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# EFFECTIVE CSR STRATEGIES: LESSONS LEARNED FROM SELECTED MALCOLM BALDRIGE NATIONAL QUALITY AWARD WINNERS

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## ABSTRACT

Corporate Social Responsibility (CSR) as a business construct and management method is on the rise. In the US, governmental regulations mandating measurement of CSR, beyond the normal legal, regulatory responsibilities do not exist, nor are there any legislated reporting requirements. While organizations like The Global Reporting Initiative (GRI), The UN, ISO and others, are working to develop CSR guidelines and/or standardize CSR reporting, quality management techniques and measurement, such as the Baldrige Performance Excellence Program (BPEP), may be able to assist companies in developing effective CSR strategies and measurements.

While volumes of literature have been published on CSR, quality management as a practice, and BPEP separately, there has been relatively little written on their convergence. This thesis examines the intersections of CSR, as rooted in Ecological Modernization Theory, quality management (QM), and the BPEP and its Malcolm Baldrige National Quality Award (MBNQA). A review of EMT, CSR, QM and the BPEP are discussed. Utilizing case study and qualitative analysis techniques, three MBNQA winners are evaluated to understand how the BPEP may have influenced the evolution of CSR within those companies. Analysis reveals that the QM techniques embedded in the BPEP, including leadership, employee empowerment, consideration for all stakeholders, measurement of results, and embracing social responsibility and ethics as guiding principles, were especially crucial in companies' transformation toward embracing CSR. Interestingly, government regulation for encouraging CSR was viewed as ineffective and potentially detrimental.

As companies grapple with the changing global business environment and as stakeholders demand more corporate accountability, the intersections of EMT, CSR, QM as a practice, and the BPEP may provide companies with a toolbox of concepts and strategies that will be useful in making the transition to social responsibility. Additionally, it appears that the BPEP Criteria, its whole system focus, and its assessment framework, may be a recipe for successful CSR implementation.

## TABLE OF CONTENTS

## LIST OF FIGURES

# LIST OF TABLES

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# Chapter 1 – Perspectives on the Research

Corporate Social Responsibility (CSR) has become a buzzword, suffusing culture and fueling discussion amongst academics, business professionals, governments, and consumers about the nature and responsibilities of commerce in today's globalized economy. The concept of CSR suggests an environmentally sound, ecologically sensitive, and socially responsible manner of conducting business. However, vigorous debate continues as to whether the complexity of the CSR construct, with its myriad of meanings, levels, and measurements, is truly a better way to conduct business or simply an additional business tool for improving market access and procuring profits while externalizing business costs. The hyper-globalization of the economy has resulted in the top 200 corporations, with annual earnings larger than the economies of all but the ten richest countries, wielding extraordinary economic power (Savitz, 2006; UN, 2000). With such enormous wealth, power, and influence concentrated in the hands of CEOs and corporate boardrooms (Savitz, 2006), it stands to reason that decisions that companies make regarding CSR and its implementation could have a profound impact on the global economy and the environment.

Interested in examining how CSR might be a tool for potentially creating more responsible and sustainable business practices, terms that are arguably ideologically and culturally constructed, this qualitative case study examines CSR and the Baldrige Performance Excellence Program's (BPEP) Malcolm Baldrige National Quality Award (MBNQA) to understand how some MBNQA winners have implemented CSR.

While CSR is typically situated in the context of business literature, this case study examines CSR through the theoretical framework of the social science theory of Ecological Modernization (EMT) (Mol, Spaargaren & Sonnenfeld, 2014). For this research, CSR is viewed as an assessment framework, or operationalization, of EMT and the BPEP is an assessment framework for QM. One of EMT's key arguments is that being environmentally friendly is good for the environment and good for business (Dryzek, 2005). Expressed another way, what is good for the environment and society is also good for business (Dryzek, 2005). Companies that reduce waste, reduce energy usage, and run more efficiently, have a better bottom line and more satisfied stakeholders. In this way, EMT links CSR and Baldrige; the BPEP is also focused on making companies more efficient, socially and environmentally responsible, and increasing productivity and the bottom line. As this research will show, key informant interviewees repeatedly remarked that utilizing the Baldrige Criteria made their companies more efficient, more profitable, more responsible, and helped to develop and foster a sense of total responsibility.

Axiological and inductive (Creswell, 2007; Creswell, 2003; Lincoln & Guba, 2005), this research strives to expand the body of knowledge concerning CSR and to understand how the quality management foundations underlying the BPEP may influence how some organizations/companies implement CSR in their global organizations. Additionally, it seeks to understand if a framework like the BPEP can encourage companies to go beyond government standards and self-regulate.

**Rationale for Research**

Evaluating the impact of CSR efforts on business and communities is a challenge. One difficulty is that the term itself is fraught with a milieu of interpretations and definitions. The term CSR, which is used for this study, is only one of the terms used for the framework that examines the impact business has on society, in terms of environmental, social, and governance performance (“CSR and Developing Countries”, 2007; GRI, 2011). Other commonly used terms include: Social Responsibility (SR), Corporate Social Performance (CSP), Corporate Governance (CG), Ethical Performance (EP), Corporate Sustainability (CS), all of which are subjective and which may have different meanings to those who are implementing them.

A second challenge for CSR in the US is that, unlike Europe (Heal, 2008), there are no governmental standards or regulations mandating measurement of CSR, beyond the normal legal, regulatory responsibilities, which will be discussed later in this study. The BPEP, administered by the National Institute of Standards and Technology (NIST), part of the US Commerce Department, was chosen for study because it is, perhaps, the closest format to a government standard for monitoring CSR activities that there is in the US

Third, there is no standardization for CSR reports produced in the US (HEAL, 2008; Waddock & Bodwell, 2004), making comparisons about CSR activities among corporations difficult. Initiatives like the Global Reporting Initiative (GRI, 2011), the UN Global Compact’s Ten Principles (“CSR and Developing Countries”, 2007), ISO (ISO 26000; 2011), and other organizations and business sector driven projects, are working toward bringing some measure of standardization to the framework, but within the constructs, ideological commonalities and differences persist.

Volumes of information have been written about the myriad of facets of CSR; likewise numerous scholars have examined the BPEP and MBNQA from the standpoint of its scoring data, theoretical models underlying the BPEP, and its framework (Anderson, Rungtusanatham & Schroeder, 1994; Flynn & Saladin, 2001; Flynn, Schroeder & Sakakibara, 1994; Evans, 2010; Waddock & Bodwell, 2004). Some literature exists discussing CSR and QM (Barret, 2009; Zwetsloot & Van Marrewijk, 2004; Foote, Gaffney & Evans, 2010), yet, very little literature exists that examines CSR, BPEP, and MBNQA (Borawski & Brennan, 2008; Tari, 2011). One of the objectives of this thesis is to add to that niche in the literature and to provide a new perspective on how a tool, like the BPEP, rooted in QM, can assist in development and measurement of CSR initiatives.

This research makes certain assumptions. First, CSR is more than just basic regulatory compliance with legally mandated agencies such as Occupational Safety and Health Administration (OSHA), the Environmental Protection Agency (EPA), Equal Employment Opportunity (EEO), Federal Drug Administration (FDA), among others. This research asserts that it is valuable to society for companies to go beyond regulatory compliance with governmental regulation. Many US companies tend to internalize profits and externalize costs, having a negative effect on society as a whole. This occurs because the structure of the US regulatory framework fails to protect society from companies taking advantage of the inefficiencies in legal structures (Heal, 2008; Hawkins, 2005; DFID, 2001). While encouraging companies to go beyond compliance may benefit society as a whole, the challenge is getting the right standards in place so that private companies can self-regulate and achieve socially desirable outcomes. There are processes that may help companies to take more responsibility for the externalization of their costs. These processes are underscored by the conjecture that what is good for the environment is good for business and that there are good business reasons to be environmentally conscious and forward thinking, rather than reactive to market forces (Dryzek, 2005). This research will examine how BPEP may be one of those tools that can help companies measure their activities and go beyond compliance.

Another assumption is that, to understand CSR, it is important to have an understanding of sustainability and sustainable development. The words sustainability, sustainable development, and CSR are utilized somewhat interchangeably in the business world. For example, CSR reports are often referred to as "sustainability reports". Having an understanding about sustainability and sustainable development as separate constructs helps to clarify their usefulness in describing CSR related activities. In fact, on several occasions in this research, key informant interviewees discussed their CSR activities in terms of sustainability and/or sustainable development. While different, these topics are interrelated and the differentiation among them aids in analysis.

## Research Questions

With the goal of understanding how some winners of the MBNQA implemented CSR activities and their companies, I examined the following questions:

*Do the measurement processes used in BPEP help change a company's values and affect the way it implements CSR? If so, how?* While much has been written about BPEP and about CSR, there is very little literature that addresses the juxtaposition of the topics. The BPEP embodies quality management. As BPEP has evolved, it has embraced many of the same tenets as CSR. This research examines how the BPEP Criteria and processes might have influenced the selected companies to adopt/change/evolve their CSR practices or activities and to what extent it might have influenced each company's culture.

*How do some MBNQA winners contend with the complexities of CSR globally*? Because several companies considered for this research had international operations, I was interested in examining how global business practices might vary from one jurisdiction to another. Do companies vary their CSR practices in countries that do not require such vigilance? Or, is it easier for companies to implement one set of social norms and stick with them? The nature of the BPEP enables clear analysis of this issue. Because MBNQA winners are required to share what they have learned from the process, it seemed plausible that interviewees would be willing to discuss the inherent challenges surrounding this question.

*How do MBNQA winners view government regulation of CSR?* There are two schools of thought concerning governmental regulation of CSR. One school believes that regulation should be mandatory; another believes that corporations should regulate themselves. As mentioned earlier in this study, it may be possible for corporations to regulate themselves if the processes are put in place that encourage them to account for the externalization of their costs and their effect on society. It was hoped that questioning the respondents about this topic would provide insight on how they thought that this issue should be dealt with. One of the challenges of regulation is that it is a double-edged sword. Once something is regulated, there are those who find a way around it because, as mentioned previously, our regulatory and legal systems allow for loopholes and the continuation of externalizing costs.

*How does a framework like BPEP encourage companies to develop the "what is good for the environment and good for society is good for business" outlook*? As discussed earlier, beyond OSHA, EEO, etc., the US does not legislate or mandate CSR (Knopf et al., 2011). While many companies have now embraced voluntary CSR reporting, what is reported and how it is reported varies widely. Many companies have been accused of "greenwashing" (Laufer, 2003), or exaggerating environmental and social accomplishments to make the company appear socially progressive. Examining some MBNQA winners, it is clear that the BPEP process did transform the companies and their leadership and helped them to adopt a more environmentally and socially conscious outlook and encouraged them to go beyond compliance.

## What to Expect in This Study

Utilizing the theoretical framework of EMT, this multi case study (for discussion on this method, see Saldaña, 2009) examines three MBNQA winners, all with some level of CSR activity, to determine perceptions about ways that BPEP may have influenced the evolution of CSR in their business practices and encouraged the company management to embrace a philosophy that socially conscious business activities can benefit all stakeholders. This study commences with a lengthy literature review of EMT, CSR, QM, BPEP and MBNQA in Chapter II. In Chapter III, the methodology is presented, detailing the selection of the cases studied, the techniques utilized for interviewing key informant interviewees, and the tools for coding the analysis. The results from the analysis of the qualitative data are presented in Chapter IV as individual case studies for Company A, B and C. A cross-case analysis follows. Chapter V discusses the findings in terms of the original research questions, implications for future research, and concluding remarks.

# Chapter II – Conceptual Framework and Literature Review

This study examines CSR from the perspective of key informant interviewees at three MBNQA winners. To better understand their insights, CSR is examined in the literature to understand its origins and development. The theory of Ecological Modernization is used to frame this research. In this section, EM, sustainability and sustainable development, and CSR are discussed together. Those discussions are followed sections on QM, the BPEP, and the MBNQA. The chapter culminates with an examination of the crossovers between CSR and QM.

## EMT, Sustainability & Sustainable Development, CSR

### The Theory of Ecological Modernization

While CSR is often discussed as a business construct, it can be argued that it has grown out of and is firmly rooted in the social science theory of Ecological Modernization (EMT) (Dryzek, 2005; Mol et al, 2014). With its theoretical models and concepts, empirical developments, and practice in public realm, EMT appears to bridge the gap between society and academia.

EMT grew out of the environmental movement of the late 1960s and early 1970s as a critique against capitalism and was rooted in neo-Marxist, neoliberal theories criticizing environmental destruction (Mol et al., 2014; McLaughlin, 2012). As it has evolved, Buttel (2003) dubbed it the “social sciences of environmental reform” and ecological modernization scholarship has transitioned, and been widely criticized for doing so, to focusing on and embracing environmental reform through institutional action and for finding ways for ecological solutions to work within the capitalistic society in which we live today (Mol et al., 2014; Buttel, 2000; Mol, 2000).

EMT was developed and driven by scholars in Europe who sought to transform discussions of environmental devastation to "understanding processes and outcomes of environmental reforms" (Mol et al, 2014; McLaughlin; 2012). Martin Janicke, a professor of comparative politics in Germany, and Joseph Huber, a sociology and economics professor in Germany, coined the term "ecological modernization" in the early 1980s. Within ten years, Dutch professors Arthur Mol and Gert Spaargaren had developed ecological modernization into a social theory (Mol et al., 2014). Buttel (2000: 57) has described EMT as having "meteoric" ascension in environmental social science, not because it was "highly-codified social theory" at the time, but because of its ability to mesh well with "broader political-economic factors."

While Huber and Janicke have had a strong influence on the field, Mol and Spaargaren are regarded as the leading scholars in the field and their sole and jointly authored works are considered to be the "core literature for the ecological modernization perspective" (Buttel, 2000: 58).

From its initiation to the late 1990s, EMT went through three stages: the first, influenced by Huber and Janicke, emphasized the role of technological innovation, especially in industrial production (Mol, 2000; Mol et al., 2014). It was critical of the state and favorable toward the market and was oriented at the nation-state level. Private firms were reluctant to be responsible for environmental issues and only societal and governmental pressure resulted in improvements. The second era, from the 1980s onward, placed less emphasis on technological innovation as an influence on ecological restructuring, had a "more balanced view of state and market dynamics in ecological transformation," placed more attention on institutional, and cultural dynamics and consumption processes were emphasized in industrial production studies. In general, studies during that era were focused on West-European countries. In the third stage, from the mid-1990s onward, studies focused on the global dynamics of ecological modernization and turned to developing countries and the US. Mol (2000: 45) broadly described ecological modernization "as one of the dominant sociological theories that try to understand and interpret how modern industrial societies are dealing with environmental crisis." As EMT has matured, it has become a tool for "imagining new roles defined within the framework of modern societies, that is, within the framework of modern welfare states and a modern economy" (Mol et al, 2014:**)**. Ecological modernization scholars brought together market dynamics such as eco-taxes, environmental auditing, corporate environmental management, green consumerism, valuing environmental goods, annual environmental reports, green branding, eco-labeling, and other such topics together into a broader framework (Mol et al., 2014: 19). They also helped to redefine the role of states and markets in environmental reform. This moved issues of environmental governance away from governments and toward new relationships among private firms, states, civil society and organizations (Mol et al., 2014).

One of ecological modernization research's major contributions has been bringing together disparate studies and fields of social science research and "providing a systematic theoretical framework for integrating social science scholarship and policy perspectives on the ways in which contemporary societies interact and deal with their biophysical environments. Interpreting, explaining, and theorizing the social processes and dynamics of environmental reform were key scientific innovations," (Mol et al, 2014: 17). Ecological modernization has incorporated ideas from environmental and ecological economics about eco-valuation and the idea of internalizing externalities which has contributed to "introduction of a variety of innovative concepts, theoretical notions and major research themes into social theory, such as, ecological rationalization; political modernization; and the incorporation of market dynamics, market actors and market-based instruments into environmental policymaking and practice" (Mol et al., 2014: 18).

While it is a relatively young, growing body of scholarship, EMT is the most well-known and widely cited within the social sciences of environmental reform and has contributed significantly to a broad reworking of the theoretical landscape in sociology, political science, human geography, business studies and other fields (Mol, et al., 2014). It has been on the forefront of discussing environmental and market forces and instrumental in developing the concept of environmental governance (Mol et al., 2014; Buttel, 2000). Today, Mol et al (2014: 15) describe it as "the social scientific interpretation of environmental reform processes at multiple scales in the contemporary world…in which studies reflect on how various institutions and social actors attempt to integrate environmental concerns into their everyday functioning, development and relations with others and the natural world."

For this study, the ecological modernization scholars' development of political modernization is of particular interest. Mol et al. (2014: 18) describe political modernization as the "renovation and reinvention of state environmental policies and politics in order to make environmental reform better adapted to the new conditions of late-modern societies." As such, it is viewed as foundation to the basic ideas of environmental governance, which has led to many of the elements seen today in CSR. Mol et al. (2014: 17-18) explain that "three moments of public environmental attentiveness are key to understanding the emergence and development of ecological modernization ideas and reflections, the 1987 Publication of *Our Common Future*, known as the Brundtland Report, the World Summit on Environment and Development, held in Rio 1992, and the call to action by Al Gore in 2006 to reduce the threat of global climate change."

Of course, EMT is not without its critics. Some scholars view ecological modernization as a "program for politicians and environmental NGOs" (Mol et al., 2014; McLaughlin, 2012) and others are critical of the way that it can be described as embracing technological determinism. Buttel (2003: 62) notes that Mol and Spaargaren seem to fundamentally agree that the problems "caused by modernization, industrialization, and science can only be solved" through more of the same. Other criticisms that have pervaded EMT are that it has been very Eurocentric and lacking a focus on social inequalities, but Mol et al. (2014) explain that recent scholarship in the field has addressed some of those concerns. There are lasting controversies "rooted in neo-Marxism, radical or deep ecology, and structural human ecology/ Neo-Malthusianism" that will probably never be remediated (Mol et al., 2014: 22), due to the structurally opposite nature of the criticisms themselves. Such critiques are often opposed to the capitalist system and the way that it functions and those who offer these critiques do not believe that working within the system can facilitate change.

In terms of this research, the EMT framework is important from the standpoint of how Dryzek (2005: 167) explains "what exactly is in it for business." He posits that there are five reasons that business should embrace ecological modernization:

> First, pollution prevention pays…Second, if a problem is not solved in the present, solving it in the future maybe vastly more expensive for both business and government…Third, an unpolluted and aesthetically pleasing environment means healthier, happier, and more productive workers, who many even willingly sacrifice wages and salaries for these environmental rewards. Fourth, there may be money to be made in selling green goods and services…Fifth, there are profits to be had in making and selling pollution prevention and abatement products (Dryzek, 2005: 167-68).

He explains that "ecological modernization puts economic growth and environmental conservation in a potentially positive-sum relationship (Dryzek, 2009: 3). He notes that such accomplishments require commitment from the private as well as public sector and that there is a "role for government in setting standards and providing incentives to industry" (Dryzek, 2005: 169). His assessment is reflected in the commentaries from key informant interviewees at the companies studied.

Another interesting aspect about EMT for this research is that some scholars have considered it a "replacement" for the concept of sustainable development. According to Spaargaren and Mol (1992: 333):

> The concept of sustainable development is based more on opinions than on scientifically based ideas. For this reason and because of the many possible interpretations that can be placed upon it, the concept of sustainable development is only suited to our purpose to a very limited extent. Therefore, we introduce a more analytical and sociological concept consonant with the primarily political concept of sustainable development: ecological modernization.

Buttel (2003: 63) concurred, calling EMT "a new and improved synonym for sustainable development…yet more useful…for thinking about the environmental problems of metropolitan transformative industry..." Especially interesting for this study is that, essentially, sustainable development as a construct and EMT were evolving and developing at the same time. The rise in the use of the terms within global governmental entities and the private sector also coincide with the growth of CSR.

As Mol et al. (2014: 15) note, EMT is “the social scientific interpretation of environmental reform process at multiple scales in the contemporary world.” For this research, CSR is viewed as being firmly situated in EMT as one of those reform processes and as a functional operationalization of the theory in the wider world. For the purposes of this research, EMT is defined best through Dryzek’s contention that economic growth and environmental conservation can go hand in hand and that business can “do good” and be successful.

**Sustainability – An exercise in complexity**

As previously discussed, because sustainability is often used in conjunction, or interchangeably, with CSR, it is important to explore its meanings and connotations. One challenge is that sustainability encompasses a complex web of concepts contending with everything from ecological concerns to carrying capacity, from population growth to economics, from systems thinking to species survival (Arrow, Bolin, Costanza, & Dasgupta, P., & et. al, 1995; Barret, 1996; Pimentel & Pimentel, 2006; Seidl & Tisdell, 1999; Senge, Laur, Schley & Smith, 2006). Questions persist: For whom is sustainability defined? Is it a whole system concept? Is ecological, biological, social, or cultural sustainability, a combination of these, or all of these, most important? Should sustainability be defined only as it pertains to humans and their impact? What system or subsystems or characteristics of systems persist? How long? When do we assess whether the system or subsystem or characteristic has persisted (Costanza & Patten, 1995; Seidl & Tisdell, 1999)? Often Garret Hardin's (Menard & Moen, 1987) "Tragedy of the commons" and Thomas Malthus' (Malthus, 1987) "An essay on the principle of population" are invoked as starting points in answer to these questions and continue on in the discourse of other scholars.

> Much of this [sustainability] discussion…casts the problem as definitions, when, in fact, it is more one of prediction of what will last, and of achieving consensus on what we want to last…it fails to account for the range of interrelated time and space scales over which the concept must apply. The basic idea of sustainability is quite straightforward: a sustainable system is one which survives or persists (Costanza & Patten, 1995: 193).

While a multitude of academic disciplines have diverse and interesting interpretations of these important questions, our economic system gives heft to economists' perceptions on sustainability. This concerns those in ecological fields of study who view economists as having focused, narrow backgrounds which prevent them from understanding the environment as a finite resource (Iovanna & Newbold, 2007; Jolland, 2006: 507; Sneddon, Howarth, & Norgaard, 2006; Common, 1995). For ecological scholars, that bias affects economists' perceptions about the true cost of business and externalities that may be absorbed by society, which are often ignored in economic modeling. Most sustainability research done by economists focuses on the relationship between economic efficiency, the fundamental criterion for benefit-cost analysis (BCA) (Iovanna & Newbold, 2007), and market equilibrium (Jolland, 2006: 507). Consequently, economists are perceived as having very little knowledge of the laws of nature as they affect economic activity and its consequences (Common, 1995). Nonetheless, economists have far greater influence on policy decisions than do other social and biological scientists.

Neoclassical economics maintains that humans have an overreaching goal to satisfy wants and needs (Azqueta & Delacámara, 2006). Those needs determine the relationship of people to the environment and the relationship that they have with the rest of the planet (Azqueta & Delacámara, 2006), and subsequently shape how sustainability is interpreted. Wants and needs are exemplified quite clearly by looking at what developed and developing countries value as sustainable resources. Typically, a demanded resource at a lower level of development is part of a common heritage at a higher level of development (Azqueta & Delacámara, 2006). Another way of putting it is that economic activities have environmental consequences, including winners and losers (Boyce, 1994). For example, people in wealthy nations may perceive people in impoverished nations as exploiting the environment. Conversely, it may be said that those in wealthy nations have the luxury of viewing the environment as a resource to be saved (Kaplowitz & Hoehn, 2001). A prime example of this can be seen today in Brazil's Amazon rainforest. The challenge then becomes: How can the citizens of developed nations dictate the needs and wants of developing nations? On the other hand, how can earth's resources support the demands of constant economic expansion on a global scale? These and other complicating theoretical juxtapositions are at the crux of the sustainability debate. To better contend with these consternations, a move is a foot to reconcile economics with other disciplines and to promote more interdisciplinary work (Sneddon et. al, 2006).

Because these difficult questions concern economic activities, they often affect how companies conduct global business and why understanding sustainability is crucial to working beyond compliance.

**From Sustainability to Sustainable Development**

In addition to defining and understanding sustainability, we are inevitably confronted with the complex concept of Sustainable Development (SD). SD lies at the crossroads among environment, society, and economy (Giddings & O'Brien, 2002). Political scientists, ecological economists, political ecologists, biologists, agronomists, environmental scientists, economists, anthropologists, environmentalists and management scholars alike, constantly debate the concept, each discipline adding its perspective and bias to the topic.

Again, economics play a role. Cochrane (2006) asserts that, "Sustainable Development calls for a shift in the way in which natural capital is managed and used" (Cochrane, 2006). Ecological economists discuss at length the interrelation of natural and human capital. They describe natural capital (ecological capital) as the raw material needed for building, fuel, or food (Cochrane, 2006; Daily & Ehrlich, 1992; Ekins, Simon, Deutch, Folke, & De Groot, 2003; DeGroot, Van de Perk, Chiesura, & van Vliet, 2003). Natural capital performs four functions: it provides resources for production, acts as a sink for waste products, provides life support functions and contributes to human welfare (Cochrane, 2006), and is indispensable to human capital. Ecological economists define human capital as: that which is generated through economic activity, human ingenuity and technological change (Cochrane, 2006) and is exemplified by tools, machines, buildings and infrastructure and is determined by levels of nutrition, health education and social capital. Human networks and trust define social capital. For ecological economists, the interrelation among these forms of capital, and needs and wants, determines what is sustainable and what is not sustainable to a given group of people at a given time.

Perhaps the most prevalent definition of SD is that of The Brundtland Commission. In 1987, the United Nations' World Commission on Environment and Development, now known as The Brundtland Commission, produced a report entitled *Our Common Future*. While the report addressed concerns about the environment, development, human rights and other pressing global issues for the new Millennium, it is most often remembered for its definition of SD: "Sustainable Development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987).

A direct result of EMT, The Brundtland Report was important for several reasons: it popularized the concept of SD and defined it with, what is now, one of the most widely utilized definitions of the concept (Sneddon et al., 2006; Buttel, 2000; Mol et al.; 2014). The report also served to point out inequities between the Northern and Southern hemisphere, opened up work on development, and created debate among academics. Additionally, it promoted new human-environment interactions, the acceptance of alternative science conclusions, the support of grass-roots movements, and pluralistic thinking (Sneddon et al., 2006). The Brundtland Report set into motion the three mutually reinforcing aims of SD including: the improvement of human well-being, more equitable distribution of resource use benefits across and within societies; and development that ensures ecological integrity or intergenerational timescales (Sneddon et al., 2006). The idea of inequities being passed on to future generations began to be discussed by many scholars (Pasek, 1992). Unfortunately, Pearce & Turner (1990) and

Giddings & O'Brien (2002), note that the Brundtland Report's SD definition was purposefully ambiguous so as to garner wide acceptance and interpretation. It is woefully inadequate and raises more questions than it answers. Additionally, its optimistic tone is undermined by global economic transactions that allow for the externalization of the true cost of business.

After Brundtland, at the same time as EMT was experiencing an uptick, European countries were quick to embrace the idea of SD. These included: Holland's National Environmental Policy Plan, *To Choose or to Lose* and its successor, NEPP Plus; The UK's White Paper *This Common Inheritance* and *Sustainable Development*: The UK Strategy, 1994; Japan's *New Earth 21*; the European Commission's Fifth Environmental Action Programme, *Toward Sustainability*; and the 2050 Project, launched by the World Resources Institute (WRI), the Brookings Institution and the Santa Fe Institute (Elkington, 1994). Thereafter, Europe began developing sustainability standards and mandating reporting on the topic.

Some progress has been made in the SD arena at subsequent conferences and events. The United Nations Earth Summit in Rio de Janeiro, in 1992, built on the sustainable development paradigm. In Rio, states gained sovereignty over resources in the political sphere, open markets were championed, and the polluter pays mechanism was introduced, all a clear indication of environmentalism becoming part of governance. In Johannesburg, in 2002, the corporate trend to incorporate environmentalism into long-term plans blossomed.

Still, much remains to be done to enact such ideals. In 2000, in his Millennium goals speech, Kofi Annan, then Secretary General of the United Nations, noted: "I should say we are plundering our children's heritage to pay for our present unsustainable practices" (Annan, 2000). Environmental concerns, even among the most industrialized nations have not been integrated with economic activity. Strategic plans implementing sustainability have not been realized either. Many governments cite an inability to act on the ideals due, in part, to economic reasons. As a result, transnational efforts to promote sustainability have achieved even fewer gains. The reasons for inaction are varied: from the US's changing global policy to EU consolidation, from threats from terrorism to burgeoning economic growth in China and India. As a result, many SD projects are stuck in a quagmire, even though popular sentiment is pushing for results.

Bergstram (as cited in Enama, 1994: 93) expressed an interesting viewpoint "Culture that should solve the problem of sustainable development…is also the problem or the source of the problem." Cultural considerations and questions are certainly valid considering the global expansion of the "mono" culture of big business and brand names. For example, Coca-Cola is now accepted as part of the cultural heritage in the most remote village in Africa, and beef consumption is growing in places that people never had access to cattle. Such changes are part of big business expansion and are contributing to cultural and economic change. Under such circumstances, cultures are beginning to leave behind those things that were once intrinsic to their well-being and their sustainability and adapt new cultures, driven and dominated by marketing and economic expansion.

Understanding the intersections among capital, culture, wants, and needs is crucial to understanding and working with CSR and are part of the challenge of corporations internalizing profits and externalizing costs. Sustainability and SD are integral parts of CSR, which will be discussed in the next section.

**Corporate Social Responsibility – A brief history and an examination of definitions**

As discussed earlier, the terminology surrounding CSR is complex and can be defined in multiple ways. In our globalized world, it has become a buzzword in a common lexicon representing important, yet vague, concepts that are shaping the modern world and the future of international business. While professionals from academia, business, non-governmental organizations, and environmentalists attempt to define and explain it, consensus remains elusive. The term CSR is often used in conjunction with sustainability and or sustainable development, yet each one of these terms is a framework all of its own. Like CSR, sustainability and sustainable development mean different things to different people and organizations. What is important about the sustainability and sustainable development frameworks is their contribution to CSR and how they shape elements of the CSR framework. During the course of this research, several of the interviewees mentioned sustainability and sustainable development in their conversations. In this discourse, they have become essential elements of this research and it is important to understand them in this context.

> Of the world's 100 largest economies, 49 of them are countries and 51 are companies. General Motors has greater annual sales than the gross national products of Denmark, Thailand, Turkey, South Africa or Saudi Arabia. [Similarly] Wal-Mart's economy is larger than that of Poland, Ukraine, Portugal, Israel, or Greece [combined]" (Werther & Chandler, 2006: 53).

With the growing popularity of the term CSR, a veritable plethora of websites, journals, online articles and conferences addressing the topic abound. Yet, like the terms sustainability and SD, reaching a consensus on what it means or how it should be implemented has been elusive.

CSR has undergone an evolution and various incarnations encompassing economic, legal, and voluntary activities (Carroll, 1979; Vogel, 2006). No single definition for the practice of CSR suffices. In fact Van Marrewijk and Hardjono (2003: 217) argue that "a one size solution fits all definition for CSR should be abandoned, using more specific definitions to match the development, awareness, and abolition levels of each organizations." However, it is important to touch on the myriad of possibilities. For some, definitional work in CSR is a normative exercise in setting out what corporations should be responsible for in society; for others, it is an ideological exercise in describing how the political economy of society should be organized to restrain corporate power (Martens, 2004). Still others see CSR simply as another management trend, much like TQM was in the 1980s and 1990s.

Some practitioners embrace Milton Friedman's idea that "The social responsibility of the firm is to increase its profits" (Crane, McWilliams, Matten, Moon, & Siegel, 2008; Friedman, 1970). Conversely, there are those who say CSR cannot be measured or proven to be profitable. A recent study by Lopez, Garcia & Rodriquez (2007) comparing Dow Jones Sustainability Index firms and the Dow Jones Global Index may confirm that notion. It found that companies that instituted CSR practices may, in fact, not experience economic gains from their actions. The authors note that their study may need to examine the effects of such practices over a longer period of time or the negative short-term effects may inhibit others from adopting CSR practices (Lopez et. al, 2007). They conclude: "We believe the government could play a very important role in promoting sustainability practices, by legislation or by financial incentives" (Lopez et al., 2007: 296). Yet, in the 100th issue of Ethical Performance, the editor noted that government was smart to allow business to manage "reporting, issues management, stakeholder dialogue, community involvement and management systems" and credited companies for making great strides in the last decade ("After a slow," 2008). Interviewees for this research tended to agree. Clearly issues of definition, government involvement and other factors are all over the map.

CSR, or Social Responsibility, as it was termed, is believed to have blossomed during the Industrial Revolution. Reformers in the United States and Britain, concerned about the terrible working conditions found in factories and the prevalence of child labor, criticized the industrial system and started welfare schemes (Crane et al., 2008). Some scholars point to Quaker businesses, which valued the welfare of their workers and their communities as important components for success, as early pioneers of the CSR movement (Doane, 2005).

During the latter part of the Industrial Revolution, John H. Patterson, Cornelius Vanderbilt, John D. Rockefeller, and other great industrialists, started profit sharing, schools, hospitals, community projects and other forms of business and personal philanthropy. Some labeled such businessmen as robber barons for some of their unscrupulous business practices (Crane et al., 2008).

It was not until the middle of the 20th Century that CSR really began to be widely noticed. Crane et al. (2008) and Carroll (1979) recount different aspects of the history of modern CSR. Until the 1950s, CSR was in the philanthropic era, in which companies donated to charities more than anything else (Crane et al, 2008). The modern CSR movement, including diverse definitions on the topic, has experienced growth since the 1950s. Howard Bowen's 1953 book (as cited in Carroll, 1979: 497) was likely the first book on the subject and marked the beginning of extensive literature on the topic. Bowen, who many dub the "father of CSR", inquired: "What responsibilities to society may businessmen reasonably be expected to assume" (as sited in Crane et al., 2008: 25)? He also put forth one of the first definitions on the topic, saying: "It [SR] refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objects and values of our society" (as cited Crane et al., 2008: 25).

The idea that business people have an obligation to society was dramatic and helped to move CSR into the awareness era, which lasted from 1953-67. This phase was a period of dynamic growth when scholars worked to "more precisely define what CSR meant" (Crane et al., 2007: 27). It also saw more recognition of the overall responsibility of business and its involvement in community affairs (Crane et al., 2008). Keith Davis, an author who wrote extensively on the topic in the 1960s, including business textbooks, noted that social responsibility "refers to the businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (as cited in Crane et. al., 2008; Carroll, 1979: 497). During the same time, Clarence C. Walton addressed the role of the business firm and business person in society in 1960, saying: "…The new concept of social responsibility recognizes the intimacy of the relationship between the corporation and society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals" (Crane et al., 2008: 27). He emphasized volunteerism on the part of the corporation, something that has burgeoned into its own dynamic business emphasis.

William Fredrick, another early contributor to the framework of CSR, noted:

> Social responsibility in the final analysis implies a public posture toward society's economic and human resources and a willingness to see that those resources are utilized for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms (Frederick, 1960: 60).

This idea of the relationship between corporations and society is also reflected by writers Eells and Walton in their book, *Conceptual Foundations of Business*, published in 1961. In it, they comment that: "When people talk about corporate social responsibilities, they are thinking in terms of the problems that arise when corporate enterprise casts its shadow on the social scene, and of the ethical principles that ought to govern the relationships between the corporation and society" (Carroll, 1979: 497).

While scholars were working to establish a clearer definition for CSR and its contribution to society in the early 1960s, Milton Friedman, renowned economist, challenged the entire validity of the movement arguing that: "The doctrine of social responsibility is fundamentally subversive. Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility, other than to make as much money for their stockholders as possible" (Carroll, 1979: 497). His viewpoint that corporate profits could exist in a vacuum, "ceteris paribus", was a direct reflection of his neoclassical economics training. Friedman could probably not have imagined the extensive impacts that globalization has had upon modern society today. It is worth noting that, in 1962, Rachel Carson's *Silent Spring* was published. Her revolutionary book, discussing the perils of pesticide use in agriculture, is often credited with spawning the environmental movement in which environmental activism pressured politicians and corporations to be more socially conscious (Eukers, 1997). Thus, Friedman's commentaries, combined with the economic and social climate of the time, inspired a push back against his very supposition.

In 1963, author Joseph McGuire clearly disagreed with Friedman. He postulated that while economic concerns were important, the firm should have a wider view, saying: "The idea of social responsibilities supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations" (Carroll, 1979: 497).

As the tumultuous years surrounding the Vietnam War and the Peace Movement ensued, the framework of CSR reflected the times. The years 1968-73 were termed the "issue era", in which companies began focusing on specific issues such as: urban decay, racial discrimination, and pollution problems (Crane et al, 2008: 25).

One of the first attempts to define economic and non-economic issues was the "three concentric circles approach by the Committee for Economic Development (CED). The model consisted of an inner circle, intermediate circle, and outer circle. The inner circle dealt with basic economic functions (products, jobs, and economic growth). The intermediate circle encompassed a "responsibility to exercise this economic function with a sensitive awareness of changing social values and priorities (environmental conservation, hiring, and relations with employees)" (Carroll, 1979: 498). The outer circle discussed "responsibilities that business should assume to become more broadly involved in actively improving the social environment" and how business could help with social problems (Carroll, 1979: 498). This model worked well in the 1970s for issue-based activism and obligation.

In 1975, S. Prakash Sethi expanded on this body of thought, discussing social obligation, social responsibility and social responsiveness. Social obligation "involves corporate behavior in response to market forces or legal constraints. Social responsibility implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values and expectations. Social responsiveness is not how corporations should respond to social pressures, but what should be their long-run role in a dynamic social system" (Carroll, 1979: 498).

As CSR developed, Fredrick termed this kind of social responsiveness as CSR2 (The first incarnation of CSR was seen as having been the concern for social responsibility) (Carroll, 1979). Frederick described "corporate social responsiveness [as referring] to the capacity of a corporation to respond to social pressures. The literal act of responding, or of achieving a generally responsive posture, to society is the focus…One searches the organization for mechanisms, procedures, arrangements, and behavioral patterns that, taken collectively, would mark the organization as more or less capable of responding to social pressures" (Carroll, 1979: 501). Frederick's CSR2 does not dictate moral or ethical considerations but focuses on the "managerial processes or response" (Carroll, 1979). Thus, during the responsiveness era of 1974-78, and continuing beyond, companies began taking serious management and organizational actions to address CSR (Crane et al, 2008: 25).

Carroll (1979) assumes that: "Business does have a social responsibility and that the prime focus is not on management accepting a moral obligation, but on the degree and kind of managerial action" (Carroll, 1979: 501). The challenge then becomes the management task of not only deciding what to do, but also doing it across "economic, legal, ethical and discretionary categories of business performance" (Carroll, 1979: 499).

Carroll developed a three-dimensional "Corporate Social Performance Model" to explain social responsiveness and to show that "social responsibility is not separate and distinct from economic performance, but rather is just one part of the total social responsibilities of business. The model integrates economic concerns into a social performance framework…and it places ethical and discretionary expectations into a rational economic and legal framework" (Carroll, 1979: 503). While Carroll's (1979) model was developed for "corporate responsiveness" in the late 70s, the model is important because it shows, in a three dimensional way, where a company might stand in regard to CSR. Certainly, the complexity of the business environment has added to the list of social issues not conceptualized when Carroll developed the model, such as climate change, fisheries depletion, eco-labeling, and expanded human rights issues.

During the 1980s, the notion of stakeholder theory and business ethics grew in popularity. While CSR may have begun in Britain, it was mostly an American phenomenon until the 1980s (Vogel, 2006). In 1980, Thomas M. Jones, who saw CSR as a process, postulated that CSR is: "the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract." Two facets of this definition are critical. First, the obligation must be voluntarily adopted; behavior influenced by the coercive forces of law or union contract is not voluntary. Second, the obligation is a broad one, extending beyond that traditional duty to shareholders or other societal groups such as customers, employees, suppliers, and neighboring communities.

In the early 1990s, Stephen Schmidheiny, then Chairman of the Business Council for Sustainable Development (BCSD), said: “Sustainability requires that we pay attention to the entire life cycles of our products and to the specific and changing needs of our customers” (Elkington, 1994). Thus, CSR in the 1990s saw the coming together of various themes: EMT theory development (Mol et al., 2014) product life cycle, supplier compliance, eco-efficiency, ecological equity, and the onslaught of organizations like Business for Social Responsibility (BSR). BSR was formed to provide an outlet for CSR initiatives and professionals working with CSR. In Crane et al., 2008: 38, BSR is described as helping “member companies achieve commercial success in ways that respect ethical values, people, communities and the environment. Through socially responsible business policies and practices, companies can achieve viable, sustainable growth that benefits stakeholders as well as stockholders. By providing tools, training and custom advisory services, BSR enables its members to leverage CSR as a competitive advantage.” Through BSR, “CSR is viewed as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chains and decision making processes through[out] the company” (Crane et al. 2008: 38).

The 1990s also saw Ceres launch the Global Reporting Initiative (GRI) (GRI, 1997), which has become the gold standard for sustainability reporting, and the creation of the Dow Jones Sustainability Index.

Organizational entities have also added to the breadth of CSR definitions. The World Bank stated that CSR is:

> A term describing a company's obligations to be accountable to all of its stakeholders in all its operations and activities. Socially responsible companies consider the full scope of their impact on communities and the environment when making decisions, balancing the needs of stakeholders with their need to make profit (Doane, 2005: 217).

In its definition, the European Union states that: "CSR is behavior by business over and above legal requirements" (Doane, 2005).

In the *Oxford Handbook of Corporate Social Responsibility*, more definitions abound. They range from CSR is: "an additional political responsibility to contribute to the development and proper working of global governance" (Crane et al., 2008: 18); to: "CSR is discretionary spending in furtherance of an explicit measurable social objective consistent with relevant social norms and laws" (Crane et al., 2008: 349); to CSR is an "obligation to respond to the externalities created by market action" (Crane et al., 2008: 140). On the whole, these definitions encompass solutions coming from EMT, such as environmental reform processes coming from governance decisions (Mol et al., 2014) and business can do well by doing good (Dryzek, 2005).

Van Marrewijk and Hardjono (2003) explain the complexity of the multiple levels of CSR as stages a company may embrace. The stages start with Pre-CSR, in which a company does not practice any CSR, and progress through Compliance-driven CSR, Profit-driven CSR, Caring CSR, Synergistic CSR, and culminated in Holistic CSR, in which CSR is embedded in all aspects of corporate life.

Carroll's model used in conjunction with Van Marrewijk and Hardjono's (2003) explanation of CSR gives managers a breadth and depth of tools to consider when deciding what to include when establishing CSR within their organizations.

Peter Graf, Chief Sustainability Officer of SAP, defines it this way: "Sustainability is strategic to SAP. Why? Because, it is all about business. We define sustainability to holistically managing environmental social and economic risk and opportunities. By doing so, companies can balance short and long-term profitability" (SAP annual report, 2009).

According to KPMG International (2011), more than 62 percent of the world's largest firms "have a strategy for corporate sustainability". CSR reporting has taken on increased importance within corporations' annual reports, with some companies producing separate CSR presentations online designed to specifically highlight their activities. CSR has become an increasingly strategic part of doing business. While Milton Friedman may have called this "hypocritical window-dressing", it is "consistent with profit-maximizing behavior of the firm" (Crane et al., 2008: 138).

Strategic CSR (Crane et al., 2008: 138) is something that the BPEP is increasingly taking into account. Recent revisions to the Baldrige Criteria (the Criteria) in the areas of Leadership, Customers, and Strategic Planning, (BPEP, 2011) demonstrate the importance of considering all aspects of business operations and meeting the economic, social and environmental demands of the triple bottom line (Savitz & Weber, 2006).

For this study, CSR is defined as "the way firms integrate social, environmental, and economic concerns into their values, culture, decision making, strategy, and operations in a transparent and accountable manner, and thereby establish better practices within the firm, create wealth, and improve society (Industry Canada as cited in Berger, Cunningham & Drumwright, 2007: 133); it is the obligation of the firm to use its resources…in ways to benefit society, through committed participation as a member of society, taking into account the society at large, and improving the welfare of society at large independently of direct gains of the company" (Kok, Van der Wiele, McKenna, & Brown, 2001: 287).

As CSR continues to develop, whether and how CSR innovations might evolve to become enduring and meaningful arenas for the promotion of environmentally and socially responsible behavior (Auld, Bernstein, & Cashore, 2008) and to what types of CSR hold promise as alternative forms of environmental and social regulation is yet to be seen.

## Quality Management and the Baldrige

Quality management (QM) is a body of knowledge, and a system of practice. It traces its evolution to the 1920s, as manufacturers sought to sustain techniques used to maximize production during the war (American Society of Quality (ASQ), 2011). Over the course of more than 80 years, it has transformed business, and its application has spread from the manufacturing sector into education, healthcare, the service sector and government. Started in 1946, ASQ has been crucial to the development and practice of Quality Management in the US and worldwide. ASQ's beginnings parallel the rise of the work of W. Edward Deming and Joseph M. Juran, both of whom are considered "fathers of Quality Management" (Deming, 1986; Deming, 1994; Juran and Godgrey, 1999; Joseph M. Juran Center, 2007). While other practitioners certainly influenced the Quality Management movement, Deming and Juran are highlighted for their pioneering effect on the framework and for their direct contributions to the BPEP (National Institute of Standards and Technology (NIST), 2009).

Deming was known as a philosopher and had a systematic view of an entire organization providing “a comprehensive theory for managing organizations and human enterprises” (Landesberg, 1999: 60). His work often tends to appeal to the theoretically minded. Deming’s use of statistical quality measures and quality control ideas were critical to the development of Total Quality Management (TQM). TQM, widely practiced in Japan, was imported to help revitalize American industries (JUSE: Union of Japanese Scientists and Engineers, 2011; The W. Edwards Deming Institute, 2011).

Juran was a practitioner who discussed how to manage quality functions and “provided an analytical approach to managing for quality”, appealing more to the practically minded (Landesberg, 1999: 60). He is credited with taking quality from its statistical origins to TQM by adding a human dimension to the practice. He conceptualized the Pareto Principle, or the 80/20 rule (Blackiston, 1997; Butman, 1997), named for the Italian economist Vilfredo Pareto, which states that: “80 percent of the problems in management arise from 20 percent of the causes…and managers should concentrate on solving the 20 percent” (Joseph M. Duran Center, 2007). Juran’s Pareto principle and methodologies were instrumental in the implementation of TQM and ISO 9000 (Brecker Associates, 2003). In 1986, Juran helped to create the Malcolm Baldrige National Quality Award (MBNQA), “testifying before Congress and serving on the Board of Overseers” (Blackiston, 1997; Butman, 1997; Joseph M. Duran Center, 2007).

While they may have had a different approach, both Deming and Juran laid the foundations of the practice of QM and could arguably be considered contributors to CSR (Deming, 1986; Juran & Godgrey, 1999). As a result of their work, they helped to inspire the 1986 creation of the BPEP and the MBNQA, to foster increased productivity among American enterprises (National Institute of Standards and Technology [NIST], February, 2011).

**The BPEP and MBQNA**

The BPEP is an integral part of advancement of the Quality Management movement today and is the United States' public-private partnership dedicated to performance excellence. NIST, an agency of the US Commerce Department, manages it. Signed into law by Congress as "The Malcolm Baldrige National Quality Improvement Act" on August 20, 1987, the BPEP was created to provide a framework for promoting quality and enhancing American organizations' ability to compete more effectively in the global marketplace. The BPEP administers the MBNQA. A total of 18 awards may be given annually to US based companies or organizations in six categories: manufacturing, service, small business, education, health care and nonprofit. Juran once pointed out the growing importance of technological advances on quality control and that quality concepts were as "applicable to service activities as they are to manufacturing" (Blackiston, 1997; Butman, 1997; Joseph M. Duran Center, 2007). This foresight has been fulfilled as evidenced by the number and variation of companies applying for the MBNQA.

The MBNQA is the only Presidential Award for performance excellence (NIST, 2011). The program and the award sparked similar quality awards and programs across the world (Flynn & Saladin, 2001). It was named for Malcolm Baldrige who served as the Secretary of Commerce from 1981-1987. An advocate for quality management as a key to US prosperity and sustainability, his managerial excellence contributed to long-term improvement in efficiency and effectiveness of government. When the legislation that created BPEP was established, the United States was perceived to be lagging behind other nations in terms of productivity, calculated to "cost as much as 20 percent of sales revenue nationally" (NIST, 2011). During the same era, the concept of TQM was growing in popularity. With the success of public private partnerships, designed to enhance quality in other nations, the United States felt that it too had to act to foster increased productivity (NIST, 2011).

With its mission "to enhance the competitiveness, quality, and productivity of US organizations for the benefit of all US residents," the BPEP describes itself as a federal change agent that educates organizations in performance excellence management (NIST, 2011). Through its Criteria for Performance Excellence (the Criteria), it provides global leadership in the learning and sharing of successful strategies and performance practices, principles, and methodologies. It is the only program of its kind that is dedicated to improving the performance of US organizations. Originally focused only on business, the scope of the program was expanded to health care and educational organizations in 1999 and non-profit and governmental organizations in 2005 (NIST, 2011). Only companies or organizations that are headquartered in the US or US subsidiaries of foreign companies may apply for the MBNQA. When a company or organization is presented with the award, it is required to share its best practices with others (NIST, 2011)

To be considered for an award, each applicant must complete the Criteria, seven topics that focus on critical aspects of management that contribute to performance excellence. Today, the Criteria include:

- Leadership
- Strategic planning
- Customer focus
- Measurement, Analysis, and Knowledge Management
- Workforce Focus
- Operations Focus
- Results


Figure **1-1**: Baldrige Criteria organizational profile flow chart (NIST, 2014).

The Criteria serve two main purposes: to "identify MBNQA recipients to serve as role models for other organizations" and to "help organizations assess their improvement efforts, diagnose their overall performance management system, and to identify their strengths and opportunities for improvement" (NIST, 2011). The Baldrige process is a rigorous one. Applicants are scored on each one of the seven Criteria, each section having a certain number of allocated points, currently totaling 1,000 (NIST, 2011). While numerous applicants go through the process in any given year, only the names of the MBNQA recipients are released to the public; the names of all other companies or organizations are confidential. All applications are evaluated by Baldrige Examiners. Examiners are selected in a competitive process and have extensive experience in their fields. The awards are presented by Baldrige Judges, who are volunteers from all sectors of the economy and have varied professional experience.

Since the application is an arduous process, why do companies complete the program? The answer, given by the *Journal for Quality and Participation* sums it up best by saying: "The Baldrige feedback report is arguably the best bargain in consulting in America" (NIST, 2011). According to the Baldrige website: "The application and review process is considered to be a very cost-effective and comprehensive business health audit" (NIST, 2011). For an application fee ranging from $6,000 for large organizations to $1,000 for non-profit and educational institutions, organizations receive at least 300 hours of review by a minimum of eight business and quality experts. Organizations selected for site visits receive over 1,000 hours of in-depth review. Every applicant receives an extensive feedback report highlighting strengths and areas for improvement (NIST, 2011). Though the MBNQA was not designed as an international quality award, 56 countries had adopted the Criteria for their own national quality awards by 2001 (Flynn & Saladin, 2001). While few organizations win the MBNQA annually, many companies decide to go through the process for the sheer cost-benefit analysis of improving operations and performance. One CEO interviewed for this study disclosed that his company only won the MBNQA after five separate applications.

**What are the effects of the BPEP?**

When it was envisioned and established, BPEP was designed as an outreach and educational program to encourage performance excellence for applicants for the MBNQA. Additionally, organizations that did not apply for the MBNQA could also utilize the Criteria as a guideline for improvement. The Council on Competitiveness noted in its report, "Building on Baldrige: American Quality for the 21st Century," that "more than any other program, the MBNQA is responsible for making quality a national priority and disseminating best practices across the United States" (NIST, 2011). An October, 2001 study of the economic impact of the Baldrige Program, prepared for NIST by Albert N. Link and John T. Scott, conservatively estimated the net private benefits associated with the Program to the economy as a whole at $24.65 billion. When compared to the social costs of the Program of $119 million, the Baldrige Program's benefit-to-cost ratio is 207-to-1 (NIST, 2011).

By embracing Strategic CSR, the BPEP is continuing to remain current, to encourage companies to think beyond their immediate profits, and to offer companies a way to monitor business practices and CSR and sustainability activities.

**Utilizing BPEP as a way to measure CSR results?**

As discussed earlier, the US requires corporations to comply with regulations such as OSHA, EPA, EEO, among others. Some corporations may consider compliance to these regulations as CSR related activities. Scholars typically consider such compliance as “weak CSR” (Crane et. al, 2008). For the scope of this study, a US corporation’s compliance to governmental regulation is seen as just that, compliance and not CSR. Why? As discussed earlier, the legal framework in the US can be manipulated to allow for the continuation of activities and the externalization of costs. As defined for this study, CSR should consider such effects and mitigate for them.

For ease and transparency, multinational corporations may structure their CSR activities to comply with regulations required in other jurisdictions, like life-cycle requirements in the EU. Some companies may use the Global Reporting Initiative (GRI), which is trying to standardize “Sustainability Reporting Guidelines” (GRI, 2011), and/or the ISO 26000, which “contains voluntary guidance, on Social Responsibility” (ISO 26000, 2011), but neither are mandatory. As a result, CSR activities and reports on those activities vary widely on what topics they cover and how they measure results.

While its primary focus is on quality management and increased productivity, the BPEP Program asks vital questions that relate to sound CSR practices company-wide. The Criteria has reflected the changes to the business environment, transformed by technology and the needs of the global marketplace. Since its introduction in 1988, it has evolved from a focus on “manufacturing quality”, to a “comprehensive strategic focus”, and, presently, to one which “encompasses overall organization competitiveness and sustainability” (NIST, 2009). As the former CEO of one company interviewed for this study aptly summarized: “The Baldrige is not static. For it to stay relevant, it needs to stay current. As [it] increases the Criteria, it adapts to the times” (former CEO, Company A).

Although BPEP began as a quality management tool, it has developed into a global leadership organization, promoting performance excellence and the learning and sharing of successful performance practices, principles and strategies. Over time, the Criteria demonstrate developments in organizational culture, management trends, and real world challenges to managing a successful organization.

## CSR and BPEP

The first changes concerning these issues were made to the Criteria in 2001, including emphasizing Public Responsibility and Citizenship Results and making it a separate "Area to Address," recognizing the importance of these results to the communities served by an organization (NIST, 2001).

As a result of the Enron scandal in late 2001 and the Tyco, Adelphia, and World Com corporate financial disasters in 2002, Congress passed the Sarbanes-Oxley Act on July 30, 2002. Sarbanes-Oxley was designed to mandate corporate responsibility reforms (mostly financial) in corporate and accounting fraud, and to require more accurate financial disclosures. It also created the Public Company Accounting Oversight Board (US Securities and Exchange Commission, 2010). The BPEP Criteria reflected the climate of reining in such corporate indiscretions and made several amendments concerning fiscal responsibility in 2003. It added clear language on governance and ethics and "increased focus on organizational governance and leadership's responsibility for [an] organization's legal and ethical behavior" (NIST, 2003: 7). Additionally, in the Organizational Leadership section, leaders were asked to "create an environment that fosters and requires legal and ethical behavior" (NIST, 2003: 13). Other important changes included: monitoring Social Responsibility throughout an organization; implementing a new item called Value Creation Process, to achieve a "sustainable advantage"; and adding Governance and Social Responsibility Results, to "reflect the need to build stakeholder trust in the governance of our organization and to ensure ethical behavior and legal compliance" (NIST, 2003: 29).

More improvements were made in 2005 as the Leadership category was given an enhanced focus on "sustaining [an] organization and overseeing its ethical stewardship" (NIST, 2005: 13). Changes in Strategic Planning discussed "short and long-term organizational sustainability." Deming stated, "Short-term cost savings can cost long-term and overall profit (Deming, 1994: 72-4). In fact, he believed that the quarterly reports required by the Federal Trade Commission and the Internal Revenue Service might have been the culprits that forced executives to focus on the short term bottom line (Deming, 1994). Thus, short-term vs. long-term considerations are issues that are woven into CSR and Quality Management. In 2005, other changes also took place. The word "Sustainability" was added to the Glossary of Key Terms. Under leadership, the Governance and Social Responsibilities section was modified to "include leadership responsibilities for all aspects of good governance of [an] organization" (NIST, 2005: 14). In the categories Business Results, Leadership, and Social Responsibility Results, "key governance, senior leadership, and social responsibility results" were required to be addressed and organizations were encouraged to demonstrate evidence of accomplishments in "organizational strategy, ethical behavior, fiscal accountability, legal compliance and organizational citizenship" (NIST, 2005: 29). Another important improvement included addressing the importance of the workforce as part of the group of stakeholders, something that is often discussed in CSR literature. Again, while CSR is certainly not mandated in the US, the changes in the Criteria demanded that applicants think about and implement issues of social responsibility.

In 2009-2010, the Criteria noted the importance of organizations "paying increased attention to the sustainability of their environmental, social and economic systems" (NIST, 2009). The Criteria asked companies to assess "what…specific contributions [were]" made in those areas. Leadership changes included an "enhanced focus on sustainability and societal responsibilities and the senior leaders' role. Emphasis was placed on the Core Value related to social responsibility; it was "re-titled and rewritten to reflect the larger sustainability concepts embodied in societal responsibility" (NIST, 2009). The definition of sustainability was also "expanded to reflect societal aspects of organizational sustainability" in the Glossary of Key Terms. The area of Leadership, Governance and Societal Responsibilities included responsibilities in "conserving natural resources; assuming responsibility for your suppliers' actions; and considering the well-being of environmental, social, and economic systems to which your organization contributes" (NIST, 2009).

In 2011-2012, the Criteria for Performance Excellence, the booklet introduction emphasized evolution of the Criteria and reflected the importance of "governance and ethics, societal responsibilities, and long-term organizational sustainability" (NIST, 2011). It reflected the change from a focus on manufacturing quality to "having a comprehensive strategic focus on overall organizational performance, competitiveness and sustainability" (NIST, 2011). Leadership was amended to focus on "a workforce culture that fosters customer engagement as a leadership responsibility." "Governance and Societal Responsibilities" discussed "senior leader performance evaluations" and their use "in determining executive compensation" (NIST, 2011). These changes were, most likely, a result of the current financial crisis, the government bailout of banks and insurance companies, and the general anger about excessive executive compensation in recent years.

### CSR & Quality Management – The Coalescence

Having discussed CSR and QM separately, for this research it is important to look at CSR and QM together to understand their commonalities as business practices. CSR is having a similar effect on business today, just as QM did in the 1950s. Like QM, CSR presents a competitive advantage to those companies that choose to embrace it and utilize it wisely (Waddock & Bodwell, 2004).

QM literature and practice shows it is focused on stakeholders, accountability and responsibility, much like CSR (Van Marrewijk & Hardjono, 2003; Foster & Jonker, 2003; Kok et al., 2001). Likewise, practitioners of CSR note that it is embracing quality measurement techniques and processes. While companies may have seen CSR initially as a damage control measure, many are embracing it as a way to "outperform competitors" (Waddock & Bodwell, 2004: 33); much in the same way some companies initially embraced QM. Ascigil (2010: 8-9) explains this exchange and adoption of techniques saying:

> The relationship of business with society can be restructured through demonstrated accountability toward stakeholders and, if done effectively, offers competitive advantage…Recent interpretations of TQM make reference to concepts like organizational learning, business ethics, social responsibility, and government…Moreover, the rising importance of the product liability concept [has] made CSR an indispensable aspect of quality. Learning from preordained

> solutions developed in the social responsibility field may accelerate improvements in implementing the quality concept...

Foster and Jonker (2003) also explore the CSR/QM evolution in terms of how the quality movement is addressing the stakeholder issue. They note that QM as a practice is moving from process model to a relational one, focused less on measurement and more on consensus, engagement, accountability, relationships, interconnectedness, and embedded stakeholder considerations. A longer-term focus on goals and involving various stakeholders (Kok et al., 2001) are leading quality into the future.

> The stakeholder model of quality is one that is fundamentally different from models that have come before…and is seen to represent a…generation of quality that will gradually replace those that came earlier. Its focus is still on quality, but the way in which quality is addressed is different…for the first time it is grounded in an explicit theoretical framework. The model requires fundamentally different types of processes that hitherto have not been part of normal business practice (Foster & Jonker, 2003: 327).

Foster and Jonker's (2003) analysis demonstrates the overlap that QM and CSR are having, especially in terms of stakeholders. "Enterprise does (and should) operate within a societal network of stakeholders…that influence directly or indirectly the success of the enterprise. Operating in such a societal context requires a fundamental re-orientation regarding the role and position of business" (Foster & Jonker, 2003: 327). Foster & Jonker (2003) note that management will be assessed by the way in which it engages with multiple issues, or, complexity (Van Marrewijk& Hardjono 2003).

This kind of change in QM is also evident in the BPEP. In both Foster & Jonker (2003) and the BPEP's Criteria, the line between Baldrige and CSR start to converge.

> [The Criteria] emphasize that responsibility for stewardship and ethical business practice starts at the top with an organization's chief executive and governing body…. Senior leaders must consider carefully how situations will be perceived

> by others, the possible long-term consequences of short-term thinking, and the long term consequences of their strategic actions…In an age when organizational credibility and ethics are coming under increased scrutiny, senior leaders must build stakeholders' and employees' trust in the governance of their organizations and ensure legal compliance and ethical behavior (NIST, CEO Issue Sheet).

These Criteria changes are strongly reflected in interviewees' responses at all three companies examined for this research.

The discussion on ethics is another area in which the two practices are converging. Ethics is defined "as doing the right thing the first time" (Kok et al., 2001). While ethics is a broad topic, Kok et al. (2001) identify five categories, within the "standards approach" including Eternal Law, Utilitarianism, Universalism, Distributive Justice, and Personal Liberty and the challenges to each of these ethics bases. Similarly, CSR deals with these bases and companies enact practices based on which ones are most important and meet their needs. Even with these ethics bases, managers must choose which bases to emphasize and how to implement them.

Combining these ethics bases requires a delicate balance between personal freedoms and business concerns. Ethical awareness requires organizational members who are morally autonomous or morally heteronymous and an ethical climate and/or strong codes of conduct (Kok et al., 2001). In addition to the ethics bases Kok et al. (2001) also discuss three types of "organizational ethics", including "Transaction Ethics, Recognition Ethics, and Change". "Transaction ethics" are the lowest acceptable policy and focus on an organization's own goals. Society at large is not considered. The next stage, "recognition ethics" balances rights and obligations. The "company takes into account society at large", but does not attempt to improve it. "Change" is the final type of organizational ethic in which "norms and values of society at large" are the organization's core belief" and in which the organization takes "into account and aims to improve the welfare of society at large." The ethics bases and the transactional ethics influence levels of CSR and how CSR is evaluated.

When CSR was initially widely discussed, Friedman's view was that a businesses' only obligation was to maximize its profit (Friedman, 1970; Kok et al., 2001). As ethics and corporate responsibility have been defined, refined, and demanded, the state of business is changing (Senge, 2008; Warhurst, 2005).

Just as there are levels of ethics, Stahl and Grigsby (as cited in Kok et. al, 2001) explain that there are levels of CSR: "Minimum Legal Compliance, Enlightened Self-Interest, and Proactive Change." Just as in Kok et al.'s "Transitional Ethics" discussion, the levels of CSR move from "Minimum Legal Compliance" adhering to the "minimum requirements of the law" to "Enlightened Self-Interest using social responsibility as a strategic weapon", to "Proactive Change actively improving society by going above and beyond the law." Social responsibility can be viewed through two lenses, the organization itself and the "environment of its domain" (Foster & Jonker, 2003).

These levels of CSR are determined by the needs and goals of each company. Yet, those companies that are embracing "Proactive Change" are already outperforming their competitors (Waddock & Bodwell, 2004; KPMG International, 2011). Just as QM was slowly adopted, it will take time before most corporations embrace CSR.

> It was not until quality was considered an essential responsibility of everyone involved in production, that it truly became part of the production processes. Very likely, only when responsibility is truly considered integral to all company practices, will responsibility management be considered a core element of business practice, rather than just an add on (Waddock & Bodwell, 2004: 30).

Waddock and Bodwell's (2004) commentary is reflected in interviewee responses When Kok et al. (2001) wrote their article, neither business ethics nor social responsibility was incorporated in the BPEP. As CSR, quality thinking and the BPEP have evolved over the last decade, increased responsibility has become the norm among all three. The subsequent debate about CSR, the ethics bases used and the increased responsibility required from stakeholders, reflect a fundamental change in the way that business will be done in the future. While managers may not always make sustainable decisions, they can be pressured to do so through actions and campaigns, through involving stakeholders (customers, suppliers, employees, etc.), and through political means (Friedman, 2008; Kok et al., 2001).

As BPEP has incorporated social responsibility in its development, it has embraced Kok et al.'s (2001) critique and "stimulate(d) and demand(ed) a position that is … in line with change ethics and proactive change in relation to social responsibility" (Kok et al., 2001: 290). In the current organizational climate, one can evaluate how "ethical" an organization is by looking at four levels (these levels are utilized in social responsibility audits): ad hoc policy, standard policy, planned policy and evaluated and reviewed policy. At each policy level, companies increase their level of compliance to law and increase the number of stakeholders involved in making decisions. Additionally, a company can look at 14 aspects of social responsibility including: "social responsibility and new opportunities; community relations; consumer relations; supplier relations; natural environment (pollution and packaging) and future generations; shareholder relations; physical environment; working conditions; minorities /diversity;

organizational structure and management style; communication and transparency; industrial relations; education and training; ethics awareness" (Kok et al., 2001: 292).

Waddock and Bodwell (2004) compare CSR, or Total Responsibility Management (TRM) as they describe it, the Baldrige Award, the Deming Prize and the European Quality Award, discussing the emerging similarities between CSR and quality management.

Overall, each of the four frameworks emphasizes leadership, strategy and planning, stakeholders, human resource/people focus, and continuous improvement. TRM also emphasizes innovation. Innovation is also something that recent Baldrige Criteria discusses, which would not have existed when Waddock and Bodwell (2004) published their work. According to the former CEO of Company A, who was interviewed for this study, innovation is also an important aspect of the future of business as it addresses complexity, which Marrewijk & Hardjono (2003: 214) describe as:

> Increased complexity is often associated with the consequences of managing people operating in many countries from different cultures, backgrounds, habits and regulations, raising ethical challenges. What ethical norms can be taken as reference points, exampled by cheap production costs, appearing to be related to child labor or business, to operate without the payment of excessive bribes? In the past, management could just ignore such issues as its responsibility related to owners who were only interested in maximizing yields on their financial investments. Today, companies are challenged to balance, as well as to include a variety of sometimes conflicting interests from various stakeholders.

One way of managing complexity is the model suggested by the EU financed research project entitled *European Corporate Sustainability Framework* (ECSF). In this model, contextual, situational, analytical, and dynamic dimensions are addressed by utilizing “four windows for the analysis of the same complex reality: Constitution, Chemistry, Conduct and Control” (Van Marrewijk & Hardjono, 2003). Most management tools “that are currently available are overwhelming for most corporate executives and are designed for specific and situational contexts” (Van Marrewijk & Hardjono, 2003: 219; Foster & Jonker, 2003). The ECSF matrix enables users to pick and choose what issues and solutions area is the most important to them, more effectively addressing strategic issues and complexity levels. Van Marrewijk and Hardjono (2003) aptly describes the ECSF framework as “a big chest of drawers and, for each situation…just open the drawer…there is a full set of business institutions, management tools and concepts…to be utilized as an expert system, raising the right questions as well as providing the best answers” (Van Marrewijk & Hardjono, 2003).

A value system is an explicit set of beliefs and behaviors that have evolved over time, such as: survival, security, energy and power, order, success, community, synergy, and holistic life system (Van Marrewijk and Hardjono, 2003). For example, societal circumstances change, “inviting corporations to respond and consequently reconsider their role within society…implying that organizations have to realign their value systems…If a current pattern of behavior or institutional framework is no longer adequate to tackle a problem, (it) can be an incentive to change perception on reality and open new opportunities” (Van Marrewijk & Hardjono, 2003: 217). Carroll’s (1979) Social Performance Model used in conjunction with Van Marrewijk and Hardjono’s (2003) explanation of the *European Corporate Sustainability Framework* (ECSF) and Foster’s Three Generations of Quality, gives managers a breadth and depth of tools to utilize in establishing CSR within an organization.

For companies that have embraced QM, embracing an advanced state of CSR may be easier. From this study, it appears that companies that have won the MBNQA and utilized the Baldrige Criteria may have been able to integrate CSR activities more quickly and effectively. For companies that wish to compete in the global marketplace, the merger of the two disciplines will, no doubt, provide advantages.

**Moving forward**

This lengthy literature review, discussing EMT, sustainability, sustainable development, CSR, QM, the BPEP, and MBNQA, has attempted to define these constructs and to explain their evolution and their utility to this research. As this section comes to a close, one last interesting observation that I have made while studying the literature from these topics is that, while these constructs have evolved and developed in different disciplines, they have an interconnectedness which I did not find explored by scholars in any interdisciplinary literature. All of these constructs, from EMT to MBNQA, have evolved somewhat simultaneously and appeared in scholarly literature, public initiatives, and private sector activities in the last 30 years. As previously discussed, EMT facilitated the political and social climate for the production of the Brundtland Report; the Brundtland Report, in turn, popularized the term sustainable development. The report itself also spawned increased interest in CSR. Another interesting linkage is that the Brundtland Report was published in 1987, the same year that the BPEP was founded (WCED, 1987; NIST, 2011). It appears as if the social consciousness and desire for increased productivity, not at the expensive of the environment, but in harmony with it, reached a critical point at which societal norms demanded accountability and change. This can be summed up in Dryzek's (2005: 167) commentary that "industry itself cooperates in the design and implementation of policy… and that business has every incentive to embrace rather than resist ecological modernization, provided only that business is sufficiently far sighted, rather than interested only in quick profits." As Dryzek notes, the incentives for embracing ecological modernization and internalizing externalities through CSR activities is potentially positive for the private sector. The Baldrige also offers the same possibilities through the collaboration of the public and private sectors. The concepts of long-term profits and "what is good for the environment and for society is good for business," are topics that interviewees from Companies A, B, and C addressed in their discussions. Their responses will be further analyzed following the Methodology.

# Chapter III - Methodology

## Researcher's Role and Ethical Considerations

"Qualitative inquiry offers opportunities not only to learn about the experiences of others but also to examine the experiences that the inquirer brings to the inquiry…" (Patton, 2002: 27). In all research, the investigator brings reflexivity to the process (Creswell, 2007). As an environmentally and socially conscious individual, I am sure that my perspective colors my thought process and evaluation. My previous work as a journalist in developing countries certainly influenced my perspective on this topic. During the years I spent conducting interviews with business leaders, I had the opportunity, first hand, to observe how corporations operated in developing markets. Among those interviewees, one area of common discussion often emerged: how to address the social and economic challenges of doing business. Such work often required building infrastructure in communities; busing employees to the work place from remote locations; educating employees; providing health services, meals, and childcare; and building community facilities. In addition to my interviews, I participated in community outreach activities, planting trees, visiting an artisanal cooperative, or taking school supplies to needy children. Those experiences, my interviews, current news events about corporations, and societal expectations about those events, coalesced to inspire this research.

Having been a journalist provides advantages and challenges in conducting scientific research for a qualitative study. An interview is like a Pas de Deux, each person has a role to play and the interactions between him or her, the tension, the laughter, the sternness, the sincerity, all provide the material worth recording. Having conducted thousands of interviews, I have honed a particular skill set for preparing and executing interviews. Experience enables me to anticipate the uncertainty with which an interviewee approaches the interview and I understand how to ease the tension and create the environment for the person to relax. When this happens, the interview evolves into a conversation and the interviewee feels free to genuinely express her or his opinions, revealing a myriad of unexpected, insightful, helpful, sometimes confidential, information that is extremely useful for analysis. While such techniques may result in the interviewee straying from the initial questions asked, I feel that those sidebars add to the fabric of the material, providing additional depth and context to the information.

As a social scientific researcher, I have tried my best to utilize those journalistic skills for this research and have adjusted my lens to view the material not through the lens of a journalist, but that of a scientist. While it is nearly impossible to remove all bias from one's work, I strove to produce as neutral a research project as possible by utilizing methodological techniques to design and conduct this research study and to objectively evaluate the results of the findings.

**Qualitative Research Design Overview**

This thesis is a qualitative multi case study that seeks to understand CSR implementation from the perspective of key informant interviewees (referred to as interviewees) from selected MBNQA winners. It seeks to assess how the BPEP might have influenced the companies to embrace CSR and foment practices that are environmentally and socially responsible, and good for business (Dryzek, 2005). This research is qualitative because it is “interested in the interviewees’ words and ideas, not in arraying the responses numerically, and encouraging participants to have the time and opportunity to reconstruct their own experiences and reality in their own words,” (Yin, 2011: 32). As a case study, it “studies a phenomenon (the “case”) in its real world context, ” (Yin 2011: 32). While some studies focus on a single unit for in-depth examination (Saldaña, 2011: 10), this research examines a collection of three cases, Company A, B and C (Creswell, 2007; Stake 1994).

**Sample Selection**

I selected the BPEP and MBNQA winners for study through purposeful sampling, a technique used in qualitative research in which the “inquirer selects individuals and sites for study because they can purposefully inform an understanding of the research problem and central phenomenon in the study,” (Creswell, 2007: 125). BPEP is the only quality measurement program of its kind in the US. As discussed previously, the US government requires corporations to comply with governmental regulation, such as the FDA, EPA, OSHA, EEO laws. The government does not require compliance above and beyond those laws for engaging in or reporting on CSR. The closest governmental metric that comprehensively measures quality and discusses elements of CSR is the BPEP. It asks vital questions that foment sound practices throughout a company that encourage CSR.

The BPEP was also chosen for this case study for other reasons. MBNQA recipients complete standardized applications and evaluation forms and MBNQA winners’ information is published for public use on the BPEP website. Additionally, MBNQA winners are “required to share nonproprietary information about their successful performance and quality strategies with other US organizations” (NIST, 2011), making contact and discussion with selected companies much more plausible. These factors allowed for a more structured and complete cross-case analysis (Stake, 1995, Yin, 2003). Additionally, the quantity and availability of publicly disclosed information will enable future researchers to more easily replicate the qualitative data and to expand the findings herein.

Having selected the BPEP’s MBNQA for study, I conducted purposeful sampling of the MBNQA winners from the years 1988-2010 for inclusion in this study. From 1988-2010, there were 1,388 applicants for the BPEP’s MBNQA in the categories of Education, Health Care, Manufacturing, Non-Profit/Government, Service, and Small Business (NIST, 2011). Additionally, 10,279 State, Regulatory and Local Applications were filed. Through 2010, 84 companies, divisions of companies, or organizations, won the BPEP’s MBNQA. A complete list of MBNQA winners is available on the BPEP website (www http://www.nist.gov/baldrige).

I initially considered all 84 companies or organizations for inclusion in this study. I winnowed (Stake, 1995), or narrowed down, the sample by applying the following criteria: multi-national organizations with a CSR report or documented CSR activity, as exemplified through their BPEP application and website. Interested in studying how the Baldrige Criteria might influence CSR implementation, I excluded those companies that did not engage in CSR. I chose organizations conducting business in international jurisdictions so that I could examine the nuances of CSR implementation abroad. By narrowing the sample size to include only those organizations or corporations conducting business internationally, I limited potential respondents to MBNQA winners within the Manufacturing/Service category. Upon reviewing the selection of organizations with evidence of CSR activities, doing business internationally, in the Manufacturing/Service category, I discovered that several MBNQA winners had been acquired by other multinational companies or had gone out of business. I then excluded those organizations that experienced a corporate restructuring and/or take over and those who had gone out of business. As a result, seven of the 84 organizations fully met the criteria for inclusion in this study.

To encourage a higher rate of participation among potential key informant interviewees, I decided that both the identities of the companies selected for study and the individuals within the companies would remain confidential. While this decision complicated some of the analysis, it was important. Several of the interviewees indicated that they would not have been interested in participating in the research if I had revealed their identities. Confidentiality did become challenging during the analysis as I could not disclose any of the companies' CSR activities, nor reveal information about their Baldrige application, or their CSR report. With such a small sample size, any small detail concerning a company program, a mantra, or details about a company's market capitalization, size, or economic activity would have revealed the identity of either the company and/or interviewee.

Following institutional protocol, I designed an invitation to introduce this research to the companies (Appendix A), a confidentiality agreement (Appendix B), and an interview protocol (Appendix C) (Creswell, 2007: 183). The Institutional Review

Board and Human Subjects Protection Office at The Pennsylvania State University assessed and approved these documents for use in this thesis.

To initiate the research, I established contact via email with a gatekeeper. A gatekeeper is the point of initial contact at an organization, an “individual at the research site that provides access to the site and allows or permits the research to be done” (Creswell, 2007: 178). Each MBNQA winner appoints a gatekeeper to share information about a company’s Baldrige experience. The gatekeepers and their contact information are listed on the BPEP website. I emailed each of the gatekeepers the email invitation (Appendix A) and the confidentiality agreement.

After I sent the email, I waited for a few days and then I called the gatekeeper to establish live contact, ensuring that the email invitation had reached the appropriate person and gaging the gatekeeper’s interest in having the company participate in this study. I asked those gatekeepers who expressed a positive interest in the study to identify key informant interviewees. A key informant is the “individual who shares information” and who is “key to the researcher’s understanding of that culture” (Gilchrist, 1992: 73). A key informant interview is “a type of individual interview that involves forming a relationship over time” (Gilchrist, 1992: 72). With the exception of two instances, the gatekeeper appeared to have consulted other individuals in the company before accepting or declining the invitation.

I experienced several challenges with this process. For each of the seven organizations selected for the sample, some time had elapsed since the company had won the MBNQA. Many interviewees that had been involved in the Baldrige process no longer worked at the companies. Of the seven companies contacted, three eventually participated, companies A, B, and C.

Once the gatekeeper approved the research, I asked for the name of a key informant interviewee. I then contacted the interviewee via email. The email included the email invitation, the interview protocol and the informed consent form. When the interviewee agreed to participate, I scheduled time with the person to conduct a qualitative semi-structured interview. A qualitative interview is "a form of interviewing whereby the researcher's goal is to reveal a participant's meanings and interpretations from the participants point of view. Such interviewing therefore more likely assumes a conversational rather than a tightly scripted format (Yin, 2011: 312). In semi- structured interviews, a key informant receives a list of questions to guide the interview, but he or she can expound upon certain aspects of the questions or add information to the questions if the person wishes (Creswell, 2007: 130). Due to the nature of the research, I wanted interviewees to have a guide to follow but sufficient freedom to stray from the guide and expound upon topics they felt merited discussion.

Using the interview protocol (Appendix C) and relevant follow-up questions, I asked the interviewees to reflect upon the MBNQA process and/or CSR. I recorded each interview on a digital recorder. At the close of each interview, I employed a snowball sampling strategy. A snowball sample is "the selection of participants of sources of data to be used in a study, based on referrals from one source to another" (Yin, 2011: 312). It identifies cases of interest from people who know people who know what cases are information-rich" (Miles and Huberman, 1994, p. 28). Therefore, I asked each interviewee to recommend up to five additional colleagues that potentially could be interviewed at his/her company that might be willing to discuss the MBQNA and/or CSR. As it turned out, only a limited number of key informant interviewees were available. A total of seven people participated.

At Company A, the gatekeeper agreed that his/her company could participate in this study and three interviewees successfully completed the interview process.

At Company B, the first interviewee could not identify any additional informants. In that case, I again contacted the gatekeeper at the company. The gatekeeper indicated that, unfortunately, no additional informants were available because the executives involved in the MBNQA process had left the company. In researching these executives, I discovered that they were involved in another venture. I contacted the new venture's secretary, who acted as the gatekeeper, and repeated the protocol. I successfully interviewed both the former CEO and the former Vice President at that company, both of whom had been instrumental in the company winning the MBNQA.

At Company C, only one interviewee participated. While one or two additional potential interviewees may have existed, both the gatekeeper and the first interviewee noted that the other interviewees were not available.

At the four remaining companies, one gatekeeper declined the invitation immediately. One gatekeeper initially agreed that his/her company could participate and then later declined, citing scheduling difficulty and time constraints. One gatekeeper requested additional information, but then could not be reached for further contact. One gatekeeper could not be reached for response. In no instance was the gatekeeper an interviewee.

**Analysis**

After I completed each interview, I carefully transcribed it. I recorded my thoughts about the content of the interview in a reflection for later use. After I transcribed all of the interviews, I began the process of analyzing and coding the data. I grouped the interviews into companies A, B and C. I analyzed each key informant interview in a group and began coding. In qualitative data analysis, coding is the assignment of simple words or short phrases to capture the meaning of a larger portion of the original textual or visual data" (Yin, 2011: 308). An NVivo code is a code (assigned in the analysis of qualitative data) represented by a word or phrase that is taken directly from the data being coded (Yin, 2011: 310). Because I had a small number of key informant interviewees, I decided to do manual coding. To begin with, I selected passages "rooted in the participant's own language" (Saldaña, 2009; Creswell, 2007; Miles & Huberman, 1994), (the first round of coding). I extracted those passages and placed them into a new document for further analysis and selection. I distilled the passages into their most basic form (the second round of coding). I took those selections and placed them into a new document and began selecting the NVivo codes (called the third round of coding).

Once I completed the third round of coding, I took the NVivo codes and created a narrative for each company, grouping statements on similar topics together. Once a company narrative was completed, I went back to the NVivo Codes and transferred the data to an Excel spreadsheet for each interviewee. In Excel, I assigned descriptive codes to the NVivo Codes (called the fourth round of coding). Saldaña (2009: 3) explains descriptive codes as codes that summarize the primary topic of an excerpt. Once I assigned descriptive codes, I combined the data from all of the interviewees at a company into one Excel database. When all of the data from a company was combined, I sorted it, controlling the data for the descriptive codes. Through analysis, themes and patterns emerged from the data. To facilitate comparison, I arranged those themes in the same order for company A, B and C. Having controlled for the data for the descriptive codes, sub themes within the themes were evident as well. Keeping in mind ecological modernization theorist Dryzek's (2005) conjecture that what is good for the environment and good for society is good for business, I conducted a company-wide analysis for each of the companies, using the interview, the coding data, the analytic memos, the company narratives, and the reflections I had written. After I completed the analyses for each company, I compared the companies to one another in a cross-case analysis. The results of this process are found in the following chapter.

## Chapter IV– Results of the Qualitative Analysis

Utilizing the qualitative methods previously discussed, the results that follow were derived from an NVivo Code analysis conducted through several rounds of coding on a total of seven interviews, completed at three companies, A, B, and C. Common themes among the companies included Leadership, Baldrige, CSR and Employees. Each of those themes contained subcategories that were emphasized to different degrees by the interviewees. The analysis first examines the themes and nuances at each of the companies, after which a cross-case analysis is summarized.

### Case 1 - Company A

Interviews with Company A included the former CEO, (referred to as CEO) the former Global Vice President of Sales Integration (referred to as Sales VP), and the Vice President of Performance Excellence (referred to as Performance VP). At the time of the interviews, the CEO and the Sales VP had recently retired from Company A. The Performance VP was actively employed at the company. Each of the executives had worked at Company A for at least 18 years, led the company through the BPEP process, and witnessed the company's evolution. From the interviews, it was clear that Company A had applied for the MBNQA multiple times over a number of years. With each application, improvements were made and processes were refined, resulting in finally winning the MBNQA. In the end, while winning the MBNQA was important to the management, it seemed as if it was secondary to the BPEP process itself. According to the Performance VP, Company A continues to utilize the Baldrige Criteria in its daily operations.

The CEO and the Sales VP were more philosophical and had more time to spend on their interviews than the Performance VP, who was still working with the company. Both the CEO and Sales VP talked at length about the personal transformation they experienced by adhering to the Criteria and undergoing the process. All three interviewees related similar experiences and commentaries were very consistent among them. One particular incident that each of them discussed, was the implementation of an ethics policy at the company. From the commentaries, it was clear that experience was a watershed moment for each them and it was obvious that the Baldrige evaluation process had directly encouraged them to draft and implement an ethics policy company wide.

A complete list of the NVivo codes, categories and themes for Company A can be found in Appendix D. The analysis of the NVivo codes for Company A's three interviewees revealed three common themes: Leadership, the Baldrige Process, and CSR. Additionally, the CEO and the Sales VP emphasized Employees as a theme. Within those themes, subcategories emerged, as shown in the charts below:

Table **1-1**: Company A Codes.

| | |
|---|---|
| Leadership | Leadership Commitment/Top Down Leadership |
| | Leadership Style |
| | Leadership Philosophy |
| | |
| Baldrige | Baldrige Process |
| | Baldrige Results |
| | Baldrige Challenge and Adaptation |
| | |
| CSR | CSR/ Company Philosophy |

| | |
|---|---|
| | Ethics |
| | CSR and Government Regulation |
| | Stakeholders/Customers and Sustainability |

**Leadership**

**Leadership Commitment and Top Down Leadership**

Company A's interviewees focused on leadership and the role that leadership played in deciding to implement the Baldrige. Several categories emerged within leadership including: leadership commitment/top down leadership, leadership philosophy, and leadership style.

All three interviewees insisted that leadership for implementing the Baldrige and leadership for CSR were top-down processes and that the CEO had to be committed to such processes.

The CEO emphasized, "The fundamental, if not the number one, requirement, is that you have commitment from the top." He and others on the management team decided to utilize the Baldrige Criteria and the process to improve Company A's operations. He explained though that "(Baldrige) isn't easy. It's hard, it takes hard work; it takes commitment. I was challenged all the way along."

With implementation of something as complex as the Baldrige Criteria, the Sales VP concurred that leadership "is only top down". The Performance VP explained, "It really does need to come from the CEO, because...integration is really hard. It can't be just the CEO, but it is going to die unless the CEO backs it. (However), it has to quickly go from the CEO saying 'we're gonna do this' and the CEO learning it and understanding it and walking the talk, to deeper in the organization where other people are doing it, seeing it, and understanding it. The improvement approach, or company focus, adapts to perspectives of its senior leaders."

When other CEOs asked Company A's CEO how to get started with the process, he noted, "I tell the CEOs, you can't hire a VP and put a VP in charge of it and say, 'ok, now go win me one of those Baldrige awards'. It has to come from the CEO. I am absolutely convinced of that and I don't think there's anyone who would tell you otherwise."

**Leadership Style**

During the Baldrige process, Company A's executive team experienced a transformation in terms of how it led the company. The Sales VP summed up the essence of the change saying, "We were "probably 95 percent non-empowering, when we started the quality (journey)." In working through the Baldrige process, he explained that the leadership style changed from one that was non-empowering to one in which "(you would) promote someone into a supervisory position, (and) watch for empowering, leading kind of talent, verses 'I know how to do this, you do it this way, kind of talent'," he said.

The Sales VP also explained that the CEO's "job was to provide the environment for everybody to be as successful as they possibly could be". In doing so, the management team "got to a mature enough state that we could challenge one another, on the ideas," he explained.

The CEO echoed that statement, explaining that he believed that egos get in the way, “especially when people say, “I am the manager and you’re not. I am more important than you. I am in control. Control is overrated.” He attributed much of his leadership style as being defined by the Baldrige.

In terms of leadership mentoring, the Sales VP said he strove to “empower, coach, lead, support, let (employees) make mistakes, celebrate those mistakes (and) learn from them. All of those things became part of (our culture) gradually or quickly.”

**Leadership Philosophy**

The CEO’s philosophy for Company A was to “improve the quality of (Company A’s sector of business), to improve sales growth profitability, and to have rewarding and enjoyable place to work for our employees.” He viewed his job as CEO as “creat(ing) the environment for the people who were doing the real work of the company.” He wanted to get “good people” around him, “enable them”, and “help them to be successful.” “The key to success is the people. You get good people, you create the environment for good people to do good work, good things will happen.”

As a part of his philosophy to make his company a “rewarding and enjoyable place to work”, he wanted to have happy employees. He felt that happy employees would take better care of customers and happy customers would equal more profits. “If you improve sales and profits, you have more to invest in the business…you have more money to give people raises and bonuses; they’re gonna be happy. So, they all interrelate. They are geared toward the stakeholders.”

As CEO, he was very hands-on. Often, he would go down "into the trenches" and clean toilets, work on a manufacturing line, make sales calls, etc., just so he could have first hand, unfiltered information about what was really going on in the company. He reported that he felt that he could "do a better job creating the environment for success if I had an understanding of what was going on at the line level of the company."

By embracing empowering leadership strategies, the CEO and Sales VP provided the environment for employees to be effective and satisfied at their jobs. As a result, Company A was more equitably run and focused on long term goals and profits, not short term gain. The Baldrige Criteria helped to guide the executive to that conclusion. As discussed previously, EMT assumes that a company that is managed effectively will also have a more proactive stance on maintaining environmental standards (Mol et. al, 2014; Dryzek, 2005).

**Baldrige**

All three interviewees emphasized the effect the Baldrige Criteria and its awards had on Company A. Through analysis of Company A's interviews and NVivo Codes, the following categories within the Baldrige theme emerged: Baldrige process, Baldrige results, and Baldrige adaptation/challenge to stay current.

**The Baldrige Process**

When referring to the "Baldrige process", the interviewees discussed the details of the managerial and operational transformation of Company A through the Baldrige Criteria. The process was lengthy and arduous. According to the interviewees, Company A applied numerous times for the MBNQA before it won. The process was so lengthy that the CEO recounted that there were times, even when Company A was successful, that the "management team asked, 'what are we doing this stuff for?'"

The company began the Baldrige process by having several members of the executive team, including the CEO and the Sales VP, do "quality champion visits", or visits to companies that had already successfully implemented the Baldrige Criteria and had won an award. The CEO highly recommended that companies contemplating the Baldrige should conduct "quality champion visits". Both the CEO and Sales VP noted the impact that the visits had on them. The CEO recounted that the companies he visited "were charging more money, making more money from their customers than anyone else in the industry, and their customers were loving it." He said he came back from the quality champion visits "convinced" about the Baldrige process and wanted to start the process immediately. "We decided we would we would use the Criteria to manage our business. A lot of work went into deciding that. That didn't happen overnight. (There was) resistance to performance management, objectives," concurred the Sales VP.

Not only was there resistance to managing Company A differently, the interviewees reported that learning the Baldrige process was difficult. At some point, the CEO had a eureka moment that "as long as you're doing things and it's the extra stuff that you're doing on top of normal job, then you're never gonna get there." We didn't do extra Baldrige stuff; we just started running the business (by Baldrige principles). The Performance VP added to that sentiment saying, "The Criteria is another language. It really has to become part of how you do things, part of your lexicon. As a sidebar, you'll never get the real value."

The Performance VP discussed the process itself at length. Having participated directly in the Baldrige implementation and having been a Baldrige examiner, she explained "how important it is to integrate things and the role simplicity plays in that integration." In terms of integration "'Do I have an approach?'; 'Is it deployed?'; 'Am I improving it?'; 'Is it integrated with the processes it needs to be integrated with?'; 'Is it delivering results that I want it to deliver?'" She clarified that in the Baldrige application "you see 4-8 processes that appear in every category, right across the categories, and those are your integrating processes…you start thinking in terms of, 'how do I look at my results?' 'What are my trends?' 'How am I performing against benchmarks?'" Operational excellence is important, and you look at process maturity differently."

She noted that the most common question that examiners asked was "how do you know?" about preconceived ideas or current processes. "It kind of makes everyone sit back and say 'well, gee, I don't know," she explained.

Through the process, Company A began to measure everything and compensation was tied to success. The CEO explained that the company had several corporate objectives: "hit the financials, grow the business, improve quality and productivity, improve customer satisfaction, and improve employee satisfaction. Through 'our management by objectives,' we knew who (the) stakeholders were and we knew what we were measuring to improve them; 'Improve quality of (sector)' was our end user customers; 'improving growth and profitability' was for the shareholders; and 'rewarding and enjoyable place to work' was the employees," explained the CEO.

The CEO maintained that the Baldrige "was the ultimate impact" for Company A. "When you run the business according to Baldrige principles, you improve your level of performance. You get better. (You) improve profitability, improve margins, improve customer satisfaction, improve your quality. You get into philosophy and the way of running your business and you end up improving, improving, and improving. Baldrige becomes the way you operate the business, it becomes, just who you are and it's how you operate." The Sales VP reiterated that sentiment, recounting, "Baldrige became the way we ran the business."

**Baldrige Results**

While Baldrige process and Baldrige results overlap, Company A interviewees did specifically mention results as an outcome of the process.

The Sales VP discussed outcomes at length. "We have corporate goals, and we have corporate initiatives every year. Objectives flow out of these things to all employees and incentives are all based on the corporate goals. Process improvement becomes a way of life. The application to that process and the example of how much better it got, and how quickly, was really pretty super," he added.

"Once the process was in place, there was a sense of are you sure the results are because of what you're doing, can you improve it and it just happens. The use of data in our early Baldrige visits had a big impact". "Baldrige (gives you) opportunities for improvement, not prescriptions for great corporate successes. It's more continuous improvement," explained Sales VP. "People learned the basics of process improvement... and went on to apply to their own areas more and more. It is like concentric circles, it radiated out and it just continues to do that," he added.

As discussed previously, tying compensation to success was part of the process that yielded results. The Sales VP further explained, “We measured sales people and our service people, and part of their compensation was based on their customer satisfaction scores. We invested in things to help improve customer satisfaction scores. The bonus plan for the management team was based on meeting corporate goals.”

There was a strong focus on customer improvement methods and the importance of stakeholders, “The criteria asks questions - ‘What is most important to you as a company? ‘What do your stakeholders want?’ As you change, you roll out into new areas or your stakeholders change. You prioritize it and figure out a way to balance your delivery to deliver value across all of those (topics),” explained Performance VP.

“Baldrige recognized the…process for - how do we take care of customer, how do we understand what they want, how do we make sure they get it, how do we know they’re happy with it, how do we deliver and implement it,” explained the Sales VP.

For example, the Sales VP noted that working with the customer buying process helped to improve the sales process. Aligning the two processes helped forecasting around the world and yielded results. “We were able to improve our output to the customers, to the field teams, and we doubled every 3 years. We built the product that worked with our processes.”

He reiterated the CEO’s stance on the way Baldrige changed the company saying, “(Baldrige) didn’t change the way we do business, it made our ability to do the business we did so much better, faster, less expensive, less cost, better for the employees, better for the stakeholders, better for the customers and better for the communities. The journey took a very good fabric and added integrity to it. Baldrige is the best value for money, quality benefits all manner of organizations."

Company A's executives enthusiastically recounted the myriad of ways that the Baldrige process had improved Company A. These changes enabled Company A to focus on all of the stakeholders involved, including the community, and move toward a stronger type of CSR. This is yet another example of Dryzek's (2005) conjecture that what is good for the environment is good for business.

**Baldrige Challenge and Adaptation**

Company A's executives did have some criticisms and some suggestions concerning the MBQNA. Criticism ranged from the time cost to implement the Baldrige to the complexity of the Criteria.

The Performance VP noted that the biggest challenge it has today is "not getting too complicated." She recommended that the organization "take a step back and simplify again." She also commended the Baldrige for "staying on the leading edge of proven management practices, new trends and new things to think about, like social media and sustainability." She noted that it was "ahead of the curve on ethics before all of the ethics meltdowns that caused Sarbanes Oxley." Because the Baldrige promoted sustainability, the process itself helped Company embrace better business practices. Once again, what is good for the environment is good for business. Thus, the Baldrige in turn, could also lead companies to ecological modernization.

As for the future of Baldrige, The CEO noted that "it is not static and it needs to stay current and relevant." He explained that changes like corporate governance came about because "environmental things became more of an issue globally." He believed that new changes would be made to the Baldrige to increase competitiveness by addressing issues of innovation, something that Marrewijk & Hardjono (2003) discuss.

**Corporate Social Responsibility**

Just as the Baldrige became a way of doing business, CSR became a part of the company's operating philosophy. Interviewees described it as being tied in to employee satisfaction. Analyzing Company A's CSR responses, four categories emerged: Company Philosophy/CSR Philosophy; Ethics; CSR and Regulation; and the Stakeholders' and Customers' needs.

**Company Philosophy/ CSR Philosophy**

At Company A, CSR developed as a part of the company's overall operating philosophy, was not a separate department or a sideline and was tied into the company objective of making the company a "rewarding and enjoyable place to work." As with leadership, the executives interviewed felt that CSR had to be a priority at the top. It became an integrated part of the way the company did business through its Baldrige experience.

The CEO noted, "When the criteria changed to be more environmentally conscious, we had already picked up on that. It became something that we were investing in and we saw that made sense. When Baldrige came along...there was no issue from us, we're already there."

The CEO explained that being a “good corporate citizen” and “responsibility to the community” were “extremely important to us”. “We have to be a good corporate citizen, and that means more than just paying your taxes,” said the CEO. The Sales VP and the Performance VP reiterated those sentiments in their discussions.

Being responsible was rolled into being a “rewarding and enjoyable place to work,” which the CEO expressed as being was a component of a company that is socially responsible and part of an integrated approach to sustainability. “(That) is how we brought whole social responsibility into this philosophy and approach of running the business. SR comes back to employees. If you’re a good citizen you attract good employees and you attract employees that believe and want to behave that way.” In other words, “(if) you have a company that’s socially responsible, you get people who are socially responsible. Being socially responsible allows you to attract good people. Having good people makes you more successful. There’s a good, solid business reason for (being socially responsible),” he said. In this, the CEO reflects Dryzek’s point that “an unpolluted and aesthetically pleasing environment means healthier, happier, and more productive workers” (Dryzek, 2005: 167-68).

As part of the “make it an enjoyable and rewarding place to work” concept, volunteerism was prevalent at Company A. “The environmental benefits, social benefits, (like volunteerism) …come out of empowerment of employees,” said Sales VP. He emphasized that the president of the company actively encouraged people, especially his management team, to participate in community activities. “(The president) loves to see people grow.”

The CEO emphasized his philosophy for sustainability, or “being green” saying, “All of this stuff we do that’s SR, green responsibility, I don’t do it to be altruistic, I do it because of good solid, fundamental business reasons… We made (business processes) green because there was a good solid business reason to do it…It makes good business sense AND (his emphasis) you get to clean up the planet, then why not?” His commentaries directly reflect the principles of EMT and Dryzek’s (2005) point that what is good for business can also be good for the environment.

The CEO also focused on a dichotomy that is prevalent in today’s business literature and news stories: profits. His philosophy was that it was a “false choice” to trade off short-term profits or long-term investments. He noted that people ask, “Do you want short term profits or do you want to invest for the long haul? I would say, I’m not gonna make that choice, that’s a false choice, I want to be profitable in the short run and be profitable in the long run. You’ve gotta watch for the false choices…It's not like it’s a question of profits or green; it just ends up being both. It’s easy; it’s not a hard thing to do.”

**Ethics**

NVivo Codes revealed that Ethics was an important component of CSR at Company A. Each one of Company A’s executives discussed the specific incident in which Baldrige examiners visited and questioned the management team about its ethics policy. The interviewees explained that, for some time, Company A did not have an official ethics policy written down. The Performance VP recalled that there was “skepticism to whether an ethics policy was needed.” The CEO shared his philosophical viewpoint on ethics, saying, “We expect our people to be ethical, it’s part of who we are. It’s built into our organization.” The Sales VP stated, “I thought that we were honest enough. I was absolutely convinced that was an affront. We didn’t need (an ethics policy).”

At a meeting to review Company A’s Baldrige progress, one of the Baldrige examiners asked, ‘well, how do you know if people are ethical all over the world?’ “When the examiners left the executive team looked at one another and asked ‘how do we know,’” explained Performance VP. As a result, the CEO explained, “We decided, this is a way to improve our operations. Instead of saying ‘we don’t really need it, we’re ethical’, we decided, ‘let’s go ahead and do an ethics policy.’”

The ethics policy that was designed was a simple one, only a few pages long. The CEO and the Sales VP indicated the importance of ethics policy for empowering the employees. “Our ethics policy empowers the employee. (It says) when you are in that situation, be ethical and the company will back you up. We won’t fire you because you didn’t get the order, we won’t persecute you because you didn’t get your quota. You will not be punished, you will, in fact, be supported. If you feel you’re questioning your ethics, we are empowering you to be ethical,” explained the CEO.

“When (employees) know the company is going to back them up, 99% of people want to be ethical, you are freeing them and enabling them to be ethical. The 1% that doesn’t want to be ethical, you’re not a perfect employee in every other respect of the word except when it comes to this,” he concluded.

The Sales VP expressed that the implementation of the ethics policy, the management team stating that “no one would break any laws, that it was unacceptable everywhere and anywhere", was an important milestone. "When you get [the ethics policy] and you take it to South America, you get understanding - this is from the president of the company and the executive committee. The boss says we're not gonna bribe anyone. This is the way we're doing it. It [may have] cost us business, but it didn't cost us our integrity," he stated.

**CSR and Government Regulation**

Company A's executives were skeptical of government regulation of CSR. Overall, regulation that sought to impose specific mandates for business was viewed as counterproductive and potentially harmful to companies and to sustainability.

The CEO noted much of the discussion concerning regulation is philosophical. The CEO supports the role that government can play to "establish a common set the rules of the game that society agrees to follow...(It says) that we're all going to play by this set of rules." He disagrees, however, with governmental action if the tone of the regulatory discussion is "the government knows the answer and the government knows what's right" and the "government is going to try to control…evil corporations… (which are) only interested in profits...because if we don't pass laws they're going to misbehave."

The Sales VP expressed that legislating CSR can be very challenging, saying, "I don't believe that the government can bring much. When you legislate a law, you start to get specific and all of a sudden there's a whole group that sees around it. I am sure as soon as the legislation starts to flow, we'll start following the money. It is absolutely essential that we continue to do the right things for the right reasons." In speaking about legislators, he openly wondered, "How basically dishonest people legislate honesty and good conduct? [And] how is it that there's this phenomenal government managed business analysis process called Baldrige that no one in the government uses?"

He felt that if the government "worked on recognition to some extent," that would be an improvement. "I don't mind people wanting to make the world better but it's hard to dictate. It's hard to get it in writing, (and) then it's hard to (enforce). (Legislating CSR will have) unintended consequences, completely unintended, that will be huge and negative."

The Performance VP also discussed the potential for unintended consequences, saying "It's heartbreaking when you see mandates being needed. You would always rather make it the carrot than the stick. Ninety-nine percent of the people that you work with want to do a good job and want do the right thing. The challenge (to regulation is that) the system that was designed, with all best intent, always has unintended consequences."

It was Company A's belief that corporations should behave in an ethically and socially responsible manner. Through their commentaries, it appeared that Company A's executives did not have confidence in the government's ability to legislate regulation for CSR, because it could be corrupted by special interests or be designed in a way that could be harmful to business practices.

The CEO also brought up another challenge to regulation saying, "If you are going to let China be a member…of the international economic club that we're all (the US, Japan, Western Europe, etc.) a part of, then part of the club membership should be that you play by the rules. That comes into play with what is being done with SR. You end up in this mode of, well, let's decide if we're going to be competitive or SR…If the Chinese…are not following the rules of the game, then (it) could be the case that you have to make a choice between competitiveness or SR; but if we're all following same rules, then you can be profitable and be responsible at the same time." The CEO's comments bring up a conundrum in regard to regulation. One hand, the CEO feels that companies like his should be able to self regulate because, as he states, companies can do a better job than the government at responsibly regulating. On the other hand, he wants Chinese companies to abide by the same rules that companies must adhere to when doing business in places like Europe or Australia. In short, he is practically saying that there should be globally enforced regulations that Chinese companies must adhere to in order to ensure a level playing field and foment better, more responsible business practices and competiveness.

**Stakeholders/Customers and Sustainability**

The NVivo coding analysis showed that executives at Company A discussed stakeholders, customers and sustainability frequently. The term stakeholder referred to employees, the community, investors and, at times, customers as well. In other instances customers were discussed separately in terms of performance improvement and customer retention. Sustainability was often mentioned as a function of the needs of stakeholders and/or customers. They are grouped together because of their overlap.

The Performance VP viewed Company A's "environmental sustainability as a continuum" and that there were business reasons to do it. "Sustainability and the sustainability initiative (has a) focus on community. Strategically, we need people to see us as a great partner in their community," said Performance VP. Company A began its sustainability initiative by looking at its "waste streams related to awareness of what our community would need in the future in terms of being able to expand". It then looked at LEED Certification and building green "which addresses both a shareholder requirement of profitability, low energy consumption, as well as...a community requirement, a reputation for decreasing waste streams," she stated.

The Performance VP explained that the current sustainability initiative was started by a group of interns who were doing a presentation to management about being "green". One of the important things that came out of the presentation was that "people wanted to work for green companies." The management team realized that sustainability could attract talent. The team asked "'what are we doing and should we be doing more?'; 'What are our customers looking for?'; 'What are our customers' environmental challenges?' 'How are we addressing environmental requirements...in an ethically responsible way?'"

Reducing waste streams, focusing on sustainability in the community and moving toward increasingly sustainable business practices are additional examples of Dryzek's (2005) premise that doing good for the environment is good for business.

She noted that customer stakeholder requirements started with green regulatory requirements in Europe. When Company A asked its customers "'what do you care about in a green company?' The response was 'help us be green, help us reduce our own waste, help us be more green ourselves'. 'We care whether you help us be green,'" recounted the Performance VP. The desire for customers to prevent pollution again reflects EMT and Dryzek's (2005) conjecture that preventing pollution pays.

The "sustainability initiative (then) widened to a process focus. The simple philosophy of understanding what your stakeholders are looking for enables that evolution." For example, she noted, stakeholders want Company A to constantly reduce carbon monoxide emissions. Overall, "(sustainability measures) come out of looking at your stakeholders and what they are asking of you. Looking at your stakeholders drives you to do more than just what is the most obvious stakeholder requirement."

The Performance VP attributed Company A's achievements in the sustainability realm to its work with the Baldrige Criteria saying, "It forces you to think about those things." "The peak of sustainability is looking at outputs and waste stream, it's looking at the social and economic aspects of it, (it's) taking a higher level of leadership. To lead sustainability, you just have to tap into people's pride of doing good. People love this whole idea of, 'you mean I can make money and do good?'"

She concluded that, "There is something generally inspiring about social responsibility. The same is true of Baldrige companies." Yet, she noted, "it is easier to get sustainability going than to get a level of excellence and alignment like Baldrige going." She explained that people were more excited to participate in sustainability activities and that it was quite easy to get volunteers for such activities. The Baldrige, on the other hand, required complicated, challenging restructuring that, at times, was frustrating for both management and employees.

## Case 2 – Company B

Interviews at Company B included the former CEO (referred to as CEO), the former Vice President (referred to as VP), and the Vice President of CSR (referred to

CSR VP). Each of the interviewees had worked many years with Company B. At the time of the interviews, the CEO and the VP had retired from the company. The CSR VP was actively employed at the company. Like Company A, the CEO and VP had more time for discussion than the CSR VP, who was actively employed by Company B. While the CEO and VP focused more on the changes made at the leadership level, she discussed CSR at length. A complete list of the NVivo Codes, categories and themes for Company B can be found in Appendix E.

The analysis of the NVivo Codes for Company B revealed four common themes: Leadership, the Baldrige process, CSR and Employees. Within those themes, categories emerged, as shown in the chart below:

Table 2-1: Company B Codes

| | |
|---|---|
| Leadership | Leadership Commitment/ Top Down Leadership |
| | Leadership Transformation |
| | Leadership Philosophy |
| Baldrige | Baldrige Process/ |
| | Quality |
| | Baldrige Results |
| | |
| CSR | Philosophy and Leadership |
| | Process and Implementation |
| | Regulation |
| | |
| Employees | Leadership and Company Philosophy |
| | Employee Selection |
| | Empowerment |

**Leadership**

Leadership was a topic that each of the Company B executives discussed. NVivo Code analysis resulted in three major categories for discussion: leadership commitment/top down leadership, leadership transformation, and leadership philosophy. Both the CEO and the VP emphasized a strong leadership philosophy and discussed at length how the Baldrige process transformed how they led others. The CSR VP discussed Leadership in terms of how it impacted CSR and her commentaries on Leadership are included in that section.

**Leadership Commitment/Top Down Leadership**

The CEO and the VP said that leadership had to be committed to the change and that it had to come from the top down. "If the CEO thinks one way, they will respond to it. It will not work in a quality fashion unless the CEO believes it." In other words, the impetus for new management techniques, like the Baldrige, or CSR, must come from the top down," said the CEO. Like the CEO, the VP believed that instituting change on the magnitude that the Baldrige required had to come from the top.

**Leadership Transformation**

The CEO's commitment to excellence and desire to have the best, most profitable company possible resulted in a transformation in his leadership style. According to his self-assessment of his leadership style, he went from being a hierarchical leader, that had learned that "boss is not the boss unless he makes the decisions" and "the boss should know everything," to a leadership style that that "accepted the participation and the empowerment of all people." He explained, "the Baldrige criteria changed me dramatically…it turned me upside down. I made a decision that I wanted to be a different... leader."

The VP also discussed the change from a hierarchical leadership style in which "the manager at the top knows best" to a more inclusive role in leadership. The "biggest challenge was the change in "I have spent my life learning the business" to this process-oriented part. After we learned it, we didn't take that [the previously conceived innate touches] away, we added to it.

The CEO explained, "A leader who is willing to go through the Baldrige is progressive. Anybody who [does] the Baldrige is willing to say 'wait a minute, I am not the best, maybe somebody else can give me information to be better.' I changed the philosophy; it can be done. Because I did it, everybody did it."

The change was not easy and the CEO hired a quality expert to correct him each time he faltered and reverted to his old ways. The quality expert also worked to keep the team on task. The VP recalled that the quality professional had the right to stop executive meetings and say "'wait a second, I'm not debating what you want the outcome to be, but I am telling you you're going about it wrong to get there.'"

The VP explained that not everyone is willing to go through the steps to make fundamental change. "A great leader is willing to look at assessment…of who they are and willing and open to change the way they work." He added that those people are probably different kinds of leaders than those who are not willing to undergo assessment.

**Leadership Philosophy**

Company B's CEO articulated a well-defined, concrete philosophy about leadership. He had a vision for the future that was focused on success. He commented quite frequently about the importance of excellence and quality and indicated that "he was creating something excellent and that he wanted people to be a part of it." His objective was to "create a work environment in which employees want to do (their) job."

The VP echoed that, saying that leadership was about "having other people reach their potential." He explained, "Your job is to get other people to want to do their job. Give them the tools to effectively communicate. Let them know the mission, then give them the tools. We learned… (to) let people who know their job get the work done. As long as you clearly set the expectation of what the end result is, people could do their jobs."

Another part of the CEO's philosophy was taking responsibility for success and failures. "A leader focuses on success and may change strategy, tactics and even people, but not objectives and values. A leader makes no excuses. A manager manages processes…and changes objectives and values." A leader creates a vision and...(an) environment in which employees want to do the job. Management doesn't blame (itself)...a manager makes excuses for why things cannot be done."

The CEO emphasized that part of his strategy for success; he needed to "concentrate on what **creates** (his emphasis) the bottom line and not on the bottom line." He said that far too often, CEOs concentrate solely on the bottom line.

**Baldrige**

From the tenor of the conversation with Company B's executives, it was clear that the Baldrige process inspired wide reaching and comprehensive change in the company. Company B's executives discussed at length the impact that the Baldrige Process had on nearly all of the corporate structures from management to hiring employees to customer retention. All three interviewees discussed how the Baldrige impacted Company B from their perspective. An analysis of the NVivo Codes revealed three common categories within the Baldrige theme: the Baldrige process, quality, and Baldrige results.

**Baldrige Process**

The CEO explained that he had been searching for a way to improve the company when he learned about the Baldrige Criteria. He noted that Company B had received many awards, making it one of the best in its sector, but stated, "even if we're the best, we're the best of a lousy lot because we make a lot of mistakes, so many...customers are unhappy that it's frustrating."

When he was introduced to the Criteria, he said, "I am going to change my company. For the first time, I had a company in front of me the way I believed it should be defined. I would never have thought about it, but it was so simple and clear. The Baldrige is just such a great way of looking at yourself."

The VP stated, "(Doing) Baldrige was a business decision about how stop the flood of negative comments. (We) chose Baldrige because it encompassed everything from leadership to results."

Interspersed throughout the interview, The VP specifically stated how the Baldrige process inspired change in Company B saying, “Baldrige changes who you are and how you work. Baldrige put a more formal process to quality. It gave more consistency. Baldrige follows quality principles. It doesn’t say this is what you do, it looks at the process of how you do it.”

The CEO expressed his opinion about the importance of the Baldrige Criteria saying, “The whole issue of the Baldrige is to improve compatibility of the country, of the businesses. I don’t know a valuable company today that doesn’t use, in one way or another, the Baldrige Criteria.”

**Quality**

As noted in the VP’s comments, “Baldrige follows quality principles", and “Baldrige put a more formal process to quality,” quality was discussed as a part of the Baldrige process, but also in its own right, especially by the CEO and the VP.

As a prime example, the CEO said, “We made sure that we approached issues in a quality way. On one hand, quality is a business process that is defined by the Baldrige Criteria. On the other hand, it is excellence. (There is) quality as a process, or quality as a product. Quality is not what I define as excellent. Quality is what my customer defines as excellent. To create that is a quality product. How I create it [is through] quality processes.”

He explained that he had a quality manager to help department heads make decisions based on quality, not on problems. He embraced quality processes and their outcome and, as CEO, he felt responsible for establishing a level of quality and standards saying, “the creation of quality can be delegated, but as a CEO, I establish a level of quality. I establish the standards that cannot be delegated. I am the one who is responsible for them and maintains the standards in the organization and communicates them and [ensures that they are] maintained and not compromised.” In other words, as CEO, he accepted responsibility for establishing quality standards and making sure that everyone else in the company upheld them.

According to the VP, the Baldrige and quality processes were seen, at first, as outside the scope of regular work. Eventually, quality was seen as a vital part of the way that things were done at Company B and not a separate department that was taking over. The VP clarified that saying, “The principles of quality science as a methodology work in all departments and divisions. Quality sits about divisional or functional roles within an organization. Quality sits above everything.” He defined quality as, “your ability to...use what you know...deliver it on a much more consistent basis and the approaches to deliver that.”

Instituting quality principles and procedures was not easy. The VP affirmed the CEO’s commentary about having hired a person to keep the quality process on track. “(We had) a person that was able to stop everything and question if we were following a proven process to come up with the right results.”

Focusing on quality prompted the CEO to change his management strategy and his objectives in his team meetings. Prior to the Baldrige, his team meetings focused on strategies to save money. As he evolved using the Baldrige Criteria and quality measures, his focus shifted, “I...never allow anybody to talk about saving money and so on, I want to talk about making money by the excellence that we are creating." By doing that, he enabled his team to find creative ways to make customers happy.

In terms of that team approach and commitment to quality, the CSR VP explained that "at the beginning of each shift we cover what we call the commitment to quality, which is the focus on one topic around the world…that's a great way of keeping people focused."

Following quality principles meant that the company could "more rapidly reach the level of product that we wanted" and that "all employees (manager, executive team) were using the same processes, fixing and adjust(ing) (for) the consistency of reaching that output. Quality allowed us to...give the team a base and to take that base and adjust it. (It) allowed for adjustments that allowed for rapid growth with consistency," said the VP.

**Baldrige Results**

The CEO indicated that the Baldrige answered the question "are we really good" in "no uncertain terms." He explained that "a great organization's...foremost objective is to keep the (customer) through excellence. Caring for the customer. That's what drives the bottom line. Caring and concentrating on what a customer wants and (then) do(ing) it." Company B measured those metrics every month. Such measurement was integral for providing results and adjusting for change.

"Baldrige allowed us to go into every location and say 'this is who we are, this is how we work, and these are the systems and processes that deliver consistency. Having a process gave employees ability to adjust it," said the VP. Through measurement and adjustment, Company B was more effectively able to grow. Explaining that often companies don't expand quickly enough, or they expand too quickly, the VP recalled, "We were able to grow quickly and profitably. (We had the) ability to grow rapidly because of a systematic approach to disseminating information." He continued in that assessment saying, "(Baldrige tenets) add discipline not to let market condition(s) change your company. During difficult times, you have difficult discussions, and you move off the line a little bit, but you never say you will be somebody different. Because if you adhere to those practices, you don't allow yourself that much latitude."

According to the VP, the Criteria "gives you an edge (over) your competition. Results aren't just in dollars and cents. Baldrige isn't about spending. It's about the principle of how you run your business. When you have that map that says 'these are important', you don't deviate from those as quickly." His advised "figure out how to do what you do better than everybody else and you'll make money."

The CEO though cautioned that in the evolution of the Baldrige Criteria, measuring profit is important "it has to be part of the conversation, but the danger is that it becomes a company's concentration."

**Corporate Social Responsibility**

CSR was something that had become woven into the fabric of Company B. According to the VP, CSR wasn't a corporate driven program, it was a corporate driven value statement." The NVivo Code analysis revealed three categories for discussion: CSR philosophy and leadership, process and implementation, and regulation.

**Philosophy and Leadership**

Like the Baldrige, executives at Company B believed that CSR must be "spearheaded" by the senior leadership. The CSR VP emphasized that it was important that CSR was driven by the senior leadership, was locally driven, and that it engaged the workforce.

The executives at Company B viewed CSR as an integrated part of the way the company did business. The philosophy concerned the company itself, its employees, the customer, the community in which Company B conducted business and society as a whole.

For the CEO, CSR was something that was an integral part of the business. It was a "feeling of responsibility" that he had always had. He stated that if he believed that Company B had a "responsibility to society, (other) people would believe it after awhile." For CSR to succeed, he felt that he needed to create the right environment and make it a norm for the company.

The CEO strongly believed that a series of questions had to be asked before instituting CSR programs or projects saying, "Everybody has a responsibility to look at everything they do, [and ask] how is it good for all concerned? It's not one single question, is it good for the business? It doesn't exist. Is it good for the business? Is it good for the customer? Is it good for society? Is it good for the employee? Those have to be the questions. For it to work right, it has to work for all concerned. First of all, it has to work for the business. If it doesn't work for the business, I am not going to do it." He reiterated several times that CSR had to work for all the parties involved. This whole system focus again hints at EMT.

He noted the importance of balancing economics with social responsibility, saying, “As a CEO, you can’t dismiss the responsibility of the bottom line, without the bottom line there are thousands of people that don’t have a job, investments that lose money, there are people who don’t eat.”

The CSR VP viewed social responsibility, CSR, as a “key component of a company’s success. It’s not just about doing feel-good things; it’s about doing authentic integrated projects that really benefit the business, the workforce, the community. With social responsibility, I am not talking about philanthropy, I’m not talking about writing checks, but it’s how you really integrate your social responsibility focus, leverage core competencies, and engage the workforce to benefit the community.” The VP expressed, “We have a strong belief that you can’t be recognized as the best national or international company if you aren’t recognized as best business in your community.”

For Company B, “the bigger driving force was really about the local community, values and giving back to that community, participating with your employees in that community. (The President) believed that you had a moral obligation to treat people (with a moral obligation).” There was, then, a strong motivation that the company “should participate in the local community.” As such, “employees participated because of the value statement, not because of the program.”

**CSR Process and Implementation**

Until Company B started the Baldrige, CSR was something that the CEO always had a “feeling of responsibility” about but it “was not managed or measured as a process.” As part of the Baldrige, Company B was evaluated to see if it was participating in CSR. “They actually check if you are involved, socially supportive of the community and of society. It was an understood philosophy and belief system of (our) organization. We didn’t have a measurement on it. The Baldrige Criteria says ‘wait a minute. You may have all kind of beliefs that are happening, but if you don’t measure it, you don’t really know.’” With the Baldrige, the company began to measure it. As a result, the CEO affirmed that the Baldrige had given him more of a “consciousness” about environmental issues. “Green should be the norm.” He believed that green should not be a “discussion” anymore, that it should be “normal to…look and think green. We are forced to become more conscious.” As a result, “we asked the necessary questions, “looked at the needs” at the time, and “the needs of the community wherever we did business, and it was done differently from place to place dependent on those factors.”

The CSR VP noted that Company B had done a number of things to reinforce SR programs as a part of the company’s foundational elements and to show the “passion” that the company has for them including, having identified the company’s core competencies, putting processes in place and, most importantly, having senior leadership drive organizational support.

She described that the power of Company B's program is its authenticity. "We've been doing this (these efforts) for a long time. We can feel very comfortable saying that this is not something new (we've implemented) to respond to growing interest on the part of the consumers to align themselves with brands that are doing well. It's not something that we have just put to market, so to speak, so that really helps with the credibility of the programs. As far as a customer perspective of the business, it is just the right thing to do."

Company B is also careful to ensure that activities and programs are not simply "a US program that we're trying to replicate, but is part of the design." The CSR VP explained that the company gathers inputs from "constituents from a global workforce" to ensure that there is "global applicability, (which) is key to ensuring that it can be rolled out around the world. We see these programs being enhanced...and evolving," she said.

We [company management] define the areas of focus, we require the planning, we require a team in place, we have extensive operating manuals and guides and resources, but the success of the program is that it is locally driven." While the senior management "gives guidelines on what to look for, how to make the right decisions and how to be aligned with very good organizations," community partners are never mandated. The non-profits and NGOs benefitting from the CSR programs are chosen at the local level.

As a result, "the real impact of the program has been able to showcase the amazing non-profits and NGOs around the world to a different audience and get them media attention that on their own they would not get," explained the CSR VP.

The CEO concluded that continuing to ask the right questions is important. Following the Criteria, having the right consciousness, focusing on customers, employees and other stakeholders has made the company continue to ask, "is it all right for all concerned?" If it is right, "We do it. Green is not the question; 'Is it right?' is the question. Often green is and sometimes it may not be."

His commentary brings up an important point. While EMT is focused on issues of environmental reform fomenting the betterment of the company, and vice versa, at the end of the day, companies do have to focus on the bottom line. There may be times that, as he said, "green" may not be the best option for all parties involved.

The CSR VP noted the importance of CSR being a part of the Baldrige application. "If it's in the application it's going to get attention. I think that was a tremendous evolution."

**CSR Regulation**

The executives at Company B did not have a favorable view of government regulation of CSR. The VP felt that CSR is an "issue of values". Values were an important facet of his CSR discussion. He felt strongly that "values are taught" and that "they dictate what you do and don't do." He believed that "organizations should have values" and that CSR "resides within them." He noted that rules and regulations had more to do with having values and teaching values. "Government doesn't do that, individuals do."

**Employees**

In its quest for excellence, Company B's employee focus was a vital part of its transformation. NVivo Codes revealed that interviewees discussed the topic of employees in terms of leadership and company philosophy, selection of employees, and employee empowerment.

**Leadership and Company Philosophy**

As discussed in the Leadership section, the CEO believed it was his job to create the best working environment for his employees to happily excel at their jobs. He hired people to be part of the organization, not just to fulfill a job opening. By having happy employees, he believed he would have happier customers.

The CEO explained that if he were thinking about working for a company, he would ask several questions, such as: What are "the company's objectives? What does it want to be in four or five years? What are its values? What does it believe in? Is it growing? If I believe in the values, and the company is growing, and it wants to be where I want to be in five years, that's my company. That's the company I want to…be part of."

In asking those questions, he was not only looking at employment opportunities from the employees' perspective, he was thinking about how he could create that environment in which employees wanted to work, work toward excellence and objectives. "Our employees are empowered and work in an environment belonging in purpose," he explained. At Company B, that was accomplished by making the employees a vital part of the input and management process. "Analysis means go back to the people connected to the process and ask them" how to make their job better and more effective.

The VP concurred, explaining that people want to be a part of what they are doing. "Saying 'I'm a part of something I believe in and it's excellent' is valuable. People don't quit things they (feel) a part of."

Leadership and employee engagement go hand in hand for Company B. The CSR VP explained that, "We want to engage and inspire (employees) to (participate); that puts the role on leadership." Additionally, she noted that within the organization, leaders are required to drive CSR program efforts.

Treatment of employees in diverse global locations was also part of Company B's philosophy. The VP explained that Company B recognized that laws and cultural differences exist and that the company respected cultural differences, as "long as it doesn't (have) adverse impacts on somebody else", but "we don't treat people differently. You need to adjust but not at expense of the customer or (employees)."

**Selection of Employees**

As a part of the Baldrige process, Company B underwent fundamental changes in how it dealt with selecting the employee for the appropriate position.

As discussed in the Leadership section, the CEO and VP, veterans in their industry, thought that employees had a "knack" for "doing the business right." Both executives revealed that the Baldrige process showed them that it had less to do with "having the knack for the job" and more to do with the hiring and training process. The CEO discussed it saying, "It has nothing to do with people, it has to do with process. It is not because you happen to be lucky and hire the right person. It's the process that works. To accept that…it's a process, rather than people, it's difficult."

The CSR VP emphasized that finding the right employee, one with the right "passion", was important, making them "easier to train, inspire, engage and empower." She explained that Company B put a lot emphasis around selecting the individuals and orienting them to the company, "so that they fully understand expectations, but also what we'll deliver for them." During orientation, the senior leadership, including the manager, works with employees to "set expectations and to help them understand the purpose of their work."

As a result of its hiring and training processes, the CEO noted that Company B had significantly higher employee retention and much less turnover than its competitors in the industry. The CEO noted, "policies and procedures don't necessarily translate, but being part of something excellent is a common thing that exists around the world."

**Employee Empowerment**

As discussed previously, Company B's CEO believed in creating an environment in which employees could thrive. Doing so meant higher productivity and happier customers, all due to having happy, empowered employees.

The VP explained that one of the reasons Company B won the award is that "Baldrige credited success to employees having actionable items they could look at and do. (Employees) had right to fix customer problems. What Baldrige has said was a significant part of that (of empowering employees)."

It is all about “focus and the sense of empowerment, letting our employees know that we value their input. We want to hear (what they have to say)…that has been part of our (company) culture, just ensuring that it’s a team approach.

For example, in terms of CSR the CSR VP explained, “We have an enormous amount of engagement, because we have empowered (the employees) to decide whom they will partner with. I think empowerment is a key component.” Citing busy work schedules in a globally run organization, she emphasized that Company B has never mandated employee participation. “We want to empower and inspire our workforce to want to get engaged in these volunteer activities. It’s never mandated, it’s always empower(ing) them and inspir(ing) them to want to participate. We found that if we had the right processes in place to be able to deploy and engage and energize the workforce.”

**Case 3 – Company C**

Interviews with Company C included only the Chief of Staff, North America (referred to as Chief of Staff). With over thirty years of service with Company C, he has held various posts and is a quality expert (a person specially trained in QM and Lean Six Sigma who leads QM efforts at the company). At the time of the interview he was actively employed at Company C. He was the only executive available for comment that had experienced the Baldrige transition. As a quality expert, Chief of Staff’s comments focused on the Baldrige and Quality issues. A complete list of the NVivo Codes, categories and themes for Company C can be found in Appendix F.

The analysis of the NVivo Code revealed three common themes: Leadership, the Baldrige process, and CSR. Within those themes, categories emerged as shown in the chart below:

Table 3-1: Company C Codes

| | |
|---|---|
| Leadership | Leadership Commitment/Top Down Leadership |
| | Leadership Philosophy |
| | |
| Baldrige | Baldrige Process and Results |
| | Employees |
| | Quality |
| | |
| CSR | CSR Philosophy |
| | Standards |

**Leadership**

**Leadership Commitment and Top Down Leadership**

Chief of Staff at Company C briefly discussed Leadership. He emphasized that the leader of Company C was “brilliant” and that implementing an initiative of the magnitude of the Baldrige required “top down leadership.”

**Leadership Philosophy**

Chief of Staff expressed that visionary leadership was important for moving people into a new operational space. “Making change is difficult. Do it well by leading. Senior leaders say ‘I’m with you, come follow me’, not ‘do as I say’. It becomes more satisfying for people to work in an environment like that,” he explained.

**Baldrige**

Because of his experience with quality and quality initiatives, his discussion focused heavily on the Baldrige Process. He discussed the process, the Baldrige results and measurement, the transformative nature of the Baldrige on the employees, and Quality.

**Baldrige Process and Results**

Company C decided to do the Baldrige because it "wanted to reinvent itself." Chief of Staff explained that, "Baldrige was the beginning point of evolution." It was a "platform, foundation, a base… a rallying point, that gave the company a common theme, a "way to reinvent (itself)" in a meaningful way, in alignment with the goals set by Baldrige. It was "something you could grow from and make those incremental improvements each time you did. It was a better way to do business." He reiterated that the "processes, tools and principles of Baldrige" bring that out of the company. "Baldrige is philosophy of the way you run things and do things. It tries to set a quality standard to be aligned to make business meet high standards consistently."

Chief of Staff emphasized that the Baldrige did not prescribe a path toward improvement but rather gave companies the tools to use to achieve improvement. "Baldrige is (built) around this paradigm of doing the best you can, saying what you are going to do and showing you how. It provides a theme for way you do things. Then you get into the detail and figure it out. That opened up creative genius and revolutionized the company."

He noted that, like all initiatives, quality measures have a life cycle. "Baldrige is like an S curve. You can change it and evolve or you can let it plateau and fade off. Baldrige has to evolve to stay fresh. It doesn't mean make it different, it means make it more robust, more responsive, faster, effective. You don't know what you don't know because you haven't measured it. When you finally do, you have a different response plan."

He noted that the "problems that you see, identify and solve early on are easy. As time goes on, they get more eloquent, robust and more complicated. People have to modify to address those more quickly than what was expected when you started."

**Employees**

Chief of Staff discussed the transformative nature of the Baldrige on employees. The "Baldrige stimulates people and makes them aware that they can do things differently and think a little bit out of the box to be the best I can be. It provides opportunity, incentive, personal professional growth and corporate growth," he said. "Baldrige help(s) people. Baldrige pulls people together."

The Baldrige provided a "common rallying point to get people to a common page" and gave them "common theme...(a) way to do things," he explained. As a result, people did work together and many had a common lexicon and "acted in the same way."

Of course, there were a variety of responses to the implementation of the Baldrige. "There were some that really never made the trip mentally, they went through the motions. There are zealots; they just want to make it the best they can. There are people that fall in the middle. They understand the best parts of it for them and what they do and apply them. It can be overwhelming too. People did leave the company. It's about culture change. Some people can handle it and some people can't and leave."

Chief of Staff felt one of the most important things about Company C was that it enabled and encouraged personal professional evolution. “I’ve evolved. The company supports and fosters that.”

**Quality**

With Baldrige as the foundation, Chief of Staff explained that, in time, Company C also implemented Lean Six Sigma, another quality initiative. Chief of Staff noted that the two initiatives share quality principles in common, including: “commitment; high standard of performance; expecting a significant part of the population to be committed; good communications and training; something people know they are in the process of doing what it means, what it does, how it’s going to impact them, what’s in it for them, how it’s going to impact the business and what their role is; have the ability to evolve; ability to measure.”

Those quality principles are what helped Company C “identify more efficient ways to run the business and reduce variation” in its processes. The “principles help standardization.”

**Corporate Social Responsibility**

**CSR Philosophy**

Chief of Staff felt that Company C’s people have a social commitment that is part of their fabric. It’s kind of the way (company) people feel and think. Some of it is because they see by example and they just get involved. CSR is now commonplace and people following those principles. People feel a different social requirement themselves and that marries well with how a company acts.” He noted that Company C’s CSR improved over the years.

## CSR Standards

He explained that the company does a good job complying with local standards or exceeding them and that it implemented "standards that are within the cultural norms of that particular area. It's not cut and dry. You measure those within the norm of that culture."

## Cross Case Analysis

The seven in-depth interviews with Companies A, B and C revealed a rich, contextual narrative about the BPEP, the Baldrige Criteria and how those companies implemented CSR. Despite the fact that these companies may have gone through the Baldrige at different times, that they specialized in different kinds of business, and that some of the interviewees held different titles, many similarities existed.

NVivo Code analysis revealed that Leadership, The Baldrige, CSR and, to some extent, employees, were common themes among the companies. While all of them also discussed employees, Company B, perhaps due to the nature of its business, placed the most focus on them. All of the interviewees noted that the Baldrige Criteria and the process, from application to winning the MBNQA, was instrumental in fundamentally changing their companies. From a leadership perspective, all agreed that top down leadership was a crucial element in inspiring change from within. Top down leadership was also noted, as discussed previously, for implementing CSR.

### Leadership

The CEOs discussed the change in their leadership styles and described it as moving from “hierarchical” to “visionary”, “enlightened” and “empowering”. It was clear from their commentaries, that the Baldrige process and measurement techniques had fundamentally changed the way that they chose to run their companies. The executives became empowering and motivating, they strove to create a better workplace where their employees wanted to work and help to productively grow the company. The CEO, Company A, wanted to have “happy” employees, whereas the CEO Company B wanted his employees to feel a sense of "empowerment" and "belonging". Company A's CEO expressed that his "job was to provide the environment for success" and similarly, Company B's VP said leadership was about "having other people reach their potential". These outcomes are consistent with EMT in that a good working environment leads to good business outcomes.

The executives also expressed similar philosophies about how business should be conducted. Leading their companies meant improvement in every facet of their business. The CEO of Company B was singularly focused on excellence and success. Company A's CEO strove for constant improvement in everything and to make his workplace enjoyable. Such change was not easy. Company C's Chief of Staff summed up the difficulty, saying, "Making change is difficult. Do it well by leading." Even with "visionary" leadership, all of the executives discussed the difficulties, including resistance from their management teams and their employees, even when they were "doing well" (Company A, CEO). The executives led by example and got through the challenges by implementing the Baldrige Criteria and following those quality management principles, leading to "incremental changes" and "reinventing" the company (Chief of Staff, Company C).

**Baldrige**

The interviewees at each of the three companies expressed that the Baldrige Criteria was responsible for the resounding company-wide transformation they experienced. The Baldrige process was instrumental in helping all three companies set goals, have a roadmap for those goals, and have measurements for successes and failures. The Baldrige reportedly gave Company C a "theme for the way to do things…a platform, foundation and a base…and a better way to do business" (Chief of Staff). Company A's Performance VP discussed at length the number of questions the Criteria asks and how it measured success. Company B's VP noted that, "Baldrige changes who you are and how you work. It put a more formal process to quality. It gave more consistency. It doesn't say 'this is what you do', it looks at the process of how you do it." The CEO of Company B concurred, saying, "Measurement was integral in providing results." Company A's VP summed the process up saying, "Baldrige (gives you) opportunities for improvement not prescriptions for great corporate successes. It's more continuous improvement." The seven sections of the Baldrige Criteria, leadership; strategic planning; customer focus; measurement, analysis, and knowledge management; workforce focus; operations focus; results (NIST, 2014), worked to "align resources; identify strengths and opportunities for improvement; improve communication, productivity, and effectiveness; and achieve strategic goals" (NIST, 2014) and improved the companies. It gave them measureable results that were converted into more improvement and enhancement of the bottom line.

**Quality**

While reflecting on part of the Baldrige process, some of the executives also specifically discussed quality. The CEO and VP, Company B, made specific reference to quality, saying "the Baldrige put a more formal process to quality" (VP) and "we made sure that we approached issues in a quality way" (CEO). More specifically, the CEO, Company B, defined what quality meant to him, saying: "On one hand, quality is a business process that is defined by the Baldrige Criteria. On the other hand, it is excellence. [There is] quality as a process, or quality as a product. Quality is not what I define as excellent. Quality is what my customer defines as excellent. To create that is a quality product. How I create it (are) quality processes." As discussed previously, he hired a quality professional to accompany him daily and keep him on task. He stated that, as CEO, he "established the level of quality" in his company. Establishing quality was not an easy task and both the VPs explained that it took time for people working for the company to see quality as an integral part of the business process and not as separate business unit. The CEO for Company A also viewed quality in that way, reflecting that his company was not successful with Baldrige until those quality processes were integrated into the business as a whole. That process took time and many questioned why they needed to comply with the process, even after the company had won the MBQNA. Chief of Staff explained that quality principles helped to "identify more efficient ways to run the business and reduce variation" in its processes. The "principles help standardization."

**Corporate Social Responsibility**

On the subject of CSR, executives also had a high degree of commonality. Again, all agreed that top down leadership was needed to lead a CSR initiative. The CSR VP, Company B noted that, in some ways, getting a CSR initiative started was easier than starting the Baldrige because "there is something generally inspiring about social responsibility…people love the whole idea of making money and doing good." Their executives emphasized that CSR programs needed to be "authentic, the right fit for the company, and "locally driven" " (CSR VP, VP, CEO, Company B). The

Performance VP, Company A, explained that stakeholders help to drive CSR processes and noted, “we need people to see us as a great partner in the community”. The CEOs and the VPs discussed that CSR, sustainability, and environmental concerns had all become a part of the way that they conducted business. Chief of Staff, Company C said that it was a part of the fabric of the company. CEO Company B concurred, saying that he had “always had a feeling of responsibility” but that it had not been measured as a process. The Baldrige put a measurement to that process. All interviewees interviewed believed that it was imperative that companies behaved in “an ethically and socially responsible manner” (executives, Company A) and that companies should have community involvement (VP, Company B). Overall, there was a sense that these companies operated with a higher level of environmental and sustainable business practices because it was part of their lexicon, their operational plan and their outlook. In terms of regulation, that will be discussed in the following chapter in relation to the original research questions.

**Employees**

The Baldrige Criteria addresses workforce as an action item, so it is no surprise that each of the companies discussed the importance of their employees. Company A’s CEO felt making it a “rewarding and enjoyable place to work” was part of the social responsibility aspect of the company. At Company B, each of the executives noted the importance of selecting the right person for the job and “engaging and inspiring employees” (Company B, CSR VP) was paramount to company success. At Company C, Chief of Staff noted that, “Baldrige stimulates people and makes them aware that they can do things differently and think a little bit out of the box to be the best I can be. It provides opportunity, incentive, personal professional growth and corporate growth. Baldrige help(s) people…it pulls people together." He also noted that the Baldrige was a "rallying point to get people to a common page" and to work more effectively together in the same way. As people are the foundation of a business, these companies were fully focused on engaging, inspiring, motivating, developing their talent through training and retention in their business practices.

In summary, going through the Baldrige process created meaningful change in these companies. It gave them measurable results that led to increased standardization, reduced variation, continued improvement, enhancement of the bottom line, increased revenues, and the added ability to "do good". All of these improvements are examples of ecological modernization theorist Dryzek's (2005) win-win-win strategy of what is good for the environment and society is good for business.

**Differences**

Certainly, it was difficult to get a full picture of the impact of the BPEP and CSR with so few interviewees, especially at Company C, though the commonality in the responses might lead one to believe that if additional interviewees had been available that they would have probably had similar responses. Frankly, aside from the obvious differences in the scope of work at each company and its market share, Companies A, B and C had a tremendous amount of similarity in their lexicon, in their ideals and in their business outlook. Interviewees were unified in their enthusiasm for the transformative nature of the Baldrige process and pointed to the rigorous nature of the Criteria, the examiners' visits and the detailed checks and balances that revolutionized their companies. As discussed previously, leadership, the Baldrige process, CSR, quality and employees were profoundly affected by the changes. As a result, the CEOs reported that they had increased profits, increased market share and decreased employee turnover. Additionally, while the interviewees were not keen on government monitoring of CSR activities, it was clear that the sustainable, responsible culture that had been cultivated through the BPEP encouraged the companies go beyond compliance in their business activities. Again, these are important findings that support the EMT position that Dryzek espouses.

# Chapter V - Discussion & Conclusions

## Discussion

Having reviewed the literature and presented the findings from the interviews with executives at Companies A, B, and C, it is time to step back and look at the implications of the research through the lens of the original research questions and the theoretical framework of EMT.

As discussed earlier, the original research questions asked:

- Do the measurement processes used in BPEP help change a company's values and affect the way it implements CSR? If so, how?
- How do some MBNQA winners contend with the complexities of CSR globally?
- How do MBNQA winners view government regulation of CSR?
- How does a framework like BPEP encourage companies to develop the "what is good for the environment and good for society is good for business" outlook?

*Do the measurement process used in the BPEP affect the way in which the companies practice CSR? If so, how?*

A quick response to this research question is, "Yes, the BPEP does appear to help companies understand and manage CSR," but "how?"

When the BPEP was initiated, CSR as body of knowledge existed, but its practice in the US was nearly non-existent. As discussed earlier, the BPEP Criteria has evolved over the years. Issues concerning Ethics were added to the Baldrige Criteria in 2002 and the concepts of Sustainability and Social Responsibility were added in 2005. More requirements for measurement were added in the subsequent years concerning leadership, corporate governance, social responsibility, stakeholders, employees and ethics. Today, companies that apply for the MBNQA are required to demonstrate how they are addressing issues of social and environmental importance.

The seven companies that met the criteria for inclusion in this study had not all won the MBNQA recently, yet all of them had active CSR reports discussing varying degrees of CSR activity. While CSR reports are nearly a requirement for companies today, the kinds of reports MBNQA winners publish tend to be more detailed, contain less "greenwashing" (Laufer, 2003) and demonstrate clear commitments in the upper level of "heightened self-interest" approaching "proactive change" (Kok et al., 2001).

Studying the responses from the interviewees from the three companies that participated in this research sheds some light on this issue. CSR is a wide framework and area of practice and it means different things to different companies, much like Van Marrewijk and Hardjono (2003) asserted. As the former CEO, Company B, aptly explained, CSR has to be right for the business, the customer, the society and its employees. If it doesn't meet the needs of each one of those groups, it isn't right for the company. Yet, while the kinds of CSR practiced by Company A and B may differ, the rationale behind "doing CSR" is very similar.

Both CEOs, Sales VP, and VP indicated that caring for the community was a value that was embedded in the culture of their companies. Before the companies participated in the Baldrige, community engagement and enrichment was something that happened organically; during and after participating in the BPEP, the companies found that they were better able to measure and appropriately target those activities.

The CEO of Company A noted that being a good corporate citizen "meant more than paying taxes." While Company A had a strong culture of conservation and community activism, the BPEP helped it improve its outreach. The process encouraged and enabled Company A to discuss environmental and social issues with its customers and helped them to meet their needs concerning sustainability. Essentially, Company A's CEO noted that, BPEP was a process-oriented management procedure that maximized Company A's CSR program. It also appears as if those processes gave Company A the tools to look beyond current activities and to understand that "being green" in all aspects of the company not only made ethical sense, it made business sense. Once again, this echoes the premise of EMT.

For Company B, the BPEP had a transformational effect on the former CEO. After having gone through the process to win the MBNQA, he was convinced that CSR was something so important that a company should have it authentically ingrained in all aspects of operation, so much so that a separate department shouldn't be needed. Perhaps it was the rigor of stakeholder analysis or leadership management that sparked this idea of intense social responsibility and responsibility management, or perhaps it was examining the triple bottom line and the current business environment.

There is also another possibility. As the executives vehemently asserted, the BPEP was a transformational process in many levels. At all three companies, the BPEP helped to a change a top-down, hierarchical management system into one of shared leadership (Cox, Pearce & Sims, 2003). Particularly in Company B, the BPEP helped the management to discover that the right processes could lead to less employee turnover and more productivity. Perhaps most importantly for the companies, it was the willingness of the leaders themselves to undergo scrutiny and change their habits and leadership styles that made the most difference.

The question then becomes, "Are leaders who are more willing to undergo such a process more likely to be more responsible in all senses of the word?" Or, is the question: "Under enlightened leadership, are the companies that undertake the BPEP more likely to be socially responsible and to embrace CSR from the outset?" In the case of the companies examined here, the company culture already embraced social responsibility on several levels; the BPEP seemed to enhance and expand that commitment. The BPEP process also helped the companies to measure their activities to ensure that the appropriate stakeholders' needs were being met. The process appears to empower good companies to be even better.

*How do MBNQA winners contend with the complexities of CSR globally?*

While the nature of the businesses that Companies A, B, and C engage in are different, and they have different strategies for contending with CSR globally, they tend to work from a consolidated and established corporate base.

Requirements for Company A's products vary in international markets. While Company A utilizes a high level of environmental standards for all of its products, certain jurisdictions require additional processes or specific product variations. If only a single country requires an additive to a product, Company A produces the product in the US and then sends it to the particular international country market to have amendments made. For instance, in the European Union (EU), a product manufacturer must be responsible for the life cycle of its product or good. Company A had to ensure that consumers could adequately dispose of and/or recycle its entire product. In Asia, laws for some products are even more stringent than they are in the US or the EU. In that case, a safety feature was added to the product when it arrived at its location. Despite these differences in markets, Company A went above and beyond expectations to ensure that all of its products were produced in the most efficient, most environmental fashion, by the most highly qualified and satisfied employees possible. Executives were careful to point out that its products cost more and are of a higher quality because of its compliance to high global standards. Again, these commentaries can be linked back to EMT. Ecological modernization theory asserts that a regulatory framework needs to be in place that can provide incentives for companies to go beyond compliance and internalize externalities (Mol et al., 2014).

In regard to community involvement, Company A's executives emphasized that they expected high levels of corporate involvement from executives and employees in the global communities where it did business. Concern for and involvement in the communities served three purposes. It ensured that the community was satisfied with Company A and respected the way it did business; it permitted Company A to more easily expand its business; and it enabled the company to more successfully recruit highly qualified employees. Executives emphasized that all employees were aware of and bought into its environmental and social commitments. As discussed in the analysis of Company A, ethics were important. On an ethical level, Company A operated the same way that it did in the US as it did in any international jurisdiction. It also held employees around the globe to the same standard as it did in the US

This was also true for Company B. Diversity of culture plays an important part in Company B's business. Yet, while executives at Company B work with different owners around the world, they are quick to point out that all employees, regardless of culture, must be treated equally. Company B's executives' felt that cultural traditions were important to maintain as long as those traditions did not impinge on anyone's individual rights. At Company C, Chief of Staff indicated the need to establish "standards that are within the cultural norms" of a particular area, and that such activities must be measured within the norm of that culture."

In its community outreach activities, Company B established guidelines and resources at its corporate headquarters. It encouraged local input about decisions concerning community projects and enabled local employees to decide which projects to participate in and which non-governmental organizations and non-profits to support. As a result, employees and managers in all jurisdictions felt empowered and engaged in the company's community outreach activities.

This analysis seems to indicate that CSR implemented on a global level is most effective when companies have an established corporate policy that is flexible enough to be utilized at the local level and which is sensitive to socio-cultural norms. Again, such policies must be measured and quantifiable. In the case of Company A's ethics policy, the simple act of putting the policy in writing made an enormous difference to employees working in international jurisdictions. As the Company A's executives explained it, it wasn't just the act of writing it down, it was the fact that the employees knew that the management was firmly behind the policy. Company A's executives admitted that if it had not been for Baldrige examiners' insistence that the policy be quantified in writing, Company A's employees may not have felt as emboldened to refuse bribes. This incidence is one small example that, again, shows the importance of the BPEP process and measurement tools.

*How do MBNQA winners view government regulation of CSR?*

The general consensus among interviewees was that the government should not regulate CSR. Most of the executives noted that the government rarely understood the needs or challenges of business. Additionally, the government was seen as ineffective in its ability to regulate and special interest groups too often controlled it. The Sales VP, Company A, especially noted that following money from special interest groups enabled "whole group[s] to see around [regulation]." According to the Performance VP, Company A, the "system designed with all the best intent, has unintended consequences." In other words, when the government attempts to address a complex issue with legislation, and government officials do not adequately understand all of the intricate details, trying to regulate something can end up conflating an issue and causing more problems.

To many readers, this kind of vehement opposition to regulation might seem reflective of many of the current problems caused by the lack of governmental oversight and/or corporate corruption. However, and most interestingly, the interviewees firmly believed government should play a role in "setting the rules of the game" (CEO, Company A) and that "laws should be enacted to help to keep an orderly society" (VP, Company B). Providing the framework and regulations from which to work is consistent with EMT.

They asserted that it was important for the government to establish a baseline from which to work and encourage compliance; however, the government should stop short of legislation because, in most cases, companies could self-regulate more effectively (CEO, Sales VP, Performance VP, Company A; VP, Company B. According to Performance VP, Company A, the challenge is that "companies like ours can [regulate] and a lot of other people don't." Again, the conundrum of the desire for regulation, but not necessarily on them, arises. This is similar to the issue that Company A's CEO had with Chinese companies and his perception that they do not play by the rules unless they are forced to.

Executives from Company B had another interesting perspective about government regulation of CSR, saying that it isn't something that the government should be involved in at all; society should regulate it. They asserted that each individual in a society needs to participate, have values, and teach values. Furthermore, as noted previously, the idea of a governmental department or organization to regulate CSR was just like a company having a department to regulate CSR. It should not be needed; society should have a strong enough conviction to demand CSR from corporations.

While this assertion would be ideal, it may be unrealistic. The fact is that corporations are considered people and in the US they are very powerful. Under a decision made in 1886 by the Supreme Court the case *Santa Clara County v. Southern Pacific Railroad 118 US 394*, corporations were recognized as persons under the Fourteenth Amendment. There is much controversy about that decision even today (Bravin, 2009). For many, the fact that corporations have the same rights as people is seen as very problematic because corporations are entities that can be more powerful than a single person. For example, when a corporation pays lobbyists to represent its points of view, it has much more influence on a politician than a single person can. Executives at Companies A and B indicated this conundrum of "paid influence" resulting in the exclusion of some stakeholders' needs or wants. On the other hand, there are those who assert that a corporation should have protection under the law because a corporation is made up of individuals. As Company B's executives discussed, it will probably take an ethical society to exact ethical behavior and CSR from corporations, rather than to rely on the government to do so. In order for this to happen, society and corporations must have the proper tools. For these companies, it appears that the BPEP program helped to kindle the right kind of dialogue and to help the companies measure performance on several levels. The BPEP could, perhaps, be useful on an even larger scale.

*How does a framework like BPEP encourage companies to develop the "what is good for the environment and good for society is good for business" outlook*?

Enlightened and visionary leadership, process management and measurement, and looking at long-term goals seem to have had an influence on how these MBNQA winners implemented CSR.

In this new century of expanded and instant communication, companies must manage their corporate images like never before. The interviewees were very critical of legislation as a way to foster CSR and they may be correct. While their views can be met with skepticism, it seems the marketplace may provide a better meter for molding CSR. Already, there are market forces at work that complement the rigor with which these MBNAQ winners are implementing CSR. For example, consumers are making decisions with their purchases and young employees are directing corporate CSR activities by where they choose to work (Company A executives). If the new employable generation chooses to work at only "green companies", then those companies that are not "green" will be forced to be satisfied, perhaps, with a less qualified employee. The CEO, Company B was very careful to emphasize that:

> As a CEO you can't dismiss the responsibility of the bottom line. Without the bottom line, there are thousands of people that don't have a job, investments that

> lose money…but, if my concentration is the bottom line instead of what **creates** (his emphasis) the bottom line, that's [a] problem. I have to concentrate on what creates the bottom line and not on the bottom line.

The CEO at Company A seconded that conjecture. From their commentaries, it appears as though enlightened or progressive leadership is required for CSR to succeed in an organization. However, as discussed previously, for CSR to be embedded in an organization it doesn't just need committed leadership, it must also make sense.

In Company A's case study, the former CEO discussed that doing things in a "green" manner made sense for his company. He noted that it should not be a question of choosing "social responsibility verses profits; [that] is a false choice. You don't have to choose between profits and being socially responsible; you can have them both." Again, his viewpoint requires enlightenment and the ability to have measurement tools, like the BPEP, to demonstrate the benefits of CSR related business decisions.

If CEOs, like these, share their viewpoints and their experiences and if, when they retire, they continue to share those conjectures with other companies, especially start-ups, the US could see a very different corporate future emerge.

The implementation of the Baldrige Criteria at Companies A, B, and C demonstrated how a culture of responsibility could be shaped. While the interviewees from Companies A, B and C are very skeptical of legislation, it remains to be seen whether the US government will mandate CSR or a CSR standard beyond legal compliance to laws (FDA, OSHA, etc.) that are already in place. In the private sector, organizations are working on establishing guidelines preemptively that work for them. For example, the ASQ is currently helping to design ISO 26000 (ASQ, 2011; ISO 26000, 2011), a Social Responsibility Standard. When it is done, it will help companies and consumers have a standard procedure from which to evaluate CSR/SR. The Global Reporting Initiative, an organization that is working to standardize sustainability reporting guidelines (GRI, 2011), is also gaining in popularity, as is the United Nations Global Compact CSR principles (Berger et. al, 2007) and industry specific reporting guidelines. While it remains to be seen how CSR will be utilized, there is no question that CSR and the BPEP combined can have benefits for companies, consumers and stakeholders globally.

**The findings in context of theoretical framework of EMT**

The results of this research suggest that CSR is solidly based in EMT. Interviewee commentaries consistently fell within Dryzek's (2005) conjecture that what is good for the environment and society is good for business. When the Brundtland Report was published in 1987, considered to be the result of EMT and the then "new branch of scholarship, the social sciences of environmental reform" (Mol et al., 2014, p. 17) it brought sustainability, sustainable development and environmental policy to the forefront of political discourse. Those discourses resulted in a policy framework for European legislation concerning companies, their economic activities, and regulation (WCED, 1987). As a result of The Brundtland Report and subsequent discourses, CSR has slowly evolved into a nearly indispensable business practice today. Even though they may not have realized that CSR was situated in EMT, the interviewees' perceptions at Companies A, B, and C demonstrated that they practiced CSR as a function of EMT, "internalizing external costs and giving environmental issues and interests a permanent and central position in the decision making process of (their) firm(s)" (Spaargaren & Mol, 1992, p. 333; Dryzek, 2005). Additionally, the Criteria for the BPEP [leadership, strategic planning, customer focus, measurement, analysis, and knowledge management, workforce focus, operations focus and results (NIST, 2014)] are firmly rooted in the practice of QM. From the interviewees interviews, it was clear that the BPEP gave the companies a whole-system approach to business and that the companies' management teams understood the myriad of complex interactions that create a competitive firm in today's global marketplace. It stands to reason that those companies that can absorb the full impact of their business practices on their stakeholders will have a greater chance at succeeding in the global market place as jurisdictions continue to develop their perspectives on sustainability and sustainable development. As the findings herein suggest, the BPEP has encouraged companies to go beyond compliance.

**Limitations of this study**

Like any study, this one has its limitations. While the interviews revealed interesting and insightful information, the small sample size of the participating companies and of primary source interviews precludes greater generalizations about the data.

It would have been ideal for a larger number of MBNQA winners to participate in this research. A limited number of companies participated in this study due to several factors. For some companies, in the time that had elapsed since they won the MBNQA, many changes had taken place. A few former MBNQA winners had gone out of business, others had been party to mergers and acquisitions, and still others had no one remaining at the company who had dealt with the BPEP process and so could not comment. Another challenge was what could be termed "information sharing fatigue."

Several of the companies which were contacted indicated that they could not comply with an interview request because of the sheer volume of inquiries they received on a regular basis, even though their MBNQA award may have been older than a few years.

Additionally, it would have made the research more complete if more interviewees could have participated from Company A, B, and C, which would have provided a broader perspective. As discussed previously, there were a limited number of interviewees for specific reasons. Because of the time that may have elapsed from the time a company won the MBNQA and the time of the interview, many of those decision makers involved in the process of implementing the Baldrige had changed companies. In the companies that participated, two actively employed interviewees, working for Companies A and B, had very limited time for the interview. Former executives, like the CEO and Sales VP of Company A and the CEO and VP of Company B, although busy, were willing to spend the time to share their experiences, yet it was unclear to what extent the companies they had led were continuing to follow the BPEP. The sole interviewees from Company C spent quite a bit of time over the original allotted interview time, which was very helpful.

Other limitations to the research are that I elected to study only companies with CSR reports and excluded companies that did not have CSR reports. I also excluded companies that did not win the award. Though it would have been difficult to determine which companies applied for but did not win the MBNQA, it might have been possible.

As mentioned in the methodology, in some ways, confidentiality was a constraining factor in this study. On one hand, it made it easier for those companies and individuals who wished to participate to do so, and to answer questions candidly and discuss the topics with few restraints. There were a couple of respondents that indicated that they would not have participated in this study if their identities had been revealed. Conversely, there was one respondent who joked that he "wanted credit" for his answers and was disappointed that he would not be identified. Complying with confidentiality made discussing the findings more challenging, as many details that would add depth to the results were withheld to prevent discovery and protect anonymity. For example, readers will note that no individual details were given about either company, individual CSR activities were generalized, if they were discussed, and no details concerning MBNQA applications were given. With only 89 companies in the sample size, revealing the smallest background details about the participant companies could have potentially identified them. This was especially true when it came to discussing their MBNQA applications. Many companies examined for this study had unique key phrases or mantras that could quickly identify them. Confidentiality also affected the presentation of the results. Certain identifying statements, discussions of business operations, CSR activities, and business growth had to be edited to ensure anonymity.

**Recommendations for future research**

As noted in the literature review, few scholarly articles exist in the business, sociology, or quality management literatures that address the coalescence of CSR, EMT, QM and the BPEP. This research scratched the surface for further interdisciplinary work that could be undertaken.

Preliminary evidence suggests that through its quality management principles, BPEP encouraged and guided companies into implementing more socially responsible business practices. Executives from companies A, B & C reported that BPEP helped them to develop a consciousness and a strong sense of responsibility toward their workers, their stakeholders, their customers, their local communities, and the global community in which they conducted business. Future research could further investigate how quality management principles might further impact CSR and help to validate it as a legitimate business practice in the eyes of the skeptics.

Another area of interest sparked by this research is the ability for a framework, like the BPEP, to encourage companies to go beyond compliance in their business practices. For example, the MBNQA winners examined in this research complied with government regulations, but they often exceeded those standards, raising the bar for a new set of expectations. Future research might be able to tease out in more detail and/or provide additional insights as to how a framework like the BPEP might act as a catalyst for companies to more effectively self-regulate, potentially replacing or even shaping new, more stringent, government standards.

**Summary**

Through the lens of EMT, this study has examined CSR, sustainability, sustainable development, quality management as a process, and the BPEP. The interviewees revealed that through its quality processes, the BPEP might effectively help some companies embrace and practice CSR. The BPEP appears to do this by giving companies a method for measuring results and improving their management processes.

Strong, enlightened leadership that utilizes a shared leadership style appears to be one of the key factors for success, whether it be implementing the BPEP or practicing

CSR. When the leader of the company was on board and proactive, it led the company to success and enabled it to internalize systematic change that led to transformation. This kind of leadership was responsive to its stakeholders, including, but not limited to, employees, customers, shareholders, and the community around it, and it also seemed to influence the level of social responsibility the companies embraced and how they practiced it globally.

While regulation is something that some jurisdictions mandate, this study showed these respondents are against governmentally legislated CSR, believing that, in general, companies can do a better job than the government. While the public may challenge this notion, the public may still influence corporate behavior by its use of social media and purchasing choices.

In summary, CSR can be a powerful, effective management tool. The BPEP gives companies one option for how to shape a CSR program.

**Conclusions**

While the BPEP is rooted in QM, this study made the case for how the BPEP may be useful in helping to guide companies toward implementation of CSR and sustainability measures. By examining the literature on sustainability, sustainable development, ethics, CSR, EMT and quality management as a process, I found that there are common threads throughout these topics at the companies I studied. Quality management has given CSR a structure upon which to expand. CSR's tenets have lent QM the true comprehensive viewpoint that it attempts to embody. Rather than looking at these disciplines separately, it may serve executives well to combine the best attributes of both.

In addition to these observations, this study added to the literature by examining a unique aspect of BPEP, CSR, and quality management as a process. The results suggest the value of the BPEP not only as a quality management tool, but also as an effective guide for encouraging CSR and sustainability in some companies. Additionally, the results indicate that leadership is a critical and pivotal part of adopting new practices, whether they are CSR or quality management related. Finally, this study suggests that companies should assess what CSR means to them and to their stakeholders because implementing CSR may only be effective if it meets the needs of all those involved.

As stakeholders increase their demands for more accountability, CSR will, no doubt, increase. Since government regulation beyond compliance for CSR is unlikely, US companies and organizations searching for ways to effectively implement it can utilize the BPEP for guidance. CSR can be a powerful management tool if it is utilized properly. Those companies that fail to understand the inherent social, environmental and economic consequences of their actions may end up at the mercy of the marketplace. Hunter Lovins, President and founder of Natural Capitalism Solutions, author and promoter of sustainable development, concurs, noting:

> It will take the business community waking up and realizing that it is a competitive issue, an issue of the long-term share performance of companies…and the investment community realizing that if they put their money into the companies of the future, they'll do very well. Their money is at risk if they persist in putting it into companies that don't get it. (Kropp, 2011)

There may be those naysayers that assert that CSR is just another management trend. Many academics and professionals alike felt the same way about quality management, which is still evolving, and being widely used today. While many corporations may still be grappling with whether or not to embrace CSR, it seems that those who do embrace may experience better returns in the economy of the future.

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## Appendix A – Email Interview Invite

To: ________
From: Jessica Wilt
Re: The Malcolm Baldrige National Quality Award and Corporate Social Responsibility
Dear ___________,

A graduate student at The Pennsylvania State University, I am currently writing my thesis to complete my Master of Science degree.

My topic concerns Corporate Social Responsibility (CSR), the Malcolm Baldrige National Quality Award (MBNQA), and the influence that the Baldrige process may or may not have in regard to companies developing, initiating or expanding CSR.

As a company that has won the MBNQA, I am very interested in speaking to you about your company's Baldrige experience and your CSR program.

If possible, I would like to conduct a brief 30-minute, five-question phone interview with you at your earliest convenience.

The information from the interview will be included in my Master's thesis; however, your participation in this study and your organization will remain confidential.

As such, if you are interested in participating in this study, please fill out the informed consent form attached to this email.

Within the next few days, I will get in touch with you to see if you are interested in participating and, if so, when would be a good time to talk.

Thank you for your time.

Best regards,

Jessica Wilt Navas

# Appendix B – Informed Consent Form for Social Science Research

PENNSTATE 1855

**Informed Consent Form for Social Science Research**

The Pennsylvania State University

**Title of Project:**
**Encouraging Corporations to Exercise Social Responsibility and Sustainability. Is The Malcolm Baldrige National Quality Award a Recipe for Success?"**

**Principal Investigator:** **Jessica Wilt**
**905 Lower Creek Rd.**
**Milroy, PA 17063**
**Phone: Tel: 307 463 2606**
**E-mail: jesswilt@aol.com**

**Advisor:** **Dr. Ann Dodd**
**Assistant Dean for Planning and Assessment 217 Agricultural Administration Building**
**Phone: 814-865-3136**
**E-mail: ahd2@psu.edu**

1. **Purpose of the Study:** The purpose of this research is to…

   My topic concerns Corporate Social Responsibility (CSR), the Malcolm Baldrige National Quality Award (MBNQA), and the influence that the Baldrige process may or may not have in regard to companies developing, initiating or expanding CSR.

2. **Procedures to be followed:** You will be asked to...

   Participate in a confidential 30-minute interview concerning the MBNQA and CSR. The interview will be recorded on a digital recorder to assure clarity.

3. **Duration/Time:**

   Each interview will take approximately 30 minutes and will consist of a series of 4-5 questions and relevant follow-up questions. The interview will take place at the convenience of the interviewee.

4. **Statement of Confidentiality:** Your participation in this research is confidential.

   The raw data from this interview will be stored and secured at *the residence of Jessica Wilt* in a *password-protected* file on my computer.

   Only Dr. Ann Dodd, my advisor, and I will have access to the raw data or will know the identities of the companies and/or the participants taking part in the interviews.

In the event of a publication or presentation resulting from the research, no personally identifiable information will be shared.

The raw data will be coded into code names. Neither the participant's names nor their companies will be utilized.

The interviews will be kept up to 3 years after publication. By June 2014, all interview recordings will be destroyed.

5. **Right to Ask Questions:** Please contact Dr. Ann Dodd at (**814)865-3136** with questions or concerns about this study.

6. **Voluntary Participation:** Your decision to participate in this research is voluntary. You can stop at any time. You do not have to answer any questions you do not want to answer.

You must be 18 years of age or older to consent to take part in this research study. If you agree to take part in this research study and the information outlined above, please sign your name and indicate the date below.

You will be given a copy of this form for your records.

______________________________________________ ______________________
Participant Signature Date

Jessica Wilt____________________________________ ______________________
Person Obtaining Consent Dates

## Appendix C – Interview Protocol

Using a semi structured interview process, participants will be asked to reflect on the MBNQA process and to discuss it. Each participant will be asked a series of five primary questions with relevant follow-up:

1. As a recipient of the Baldrige award, can you pin point the extent to which the Baldrige process has influenced your leadership team and your stakeholders?
2. What social benefits have you observed as a result of your organization's implementation of the Baldrige process? What environmental benefits?
3. I've noted that your organization has a Corporate Social Responsibility Plan. Many aspects of the Baldrige process are also integral to the practice of CSR. What factors have encouraged your company to go beyond compliance to actually creating a CSR plan?
4. How does your company contend with the challenges of implementing CSR on a global basis?
5. How do you view governmental regulation of CSR?

I'd like to invite up to five additional people to talk with me regarding the Baldrige process and/or CSR in your organization. Who would you recommend that I contact? Thank you for taking the time to speak with me today.

# Appendix D – Company A Codes

| Company A NVivo Codes | Categories | Themes |
|---|---|---|
| | | |
| Quality champion visits | Baldrige start point | Baldrige |
| Charging more money; making more money; Customers loving it | Baldrige start point/ Baldrige success | Baldrige |
| Applied numerous times | Baldrige time line | Baldrige |
| Baldrige becomes the way you operate the Business; Baldrige becomes who you are and how you operate | Baldrige process | Baldrige |
| Baldrige ends up being way you do your job | Baldrige process | Baldrige |
| Improve performance; Improve profitability; Improve margins; improve customer satisfaction; improve quality. Baldrige way we ran the business. | Baldrige process | Baldrige |
| Baldrige became the way we ran the business. | Baldrige process and results | Baldrige |
| Baldrige became the way we were doing things | Baldrige process and results | Baldrige |
| Baldrige became the way we ran the business. Baldrige is ultimate impact | Baldrige process and results | Baldrige |
| measure sales people and service people; compensation based on customer satisfaction scores | Baldrige measurement/Baldrige objectives | Baldrige |
| Invest in customer satisfaction scores | Baldrige process | Baldrige |
| Bonus plan for management team based on corporate goals | Baldrige Measurement | Baldrige |
| Baldrige became the way we ran the business | Baldrige process | Baldrige |
| Improve quality; Improve growth and profitability; Rewarding and enjoyable place to work | Baldrige measurement | Baldrige |
| Corporate objectives. Hit the financials, grow the business; improve quality and productivity; improve customer satisfaction; improve employee satisfaction | Baldrige measurement objectives | Baldrige |
| Objectives directed at stakeholders | Baldrige measurement objectives | Baldrige |
| Management by objectives; measuring and improve(ing) | Management by objectives | Baldrige |
| Baldrige became way we were running the business | Baldrige process | Baldrige |
| Baldrige became who we were; Baldrige became way we were doing things. | Baldrige process | Baldrige |
| Baldrige is not static | Baldrige Future | Baldrige |
| Environmental things became more of an issue; Corporate governance became more important | Baldrige Adaptation | Baldrige |
| Innovation. | Innovation and Competitiveness | Baldrige |
| Baldrige adapts to challenges we are facing | Baldrige adaptation | Baldrige |
| Baldrige made way we do business better | Baldrige process and results | Baldrige |
| Ability to do the business faster; Better for employees, stakeholders, customers, communities | Baldrige process and results | Baldrige |

| | | |
|---|---|---|
| Baldrige opportunities for improvement not prescription for success | Baldrige process | Baldrige |
| Quality benefits organizations | Baldrige process | Baldrige |
| Use criteria to manage our business | Baldrige process | Baldrige |
| Incentives based on corporate goal | Baldrige process | Baldrige |
| Process | Baldrige process and results | Baldrige |
| People learned process improvement; Process improvement becomes way of life | Baldrige process and results | Baldrige |
| Process improvement | Baldrige process | Baldrige |
| Performance improvement; Performance excellence | Baldrige process | Baldrige |
| Can you improve results? | Baldrige process | Baldrige |
| Resistance to performance management | Baldrige process and results | Baldrige |
| Built product worked with processes | Baldrige process | Baldrige |
| Baldrige best value for money for improvement | Baldrige process and results | Baldrige |
| Customer process | Baldrige process; customer focus | Baldrige |
| Seven step process aligned to customer’s buying process | Baldrige process; customer focus | Baldrige |
| Same process | Baldrige process; customer focus | Baldrige |
| Around world, same process | Baldrige process | Baldrige |
| Process improved output | Baldrige process | Baldrige |
| Sales process; Customer buying process | Baldrige process; customer focus | Baldrige |
| Process gets modified | Baldrige process; customer focus | Baldrige |
| Data had big impact | Baldrige process | Baldrige |
| | | Baldrige |
| Operational excellence important | Baldrige process | Baldrige |
| Criteria asks questions | Baldrige process | Baldrige |
| Change; New areas; Stakeholders change | Baldrige process and results | Baldrige |
| What do your stakeholders want | Baldrige process and results | Baldrige |
| Deliver value | Baldrige process and results | Baldrige |
| Baldrige looks at whole industry | Baldrige process | Baldrige |
| Integration; Simplicity | Baldrige process | Baldrige |
| Integrating processes | Baldrige process | Baldrige |
| Measurement; Workforce; Leadership | Baldrige process | Baldrige |
| Results; Trends | Baldrige process and results | Baldrige |
| Integrating processes; Results | Baldrige process and results | Baldrige |
| How do you know | Baldrige process | Baldrige |
| Investment | Baldrige result | Baldrige |
| Proven management practices | Baldrige adaptation | Baldrige |
| New trends, social media and sustainability | Baldrige adaptation | Baldrige |
| Baldrige ahead of curve | Baldrige adaptation | Baldrige |
| Baldrige needs to simplify | Baldrige challenge | Baldrige |
| Success | Baldrige process | Baldrige |

| | | |
|---|---|---|
| Baldrige challenge is focus and alignment | Baldrige challenge | Baldrige |
| Criteria another language; Part of lexicon | Baldrige challenge | Baldrige |
| Can't be sidebar | Baldrige process | Baldrige |
| Criteria can't get too complicated | Baldrige challenge | Baldrige |
| Meet the best people | Baldrige process | Baldrige |
| Baldrige forces you to think about (ethics, environment) | Baldrige; CSR | Baldrige; CSR |
| We got to mature enough state we could challenge each other | Baldrige leadership evolution | Baldrige; Leadership |
| Corporate and Social responsibility included in employee satisfaction | CSR | CSR |
| Socially Responsibility into philosophy and approach of running the business | Company philosophy, CSR | CSR |
| Good corporate citizen | Company philosophy | CSR |
| Expect our people to be ethical | Ethics | CSR |
| Way to improve operations; Ethics policy | Ethics policy | CSR |
| Ethics policy; Be ethical and the company will back you up. You will not be punished, you will be supported; Empowering you to be ethical. | Ethics policy; company philosophy | CSR |
| Enabling them to be ethical. | Ethics policy | CSR |
| Play by the rules | Global view | CSR |
| Global standards; Quality standards | Global standards | CSR |
| Global standards | Standards | CSR |
| Baldrige is not static | Baldrige future; CSR | CSR |
| Corporate governance; Criteria changes | Baldrige Adaptation; CSR | CSR |
| Criteria changed; Environmentally conscious | Baldrige Adaptation, CSR | CSR |
| Role government and regulation; Establish rules of the game; Play by set of rules | CSR and Regulation | CSR |
| Establish the rules of the game that society agrees to | CSR and Regulation | CSR |
| Green flat out makes sense; Green is not altruistic | CSR Philosophy | CSR |
| Social responsibility comes back to employees | CSR philosophy | CSR |
| Good (corporate) citizen attracts good employees | CSR Philosophy | CSR |
| A company that is socially responsible; People who are socially responsible; Socially responsible attracts good people; Socially responsible | CSR Philosophy | CSR |
| Green is not altruistic; Good solid business reason to do green. Short term profits; Invest for the long haul; profitable in the long run | CSR; Green Profits, Investment | CSR |
| Competitive or SR; Following same rules; Profitable and responsible at the same time | CSR and Regulation | CSR |
| Good solid business reason to do green; Green makes sense | CSR | CSR |
| Business integrity policy; integrity | Ethics | CSR |
| Ethical view of business | Ethics | CSR |
| Unacceptable to break laws | Ethics | CSR |
| Not bribe | Ethics | CSR |

| | | |
|---|---|---|
| Didn't cost integrity | Ethics | CSR |
| Business ethics; Honest | Ethics | CSR |
| Volunteerism comes out of 'make it an enjoyable and rewarding place to work; Volunteerism | CSR | CSR |
| Environmental benefits; social benefits; empowerment of employees | CSR | CSR |
| Laws | CSR and government regulation | CSR |
| Government can't bring much | CSR and government regulation | CSR |
| Dishonest people can't legislate honesty | CSR and government regulation | CSR |
| Hard to dictate | CSR | CSR |
| CSR unintended consequences | CSR and government regulation | CSR |
| Legislation flows, follow the money; No one in government uses Baldrige | CSR and government regulation | CSR |
| Do right things for right reasons | CSR and ethics | CSR |
| Sustainability comes from stakeholders | CSR focus | CSR |
| Sustainability; Sustainability initiative; focus on the community | CSR sustainability | CSR |
| We are partner in the community | CSR focus | CSR |
| Sustainability perspective; customer's environmental challenges | CSR sustainability; Customer | CSR |
| Environmental requirements | CSR focus | CSR |
| Environmental and ethically responsible | CSR focus | CSR |
| Looking at stakeholders drives you to do more | CSR Stakeholder | CSR |
| Sustainability initiative started by interns | CSR focus | CSR |
| Environmental sustainability as a continuum | CSR focus | CSR |
| Waste streams | CSR focus | CSR |
| Trust of community; Building green; Shareholder requirement; Community requirement; Reputation for decreasing waste streams; | CSR focus; Shareholders | CSR |
| Sustainability to attract talent; Green companies; What are customers looking for | CSR; Customers | CSR |
| Customer stakeholder requirements; Green regulatory requirements | CSR; Customer; Stakeholder | CSR |
| Customers want help to be green, reduce waste | CSR Customer | CSR |
| Sustainability initiative; Process focus | CSR; Process | CSR |
| Listening to stakeholders; Stakeholders require reduced carbon monoxide emissions | CSR Stakeholders | CSR |
| Philosophy of understanding what stakeholders are looking for | CSR evolution | CSR |
| Ethics policy | CSR evolution | CSR |
| How do you know people are ethical | CSR evolution | CSR |
| How do you know | CSR evolution | CSR |
| Sustainability - business reasons to do it | CSR Sustainability | CSR |
| Sustainability; Baldrige | CSR; Baldrige | CSR |
| Peak of sustainability; Outputs and waste streams; Social and economic aspects | CSR Sustainability | CSR |

| | | |
|---|---|---|
| Social responsibility inspiring | CSR philosophy | CSR |
| Social responsibility tap into people's pride of doing good | Sustainability leadership | CSR |
| Make money and do good | CSR philosophy | CSR |
| Mandates; Use carrot rather than stick | CSR Regulation | CSR |
| People want to do a good job; People want to do the right thing; (legislation has unintended consequences | CSR Regulation | CSR |
| High level guiding principles; Inspire, reinforce reward, recognize | Sustainability leadership | CSR |
| What problems are customers trying to solve | Customer | Customer |
| Give more freedom to people | Employee mentorship | Employee |
| Empowerment; Provide coaching; Provide mentoring | Employee mentorship | Employee |
| Problem solving; Management training, empowerment, problem solving | Employee mentorship | Employee |
| Personal growth | Employee mentorship | Employee |
| CEO used Baldrige Criteria/ Baldrige process to improve operations | Leadership and Company improvement | Leadership |
| CEO committed | CEO commitment | Leadership |
| CEO committed | Leadership commitment. CEO challenged by process | Leadership |
| Commitment from the top | Top down leadership essential | Leadership |
| Baldrige has to come from the CEO | Top down leadership essential | Leadership |
| Improve quality; improve sales growth profitability; rewarding and enjoyable place to work | Company Philosophy | Leadership |
| Happy employees; Happy customers; improve sales and profits have more to invest; sales and profits; Stakeholders | Company Philosophy | Leadership |
| CEO's job to create the environment | Leadership philosophy | Leadership |
| | Create environment for success | Leadership |
| CEO's job to create the environment | Help People to be successful | Leadership |
| Create environment for success | Create environment for success | Leadership |
| Key to success is good people | Leadership philosophy | Leadership |
| Good people; create environment for good people | Leadership philosophy | Leadership |
| Egos get in the way; Control is overrated | Leadership | Leadership |
| Improve service | Leadership philosophy | Leadership |
| CEOs job to create the environment; Let people who are doing the work | Leadership philosophy; Create environment for success | Leadership |
| | | |
| Good people motivated and happy; Good people end up being more innovative; Good people end up being more efficient; taking care of customers better | Leadership philosophy | Leadership |
| Enable people; Help people to be successful | Leadership philosophy; Help people to be successful | Leadership |
| Create environment for success | Leadership; Create environment for success | Leadership |
| Key to success is people; good people | Leadership philosophy | Leadership |
| Good people; Create the environment for good people; good people do good work, good things will happen | Leadership philosophy | Leadership |

| | | |
|---|---|---|
| Good corporate citizen and responsibility to the community important | Company philosophy; CSR | Leadership |
| | Leadership is top down | Leadership |
| Watch for empowering leading | Leadership style | Leadership |
| We were non empowering when started journey | Baldrige leadership transformation | Leadership; Baldrige |
| President’s job to provide the environment to be successful | Leadership philosophy | Leadership |
| Let people who know job solve problems | Leadership style | Leadership |
| Treat employees with dignity and fairness | Leadership style | Leadership |
| Leadership is top down | Leadership style | Leadership |
| Improvement approach adapts to leaders | Leadership style | Leadership |
| CEO  says "we're going to do this"; Leadership comes from the CEO; CEO brings Baldrige | Leadership; top down leadership | Leadership |
| CEO brings Baldrige | Top down leadership | Leadership |
| Higher level of leadership | Leadership | Leadership |
| Empower; Coach, lead, support employees; Let employees make mistakes and celebrate them | Leadership style; Employee focus | Leadership; Employees |

# Appendix E – Company B Codes

| Company B NVivo Codes | Categories | Themes |
|---|---|---|
| Baldrige improves compatibility of the businesses | Baldrige processes | Baldrige |
| Baldrige tells you if you are good | Baldrige process | Baldrige |
| Approached issues in quality way | Baldrige processes | Baldrige |
| An organization's objective is to keep customer by excellence | Customer | Baldrige |
| Caring and concentrating on customer | Customer | Baldrige |
| Quality is a business process; Excellence; Quality as a process; Quality as a product | Quality Processes | Baldrige |
| Quality is what customer defines as excellent; Create 'that' is quality product; How create 'it" is quality process | Quality Processes | Baldrige |
| Less turnover | Employees | Baldrige |
| Employees work in environment belonging in purpose; Employees are empowered | Employees | Baldrige |
| Hire people to join and belong | Employees - Philosophy | Baldrige |
| Objectives of the company; People want to belong to | Employees - Philosophy | Baldrige |
| Analysis means ask people connected to the process | Employees and Quality processes | Baldrige |
| Process works; It's all a process; It has nothing to do with people, has to do with process | Employees and Quality processes | Baldrige |
| Quality processes | Employee and Quality Processes | Baldrige |
| "Knack" is really process | Processes | Baldrige |
| Baldrige was business decision | Why company started Baldrige | Baldrige |
| Baldrige encompassed everything | Why company started Baldrige | Baldrige |
| Baldrige processes deliver consistency | Baldrige results | Baldrige |
| Baldrige looks at process of how you do it; Baldrige processes deliver consistency; Adjust for consistency of reaching output | Baldrige process | Baldrige |
| Baldrige changes who you are; Baldrige changes how you work | Baldrige process | Baldrige |
| We grew quickly and profitably | Baldrige results | Baldrige |
| Ability to grow rapidly because of systematic approach | Baldrige process | Baldrige |
| Employees had actionable items; Employees had right to fix customer problems | Baldrige process; Baldrige Results | Baldrige |
| Baldrige adds discipline; During difficult times have difficult decisions; Don't let market conditions change company | Baldrige process | Baldrige |
| Baldrige isn't about spending; Baldrige is about principle of how you run your business | Baldrige process | Baldrige |
| Don't deviate | Baldrige process | Baldrige |
| Figure out how to do what you do better than everyone else | Baldrige Results | Baldrige |
| Criteria gives you and advantage over competition | Baldrige process | Baldrige |
| Baldrige follows quality principles | Baldrige Process; quality | Baldrige |
| Follow the process | Baldrige process | Baldrige |
| Challenge - cost and complexity | Baldrige challenge | Baldrige |
| CSR in application is tremendous evolution | CSR and Baldrige | Baldrige |

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| Focus and sense of empowerment; Team approach | Employees; Baldrige | Baldrige |
| We make a lot of mistakes | Company Transformation | Baldrige start |
| Baldrige changes how you work; Biggest challenge was change in (style of leadership) | Baldrige process; leadership | Baldrige; Leadership |
| Is it good for the business? Is it good for the customer? Is it good for society? Is it good for the employee? | CSR Philosophy | CSR |
| It has to work for all concerned | CSR Philosophy | CSR |
| Green should be the norm; We are forced to become more conscious; Got consciousness from Baldrige | Leadership Philosophy, CSR | CSR |
| Follow Criteria; Have right consciousness; customer focus; employee focus; We ask 'is it right for all concerned?' Green is not the question; Is it right is the question | Quality Processes; CSR | CSR |
| | CSR implementation | CSR |
| Looked at need of the moment; Looked at need of community | CSR | CSR |
| Can’t be best international company if not best in community | Company Philosophy; CSR | CSR |
| CSR corporate driven value statement | Company Philosophy; CSR | CSR |
| Local community; Giving back to community; Participate in the local community; Moral obligation to treat people well CSR resides within you | Company Philosophy; CSR | CSR |
| Employees participated because of value statement; CSR corporate driven value statement | Company Philosophy; CSR; Employees | CSR |
| CSR resides within you; Organizations should have values; | Company Philosophy; CSR | CSR |
| Participate in the local community | Company Philosophy; CSR | CSR |
| Doesn’t know how government can regulate CSR | CSR regulation | CSR |
| Having values and teaching values | CSR regulation | CSR |
| Individuals have values not government | CSR regulation | CSR |
| Driven by senior leadership; Processes in place; Core competencies | CSR and Leadership | CSR |
| Social Responsibility ; Core competencies; Engage the workforce to benefit the community; CSR right thing to do from customer perspective | CSR Implementation | CSR |
| Gather inputs; Global applicability is key | CSR implementation | CSR |
| CSR locally driven; Define areas of focus; Decisions driven at the local level; Give guidelines | CSR and Leadership | CSR |
| Want to engage and inspire; Leadership | CSR and Leadership; Employees | CSR |
| Leaders required to drive program | CSR and Leadership | CSR |
| Empower and inspire to participate | CSR implementation; Employees | CSR |
| Empowered them to decide who to partner with; Empowerment is key component; Don’t mandate participation | CSR; Employees | CSR |
| Authentic; Been doing this a long time | CSR implementation; Leadership | CSR |

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| Reinforce social responsibility programs | CSR | CSR |
| Impact has shown non-profits and NGOs | CSR results | CSR |
| Programs enhanced and evolving | CSR results | CSR |
| Human rights statement is right thing to do | CSR philosophy | CSR |
| Social responsibility is key component of operation's success; Authentic integrated projects that benefit the business the workforce, the community; Leverage core competencies; Engage the workforce to benefit the community; CSR right thing to do from customer perspective | CSR philosophy | CSR |
| Respect cultural differences | Employees | Employees |
| Don't treat people differently; Accept cultural differences as long as no adverse impacts | Company Philosophy; Employees | Employees |
| Treat everyone the same | Company Philosophy; Employees | Employees |
| Treat everyone the same | Company Philosophy; Employees | Employees |
| Adjust but not at expense of customer or employees | Company Philosophy; Employees | Employees |
| People want to belong | Company Philosophy; Employees | Employees |
| People want to belong | Company Philosophy; Employees | Employees |
| Being part of something excellent | Company Philosophy; Employees | Employees |
| Being part of something excellent | Company Philosophy; Employees | Employees |
| People don't quit things they are a part of | Company Philosophy; Employees | Employees |
| Right process engage and energize workforce | Company philosophy; Employees | Employees |
| Create something excellent and be part of it | Company Philosophy | Leadership |
| We are important if we are excellent. If not, we don't deserve to be respected. | Commitment to excellence | Leadership |
| Talk about making money by excellence creating | Leadership philosophy | Leadership |
| Manager manages processes; Leader creates a vision; Leader creates a work environment | Leadership Philosophy | Leadership |
| Leader has a vision and goes forward; Leader makes no excuses; Leader may change strategy, tactics people but NOT objectives, values; Leaders accept blame; Difference between manager and leader | Leadership Philosophy | Leadership |
| CEO concentrates on what CREATES the bottom line | Leadership Philosophy | Leadership |
| CEO changed philosophy | Leadership Philosophy | Leadership |
| Willing to be better is a leadership position | Leadership Philosophy | Leadership |
| If CEO thinks one way, people will respond | Leadership Philosophy | Leadership |
| Leadership is having other people reach their potential | Leadership | Leadership |
| Leadership is getting other people to do their job; Give tools to effectively communicate | Visionary Leadership; Leadership Philosophy | Leadership |
| Good leaders understand they need to do something different to reach next level | Leadership Philosophy | Leadership |
| A leader willing to go through Baldrige is progressive | Visionary Leadership; Leadership Philosophy | Leadership |
| Leader willing and open to change | Leadership | Leadership |
| Manager knew best | Leadership style | Leadership |

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|---|---|---|
| Let people who know their job get work done; Expectation of what the customer wanted | Leadership style | Leadership |
| Selecting individuals is key; Inspire, engage and empower employees | Employee selection; Leadership | Leadership |
| Selecting individuals is key | Employee selection; Leadership | Leadership |
| Senior leadership orients employees to understand the customer | Employees; Leadership | Leadership |
| Commitment to quality; Keeping people focused | Employees; Leadership; Quality focus | Leadership |
| If CEO believes has a responsibility to society, people will believe it | Leadership and CSR | Leadership and CSR |
| CEO can't dismiss responsibility of bottom line | Leadership philosophy | Leadership and CSR |
| Socially supportive of community and society; supportive) understood philosophy and belief system of organization; Baldrige said needed to measure | Leadership and CSR | Leadership and CSR |
| Evolution of Baldrige | Baldrige change | Leadership philosophy and Baldrige evolution |
| Company change | Company transformation | Leadership; Baldrige |
| If the CEO doesn't believe it, it will never happen. | Leadership, Company transformation | Leadership; Baldrige |
| What is next step to becoming better | Leadership, Company transformation | Leadership; Baldrige |
| Criteria changed CEO | Leadership transformation | Leadership; Baldrige |
| Difficult to work away from old habits; Had a very hard time; Difficult to step away from hierarchy and accept empowerment of all people | Leadership transformation | Leadership; Baldrige |
| Had to learn to jump from problem into analysis | Leadership transformation | Leadership; Baldrige |
| Hired quality person to correct CEO | Leadership transformation | Leadership; Baldrige |
| Made decision to be different leader | Leadership transformation | Leadership; Baldrige |
| Principles of quality science as methodology works in all departments | Quality as a methodology | Quality |
| Quality sits above roles within organization | Quality | Quality |
| Quality sits above everything | Quality as a methodology | Quality |
| Quality is (everyone) using same process | Quality as a methodology | Quality |
| Quality wasn't a division | Quality as a methodology | Quality |
| Quality is ability to deliver on consistent basis | Quality as a methodology | Quality |
| Quality gives you ability to use what you know and deliver it on consistent basis | Quality as a methodology | Quality |
| Quality allowed for adjustments for rapid growth with consistency | Quality as a methodology | Quality |
| Quality gave a base to adjust from | Quality as a methodology | Quality |
| Quality allowed for us to rapidly reach quality we wanted | Quality as a methodology | Quality |

# Appendix F – Company C Codes

| Company C NVivo Codes | Categories | Themes |
|---|---|---|
| Reinvent Company | Why company started Baldrige | Baldrige |
| History of quality; Baldrige beginning point | Why company started Baldrige | Baldrige |
| Evolution from Baldrige | Why company started Baldrige | Baldrige |
| Baldrige is a philosophy; Way you run things and do things | Baldrige philosophy | Baldrige |
| High standard of performance; Good communications; Training; Impact the business; Role | Baldrige philosophy | Baldrige |
| Principle based activity; Principle based philosophy; High principles | Baldrige quality attracts people to company | Baldrige |
| Baldrige sets a standard; Makes business meet high standards | Baldrige philosophy | Baldrige |
| Platform and foundation; Common theme; Common rallying point; Reinvent company | Baldrige was foundation | Baldrige |
| Platform and foundation; Base; incremental improvements | Baldrige was foundation | Baldrige |
| Foundation; Better way to do business; Processes, Tools | Baldrige was foundation | Baldrige |
| Doing the best you can; Saying what you are going to do and showing you how to do it | Baldrige process | Baldrige |
| Theme of the way you do things; Get into detail and figure it out | Baldrige process | Baldrige |
| Principles; Revolutionized company | Baldrige process | Baldrige |
| Set goals; Rally people around the same things | Baldrige process | Baldrige |
| Change it and evolve | Baldrige process; Quality initiatives have a life cycle | Baldrige |
| Measure | Measurement allows change | Baldrige |
| People talked same way; people acted same way; common theme | Baldrige Process; Employees | Baldrige |
| Baldrige stimulates people; Opportunity; incentive; growth – Personal and Corporate | Baldrige process for employees transformative | Baldrige |
| More efficient ways to run business | Baldrige results | Baldrige |
| Reduced variation | Baldrige results | Baldrige |
| Reduce variation | Baldrige results | Baldrige |
| Identify and solve problems; Modify to address changes; Eloquent; Robust; Complicated | Baldrige challenge; Baldrige transformative | Baldrige |
| Companies should try it; Companies should not be afraid ; Change more productive; Change is good; Change is exciting; Not be afraid of change | Baldrige effect | Baldrige |
| Common page; common theme | Employees | Baldrige |

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| Be best | Baldrige | Baldrige |
| Culture change | People reacted to change differently | Baldrige; Employee |
| Apply best parts | People reacted to change differently | Baldrige; Employee |
| Change | Change can be overwhelming | Baldrige; Employee |
| Personal social commitments by example; get involved | CSR | CSR |
| Standards; Cultural norms; Measure norm of that culture | CSR standards | CSR |
| Complying with local standards; exceeding standards | CSR standards | CSR |
| CSR Commonplace; Principles | CSR | CSR |
| I've evolved; Company fosters that | Employee transformation | Employee |
| Leader brilliant | Visionary Leadership | Leadership |
| Easier from top down | Leadership | Leadership |
| Change is difficult; Make change by leading; Satisfying environment to work in | Leadership important for moving people into new space | Leadership |
| Quality principles help standardization | Quality principles | Quality |
| change and grow | Quality initiatives; continuous improvement | Quality |
| Top down leadership | Leadership | Leadership |