

Exploring the Internal Dynamics of Corporate Social Responsibility Implementation: The Role of Resource Endowments and Functional Departments

Abstract

The way corporate social responsibility (CSR) strategies unfold inside organizations remains a black box. This qualitative study delves into the inner workings of CSR. We inductively investigate the role of tangible and intangible resources and how resource flows are linked to various organizational departments involved in the execution of CSR. Our research question is: How are resources allocated for CSR distributed among organizational departments and why do these resources shift in the course of CSR implementation? We find six mechanisms explaining why resources are dynamically allocated to different departments and why such resource shifts trigger organizational transition towards more advanced levels of CSR implementation. Our research contributes to the literature that examines how CSR activities and strategies unfold within businesses. More generally, this allows better understanding of intra-organizational dynamics of firms' strategic responses to normative pressures.

Keywords: corporate social responsibility (CSR), functional departments, implementation, process model, qualitative study, tangible and intangible resources

INTRODUCTION

Corporate social responsibility (CSR) has entered the boardroom and become a topic of strategic relevance for businesses large and small (e.g., Hawn & Ioannou, 2016; Hawn, Chatterji, & Mitchell, 2018; Tang et al., 2018). Here, we refer to CSR as the integration of social, environmental and ethical issues into “strategies, structures and procedures in core business processes within and across divisions, functions [and] value chains” (Wickert et al., 2016: 1170). In the strategic management literature, a central concern of researchers has been to determine the influence of CSR actions on different measures of organizational and financial performance (e.g., McWilliams & Siegel, 2000). Furthermore, researchers examined how pressures from external stakeholders motivate firms to engage in CSR (e.g., Flammer & Luo, 2017), as this is considered a key determinant of long-term firm prosperity (Hillman & Keim, 2001). In summary, much of the literature has either conceptualized CSR as a relatively abstract independent variable that influences performance, or examined various exogenous factors that trigger different types of organizational responses.

Despite this prevailing focus in the literature, little attention has been paid to dynamics happening inside organizations once a top-management decision has been made to integrate CSR into a firm’s strategy (Aguinis & Glavas, 2012; Miller & Serafeim, 2014). Thus, our knowledge of the inner workings of the CSR implementation process remains surprisingly scant. Some research provides models of CSR implementation depicting successive stages of increasingly sophisticated CSR practices and procedures (e.g., Bondy et al., 2012; Miller & Serafeim, 2014). However, this literature is limited as it typically analyzes the content of specific stages, rather than internal dynamics that might trigger the transition from lower to higher levels of implementation. We take this research as a starting point for our investigation.

Two interrelated factors might play a decisive role in shaping the internal dynamics of CSR implementation, but they have as yet not been examined in combination. First, research

has shown that integrating CSR into strategy has significant cost implications (Durand, Hawn, & Ioannou, 2018; McWilliams & Siegel, 2001; Wickert et al., 2016). This requires the mobilization of substantial financial and other resources to execute the CSR strategy. Chandler (2014) shows that both tangible and intangible resources—dedicated budget and staff as well as top management support and internal influence—play a crucial role in an organization’s ability to implement CSR-related practices.

Second, research has shown that an important organizational unit has emerged within multinational corporations to strategically address CSR: the CSR department (Argento et al., 2018; Strand, 2014). Studies have shown that the CSR department fulfills a special role by “filtering” stakeholder expectations, which are then channeled through and “sold” by its staff to other functional departments that execute the CSR strategy (Risi & Wickert, 2017). However, little attention has been paid to the role of resource endowments in CSR departments and how those resources might shift during the implementation process when CSR responsibilities are passed on to other functional departments. In this study, we therefore focus on the role of resources allocated for CSR in relation to specific organizational units (i.e., the CSR department and other functional departments). We aim to better understand the process of resources flows from one department to another and how this might influence an organization’s transition from lower to higher levels of CSR implementation. Our research question asks: How are resources allocated for CSR distributed among organizational departments, and why do these resources shift in the course of CSR implementation?

Answering this question is important from a theoretical and practical point of view. Theoretically, the mechanisms that explain how CSR strategies unfold internally are still poorly understood, complicating explanations of variance in CSR implementation. This limitation is shared with the literature that examines organizational responses to normative pressures such as CSR. While extant research offers many frameworks and typologies that predict different

outcomes in the form of distinct response strategies (e.g., Durand et al., 2018), this work lacks insight into dynamically unfolding internal processes linked to such responses. Our research aims to unfold these processes and develop empirically testable propositions to guide future research. Practically, managers need a proper understanding of the steps and actions that influence how a CSR strategy can be most effectively implemented. They also must oversee the different roles of organizational departments when allocating resources to create momentum for CSR in light of increasing stakeholder expectations.

Because of the nascent nature of theory in our research context, it is necessary to take a qualitative approach that ensures “methodological fit” with our research strategy (Edmondson & McManus, 2007). We examined leading Swiss financial institutions that have embarked on the CSR journey based on strong leadership commitment, have established a CSR department as an organizational unit, and are at different levels of implementation. Our longitudinal data set includes interviews and secondary data (e.g., internal documents about specific CSR projects and publicly available data describing the firms’ approach). This allowed us to identify patterns and processes of unfolding resource shifts.

We inductively derived a set of mechanisms (i.e., the “driving forces that underlie and produce the patterns we see empirically”; Gehman et al., 2018: 292) that explain why resources allocated for CSR shift from one department to another as the CSR implementation process unfolds and, in doing so, trigger an organization’s transition towards higher levels of CSR. In line with Langley (1999: 692), we understand a process as a “sequence of events”. Each of the six mechanisms we identified in our data explains the connection between subsequent and gradually unfolding events; that is, resource shifts between departments, which comprise an overall organizational process. Our findings thereby contribute to the literature on the strategic role of CSR in organizations by recognizing that resource shifts among organizational departments are a key factor driving CSR implementation. More broadly, we contribute to a

central debate in the strategic management literature concerned with how internal organizational dynamics unfold in response to environmental demands (e.g., Delmas & Toffel, 2008; Durand et al., 2018; Greenwood & Hinings, 1996).

Our paper develops as follows: First, we review extant research on the role of functional departmental units in channeling external stakeholder demands to internal constituents, highlighting the emergence of CSR departments. Second, we explain the cost implications of CSR and why greater attention needs to be paid to dynamically evolving resource flows to CSR. We then illustrate our methodology, before presenting our findings. Subsequently, we build theory based on a set of propositions and offer a process model of CSR implementation. We conclude with a discussion linking our study with extant literature in the field of strategy and CSR.

THEORETICAL BACKGROUND

The CSR department as an emerging organizational unit

The literature has conceived the internal complexity of organizations as a “mosaic of groups structured by functional tasks” (Greenwood & Hinings, 1996: 1033), such as accounting and finance, or human resource departments. Research suggests that functional departments are crucial for responding to normative demands from external stakeholders. In a seminal contribution, Delmas and Toffel (2008: 1027) argued that “differences in organizations’ adoption of management practices reflect not only different levels of institutional pressures [...], but also differences in the influence of their functional departments.” Delmas and Toffel (2008) focus on the interaction of marketing and legal departments with different constituents in the firm’s external environment, showing that functional departments set different priorities that determine initial practice adoption decisions. On the one hand, their work establishes the focal role of functional departments in organizations that channel institutional pressures to other internal constituents. On the other hand, their study has several important limitations on which

we build in order to further open the organizational “black box.” First, Delmas and Toffel emphasize that functional departments influence how institutional pressures are “received” by organizations. However, their study is cross-sectional and as such can only provide a static perspective that is unable to link its findings to resources necessary to exert such influence on others or show how this might change over time. Second, while their study provides important insight that “organizations channel these pressures to different organizational functions” (Delmas & Toffel, 2008: 1049), there remains a lack of attention to how these pressures are channeled and the related internal dynamics among the involved organizational functions. This incompleteness in the literature complicates explanations of heterogeneity among firms’ responses to such pressures.

In order to understand this process in the context of CSR, we turn to the increasingly important role of the CSR department, which offers a special case of a functional department with notable differences between it and more “traditional” departments. It has been shown that these departments have recently been established in many multinational corporations (Risi & Wickert, 2017; Strand, 2014). They occupy a special role, because the CSR department acts as a “filter” or intermediary between external stakeholders and their demands on organizations, and internal functional departments who ultimately execute a CSR program, such as making production processes more environmentally sustainable (see Wickert et al., 2016). When CSR is linked to the implementation of responsible business practices in core operations rather than being a philanthropic exercise, it becomes clear that these practices are not executed within the CSR department. However, the CSR department fulfills a critical role in pushing the implementation of the CSR strategy forward (e.g., Miller & Serafeim, 2014).

CSR implementation as a process of successive stages

The implementation of CSR has been described as a process of successive stages ranging from low to medium to high levels of implementation (e.g., Bondy et al., 2012). While existing

models often vary with regard to the number, definition and content of the stages they comprise, most are built on a fundamentally similar logic and have comparable implications for organizations. That is, they illustrate the progressive integration of societal concerns into organizational decision-making and management processes (Miller & Serafeim, 2014).

The work of Bondy et al. (2012) is particularly insightful in that regard. The authors provide a comprehensive empirical analysis of the organizational structures, practices and procedures that characterize specific stages of CSR, including the value chain and key domains such as strategy, human resources, finance and accounting, marketing, sales, procurement, manufacturing, and logistics. On this basis, Bondy et al. (2012) developed a six-phase framework of the CSR implementation process within large firms which describes the practices introduced in each phase. We will elaborate on this framework further down for two reasons: First, because it informs our empirical sampling strategy; and second, because it informs the structure of our findings and analysis that classifies the firms we studied into distinct levels of implementation.

The CSR stages frameworks, however, share a common weakness: While they provide insight into what characterizes those stages and what the organizational practices at each stage are or should be (some studies are descriptive while others are prescriptive, suggesting what firms should do at each stage), they offer little explanation about how a firm progresses from one stage to the next. This means we know little about what the internal mechanisms are that trigger a process of organizational transition to a higher level of CSR implementation.

In light of these important limitations, we examine these dynamics by paying particular attention to the role of CSR departments. In doing so, we respond to repeated calls from strategic management researchers for longitudinal research in CSR (Hawn & Ioannou, 2016). Furthermore, we focus our analysis on the role of resource endowments linked to CSR. This is because research suggests that a critical factor affecting how departments can influence

implementation processes within organizational contexts is their endowment with resources. We will turn to this topic next.

Resource endowments dedicated to CSR

Implementing a CSR strategy has considerable cost implications because doing so encompasses substantive “actions within the firm, such as changing methods of production to reduce environmental impacts or changing labor relationships both within the firm and across the firm’s value chain” (Aguilera et al., 2007: 836). Considering the implementation cost of CSR, firms examine the availability of resources based on localized, subjective cost-benefit considerations (Durand et al., 2018).

Importantly, the contemporary understanding of CSR calls for attention to “how the money is made,” rather than “how the money is spent.” This means that resource flows no longer describe money spent externally on philanthropy or charitable activities that have little to do with core business strategy and processes. As Hawn and Ioannou (2016: 2569) have shown, CSR requires not only “taking actions aimed at audiences external to the organization,” but also addressing “internal audiences.” The authors further clarify that internal actions involve the development of organizational capabilities to meet stakeholder expectations. These all demand the mobilization of considerable amounts of resources. The research of Hawn and Ioannou (2016) is important in illustrating the interplay between external and internal CSR actions and how this enables the creation of market value. However, the authors acknowledge that future research should pay more attention to developing an understanding of how specific internal CSR actions evolve over time “as part of a firm’s process of strategic asset accumulation, potentially to build and sustain a competitive advantage” (*ibid.*: 2584). The mobilization of different types of resources might be necessary to initiate this process.

Tangible and intangible resources for CSR

In the literature, two types of resources are broadly defined. First, there are *tangible* resources, notably monetary budget and staff (Covaleski & Dirsmith, 1983). Having access to tangible resources allows departments “to create the rules, norms, and organizational culture that define the parameters of permissible behavior for employees” (Chandler, 2015: 205). This suggests that examining how such departments are staffed can yield insights into the extent to which an organization implements its strategies and procedures. In this study, our focus is on the relationship between the CSR department, whose distinctive role appears to be critical for effective CSR implementation, and various other functional departments that execute the CSR strategy, such as marketing or procurement.

Second, *intangible* resources have also been identified as a critical factor for effective strategy implementation (Surroca et al., 2010). In the literature, they have been broadly linked to “loyalty, information, emotional support, and respect” by organizational leaders (Sparrowe & Liden, 1997: 526). Intangible resources include soft forms of organizational influence such as “access to influential others” as, for instance, the top-management team (Chandler, 2014: 6).

In sum, the literature shows that an organizational department with greater access to tangible and intangible resources is an important precondition for the implementation of a strategy and concomitant organizational practices. However, research has also revealed that the assumption that greater resource endowments lead to more comprehensive implementation of CSR is problematic. Risi and Wickert (2017) have provided evidence that when CSR implementation advances through successive stages, the importance of CSR managers and their departments can decline. Further research is therefore needed to investigate how resources allocated for CSR can shift internally and flow from the CSR department to other functional departments, and how this influences organizational transition to more advanced levels of implementation.

METHODS

We used a qualitative research approach since it allows for the generation of detailed insights into organizational processes that are difficult to obtain through quantitative studies (Gephart, 2004). A key objective of our qualitative approach is to generate empirically testable propositions which future empirical work can address.

Research context and sampling strategy

We longitudinally examined multiple cases through an inductive lens because this allows to generate novel concepts or mechanisms and identify relationships between them (Nag & Gioia, 2012), while enhancing reliability of the findings (Chandra, 2017). We focused on cases that represent a broad industry segment, but differ in terms of phase of CSR strategy implementation.

We selected seven large firms in the Swiss financial industry (having at least 1,700 employees; see Table 1), because such firms generally have to mobilize substantial amounts of resources to coordinate their operations and are thus theoretically insightful for studying resources flows between departments (e.g., Blau, 1970). In the CSR context, research has linked firm size-related structural features of organizations to the cost implications of embedding CSR strategies and practices internally (Wickert et al., 2016). Furthermore, larger firms are more likely to be functionally differentiated, and to have a CSR department (Strand, 2014). All firms selected for this study had a standalone CSR department and a strong leadership commitment has been made to embark on the CSR journey.

The companies we studied are headquartered in Switzerland and can be described as financial institutions. Many Swiss firms are considered CSR leaders. For example, in 2014 the Dow Jones Sustainability Index ranked the reinsurer SwissRe as CSR industry group leader in the insurance industry and in 2017 the bank UBS Group AG as CSR group leader in the diversified financials segment. Still, not all firms are as advanced, and research indicates

significant heterogeneity in levels of CSR implementation among Swiss banks and insurance firms (Risi, 2018).

The Swiss financial industry is also a particularly illustrative example for strong normative pressure from societal stakeholders to urge firms to pay attention to CSR. This is because of the significant economic and societal importance of the industry in the country. Economically, the industry's share in the gross domestic product has been around 10 percent over the last six years (OECD, 2017). Besides their economic weight, financial institutions have societal significance as employers, training institutions, credit providers, contracting entities, taxpayers and sponsors of cultural as well as educational institutions and events throughout the country (EDA, 2014). Because of their widespread societal engagement, the sector is under comparatively strong pressures to make an active contribution to society that goes beyond the creation of economic value (e.g. Risi, 2018).

The sampling approach further allowed us to study various levels of CSR implementation in a relatively short period of time. Some firms had already implemented a range of responsible business practices, while others were only at the beginning of the implementation process. Our search for companies, which proceeded simultaneously with data collection (see Nag & Gioia, 2012), was based on the work of Bondy et al. (2012) who provided helpful criteria for selecting organizations with different levels of CSR implementation. Bondy et al. (2012), as already explained above, provide a comprehensive framework of six phases of CSR implementation that span the entire spectrum, from low to high implementation. Each phase is characterized by distinct patterns of practices (see Bondy et al., 2012: 289, figures 2 & 3). For the sake of theoretical parsimony and to enhance analytical clarity, we differentiate between low-, mid-, and high-level CSR implementation.

We sampled the companies to observe the full spectrum of different levels of CSR implementation from low to medium to high (Table 1 below indicates the phase(s) each firm

had reached at the time of data collection). Together, the case companies encompassed all stages of the CSR implementation process. Since covering the entire process of CSR implementation in a large organization typically takes many years, we selected our firms to allow for at least two cases in each phase of CSR implementation (see Table 1). While this allowed for cross-phase comparison, we could also rely on cross-case triangulation because there was more than one firm in every CSR phase. Furthermore, we could track the CSR implementation process in real time as the firms were in a particular phase, or even as they moved from one phase to the next (i.e., company C moved from low- to mid-level and company F from mid- to high-level CSR implementation; see Table 1). This allowed us to gather and compare reliable data on how CSR-related resource flows in these firms trigger an organization's transition towards a certain level of CSR implementation.

 Insert Table 1 about here

Data collection

Langley (1999: 691) suggests that “to truly understand how and why events play out over time, we must examine them directly.” With this in mind, we focused the collection of our data with its distinctive processual features (see Langley, 1999: 691-694) on interviews and archival data, which are commonly used in the study of different organizations (e.g., Chandra, 2017; Nag & Gioia, 2012). Multiple sources of evidence are important for facilitating triangulation and validation of theoretical constructs in qualitative research (Bryman & Bell, 2007). Semi-structured interviews served as the primary data source. We conducted interviews with people employed by CSR departments and representatives from other functional departments, such as corporate communications, investment, marketing and wealth management (see Table 1), all of whom worked closely with the CSR department. The following types of archival data served as a secondary data source: CSR reports, annual reports, codes of conduct, and internal documents. Overall, we conducted 34 semi-structured interviews, each lasting approximately

40 minutes, resulting in a total of nearly 1,000 minutes of audio data. We also collected 118 archival documents, comprising 1,129 pages of text. Interviews conducted in German were translated into English.

To allow for longitudinal comparison within and across cases, the data were collected in three different periods, coded (a), (b) and (c), in the 36 months of the study. This helped to examine “sequences of events” (Langley, 1999: 692) that show how CSR implementation is linked to the flow of resources over time. Data collection period (a) started in November 2012 by interviewing 13 representatives from functional departments who had working relationships with the CSR department, as well as the CSR managers of all the firms (see Table 1). All interviews were recorded, replayed, and fully or partially transcribed. To prepare the interviews, we examined all publicly available documents relating to each firm’s approach to CSR. Following this round of interviews, we were granted access to internal documents about specific CSR projects, such as presentation slides and in-house communication documents. These documents gave contextual information about CSR in each firm and further aided triangulation of the data.

Period (b) began at the end of 2014, when we contacted the respondents we had already interviewed and arranged another ten interviews. Seven of the ten people served again as informants. These interviews helped us gain further insights into the process of CSR implementation and how the flow of CSR-related resources is related to specific activities in which the involved departments engage. We started by asking more general questions about CSR implementation, such as: “Please explain how the implementation of CSR takes place in your company.” At the end of the interviews, we asked the informants how the mobilization of CSR-related resources affected the implementation of CSR and, specifically, the resource endowment of the CSR department. These questions helped us better understand how the

transition to more advanced levels of CSR implementation is linked to resource shifts among departments.

At the beginning of 2015, several informants provided us with additional archival data, which allowed us to trace a preliminary process showing how resource flows related to CSR had developed over time and to link this to the current level of CSR implementation at their firm. Period (c) began at the end of the same year. Between October and November 2015, we interviewed another eleven informants to understand in greater depth how the implementation of CSR had progressed in the meantime. Ten of the eleven informants were thereby already interviewed at the previous periods of data collection. Seven informants served as informants in periods (a) and (b) and three in periods (a). In all phases, we posed “courtroom questions” (Hallen & Eisenhard, 2012: 41) by asking informants from different departments the same questions about the level of CSR implementation and corresponding resource shifts, as this technique helps avoid speculation and enhances the reliability of the informants’ responses.

Granting anonymity to all informants and their organizations is a common practice in qualitative research (e.g., Gioia & Chittipeddi, 1991) since this makes it easier to elicit candid responses (Hallen & Eisenhardt, 2012). We classified the answers by coding each response with a distinct firm code, such as “B,” the number of the informant, ranging from “1” to “3,” and the period of data collection, ranging from “a” to “c”; e.g., B-1-a. Table 1 provides an overview of the core cases and the collected data.

Data analysis

We used the “Gioia methodology” (Gioia, Corley & Hamilton, 2013) to analyze our process data, *inter alia*, for the following reasons. First, the Gioia methodology is ideally suited for analyzing process data (Langley, 1999) and empirically identifying mechanisms in the form of patterns in the data (Gehman et al., 2018). Second, the methodology has proved useful in researching multiple cases with a longitudinal data set (e.g., Chandra, 2017). Third, the

methodology that Gioia and Chittipeddi (1991) originally developed for research on strategic management has become an important template for studies that seek to capture processes of strategy implementation. Fourth, the methodology is oriented toward inductive theory building and allows for the formulation of propositions (Chandra, 2017; Gioia et al., 2013). Gioia's approach involves three different levels of abstraction leading to an overall "data structure" (see Figure 1 below).

First, a *first-order analysis* involves processing the raw data to identify an initial set of codes, and classifying in different groups the descriptions of those codes that the informants provided. This brought to light a range of interrelated events linked to the level of CSR implementation in each firm and that those events reflect resource shifts from one department to another. We also assessed the degree of influence each CSR department had on its company's overall strategy by measuring the proportion of the staff that was available to that department. This assessment provided the initial insight that resource shifts from the CSR department towards functional departments influence the CSR implementation process.

Based on this insight, we started the next step of *second-order analysis*. In order to move from the descriptive insights toward more theoretical explanations, we further analyzed the data and studied the literature to support our analysis. For example, identifying patterns of certain practices that were detected only in a specific phase of CSR implementation guided the interpretation of the empirical data and allowed us to identify a first set of theoretical mechanisms linked to a specific shift in resources toward or away from the CSR department. Resources such as staff, budget, and the frequency of interaction with top management served as indicators of the overall status of each CSR department during a particular level of implementation, while we also coded for whether other functional departments were involved in the CSR implementation process. The outcome of this step of analysis was six mechanisms

that show how resource flows trigger the transition from one level of CSR implementation to another.

On the highest level of analysis that leads to *aggregate dimensions*, we gradually processed additional data to identify how the key constructs of the analysis interacted. Specifically, we combined the interview data with data from secondary sources, such as publicly available documents and internal documents related to each firm's CSR activities. These documents provided further insights into the mechanisms linked to a certain type of resource flow and, most importantly, at which level of CSR implementation they occur. Again, we consulted the literature in order to develop further the key mechanisms we had identified and the links between them. The result of this final step of analysis was three aggregate dimensions that link resource flows between departments to the three consecutive levels of CSR implementation from low to medium to high.

Cross-case and within-case comparisons based on the data from the last round of interviews validated the classification of the key mechanisms. The analysis had thus reached the point of "category saturation" and that there was no need to collect further data (Strauss & Corbin, 1998). Figure 1 shows our data structure and how we moved from the empirical raw data to the aggregate dimensions as explained above. This data structure provided the foundation for a process model of CSR implementation, based on the temporal order of events that it depicts (see Figure 3).

 Insert Figure 1 about here

FINDINGS

We present six mechanisms that describe how resource shifts from one department to another trigger an organization's transition from low to medium to high levels of CSR implementation.

Notably, when we use the term “resources,” we explicitly refer to those resources immediately considered relevant by the organization for the implementation of CSR.

Following conventions of qualitative research (e.g., Pratt, 2008), we use illustrative quotes throughout the analysis to build our conceptual arguments. We explain each mechanism based on quotes from informants stemming from firms that are currently passing through a respective phase. We will present at least one quote per case that allows for better cross-case comparison.

How resource shifts trigger an organization’s transition towards low-level CSR

We identified two mechanisms that occur at the beginning of the CSR implementation process – typically following a CEO commitment to engage in CSR in the first place and to set up a new CSR strategy “from scratch.” In fact, we found that these mechanisms lead to increasing *tangible* and *intangible* resources of CSR departments. We label these mechanisms “centralized development of the CSR strategy” and “internal alliance-building for CSR.”

Centralized development of the CSR strategy. In the early phases of a company’s CSR journey, rolling out the CSR strategy internally by a centralized, stand-alone CSR department goes hand in hand with allocating *tangible* resources to that CSR department. The head of corporate responsibility refers to quality management implementation to explain how, after an initial top management commitment, the subsequent centralized development of the strategy connects with higher human resource investments in a stand-alone department in charge of initiation:

A comparable case is quality management, where firms used to have a bigger workforce to implement it. Similarly, at the start of the CSR journey one needs more people in a [CSR] department. (B-1-b)

Because of centralized development of the CSR strategy, the CSR department needs access to more *tangible* resources, such as human resources. The head of corporate responsibility of company A notes that steadily rising flows of tangible human resources to the

CSR department trigger the organization's transition to what we classified as a low-level of CSR implementation (see Bondy et al., 2012) since this allows for resource-intensive centralized development of the CSR strategy:

In terms of our company, we have not been involved in sustainability management for a long time. Thus, we are in the initial phase of establishing and professionalizing our activities and instruments. For this reason, we will increase our workforce for the coordination on the group level in the subsequent period of 2016–2018. In 2016, I will create a new position in charge of professional reporting and the implementation of EU environmental guidelines. (A-1-b)

Company A's CSR department was created in 2012 and consisted of one full-time CSR position (A-1). In 2015, the firm was still at a low-level of CSR, while the CSR department was busy initiating activities and instruments associated with the CSR strategy throughout the organization, such as the creation of a new environmental or supply-chain policy. In order to promote the organization's transition towards a higher level of CSR, the CSR department was reinforced with a new full-time hire for the period of 2016–2018: a function primarily in charge of developing environmental guidelines. In comparison to the previous period (2012–2015), the CSR department's staff had been increased by fifty percent. Hence, centralized development of the CSR strategy required a shift of tangible human resources towards the CSR department, which consolidated company A's low-level of CSR.

Internal alliance-building for CSR. Our data suggests a similarly important mechanism linked to shifts of *intangible* resources towards the CSR department. We label this internal alliance-building for CSR, because CSR department staff actively try to build internal support for the new strategy. Intangible resources support the CSR department's efforts to trigger an organization's transition towards higher levels of CSR – we found this to occur particularly at the beginning of the implementation process. The head of the CSR department of company A provides an explanation:

I regularly talk to senior managers from different countries and they are all firmly convinced that we have to pursue our CSR strategy on the same high level as we

did in the past. They thus really commit themselves [for CSR] and want to commit the necessary resources. (A-1-b)

Hence, at company A, internal alliance-building by the CSR department facilitates the CSR department's access to other senior managers. Support from senior management helps the CSR department push the companywide implementation of the CSR strategy. In this respect, our data suggests that establishing and maintaining an intra-organizational network of different company representatives that become "allies" in favor of the new CSR strategy is critical, in particular, in early phases of the implementation process. Having access to "influential others" (Sparrowe & Liden, 1997) in the organization creates opportunities for the CSR department to strengthen the importance of CSR as a whole.

A cross-case comparison reveals similar patterns. The head of the CSR department of company B similarly shows how internal alliance-building is an indicator of the CSR department's improved intangible resource base. However, this informant brings in a new dimension by providing information about how this mechanism induces shifts of other types of intangible resources to the CSR department, namely operational knowledge about CSR:

Today, I report to another corporate secretary who is the head of the bank's service division [...] After three years, this change is definitely an advantage for the area [of CSR] as it opens up a new network to many influential people [...] Overall, I have better access to people from other business areas. [...] it is easier for me to figure out how people actually do business there. I just go over and ask about the technical aspects of their work. [...] Today, access to knowledge and people is much better. (B-1-c)

The head of the CSR department explains that alliance-building improves the CSR department's access to decision-makers from functional departments that need to be on-boarded because they will ultimately – in later phases of CSR implementation – be responsible for executing the CSR strategy. At the same time, the closer link to the head of the company's service division also facilitated access to other knowledge carriers in the organization. These actors provide insights into established organizational ways of working and thus help the CSR department analyze which business practices are already aligned with the CSR strategy and

which have to be adjusted. We found that this activity also improves the CSR department's access to relevant operational knowledge necessary for contextualizing the CSR strategy.

How resource shifts trigger an organization's transition towards medium-level CSR

Our data suggest that as organizational transition progresses towards medium levels of CSR, functional departments begin to mobilize tangible resources for CSR, while the resources of the CSR department stagnate. This is explained by two interrelated mechanisms. First, "decentralized execution of the CSR strategy" suggests that higher levels of tangible resources are required by other functional departments that become increasingly involved in CSR, while the "centralized coordination of the CSR strategy" indicates that relatively fewer tangible and intangible resources are required by the CSR department.

Decentralized execution of the CSR strategy. Decentralized execution indicates that during an organization's transition towards medium-level CSR implementation, various functional departments increasingly become in charge of handling different CSR-related tasks, such as implementing an environmental policy, changing procurement procedures, and rearranging manufacturing processes, all of which requires the mobilization of more *tangible* resources for CSR. The chief communication and corporate responsibility officer of a company D explains this:

I don't need a huge budget. Otherwise, this would mean that there is a CSR team and they are just doing something on their own. But since I want CSR to be a part of day-to-day business, it has to be applied there. If it costs something, then it should be paid for there [in that department]. This is the right approach. (D-2-c)

The quote illustrates that operationalizing the CSR strategy takes place at different functional departments in company D. As the informant describes it, the execution of CSR is decentralized, because it is not realized by the CSR department but instead by the various functional departments of an organization. For such execution, functional departments need to devote more tangible resources to CSR. The head of corporate responsibility of another

company illustrates that this implies their own staff takes responsibility for managing relevant CSR issues.

The CSR team has remained the same. However, we increasingly count on resources from others. [...] In the case of communicating [on CSR], we rely on experts from corporate communications. Another example would be our topical event on ecology that was planned and executed by people from risk management and environmental management. (F-2-b)

The statement shows that functional departments, such as the communications and risk management departments, provide dedicated resources to execute those components of the CSR strategy relevant to them independently from the CSR department. In consequence, staff of the CSR department is less frequently involved in the operational management of CSR.

Centralized coordination of the CSR strategy. We found a corresponding mechanism to that of decentralized execution of the CSR strategy which also occurs during the transition towards medium-level CSR implementation, namely the centralized coordination of the CSR strategy by CSR departments. While functional departments become more important actors in the further implementation of the CSR strategy, we observe an important change in the role of the CSR department. While the department was initially responsible for centrally driving the CSR strategy and thus overseeing significant organizational change – as illustrated above – it transforms into a less influential role of a central coordinator of the CSR strategy. We found that centralized coordination is linked to a phase where the base of *tangible* and *intangible* resources of the CSR department stagnates. A Group Sustainability Manager of company C explains this as follows:

Today [end of 2015], we are a team of two, while in 2013 I was alone. I am sure that the size of our team won't be extended. We have this coordinating function and work closely with other business units. We have the know-how, we can push certain topics, but the business units bear the responsibility. (C-1-c)

The quote illustrates that centralized coordination of the CSR strategy in CSR departments means assigning tasks to functional departments which are then responsible for their execution, while the CSR department assumes a coordinating role to maintain coherent

implementation of the CSR strategy. The Group Sustainability Manager further mentions that centralized coordination of the CSR strategy leads to a situation where the CSR department is no longer equipped with additional resources such as staff or budget. This is because that role is considered a task that the CSR department is expected to handle with its existing personnel. At the same time, the central coordination of CSR requires that the CSR department maintains its close contact to representatives of the business units. While the informant illustrates the interrelationship between decentralized execution and centralized coordination, it is the latter mechanism that indicates how the CSR department's access to tangible and intangible resources stagnates as an organization undergoes a transition towards medium-level CSR. A manager of environmental and social risk of company F further explains this with the example of rolling out a corporate environmental strategy:

[...] in order to roll out our environmental strategy, we only have limited resources with our small team and we have managed [...] that another department takes over these topics and implements them [...] in that sense it is not primarily our responsibility anymore that the bank reduces energy use or CO₂, but instead this department has taken responsibility for this part and also implements that. We thus merely support the other department and ensure that its activities match our overall [environmental] strategy. (F-1-a)

As in the previous statement regarding company C, the manager of company F similarly emphasizes how the executive responsibility is gradually transferred to functional units as the company transitions towards more advanced levels of CSR implementation. In that company, the CSR department with its small team still was involved in the rollout of the environmental strategy and maintained its access to the functional departments, but only to ensure it was in line with the company's overall CSR strategy.

How resource shifts trigger an organization's transition towards high-level CSR

We found two mechanisms that inform about how the CSR department's tangible and intangible resources decrease while functional departments consolidate their resource base. These two types of resource shifts trigger an organization's transition toward high-level CSR

implementation. Below, we link this to what we refer to as “divisional specialization of CSR” and the “CSR department’s withdrawal from CSR.”

Divisional specialization of CSR. We found that divisional specialization in the execution of the CSR strategy requires that more *tangible* resources for CSR are channeled to functional departments, and that this happens at the expense of CSR departments’ resources. The following statement from the head of a CSR department illustrates this:

[...] there is a general trend of diminishing [CSR managers] [...] however, the issue of CSR is not neglected at all. In fact, it is the opposite. A large number of initiatives and task forces are driving it and are specializing in certain [CSR] areas. [...] my job [as head of CSR management] has been reduced to a 50 percent position. In this context, the top management has clearly stated that the job of the CSR manager is not assumed by a new CSR manager but goes instead into the business area. The remaining 50 percent is used for people who focus on CSR in these other areas. (G-1-b)

The informant suggests that divisional specialization in CSR is a consequence of the decentralized execution of CSR and that functional departments now begin to develop their own specific CSR initiatives and working groups. Because they no longer need to rely on the CSR department’s involvement, this coincides with reducing headcount in CSR departments. For company G, divisional specialization implied a differentiated consideration of the CSR strategy, where its various functional departments focus on, edit and develop specific aspects of CSR. At the same time, in this company the CSR department experienced a severe reduction in its access to tangible resources, namely a reduction of its staff by fifty percent. However, the case of company G shows that cutting down on human resources within the CSR department did not lead to less commitment to CSR. Instead, the other fifty percent of the budget was reallocated to other departments and was reinvested in the development of specific CSR-related services and products. We found this specific type of resource shift to be an important trigger for the transition toward high-level CSR implementation.

We observed a similar development at company F, where the functional departments' specialization in the execution of the CSR strategy has a corresponding effect on the CSR department. The head of the CSR department explains this as follows:

[...] if it is already implemented in the business line and not called "corporate responsibility" anymore. Probably, the [CSR] team then becomes smaller and therefore its significance is also reduced [...] (F-2-c)

Because of increasing divisional specialization of CSR, the execution of the strategy has been "taken over" by functional departments which interpret, execute and develop specific CSR aspects independent of the CSR department. The departmental specialization in CSR may even result in situations whereby the general term "CSR" no longer applies, since it is now about CSR-related products and services with their own specific designations, such as "socially responsible investing." Consequently, the CSR department becomes less important, which manifests itself in the downsizing of the department.

CSR department's withdrawal from CSR. We found that in more advanced phases of the CSR implementation process, CSR departments begin to withdraw from the day-to-day management of the CSR strategy. This leads to a reduction of intangible resources in the CSR department, for instance in the form of less frequent interaction with staff from functional departments. As the head of a CSR department suggests, even their previous coordination role is reduced to that of an occasional consultant:

In some cases, we see that CSR has shifted to the specialist departments. It is because we are no longer the only ones who trigger that. The business case of CSR or sustainable investing is recognized in certain departments and there we [CSR department] are only consulted as experts or specialists. (F-2-b)

We found that along with the divisional specialization, functional departments now increasingly trigger and steer CSR themselves, independent of the CSR department. In parallel to this, the CSR department withdraws from the day-to-day management of CSR. This consequently leads to fewer exchanges between staff of the CSR department and the functional departments; hence, reduced knowledge about CSR-related activities in other departments. In

company F, the CSR department has, for example, less access to operational knowledge about the practice of socially responsible investing, where the involved department now develops corresponding procedures and performance indicators on its own. Overall, this withdrawal from day-to-day management has negative effects on the access to another intangible resource, namely reduced organizational influence and access to top management. The head of the CSR department from company G explains this as follows:

[...] in connection with successfully integrating CSR within the business, we [CSR managers] lose ground. [...] In a situation where it [CSR] is part of daily business, the [business] unit always has more weight. In this situation, we have less exchange with the head of the business unit and top management more generally. They exchange their ideas now among themselves and largely independent of us. (G-1-b)

This statement summarizes that while functional departments specialize in the execution of CSR, company G's CSR department withdraws from actual CSR activities throughout the organization. As a result, intangible resources of the CSR department are gradually reduced as organizations – in this case company G – undergo a transition towards high-level implementation of CSR.

THEORY BUILDING: A PROCESS MODEL OF CSR IMPLEMENTATION

This study zoomed in on the critical role of internal resource flows among organizational departments, and how these resource flows are linked to specific activities in which both the CSR and other functional departments engage at different phases of the implementation process.

In Figure 2, we answer the first part of our research question: How are resources allocated for CSR distributed among organizational departments? The figure schematically illustrates the dynamic flows of CSR-related resources for the CSR department and other functional departments in the course of the CSR implementation process. Our data allows us to sketch a sequence of resource flows where the CSR department initially enjoys strong increases in its resource base, which plateaus at medium-levels of the implementation process, and then

gradually declines. With a time lag due to the centralized development of the CSR strategy in the CSR department at low levels of implementation, notable resource shifts to other functional departments only take off at medium-levels of the implementation, which then plateau once high levels of CSR implementation have been reached. Notably, our data induced us to distinguish between tangible and intangible resources, which are both linked to different mechanisms and roles that the CSR department and other functional departments fulfill, respectively. However, as we found they both follow a largely parallel trajectory, for the sake of parsimony we depict them in one curve in Figure 2, while the distinction between resource flows linked to different departments substantially varies in the process of implementation as Figure 2 also shows.

Insert Figure 2 about here

Departing from this descriptive analysis, Figure 3 illustrates our answer to the second part of the research question: Why do these resources shift in the course of CSR implementation? This marks the key contribution that we offer to the literature. We develop a process model of CSR implementation based on a sequence of six mechanisms that explain why both tangible and intangible resources shift from one department to another at particular points in time during the implementation of CSR (see also the corresponding data structure in Figure 1). In our model, each of the six identified mechanisms explains the connection between subsequent and gradually unfolding events; that is, resource shifts between departments, which comprise an overall organizational process of CSR implementation.

Insert Figure 3 about here

Next, we theoretically embed these six mechanisms we inductively derived from our data and summarize them in six corresponding propositions to pave the way for future empirical analysis.

Why resource shifts between departments trigger an organization's transition towards low-level CSR implementation

Our data suggest that the CSR department is critical for initiating the rollout of the CSR strategy internally, as it is the place where this strategy is initially developed and where decisions about the importance of CSR for the organization are made – typically with strong support from top management. Indeed, research suggests that, specifically in early phases, the CSR department's staff is the driving force behind the implementation of CSR (e.g., Argento et al., 2018; Chandler, 2014; Strand, 2014). Important, however, is that the initial rollout of the CSR strategy must not be misunderstood by a CEO/leadership commitment to CSR (Miller & Serafeim, 2014).

Literature suggests that the centralized development of the CSR strategy by the CSR department requires the mobilization of tangible resources to equip the CSR department with the necessary staff and budget. For example, Bondy et al. (2012) in their framework of successive CSR stages used above, suggest that early phases of CSR are characterized by research about CSR and strategy development – resource-intensive tasks that are typically overseen by managers in the CSR department (Risi & Wickert, 2017; Strand, 2014). Engaging in these tasks requires that CSR departments are typically established from scratch, managerial positions are created and new employees are hired. We summarize these arguments in our first proposition:

Proposition 1a: (Starting with an initial CEO commitment) an organization's transition towards a low-level of CSR implementation is triggered by the shift of

higher amounts of tangible resources towards the CSR department because of the centralized development of the CSR strategy.

Research has also pointed to the importance of soft factors subsumed as intangible resources to mobilize organizational members for new issues such as CSR (e.g., access to and relationships with influential others, operational knowledge about CSR; see Chandler, 2014; Sparrowe & Liden, 1997).

In the context of CSR, Chandler (2015) even suggests that continuous top management support of the CSR department has a stronger effect on implementation than financial support. Wickert and de Bakker (2018) further explain that CSR departments need access to top managers to secure the necessary support and approval to initiate the CSR implementation process as “internal activists”.

As part of their role as “internal activists” for CSR, members of the CSR department also fulfil another important function linked to the mobilization of intangible resources. Research shows that CSR managers are key carriers of relevant operational knowledge (e.g., Risi & Wickert, 2017; Strand, 2014). As our data suggests, knowledge about CSR in early phases has not yet been diffused internally and high levels of justification are needed by the CSR department (Green, 2004). Acquier et al. (2011: 233) for instance argue that CSR managers are specialists who mediate “between top management, the company’s external environment, and middle managers from the operating divisions” to create momentum for the CSR strategy. This leads to our second proposition:

Proposition 1b: (Starting with an initial CEO commitment) an organization’s transition towards a low-level of CSR implementation is triggered by the shift of higher amounts of intangible resources to the CSR department because of the internal alliance-building activities.

Why resource shifts between departments trigger an organization's transition towards medium-level CSR implementation

Once developed, the CSR strategy and its components then must trickle down to where they are actually executed; in other words where the value creation processes take place. In the organizational structure that still characterizes most multinational corporations today (see Josefy, Kuban, Ireland & Hitt, 2015 for an overview), this not only includes decentralized divisions and functional departments with operational functions and for instance “shop floor” manufacturing or production processes, but also staff-level functions such as marketing, accounting or sales. Once the CSR strategy and associated policies are understood and accepted by various functional departments, those units begin to put them into organizational practice based on their unique characteristics.

This allows for contextualized practices to address broad goals that comprise the organization's overall CSR strategy (Kok et al., 2017). Once established and understood, however, these departments take over the execution of those CSR tasks relevant in their value-creating activities, establishing their own structures and procedures (Bondy et al., 2012). Because of this, tangible resources in the form of budget to carry out costly CSR projects are increasingly mobilized immediately by the relevant functional departments in a decentralized manner, rather than by the CSR department. We summarize this in our third proposition:

Proposition 2a: An organization's transition towards a medium-level of CSR implementation is triggered by the shift of higher amounts of tangible resources to functional departments because they engage in the decentralized execution of the CSR strategy.

Along with the increasingly important role fulfilled by various functional departments along with the organizational transition towards higher levels of CSR, the role of the CSR department also changes. We have shown that at low levels of CSR implementation, the CSR

department is responsible for initiating the rollout of the CSR strategy. This role as an important organizational “change agent” requires the mobilization of substantial amounts of resources. However, as the implementation progresses, the CSR department’s role is transformed into that of a less influential coordinator of the CSR strategy.

Anteby et al. (2016) provide a theoretical explanation for why some departments with staff roles such as CSR engage themselves as coordinators of certain tasks, such as a new strategy, despite the fact that such engagement would lead to a gradual loss of their influence. The authors (ibid.: 37) emphasize so-called “occupational intermediary groups” who “see their work and themselves as links in a complex web of interactions and processes rather than as a cabin of limited interests and demarcated responsibilities”. As central coordinators of new strategy implementation, members of the CSR departments thereby behave like occupational intermediary groups who “connect people and tasks to benefit the entire network, and in the process they often help implement change and reform, coproduce innovative products and services, or get their and other’s work done” (Anteby et al., 2016: 36).

Research in the context of CSR has indeed shown that the CSR department centrally coordinates the CSR-related activities as more departments become involved in the implementation process. For instance, they gather relevant information about performance targets that functional departments report back to the CSR department (Argento et al., 2018; Strand, 2014). Our finding that the role of the CSR department is characterized by an initially high resource base, which declines as the organization transitions to more advanced levels of CSR, is consistent with these observations. From these observations we derive our fourth proposition:

Proposition 2b: An organization’s transition towards a medium-level of CSR implementation leads to a stagnating base of tangible and intangible resources of

the CSR department because its role is reduced to centralized coordination of the CSR strategy.

Why resource shifts between departments trigger an organization's transition towards high-level CSR implementation

We observed that, over time, decentralized execution of CSR emerging at medium-levels of implementation generates opportunities for divisional specialization of functional tasks (e.g., Becker & Murphy, 1992; Blau, 1970). Above we have argued that decentralized execution implies that CSR activities are contextualized for different organizational functions and that the establishment of functional proximity makes different components of the overall CSR strategy more or less relevant for different organizational functions. Consequently, when engaging in divisional specialization, the addressed functional units begin to take ownership of “their” component of the CSR strategy. Research on resource allocation within multidivisional firms supports our findings and provides a theoretical explanation (see Sengul et al., 2018 for an overview).

In the context of our research, this means that functional departments increasingly develop and subsequently execute their own CSR agenda and interpretation of material issues. Argento et al. (2018) support our finding of divisional specialization of CSR at more advanced levels of implementation. They show that for the CSR practice of Integrated Reporting, it was the PR and finance departments claiming ownership of this new practice and working together to establish new routines, rather than the CSR department that initially triggered it. This leads to our fifth proposition:

Proposition 3a: An organization's transition towards a high-level of CSR implementation is triggered by a stable high base of tangible resources of functional departments because of divisional specialization in the execution of the CSR strategy.

Our data has shown that as the execution of CSR activities and the responsibility for further developing them has been increasingly taken over by functional departments, CSR departments are more apt to give up control over the change process and, in doing so, withdraw from day-to-day management of CSR. Research supports these observations. Studies show that as the implementation of CSR progresses, its management no longer lies in the hands of those who initially triggered the uptake of the CSR strategy, namely managers in the CSR department, and their organizational role becomes less important (Risi & Wickert, 2017; Strand, 2014).

These findings resonate theoretically with work on discursive justifications. Green (2004) studied the intensity of discursive justifications (for instance, managers of the CSR department aiming to create momentum for the CSR strategy by building internal alliances and transferring relevant knowledge) in the course of institutionalizing new organizational practices. Green (2004: 656) argued that justifications for a practice are high at the beginning of a diffusion process, but then decrease “without a corresponding decrease in diffusion.” We conclude with our sixth and final proposition:

Proposition 3b: An organization’s transition towards a high-level of CSR implementation leads to the reduction of intangible resources of the CSR department because of its withdrawal from day-to-day execution of the CSR strategy.

DISCUSSION

Theoretically, our study contributes to the literature that examines internal organizational responses to environmental demands. Most directly, we expand the seminal work of Delmas and Toffel (2008) in important directions that help further open the black box of internal organizational processes. This is important, as management scholars have as yet largely overlooked the processual dynamics of how stakeholder demands are implemented inside organizations (Chandler, 2014; Durand et al., 2018). Since implementation is less visible to

external observers (Suddaby, 2010), this applies particularly to the strategy literature dominated by a quantitative orientation (Bettis et al., 2015).

With regard to extant work on stages of CSR implementation that we have reviewed above (e.g., Bondy et al., 2012; Miller & Serafeim, 2014), we contribute to this work by offering an explanation for what remained a key limitation of this line of research: How do firms progress from one stage to the next? Our process model of CSR implementation is based on the content and type of CSR practices this research provides. However, we expand this work by providing a set of internal mechanisms that explain the connection between resource shifts from one department to another, the various stages of CSR implementation and an organization's transition towards higher levels of implementation.

Related to this, our study also highlights an emerging organizational function – the CSR department – that is increasingly used by firms as a vehicle to advance its CSR strategy. Making CSR part of a firm's core business strategy and operations requires that CSR becomes integrated in the operations of all functional departments. This, however, does not mean that high-level CSR implementation is about strengthening the CSR department. Rather, as our study shows, it is about shifting resources strategically toward other functional departments that take charge of CSR. Showing how this specific organizational function is used to coordinate and manage CSR activities responds to calls for researchers to investigate how CSR unfolds within organizations (e.g., Wang et al., 2016).

Beyond the CSR context, we enrich the more general debate in strategic management research concerned with how organizational dynamics unfold in response to environmental demands (e.g., Durand et al., 2018; Greenwood & Hinings, 1996). Durand et al. (2018: 2) have rightly criticized that this work “has not adequately explored the internal mechanisms in terms of the *willingness* and *ability* of organizations to engage in specific responses.” Our work thus directly connects to this research. By considering internal resource flows and involvement of

organizational departments we explain how the interplay of these factors affects strategy implementation. We, therefore, offer to this literature a processual understanding of internal mechanisms that connect sequences of events which ultimately lead to a certain outcome scenario.

While our research is not without limitations – many of which are linked to its qualitative nature (Bettis et al., 2015) – we believe that it opens up a broad range of opportunities for future research that can further nuance and clarify our model. For example, while our approach provided rich insight into the inner workings of CSR and sequences of events as they unfold over time, it is limited in its statistical generalizability. Future research should therefore apply quantitative methods, for which the propositions we developed provide a starting point. Another limitation is that the period of 36 months is too short to cover the entire process of CSR implementation in a single organization that can take up to a decade. However, selecting a number of large firms whose different levels of CSR cover the entire spectrum from low to high CSR implementation helped illustrate all levels of this process and allowed to generate the six mechanisms that explain why resources shift in the first place. Further research should now measure absolute values of the resource flows we found. This is important, as our study's key aim was to put resource flows to and from different departments into relative perspective as a starting point for subsequent research. Future research could also examine in greater depth how tangible and intangible resources interrelate in the course of CSR implementation, or how substantive a company's CSR strategy remains once the CSR department has been downscaled.

Overall, we hope our study has contributed to a better understanding of the organizational dynamics that unfold once a CSR strategy is rolled out internally, and that a better understanding of the CSR implementation process may help both researchers and managers create a sustainable competitive advantage for firms.

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TABLES AND FIGURES

Table 1: Core cases and case-related data

Industry ¹	Organization	Size ²	Interviews (informants ³)	Archival documents ⁴	Phase of CSR implementation ⁵
Insurance	A	1-10,000	5 (2)	16	Low-level
Banking	B	10,000-20,000	4 (2)	13	Low-level
Banking	C	1-10,000	5 (2)	18	Low- → Mid-level
Insurance	D	>100,000	4 (2)	25	Mid-level
Insurance	E	50,000-60,000	5 (2)	15	Mid-level
Banking	F	60,000-70,000	7 (3)	19	Mid- → High-level
Banking	G	1-10,000	4 (3)	13	High-level

¹ The classification of industries follows the United Nations' "International Standard Industrial Classification of All Economic Activities": banking encompasses "financial service activities, except insurance and pension funding" and insurance encompasses "insurance, reinsurance and pension funding, except compulsory social security" (United Nations, 2008).

² This number indicates how many employees worked for the organization at the time of the analysis.

³ Job titles of the informants: Head of Corporate Responsibility (CSR department) (A-1), Digital Marketing Manager (Marketing department) (A-2), Head of CSR Management (CSR department) (B-1), CSR Manager (CSR department) (B-2), Group Sustainability Manager (C-1) (CSR department), Responsible Investing Manager (C-2) (Investment department), Global Head of Responsible Investment (D-1) (Investment department), Chief Communication & Corporate Responsibility Officer (D-2) (CSR department), Responsible Investment Analyst (E-1) (Investment department), Corporate Responsibility Manager (E-2) (CSR department), Manager of Environmental & Social Risk (F-1) (Wealth Management department), Head of Corporate Responsibility (F-2) (CSR department), Head of Sustainable Investment (F-3) (Investment department), Head of Corporate

Sustainability (G-1) (CSR department), CSR Managers (G-2) (CSR department), Communication Manager (G-3) (Corporate Communication department).

⁴ Annual report, CSR report, code of conduct, internal documents (such as presentation slides, in-house communication about specific CSR projects), and others (case studies, KPIs, etc.).

⁵ Corresponding phase(s) of CSR implementation at the time of data collection.

Figure 1: Data Structure

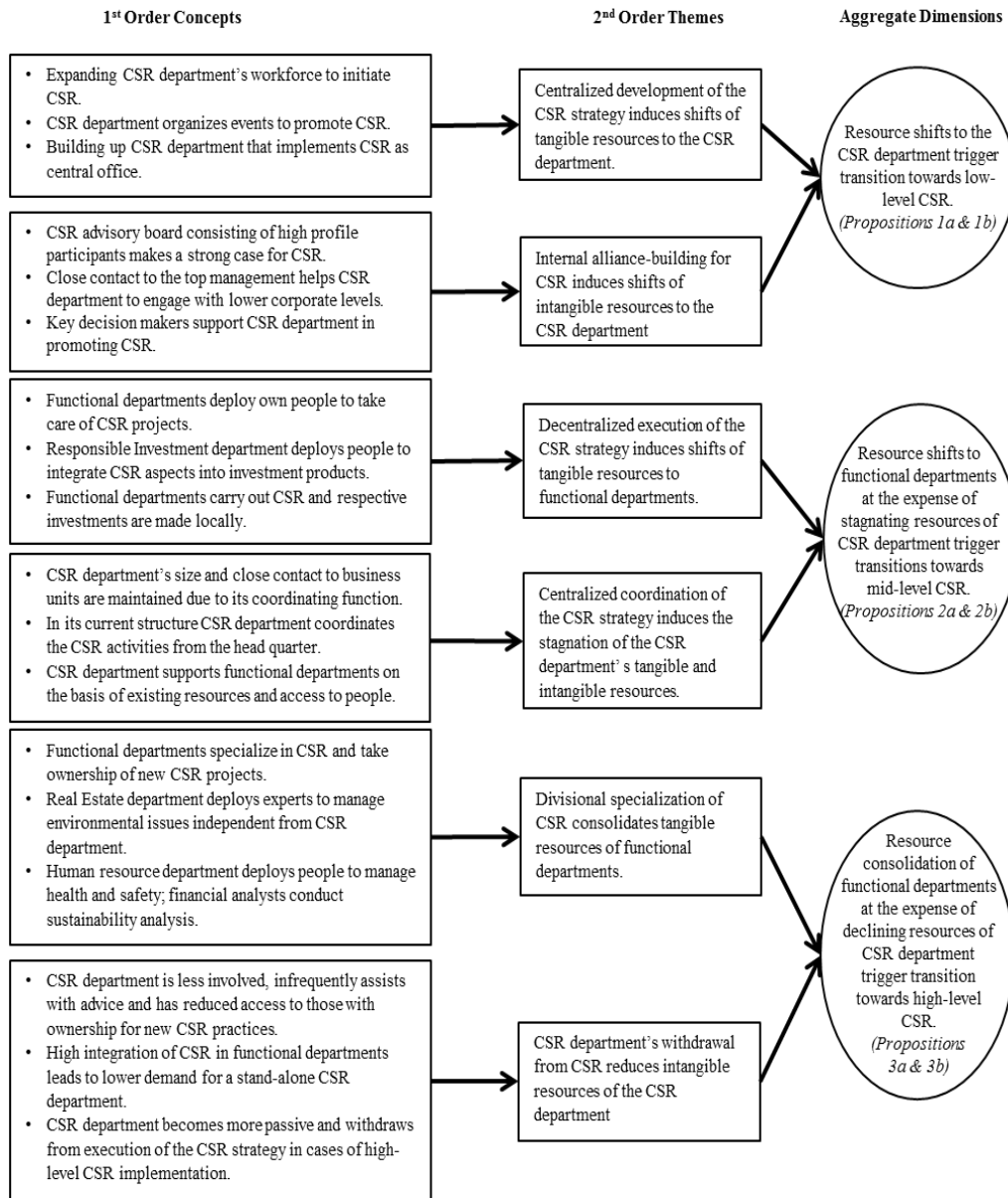


Figure 2: CSR-related resource shifts among organizational departments during the CSR implementation process. Source: Own illustration.

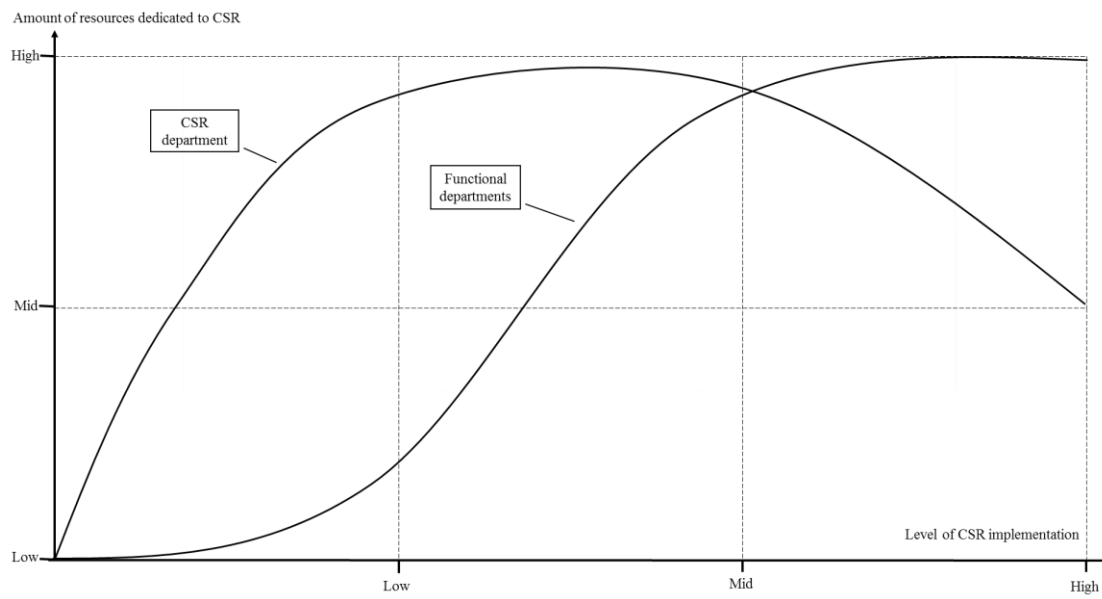
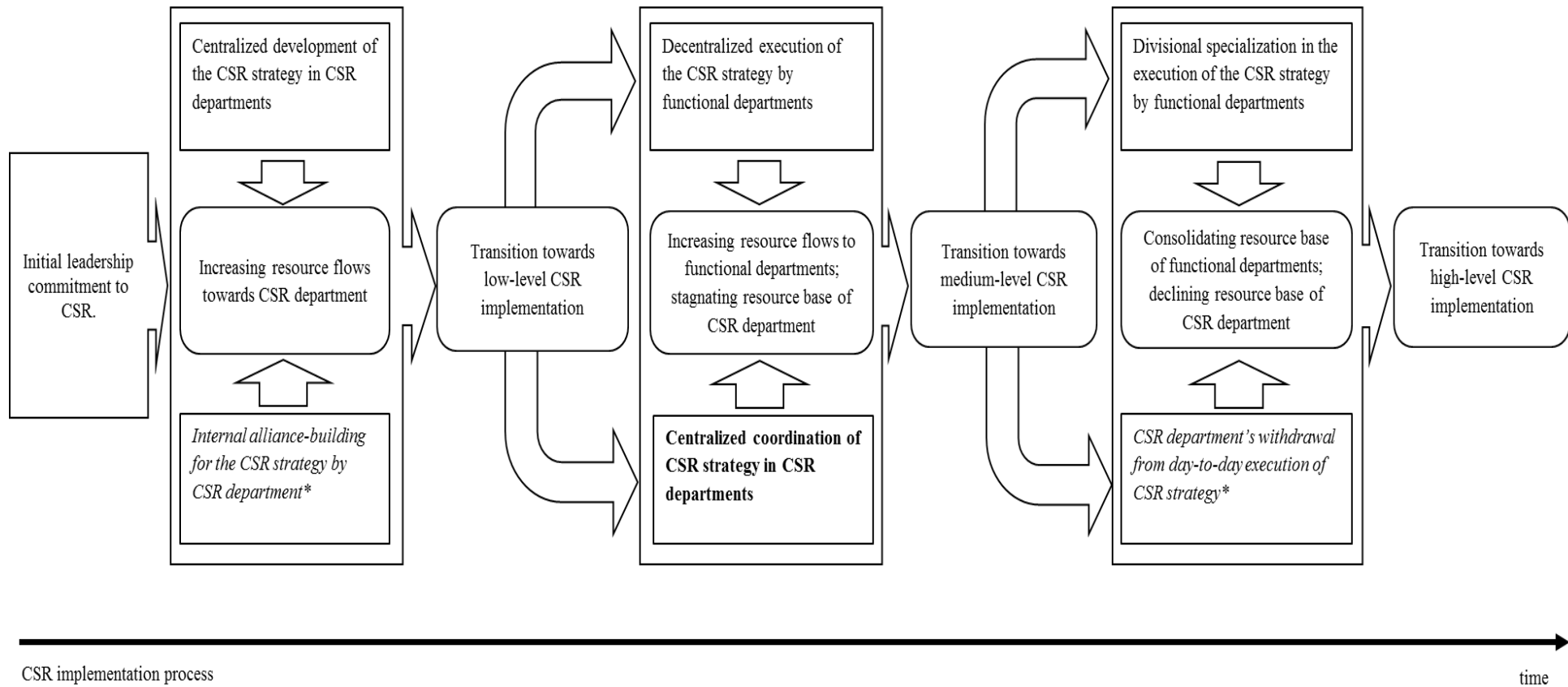


Figure 3: A process-model of CSR implementation. Source: Own illustration.



Notes: Mechanisms that induce shifts of mainly tangible resources in regular font; mechanisms that induce shifts of mainly intangible resources in italics (marked with *); mechanisms that induce shifts of both tangible and intangible resources in bold font