

Experimental CSR

Empowering employees to achieve real social and environmental impact

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Despite good intentions, companies implementing corporate social responsibility (CSR) policies often fail to achieve a positive impact on the environment and society. Our research shows that companies are more likely to succeed if they take an experimental approach to CSR, empowering their employees to adapt policies to the local context, rather than focussing on consistency.

Organisation Studies Research Group

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Many large companies dedicate significant effort and resources into developing corporate social responsibility (CSR) policies designed to address social and environmental issues. **But why do some companies achieve a positive impact on the environment and society with CSR, while others fail?**

Research overview

We compared and analysed how **four multinational companies** implemented their CSR policies: two mining companies, a water utility company and a tobacco company. We:

- Interviewed **81 managers** from all levels of the companies across different functions and roles, from sustainability managers to the CEO
- Analysed **70 secondary data sources**, including company reports, media and other public information on how these companies implemented their CSR activities and what effects this had

Based on our analysis, we identified clear differences in their approaches to CSR, explaining why two companies achieved their intended CSR goals and why two did not.

Key recommendations for successful CSR

1

Use an experimental approach to CSR that enables you to constantly adapt your practices to the local context, responding to feedback, knowledge and emerging local data.

4

Foster a culture that values the long-term business benefits of CSR. Take action to support this, for example, linking executive pay to the delivery of environmental and social goals.

2

Rather than relying on one-size-fits-all centralised CSR practices, which results in little attention being paid to impact, focus instead on engaging with local stakeholders – such as employees, local people and NGOs – to develop more effective initiatives.

5

There are also lessons for sustainable investing and ESG rating agencies. Evaluating a company's current CSR activities will not produce a reliable picture of the impact companies create. External evaluators should also focus on assessing companies' experimental approaches to CSR.

3

CSR is for everyone, not only specialists. Help employees across the organisation to see why CSR is relevant to them. Identify people from different departments who are motivated to deliver change.

When companies integrate CSR policies into their organisational practices (*means*), but these practices fail to achieve their intended environmental and social goals (*ends*), it is known as ‘**means-ends decoupling**’. Our analysis found that there are **two distinct approaches to CSR implementation**:

Consistency-orientated CSR = means-ends decoupling *more likely*

CSR implementation was centralised within specialised teams, with limited involvement and feedback from lower management and a focus on standardisation and compliance across the company. CSR was seen as a means for mitigating reputation or regulatory risks.

Experimental CSR = means-ends decoupling *less likely*

In companies with a successful experimental CSR approach, local managers played a key role and CSR knowledge was not centralised. This produced context-specific knowledge, which companies used to adapt CSR practices to local circumstances.



For some years we had involvement in the communities and ... we formed a team of people called, I think, “community liaison officers” and really the CSR agenda started with them working locally.”

– interview, Divisional HR Director, water utility company

Enabling experimental CSR

Our research shows that there are **two key features to enable experimental CSR** (Figure 1):

Broad mobilisation for CSR (1)

Companies can identify employees across different departments who are motivated to engage with CSR issues. By creating cross-department connections, these employees can support and encourage each other and the organisation in successfully implementing CSR.

Confident business case for CSR (2)

Companies can create an organisational culture in which managers do not need to demonstrate that CSR is profitable in the short term, but instead consider its long-term value.

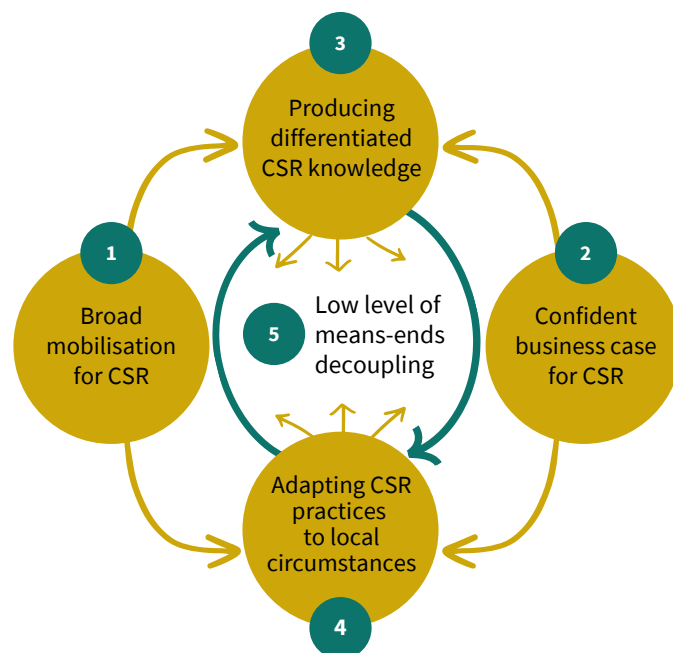


Figure 1: A model of experimental CSR implementation

Source: *Journal of Management Studies*

Practical steps towards experimental CSR

- Are you responding to feedback and effectively engaging staff? Identify areas where CSR excels and where improvements are needed.
- Analyse successful case studies and industry practices to tailor your CSR processes to local contexts.
- Provide staff training to bolster CSR support, such as proactivity and local awareness.
- Empower employees to adapt CSR strategies to their specific contexts.



[We] not only cut the cost, the human cost and the damage to the environment issues, but we actually make an even more profitable organisation.”

– interview, Head of Insurance, mining company

South Mining – A case study of success

- South Mining company (pseudonym) implemented an HIV/AIDS programme to create health benefits for local communities in a developing country.
- This CSR initiative was successful because the company engaged in an ongoing and proactive dialogue with communities.
- The company used this knowledge of what was happening on the ground to adapt its CSR practices to the local circumstances, recognising the ensuing benefits both for its employees and for the company itself.
- It became the first mining company in the region to administer treatment to HIV-infected employees.
- Within three years, the majority of its HIV-positive employees had voluntarily registered, with nearly half of them already starting therapy.

Underpinning research

Athanasopoulou, A., Marti, E., Risi, D. & Schlindwein, E. (2024) How companies restrain means–ends decoupling: A comparative case study of CSR implementation. *Journal of Management Studies*.

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