GOVERNANCE THROUGH CORPORATE SOCIAL RESPONSIBILITY AS A KEY ORGANIZATIONAL PRINCIPLE

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Abstract

This article addresses Governance through Corporate Social Responsibility as a Key Organizational Principle. The notion of etic and emic depicts the definitional status of CSR. Etic represents the universal recognition of CSR and emic represents the unique implementation of CSR in an organization. This article proposes that organizations behave like complex adaptive systems with complex interactions needing socially responsible strategies. This article describes French based SUEZ's emic responses to achieve responsible Governance in terms of CSR. A recipe or menu approach to Governance through CSR is inappropriate. SUEZ has acted as a model for recognizing etic and emic differentiation, using CSR as the Key Organizing Principle that allows adaptability in a socially responsible way and developed specific guidelines incorporating the needs of diverse stakeholders.

Keywords: corporate governance, social responsibility, principles

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Introduction

The notion of etic and emic dimensions (Brislin, 1976) depicts the definitional status of CSR. The etic dimension represents the universal recognition of CSR as a label. The emic dimension represents the necessarily unique interpretation of CSR as it is implemented to suit a particular organizational mix. Within the emic dimension, this article reports on Corporate Social Responsibility (CSR) as a Key Organizational Principle (KOP) and the perspective is implementation of a CSR agenda. This article proposes that organizations behave like complex adaptive systems that are non-linear, emergent and self-organizing. The complex interactions between functions such as human resource management, health and safety, finance, marketing and production need socially responsible strategies. Externally, customers, consumers, suppliers, sub-contractors and other stakeholders require different, sometimes conflicting socially responsible interactions.

SUEZ is a French-based international services company that reports revenues of around 44 billion Euros annually. It is an example of complex relationships needing socially responsible interactions. Specific (and adaptive) guidelines for CSR at SUEZ are reported including define or describe CSR in the organization, communicate the definition or description, commitment and involvement from the top executive, commitment and involvement from the employees, use a global approach with local adaptation, responsibility and control, identify stakeholders and incorporate CSR in the values.

This article reported SUEZ's emic responses to the internal and external issues it must deal with to achieve responsible Governance in terms of CSR. The conclusion is that either a recipe or menu approach to Governance through CSR is inappropriate. SUEZ has acted as a model for firstly, recognizing etic and emic differentiation, secondly, using CSR as the Key Organizing Principle (KOP) that allows adaptability in a socially responsible way and thirdly, developed specific (and adaptive) guidelines incorporating the needs of diverse stakeholders.

The societal and business environments change all the time. Organizations need to adapt to and fit in with their environment on a continuous basis to be successful and survive as an organization (Brooks, 2005). A classical and very well known example of adaptability is found in nature according to the Adaptability theory of Darwin. According to Darwin's Adaptability theory, species that do not adapt to their environment do not survive (Denton, 2006). Darwin's Adaptability theory is widely accepted in organizations and influences the thinking on organizational change and survival of an

organization within its environment (Foster, 1985). Jack Welch stated: "When the rate of change outside and organization exceeds the rate of change inside, the end is in sight." (Batterley, 2004: 30). There is increasing literature that "characterizes organizations as complex adaptive systems existing in symbiosis with their environments." (Brooks, 2005:407). This approach emphasises that it is very important for an organization to continuously adapt to and interact with its environment. There is a clear link between organizations as complex adaptive systems and the practice of CSR.

In the current business environment CSR has become an important business aspect and organizations are continuously pressured by communities, governments, customers, employees and NGO's to implement responsible corporate practices. Companies are starting to recognise CSR as part of the corporate identity and responsibility (Garriga and Melé, 2004; Welford, 2004). There is a variety of definitions for CSR. The European Union defines CSR as a concept where an organization contributes to a cleaner environment and a better society on a voluntary basis (Welford, 2004; Perrini et al., 2006). The World Business Council for Sustainable Development defines CSR as the "commitment of organizations to continuously behave ethically, improve the quality of life for the workers, their families, the local community and society at large while contributing to economic development" (Welford, 2004: 32). Although it is impossible to provide a universal definition of CSR, some of the core aspects are that it is on a voluntary basis, goes beyond the legal obligations and requirements of an organization, is associated with business ethics, sustainable development, corporate citizenship and many more. Not all organizations will agree on and use the same concepts to define CSR in that specific organization as each organization is different and needs to be different. The notion of etic and emic depicts the definitional status of CSR.

In the first part of this article, it is argued that organizations as complex adaptive systems (such as organizations) need to adapt to their environment in order to survive and remain competitive in that environment. One way to stay sensitive and adapt to the environment is through the practice of CSR. The field of CSR provides multiple well developed and plausible definitions, theories and approaches for CSR. However, in a practical business environment and from the point of implementation, these theories are complex, abstract and sometimes unclear. There has been a lot of debate and critique regarding CSR, sometimes leaving more questions than answers. As there is no developed agreement on the general definition and approach for CSR (the etic dimension), it does not provide a solid basis for action or specific implementation (the emic dimension), see figure 1. Added to this confusion and complexity is the fact

that each organization is unique regarding its goals, core business strategies and environment. It might explain the fact that there are very few specific guidelines or frameworks available for the specific implementation of CSR in an organization. This leaves the business executive or manager who is expected, needs or wants to implement CSR in a very difficult, awkward and uncertain situation. There is ample information on "the what" regarding CSR but specific guidelines on "the how" are extremely difficult to find. However, in the end, organizations are judged by the implementation and outcomes of CSR as these outcomes are reflected in the reports of the organization and reported by the media. In the second part, an integrated, holistic approach with CSR as the Key Organizing Principle is adopted and it is argued that the stakeholders play a crucial role in implementing CSR. This article aims to provide specific guidelines on "the how" to implement CSR and uses SUEZ as a case to demonstrate a practical example.

The etic-emic notion

The etic-emic distinction was developed as a methodological orientation. The etic dimension refers to universal constructs, generalises accross cultures, takes core aspects and all human behaviour into account. The emic dimension represents and describes the culture specific constructs, aspects and behaviours and takes into account what the people within that specific culture value and regard as meaningful. An etic phenomenon might manifest differently in different cultures. As constructs with a universal meaning need to be contextualised to the specific environment or culture both etic and emic constructs need to be used (Brislin, 1976; Trevor-Roberts et al., 2003). See figure 1.

Applied to organizational culture and the implementation of CSR, the etic dimension represents the universal recognition of CSR as a label and CSR as a holistic concept. The emic dimension represents the necessarily unique interpretation of CSR as it is implemented to suit a particular organizational mix as the individual response to internal and external phenomena specifically related and unique to a specific organization.

Adaptation to a changing environment

This article proposes that organizations behave like complex adaptive systems; non-linear, emergent and self-organizing. The complex interactions between functions such as human resource management, health and safety, finance, marketing and production need socially responsible strategies. Externally, customers, consumers, suppliers, sub-contractors and other stakeholders require a different, sometimes conflicting socially responsible interactions.

Figure 1: Etic and emic dimensions
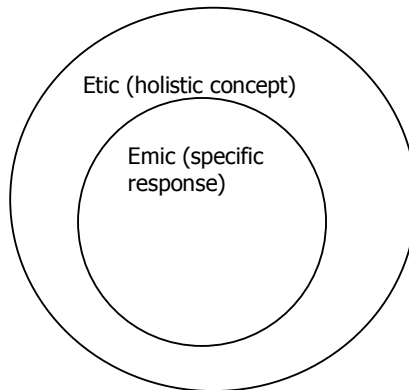
There are "many parallels between stakeholder involvement, development of collaborative networks and relationships, and the conceptions of organizations as complex adaptive systems." (Brooks, 2005: 407). All organizations are self-organizing through their resources, competencies and knowledge to provide a central core of stability. However, the organization needs to possess a variety of responses to change and adapt to its environment in order to survive. One way that "the organization remain sufficiently sensitive to its environment is through the practice of CSR." (Brooks, 2005:407). Through CSR interactions the organization can gain knowledge regarding the environment that it operates in and build trust between the organization and society. The CSR principle to enhance diversity (for example of race, age, gender, culture) offers organizations a variety of responses to problems. One of these problems is the adaptation to the complex environment of the organization (Brooks, 2005). Not only must an organization adapt to its environment to survive, but its survival is highly dependent on fulfilling the needs of the different stakeholders. Addressing stakeholder needs can be correlated with the survival, economic well-being, competitive advantage and the development of trust and loyalty in an organization (Pajunen, 2006; Pirsch et al.,2007; Boulton et al., 2000).

Previously, organizations were of the opinion and complained that they could not effectively and successfully compete in the market if costs were increased by, for example, required equipment to reduce pollution. Currently, organizations are proud to announce that their environmental protection activities and efforts go beyond what is expected. This is an indication that organizations are embracing CSR as part of the business practice and not just reacting to forced legislation (Szwajkowski, 2000).

CSR is increasingly becoming part of the identity and responsibility of an organization. It is a responsibility that includes stakeholders such as customers, suppliers, employees, shareholders, state and local authorities, civil society and the media. As a result of these social demands, companies are

starting more dialogue with stakeholders (Garriga and Melé, 2004; Welford, 2004). The idea that these strategies are needed for economic success "suggest that stakeholder interests and demands are increasingly the locus of solutions, rather than problems." (Szwajkowski, 2000:387).

There are many reasons why organizations adopt and implement CSR. Some of the reasons are that they want to do it, feel obliged or are forced to comply with policy (Van Marrewijk, 2003). Organizations sometimes implement CSR when their competitors are doing so as they feel "peer pressure"; or they feel that it will have a positive effect on the image and reputation of the organization; or their success and survival depends on it; or their selected partners demand it.

CSR concept

This article proposes that CSR is used as the key organizing principle in an organization.

CSR is not a new concept and modern definitions for CSR were formulated as early as 1953 when Bowen stated that corporate decision making processes must consider the consequences of the behaviour and not only the economic dimension (Perrini et al., 2006). CSR has evolved significantly over the years and from the second half of the 20th Century, there has been many and long debates on CSR and the field has developed significantly. Currently, there are many definitions, theories, concepts and approaches. Further complicating issues is the fact that some theories combine different approaches and the same terminology has different meanings (Garriga and Melé, 2004).

The European Union (Commission of European Committees) presented a Green Paper in 2001 that promotes a European framework for CSR. This document promotes developing strong partnerships between parties such as companies, NGO's, social partners and local authorities. The Commission of European Communities Green Paper defines CSR as "a concept whereby companies decide voluntarily to contribute to a better society and a cleaner

environment." (Welford, 2004: 32; Perrini et al., 2006). The World Business Council for Sustainable Development defines CSR as the "continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large." (Welford, 2004: 32).

There are many definitions for CSR but it is not easy to develop a universal definition as "it is not possible to fully define how far the responsibility extends, both on account of its complexity and of the manifold nuances it takes on with respect to the different stakeholders of the company" (Longo *et al.*, 2005: 28). Although it is not easy to provide a universal definition of CSR "the essential point of the concept can be recognized in the voluntary undertaking of a commitment, towards third parties, by the management of a business. The commitment undertaken goes beyond the legal obligations that weigh heavily on the management of the company's activity." (Longo et al., 2005: 28). There are many words (core concepts) such as corporate social responsiveness, sustainable development, business ethics, corporate citizenship and many more connected to and associated with the CSR concept. Not all organizations will agree on the words and concepts that define or describe their interpretation and implementation of CSR as the approach in each organization is different and needs to be different.

Although the definitions for CSR are usually very broad and few specific guidelines exist for the implementation of CSR, in the current societal and business environment there is pressure and organizations are expected to implement CSR. Organizations are able to interpret and implement CSR as they want within the broader definition (Welford, 2004). Jacques Schraven (Chairman of a Dutch Employers Association) is of the opinion that each organization should select a definition that matches the aims, intentions and that is aligned with the situation and environment of the organization (Van Marrewijk, 2003). Although this flexibility in a broad definition allows organizations to match CSR aspects to the specific organization, it could be difficult for organizations that prefer more specific guidelines, organizations that need to implement CSR in an organized manner for the first time or organizations that want to improve on or maximise the impact of the existing CSR activities and innovations.

Further complicating issues is that there are different approaches to the implementation of CSR. One approach by organizations and authors is to add CSR without changing how the organization operates (Welford, 2004). Another approach is to integrate CSR into the core functions and all the operations of the organization.

The European Union proposes an approach that combines an internal and external dimension. The internal dimension contains human resources management, occupational health and safety management, business restructuring, management of environmental impact and natural resources. The external dimension contains several stakeholders such as local communities, business partners, suppliers, customers, consumers. It also includes protecting human rights and global environmental concerns. This means that organizations should use a co-ordinated approach towards their economic, social and environmental goals. Social and environmental concerns must be integrated into the business strategies, instruments, management and activities. It is going beyond just compliance to investing in human and social capital. Therefore, the European Union proposes a holistic approach to the management and implementation of CSR (Perrini et al., 2006). Whether organizations implement CSR as part of their core functions or add it on, the important factor is that they are judged by their implementation of CSR and the behaviour at operational level as these are the actions most often reflected in reports and by the media (Welford, 2004). An organization needs to select the approach most suitable to that specific organization as each organization is unique regarding its goals, values, core business, business strategies, management processes, stakeholders and environment.

In this article, the approach is that different aspects (internal and external) of CSR and also the economic, legal, ethical and philanthropic aspects of CSR are inseparable. Therefore, an integrated, holistic approach where an organization uses CSR as a Key Organizing Principle in the organization is used. Within the holistic approach, stakeholders play an important role in the implementation of CSR in an organization. Managers are responsible for and have an obligation to not only the shareholders but to the broader stakeholders.

CSR and stakeholders

CSR relates to an organization's contribution to sustainability and stakeholders play an integral and important role. Stakeholders usually include customers, NGO's, governments, media, suppliers, employees, communities, competitors, investors and public authorities. All the stakeholders need not be equally involved in the decision making and other business processes in the organization and the organization can have different approaches to the different stakeholders. Stakeholder involvement can include conducting meetings, reporting on stakeholder specific issues and inviting the relevant stakeholders to discuss issues of concern. Active management of the stakeholders assists the organization to keep in touch with the environment and detect potential problems (Mathis, 2007). This supports the notion by Brooks (2005) that the organization remains in touch with its environment through the practice of CSR.

In an approach where stakeholders are valued "companies are responsible to various groups of

stakeholders and the survival of the company depends on the fact that it contributes in an adequate degree to the welfare of these stakeholders: it is this that legitimises the company and guarantees it medium to long-term survival." (Longo, et al. 2005: 29). Organizations are not just responsible to their shareholders but need to balance the multiple interests of internal and external stakeholders that can affect or are affected by the achievement of an organization's goals, organizational policies and practices (Van Marrewijk, 2003; Garriga and Melé, 2004). Each organization has different stakeholders and usually includes local communities, business partners, suppliers, customers, consumers and employees (Holtom et al., 2006). It is crucial to identify and conduct an audit of the stakeholders who are influential in the organization's survival and to decide how to manage those stakeholders effectively. The audit identifies who the stakeholders are, how important they are to the organization and what these relationships are. For example, is the relationship good, bad, how important and influential? (Philips, 2006; Pajunen, 2006; Mitchell et al., 1997; Clarkson, 1995).

There is no uniform or best way to implement CSR as each organisation is unique in its mission, values, core business and strategic direction. The implementation of the guidelines depend on whether the organization uses an integrated or added-on approach to CSR, whether the suggested guideline suits the values, strategic direction, context and functioning of that specific organization. This article uses an integrated, holistic approach with CSR as a Key Organizing Principle and used the SUEZ organization for the specific implementation (the emic dimension).

SUEZ as a case example for implementation of CSR

SUEZ is a French-based international industrial and services company that designs sustainable and innovative solutions in the management of public utilities. It forms partnerships with public authorities, businesses and individuals and focus on providing electricity, natural gas, energy, water and waste management services. The aim is to meet the expanding needs of cities and businesses and SUEZ faces challenges such as demographic growth, urbanization and environmental protection. SUEZ uses technical and managerial knowledge and skills (through utilising local partnerships) to reduce energy consumption and gas emissions, preserve natural resources and provide access to sanitation while continuously monitoring health and safety risks of populations (http://www.suez.com/en/groupe/profile/profile-group/profile/).

For the purpose of this article, SUEZ was selected as a case for the following reasons. Firstly, SUEZ seems to be well engaged in and pays high attention to CSR. SUEZ has a 10 years of social responsibility initiatives document reporting on CSR activities between 1995 and 2005 (http://www.suez.com/en/suez/search-engine/results/?search=%2210+years+of+social+responsibility+initiatives%22). This document provides a very comprehensive overview of CSR activities. SUEZ is recognized as one of the leaders in CSR. Secondly, the following rankings and awards reflect SUEZ's effectiveness regarding CSR.

- Fortune Magazine ranked SUEZ 5th among the most socially responsible and accountable companies in the world in 2006. It ranks the world's largest companies according to stakeholder engagement, corporate governance practices, integration of environmental and social considerations in business strategy, accountability of company management and directors, publication of detailed environmental and social reports, and the use of independent auditors (www.suez.com).
- The French Senate in March 2007, awarded GEPSA (a subsidiary of Elyo, SUEZ), the National Civic-Minded Company Trophy in the Large Company category. This recognition was for the campaign to reintegrate prisoners (http://www.suez.com/en/suez/search-engine/results/ search=%2210+years+of+social+responsibility+initiatives%22).
- SUEZ is ranked highly by local partner countries. In 2006, H2O-China (a leading information portal on China's water sector) that evaluated Chinese and international water companies, ranked Sino-French Holdings (within the SUEZ group) at number one in the "Top Ten Influential Enterprises in the Water Industry" category. Degrémont (a water plant treatment specialist) was first in the "Top Ten Environmental Engineering enterprises in China" category. Evaluation criteria included service capability, core strategic competitiveness regarding investment, operation and technical competence, commitment to corporate social responsibility, brand equity and influence (http://www.suez.com/en/suez/search-engine/results/?search=%2210+years+of+social+responsibility+initiatives%22).

Key figures from the company are as follows:
- Revenues of €30.4 billion in 2005 and €44.3 billion in 2006; 89% generated in Europe and North America.
- Largest supplier of energy and industrial services in Europe.
- 2nd largest supplier of environmental services in Europe

and importer of liquefied natural gas in North America.

- 5th largest electricity producer in Europe.
- 6th largest gas operator in Europe.
- 200 million individual customers and 3,000 municipalities are served daily.
- 500,000 industrial and commercial clients.
- 160,700 employees throughout the world.
- 60,000 MW in power production capacity.
- 600 researchers and experts in 8 Research and Development centres.

Information on December 31st, 2006 (http://www.suez.com/en/suez/search-engine/results/?search=%2210+years+of+social+responsibility+initiatives%22).

Specific guidelines for implementing CSR

Brislin's (1976) etic and emic framework is used as a basis (see figure 1). In this framework, emic represents the necessarily unique interpretation of CSR as it is implemented to suit a particular organization, SUEZ in this case. CSR is accepted as the core Key Organizing Principle (KOP) and the specific (and adaptive) guidelines for CSR with examples from SUEZ are reported.

Figure 2 reflects a summary of the specific (and adaptive) guidelines for CSR in SUEZ with CSR as the KOP.

Figure 2: CSR as the KOP
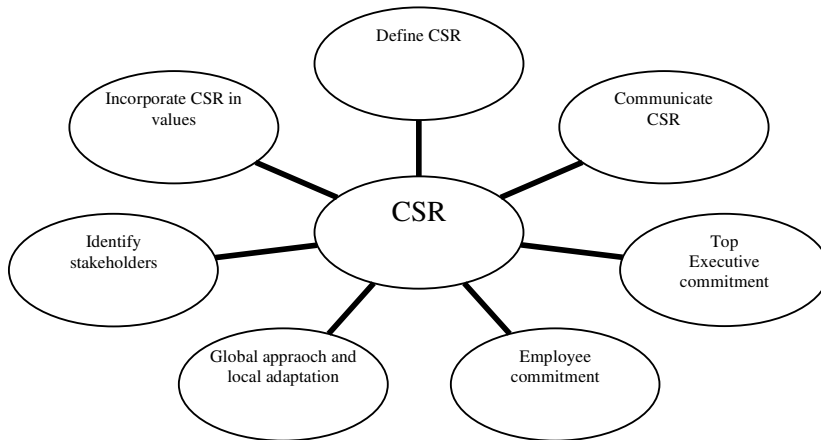
In the second part f this article, an integrated, holistic approach with CSR as the Key Organizing Principle is adopted and it is argued that the stakeholders play a crucial role in implementing CSR. A discussion of each of the guidelines stated in Figure 2, with specific examples from SUEZ follows to demonstrate a practical example.

Define or describe CSR in the organization

A crucial guideline for an organization is to define or describe CSR for that specific organization. This forms the starting point. An effective way to do this is to use existing globally recognized definitions of CSR, identify the core aspects that the organization identifies with and then formulate a definition or description of what CSR means to that specific organization. It is crucial that these concepts are aligned to the mission, values, strategic aim and direction, environment, and core business of the organization. As each organization is unique and will have its own definition or description of CSR that is aligned to the broader globally recognized and practised definitions of CSR. The alignment with the broader and globally recognized definition of CSR is important as organizations usually work within a global and international environment. By formulating a specific definition or description of CSR for that specific organization, it becomes more than just an abstract concept. In the process of formulating or describing CSR for the specific organization it is important to involve more than just the top management in this process. As many stakeholders (such as employees, customers) as possible should be involved in CSR activities as participation mostly leads to commitment to and buy-in by the stakeholders. Commitment and buy-in eases the implementation process.

SUEZ's "definition" of CSR is reflected in the words of the Chairman and CEO, Mr Gérard Mestrallet is of the opinion that it is through business activities such as electricity, energy services, water, waste management that SUEZ is a local player. He added that "Corporate Social Responsibility is a key aspect of our activity and of or mission to deliver "the essentials of life". It is our firm belief: The Group must fulfil its civic role. It is a necessity: profitability, growth and social responsibility are inextricably linked in today's environment. It is a commitment: it is our duty by the very nature of our activities, to stand shoulder-to-shoulder with the local communities that welcome us, and to support them in a spirit of solidarity." (http://www.suez.com/en/suez/search-engine/results/?search=%2210+years+of+social +responsibility+initiatives%22).

Communicate the definition or description

It is crucial to communicate the formulated definition or description to all the stakeholders to create a common understanding of CSR for that specific organization. As a result of this common understanding, implementation is more manageable as the boundaries and interpretation are known.

SUEZ describes its implementation and understanding of CSR in various documents. Some examples are:

- 10 years of social responsibility initiatives document (2005); (http://www.suez.com/ en/suez/search-engine/results/?search=10+years+of+social +responsibility +initiatives).
- Annual activities and sustainable development reports; (http://www.suez.com/en/ finance/annual-report/2006-annual-report/asdr-2006/2006-activities-and-sustainable- evelopment-report/).

Commitment and involvement of top executives In any organization, it is crucial that the executive and management demonstrate commitment to CSR and set an example towards the implementation of CSR (Gerson, 2007).

Chairman and CEO, Mr Gérard Mestrallet and other executive management members (such as Emmanuel van Innis, Executive Vice-President of Group Human Resources; Etienne Davignon, Vice-President of SUEZ Tractebel which is a subsidiary of SUEZ) have expressed a commitment to CSR in various documents, such as the documents stated for the communication of CSR.

SUEZ's commitment to CSR is also evident through its membership to CSR Europe. The former European Commission President, Jacques Delors, and the heads of several European corporations initiated CSR Europe in 1996. The aim is to benchmark good practice, provide tools that will integrate social and environmental responsibility in all areas and at all levels of corporate life and develop Europe into the most competitive and socially responsible region in the world by 2010. CSR Europe has 65 member companies and 18 affiliated national partners and has since 2003 been actively involved as part of a multi-stakeholder dialogue started by the European Commission. SUEZ was a founder member of CSR Europe and has since 1999 acted as administrator of the network. Currently, CSR Europe is chaired by Etienne Davignon, Vice-President of SUEZ-Tractebel (http://www.suez.com /en/developpement-durable/memberships-partnerships/membership/csr-europe/csr-europe/).

Commitment and involvement of employees

Not only should the top executive be involved in defining or describing CSR for the specific organization, be committed to and demonstrate that commitment, but they should set the example and encourage other employees to support and implement the CSR principles of the organization. Some of the CSR initiatives in an organization create a lot of interest and enthusiasm among the employees because of the nature of the initiative. Sometimes the organisation needs to implement specific strategies to increase the participation and commitment. It is important to design the CSR initiatives to support the interest and concern of the employee as there is a likelihood of higher success when employees have a personal interest in an aspect. One strategy to encourage and improve participation is to set up a communication forum where employees are able to share their experiences, best practice and advice. This communication forum could be through newsletters, feedback and reflection sessions dedicated to CSR related aspects and projects (Gerson, 2007).

Although it is important to encourage and support the interests of the employees, the selected CSR initiatives must be relevant to the specific definition and direction for CSR in that organization.

Another strategy is to reward positive contributions of employees. This leads to confidence building, recognition of employees and further motivation. Success usually breeds more success. It is crucial to ensure that these initiatives are still aligned with the CSR definition, mission, values, core business, environment and strategic direction of the organization.

Through its commitment to CSR as part of the mission, SUEZ created the Group's International Social Charter in 1998. This charter leads the employees at SUEZ to support programs that enhance local economic activity, provision of services to deprived areas, employment and skills development. In the United States of America, in 2004, more than 30% of the Group's outsourcing contracts were placed with small, local enterprises run by members of minority groups or women. In France, one of SUEZ priorities is to fight social exclusion with a focus on

youth employment. The aim is to facilitate the integration of young people into working life and to develop their employability. Within SUEZ the focus is on social and cultural diversity. The company's commitment is also evident through the composition of employees at SUEZ as more than 100 nationalities are represented outside France and Belgium and more than 40% are of Anglo-Saxon, Hispanic, Brazilian, Asian or African origin. Social responsibility is integrated on a daily basis in the form of job and skills management and development, enhancing quality of working conditions and integration into the community. The International Social Charter includes aspects such as equal opportunities, employment, contribution to the development of the organization, ensure the best possible work environment, encouraging social dialogue and preventive action in health and safety (http://www.suez.com/en/groupe/ethics-value/charters/download-our-charters/).

It is evident that not only the Executive and managers are committed to CSR. Employees in general are committed and involved. Around 1995, employees were made aware of a mentoring program and many used the opportunity to become involved. Currently, the mentoring program is integrated in the business and assists young people to integrate effectively. As a result of the mentoring program, young people understand and like the business more and have a better relationship with the business. It had a definite positive effect in the company (http://www.suez.com/en/suez/search-engine/results/?search=%2210+years+of+social+responsibility+initiatives%22).

More evidence that CSR is not only practiced by the executive and management of SUEZ is two volunteer organisations, namely Aquassistance (in 1994) and Energy Assistance (in 2001) that were launched by SUEZ employees. The aim is to provide disadvantaged populations access to drinking water and electricity. Projects submitted by local communities are examined by a Committee and are then implemented by employees through NGO partnerships. Currently, Aquassistance has more than 500 members and more than 150 missions throughout the world. Energy Assistance has more than 100 members and has completed several projects. Some missions are conducted as an agreement between SUEZ and the United Nations Volunteers Program (http://www.suez.com/en/suez/search-engine/results/?search=%2210+years+of+social+responsibility+initiatives%22).

Global approach with local adaptation, responsibility and control

In Multinational Companies (MNC) it is important to design the CSR initiatives to support the interest and concern of the local employees and communities (stakeholders). However, all the initiatives must still be aligned with the overall CSR strategy and definition of the organization. Organizations must select the local partners carefully. It is important to determine very carefully what the stakeholders really want and not to just implement an initiative because it will enhance the reputation or image of the organization. The selected CSR initiatives must be relevant to the specific organization. For example, a financial organisation could provide training to local communities on budget management as a CSR initiative. By appointing a local manager who is responsible for the CSR initiatives, it divides the responsibilities, encourages commitment and gives a sense of control to the manager. It is a good guideline to create oversight committees that are responsible for co-ordinating and monitoring CSR initiatives. This is very important to ensure a co-ordinated approach to CSR in the organization (Gerson, 2007).

In 2005, Gérard Mestrallet (Chairman and CEO of SUEZ) stated that SUEZ has roots in the local communities and regions and that CSR is a key aspect in the activity and the mission of SUEZ. SUEZ believes that it has a civic role that is a necessity and a commitment. He stated the "We are borrowing the earth from our children." (http://www.suez.com/en/suez/search-engine/results/?search=%2210+years+of+social+responsibility+initiatives%22).

The social responsibility of SUEZ is present throughout the world where SUEZ is needed or present. CRS is evident through educational information, communication initiatives among groups who are disadvantaged, human and technical support to populations struck by disasters. The CSR initiatives of the past 10 years could act as a reference tool for good practice (http://www.suez.com/en/suez/search-engine/results/?search=%2210+years+of+social+responsibility+initiatives%22).

Emmanuel van Innis (Executive Vice-President in charge of Group Human Resources) stated in an interview that "social responsibility in the field takes a different form depending on the relevant legal, social and cultural contexts." He added that "our approach is a homogenous one but the way in which we respond is always suited to the specific characteristics of the situations we encounter." (http://www.suez.com/en/suez/search-engine/results/?search=%2210+years+of+social+responsibility+initiatives%22).

One of 5 priorities of SUEZ is to "Act as a corporate citizen and ensure local roots for our businesses." (http://www.suez.com/en/developpement-durable/5-priorities/our-5-priorities/). SUEZ uses the word "local-rootedness" and aims to design and manage projects by taking into account the local situation and needs, working in collaboration with the local stakeholders and establishing constructive dialogue with local authorities (http://www.suez.com/en/developpement-durable/major-challenge/local-

rootedness/sustainable-management/local-sustainable-management/).

SUEZ has a global nature but a core responsibility to maintain the local focus and meet the needs of industrial and local authority clients. Subsidiaries within the group work to overcome local constraints and explore opportunities for innovation and improve outcomes. SUEZ aims to provide an individual solution for each customer as it emphasises the importance of effective partnerships based on added value solutions and personalised services. The initial partnerships between the founding companies and the local communities can be traced back to the 19th Century and SUEZ has developed outstanding knowledge and skills to provide specific, customized solutions to problems (http://www.suez.com/en/finance/annual-report/2005/reference-document/2005-reference-document/).

In local areas, SUEZ engages in more than just economic and business related activities. According to Patrick Bonnet (Senior Vice-President, Employment, SUEZ), SUEZ has since 1994 signed 25 regional integration agreements with local communities in France and new agreements are planned. The aim is to integrate young people who have been excluded from the labour market. As a result, 300 young people have benefited at the end of 2005 (http://www.suez.com/en/suez/search-engine/results/?search=%2210+years+of+social+responsibility+initiatives%22).

SUEZ conducts business at a local level but and provides support to the local communities. The SUEZ Foundation (founded in 1992 under the aegis of the Foundation de France) aims to assist children in adversity for example, children suffering from long term illness and children with disabilities. It also aims to educate children. The foundation focuses on organizations that "are deeply rooted in their communities, and with whom it can establish partnerships spanning several years." (http://www.suez.com/en/groupe/suez-foundation/france-foundation/suez-foundation-under-the-aegis-of-the-fondation/).

SUEZ acts as a responsible partner. Effective social responsibility needs the support of all the partners to become successful and effective partnerships are based on long term commitment through the way that people work together. This goes beyond the structures of the business and is build on

trust (http://www.suez.com/en/suez/search-engine/results/?search=%2210+years+of+social+responsibility+initiatives%22).

To provide some guidelines at a practical level, different charters might be useful. Apart from the International Social Charter, SUEZ has the following charters:

- Our values, our ethics - November 2006.
- Rules of Organization and Conduct for Group Companies - November 2006.
- Environmental charter – September 2006.
- Health and Safety at Work – October 2002.
- Ethics guidelines for commercial relationships – July 2002.
- Purchasing ethics - July 2003
- Guidelines for handling information protecting the confidentiality of inside information - February 2004
- Code of ethics for Group Financial Officers (implementation of Sarbanes-Oxley Act)- January 2005

(http://www.suez.com/en/groupe/ethics-value/charters/download-our-charters/).

Identify stakeholders

Each organization is unique and has unique goals, values, core business, business strategies and environment. This means that each organization has different stakeholders. A crucial aspect is to identify and conduct an audit of the stakeholders to determine who are influential in the organizational survival and to decide how to manage those stakeholders effectively. The audit identifies who the stakeholders are, how important they are to the company and what the relationships are (Philips, 2006; Pajunen, 2006; Mitchell et al., 1997; Clarkson, 1995).

Stakeholder identification and relationships are reflected in the current priorities of SUEZ. One of the five priorities is "Act as a corporate citizen and ensure local roots for our businesses." Aspects included are:

- Identify stakeholders; Promote dialogue with NGOs and civil society.
- Strengthen ethics and provide a framework for philanthropy.
- Include suppliers and contractors in Sustainable Development policies.

(http://www.suez.com/en/developpement-durable/5-priorities/our-5-priorities/).

SUEZ identifies and classifies its stakeholders in 4 categories.

Financial	Shareholders; Investors; Financial Institutions
Social	Trade unions; Employees; Residents
Commercial	Consumers; Local communities; Industrial customers; Suppliers
Governments	International institutions; Governments; Academic world; Media; Associations and NGO's

From this classification it seems that SUEZ has implemented a broad definition of stakeholders where a stakeholder is anyone who can affect or be affected by the goals, policies and activities of the organization.

SUEZ is build around long term partnerships that value relationships. Many of the projects are based on 10 year or longer contracts. SUEZ engages in activities beyond economic performance. SUEZ aims to engage in and maintain constructive dialogue with business partners and has developed specific tools to encourage dialogue (http://www.suez.com/document/?f=developpement-durable/en/primarytoolsofdialogue.pdf).

The Observatoire Social International (OSI - international observatory of social challenges) was created in 1998 through the initiative of SUEZ. It aims to go beyond economic and financial factors to address the social challenges of globalisation. OSI contributes to the integration of human and social issues by making concrete proposals such as education and training; social risks that businesses face and the integration of social issues into business strategies. OSI now has over 100 partners including business people, academics, politicians, labour union federations, and non-governmental organizations (NGO) from around the world. OSI is developing expertise in a variety of areas including social performance indicators, the European economic model, life long learning and education. It builds partnerships to fight marginalization, poverty and illiteracy. Since 1998, OSI has organized three symposiums to provide a forum for social debate and dialogue (http://www.suez.com/en/ developpement-durable/memberships-partnerships/membership/osi/osi/).

Incorporate CSR in the values

To ensure an integrated and holistic approach to the implementation of CSR, it is important that the concept and principles of CSR are integrated in the values of an organization.

The importance of CSR is reflected in the values of SUEZ and include professionalism, sense of partnership, team spirit, value creation, respect for the environment and ethics (http://www.suez.com/en/groupe/ethics-value/values/our-values/).

Conclusion

The etic dimension represents the universal recognition of CSR as a label. As discussed in this article, there is no universal definition for CSR at this stage. However, there are universal core concepts such as corporate social responsiveness, sustainable development, business ethics, corporate citizenship and many more connected to and associated with the CSR concept. The emic dimension represents the necessarily unique interpretation of CSR as it is implemented to suit a particular organizational mix. Not all organizations agree on the words and concepts that define or describe their interpretation and implementation of CSR as the approach in each organization is different and needs to be different.

The conclusion is that either a recipe or menu approach to Governance through CSR is inappropriate. SUEZ has acted as a model for firstly, recognizing etic and emic differentiation, secondly, using CSR as the Key Organizing Principles (KOP) that allows adaptability in a socially responsible way and thirdly, developed specific (and adaptive) guidelines incorporating the needs of diverse stakeholders.

It is clear that as each organization has a unique mission, values, core business, strategic direction, stakeholders and environment, it should create a unique implementation (emic dimension) of CSR based on effective models (examples). Best practice models could provide effective guidelines and examples for implementation but should not be implemented blindly as what might be suitable and effective in one organization might not necessarily be effective in another. It is a good strategy to explore and analyse the implementation (best practice) by organizations as an example and then contextualise it for the specific organization.

SUEZ can be regarded as one example (and there are many others) of positive and effective CSR implementation. The case of SUEZ provides some principles, guidelines, strategies and examples that other organizations seeking specific detail might be able to use and replicate.

Although each organization has the opportunity and the responsibility to develop its emic dimension regarding CSR, the organization should ensure that its interpretation of CSR is congruent with the universal concepts and description (etic dimension) of CSR.

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