Corporate Responsibility Research Conference 2011:
Embracing Diversity - Driving the Debate

Sustainability Research Institute, University of Leeds, Leeds, UK
12th – 14th September 2011
papers@crrconference.org

Title of working paper:
>   How did companies fulfil the social contract between 2006 and 2010?
>   An analysis of companies listed on the French and UK stock exchange
>   before, during and after the financial crisis.

Conference theme:
>   CSR and the recession

Names, affiliations and contact details of authors:
>   **Elizabeth Franklin-Johnson**
>   Doctoral student ECRICOME at Euromed Management, CEMM, GRIDS,
>   and CEREFIGE, SJPEG, Université de Nancy 2
>   Euromed Management - Domaine de Luminy - 13009 Marseille
>   Elizabeth.franklin@euromed-management.com
>
>   **Dr HDR Katia Richomme-Huet**
>   Associate Professor Euromed Management, CEMM, GRIDS.
>   Associate Rechercher CEREFIGE, SJPEG, Université de Nancy 2
>   Euromed Management - Domaine de Luminy - 13009 Marseille
>   Katia.RichommeHuet@euromed-management.com

How did companies fulfil the social contract between 2006 and 2010?
By Franklin-Johnson, E, & Richomme-Huet, K

Elizabeth Franklin-Johnson
Doctoral student ECRICOME at Euromed Management, CEMM, GRIDS,
and CEREFIGE, SJPEG, Université de Nancy 2
Euromed Management - Domaine de Luminy - 13009 Marseille
Elizabeth.franklin@euromed-management.com

Dr HDR Katia Richomme-Huet
Associate Professor Euromed Management, CEMM, GRIDS.
Associate Rechercher CEREFIGE, SJPEG, Université de Nancy 2
Euromed Management - Domaine de Luminy - 13009 Marseille
Katia.RichommeHuet@euromed-management.com

Abstract:
Companies are facing a crisis of confidence, even more so following the financial crisis. We examine how twelve companies from France and the UK have fulfilled the social contact during a five year period which included the crisis (2006-2010). Through CSR reports we consider the actions that surround increasing the wellbeing of society as well as responding to stakeholder interests. French companies, which have legal obligations, report more (quantitative) CSR information than their UK counterparts (who find themselves in a more voluntary and less legally bound country), and overall we see a general increase in CSR behaviour. However, despite the engaged behaviour of companies concerning wellbeing, we find that they concentrate on stakeholders who linked directly to the company (that is to say employees and not society as a whole) and that wellbeing is linked to health and safety actions and initiatives (which are legal obligations), often with the objective of increasing performance. The fulfilment of stakeholder objectives appears to be proactively engaged in, however the companies fail to mention just what the stakeholder's objectives are. Although companies ensure they are working in the best interests of stakeholders, it appears that for the time being it is the companies who ultimately decide what these objectives are and how they will be addressed. Our selected companies are engaged in the social contract but we conclude that for the time being it is the companies who dictate to their stakeholders just what this social contract should be.

Key words:
Corporate social responsibility, financial crisis, social contract, France, UK.

Abbreviations:
Corporate Social responsibility (CSR), Glaxo Smith Klein (GSK), Associated British Foods (ABF), Global Reporting Initiative (GRI)

How did companies fulfil the social contract between 2006 and 2010?

The importance of corporate social responsibility (CSR) in the academic and management fields has been well established (Gray, 2001; McWillams et al, 2006; Lindgrean & Swaen, 2010). Despite this importance, we find ourselves re-examining the relationship between companies and society as the result of recent scandals involving global corporations (Choi *et al.* 2007). Indeed there has been much literature detailing the crisis of trust between consumers and corporations (Child, 2002; Child and Rodrigues, 2003; Choi *et al*, 2007; Schanza, 2009), stakeholders question the legitimacy of organisations in times of crisis (Massey, 2001) and their relationship is said to be changing (Choi *et al.,* 2007). Furthermore, we are living and working in the aftermath of a financial crisis which rocked the foundations of society and of its values; further undermining the relationship between stakeholders and consumers. Some of the financial crises which have hit Europe in the 21st century include the 2001 dot-com bubble burst, the 2007-2010 financial crises and the more recent European debt crisis. Where the former appears to have to have had limited impact on CSR issues of companies the latter relates to states within the European Union; the financial crisis of 2007 is of particular interest as it had a wider impact on companies and society. We might therefore question whether the CSR of companies which were listed on the stock exchanges was impacted by the crisis especially as these companies have established CSR practices and have produced CSR reports for some time (CorporateRegister.com, 2010). This is of interest as although there is some debate to whether there is more financial instability crises than before (Bordo *et al*. 2001) there is no doubt they exist and impact the global markets and will continue to do so.

Considering that CSR is well established, that there is a crisis of confidence and that companies find themselves in financial crisis more frequently, we suggest that it is pertinent to explore how companies are fulfilling the social contract at this time. The aim of this working paper is therefore to offer insights into the evolving nature of CSR over the past five years (2006-2010) as well as to identify trends and changes concerning the relationship between companies and their stakeholders via CSR with a particular interest on the impacts of the crisis. We concentrate our study on twelve listed companies from France and the UK so as to maintain a European context whilst including large companies from two countries that have different levels of CSR legal obligation and different understandings of CSR; France is

known to have a more structured and medium level of control regarding CSR and reporting, whereas the UK system is voluntary and has a low level control over the reporting. We will ask how companies increased the wellbeing of society (employment levels, diversity and the ideas behind in companies) and how companies responded to stakeholder demands (philanthropic donations, response to the crisis, and ideas concerning stakeholders). By using information from CSR and annual reports (a method which had been previously used by Ingalens (2007) and Barthe et al. 2010) we shall analyse the companies' responses and actions during the period.

1. Conceptions of CSR

Following a review of the literature concerning CSR's long history and some of the theories associated with it, we will examine its integration into companies.

1.1 A short retrospective of CSR

The aim of business changed from that of being exclusively for profit (Levitt, 1958; Friedman, 1970) to one where there was the creation of a legitimate social contract (Drucker, 1942) and the idea of supporting and improving the social order (Eells & Walton, 1974). The idea of social responsibility of firms in the 1940s where primarily internal and social, employee based initiatives and strategies and the idea of business success could be the social audit as opposed to the profit margin (Kreps, 1940) there were the responsibilities of businessmen (Bowen, 1953) and social responsibility (Chamberlain, 1953) which saw the arrival in the 1960s the term of CSR (as seen in writings by Eells and Walton, 1961 for example). The idea of the corporation as a purely economic institution was ingrained as (McAdam, 1973) and subjects of corporate responsibility included equality, healthy and safety and external relations (the later of course coming to the forefront with the emergence of stakeholder theory in 1984, [Freeman, 1984]). In the 1970s the expanding domains of CSR were beginning to include environmental aspects and what are considered today to be wellbeing initiatives (reduction of pollution and programmes to increase the quality of life (Backman, 1975). The 1980s saw the coming together of CSR as economic, legal, ethical and voluntary actions (Carroll, 1983). The idea of sustainability (as explained by Hawken, 1993) saw companies thinking of the longer term as well as going beyond legal obligations (McWilliams and Siegel, 2001). Companies today according to van Marrewijk and Were (2003) should have their own CSR aims which is aligned with their strategy, but they often find themselves unable to show that they are committed to CSR (Lindgreen and Swaen, 2010)

and in part this is due to the way that CSR was developed (which included a mix of theories, therefore resulting in differing understandings of what CSR means). The numerous theories concerning CSR which exist create confusion (Seelos, 2004) and this will continue (Lindgreen and Swaen, 2010).

1.2 Management of CSR in companies.

Managing CSR has become almost incontrovertible (Mercier, 2000). Between theory, practice, legal obligations and managerial application, there is a clear trend towards the implication of social and legal initiatives (Lindegreen & Swaen, 2010) as well as the increasing level of reporting (CorporateRegister, 2010). Although CSR is perceived as a strategic tool, pertaining to competitive advantage (Neely, 1999), reducing the effect of crisis (Schneitz & Epstein, 2002; Vanhamme & Grobben, 2009) and improving image (Yoon et al, 2006), yet there is no guarantee of integration into organisational governance (Martinet & Reynaud, 2004). Understandings and definitions of CSR have evolved (Elkington, 1997; van Marrewijk & Werre, 2003) and companies have exceeded the social audit of the 1970s (Gray, 2001), but companies have recently have lost legitimacy following the economic crisis (Tonkiss, 2009). We see an increase in demands from stakeholders (Gray, 2001; Idowu & Papasolomou, 2001) concerning transparency and the idea of the company as a moral person as well as encouragement for companies to show their results (Preston & Post, 1975) and that companies formalise their best practices as well as having more legal obligation (Mauléon & Saulquin, 2008).

Particular situations of change put pressure on economic actors, indeed one might consider that companies might be more restrained in times of crisis (Cheney et al., 1990), and yet companies must prove their legitimacy and sustainability so as to inspire confidence and to respond to the needs of society. As the crisis impacted companies, by reducing profit, we might imagine that there would be knock on effects in other parts of the business such as research and development budgets and earnings. Over and above these immediate impacts, we suggest a way of looking at different parts of the company so as to better understand what else, if anything, was impacted and how. It is of interest then to study how companies responded to social and environmental responsibilities and how these responses may differ or evolve each year, especially during a crisis, such as the recent financial crisis.

We consider the holistic vision concerning the companies' obligations (Bowen, 1953) and those of stakeholders (Freeman, 1984), one which goes beyond maximising profit (Levitt, 1953; Friedman, 1962). For these reasons, we have decided to place ourselves in the framework as explained by Dhaouadi (2008), that of the social contract. Dhaouadi (2008) presents an evolution of thinking regarding CSR and places the "social contract" in the period of 1984-2005 (between the "liberal conception" [Carroll 1979 and Wood 1991] from the end of the 19th century to 1984 when stakeholder theory was introduced by Freeman, and 2005 with the introduction of the theory of "citizenship of companies" where CSR is seen as having a political conception [Champion & Gendron, 2005; Palazza & Scherer in 2008]. Although according to Dhaouadi (2008) we are currently in the political conception of CSR, if we consider that the period in which we find ourselves actually is one of post crisis following government intervention in companies (such as financial bailouts and aid) we consider that companies have been set back from their position. For this reason we do not feel that companies are at the political level, and we are therefore able to consider the social contract approach especially as we are looking at a period of 2006-2010. Our understanding of the social contract, according to Dhaouadi (2008), is outlined below.

Table 1: Social contract theory of CSR translated from Dhaouadi (2008)

Underlying theories	Stakeholder theory
	Integrated social contract theory
Conception of the company	The company is an economic and social actor
Role of the company	Make profits
	To conform to the ethical norms and the principles of justice
Role of the state	Regulate the economic system
	Guarantee the stability of the social context that companies operate in
Key concepts	Social contract
	Stakeholders
	Principles of justice
Conception of CSR	Companies have an ethical obligation to contribute to increasing the well-being of society
	They should satisfy the interests of their stakeholders without breaking principles of justice

Having therefore established our framework, we shall now describe our research design in the second part of this paper, before answering the question of how companies fulfilled the social contract in the third part of this paper.

2. Research methodology

We have decided upon a qualitative method to allow open exploration of the information from the sources.

2.1 Qualitative exploratory method

The authors chose to use the qualitative methodology of content analysis for empirical research. This allowed an analysis of secondary data from company archives for a longitudinal over of twelve companies over five years. Six companies listed on the French stock exchange (CAC 40) and six counterparts in the UK stock exchange (FTSE 500) were selected following specific criteria. The criteria for selection was that companies must have been listed on their stock exchange over the five year period, that they had published information about CSR activities over the five years and that the there was an equivalent company from the sectors for both France and the UK. The chosen sectors and companies were as follows:

> beverages: Pernod Ricard (France) and Diageo (UK), banking: Société General (France) and Barclays (U.K), conglomerate: Bouygues (France) and Unilever (U.K), food: Danone (France) and Associated British Food (U.K.), and telecommunications: Alcatel Lucent (France) and Vodaphone (U.K).

We looked at CSR over a short period of time, which included the recent financial crisis, to gain greater insight into CSR and whether CSR was managed differently during the crisis. To complete the analysis we used social contract theory as the reference frame. The first cycle of analysis covers the five year period of 2006-2010 and looks at the general trends during this period. The second cycle of analysis concentrates on the years following the crisis (2008 and 2009). The analysis uses publicly published information, notably CSR reports. These reports, a legal requirement in France but not in the U.K. and are considered as an information source facilitating the extraction of information for interpretation (Garric *et al.*, 2007)

2.2 Research subject

Many articles have drawn on the differences between CSR in European and American context (such as Phillips, 2008; Sotorrío and Sánche, 2008; Tschopp, 2005) or the differences between Northern and Southern Europe (the Northern European countries being typically more implicated in CSR (Chen & Bauvais 2008). Differences in the approach towards CSR exist, be it due to culture (Ringov & Zollo, 2007), social construction (Dahlsrud, 2008), to the

differences in governmental systems (Aguilera & Cuervo-Cazurra, 2004) or means (Hoskisson *et al.*, 2000). Different meanings and definitions exist in different countries also (Freemand and Hasnoaoui, 2010). By selecting companies from Southern Europe but different countries, we are interested to see what differences might be apparent between these countries; our companies selected were done so for the reason that they gave an overview across sectors, without specialising on one. We also have companies from two countries with very different positions concerning CSR.

France has several laws in place which are linked to CSR, two which are of interest to us, the first from May 2001 (Nouvelles Régulations Economique) obliges companies listed on the French stock exchange to report their social and environmental behaviour in an annual report The second is the recent law from January 2011, concerning the equality of women and men on boards of directors, stating that 20% of the executive board must be female (and 40% by 2016). In France, social reporting has been a legal requirement since 1977 with recent amendments, requires information amongst other subjects concerning the workforce number, departures and arrivals, training hours, the number of disabled workers and health and safety conditions. In the UK, the 2006 Companies Act requires that listed companies provide a business review of performance, but the requirements are very vague and many companies are shown to not report information in detail (Henriques, 2010). Positive discrimination is illegal in the UK, therefore no laws concerning percentage of women on executive boards. We see higher use of the Global Reporting Initiative guidelines in the UK than is France (GRI, 2011), almost double the amount of companies since 2008, but this does not guarantee that all information in the framework is included, indeed in the reports that we studied information was often omitted which prevented us from collecting more data (information concerning training, contract type, and CO_2 emissions for example).

2.3 Thematic analysis of results

The aim of the research is to determine how the social contract has been managed over the five year period, as well as looking at any changes that might have occurred during the crisis. The authors selected practical examples to illustrate the theoretical definitions of the social contract as set out by Dhaouadi (2008). This table of equivalence will enable us to examine two areas of the social contract, firstly how companies increase stakeholder wellbeing (by considering workforce numbers, executive board gender equality and wellbeing actions of the company) and secondly how companies respond to the needs of stakeholders (by examining

philanthropic donations, how companies talk about stakeholders and how the crisis was explained).

Table 2: Practical examples of the elements of the social contract conception of CSR

Theoretical elements from the social contract definition	Practical examples of theoretical elements
Contribute to increasing the well-being of society	- Level of employment - Gender diversity on the executive board - Wellbeing initiatives and activities
Satisfy the interests of their stakeholders without breaking principles of justice	- Philanthropic donations - Executive introductions in CSR reports concerning stakeholders and the crisis

3. Results

The findings are discussed in detail in the following section, and a summary table of results can be found in the appendix.

3.1 The wellbeing of society

Wellbeing includes the feelings of stability and equality (Bergheim, 2006) as well as a series of meanings to each company. The information gleaned from the reports concerning wellbeing gives us a general overview of actions are both company wide (such as the number of employees and male-female parity on the executive board) and at a local level (such as specific health programmes, working conditions or anti-smoking campaigns).

Number of employees

Generally over the five years, companies show little change in workforce numbers. The companies that we have studied show little reduction of employee numbers in 2009, only three (Bouygues, Diageo and Barclays) presented a reduced number of employees and Bouygues was the only company with a significant loss (a reduction of 11, 169 employees in 2009). However in 2010, five companies showed reductions (once again Bouygues and Diageo, as well as Pernod-Ricard, Sanofi-Aventis and GSK).

Gender diversity of executive board

Overall, the percentage of women on company boards is increasing, but all companies are a long way from there being an equal divide (the company with the highest percentage was Pernod-Ricard in 2008 with 28.6% of women on the board, in the UK the highest was

Barclays with 16% in 2011 having had four years of 0%). Figures in France are generally higher, due to the aforementioned law. There was no significant change during the crisis.

Wellbeing within the company

We answered four questions concerning the wellbeing within the companies. We considered frequency of the companies as well as frequency of the theme in our analysis. No significant difference was noted for any of the questions during the crisis, some differences between French and UK companies were noted.

Companies consider wellbeing to be linked primarily to three areas health issues (medical issues, mental health, general health, health in the workplace, healthy eating and illness) as well as working conditions (work lifestyle, diversity, social protection and the subjects of medical experimentation either animals or humans) and safety (injuries, fatalities, security and first aid). Additional areas linked to wellbeing mentioned by fewer companies and less frequently include society (values, human and social capital, economic development, legal, financial and political wellbeing), the environment (biodiversity) and employees (work life balance, lifestyle, self esteem and personal development).

The aims of wellbeing were given more by UK companies than by French. Two distinct themes stand out and both of them have better performance as their aim, the first concern employees performance (enable employees to work better under pressure, reduce absenteeism, reduce turnover, improve employee contribution, improve the work atmosphere and environment, increase employee motivation and improve employee satisfaction) and the second, concerns company performance (maintain business continuity, enable better client relationships, improve company competitively, reduce health care costs and encourage a positive perception of company and work).

Companies organise wellbeing most frequently as services (initiatives or programmes for employees, training, raising awareness, workshops, conferences and education, medical visits and medical or social cover of employees) and as part of company strategy (wellbeing committee and manager, working practices, policies, systems and the working environment). Less frequent but of note are the use of assessments (surveys or questionnaires to employees, measures, monitoring, evaluations and audits and research or studies) and resources (occupational health specialists, dedicated specialists (counselling; support, medical expertise and specialised services) and resources and toolkits). The least frequent way that companies organise wellbeing is through external projects (philanthropic or community projects) and

conferment (working with unions, being part of a network and working with external specialists or experts).

Those most frequently considered to be impacted by the wellbeing of the companies are primarily those who are part of the company (employees, suppliers, contractors and animals and humans used for medical experimentation and testing), a second less frequent group can be identified as those who have direct company links (families of employees, stakeholders, populations impacted by company customers, consumers, patients, clients and specific groups of people in the case of community projects) the least frequent group identified are those with indirect links to the company (society as a whole, humans, public and the environment).

3.2 The interests of stakeholders

Philanthropic work

The general trend over the five years, concerning community donations or investment, shows a steady increase year on year; our French companies donated more money in total than those in the UK. Concerning 2009, we noted a decrease in donations by four companies, two which donated less than in 2008 but both increasing their donations in 2010 to be higher than 2008 (Vodaphone and Diageo); Sanofi-Aventis gave less in 2009 and their donation in 2010 was less than in 2010 and Vodaphone gave less in 2009 but has not realised information for 2010; however for the majority of our companies, 2009 does not appear to be any different from other years.

Executive introduction: crisis

Several themes appeared concerning CSR and the crisis, such as the importance of CSR during the crisis[1] and its role in helping companies in the have long term success[2]. Opinions concerning the impact of the crisis on CSR were divided; while two companies explained that the crisis had no impact on CSR[3] nor on their values[4] two others stated that the crisis would impact CSR resources[5] and create a distraction from CSR[6].

The impact of the crisis on the whole of the company was explained in more detail by the companies, some companies explaining that despite being in a period of crisis, growth was

---

[1] Barclays, 2008
[2] Unilever, 2008; Bouygues 2008
[3] Diageo, 2009
[4] Diageo, 2009; Unilever 2008
[5] Diageo, 2009
[6] Barclays, 2008

still possible[7] and even that there was and that there was little[8] or no impact[9] on the financial side of the company.

There were other impacts identified for companies (indeed, all activities and sectors were affected[10] including employee numbers[11], the crisis caused a distraction[12], reduced purchasing power[13] and created uncertainty[14]), there were impacts on the relationship between companies and society (such as a new social contract[15] and a loss of confidence in company leaders)[16], as well as impacts on society and the values of society itself[17]; there were suggestions that it was not merely a financial crisis but one which was social, environmental and even one of confidence[18].

We identified classical types of behaviour by companies which they claim helped lead to their survival (hard work, taking initiatives, courage, engagement, leadership, precision[19], reactivity[20], vigilance[21], not panicking[22], looking towards the long term[23], being pragmatic[24], not being distracted by problems[25] and continuing to innovate[26]) but it was claimed that a change in thinking was necessary following the crisis[27].

Executive introduction: stakeholders

UK companies addressed the issue of stakeholders far more than French companies in the executive introductions; we did not identify any significant differences in 2009 than the other years. Companies show an interest in stakeholders[28], listen to them[29]; have commitments to

---

[7] Danone 2008; Vodaphone 2009; Unilever, 2009; Barclays 2010
[8] Pernod-Ricard 2006/7
[9] Danone 2008; Bouygues, 2009
[10] Pernod-Ricard 2008-9
[11] Vodaphone, 2009; Danone 2008
[12] Barclays, 2008
[13] Danone, 2009
[14] Barclays, 2008
[15] GSK, 2008
[16] Alcatel-Lucent, 2009
[17] Danone, 2009
[18] Vodaphone, 2009; Danone, 2009; Alcatel, 2009
[19] Danone, 2008
[20] Danone, 2008; Bouygues, 2008
[21] Pernod-Ricard 2006/2007
[22] Diageo, 2009
[23] GSK, 2008
[24] Bouygues 2008
[25] GSK, 2008
[26] Vodaphone 2009
[27] Barclays, 2008; GSK, 2008; Alcatel-Lucent, 2009
[28] Diageo, 2008; Barclays, 2006
[29] Diageo, 2009; Sanofi-Aventis, 2009

them[30]; work with them to find solutions[31], consult them[32]. The CSR reports of companies are undoubtedly the main way that companies communicate with their stakeholders[33] about CSR progress[34], commitment[35], effects[36] and it is also the chance to answer specific questions from stakeholders[37] Companies are aware that stakeholders have expectations[38] and that they need to respond to them[39], although none of the companies mentioned what they were. The input of stakeholders is sought[40] and companies value their opinions[41]. Trust between stakeholders and the company is most important[42] . Companies feel that they can create value for stakeholders[43], benefits[44], prosper[45], do the right thing[46] and act in a way which is in their interest[47].

Conclusion

In this working paper we asked the question of how companies fulfilled the social contract between 2006 and 2010 by looking wellbeing and the satisfaction of stakeholder interests. We considered the level of employment, diversity and what wellbeing represents in companies. A minority of companies showed a reduction in workforce, but what was of interest was to note that this continued into 2010, suggesting that the impacts of the crisis are long term. Overall the general stability suggests that companies are helping to maintain the wellbeing of their stakeholders. Concerning the equality of the executive board it is interesting to note that the French companies which have a legal obligation are achieving more equality that the UK companies and the French companies will no doubt achieve their 40/60 by 2016. Overall the number did increased over the five years, which suggest that there is a voluntary recognition of this issue and even of the UK companies appear to be further away from the goal, there

---

[30] Unilever, 2006
[31] GSK, 2007
[32] Vodaphone 2009
[33] Alcatel-Lucent, 2006
[34] Alcatel-Lucent, 2007
[35] ABF, 2010; Diageo, 2007, Barclays, 2007
[36] Barclays, 2010
[37] Vodaphone, 2006
[38] Barclays 2009, Vodaphone, 2006; Diageo 2009
[39] Alcatel-Lucent, 2007; GSK, 2010; Barclays, 2009
[40] GSK, 2006 ; ABF, 2007
[41] GSK, 2008
[42] Vodaphone 2011; GSK, 2010; Societe Generale, 2008; Vodaphone, 2008
[43] Societe Generale 2008; Vodaphone 2008
[44] Barclays, 2010
[45] Vodaphone 2010
[46] Unilever 2007
[47] Unilver 2008

appears to be a move towards it be it a gradual one, in this respect companies are increasing the welfare of their stakeholders, more in France and faster than the UK.

Wellbeing in companies was shown to concern health, working conditions and safety and was organised as services and was integrated into strategy. It was company based (impacts and actors) and as far as the UK companies were concerned it was aimed at improving performance. Although companies may be improving the wellbeing of stakeholders, they are the stakeholders directly linked to the company and the reasoning behind such measures is dubious. Also actions tend to be very company based as opposed to be for the greater good of society. Overall we can say that there is behaviour which suggests maintaining or improving the wellbeing of stakeholders, but that it relates to company connected stakeholders and the aim appears to be for the good of the company.

Concerning the interests of stakeholders we saw that donations to society were generally increasing apart from a minority of companies which reduced donations following the crisis, but this was on the a temporary measure, so in this respect they fulfilled the contract. CSR was considered as being important by companies to help them trough the crisis and for long term survival. There was growth during the crisis, and luxury companies were not affected but there were other negative impacts such as those on employees, on the relationship between companies and society. Traditional management styles were shown to have been used during the crisis, but there was a call for a change in the way of thinking. Stakeholders the UK companies were spoken about far more about them than French companies. That appear to be engaged in the various relationships with stakeholders and of the importance of reporting as a way to communicate their activities and performance to stakeholders, they also appear to be convinced that their actions are for the good of stakeholders, but what was most apparent was the lack of information concerning just what the stakeholder expectations are.

Very little impact of the crisis can be seen from what we have considered; what have been apparent are the differences between the UK and France. French companies, which have legal obligations, report more (quantitative) CSR information than their UK counterparts (who find themselves in a more voluntary and less legally bound country), and overall we see a general increase in CSR behaviour. However, despite the engaged behaviour of companies concerning wellbeing, we find that they concentrate on stakeholders who linked directly to the company (that is to say employees and not society as a whole) and that wellbeing is linked to health and safety actions and initiatives (which are legal obligations), often with the objective

of increasing performance. The fulfilment of stakeholder objectives appears to be proactively engaged in, however the companies fail to mention just what the stakeholder's objectives are. Although companies ensure they are working in the best interests of stakeholders, it appears that for the time being it is the companies who ultimately decide what these objectives are and how they will be addressed. Our selected companies are engaged in the social contract but we conclude that for the time being it is the companies who dictate to their stakeholders just what this social contract should be

Bibliography

Aguilera, R. V. & Cuervo-Cazurra, A. (2004) Codes of Good Governance Worldwide: What is the Trigger? *Organization Studies*. 25 (3), p. 417–446.

Backman, J. (ed.) (1975) *Social responsibility and accountability*. New York: New York University Press, p. 2-3, cited in Carroll, A. B. (1999) Corporate social responsibility**. *Business and Society*. 38 (3),pp. 268-295, p. 279.

Barthe, N., Peretti, JM. & Terramorsi P. (2010) Les politiques « santé, sécurité et bien-être au travail » à la lumière des rapports RSE des entreprises du CAC 40. *Management & Avenir*. 8 (38), p. 104-116.

Bergheim, S. (200) Measures of well-being. *Deutsche Bank Research.*

Bordo, M., Eichengreen, B., Klingebiel, D., Martinez-Peria, M. S. and

Is the Crisis Problem Growing More Severe?...

Bowen, H. R. (1953) *Social responsibilities of the businessman*. New York: Harper & Row, p. 6, cited in Wartick, S. L. and Cochran, P. L. (1985) The evolution of the corporate social performance model. *Academy of Management Review*. 10 (4), pp. 758-769, p. 759.

Carroll, A.B. (1979) A three-dimensional conceptual model of corporate performance. Academy of Management. *The Academy of Management Review*. 4 (4), pp. 497-505.

Carroll, A. B. (1983) Corporate social responsibility: Will industry respond to cutbacks in social program funding? *Vital speeches of the Day*. 49, pp. 604-608, p. 604, cited in Carroll, A. B. (1999) Corporate social responsibility**. *Business and Society*. 38 (3), pp. 268-295, p. 286.

Chamberlain, N. W. (1953) *Social Responsibility and Strikes*. New York: Harper & Row, p. 13, quoted in Zenisek, T. J. (1979) Corporate social responsibility: A conceptualization based on organizational literature. *Academy of Management Review*. 4 (3), pp. 359-368, p. 361.

Cheney, G; & McMillan, J. J. (1990). Organizational rhetoric and the practice of criticism. Journal of. Applied Comm. Res. 18 (2), p. 93-114.

Child, J. (2002) The International Crisis of Confidence in Corporations. *The Academy of Management Executive (1993-2005)*. 16 (3), pp. 145-147.

Child, J. & Rodrigues, S. (2003) The International Crisis of Confidence in Corporations. *Journal of Management and Governance*. 7 (3), p. 233-240.

Champion, E. & Gendron, C. (2005) De la responsabilité sociale à la citoyenneté corporative : l'entreprise privée et sa nécessaire quête de légitimité. *Nouvelles pratiques sociales*. 18 (1), p. 90-103.

Choi, C., Eldomiaty, T., & Kim, S. (2007). Consumer Trust, Social Marketing and Ethics of Welfare Exchange. Journal of Business Ethics, 74(1), p.17-23.

CorporateRegister.Com. (2010) CRRA CRReporting Awards'10 Global Winners & Reporting Trends. Available at: http://www.corporateregister.com/pdf/CRRA10.pdf

Chen and Bauvais 2008

Dhaouadi I. (2008) La conception politique de la responsabilité sociale de l'entreprise : Vers un nouveau rôle de l'entreprise dans une société globalisée. *Revue de l'organisation responsable*. 3 (2), p. 19-32.

Drucker, P. F. (1942) *The Future of Industrial Man* (2nd ed.) New Jersey: Transaction Publishers.

Eelles, R. and Walton, C. (1961) *Conceptual foundations of business*. Homewood: Richard D. Irwin, p. 457-458, quoted in Carroll, A.B. (1979) A three-dimensional conceptual model of corporate performance. Academy of Management. *The Academy of Management Review*. 4 (4), pp. 497-505, p. 497.

Eells, R. and Walton, C. (1974) *Conceptual foundations of business* (3rd ed.) Burr Ridge: IL Irwin, p. 247, cited in Carroll, A. B. (1999). Corporate social responsibility**. *Business and Society*. 38 (3), p. 268-295, p. 278.

Elkington, J. (1997) *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*. 2nd ed. Oxford: Capstone Publishing Limited.

Freeman. R. E. 1984. *Strategic management: A stakeholder approach.* Boston: Pitman, p. 46, cited in Agle, B. R., Mitchell, R. K. and Sonnenfeld, J. A. (1999) Who Matters to CEOs, An Investigation of Stakeholder Attributes and Salience, Corporate Performance, and CEO Values. *Academy of Management Journal*. 42 (5), pp. 507-525, p. 508.

Friedman Milton. *Capitalism and Freedom.* Chicargo : University of Chicargo Press, 1962.

Friedman, M. (1970) *The Social Responsibility of Business is to Increase its Profit.* The New York Times Magazine, September 13.

Freemand and Hasnoaoui, 2010

Garric N., Léglise I. & Point S. (2007) Le rapport RSE, outil de légitimation ? Le cas TOTAL à la lumière d'une analyse de discours. *Revue de l'organisation responsable.* 2, p. 5-19.

Gray, Rob. (2001) Thirty years of social accounting, reporting and auditing: what (if anything) have we learnt? *Business Ethics: A European Review*. 10 (1), pp. 9-15.

Hawken, P. 1993. *The ecology of commerce: A declaration of sustainability.* New York: Harper Business, p. 139, cited in Gladwin, T. N. and Kennelly, J. J. (1995) Shifting paradigms for sustainable development: Implications for management theory and research. *Academy of Management Review*. 20 (4), pp. 874-907, p. 877.

Henriques, A. (2010) The reporting of non-financial information in annual reports by the FTSE100. *CORE Coalition*.

Hoskisson, R., Eden, L., Lau, C. & Wright, M. (2000), Strategy in emerging economies. *Academy of Management Journal*. 43 (3), p. 249-67.

Idowu S. O. & Papasolomou, I. (2007) Are the corporate social responsibility matters based on good intentions or false pretences? An empirical study of the motivations behind the issuing of CSR reports by UK companies. *Corporate Governance.* 7 (2), p. 136-147.

Igalens J. (2007) L'analyse du discours de la responsabilité sociale de l'entreprise à travers les rapports annuels de développement durable d'entreprises françaises du CAC 40. *Finance Contrôle Stratégie*. 10 (2), p. 129 – 155.

Kreps, Theodore J. (1940) *Measurement of the Social Performance of Business* (Monograph No. 7, An Investigation of Concentration of Economic Power for the Temporary National Economic Committee). Washington, D.C: United States Government Printing Office, p. 2 cited in Carroll, A. B., & Beiler, G. W. (1975) Landmarks in the Evolution of the Social Audit. *Academy of Management Journal.* 18 (3), pp. 589-599, p. 591

Levitt, T. (1958). The Dangers of Social Responsibility. *Harvard Business Review.* 36 (5), pp. 41-50.

Lindgreen, A. & Swaen, V. (2010). Corporate Social Responsibility. *International Journal of Management Reviews.* 12 (1), p. 1-7.

Mauléon F. & Saulquin, J-Y. (2008) L'affichage éthique dans les rapports annuels des Sociétés du CAC 40 : déterminants et implications pratiques. *Management & Avenir.* 6 (20), p. 129-146.

Mercier, S. (2000) La formalisation de l'éthique : un outil stratégique pertinent pour l'entreprise. *Finance Contrôle Stratégie.* 3 (3), p. 101-123.

Massey, J. E. (2001) Managing Organizational Legitimacy: Communication Strategies for Organizations in Crisis. J*ournal of Business Communication.* 38 (2), p. 153-182

McAdam, T. W. (1973) How to Put Corporate Responsibility into Practice. *Business & Society Review/Innovation.* 6, pp. 8-16.

Martinet, A. C. & Reynaud, E. (2004). *Stratégies d'entreprise et écologie.* Paris : Economica.

McWilliams A, Siegel D. (2001) Corporate social responsibility: a theory of the firm perspective. *The Academy of Management Review,* 26 (1), pp.117–127

McWilliams, A., Siegel, D.S. and Wright, P.M. (2006). Corporate social responsibility: strategic implications. *Journal of Management Studies.* 43, p. 1–18.

Neely, A. (1999) The performance measurement revolution: why now and what next? *International Journal of Operations & Production Management.* 19 (2), p. 205-228.

Phillips, R. (2008) European and American perspectives on corporate social responsibility. *Business Ethics: A European Review.* 17 (1), p. 69–73.

Palazzo G. & Scherer, A. G. (2008) Corporate Social Responsibility, Democracy, and the Politicization of the Corporation. *Academy of Management Review.* 33, p. 773-775.

Preston, L. E. and Post, J. E. (1975) Private management and public policy: the principle of public responsibility. Engleweed Cliffs, NJ: Prentice Hall, cited in Wood, D. (2010) Measuring Corporate Social Performance: A Review. *International Journal of Management Reviews*, 12 (1), p. 50-84, p. 280.

Ringov, D. & Zollo, M. (2007) Corporate responsibility from a socio-institutional perspective. The impact of national culture on corporate social performance. *Corporate Governance.* 7 (4), p. 476-485.

Schanza, K. U. (2009) Maintaining Stakeholder Trust in Difficult Times: Some Fundamental Reflections in Light of the Credit Crisis. *The Geneva Papers.* 34, p. 260–270. doi:10.1057/gpp.2009.4

Sotorrío, L. L. & Sánche, J.L.F. (2008) Corporate Social Responsibility of the Most Highly Reputed European and North American Firms. *Journal of Business Ethics.* 82 (2), p. 379-390.

Seelos, C. (2004) Finding a path in the sustainability jungle. *Occasional paper IESE Business School University of Navarra.* OP 05 (1)

Schnietz, K. E. & Epstein, M. J. 2002. Corporate Reputation review, Vol. 7 (4) p. 327-345

Tonkiss, F. (2009) Trust, confidence and economic crisis. *Intereconomics.* 44 (4), p. 196-202.

Tschopp, D. J. (2005) Corporate Social Responsibility: A Comparison Between the United States and the European Union *Corporate Social Responsibility and Environmental Management.* 12, p. 55–59.

Vanhamme, J. & Grobben, B. (2009) "Too Good to be True". The effectiveness of CSR history in countering negative publicity. *Journal of Business Ethics*. 85, p. 273-283.

van Marrewijk, M., & Werre, M. (2003). Multiple Levels of Corporate Sustainability. *Journal of Business Ethics*, 44 (2/3), pp. 107-119.

Selvi, Y. & Wagner, E. (2010) Corporate Social Responsibility In The Time Of Financial Crisis: Evidence From Turkey. *Annales Universitatis Apulensis Series Oeconomica*. 12 (1), p. 281-290.

Wood, D. J. (1991) Corporate Social Performance Revisited. *Academy of Management Review,* 16, pp. 691-718.

Yoon, Yeosun. Gurhan-Canli, Zeynep. Schwarz, Norbert. 2006. "The Effect of CSR Activities on Companies with bad Reputations". Journal of Consumer Psychology, Vol. 16, No. 4, pp. 377-390.

Appendix 1: Summary of findings

Elements of social contract	Practical examples	General comments concerning 2006-2010	Period of crisis
Contribute to increasing the well-being of society	Level of employment	- General relative stability	- One company shows a significant reduction of personal in 2009 (three in total)
	Gender diversity on the executive board	- General slow increase - Higher percentage of women in France - Legal obligation in France	- None seen
	Wellbeing initiatives and activities	- Linked to health issues, working conditions and safety - Aim of better performance - Organised through services and part of company strategy - Those who are directly linked to the company	- None seen
Satisfy the interests of their stakeholders without breaking principles of justice	Philanthropic donations	- Increase year on year - France donated more money	- Four companies donated less
	Executive introductions –crisis	- n/a	- Importance of CSR - Divided over impact of crisis on CSR - Some companies impacted others not; impact on relationship between company & society and society - traditional management during crisis; call for change of thinking
	Executive introductions –stakeholders	- More information from UK than France - Communicate progress and commitment - Relationships with stakeholders - Expectations identified and attempted to be met - Trust of stakeholders is of importance - Companies claim to act in interests of stakeholders	- None seen