as related to “implementing CSR”, there are strong, triangulated measures on which to ground the emergent theory.

Research question

The multiple case studies will demonstrate how shipping companies most effectively manage and implement the increasing CSR expectations.

The remainder of this paper follows the framework of how to build theory from case study research (Eisenhardt 1989). The framework consists of eight steps. The first is Getting started, an introduction where research question is posted. Then follows a methodological section, including Selecting Cases. The results are displayed by Crafting Instruments and Protocols, and Entering the Field. The discussion section includes step 5 Analyzing within case and Searching for Cross-case patterns, step 6 Shaping Hypotheses, and step 7 Enfolding Literature. Finally a conclusion is touched by step 8 Reaching Closure.

Method

2) Selecting Cases

The cases are selected for theoretical, not statistical, reasons. The cases are selected to provide examples of polar types, not random. The goal of theoretical sampling is to choose cases which are likely to extend to emergent theory. The criteria for case selection are that the different segments
(container, tank, and bulk) should be present. Furthermore, the companies should be involved in CSR activity. Signing the UN Global Compact is considered to be involved in CSR activity.

Aguinis and Glavas (2012) review the CSR literature based on 588 journal articles and 102 books. They identify a need to expand the methodological repertoire used by CSR research as only 5 % of the studies employed qualitative methodologies. More qualitative studies are needed to improve our understanding of the underlying mechanisms of CSR (Aguinis & Glavas, 2012).

The aim is not to have a representative group of interviewees. The aim of the qualitative in-depth interview is to achieve a deeper understanding of the objective of investigation and not to generalize, to look for sense-making.

The study will be conducted as a case study, focusing on five Danish shipping companies (Maersk Line, NORDEN, Torm, J.Lauritzen, and Nordic Tankers) that have recently committed themselves to the UN Global Compact covering the different business segments (container, bulk, and tank).

There are several reasons why shipping is used as a case. More than 80 % of the world trade is carried by sea, and within the shipping industry there is an immense focus on the mitigating emissions of CO2, SO2, NOX and particles. There are three different paths to follow in the pursuit for lowering emissions from vessels. Reducing the amount of bunker oil on a voyage, using cleaner bunker oil, or clean the consumption gases. Of the three paths, the two latter are the most costly. If a company wants to create shared value where both the company and the climate gain it has to follow the path of reducing the amount of bunker oil. This can be done in a number of ways e.g. by reducing the speed of the vessels (slow steaming), increasing propeller efficiency, or by reducing the frictional force. Furthermore, there is the global nature of the industry and because the shipping industry is claimed to be a laggard in CSR reporting.

The qualitative case study is useful when concepts and contexts are ill defined because it makes it
possible for in-depth understanding and explanation (Eisenhardt, 1989). The main concept in this study is Corporate Social Responsibility and there is no unified definition of CSR, on the contrary, there exist various definitions of CSR. One study has identified at least 37 definitions of CSR (Dahlsrud, 2008). In general, case studies are the preferred strategy when “how” and “why” questions are posed. Furthermore, the case study is a good strategy when the focus is on contemporary phenomenon within a real-life context (Yin, 1994). Interviews with relevant company employees together with internal strategy papers and CSR policies will be analyzed in the software program Nvivo. Furthermore, the study will follow the process of Building Theory from Case Study Research (Eisenhardt 1989). The contribution of this paper is to distinguish between different change management models when a company implements CSR, depending on the motives for adopting CSR.

A review of CSR literature, with regards to implementation of CSR and change management, presents the setting to develop a multiple case study among Danish shipping companies. The resulting framework, based on this multiple case study and change management models, provide an instrument to companies to use when getting involved in CSR activity.

To achieve the goal of the paper a multiple case study was conducted. In general, case studies are the preferred strategy when “how” and “why” questions are posed. Furthermore, the case study is a good strategy when the focus is on contemporary phenomenon within a real-life context (Yin, 1994).

Cases were selected on basis replication logic. In selecting the cases, the following were considered: the company must have a minimum CSR dedication, in this study this means to have signed up to the UN Global Compact, the cases must cover a variety of business segments. Maersk Line, container, NORDEN, bulk carrier, Torm, tanker, Nordic Tankers, tanker, J. Lauritzen, Gas carrier,
tank and bulk. The shipping industry is claimed to be a laggard in CSR reporting, this combined with the change in regulation in Denmark is the rational for using the Danish shipping industry as a case.

Interviews with relevant company employees together with internal strategy papers and CSR policies will be analyzed in the software program Nvivo. The analyses were based on Grounded Theory ((Corbin & Strauss, 1990)xxx). Furthermore, the study will follow the process of Building Theory from Case Study Research. Eisenhardt (1989) developed a complete roadmap of how to build theory from case study research with the study will pursue.

Based on an inductive method where observations are analyzed and patterns are created, propositions are produced in the end.

One of the reasons for the lack of a universal definition of CSR is that what is considered to be social responsible is changing over time and place due to evolution of society and organizational uniformity through institutionalization processes.

In general, case studies are the preferred strategy when “how” and “why” questions are posed. Furthermore, the case study is a good strategy when the focus is on contemporary phenomenon within a real-life context (Yin, 1994).

**Cases**

<table>
<thead>
<tr>
<th>Cases</th>
<th>1 Nordic Tankers</th>
<th>2 DS NORDEN</th>
<th>3 Maersk Line</th>
<th>4 Torm</th>
<th>5 J. Lauritzen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment</td>
<td>Chemical tankers below 25,000 dwt</td>
<td>Dry bulk 80% Product tanker 20%</td>
<td>Container</td>
<td>Product tankers</td>
<td>Dry bulk, LPG, and oil tankers</td>
</tr>
<tr>
<td>Established</td>
<td>1963</td>
<td>1871</td>
<td>1904</td>
<td>1889</td>
<td>1884</td>
</tr>
<tr>
<td>Ownership</td>
<td>Equity consortium</td>
<td></td>
<td></td>
<td></td>
<td>The Lauritzen Foundation</td>
</tr>
<tr>
<td>Turnover 2011 mill. US$</td>
<td>214*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year signed UN</td>
<td>2011</td>
<td>2009</td>
<td>2009</td>
<td>2009</td>
<td>2011</td>
</tr>
</tbody>
</table>
## GC

<table>
<thead>
<tr>
<th>No of persons dedicated to CSR</th>
<th>0</th>
<th>2</th>
<th>5**</th>
<th>1.5</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting tools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gap analysis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materiality assessment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use consultants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Origin place in organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in organization as maturation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Origin top-down implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change to bottom-up as maturation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Estimated turnover by multiplying Herning Shipping and Nordic Tankers Chemical Tankers

** Additional 5-10 persons are dedicated to CSR in the parent company

### Company #1, Nordic Tankers

Nordic Tankers is a Danish chemical tanker shipping company operating a fleet of 130 chemical tankers in the segment below 25,000 dwt. Since 30 April 2012 Nordic Tankers is owned by the European investment firm, Triton. Triton also owns the chemical tanker company Herning Shipping, and the combined activities of these two companies is now marketed commercially under the name: Nordic Tankers A/S. Nordic Tankers has its origins back in about five decades, as the company today is a consolidation of a number of tanker companies in the Nordic origin. Most notable is Herning Shipping, which was started in 1963.

The company has 215 employees ashore and app. 1450 employees at sea. The costumers are Oil majors like Shell, BP, Statoil and therefore Nordic Tankers is subject to the former mentioned Vetting inspections. The company is ISO 14001 certified and Nordic Tankers signed the UN Global
Compact in August 2011. They do not have a person dedicated only to CSR activities. The responsibility and the manual work have so far been carried out by one of the Vice Presidents. A Whistleblower arrangement is planned but is not active at present time. Likewise, GRI, code of conduct, SA8000, and the anti-corruption network are issues the company wants to engage in, however, The Nordic Tankers are struggling in at bad market and are currently not making any money.

Company #2, DS NORDEN

NORDEN was founded in 1871 and operates a fleet of dry cargo 80% and 20% product tanker. The company is listed on NASDAQ OMX in Copenhagen. Two share holders own 38.9% of the company and the third largest shareholder is NORDEN itself by 4.2%. 44 owned vessels and approximately 50 chartered.

The company has 259 employees ashore and app. 790 employees at sea. The costumers are large mining companies like Rio Tinto. NORDEN’s vessels are operated commercially by the 50% owned Norient Product Pool (NPP), which also operates vessels from Interorient Navigation Company Ltd. (INC) and is one of the largest product tankers pools in the world. NORDEN’s business model is explicitly and comprehensively build around providing “best in peer class” value added in the three areas of economics, environment and social issues.

The company signed the UN global Compact in December 2009 and has two persons dedicated to work with CSR and CSR related issues.

NORDEN is a participant in the climate initiative "CO2 neutral websites". Furthermore, NORDEN’s score has improved significantly in the independent British non-profit organisation Carbon Disclosure Project’s yearly and latest assessment of climate change disclosure practises. NORDEN is now ranked 7 (in 2011: 17) in the 2012 Carbon Disclosure Leadership Index.
In terms of environmental value added, the company is a first mover with regard to the implementation of international regulations as well as implements strict internal standards concerning environmental safety. Recent initiatives in the area of environment concern e.g. the *early* implementation of the IMO convention from 2004 on cleaning of ballast water, or introduction of procedures for “right steaming” and “virtual arrival”.

Since 2008, NORDEN has a corporate social responsibility executive body reporting to the board of directors. NORDEN exceeds regulations concerning occupational safety in a number of areas, by following industry best practice. NORDEN monitors number of indicators of social performance on the vessel level.

Against this regulatory background, the company has taken a pro-active stance. In the first quarter of 2012, the company begun investigation into the best method to retrofit ballast water cleaning systems in 17 owned tanker vessels and 29 owned dry cargo vessels. Moreover, the company ensures that ballast water cleaning systems are fitted on new buildings.

*CSR activities*

NORDEN has for a long time endorsed a responsible way of doing business. The governance of CSR was institutionalised in 2008, in the form of an executive CSR body reporting to the board of directors, and comprising the CFO as chairman, the Director of CSR, and three further vice-presidents and directors. In first half 2012 NORDEN’s CSR strategy was formalised with below mentioned 7 focus areas: CO2 efficiency, Vessel Safety, Employee conditions, Transparency, Environmental management, Anti-corruption, and Responsible supply chain management.

The company stresses that the CSR strategy is not for the bookshelves. The ambition is to have a concrete, tangible, understandable and operational strategy, which will be a daily instrument and a
constant competitive parameter, closely linked with the corporate business strategy, which ultimately brings improved economic bottom line.

**Company #3 Maersk Line**

Maersk Line operates more than 600 container vessels and has a global market share of 15%. Maersk Line is part of the conglomerate AP Moller-Maersk, which is a listed company where the AP Møller and Chastine Mc-Kinney Møller Foundation owns the controlling shares. The company was founded in Denmark in 1904. The parent body, which directs the underlying business units, is the named "Group". Other business units are APM Terminals, Danish Supermarket, Maersk Container industry, Maersk Drilling, Svitzer, Maersk Oil, Maersk Tankers and more.

Maersk Line has 16,900 employees ashore and app. 7,600 employees as sea. The customers are producers and retailers like Ikea, Wall-mart, Nike, Uni-lever. Five persons are dedicated to work with CSR, while 5-10 persons more are dedicated CSR workers within the Group. In November 2010, the company received the European Business Award for Environmental Awareness for integrating sustainability into its business strategy and operations.

In 2013, Maersk Line will launch 20 Triple-E vessels, the world's largest and most energy efficient container ships. Maersk Line’s “Daily Maersk” service celebrates its first anniversary, with the 72-vessel service achieving an average reliability score of 98% and saving 13% in CO2 emissions per container moved against the industry average.

Maersk Line was the originator of the Maritime Anti-Corruptions Network (MACN).

Maersk Line designed and developed a number of ships to call the ports of West Africa. The increased capacity of the WAFMAX (West Africa Maximum) vessels increases the ports’ overall productivity by reducing port turnaround time per vessel. This in turn can reduce the customers’
total logistics costs by reducing paid congestion surcharges and their inventory costs. Thereby, the WAFMAX vessels can be expected to generate trade and increased economic activity. The vessels are specially designed to call West African ports with a capacity of 4,500 TEU, while other vessels on average call the same ports with a maximum capacity of 2,100-2,200 TEU. From 2013 onwards the WAFMAX vessels will annually reduce the emissions of SOx with 217 tons in Apapa and 152 tons in Tema. This corresponds to a total reduction of 20 per cent in Apapa and 13 per cent in Tema.

One of Maersk Lines strategies is to raise the bar of sustainability, “We will work with regulators to raise the bar for the industry and create a level playing field, resulting in greater costs for less-sustainable competitors” (Maersk Line, Sustainability Progress Report, 2010). An example is the port of Hong Kong, where Maersk Line for the past two years have changed to cleaner fuel when berthing in the city, reducing the fuel content of sulfur from 3.5 percent to 0.5 percent. The company is now putting pressure on the Authorities of Hong Kong to regulate on this area. Maersk Line wants to be a part of the solution, not part of the problem.

Company #4, Torm

Torm is one of the world's premier carriers of refined oil products such as gasoline, jet fuel, naphtha and diesel oil; Torm was founded in 1889 and is listed on NASDAQ OMX in Copenhagen and New York. Torm controls about 121 product tankers varying in size from 37,000 to 110,000 dwt, of which about half is owned tonnage. Torm has been through a turbulent time in 2012 avoiding a bankruptcy filing and by a financial restructuring. Torm’s banking group counts 14 banks, all of which now have shares in the company, the company's banks are holding a stake of 73%. Besides the banks Torm’s Time Charter Partners owns a total of 17%, while existing shareholders have a stake of 10 per cent. The former controlling shareholder holds about half of these ten per cent.
The company has 325 employees ashore and app. 2860 employees at sea. The customers are Oil majors like Shell, BP, Statoil and therefore, Torm is subject to the former mentioned Vetting inspections. Torm reports to the Carbon Disclosure Project - a global climate change reporting system and they adhere to the Green Award - a certification body for safe and clean shipping.

As the first Danish shipping company Torm signed the UN global Compact in February 2009 and has one person dedicated to work with CSR and CSR related issues. In 2011, the company made a gap analysis as first step in sophistication of the dialogue with stakeholders, based on AA1000 principles.

Company #5, J. Lauritzen

J. Lauritzen A/S (JL) was founded in 1884 and has been a leading supplier of ocean transport solutions for 125 years. Today, JL's business activities encompass: Lauritzen Bulkers (dry bulk cargoes), Lauritzen Kosan (liquefied gases), Lauritzen Offshore (provider of dynamically positioned support vessels) and Lauritzen Tankers (oil products and chemicals). J. Lauritzen A/S is 100% owned by Lauritzen Fonden (The Lauritzen Foundation). Values such as commercial acumen, decency and fair dealing characterize the way JL companies operate around the world and remain firmly anchored at the core of everything we do.

VISION: Together, we CREATE a world-class shipping company. VALUES: Competence, Respect, Entrepreneurship, Accountability, Team spirit, and Enthusiasm.

Bulk shipping allows the most efficient transport for products with low value density, such as energy resources, iron ore, grain or construction materials, over large distances. Without bulk shipping, producers of bulk goods would incur much higher transport costs.

Throughout 2011, Lauritzen has been in the process of developing a “Corporate Responsibility”
strategy. The main areas of focus include offering good working conditions through training, terms of employment, recruitment and diversity, as well as health, safety and security issues.

The firm provides training programmes and courses for employees, including training programmes for graduates. It offers equal benefits, rights and opportunities for employees in all offices around the World, such as insurance for all family members.

Results

3) Crafting Instruments and Protocols

Multiple data collection, interviews and archival sources are used. The triangulation made possible by multiple data collection methods provides stronger substantiation of constructs and hypotheses.

Theory building requires rich description. A case study can consist of both qualitative and quantitative data. The combination can be very synergistic.

CSR collaborations in the Danish Shipping Industry:

- The Sustainable shipping Initiative (SSI)
- Green Ship of the future
- Maritime Anti-Corruption Network

4) Entering the Field

The interviews were made in a random order, depending on time available. Adjustment during the data collection process was a key feature in theory building case study. The goal was not to make
identical interviews but to get as much depth as possible and understand each case. For this reason it was not possible to use the auto-coding in the NVivo program. All interviews were manually coded in three steps: Open coding, Axial coding, and selective coding (Walker & Myrick, 2006). The open coding resulted in 458 nodes. These nodes or fractured data is put back together in new ways by making connections between a category and its subcategory.

Prior Constructs found from the literature were: Top-down, Bottom-up, Conflicting implementing strategies, Change is emergent, Change is programmed.

Emerged themes were:

Discussion

CSR communication is a delicate matter. While stakeholders claim they want to know about the good deeds of the companies they interact with, they can easily become suspicious of the motives when companies promote their CSR efforts. A key challenge of CSR communication is to overcome stakeholder skepticism and to generate favorable CSR attributions (Du et al., 2010).

Arguments against CSR in shipping

Arguments that favor the no need for CSR in shipping are implicit in the Business to Business theory. This is because the majority of customers in the B2B segment has price as their main concern when choosing partners and suppliers. Due to lack of transparency in the global supply chain, the private consumers are not able to pick the most CSR friendly products. An often heard argument for the need for CSR in large multinational companies is the lack of global regulation. In
the maritime world there are global regulations. The term “Quality shipping” has already been implemented in the shipping community. The majority of the shipping companies are flying under the radar – low media attention. Research suggests that the more companies expose their ethical and social ambitions, the more likely they are to attract critical stakeholder attention (Morsing & Schultz, 2006).

*Arguments in favour of CSR in shipping*

Porter and Kramer (2011) argue that creating shared value (CSV) should supersede CSR. They argue that CSR focus on doing good and reputation, thereby CSR is separated from the core of doing business and do not help profit maximization. If a company wants to create economic value by creating social value, it is necessary to create shared value and thereby … (Porter & Kramer, 2011).

There are three fundamental competitive advantages: Demand, Cost, and Economy of scale. But to gain sustainable competitive advantage, the strategy has to be accompanied by some degree of customer captivity. (Greenwald & Kahn, 2005) This is where CSR can contribute!

Even though there is an international legal framework it is not perfect and therefore, CSR is a necessity to amend for the shortcomings of the international conventions. In today’s business environment, attention to social and environmental issues may just reflect good management (Orlitzky, 2005).

Many Danish shipping companies that are engaged in CSR claim to have a strategic approach to the subject. They tend to follow the Porter & Kramer interpretation of CSR. This means that the company and society has to gain something from the policies. An example is that all the companies reduce their use of energy, this reduces the emission of CO2 and other harmful gasses, and at the same time it helps the company to save money. Is CSR profitable? CSR may contribute to the
business case in four main areas. Cost and risk reduction; Profit maximization and competitive advantage; Reputation and legitimacy; and Synergistic value creation (Kurucz, Colbert, & Wheeler, 2008). Several studies of the causality between CSR and the bottom line have been conducted and examples have been found where CSR increases the profit of a company (Margolis & Walsh, 2003). Vogel (2005) argues that companies can choose different levels of corporate responsibility, depending upon the risks and opportunities they face (Vogel, 2005).

Most of the Danish shipping companies consider themselves as good corporate citizens. As a top manager from one of the major Danish shipping companies explained “We have been doing CSR for one hundred years we just called it another name”. To follow this claim, the company states on their webpage that “We have been monitoring our performance on quality and health, safety, security and the environment (HSSE) for many years”.

There have been numerous studies on corporate social responsibility (CSR), corporate ethics, and social sponsorship that suggest a link between social initiatives and improved financial performance (McGuire, Sundgren, and Schneeweis, 1998; Pava and Krause, 1996; Stanwick and Stanwick, 1998), as well as studies that demonstrate the link between social initiatives and positive affective, cognitive, and behavioral responses by consumers (Brown and Dacin, 1997; Creyer and Ross, 1997; Ellen, Mohr and Webb, 2000; Folkes and Kamins, 1999; Murray and Vogel, 1997; Sen and Bhattacharya, 2001). Based on the assumption that consumers will reward firms for their support of social programs, many organizations have adopted social causes (Levy, 1999). However, it is unlikely that consumers will blindly accept these social initiatives as sincere actions and thus may or may not reward the firm. Prior research confirms this notion (Barone, Miyazaki, and Taylor, 2000; Brown and Dacin, 1997; Creyer and Ross, 1997; Ellen, Mohr and Webb, 2000; Sen and Bhattacharya, 2001). In fact, research suggests consumers will punish firms that are perceived as
insincere in their social involvement (Sen and Bhattacharya, 2001; Simmons and Becker-Olsen, 2004). However, most customers in the B2B segment have price as their main concern (Wolf & Seuring, 2010).

5) Analyzing within case and Searching for Cross-case patterns

Do not separate data from conclusion. Within case analysis typically involves detailed write-ups often simply pure descriptions, but they are central for generating insight. The overall idea is to become intimately familiar with the cases.

To avoid reaching premature or false conclusions, it is necessary to look at the data in many different ways.

Select pairs of cases and list similarities and differences between each pair.

Split interview data from archive data and do the same.

6) Shaping Hypotheses

Compare systematically the emergent frame with the evidence from each case. Constantly compare theory and data toward a theory which closely fits the data.

7) Enfolding Literature

Relate to cases!!!

There is a difference whether being in the Business to Consumer (B2C) or Business to Business
(B2B) market when relating to CSR. A producer or retailer in the B2C market has a potential to increase their market share or increase the product price if the consumer is convinced that the company truly has implemented CSR. In the B2B market, this is not the case. Previous studies (Haddock-Fraser & Fraser, 2008) and (Gonzalez-Benito & Gonzalez-Benito, 2006) have shown that there is a relationship between closeness to market and environmental reporting. Companies proximate to the final consumer (business to consumer, B2C) have a greater inclination to report on CSR issues than business to business (B2B) companies. Furthermore, the position in the value chain influences the eagerness to report on environmental issues.

Garriga and Mele (2004) classify the different CSR theories in four groups. The first group assumes that the corporation is an instrument for wealth creation and this is its sole social responsibility. This group is called instrumental theory. A second group emphasizes the social power of the corporation, specifically in its relationship with society. This second group is called political theory. A third group considers that business depends on society for its continuity and growth and even for the existence of business itself. This group is called integrative theory. Finally, a fourth group understands that the relationship between business and society is embedded with ethical values. This group is called ethical theory (Garriga & Mele, 2004). In practice, no company is an archetype dedication themselves to one dimension.

Among the instrumental theories is Strategic CSR, is short is states that the essential test that should guide CSR is not whether a cause is worthy but whether it presents an opportunity to create shared value (Porter & Kramer, 2006), this is also called Strategic CSR. Lately, Porter and Kramer argue that Creating Shared Value (CSV) should supersede Strategic CSR. They argue that CSR focus too much on doing good and the reputation of the company, thereby CSR is separated from the core of doing business and do not help profit maximization (Porter & Kramer, 2011).
Lewin (1951), if any, is the father of change management and his model consists of three stages: unfreezing, moving, and refreezing (Burnes, 2004). Based on Lewin's model Kotter sets eight steps that the management must undergo to ensure that the change process is successful: **Un-freeze** 1) Establishing a Sense of Urgency, 2) Forming a Powerful Guiding Coalition, 3) Creating a Vision. **Move** 4) Communication the Vision, 5) Empowering Others to Act on the Vision, 6) Planning for and Creating Short-Term Wins. **Refreeze** 7) Consolidating Improvements and Producing Still More Change, 8) Institutionalizing New Approaches (Kotter, 1995).

Kotter (1995) lists eight steps that one must undergo to ensure a successful change process. He stresses that if you skip one step you risk failure (Kotter 1995). These eight steps fits very well with Lewin's model as follows: **Un-freeze**: 1) Establishing a Sense of Urgency, 2) Forming a Powerful Guiding Coalition, 3) Creating a Vision. **Move**: 4) Communication the Vision, 5) Empowering Others to Act on the Vision, 6) Planning for and Creating Short-Term Wins. **Refreeze**: 7) Consolidating Improvements and Producing Still More Change, 8) Institutionalizing New Approaches.

Critics of Kotter's eight steps questioning whether the steps apply to all change initiatives and whether the eight steps always must be followed in the exact same order (Kilde). Although Kotter's model is an excellent conceptual model for change management, you must combine it with more practical approaches to change management to translate into practice. Critics believe that Kotter's model proposes an unexamined checkbox mentality of leaders.

**Three Primary Flaws of Kotter’s 8 Steps for Leading Change**

1. Kotter’s model embeds the mindset that change is a one-time event, a process that must be meticulously managed and promises stability at its end. If we’ve learned anything over these last three years marked by global uncertainty, it’s that maybe life won’t “return to normal.”
2. It promotes the idea that real change can only come from the C-suite. This approach makes it easy for employees to lose trust and credibility as leaders make changes to the change they’ve just touted as the most significant in the company’s history!

3. It forces employees to be objects of change, futile pawns vulnerable to the decisions made to protect the King and Queen. Employee stress increases as their control of their lives decreases. We’ve heard many executives tell us that, during a major change, employees “turtle;” they retreat into their shells and try not to be noticed in order to “survive” the change.

Inspired by Lewins work, Maon et al. (2008) develop a nine-step framework for designing and implementing CSR:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensitize</td>
<td>1. Raising CSR awareness inside the organization</td>
</tr>
<tr>
<td></td>
<td>2. Assessing corporate purpose in a societal context</td>
</tr>
<tr>
<td></td>
<td>3. Establishing a vision and a working definition for CSR</td>
</tr>
<tr>
<td>Unfreeze</td>
<td>4. Assessing current CSR status</td>
</tr>
<tr>
<td></td>
<td>5. Developing a CSR-integrated strategic plan</td>
</tr>
<tr>
<td></td>
<td>6. Implementing CSR-integrated strategic plan</td>
</tr>
<tr>
<td></td>
<td>7. Communicating about CSR commitments and performance</td>
</tr>
<tr>
<td>Move</td>
<td>8. Evaluating CSR integrated strategies and communication</td>
</tr>
<tr>
<td>Refreeze</td>
<td>9. Institutionalizing CSR</td>
</tr>
</tbody>
</table>

(Maon, Lindgreen, & Swaen, 2009)
There are different paths to follow when a company wants to manage an organizational change. Depending on the time available and the extent of the change different methods of change can be applied. Lewin's classical three steps model of change management: un-freeze prepares the organization to change, move performs the transformation, and finally freeze anchors changes in the new organization (Burns 2004).

One can for example look at the process of change process should be top-down controlled with programmed structure (Theory E), or through employee involvement, focusing on culture and emergent processes (Theory O) (Beer & Nohria 2000). To implement CSR n-step models (like Lewin’s three steps or Kotter’s eight steps) from change management strategies can be useful (like the paper by ...). But these rigid models do not give the concept of CSR the optimal benefit. (WHY) A different model, namely the E-O model, would fit much better in implementing CSR.

So, instead of the non-reflecting n-step mentality we can look at another approach, that is whether the change process must be top-down controlled with programmed structure (Theory E) or through employee involvement, focusing on culture and emergent processes (Theory O) (Beer & Nohria 2000).

Theory E has as its purpose the creation of economic value. Its focus is on formal structure and systems. It is driven from the top with extensive help from consultants and financial incentives. Change is planned and programmatic.

Theory O has as its purpose the development of the organizations human capability to implement strategy and to learn from actions taken about the effectiveness of changes made. Its focus is on the development of a high-commitment culture. Its means consist of high involvement, and consultants and incentives are relied on far less to drive change. Change is emergent, less planned and programmatic. (Beer & Nohria, 2000). Change in formal structures typically takes less time than
change in ingrained beliefs and values (Bartunek, 1984)

Back in 1948 Coch and French found that the involvement of the employees had a great influence on productivity and job satisfaction during a change period. They found that the greater influence employees had, the more satisfied were employees and the sooner was the new production targets reached (Holt et al. 2007).

According to a longitudinally study employees in active jobs with influence are more willing to organizational change than employees in passive jobs with no influence. Similarly, if the work consists of analyzing and solving problems, employees are more likely to accept changes (Cunningham et al. 2002).

Make the organization ready to change, perform the transformation and finally anchoring changes in the new organization (Burns 2004).

Maignan & Ralston (2002) examined 400 firms from four different countries and found immense differences in the four countries. For instance 58.5% of the U.S. businesses consider value-driven CSR as their motivation while only 17.2% (France), 14.7% (the Netherlands), and 12.1% (the U.K.) introduced CSR as value-driven.

A passable technique to reduce resistance to change in the organization is to include employees in the process.

The concept of Corporate Social Responsibility is well known throughout the industries and many companies have published a CSR policy and/or code of conducts. Furthermore, the concept of CSR has gained the attention of the European Commission and several national governments.

The European Union (EU) has, for more than 10 years, encouraged national governments to promote Corporate Social Responsibility (CSR) in European businesses. The EU has chosen a
voluntary approach to CSR both in the definition and in their approach to promote CSR. Arguments of Strategic CSR have been used to convince businesses to engage in CSR, stating that implementing CSR improves the financial performance.

The logical trap of CSR is as follows: If CSR activities are a profitable activity, then they are best described as “intelligent operation of the business” rather than as “responsible” behavior. If CSR activities are not profitable, then they cannot be undertaken voluntarily in a competitive market, and so must be imposed on all competitors using laws or regulations, in which case such activities are no longer CSR (Karnani, 2011).

There is no unified definition of CSR on the contrary there exist various definitions of CSR. One of the reasons for the lack of a universal definition of CSR is that what is considered to be social responsible is changing over time and place due to evolution of society and organizational uniformity through institutionalization processes.

A study has identified at least 37 definitions of CSR (Dahlsrud, 2008) consisting of five dimensions: voluntariness, stakeholder, social, environmental, and economic. The European Commission’s definition of CSR encompasses all five dimensions: “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholder on a voluntary basis” (European Commission, 2001).

- Business Ethics: code of conduct, bribery & corruption
- Environment: emissions, resources, climate change, ecosystems
- Social: product safety, community, human rights, marketplace
- Employment: diversity, recruitment, (labour rights my), workplace condition, strategy

What is a successfully integrated CSR policy? In this paper to have successfully integrated CSR
policies means that a company has identified a number of CSR issues and put forward tangibles to measure the progress that is made. There is evidence (kilde) that you get what you measure. Therefore, if a company measures the progress on selected CSR issues you can claim that the CSR policy of that company is successfully integrated.

Waddock & Graves (1997) found through regression analysis that an increase in financial performance was associated positively with an increase in a firm acting in a social responsible way. (They measured CSR!)

Udayasankar (2007) found that the effect of firm size on CSR participation is U-shaped. Small and large firms are more willing to participate in CSR activity than medium size firms.

To behave social responsible may mean different things in different times to different people in different places. Therefore it is difficult to define CSR.

Corporate social responsibility (CSR) can help you cut costs and boost sales. However, there are other significant benefits which businesses sometime forget about, as they are slightly harder to measure.

Benefits such as improved reputation, stronger customer loyalty and motivated employees should not be overlooked, and can in fact be measured. For example, improved motivation could lead to reduced absenteeism and reduced staff turnover. Similarly, customer loyalty could increase levels of repeat purchasing. Ensure that customers, suppliers and the local community know what you are doing. Low awareness of and skepticism towards companies’ CSR activities are critical impediments in companies’ attempts to maximize business benefits from their CSR investment, pointing to a need for a deeper understanding of how to communicate CSR more effectively to stakeholders (Du et Al. 2010).
Conclusion

8) Reaching Closure

How to implement CSR, and what type of change management to apply, depends on the reason behind the desired change. If the reason is to fulfill a legal requirement, then perhaps it is no necessary to involve the entire company. However, if the company wants all employees to bring ethical considerations into all processes and procedures, then it is a more radical organizational change that is required. The management must be certain of the cause of organizational change, as this must be communicated to all employees involved. Companies that are in the early stages of implementing CSR must realize that an adjustment in the organization is likely to occur as CSR matures in the company.

And if the company wants to influence and change the way each employee think and act, there are great challenges ahead. Changes in formal structures usually takes less time than changes in employees' perceptions and values (Quy 2001).

Finally, there is a question of competence. Does the organization have the skills needed? The companies have demonstrated the competencies to implement new managerial systems and adapt to changes. However, all five cases show a need to recruit staff with additional competencies. Interesting, the newly recruited staff all hold a degree from Copenhagen Business School. Finding the business case is a very strong driver for the shipping companies.


