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The how and why of a firm's approach to CSR and sustainability: a case study of a large European company

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Abstract This paper aims to analyse "how" and "why" a company engages in CSR and sustainability. The "how" concerns the features of the firm's CSR and sustainability approach, defined in terms of a firm's strategy (implemented issues, initiatives and activities) and organization (organizational structures and roles and managerial systems adopted). The "why" refers to the key determinants, both internal and external, of CSR and sustainability. Finally, how the firm's CSR and sustainability approach evolves over time and the relation between CSR determinants in various stages of the CSR evolutionary path are also investigated. The research method is based on the longitudinal analysis of a case study concerning a large multinational company operating in the telecommunications industry in Europe. The analysis of the case study shows that sub-cultural differences in the approach to CSR and sustainability may occur across hierarchical levels and functional units. Moreover, embedding CSR and sustainability principles doesn't follow a linear and continuous process, made by sequential stages. Indeed, it can be characterized by an up and down evolutionary path, based on different stages with a changing emphasis given to CSR and sustainability issues. Finally, we find that the firm CSR and sustainability approach is not an autonomous choice, but it is a consequence of the contingent role played by both the external and the internal drivers and by their relative importance during the company's CSR history.

Keywords CSR approach · CSR evolutionary path · CSR determinants · Sustainability · Telecommunications · Case study

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1 Introduction

Over the past decade, the rapid acceleration of the global market economy has given rise to increasing concern regarding related social issues, including environmental stewardship and fairness in economic life. Such concern is justified. Market forces exert a greater impact over our individual and collective lives than previously and the recent financial crisis has reinforced this. Such a context fosters expectation of a new strategic paradigm to be developed by enterprises, more focused on the ethical conduct of the firm, the social and environmental impact of firms' activities and their duties and responsibilities towards all stakeholders.

Previous studies and empirical evidence have highlighted that the evolution of companies and socioeconomic systems towards social responsibility and sustainability is not smooth and simple, but can follow different paths in various contexts and enterprises. Literature on corporate social responsibility (CSR) and sustainability has focused on different issues and followed different theoretical and methodological approaches, but the relationship between motivations for a firm embedding CSR and sustainability and the characteristics of the CSR approach adopted remain an under-investigated issue. Following Maon et al. (2010), this paper aims to analyse "how" and "why" a company engages in CSR and sustainability. In particular, it investigates how the firm's CSR/sustainability approach evolves over time and the relationship with CSR determinants in various stages of the CSR evolutionary path.

The "how" concerns the features of the firm's CSR/sustainability approach. We have defined the CSR approach focusing on how CSR/sustainability is embedded in the firm's strategy and organization. In accordance with previous literature (Galbreath 2009; Ganescu 2012; Maon et al. 2010; Robbins et al. 2000; Schermerhorn 2005; Van Bommel 2011), firm strategy is analysed by considering the main issues, initiatives and activities implemented, while firm organization refers to the organizational structures and roles and the core managerial systems adopted (Bies et al. 2007). The "why" refers to the main determinants, both internal and external, of CSR/sustainability (Deegan 2002; Holland and Foo 2003; Matten and Moon 2008; McWillam and Siegel 2002; Moon 2004; Pistoni and Songini 2013; Sparkes and Cowton 2004; Wokutch and Shepard 1999).

The exploratory and descriptive nature of our research questions and the unpredictable direction of the relationship between the determinants of CSR/sustainability and the firm's CSR/sustainability approach, as well as the depth of analysis sought, motivated us to use a case study research method (Yin 1994). In particular, we performed a longitudinal analysis of a large multinational company operating in the telecommunications industry in Europe with a 16-year horizon. We chose this organization primarily because of its relevance in its national context, its long-term involvement in CSR and sustainability issues, dating back to the mid-1990s, and the importance of sustainability issues in the ICT industry. The following aims were pursued in the case study analysis:

1. To analyse the firm's CSR approach, focusing on the introduction of CSR and sustainability both in the company's strategy (issues, initiatives and activities) and in the organization (structure, roles and management systems in various functional areas);
2. To highlight different stages that characterize the evolutionary approach towards CSR and sustainability followed by the company;
3. To identify the main determinants, both internal and external, of CSR and sustainability;
4. To analyse the relationship between CSR and sustainability determinants and the firm's CSR approach at different stages of the CSR evolutionary path.

The analysis of the Alpha case study shows that this company has predominantly followed a reactive CSR approach. Sub-cultural differences have occured across hierarchical levels and functional units. Moreover, embedding CSR and sustainability principles in Alfa has not been a linear process, organized in sequential stages, but, instead, a stop-and-go process, articulated in different phases with a changing emphasis given to CSR and sustainability issues. Finally, we have found that the firm's CSR and sustainability approach has not been an autonomous choice, but rather a conditioned behaviour depending on the contingent role played by both the external and the internal drivers and by their relative importance during the company's CSR history.

This paper is organized as it follows. Section 2 presents the relevant literature and our research framework. Section 3 provides the research methodology. Section 4 presents the case study and a brief description of the ICT sector. Section 5 discusses evidence from the case study analysis and finally, Sect. 6 highlights the paper's conclusions, discussing the main findings, contributions and limitations of the study, as well as potential avenues for future research.

2 Literature review

A discussion of previous literature on the CSR/sustainability "how and why" follows.[1]

The "how" concerns the features of the firm's CSR and sustainability approach, defined in terms of a firm's strategy and organization. The "why" refers to the key determinants of CSR and sustainability.

2.1 Embedding CSR into firm strategy and organization: the how

In the literature, a vast array of CSR and sustainability approaches has been proposed but they differ significantly with regard to: (1) the main aspects (bricks)

[1] It is noteworthy that previous literature refers to both sustainability and CSR issues, depending on the focus of various studies. Even though the two concepts imply specific and slightly different aspects, we have taken into consideration all the studies related to our research goals, whether they came from the sustainability field or the CSR side. Consequently, in this paper the words CSR and sustainability are used as synonymous.

adopted to define the CSR/sustainability approach; (2) the proposed taxonomies of CSR approaches; (3) the evolutionary path of CSR/sustainability embedding.

2.1.1 Main "bricks" of CSR/sustainability approach

A number of taxonomies of CSR approaches have been proposed observing the "implemented corporate behaviour". They implicitly assume that corporate behaviour is related to the extent to which not only economic but also social and environmental issues are deployed in a firm's objectives, actions, activities, initiative and mechanisms.

Wood (1991) has developed a wider and more comprehensive framework, the corporate social performance (CSP) model that makes explicit the relationship among principles of social responsibility, processes of social responsiveness and policies, programmes and observable outcomes as they relate to the firm's relationships with stakeholders (Wartick and Cochran 1985; Wood 1991).

Following a strategic management approach, Galbreath (2009) has suggested to analyze how CSR fits into the fundamental dimensions of strategy such as: firm's mission, products/services offered to meet the needs of customers and resource configuration that build and sustain competitive advantage. Considering CSR in light of these dimensions helps to explore ways in which social responsibilities can be embedded into strategy.

Referring to a more practical approach, other authors have paid attention to the integration of social concerns in organizations' decision-making processes. In particular, Godfrey and Hatch (2007) have suggested that, in order to advance research on CSR, it is necessary to model a firm tangible CSRs (corporate social responsibilities) defined in the terms of specific actions, policies, or activities instead of focusing on a theoretical firm's global CSR.

Recently, a theoretical stream that adopts a "strategy as practice" approach has emerged (Basu and Palazzo 2008; Bies et al. 2007; Jarzabkowski 2003; Whittington 2003), which aims to understand "strategization", that is "the process by which a strategy is integrated into organizational behaviour and culture" (Sharp and Zaidman 2010, p. 52). Strategy as practice refers to an activity-based framework for applying the practice lens to strategy (Kaplan 2007). Such a research stream highlights the role of organizational characteristics (formal structure and demography) and alternative organizational forms in the emergence of social change activities and arrangements (Whittington 2006; Bies et al. 2007).

To summarize, we can say that authors who addressed the identification and categorization of distinct CSR/sustainability approaches and their characteristics have focused mainly on firm values and objectives (economic goals, profit maximization, social goals, etc.), the stakeholders involved (only the shareholder(s) or all stakeholders), and the initiatives and activities implemented (Galbreath 2009; Ganescu 2012; Maon et al. 2010; Robbins et al. 2000; Schermerhorn 2005; Van Bommel 2011). However, only a few studies have focused on the intra-organizational impact of sustainability and the capacity of any strategic move towards sustainability to influence organizational structure, roles and mechanisms (Bies et al. 2007).

2.1.2 *Proposed taxonomies of CSR approaches*

A wide range of different CSR approaches can be observed in practice, which result in a proliferation of taxonomies proposed by authors. According to Galbreath (2009), four CSR strategic approaches can be implemented by companies: shareholder strategy, altruistic strategy, reciprocal strategy and citizenship strategy. The first one is exclusively based on maximizing shareholder returns, it has only an economic focus and it is mainly oriented to a short-term vision. In the altruistic strategy, the relationship between the firm and its community is acknowledged. As a member of the community, the firm recognizes that it should give something back to the community in the form of philanthropy. The reciprocal strategy has a two-fold purpose, aiming at both benefiting society and providing an economic advantage to the firm. Firms that pursue this kind of strategy are more proactive with respect to social responsibility. Finally, according to the citizenship strategy, a firm recognizes that various stakeholders have different interests and expectations. The distinctive feature of this approach lies in balancing the competing demands of various groups which are affected by or have an interest in the firm. Stakeholders' expectations are integrated in the corporate strategy and social objectives coexist with economic goals. The citizenship strategy is focused on the long term; it can offer tangible results, such as improved financial performance, as well as intangible rewards, such as outstanding firm reputation.

Following Gatewood and Carroll (1981), Schermerhorn (2005) has identified four taxonomies of social responsibility approaches: the obstructionist strategy, which primarily reflects economic priorities; the defensive strategy, which seeks to protect the organization by doing the minimum legally required activities to satisfy expectations; the accommodative strategy, which considers social responsibilities and tries to satisfy economic, legal and ethical criteria; finally, the proactive strategy, which is designed to meet all the criteria of social performance, including discretionary. According to such authors, companies adopting an obstructionist strategy reject any form of ethics or social responsibility that does not meet their economic interest; firms choosing a defensive strategy protect their own interests within the legal framework, rejecting ethical responsibilities; companies that implement an accommodative strategy accept a few ethical responsibilities, particularly with respect to stakeholders, but without undertaking voluntary actions for the common good; finally, proactive firms fully recognize social responsibilities and meet stakeholders' needs.

A similar scale is also taken into consideration by Black and Porter (1999), who have proposed four alternative corporate behaviours: defenders, accommodators, reactors and anticipators. Starting from an innovation perspective, Van Bommel (2011) has suggested three main sustainability strategies: the resign strategy, the defensive strategy and the offensive strategy. The resign strategy is adopted by organizations which decide not to implement sustainability due to a lack of pressure, incentives and capacity for innovation. Organizations with a low level of innovation will choose a defensive strategy, while highly innovative organizations will implement an offensive strategy.

It is noteworthy that all such studies have adopted a static perspective to categorizing CSR strategies, focused on the key characteristics of the firm's CSR approach in a specific period of time.

2.1.3 The evolutionary path of CSR embedding

In order to reach a better understanding of how CSR is embedded into firm strategy and organization a static perspective may be incomplete. In fact, some authors have suggested that firms follow an evolutionary path towards CSR and sustainability that comprises various stages, characterized by a different emphasis devoted to CSR. Robbins et al. (2000) have identified a four stages of CSR embedding, mainly depending on the relative importance attributed to the different stakeholders. In the first stage, management is considered responsible only to stockholders; in the second stage, the responsibility is enlarged to the employees; in the third stage, also stakeholders in the specific environment become important; finally, in the fourth stage, society as a whole is also included among the stakeholders. Similarly, Ganescu (2012) has highlighted that progress towards sustainability in organizations undergoes a series of phases: (1) rejection, (2) ignorance, (3) compliance, (4) efficiency, (5) proactive strategy, and 6) corporate sustainability. Going through these stages, organizations progress from rejecting the idea of corporate responsibility to indifference and then to strategic adoption of sustainable development values. Companies in phases 1 and 2 pursue passive sustainability strategies (defensive), firms across phases 3 and 4 implement reactive strategies, and those in phases 5 and 6 adopt proactive strategies. In considering existing evolutionary models of CSR development together with stakeholder culture and social responsiveness, Maon et al. (2010) have suggested a seven-stage process towards CSR, articulated around three cultural phases (i.e. CSR reluctance, CSR grasp and CSR embedment). These authors consider staged models in contrast to both discrete models, which are focused on organizations' motivations to implement CSR and the nature of implemented initiatives, and CSR implementation models, which cope with practical guidelines and success factors that can help organizations to design and implement their CSR policies and initiatives. However, literature on evolutionary models of CSR and sustainability adoption has generally proposed a linear path that companies follow, from a first stage of resistance to a final stage in which CSR is fully embedded in the firm's strategy and organization. As highlighted by Fisher (2004), possible commitment toward CSR and sustainability has been represented in the management literature as a continuum that shows resistance to social issues at one extreme, followed by the emergence of a defensive approach, which implies that the organization recognizes its economic and legal responsibilities. This, in turn, is followed by an accommodating approach, in which the organization takes into consideration society's ethical expectations in addition to meeting its economic and legal responsibilities. Finally, at the other extreme, a proactive approach is adopted by firms.

2.2 The determinants of CSR/sustainability: the why

Motivations for companies to engage in CSR have become a popular area of research during the years. According to Wood (1991), enterprises apply the principles of CSR for three main reasons:

> (a) *institutional*—to uphold the legitimacy of business in society, (b) *organizational*—to improve the firm's adaptability and fit with its environment, and (c) *moral/ethical*, to create a culture of ethical choice (p. 709).

The literature has highlighted multiple factors that exert an impact on a firm's approach towards CSR, such as: the enterprise's economic and organizational resources and skills, the self-enlightened motivations of management and owners, competitive environment and competitors' strategies (Wokutch and Shepard 1999), the willingness to be aligned with the requests of its own industry or with particular codes of conduct (Deegan 2002), legal compliance (Moon 2004), the legal and regulatory framework of each country (Holland and Foo 2003), image creation and the enhancement of future profits and goodwill (McWillam and Siegel 2002) and socially responsible investing (SRI) (Sparkes and Cowton 2004). Also, national business systems, which are characterized by specific and different political, financial, education and labour systems, together with cultural systems, may explain differences among CSR definitions, initiatives and practices adopted by companies of different countries (Matten and Moon 2008). Finally, while most studies have argued that CSR is related to lagged profits (Husted and Allen 2006), a recent research stream has proposed that past financial performance can also represent a driver of CSR (McGuire et al. 1988).

According to previous literature and consistently with Pistoni and Songini (2013), we propose to distinguish between internal and external determinants of CSR. The first ones concern specific firm characteristics such as company values and objectives (Coda 1988), top management's values, commitment and personal features (gender, age, professional experience, etc.), ownership (family firms, public companies, state-owned companies, cooperatives, etc.), governance system, firm size (large enterprises, small and medium-sized enterprises—SMEs), industry, span of activities (national, regional, international), and past financial performance. External determinants come from the environment outside the firm. They include practices followed by competitors in the same industry, codes of conduct in the related industry, legislative recommendations, the legal and regulatory framework of the country, the national business system, pressures from secondary stakeholders (financial markets, socially responsible investors—SRIs, opinion groups/special interest, the media, etc.), but also internal stakeholders (Harrison and Freeman 1999). The impact of stakeholders on the firm decision to engage in CSR is twofold. On the one hand, we can say that stakeholders, especially secondary ones, can strongly influence firms' decisions to embed CSR by exerting various pressures. In this case, stakeholders represent an external driver of CSR. On the other hand, enterprises can proactively and voluntarily decide to pursue CSR principles and propose CSR initiatives which benefit specific categories of stakeholders (Freeman and McVea

Table 1 Internal and external determinants of CSR

Internal determinants	External determinants
Company values and objectives (strategy definition)	Practices followed by competitors in the same industry
Consideration of stakeholders in the firm's strategy	Codes of conduct in the related industry
Top management values	Legislative recommendations
Top management's personal features	Legal and regulatory framework of the country
Firm ownership	National business system
Governance system	Pressure from financial markets
Size	Pressure from SRIs
Industry	Pressure from opinion groups
Span of activities	Pressure from the media
Past financial performance	Pressure from other stakeholders

2001). In this situation, stakeholders' interests are considered among company values and objectives and thus they can be viewed as internal determinants of CSR.

Table 1 summarizes the internal and external determinants of CSR.

It is worth noting that the previous literature on CSR determinants is quite unrelated to studies on the CSR approach. Indeed, we are not aware of any previous studies that have analyzed the relationship between motivations to adopt CSR/sustainability and their impact on the CSR approach followed by a firm.

Starting from this evidence, we aim to contribute to shade light on the relation between the CSR "how and why". According to the literature analyzed, the "how" refers to the characteristics of the firm CSR approach in terms of strategy and its impact on the organization and the "why" is represented by CSR internal and external determinants.

According to the traditional paradigm, "environment-strategy-structure" (Chandler 1962), but enriched by the main body of literature concerning sustainability and CSR, we assume that the determinants of CSR and sustainability will influence a firm's CSR/sustainability approach (strategy and organizational structure). Among the elements which characterize a firm's strategy, we consider firm values and objectives to be internal determinants of CSR and sustainability as they influence strategy definition, while issues, initiatives, and actions, which relate to strategy implementation, are deemed elements of the firm's CSR approach.

In our analysis we adopt both a static model, aimed at identifying the main characteristics of a firm CSR/sustainability approach and related motivations, and a staged model, aimed at understanding the evolutionary path towards embedding CSR/sustainability. Particularly, we intend to identify the main stages of the CSR evolutionary path and their features, as well as the role of internal and external determinants of CSR in each phase.

Our research framework (Fig. 1) was applied to analyse the case study of a large European company operating in the ICT industry.

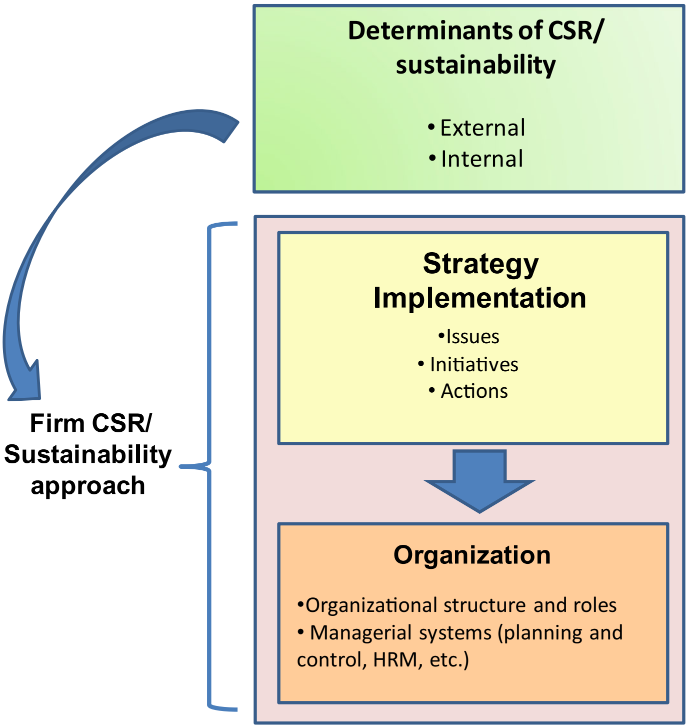

Fig. 1 The research framework

3 Research methodology

We were motivated to use a case study research method (Yin 1994) by the exploratory and descriptive nature of our research questions, the unpredictable direction of the relationships among the determinants of CSR/sustainability and the firm's CSR/sustainability approach, as well as the depth of analysis sought. Moreover, because the question of how and why a firm engages in CSR/sustainability is a long-term/strategic issue and we would like to adopt not only a static point of view but also a developmental perspective, we carried out a longitudinal study. We operationalized the determinants of the CSR/sustainability approach and the organizational context and observed changes over time (Yin 1994). The research method was based on the longitudinal analysis of a single case study, considering a 16-year horizon (Eisenhardt 1989; Yin 1994, 2012). The methodology of analysing a case study is, at the theoretical level, a holistic research strategy directed at understanding the internal dynamics of a single specific context (Eisenhardt 1989). Notwithstanding the diversity of its applications (explicit, descriptive, explorative, meta-evaluative), the fundamental aspects of the approach can be summarized as follows (Yin 1994):

- a clear definition of the empirical object under analysis;
- multiple information sources and investigation tools;
- temporary contact between the researcher and the participant, which enables the use of specific techniques, such as direct observation and in-depth interviews;
- a context-based exploration of a given situation under a systemic lens to enable the relationships between the investigation unit and the reference framework to emerge.

Given these research objectives and the conceptual research framework presented above (Fig. 1), the organization to be studied had to meet numerous criteria: (1) it had to be engaged in CSR and sustainability for a long period of time; (2) CSR/sustainability had to be embedded in the firm's strategy and organization; (3) it had to have changed its CSR/sustainability approach over time; (3) it had to allow us to observe different kinds of determinants, both external and internal, and how they changed over time; (4) finally, it was preferable for it to be a publicly traded company so that we could have access to substantial and varied secondary data. The company analysed met these criteria.

Alpha is one of the largest European telecommunication companies, also active in the media and manufacturing industries. It was previously the state monopoly telephone company in the country, but was privatized at the end of the 1990s and transformed into a large multimedia group listed on the stock exchange. As early as 1996, Alpha showed a marked interest in sustainability, in particular with regard to environmental issues, while the importance for the business of other social issues has been recognized since the beginning of 2000. Moreover, Alpha was chosen taking into account what its activities and history represent for the nation, as well as considering the industry in which it operates. Finally, the ICT sector is of particular interest because of its social and environmental implications.

3.1 Data collection

The first step of data gathering consisted of collecting information related to the company (through both semi-structured interviews and the analysis of company documentation, the corporate website, specialized press, etc.) and to the industry (company unrelated), including data from public archival sources. Such information allowed us to assess in the first instance the actual status regarding the sustainability of the company/industry and its evolution over time, as well as the company's previous sustainability initiatives. This assessment was therefore needed before the first field visit. Information obtained from private company documents during the field visit (at a later stage of the process) broadened and deepened the knowledge taken from the archival data collection, which complemented the company profile, consisting of several data bases comprising general company information, performance outcomes and also, importantly, strategic and sustainability issues and related initiatives.

The quality of the data collected and analysed was guaranteed by a significant investment of time and effort in the standardization of the research protocol. Informants included managers in charge of main departments. In particular, the following people were interviewed: the Development and Communications manager, in the context of the company's Human Resources and Organization Department; the person in charge of Investor Relations and Sustainability, the manager in charge of the Rating Agencies of the Sustainability Group, the managers of the CSR Division, Procurement, Sales, Business Planning and R&D units. Each interview lasted approximately an hour and a half and was attended by the company's CSR manager; he was not only present at his colleagues' interviews, but was also interviewed himself. The interviews were conducted by a group of three researchers, who were, on two occasions, joined by a fourth researcher. Each researcher had a different academic specialization (sustainability/CSR, accounting, strategy and organization). Therefore, the data and analyses are the result of the different perspectives of various researchers, thus increasing the reliability of the data themselves. The various informants, direct observations, different data sources and the analysis of secondary sources allowed triangulation to check the internal consistency of data.

4 Case study

4.1 Alpha's history

Historically, Alpha was the state monopoly telephone company in the country. In its present constitution, it was created in 1994. In 1997, Alpha was privatized and transformed into a large multimedia group, listed on the stock exchange, by the national Treasury, which sold the majority of its stake in the company through a global offering and a private sale to a stable group of shareholders.

Alpha's early years as a private company were marred by a variety of strategic and operational difficulties. Starting from 1998, the company was controlled by a complex network of holding companies despite being a publicly quoted business.

The recent history of the company has been characterized by major changes in the Alpha Group's companies, ownership, management and organization. From 2007 until 2013, the Board's members, the President and the CEO changed many times. On completion of the study in 2013, the Alpha Group operated landline telephones, GSM mobile phones, DSL internet and telephonic services in its own country and abroad. Alpha's shares were included in more than 50 indices, among which the most important were the FTSE Eurotop 100, DJ STOXX 600 and DJS Telecom. Alpha was also present in many sustainability indices.[2]

[2] Such indexes were the following: Dow Jones Sustainability Index (DJSI): World and Stoxx; the Financial Times Stock Exchange for Good (FTSE4): Global, Europe and Environmental Leaders Europe; the Ethibel Sustainability Index (ESI): Excellence Europe, Excellence Global, Pioneer Global; the Advanced Sustainable Performance Index (ASPI) Eurozone; E.Capital Partners indices (ECPI): Ethibel Global, Ethical Europe, Ethical EMU, Global TOP 30; AXIA: Ethical, Euro Ethical and CSR; the KLD Sustainability Index: Global, Global ex US, Europe, Europe Asia Pacific.

4.2 Sustainability in the ICT sector

The ICT sector is one of the most significant industries in Europe, representing a relevant driver of growth and innovation (Martinuzzi et al. 2011). The new European economic strategy “Europe 2020” highlights the importance of the ICT sector as a key contributor to making Europe a dynamic, knowledge-driven economy (European Commission 2010), as well as in fighting the economic crisis. The ICT industry contributes 5 % of total European gross domestic product (GDP), while 20 % of productivity growth in other sectors is related to the ICT sector. Since the beginning of the 1990s, ICT has become one of the fastest growing markets in the world, characterized by massive processes of liberalization and globalization, as well as high levels of innovation, but with different innovative waves and shocks (such as the advent of 3G). Such trends have resulted in fierce competition, which has forced ICT companies to leverage hard on customer retention and innovation in order to survive and make profits (Hung and Lu 2007).

The ICT sector is strongly capital intensive, with assets spanning a long lifetime and high relevance of economies of scale and network externalities. Due to such features, it has a tendency towards natural monopoly and thus regulation is advisable. Since the beginning of the 1990s, as a consequence of liberalization, governments’ stakes in European telecommunication firms have been sold to private institutions and investors, although governments often still hold a certain percentage of ownership in some firms. Mergers and acquisitions, regulatory price caps and internationalization have been the direct consequences of liberalization policies—a trend that still holds to date (Fraquelli and Vannoni 2000). In 1998, the European Union (EU) started the liberalization process which resulted in so-called “full competition”, on the one hand, and in the establishment of regulators of the ICT industry at both national and regional levels, on the other hand.

The EU’s regulatory framework for electronic communications is a two-tier system. In each country there is a National Regulatory Authority (NRA), but NRAs have to comply with the European Regulators Group (ERG) and the European Commission itself. Both the ERG and the EU have tried to develop a common framework of regulations to which every country has to adhere, thus nullifying intra-country differences. In Alpha’s country of domicile, the NRA was established by law and started to operate in 1998 when telecommunications was first liberalized. In 2008, as a consequence of the financial crisis, a new framework of regulation was proposed by the EU with the aim of creating a single European telecommunications market and a common regulatory framework for all EU countries. To accomplish this objective, the Body of European Regulators for Electronic Communications (BEREC) was established in 2009; this has to favour cooperation between national supervisory authorities and the European Commission. It is worth underlining that the European regulator is quite different from other regional counterparts, such as those in America and Asia, being the tightest and most integrated.[3]

[3] The European Commission and NRAs are not the only regulators in the European market. Other advisory bodies and institutions are also active, such as the European Information Technology Observatory, Global e-Sustainability, the European Competitive Telecom Association, Telecoms without Borders, ICT for Sustainable Growth, the European Information Society Institute, The European

With regard to CSR and sustainability issues in the ICT industry, on the one hand, the aforementioned bodies, institutional regulators and NGOs exert considerable influence on the CSR strategies of companies. On the other hand, in Europe, many institutional regulatory initiatives directly or indirectly address ICT firms' responsibilities in terms of environmental issues, such as the Waste from Electrical and Electronic Equipment (WEEE) directive (2002/96/EC), the Restriction of Hazardous Substances (RoHS) directive (2002/95/EC), the Registration, Evaluation, and Authorisation of Chemicals (REACH) legislation and the Energy-using Products (EuP) directive. In the last few years, the international community has shown great interest in monitoring the international companies that operate in strategic sectors, such as ICT.[4]

The ICT sector itself is recognized as a potential major sustainable development carrier as it offers diversified solutions to environmental and social challenges (Ernst and Young 2013). It has to cope with both direct CSR issues, which are strictly related to the production and distribution of services, and indirect CSR issues, which are linked to the use of ICT services. The ICT sector is one of the most important areas in which business activities have a great impact on the environment and human rights. Historically, it has often been indicated as one of the worst industries responsible for pollution and e-waste has been exposed as a major danger to public health. Material used in production (chemical substances) and energy consumption through production and usage of electronic products represent the main environmental impacts of ICT products. Thus, ICT firms have engaged in several efforts to reduce pollution, eradicate waste production and eliminate hazardous materials. Over the years, this industry has played a key role in combating climate change, compensating for the huge amount of greenhouse gas (GHG) emissions derived from other industries. Table 2 summarizes the main environmental issues in the ICT sector.

The rapid evolution of information and communications technologies together with digital communications has also dramatically changed communication practices across the world, influencing quality of life (Gutterman et al. 2009). Despite such positive scenarios, there are many challenges that the ICT sector has yet to overcome in the sustainability field: the geographical and social digital divide, protecting children from illegal materials and age-inappropriate content, the importance of safeguarding the right to privacy and investing in technologies that could protect consumers from the risk of cybercrimes, and poor working conditions outside Europe (e.g. mining of substances, production of electronic components,

Footnote 3 continued
Telecommunications Standard Institute and the World Health Organization (Giannarakis and Litinas 2011).

[4] The most relevant treaties which affect the ICT sector are the following: the Basel Convention on the trans-boundary movement of hazardous wastes, the London Convention Protocol forbidding most forms of ocean dumping, the Rotterdam Convention requiring prior informed consent on the export of certain dangerous product chemicals, and the Stockholm Convention concerning the release of persistent organic pollutants (POPs). Moreover, the Electronics Industry Code of Conduct (EICC) refers to environmental performance along the supply chain as well as working conditions. http://www.ihrb.org/project/eu-sector-guidance/submissions-to-draft-sector-guidance-consultation.html.

Table 2 ICT sector: main environmental issues

Environmental issues: ICT sector
Eco-friendly ICT products, eco-friendly production
The three-order-effects of ICT
Energy use, waste
Rebound effects in the ICT sector
E-waste
Energy use and GHG emissions
LCA of a wired/wireless phone
Environmental benefits from using ICT services
Environmental effects of e-commerce
Mass flow caused by development of the ICT sector
Workers' exposure to dangerous substances
Future environmental impacts: waste flow, boosted energy use
Direct, indirect and structural effects of ICT

Source: Martinuzzi et al. (2011: 12)

recycling and disposal of electronic waste). The quality of jobs is also mentioned as a key issue in the ICT industry (Martinuzzi et al. 2011).

4.3 Alpha's CSR and sustainability: main facts and initiatives

Operating in the context of the ICT sector and being the second highest energy consumer in its country, Alpha has realized an open approach to global change in implementing international principles, such as UN guidelines and the Global Reporting Initiative (GRI) framework, as well as the necessary processes to obtain the most significant international social and environmental certifications and to enter the most important ethical and sustainable rankings. In 1996, Alpha started to be interested in sustainability when it decided to subscribe to the Environmental Charter of The European Telecommunications Network Operators' Association (ETNO), which inspired its environmental policy, and it created an Environmental Management System, inspired by UNI EN ISO 14001. Among Alpha's initiatives, it is important to underline its engagement in Life-Cycle Assessment Studies since the mid-1990s with the aim of orientating purchases and the achievements of the group towards minimizing the overall environmental impact of its activities.

In Alpha, sustainability started to be structured and considered as a topic of the management's agenda in 1997, when the company produced its first Sustainability Report. Initially, this focused primarily on environmental topics, but since 1998 it has also included social aspects. In 2000, sustainable development was set up as one of the strategic issues for the company. The group's goal was to strike a balance between economic sustainability (maintaining and increasing the company's economic capital), environmental sustainability (aimed at safeguarding the ecosystem while guaranteeing the balance between the use of natural resources and processes) and social sustainability (devoted to promoting the principle of equity and respect among people and across generations). Alfa believes that balance between economic, social and environmental dimensions can be achieved only by taking into account the expectations of all those stakeholders with whom it is involved and whose opinions and requests it listens to carefully.

In the last 10 years, the company has implemented many different initiatives in order to change its business model according to the sustainability perspective. The main facts and initiatives in the history of sustainability and CSR are described in Table 3. From this summary, it can be noted that the embedding of CSR in Alpha developed according to four main stages. Table 4 summarizes the profile of Alpha's top management.

4.3.1 CSR and sustainability in Alpha's strategy

On completion of the study in 2013, the company grouped its stakeholders into eight categories: customers, suppliers, competitors, institutions, the environment, the community (external stakeholders), human resources and shareholders (internal stakeholders). According to the definition of the AA1000 AccountAbility Principles Standard, the "Materiality Matrix" was developed, which identifies the most important issues for the organization and its stakeholders. Among sustainability "hot topics", which represented strategic issues for the company, can be outlined the relations with customers, the digital divide, the climate change, the relations with employees, the supply chain, the privacy protection, the child protection, shareholder relations, etc. Most sustainable activities and initiatives were implemented in line with the company's business strategy in order to involve both the relevant stakeholders and the strategic functions of the company. However, sustainability issues were not completely integrated within the business strategy. In fact, the strategic plan didn't include any topic directly related to sustainability apart from the issue linked to Alpha's business offer to customers. For each strategic project, the environmental impacts (i.e. reduction of CO_2 emissions) and social impacts (i.e. impact on employment), as well as the stakeholders' perspective were also taken into consideration and evaluated, but through ex-post filters.

4.3.2 CSR and sustainability in the organizational structure

At the end of 2013, sustainability coordination in the Alpha Group was managed by the "Group Sustainability" team. Until 2009, this operated directly under the responsibility of the Administration, Finance and Control (AFC) department, but was then moved to a lower hierarchical level. At the end of 2009, the Group Sustainability team was placed within the Investor Relations and Sustainability department, which was under the AFC department and the Chief Financial Officer (CFO).

A network of people working in various departments and business lines co-operated with the Group Sustainability team. These people ensured the necessary information for: sustainability reporting, sustainability planning, and the answers to sustainability ratings questionnaires. Specifically, the Group Sustainability team undertook different activities. It promoted, at the group level, initiatives and projects with a positive environmental and social impact, collaborating with the firm's functions that maintained the operating responsibility. It contributed to the diffusion

Table 3 Key points in Alpha's history and in CSR embedding

How	Why
1997–2001: Initial phase in adopting CSR	**Ownership**
1997	*November 1997*
Alpha involvement in the development of CSR Europe and Zeta's guidelines	Alpha privatization and listing on the stock exchange. Mr. Red (Chairman-to-be) as principal architect of the privatization
Introduction of charters and codes of conduct	
1998	*February 1999*
First social–environmental report	Launch of an hostile take-over bid on Alpha by two European companies. Beta's bid was successful, but few months earlier, Beta had been on the brink of collapse and required government funding to survive
	June 2001
	Acquisition of Alpha by Gamma and Delta which payed one ninth of Alpha's market capitalization at the time
2000	**Top management**
Sustainable development as one of Alpha strategic issues	*1997*—President: Mr Red; CEO: Mr Blue
2001	*January–October 1998*—President: Mr Green; CEO: Mr Blue
Substitution of social–environmental reporting with sustainability report	*November 1998–May 1999*—President: Mr. Pink; CEO: Mr Black
	June 1999–September 2001—President and CEO: Mr White
	September 2001—President: Mr Yellow; CEO: Mr Violet
	Competitive context
	By July 2001 generalized decrease of the share prices of the leading European incumbent telecoms operators (Alpha's share price felt significantly)
	Legal requirements and context
	1997
	Establishment by law of the NRA in Alpha's country of domicile
	1998
	Liberalization process of the telecommunications industry in EU and in Alpha's country of domicile.
	Establishment of regulators of the industry (national and regional levels)
	Alpha's financial performance
	During this period, Alfa's turnover increased, but at the end of the period the company made a loss. Net financial debt significantly increased

Table 3 continued

How	Why
2002–2007: Approaching sustainability	**Ownership**
Between 2002 and 2007, Alpha strengthened its own involvement in sustainability issues, mainly internally	*2005*
	Acquisition of two important companies in media sector. These two operations significantly increased the company's debt
2002	*2006*
Subscription to the Global Compact and release of first Ethical Code	Reorganization of Alpha into four sectors, with the aim of selling one of them to recover the high debt. The operation generated a lot of criticism, which caused Alpha's President, Mr Yellow, to resign
Launch of various initiatives on social digital inclusion (communication technology and internet) for disadvantaged groups and diseased or disabled people	
	Top management
	September 2001 to September 2006—President: Mr Yellow; CEO: Mr Violet
	October 2006 to April 2007—President: Mr Red; CEO: Mr Violet
	April 2007 to November 2007—President: Mr Brown; CEO: Mr Violet
2003	**Alpha's financial performance**
First time Alpha's confirmation in the Dow Jones Sustainability Index	During this period, Alfa's turnover was steady, the company made profits, but net financial debt significantly increased
The Group Sustainability unit under the responsibility of the Administration, Finance and Control (AFC) department and the CFO	
Integration of sustainability data into the consolidated annual report	
Introduction of a sustainability evaluation in the investment schedule form for business investments	
Alignment of internal reporting system with sustainability issues; sustainability as a primary factor in setting objectives and monitoring performance	
Inclusion of sustainability key performance indicators (KPIs) in the tableau de bord	
2005–2006	
Launch of important training initiatives on sustainability	
Alpha's involvement in CSR Europe, for the assessment of financial performance (in 2006)	
2007	
Involvement in the Global e-Sustainability Initiative, a global partnership of ICT companies formed to promote technologies for sustainable development	

Table 3 continued

How	Why
2008–2010: The alignment of business practices and internal resources with sustainability	**Top management**
During the four-year term between 2008 and 2011, the Alpha Group was involved in different sustainability issues and initiatives, above all those useful to gain reputation and competitive advantage	From 2007 to 2013, the Board's members, the President and the CEO changed many times, even though Mr Black held either the CEO post or the President's role for the most part
	November 2007 to April 2011—President: Mr Orange; CEO: Mr Black
2008	**Competitive context**
Global Reporting Initiative (GRI) A + qualification to the group, the highest level for reporting according to GRI principles	Starting of verifications in plants by a Joint Audit Cooperation (JAC) with other international telecommunications operators
Launch of the sustainability verification campaign with the aim of integrating sustainability in the purchase function (with regard to supplier's evaluation and life cycle of the product/service)	**Legal requirements and context** *2008* A new regulatory framework proposed by the EU
Sustainable issues emphasizes by R&D, Corporate and Supply Chain functions and the HR department	
Abandoning of the sustainable balanced scorecard, replaced by a dashboard	
2009	*2009*
Transfer of sustainability unit to the External Relations department (the new CFO did not consider sustainability a key topic for the activity of the finance and control department)	BEREC established by the EU
Adhesion to the AA1000 Accountability Principles Standards	
The principles of inclusivity, materiality and responsiveness adopted in the sustainability report	
	Alpha's financial performance
	During this period, Alfa's turnover decreased, the company made profits, net financial debt decreased
2010	
A multi-stakeholder panel 's evaluation of the sustainability report	
Launch of a training plan on sustainability sponsored by top management	
Abandon of dashboard, replaced with a tableau de bord	
Involvement in the European smart city model	
Favouring of the development of knowledge and skills among its employees not strictly related to their profession	

Table 3 continued

How	Why
2011–2013: The deployment of sustainability in the market offer and internally	**Top management**
2011	*April 2011 to October 2013*
Achievement of the customer care certification, verified by ICIM	President: Mr Black; CEO: Mr Grey
	Since October 2013—President and CEO: Mr Grey
Creation of first product line with reduced environmental impact in order to apply its green procurement policy	**Alpha's financial performance**
Acknowledgement as the leading company in its country in Newsweek Green Rankings	During this period, Alfa's turnover decreased, the company made losses, net financial debt decreased
Launch of different business initiatives, consistent with the sustainability approach, both on the market and internally	
2012	
In July 2012, Alpha was the largest company in the country with regard to the number of electric vehicles added	
In the second phase of the training plan, 3000 employees completed all three training modules, while 10,000 completed at least one	
2013	
Alpha was approved for the 10th consecutive year for inclusion in the Dow Jones Sustainability World Index (DJSI World) and the Dow Jones Sustainability Europe Index (DJSI Europe)	

of the sustainability principles inside the company, according to the continuous improvement principles. It ensured that the external report of the sustainability activities was carried out. It managed the relationship with specialized rating agencies, and it represented the group in the national and international groups on sustainability.

4.3.3 CSR and sustainability in managerial mechanisms

CSR and sustainability have been introduced in managerial mechanisms used mainly by the AFC department, such as sustainability reporting, planning and managerial control systems, the Purchase department, which has implemented green procurement and suppliers' certification policies, and the Human Resources department, which has launched many training initiatives on sustainability (Table 3). An ethical code has also been adopted by Alpha. However, Alpha distinguished mainly by its sustainability planning and monitoring process. It was developed in four phases: (1) identifying areas for the improvement of sustainability performance; (2) comparison between the areas for improvement and investment projects that the group expects to undertake for business purposes; (3) definition of actions targeted at areas of improvement where no project has previously been

Table 4 Top management profile

Mr Red
Main architect of the privatization. He resigned after a dispute with his CEO (Mr Blue) over their respective responsibilities and his attempt to introduce Anglo-Saxon corporate governance rules into Alfa
Mr Green
He has brash style of leadership
Mr Blue
He was formerly Chairman of a multinational leading company. He dealt with the corporate governance difficulties that had beset his predecessor by getting rid of the CEO position and turning himself into "a powerful executive chairman". He too soon resigned when news was leaked regarding Alpha's poor performance
Mr Black
He was a former economics professor. He was described as a reserved manager. He also had his share of troubles in attempting to turn Alpha round
In the autumn of 2013, he resigned over a disagreement with major shareholders who decided to sell a significant share in one of the biggest subsidiaries abroad
Mr White
He was trained as an accountant. He previously was the CEO at a leading company. In September 1996, he became Beta's new CEO
Mr Yellow
He was a member of the Gamma family. He was appointed CEO at Gamma in 1992
Mr Violet
He started his professional career as a sales director. In 1990, he became assistant to Beta's CEO. In 1996, he became CEO of a telecommunications company
Mr Brown
He was an engineer. He founded a not-for-profit foundation. He was appointed Alpha's President for a few months during quite a critical period
Mr Orange
He held relevant managerial roles in banks, and multinational companies. From 2003 to 2007, he was President of a leading financial institution
In 2011, he left Alpha
Mr Grey
He followed a professional career inside Alpha. He was in charge of Alpha's main international subsidiaries before becoming Alpha's CEO, sponsored by Mr Black

carried out or those for which the planned projects do not have a sufficiently positive impact in terms of sustainability; (4) monitoring the areas in need of supervision to maintain the level of performance achieved.

The process was supported by different tools. The Alpha Group's Technology Plan was a document providing the group with guidelines concerning the evolution of its networks, platforms and services. The plan, which involved a large number of company departments, analyzed the main exogenous factors which might influence the company's strategies (such as regulation, standards, suppliers and other operators). It pointed out emerging technologies and provided the rationale for R&D projects which are implemented by the group. The plan made three-yearly forecasts and was updated each year. Within the Technology Plan, sustainability was given a whole section. Subjects and projects on network technologies or solutions to be marketed which are linked to sustainability were grouped into three main categories: safeguarding the environment, projects for the community and the institutions and improvement of customer experience. Each topic was analyzed from a technological point of view and also in terms of its social, environmental and market impacts. The analysis was then used to decide whether a R&D project must be started or, if it had already begun, whether it must continue in order to end up being a solution for the market or the technology in Alpha's network, or whether it must be abandoned. Planning for new projects specifically concerning sustainability was undertaken through the Sustainability Plan.

For sustainability reporting, the company used a set of approximately 200 key performance indicators (KPIs) chosen on the basis of the GRI guidelines, the Global Compact principles, feedback from stakeholders and questionnaires sent by major rating agencies. The company kept track of KPIs through a centralized software platform which was also used for accounting and financial control processes. It also allowed the sharing of data with other platforms to ensure the maximum linkage between sustainability and business processes. The "data owners", people working in all operational areas of the group, ensured the collection and entering of data that feed the system. The data were controlled centrally by the Group Sustainability team.

Previously, when the sustainability performance measurement was managed by the AFC department, a balanced scorecard was used. In the balanced scorecard, the sustainability KPIs were integrated within four typical performance perspectives (financial, customer, internal processes and learning and growth). Each perspective included both business and sustainability objectives which were adjusted quarterly. The balanced scorecard was an articulated and complex tool for performance measurement and evaluation and was periodically sent to the Company Board. In 2008, the balanced scorecard was abandoned as it was considered too complex and costly in relation to the associated benefits. In particular, the broad list of measures did not focus the attention of the top management on the essential questions. The balanced scorecard was replaced by a dashboard, a document where only the main critical areas related to sustainability issues were reported. In 2010, the dashboard was also abandoned and replaced with a tableau de bord, composed of a few prompts and relevant indicators, selected to be sent to the Company Board and throughout the organization.

5 Discussion

5.1 Alpha's CSR approach

Since the 1990s, Alpha has embedded CSR and sustainability principles in its strategy and organization. With regard to strategy, CSR and sustainability have affected both the objectives pursued by the company, taking a triple bottom line approach, and the definition of relevant stakeholders, classified into eight categories. A significant number of activities and initiatives have been implemented by different functions and by both the group and its subsidiaries. However, they have focused mainly on a few categories of stakeholders, such as shareholders, employees, suppliers, the environment and—more recently—customers, and have involved only a few functions, such as AFC, Procurement, R&D and Human Resources. Concerning the organization, in 2003 an organizational unit in charge of CSR and sustainability was established at the second level of organizational hierarchy under the CFO; however, in 2009 this was moved to a lower organizational level under the Investor Relations and Sustainability department. Many managerial mechanisms focusing on CSR and sustainability have been adopted, especially with regard to planning and monitoring systems, external disclosure (such as sustainability reporting), green procurement, suppliers' certifications and training.

As highlighted by Maon et al. (2010), sub-cultural differences in Alpha can be observed across hierarchical levels and functional units. In fact, CSR and sustainability practices and initiatives have been concentrated in a few departments and units and have not spread throughout the whole company. Moreover, the business strategy has been developed autonomously from the sustainable strategy. Indeed, the strategic plan does not include any topic directly connected to sustainability, apart from issues linked to Alpha's business offer to customers. For each investment project, the environmental and social impacts, as well as the stakeholders' perspective, are taken into consideration and evaluated, but through ex-post filters. Only in the Technology Plan is there a section devoted to sustainability. Considering these findings and adopting a static approach to the analysis, we can argue that Alpha has pursued mainly a reactive CSR approach, which is consistent with a reciprocal strategy (Galbreath 2009), or an accommodative/accomodating approach (Schermerhorn 2005; Fisher 2004) as well as a defensive one (Van Bommel 2011).

5.2 Alpha's evolutionary path towards CSR and sustainability

As shown in Table 3, the diffusion of CSR and sustainability in Alpha cannot be analysed adequately by adopting a static approach as the organization has followed an evolutionary approach which can be articulated in four main stages.

In the decade 1997–2007 (stages 1 and 2), when important changes affected not only the company's ownership and control, but also the business and the ICT industry more widely, sustainability was considered a relevant issue in terms of attracting resources from banks and new shareholders, boosting the company's image and reinforcing the firm's competitive position. In this period, Alpha was privatized and listed, new blockholders emerged and new top management was appointed. Furthermore, being monopolistic, Alpha had to relinquish part of its businesses, finding new market opportunities. In this period, sustainability spread throughout the planning and control systems, a balanced scorecard for sustainability was adopted, a sustainability report was delivered, and various initiatives were adopted aimed at favouring Alpha's admission to the most important social and environmental standards and certifications. Moreover, the organizational unit in charge of CSR and sustainability reported directly to the CFO.

Since 2008, during the third and fourth stages, the main objectives of the new CEO, Mr Black, have been to reduce the high level of debt, develop new businesses and markets and increase profits. This may explain the increasing focus on financial issues, rather than on sustainability. It was in this period that the Group Sustainability unit was moved to the third level of the organization, under the Investor Relations and Sustainability department, and that a lower emphasis on sustainability KPIs and planning and control mechanisms emerged. Consistent with the objective of improving the group's competitive position and financial results, sustainability initiatives have focused on three main issues: customers, as the main stakeholder; energy saving, due to the fact that Alpha is the second highest energy consumer in its country of domicile; new product and service development, based on new technologies emerging in the ICT sector. The initiatives launched, despite involving various functions and departments, were mainly devoted to improving the competitive advantage of the firm, rather than responding to the wider range of stakeholders' needs and expectations. Practical examples of such a focus are the projects implemented by the R&D department, which aimed at innovating the services offered, and the actions taken by the sales department, focused on the improvement of customer relations. Again, if we consider managerial control systems, in this period we can observe a strong emphasis on financial measures together with a set of KPIs centered on the main variables related to the shareholder value perspective. As a result, KPIs focused on sustainability have exclusively been the responsibility of the CSR manager and found their main destination in the sustainability report in relation to voluntary disclosure. In contrast, since 1997, great importance has been given to initiatives in favor of employees, probably as a consequence of Alpha's historical roots as a state-owned company.

Following Robbins et al. (2000), who proposed considering the category of involved stakeholders to identify the stages of the evolutionary path towards CSR, Alpha can be positioned in the third stage of his four stage model. In this stage Alpha has expanded the focus of its attention from its employees to its shareholders and then to other stakeholders in its specific environment, such as its customers and the community. However, due to its history as a state-owned monopoly, it can be argued that until 1997, employees represented the main relevant stakeholder in the Alpha group, rather than the shareholders. In line with Ganescu's (2012) model, Alpha can be considered to lie between the third stage of compliance and the fourth stage of efficiency, whereas if we consider Maon et al.'s (2010) proposal, it is in the CSR grasp phase.

During the four stages of Alpha's evolutionary path towards CSR and sustainability, even though it is possible to highlight an increase in the number of initiatives and activities, categories of stakeholders involved and managerial mechanisms focused on CSR and sustainability, it can be observed that this case study does not completely confirm the perspective of the evolutionary CSR approach as a linear process represented in frameworks in the previous literature. Rather, the analysis of the Alpha case study shows that embedding CSR and sustainability principles in a company's strategy, organizational structure and mechanisms may be a stop-and-go process, articulated in stages characterized by a changing emphasis on CSR and sustainability issues. In particular, we can say that in between the third and the fourth stages of Alpha's evolutionary path, there have been a few signals of a lower emphasis placed on CSR and sustainability, which show a regression in terms of CSR involvement. These signals are represented by the shift of the Group Sustainability unit to the third hierarchical level, the discarding of some managerial control systems, such as the balanced scorecard and the dashboard, and the emphasis placed primarily on initiatives and activities for customers. These highlight an increasing role for CSR and sustainability as means of improving the company's image and reputation and are consistent with the poor financial situation of the company and the main objectives pursued by ownership and management.

To conclude, we can say that Alpha followed a largely proactive strategy when it was a state-owned company, whereas more recently it has pursued mainly a reactive strategy in stages three and four of its evolutionary path towards CSR. Lately, the limited power delegated to the CSR unit and the reduced presence and implementation of sustainability principles among the firm's initiatives and mechanisms seem to highlight the adoption of a mostly defensive strategy.

5.3 The determinants of CSR and sustainability

The changing focus on sustainability and CSR issues during the various stages of Alpha's CSR evolutionary path seems to be related to the relative importance of external and internal drivers of CSR in different periods. With regard to internal drivers (Table 1), all these determinants have an influence on the spread of CSR and sustainability in Alpha, as discussed below:

- *Company values and objectives* After the privatization and listing of the company on the stock exchange, Alpha had to develop a positive firm image and reputation, which was partially damaged by the way in which the privatization was carried out; it had also to cope with poor financial performance. CSR and sustainability initiatives and activities helped to boost the company image. On the other hand, the firm's historical roots as a state-owned monopoly could explain the attention paid only to some categories of stakeholders, such as its employees and the community.
- *Top management values and personal features* Bearing in mind the frequent changes in the President and CEO posts which have occurred since 1997, only a few top managers have had the possibility of exerting a strong influence on Alpha's strategies and decisions, mainly Mr Black and Mr Yellow. Various top managers have demonstrated quite different personal characteristics, background and experience, and values and personal goals, thus resulting in a different emphasis on CSR and sustainability. Even though it is difficult to isolate the impact of various top managers' views and values on Alpha's strategy, decisions and initiatives, we can state that top management has in some ways had an influence on the attention paid to CSR and sustainability. However, it seems that CSR and sustainability have tended to be considered as elements to improve the firm's image and reputation among stakeholders and also to exert a

positive impact on financial performance, rather than in terms of ethical issues and responsibilities.

- *Firm ownership* This determinant can be considered one of the most influential drivers of CSR and sustainability in Alpha. Before 1997, when the organization was a state-owned monopoly, the state's main interest was in creating jobs and developing the national telecommunications system. Thus Alpha's strategies and decisions were naturally focused more on stakeholders, such as its employees and the community, rather than the shareholders, and the firm's environmental impact. When it was privatized and listed, the shareholders' interests gained relevance, even though the blockholders' interests were pursued to a greater extent than those of the minority shareholders. Family shareholders had quite a strong impact on Alpha's history and also influenced many of the top management's decisions. In the first two stages of the evolutionary path towards CSR and sustainability, the main shareholders adopted a CSR perspective, resulting in the dissemination of CSR-related initiatives and activities, but sustainability and CSR were primarily considered a means of boosting the firm's image and reputation.
- *Size, industry and span of activities* As a large multinational company operating in the ICT sector, Alpha's operations naturally have a great impact on various categories of stakeholder, especially employees, society and the environment. Thus, size, industry and span of activities can be considered relevant internal drivers of Alpha's CSR and sustainability orientation; in particular, the approach to sustainability followed in the last few years appears to have been conditioned significantly by the competitive features of the industry in which the company operates. Sustainability is by now a key variable for successful competition in the ICT industry and for the attainment of strategic objectives through the development of new markets, sales growth in actual markets and the launch of new products and services. A large number of sustainable services and products have been offered to respond to the social needs of citizens (communities and customers). Similarly, the risk involved in some ICT sector activities, increased by outsourcing and the delocalization of production plants, has driven the need to verify working conditions in areas difficult to control and has determined the considerable importance accorded by Alpha to supply chain management. Pertinent examples are the implementation of green procurement practices and the adoption of punctual checking of supply chain sustainability to measure and possibly improve the organization's social and environmental impact.
- *Past financial performance* A few studies on the relationship between CSR and a firm's performance have proposed that past financial performance explains the amount of effort an enterprise devotes to CSR (McGuire et al. 1988), but for the most part they suggest that positive past financial performance allows a firm to invest more in discretionary activities, such as those related to CSR and sustainability. However, Alpha represents a case of a relationship between negative past performance and a CSR orientation. In fact, the need to cope with poor financial performance, especially high debt, caused Alpha's top management to focus on CSR and sustainability as a means of attracting commitment and consensus from stakeholders.

Also, external drivers have played a considerable role in the dissemination of CSR and sustainability within Alpha, as summarized below:

– *Practices followed by competitors in the same industry and codes of conduct in the related industry* As shown previously, in the ICT industry operate numerous advisory bodies, institutions, institutional regulators and NGO initiatives that directly or indirectly address firms' CSR responsibilities, both in Europe and internationally. Alpha has joined many such initiatives and shared some activities with its main competitors.
– *Legislative recommendations and the legal and regulatory framework of the country* The European telecommunications regulatory framework together with the National Regulatory Authority (NRA) have had a considerable influence on ICT firms, as well as the EU's recommendations on CSR and sustainability. An NRA for the ICT sector was established quite early in Alpha's country of domicile and thus the company had to follow the guidelines and recommendations of such regulatory bodies.
– *Pressure from financial markets, SRIs and banks* A relevant role in the company's sustainability approach has been played by the financial markets, especially ethical investment funds. Great influence has also been exerted by the banks due to the company's high level of debt.
– *Pressure from opinion groups and the media* Due to Alpha's relevance in terms of its impact on the economy, society and the environment of its country of domicile, a great deal of pressure has been exerted by the national and international media and various opinion groups on Alpha's top management and owners.
– *Pressure from other stakeholders* As Alpha is included in most relevant CSR and sustainability initiatives and indices, it is exposed to pressure from rating agencies and international organizations, such as Global Compact, etc.

To summarize, we can affirm that Alpha's sustainability approach seems to have been conditioned by a range of different internal drivers and external pressures that have marked the history of the company. At the beginning of Alpha's history, when it was a state-owned company, internal drivers seem to have had a major impact, whereas since 1997, when the company was privatized and listed on the stock exchange, external pressures have become more important. Moreover, blockholders have emerged as having a strong role in CSR throughout Alpha's history, even though major shareholders seem to have been more interested in profitability and debt reduction than sustainability and CSR. A relevant role has also been played by top management, in particular by certain Presidents and CEOs. In different periods, it is possible to highlight a relationship between the personal and professional characteristics, experience and networks of the Presidents and CEOs and the firm's engagement in CSR and sustainability. Thus, we can argue that as far as internal drivers are concerned, the firm's ownership and its governance structure have exerted an influence. Considering the impact of CSR determinants on Alpha's CSR approach—and in line with the evolution of CSR in the company's history—when

Alpha has pursued a predominantly reactive strategy (especially in stages three and four), its CSR approach has been influenced mainly by external drivers; in contrast, when the firm has followed a proactive strategy (for the most part at the beginning of its evolutionary path), this approach has generally been driven by internal factors.

6 Conclusion

This paper has aimed to analyse "how" and "why" a company engages in CSR and sustainability. The "how" has been studied by considering the firm's CSR approach in terms of its strategy and organization; the "why" has been considered by identifying the main determinants of CSR, both internal and external, as shown by previous studies (Pistoni and Songini 2013). The role played by CSR determinants in different stages of the evolutionary path towards CSR has been also analysed.

We have focused on the genesis and the impacts of the initiatives undertaken by Alpha to change its strategy and organization in order to deploy sustainability and CSR principles. Our analysis has shown that sub-cultural differences (Maon et al. 2010) have occurred in Alpha across hierarchical levels and functional units. Thus, CSR and sustainability practices and initiatives have not spread throughout the whole company, but have been concentrated only in a few departments and units.

Alpha can be considered an example of a vision of CSR and sustainability as instrumental in terms of generating shareholder value (Wood 1991), even though sometimes a more proactive and ethical concept of CSR emerged. Adopting a static perspective in the analysis, Alpha appears to have followed a largely reactive approach to CSR (Fisher 2004; Galbreath 2009; Schermerhorn 2005; Van Bommel 2011). However, from an evolutionary perspective, it is apparent that Alpha has pursued a reactive strategy in stages three and four of its evolutionary path towards CSR, but followed a proactive strategy when it was a state-owned company. Moreover, recently the firm seems to have pursued rather a defensive strategy.

Furthermore, even though it is possible to highlight an increase in the number of CSR initiatives and activities, categories of stakeholders involved and managerial mechanisms focused on CSR and sustainability during the four stages of Alpha's evolutionary path towards CSR and sustainability, this case study does not completely confirm the picture provided in the previous literature of the evolutionary approach as a shift along a continuum through a linear process articulated in sequential phases, characterized by an increase in the salience of CSR and sustainability from one stage to another in succession. Rather, the analysis of the Alpha case study shows that embedding CSR and sustainability principles in a company's strategy, organizational structure and mechanisms, is not a linear process. Rather it may follow a stop-and-go process articulated in stages characterized by a changing emphasis on CSR and sustainability issues. Indeed, between the third and the fourth stages of Alpha's evolutionary path, a few signals of a decreased emphasis on CSR and sustainability can be observed, which show a regression in terms of CSR involvement. Such findings illustrate that embedding CSR and sustainability may mean not following a linear route but instead a path characterized by sine waves, depending on certain contextual factors.

With regard to influences on CSR activity, both external drivers and internal determinants have exerted an influence in determining Alpha's sustainability approach, but these have played different roles in different phases of the company's evolutionary CSR path. As far as external determinants are concerned, our study shows how the characteristics of the industry in which a company operates, the national business system, the regulations and legislative framework and the external stakeholders, especially the financial markets, may have an impact on the firm's CSR approach. Among the internal drivers, the company's ownership structure and governance, especially in relation to family blockholders, play a significant part. Management may decide the company's vision and therefore its objectives, including which strategy should be implemented with regard to CSR, but it nonetheless has to follow specific guidelines and directions defined by the shareholders. Over time, Alpha's CSR approach has been shaped differently depending on the characteristics and the expectations of the firm's shareholders, as pointed out by the classical (or free market) view of the company (Friedman 1962, 1970).

With regard to the relationship between CSR determinants and the CSR approach pursued, as noted, when Alpha has carried out a broadly reactive strategy (especially in stages three and four), its approach seems to have been influenced mainly by external drivers; in contrast, when the firm has followed a proactive strategy (most notably at the beginning of its evolutionary path), this approach has largely been influenced by internal drivers, in particular by the type of shareholding. In synthesis, we can say that the sustainability approach of a firm is not an autonomous choice, but is a conditioned behaviour, depending on the contingent role played by the external and internal drivers and by their relative importance during the course of the company's CSR history.

Our findings are consistent with those of Maon et al.'s (2010) study who proposed that organizations may jump some steps or go backwards by eliminating certain practices, depending on the internal and external contexts that they face at each moment.

Based on Alpha's experience, we propose that it could be of interest to analyse how different kinds of ownership may affect the typology of the CSR approach adopted by firms. Specific studies on family-owned businesses, state-owned companies and private companies could be useful for an in-depth examination of this issue. Moreover, the analysis of national business systems may explain differences among CSR definitions, initiatives and practices adopted by companies in different countries and industries as the Alpha case study has highlighted (Matten and Moon 2008).

Clearly, this study has a few limitations. First, the research method is exploratory and descriptive. Even though this may have the advantage of producing in-depth research, it may inhibit the generalization of the research findings. Second, we acknowledge that we had an outsider's view, mainly through the lens of managers and secondary data. Finally, we focused on a specific industry and country, which could have an impact on our findings.

Future research should take into consideration these limitations in several ways. Apart from taking a top-down approach to data collection, it should also investigate the bottom-up perspective, involving employees and other stakeholders. Studies in different contexts, both competitive and national, would allow for more generalization in terms of the results. Finally, longitudinal studies would contribute to clarifying the time-lag issue related to CSR implementation and the firm performance effect.

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