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Titre en anglais: Perception and legitimation of CSR within a multinational firm: the case of the Dexia group

Titre en français: Perception et légitimation de la RSE au sein d'une multinationale : le cas du groupe Dexia

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Abstract: This article provides an analysis of the CSR strategy and practices of a multinational company using the example of the “sustainable development bank” Dexia. It is based on examination of some thirty interviews with directors and managers of the Dexia Group (levels n-2 to n-4), as well as the use of various secondary sources (activity reports, sustainable development reports, specific memoranda, workshops, etc.). We conducted a two-fold inquiry, one in terms of theory and the other in terms of practice: first, what are the most useful analytical frameworks for examining the emergence and structuring of a sustainable development and corporate responsibility programme for a company such as Dexia? Second, does Dexia operate a *bona fide* sustainable development strategy or is this position simply a reflection of the context and systems adopted by those with whom the company interacts?

Résumé : Cet article se propose d'analyser, à partir du cas DEXIA « la banque du DD », les stratégies et pratiques d'une multinationale en matière de RSE. Il s'appuie sur l'analyse d'une trentaine d'entretiens avec les dirigeants et responsables du Groupe DEXIA (niveau n-2 à n-4), ainsi que sur l'exploitation de différentes sources secondaires (rapports d'activités, rapports développement durable, notes spécifiques, ateliers de travail...). Nous répondrons à un double questionnement l'un théorique et l'autre pratique : quels sont tout d'abord, les cadres d'analyse les plus pertinents pour appréhender l'émergence et la structuration des démarches de développement durable et de RSE pour une entreprise telle que DEXIA ? Ensuite, l'entreprise DEXIA a-t-elle une véritable stratégie en matière de développement durable ou est-elle avant tout un reflet significatif du contexte et des systèmes d'acteurs avec lesquels elle interagit ?

Key-words: CSR, institutional entrepreneur / Mots-clés : RSE, entrepreneur institutionnel

PERCEPTION AND LEGITIMATION OF CSR WITHIN A MULTINATIONAL FIRM: THE CASE OF THE DEXIA GROUP.

The theme of corporate social responsibility (CSR) has become a key issue for companies and management researchers in recent years (Jones, 1995; Carroll, 1999; De Bakker, Groenewegen & Den Hond, 2005). Seven years after its official launch in the Europe¹, CSR is no longer considered simply a managerial fashion and its "sustainability" is no longer questioned. However, controversies continue to rage on the subject², and today several versions of CSR exist side by side, even within Europe (Habish et al, 2005). Beyond these differences of opinion³, there is now a quest to achieve a better understanding of this policy and its role in operational and managerial strategy: is it merely an opportune communication strategy or rather a force for structural change? Is it a strategy implemented under constraint (stakeholder pressure) or a deliberate plan? Does it reflect change in the periphery of the company (*responsive CSR*) or does it mark a substantial change in business model and *modus operandi* (*Strategic CSR*: Porter & Kramer, 2006) ?

The aim of this article is to examine the various dimensions of this approach using the Dexia case and building up a retrospective case model (from 1996 to 2008) using archived documents and some thirty interviews with managers and top management staff. We decided to use Dexia because this company is among the pioneering firms in the banking sector with regard to CSR. The Dexia Group, a leader in the provision of financial services to local public authorities and in project funding, displayed a very early awareness of the significance of sustainable development, going so far as to describe itself in institutional communications as "the sustainable development bank". Furthermore, as a multinational company (Dexia was created in 1996 following the international merger between Crédit Local of France and Crédit Communal of Belgium, and is now present in 57 countries), Dexia constitutes a suitable model for study since it plays an important role in the process of creation and diffusion of SD strategies and practices and of CSR worldwide (Gabriel, 2007). Finally, the current worldwide financial and banking crisis concerns Dexia on a number of levels⁴. While it may be too early to gauge the impact of these events on its CSR policy and perception thereof by the Group's managers, it nevertheless appears important to examine this question in the future (since Pierre Richard was the key force behind the CSR initiative, as we shall see below, we might wonder about the immediate consequences of the crisis).

In the first section of this paper, we present the analytical frameworks that appear most relevant to understanding the CSR strategies and practice of multinational companies (MC) such as Dexia. In the second part, we set out our research methodology and explain the reasons for using a retrospective case study in order to fully understand the dynamics of development of the principles of CSR within a company. In the third part, we examine the case itself and outline the principal teachings.

1. THEORITICAL ANALYSIS OF CSR INITIATIVES

Corporate social responsibility (CSR) refers to a voluntary initiative on the part of companies, particularly listed and multinational companies, in a bid to provide sustainable development within a context of globalisation (Capron & Quairel-Lanoizelée, 2007). However, this definition of CSR immediately poses many questions, both theoretical and practical: *To what extent is the adoption of CSR initiatives completely voluntary (or the result of constraint)? How can a CSR strategy be defined and implemented within a large multinational company? What are the main phases and stages? Was the initiative created and shared by all actors or was it initiated by a select few? Was the initiative top-down or did it emerge at the bottom? What is the scope: an irreversible and lasting initiative making CSR a new*

1 Publication in 2001 of the Green Book "Promoting a European framework for corporate social responsibility" which defines CSR as follows: "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis".

2 As attested in the research notebook "Advancing the theory of CSR: an intercontinental dialogue", notebooks of the CRSDD, research collection, No 11-2007

3 C. Gendron identifies 3 concurrent views of CSR: an ethical or normative approach, a contractual approach and a utilitarian approach.

4 The interviews and drafting of this article were carried out over the period between September 2007 and September 2008. However, the group's recent position cannot be overlooked. On 1 October this year, faced with liquidity issues associated with the current financial crisis (problem arising through the US subsidiary FSA), in order to avoid bankruptcy, the group managed to solicit governmental help in the three main countries in which it is present in the form of a capital increase of EUR 6.4 bn (the Belgian government (EUR 3 bn), the French government (EUR 3 bn) and the Luxembourg government (EUR 376 m)) resulting in de facto quasi-nationalisation (50% of the group's capital is now in government hands). These events led to the resignation of French company President Pierre Richard and of Belgian Deputy Administrator Axel Miller.

institution or convention or a new regulation within the globalized economy, or a more modest attempt at adapting business practice to additional constraints?

These various questions illustrate the complexity of CSR policy. An understanding of this phenomenon requires an integrative and multi-disciplinary approach (Gladwin, Kennely and Krause, 1995) going beyond stakeholder theory (SHT). Although the reference work on SHT was attractive in terms of its operational aspects⁵ and gradually became accepted, it also has many limitations inherent to its reliance on the standard economic paradigm, the most serious of which is that it prevents any approach to the questions posed by CSR other than within the dominant social paradigm (Kilbourne et al, 2001).

Consequently in this first section, we have chosen to use institutional theories and in particular the theory of conventions, in response to the various questions posed.

1.1. Adopting CSR strategy

Institutionalisation of CSR: between mimicry and standardisation

According to the neo-institutionalist theoreticians, the adoption of a CSR policy by a company is in part founded on the institutionalisation of this phenomenon via a number of different elements: widespread diffusion of the concept of SD from the 1990's (principally through the definition popularised by the Brundtland report in 1987), increasing calls for CSR as of 2000 (Valiorgue, 2005), the appearance of social demands, which are increasingly difficult to ignore, development of a standardising discourse concerning respect for future generations, broadening of the notion of stakeholders (from shareholders to civil society as a whole), pressure exerted by international organisations and actors.

Following a crisis of legitimacy (Martinet and Reynaud, 2004) at the start of this century, companies find themselves in an institutionalised environment characterised by high expectations regarding the trinity of social, economic and environmental performance. The directors of these companies must adopt (consciously or unconsciously) these new dominant values proposed by the prevailing social and political context in order to lend legitimacy to their organisations. The works of Di Maggio and Powell (1991) identified three types of isomorphism that may account for a company's decision to adopt a CSR strategy:

- coercive isomorphism, i.e. the adoption by a company of a CSR in response to a regulatory constraint, possibly involving sanctions;
- normative isomorphism, in order to comply with pressure from the professional environment, with the company basing its behaviour on that of its reference group;
- mimetic isomorphism, which involves modelling company behaviour on that of organisations that appear legitimate.

Even though it is difficult in practice to single out the respective influence of any of these three sources of pressure, we feel that adoption of CSR practice within businesses is primarily the result of normative and mimetic isomorphism; whether in terms of thinking or in the application of SD and CSR concepts, coercion has never been the preferred mode of action of people and organisations responsible for restructuring the domain, and a wide variety of responses is thus possible.

Four reasons for adopting CSR strategy: between moral obligation and licence to operate

From their specific analysis of companies' CSR strategy, Porter & Kramer (2006) identified four reasons for a firm's decision to adopt CSR:

- moral obligation (companies have a duty to be good citizens and to "do the right thing");
- sustainability (environmental and community stewardship, avoidance of short-term behaviour that is socially detrimental or environmentally wasteful);
- reputation (*CSR is a way to improve a company's image, strengthen its brand, enliven morale, and even raise the value of its stock*);
- license to operate (tacit or explicit permission from governments, communities, and numerous other stakeholders to do business);

⁵ The model proposed by Mitchell et al (1997) classifies stakeholders according to 3 characteristics: their power, legitimacy and the emergency nature of their rights.

We must therefore analyse the various strategies adopted by companies in response to this pressure from the institutional field while seeking to understand how each organisation constructs and internally negotiates the collective representations of CSR on which new conventions are founded. **In this regard, the work by Olivier (1991) provides a useful basis for analysing** the range of possible responses to institutional pressure and the context in which they emerge. He describes five attitudes to institutional pressure (acceptance, understanding, avoidance, defiance, manipulation) and various corresponding tactics. Taking the work of Ernult & Ashta (2007) with some adaptation, we may identify a continuum in company attitudes with regard to the adoption of CSR within their organisation (see Table 1).

Table 1. Corporate Social Responsibility Strategies

Ian Wilson (1975)	Reactive	Defensive	Accommodative	Proactive
Terry McAdam (1973)	Confront	Do only what is required	Progressive approach	Become leader in the field
David and Blomstrom (1975) ; Carroll (1979)	Withdraw	Public relations approach	Legal approach/negotiation	Resolve problems
Faucheux and Nicolai (1998)	Bypass or block regulations	Avoid the costs of environmental protection measures	Just adjusts purposefully to the new ground rules	Provide a potential competitive edge
Azzone et al (1995)	Constrained response to specific problems		Design of programmes having a precise managerial aim	CSR as a strategic variable for the firm
	Do nothing ← ----->			Act strategically

1.2. Construction and diffusion of CSR policy within an organisation

While there may be many reasons for the adoption of CSR policy by a company, how is such a policy constructed and diffused within the organisation concerned? This question invites a number of answers. According to Porter and Kramer (2006), CSR policy can take a number of different forms: it may be responsive (focusing on in the non-strategic dimensions of the value chain) or strategic (transforming the company’s entire business model and its relationship with the environment). The interpretative approach to conventions (Batifoulier [2001]) may also be used in a dynamic perspective, with CSR providing a collective learning process enabling each actor within the firm to adhere not only to new shared rules, but also to help build new models to evaluate these rules, thus constituting a collective decision-making process. In this way, an overriding concern with short-term profits may be called into question through the adoption of CSR policy.

As regards the formulation of CSR policy and its diffusion throughout the company, in his strategic analysis, Valiorgue (2005) identifies four processes of diffusion of a CSR initiative within an organisation:

- bottom-up Top-down??? or rhetorical process: the director is responsible for including the CSR project in the organisational agenda (production of discourse and incitement to action) and involves the entire company in the project without clearly defining those involved in its diffusion;
- deliberate process: the CEO initiates the CSR project but its implementation is entrusted to the hierarchy;
- emerging process: intermediate or operational staff are responsible for originating the project. The project is selected by a strategic core before being taken up by operational or intermediate management staff.
- discretionary process: the director is not involved in the training process at any point. The actors (intermediate executives and/or operatives) define and implement a socially responsible project within their own “autonomous areas of influence.”

Analysis of the literature provides a number of analytical frameworks that may be used to examine Dexia regarding the following three dimensions:

- reasons for adopting CSR strategy;
- managerial response to institutional pressure associated with the introduction of CSR;
- modes of internal diffusion of CSR.

2. STUDY METHODOLOGY

Regarding our subject (historical analysis of the processes of adoption, implementation and diffusion of CSR policy at Dexia), we chose to use the retrospective case study format (Yin 1989). This involves the use of various information sources (direct observation, in-depth interviews, personal accounts, official documents, etc.; Leonard-Barton, 1990) in order to plot the group's historical course (Robey and Franz 1989) regarding CSR implementation. The advantage of this method is that it is based on in-depth interviews with the actors involved. However, one drawback is that this approach involves retrospective reconstitution of the facts, although research tends to show that the actors involved in organisational processes do not forget the key events involved. The main limitation to retrospective cases is not collecting the events but rather organising these events in a more logical order than that in which they occurred. The actors may in fact tend to make value judgements that can cause a distortion between the image presented and reality. This approach was possible thanks to the number of interviews (transcription of 25 interviews with Dexia directors, n-2 to n-4) and the information used for the purposes of the study. It was possible to interview a broad sample of managers in different countries (France, Belgium, Luxembourg and Italy) and different posts (Marketing, Finance, HR, Purchasing, etc.). Comparison of the viewpoints of actors in different posts also allowed a certain degree of control of the results by providing a wider range of respondents. The interviews were supplemented with secondary data consisting primarily of official company information.

2.1. Principles of data coding

We decided to simplify the interviews by using a data coding process. Codes may be used to extract field data and group it into homogenous areas or synthetic conceptual themes for analysis. This procedure can also be used to carry out analysis during data collection, allowing clearer focus on collected data throughout the study. The codes were defined using a word or expression, and were improved and refined throughout the study.

The words and expressions used for prior coding are in most cases simple words, readily understandable by all, and associated with the theoretical elements and concepts used in the study (in order to facilitate movement back and forth between the field and certain studies considered useful for the analytical process).

2.2. Data organisation

We used matrices and tables to gather the principal data and organise it in a synthetic and readily accessible format. This type of format is useful for providing a structured presentation of information by reducing the quantity of information and ordering the information in such a way as to render it useful in the analytical process.

We created two types of matrix:

- 1) A chronological matrix to classify data by historical steps, with five major steps being identified.
- 2) Synthetic tables by code category in order to achieve a synthetic overview of data for specific questions.

3. MAIN TEACHINGS OF THE DEXIA CASE

After presenting the Dexia group, we describe the company's history in terms of CSR as perceived by the managers in order to characterise the cultural, social and political conditions pertaining to implementation of the CRS learning process.

3.1. Presentation of the Dexia group

The Dexia group was created in 1996 out of the transnational merger of two of Europe's leading institutions in the local financial sector: Crédit Local of France and Crédit Communal of Belgium. Dexia is among the 20 leading financial establishments within the Euro zone (total on balance sheet for 2007: 605 billion Euros; net result, 2.533 billion Euros). The group has two major areas of activity: universal banking in Europe (Belgium: [5.5 million customers], Luxembourg, Slovakia and Turkey) and financial services to the local public sector, asset management and investment services and project funding. In 2008, Dexia staff totalled 35,200, of whom 48.5% are female.

Regarding CSR, Dexia has obtained a number of distinctions, including that of member of the "Global 100 most sustainable corporations in the world" since 2005, "Sustainable bank 2007 in central and eastern Europe", and "Leading European bank in term of promotion of social dialogue out of 49 banks, Vigéo, 2006). In terms of extra-financial scores, Dexia obtained 78.7 out of 100 (mean for the sector: 53.1; highest score: 83.9; Siri classification). Dexia has

been classified as the leading world-wide organiser of project funding in the renewable energy sector according to the Infrastructure Journal 2007 League Tables.

The Dexia group has a number of specific features which account in part for the "enabling" dynamic (modes of appropriation, representation of SD and CSR implementation) in place since its creation.

A human-sized group

In 1996, Crédit Local France merged with Crédit Communal Belgium, to which was added the Banque Internationale Luxembourg, a subsidiary of Crédit Local Belgium ("At that point, there was a merger practically every year!"). The group then grew rapidly thanks to the takeover of and purchase of stakes in various companies in Europe and worldwide. The company diversified in 1999 into the insurance sector;

However, its international spread and various diversifications in the insurance field in particular have not prevented Dexia from maintaining its human dimension.

"In addition, we are also a human-sized company and information tends to circulate well. We see the top directors often, either at informal meetings at headquarters or in more formal meetings. I would say that proximity with the company's directors contributes to the satisfaction of staff."

A bank with two heads and two activities

The group developed while maintaining a balance of power between these two founding entities in Belgium and France, which involve the initial existence of two holding companies, one for France and the other for Belgium⁶. Since 2003, Dexia has been organised around four major core activities in the service of two major markets: on the one hand, the market of local public institutions and associated quasi-public private companies, historically in France, and on the other, the market of individuals, professionals and small companies exclusively in Belgium.

These two customer bases (local organisations and private customers) and the two core activities (project funding and private banking) resulted in profound differences in perception among the actors interviewed.

"Honestly speaking, I think that it was Pierre Richard who launched the notion of the ethical bank, at the beginning, and we then realised it was very easy to create an ethical bank along the French model; we only work with local authorities and don't take many risk"

For two-headed and two-activity groups such as Dexia, strongly implanted in Belgium (for private and retail banking activities) and in France (for project funding and local government organisations), several methods of integration are possible. Until now, Dexia has chosen to adapt to local contexts, to national differences and, in terms of structure, to partly decentralise its decision-making. Thus, the group belongs more to the category of multinational firms than to that of global firms⁷ described by Arthaud-Day (2005).

Favourable domain for CSR

The group's historical roots partly account for its commitment to CSR and SD, as attested by several of the actors interviewed: a cooperative structure for Belgium (emerging from the Christian Worker Movement) and a subsidiary of the *Caisse des Dépôts* (French funding body for public works and housing) strongly marked by the public sector for France.

"I'm one of the pioneers; I arrived before the creation of what was to be the platform for construction of Dexia in 1985, 21 years ago. There are still some fifty of us here.(...) I've always been committed to SD, since at the start, it was a sub-office of a department of the Caisse des Dépôts which extended credit to local authorities and was thus entirely involved in the public sector. When the Caisse des Dépôts decided to create this subsidiary, I don't know what the political context was, but it was created with a view to leaving the public sector and working on the periphery of public organisations. It was for this reason that we developed project funding, i.e. funding of infrastructures and of various public service delegations. In other words, public structural equipment very close to the local authorities and decided by the local authorities, etc. That is what we were doing back in the day."

Funding of major projects

Because of its project funding activity (transport and telecommunication infrastructures, electricity generation plants, renewable energy, etc.), Dexia is described by a number of those interviewed as a bank almost "naturally" inclined

⁶ The recent appointments, resulting from the financial crisis, of Jean-Luc Dehaene, former Belgian Prime Minister, and Pierre Mariani, member of the BNP Paribas executive committee, as members of the board of administration in place of Pierre Richard and Axel Miller, continue this Franco-Belgian balance.

⁷ In contrast with multinational firms, global firms derive advantage and economies from integration and thus tend to maximise centralisation of strategic functions within their offices.

towards SD. The expectations (and demands) of the local authorities among its clients are very markedly in favour of such an approach.

"We work with transportation and environmental firms, and thus sustainable development and environmental protection is an important consideration. They pay attention to a bank promoting such policy. (...) On the other hand, Dexia is somewhat special since our job involves funding of works necessary to meet the needs of the general public such as hospitals, schools etc, and the notion of SD therefore forms an integral part in most of the operations in which we are involved and is thus very important to us."

3.2. The five steps in Dexia's sustainable development policy⁸

Based on the discourse of the actors, we may identify five major steps in the diffusion of sustainable development policy ranging from absence of commitment (stage 1) to formalisation of a corporate policy (dedicated department, action plan, collective actions, evaluation methods, structured product and service offers, transformation of the offers).

First stage (prior to 1998): actions of CSR or SD policy

Before the CEO at the time (Pierre Richard) became interested in the theme of sustainable development, the Dexia group does not appear to have been involved in this type of process as such. Nevertheless, this did not prevent the introduction of many individual-based and company-based initiatives, although these were not strictly associated with the concept of CSR or of SD. At this point, in 1998, few companies were committed to such initiatives (which they termed SD rather than CSR, like Lafarge or Nature et Découvertes).

Second stage (1998): The founding act or launch of CSR policy

We asked managers about the origins of CSR practices at the bank and two main results emerged:

1) The vast majority of managers (16/25) considered that Dexia owes its commitment to sustainable development to its former CEO (the former president of the board of administration until 2008)⁹, considered a visionary (launched counter to the prevailing current, risk-taking, strong personal conviction, commitment, etc.).

2) Many managers consider that this commitment, in addition to its visionary aspect, is also dependent on the group's roots and its initial area of activity (public finance bank). The Dexia shareholder structure, particularly in Belgium (Christian trade union, former public company, etc.) and its range of activities (long-term funding of local authority projects, etc.) played a key role:

"Dexia was a cooperative bank, and I was aware of its Christian roots, I knew it was highly involved in the social fabric and very close to its customers, and that it played a fairly active role in what is in fact its core business today; it didn't have the same name at the time, but BACOB was already closely involved with the world of local authorities, hospital finance, retirement homes and suchlike."

Thus, the launch of the CSR and SD initiative by Dexia, over and above the wishes of its directors, may also be explained by the existence of a number of convergent contingency factors: the company is historically associated with local development (like Crédit Local de France), and the activity carried out is in accordance with the proposed new norms. Finally, CSR is closely associated with socially legitimate practice.

Third stage: the communication phase (1998-2000)

Following commitment by the bank to CSR policy, the group's management developed a communication policy. The bank thus pre-empted the term "sustainable development bank". As a number of managers stated, during the initial years, sustainable development was like "a background fashion movement displayed very publicly by the company but without any real internal momentum, chiefly because of image considerations". *"For me, there were two stages. The first stage was that of communication." "We were something of forerunners in this domain, and at one stage kidnapped the name "Sustainable Development Bank", which others could possibly have used for themselves; however it was us that chose to do so first, and thus to set the pace, and this subsequently proved very useful for setting institutional standards, with things such as SD ribbons, and a certain number of things that appeared to be a natural extension thereof."*

This commitment to sustainable development was first of all characterised by external and institutional actions that continued to multiply after 1998 (declaration of financial institutions, Global Compact, Equator Principles, Carbon Disclosure Project, PRI, etc.). In 1998, Dexia began to communicate about its actions, at a time when there was still no recipe for sustainable development (pioneering image):

⁸ In this article, we present the case in an initial section (section 3.2) based on the discourse of the actors interviewed. Analysis is provided in section 4.

⁹ The other reasons invoked are marginal (2 or 3 managers out of 22): customer pressure, requests by employees, action by shareholders, public opinion pressure, questions of image, legal constraint)

"We felt a bit out of step calling ourselves an SD bank, and people didn't understand too well, we took things a bit quickly, there was a time when we began to have doubts, but finally society caught up with us".

Fourth stage: the local activity stage and catalogue creation phase (2001-2005)

During stage 4, Dexia went beyond simple communication activities. It now sought to turn its discourse into reality (wish to avoid a gap emerging between the communicated image and the reality of the company). This also indicates awareness of the true implications of CSR and of what it imposed (appropriation phenomenon).

"It was in 2000 and 2002 that we launched a real SD process, in other words SD was only a notion at the time, an abstraction." "When we began the process, the foundation of CSR policy in terms of social relations and HR, I was in charge of a working group that attempted to define what CSR actually was. This was in 2000-2001 and I submitted my report around the end of 2001."

The CSR commitment materialised in particular through the adoption of environmental and society-based norms that would otherwise have been embraced by the company only much later. According to this logic, CSR was the trigger for new practices and changes in procedures and behaviour:

"There was no coded procedure: everyone could claim to be for SD since nothing was codified. Ultimately, we therefore resorted to three standards, namely ISO 14001 governing Environmental Management Systems, or OHSAS 18001, the international occupational health and safety management systems specification, and SA 8000, a social accountability standard allowing us to claim ethical company status and a social dialogue. Naturally, the environmental issues were covered by ISO 14001 and the social issues were covered by the work safety norms and SA 8000 concerning good practice and social dialogue. Thanks to our SD commitment, these norms were adopted earlier. Otherwise we would have adopted them at a later date."

CSR policy also took shape through the production of a Sustainable Development Report¹⁰ and the organisation of events connected with CSR. However, during this phase, we cannot yet speak of a truly coherent and structured process. A great deal of autonomy was left to the subsidiaries, who concentrated on various aspects of the question.

Fifth stage: creation of corporate CSR policy with widespread diffusion of the process (2006-2008)

Beginning in 2006, Dexia decided to define a corporate CSR policy with the launch of product ranges, the creation of a coordination unit (nomination of Marc Rizzotto as Head of Sustainable Development, reporting to Jacques Guerber, one of the company's Vice-Presidents) and of monitoring indicators:

"Regarding the Dexia group, we must look at the historical background of each entity; over the last 2-3 years, the initiative was taken first of all to centralise the process, to ensure coordination and scoring of sustainability. I feel that that is a very important point." "I feel everything was there, and the advantage now is that everything is contained within a group strategy that helps us to situate initiatives and communicate about what we are doing."

This structuring and general dissemination are also associated with the phase of maturation of the CSR concept: The following table provides an overview of the five historical stages of CSR development within the Dexia group.

Table 2. The key stages in CSR policy at Dexia

	Stage 1. Pre-1998	Stage 2. Official launch by the CEO (1998)	Stage 3. Institutional communication (1998-2000)	Stage 4. Catalogue phase (2001-2005)	Stage 5. Generalisation and partial standardisation of the process (2006-2008)
Principal characteristics	Historical society-based practices unconnected with a concerted CSR programme	Initiative of CEO at the time, together with institutional communication (slogan, marketing campaign)	Internal marketing of CSR actions Absence of pressure from head office Local politics	Cataloguing of all CSR activities or activities related to this type of process Autonomy of subsidiaries	Development of a group policy with structured CSR practices (coordination, evaluation, etc.) while maintaining local specificity

¹⁰ Dexia published a report on sustainable development for the first time in its annual report. Since 2001, the annual report contains a special pull-out section concerning sustainable development.

Central aim of the CSR initiative	Absence of CSR strategy Investment in social and society-based projects	Innovator, pioneer	Reputator and image	Development actions, products	Professionalisation Roll-out
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Like other large companies (particularly listed on the French CAC 40), Dexia began with an (institutional) communication campaign before its adopted positions and announcements took form via action plans.

In addition to the historical approach, we examine the images the company's managers currently have of CSR through actions performed by Dexia and their impacts.

Actions associated with the CSR initiative

Questioning of managers revealed that environmental actions were a foremost area of concern, followed by society-based and social actions.

In terms of environmental actions, 18 (of 25) managers associate CSR with a fairly wide range of environmental actions, with the accent first of all on energy saving. Other actors mentioned funding of environmental projects and their importance in terms of image and positioning. It may also be seen in this domain that Dexia is intent on commitment to the future of the planet through a number of collective actions, media events and partnerships.

Society-based action was cited by half of the managers questioned and involves a number of devices (support for youth in the inner cities, help for those with modest income, handicapped subjects, etc.), as attested by the following example. Regarding the HR dimension, the managers insisted in particular on programmes of equality in the workplace for men and women, employment of handicapped workers, social dialogue and principles of good human resource management (evaluation interviews, human development, remuneration policy, etc.).

"In social terms, there is the Social Line product range, i.e. accounts specially designed for people with modest income allowing optimal management of their money." "We are the only bank in the marketplace to have developed products allowing people generally without any right of access to the banking world to open accounts, for long-term unemployed, with French translation services, i.e. 50,000 people - compared with minimal accounts for 3,000 people held at all the other banks, we have 50,000 such accounts."

"We have a system of bonuses from time to time, which they give us around once a year, discount purchase coupons, holiday cheques, and things like that which may not strike you as very much when you see how much money there is in the company, but for me, such gestures make me feel that it's a good company to work for."

Impact and perception of CSR

The impact of CSR is considered for the moment as relatively marginal according to the managers, in terms of work content, procedures and core activity. Similarly, many managers (21/25) felt that CSR has no impact on the attractiveness of the bank and on staff loyalty. Thus, while the managers are able to clearly identify the actions undertaken by Dexia, they do not feel for the moment that this policy has changed how the company operates or its image among staff. CSR has thus not yet completely penetrated the structure and the *modus operandi* of the organisation, and has not resulted in any major adaptation in terms of the productive processes or the chain of activity. However, Dexia is clearly perceived as a pioneer (8/25 versus 5/25 who see the company as a follower) while 15/25 managers consider that sustainable development generates more resources that outweigh its costs over time. Similarly, 17 of 25 managers personally felt involved in the process and view it as positive (improved social dialogue, preservation of the environment, civic duty, etc.).

"Investment in SD bears fruit over the long term, while the timing of the company is measured over shorter cycles. I would therefore be inclined to say that it is important to invest in this concept to secure the future. In addition, it is necessary to create loyalty among staff in whom we have invested, and here again, the rate of development of the company may require a faster rate of implementation. I tend to think it is beneficial." "So I think it has long-term benefits because it signifies a longer term relationship with customers, longer relationship with shareholders, staff, etc., and in any case, in my opinion, initiatives are not sustainable if they cost the company."

Beyond these results, a critical discourse, even if felt among the minority, was also evident with regard to CSR as perceived by Dexia in 2008:

- Communication and integration of the CSR process by employees within the company appears relatively weak (according to 4 of 25 managers);

- CSR, when applied to various processes (supplier policy, energy saving, launch of new product ranges, change of behaviour) affects core activities very little and the method of managing financial clients, particularly individuals, lacks transparency for customers (4 of 25 managers);
- CSR has little impact on the group's modes of governance and on the attitude of directors (5 of 25 managers).

4. DISCUSSION AROUND THE DETERMINING FACTORS IN THE DEVELOPMENT OF DEXIA CSR POLICY

4.1. Managerial response to CSR policy and modes of diffusion

Using our analysis of the literature, the launch by Dexia in 1998 of its SD policy may be qualified as *proactive*. If we refer to the key dates of institutionalisation of CSR, the launch of the SD policy came at a point where institutionalisation was still in its infancy (exponential phenomenon since 1998). During this first phase, we cannot talk of coercive isomorphism as such (since no legislation yet existed), or of normative or mimetic isomorphism (since this was the first French bank to go down this route, and was among the first European and worldwide banks to do so). This CSR learning policy was initiated by CEO, Pierre Richard, acknowledged by managers as an "institutional entrepreneur", on the grounds of moral obligation and sustainability (Porter and Kramer 2006). Finally, the fact that CSR is a socially legitimate practice (Olivier, 1991), consistent with the group's activity (funding of local authorities for the group's primary activity) and history, no doubt favoured the diffusion and adoption of this strategy by general management.

Although Dexia is regarded as a pioneer in the field of CSR RSE, the longitudinal study shows that the policy implemented is responsible rather than strategic to the extent that the CSR strategies are focused primarily on questions unrelated to the value chain. Thus, Dexia's image and discourse concerning CSR is out of phase with the historical facts (1998-2008). Dexia relied on a number of devices, which we describe in detail below, to ensure dissemination of CSR policy throughout the company. Examination of the various items in Table 3 shows that within Dexia, a number of reasons could account for the diffusion of CSR strategy. While the initial attempt to define CSR strategy is clearly of the Top-down and deliberate type, it may be seen that local actors are very rapidly adopted a wide variety of personal approaches (imaging process) defying any straightforward characterisation.

4.2. Capital reputation, social acceptability, risk prevention and competitive advantage

Dexia clearly perceived CSR as a means of improving its image and strategic positioning in relation to its stakeholders, and principally its institutional clients (local authorities, states, etc.). This orientation is apparent in: the choice of slogan: "the sustainable development bank", the organisation of media events (SD ribbons), the signature of international agreements and the adoption of new internal standards (Supplier Ethics Charter, HR Quality Charter, Corporate Governance Charter). In terms of competitive advantages, product differentiation concentrates on two key markets in France: public finance and funding of renewable energy projects.

The nature of CSR (positive value, preservation of the environment, development of social dialogue, citizen behaviour, energy saving, etc.) contributed considerably to the adoption by collaborators and gradual diffusion within the organisation. The types of products proposed by Dexia facilitate the promotion of its strategic choices in terms of CSR and thus the agreement of the actors with the company's policy.

Within the ambit of the Dexia group's activity, there are two types of risk: risk in terms of reputation and financial risk. The group's position in the local public sector ensures repeat business with little risk since there is little dependence on events within the financial markets. Its stock of loans provides the company with good visibility. Nevertheless, the group's capital market activity is reduced and losses by its US subsidiary of almost a billion dollars over three quarters had far reaching consequences for its financial value. Because of the current credit crisis, there is a financial risk and the company's CSR policy should have taken into account the possibility of such risks. The other risk is that of reputation. With regard to financial activities, environmental risks are limited but company-related risks must be analysed and anticipated. The CSR policy adopted in coming years will provide more elements to define how these two risks noted during the current credit crisis were in fact integrated.

4.3. Political, ideological and embeddedness

The two previous determining factors are logically followed by this key factor. In relation to current events associated with the financial crisis, how will CSR strategy be able to pool energy together around a shared project? How does

Dexia propose to change its practices in order to restore its legitimacy? The answer may lie in the implementation of CSR policy in the coming years.

Table 3. The group's principal internal and external undertakings

Dates	External signatures	Internal commitments	Theoretical analytical table
<1998	No sponsorship actions or civic actions in the field of CSR		
Phase 2 (1998)			
1998	Declaration of financial institutions on the environment and sustainable development (UN)		Responsive CSR Proactive Moral obligation, Sustainability Rhetorical process
Phase 3 (1998-2000)			
	No large-scale activities of note		Reputation Rhetorical process
Phase 4 (2001-2005)			
2001		First CSR/SD report	Responsive / Strategic CSR Moral obligation, Sustainability and Reputation Deliberate and emerging
2002	Global Compact (UN)	Principles of social management	
2003	Equator Principles	Compliance Charter	
2004	Carbon Disclosure Project	Policy concerning funding of the arms industry	
2005		Supplier Ethics Charter, HR Quality Charter Corporate Governance Charter	
Phase 5 (2006-2008)			
2006	PRI (Principles for Responsible Investment)	Nomination of Marc Rizzotto as Head of SD + adoption of 5-point SD action plan	Strategic CSR Moral obligation, Sustainability and Reputation Deliberate and emerging
2007	Declaration of financial institutions on climate change	Carbon Neutral Action Plan	

4. CONCLUSION

Using an analytical framework based on the literature, our longitudinal analysis of the Dexia case provided us with a view of the dynamics of CSR at work within an international group as well as the principal stages of this process. The main lessons that can be drawn from this analysis are as follows.

Appropriation by a company may be analysed in terms of arbitration between two potentially reconcilable aims: the quest for legitimacy (responsive approach) on the one hand, and on the other, a search for efficient technical solutions (strategic policy). This arbitration resulted in different strategies ranging from acceptance (and even anticipation of pressure in this direction) to their complete rejection. Of the various possible managerial responses, Dexia clearly followed a proactive strategy orchestrated by a visionary leader. The company then invested heavily in this image before implementing a group-wide action plan (rhetorical process and deliberate approach).

Other teachings also transpire from this analysis regarding the fact that the mode of diffusion of CSR was far more gradual, differentiated and even conflictual than at first appears, with marked orientation towards treatment of peripheral questions having little impact on the company's core business (*responsible CSR*, Porter and Kramer 2006).

Regarding the future of CSR, whether at Dexia or beyond, the punctuated equilibrium model leads us to believe that over the long term (from 1996 to September 2008 for Dexia), the CSR strategy progressed incrementally and the current financial crisis marks the beginning of an episode of major fluctuation, with the outcome (i.e. strengthening or disappearance) not yet determined. However, the current crisis shows that the CSR policy (beyond the description and certain acts) will struggle within an exceptional context to remain legitimate and intelligible (polemic over golden parachutes, transparency of information communicated to stakeholders, excessive risk-taking, etc.).

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