

## **Walk the talk of sustainable business practices? – the case of ICA and its UN Global Compact membership**

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### **Extended abstract**

Today, the field of corporate social responsibility (CSR) seems to be as hot as ever, and in most media it is reported both stories of success as well as stories of failure. CSR is, without doubt, an important strategic matter in the retail sector and is argued to be something that can create sustainable competitive advantages for retailers as well as other organizations (Porter and Kramer 2006). CSR is an important tool for a retailer when developing good relationships with other stakeholders (Elg, Deligonul, Ghauri, Danis and Tarnovskaya 2012). Research also suggests that consumers prefer socially responsible retailers that act as good citizens (Luo and Battacharaya 2006). There are many groups that contribute with voices in the debate, all from companies themselves, over government and society, to consumers and consumer organizations and NGOs (Non Governmental Organizations).

Retail organizations are performing CSR activities in an increasingly structured way, and some are also signed up to a variety of networks, including a membership in the UN Global Compact. Members of networks such as UN Global Compact have to work with sensegiving activities in cooperation with their various stakeholders, in creating and sending messages about their activities in the area of CSR, and in so try to influence the sensemaking processes of their stakeholders, and here Gioia & Chittipeddi (1991) bring up the importance of symbols and symbolic constructions. In reaching a position of advantage, firms, as for example retailers, have to consider the interests of their stakeholders, and sometimes also cooperate with them. It is here interesting to note how Weick (1995) states the importance of making sense and produce meaning, and that this is done more favourably with shared experiences instead of shared values.

It has been argued that CSR can only be meaningful in an organization if the organization also walks the talk (Nijhof, Cludts, Fisscher & Laan, 2003). In this paper, the aim is to dwell deeper into the sensegiving and sensemaking of the principles and activities being required from a member of the UN Global Compact. A potential explanation for the gap

between CSR-rhetoric and CSR-reality include the difficulties managers have in making sense of the CSR-concept (Nijhof & Jeurissen, 2006), as well as making it operational (Grayson & Hodges, 2004). Most often questions concerning content - what CSR is - and drivers - why CSR should be a subject for business - as well as measurement of CSR-in form of audits, compliance programmes etc., are approached in CSR-research (Herrnstadt, 2001; Frynas, 2005; Porter & Kramer, 2006; Scherer & Palazzo, 2007).

In this paper, our intention is to provide empirical evidence that supports description and analysis of the process of advancing towards sustainable business practices in ICA, a firm participating in the UN Global Compact (UNGC) since year 2004. The empirical materials include observations, document studies and semi-structured interviews with a variety of respondents at different levels of ICA and also respondents from various stakeholders. Our aim is to find voices that depict interests and agendas, in order to increase the knowledge of how a membership within the UN Global Compact is handled and perceived. When approaching various types of stakeholders, we seek voices that describe how ICA and its stakeholders make sense of a membership in the UNGC, and also including the possible impact of the membership.

The paper contributes with increased knowledge about how various stakeholders to ICA have perceived ICAs membership in the UN Global Compact, including visually in brochures and on internet, as well as audible through speeches and presentations, and it is interesting to notice the difference of the awareness between such stakeholder groups as for example owners, suppliers and authority-contacts. An important observation is that representatives from the owners seem to be more aware than authority contacts and suppliers. Regarding the sensemaking process of stakeholders, it is also interesting to notice differences, and that can come out from the degree of awareness of CSR in general as well as ICAs work within the field. Suppliers to ICA seems to face more impact of the membership than stakeholders as for example authority-contacts, and it is interesting to notice how some NGOs put assign value in ICA being a member of a structured CSR-network like the UN Global Compact.

Key words: CSR, retail, Sweden, ICA, sensemaking, sensegiving,

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