Doing Better by Doing Good

A Qualitative Study on the Pro Bono Projects of Management Consulting Companies in Sweden

John Öberg – 24652
Kiryl Shantyka – 24610

Bachelor Thesis
Stockholm School of Economics
2022

Abstract

Pro bono engagement has for centuries been a natural practice in the lawyer industry. Recently, the phenomenon has spread to other sectors, such as medicine, marketing, advertising, accounting – and management consulting. The impact management consulting companies can create on pro bono projects is enormous. Yet, many NGOs still struggle with optimizing their efficiency in order to be able to address the challenges humanity faces today. Despite this importance, the phenomenon is still under-researched. This thesis aims to shed some light on the topic and map out organizational motivation to engage in pro bono projects through the lens of stakeholder theory and employee engagement theory. We found that the primary reason for conducting pro bono projects by management consulting companies was dictated by significant pressure from employees, followed by the positive business outcomes management associates with pro bono engagement. The strong interplay between stakeholder theory and employee engagement theory describes the stakeholder pressures companies navigate through and clarifies mechanisms companies use to maintain and develop relationships with existing and potential customers while offering employees meaningful engagement and opportunities to develop. We also concluded that the perception of benefits by management consulting companies played a more essential role than actual proof for the business case of pro bono. This study will enable managers to make more informed decisions regarding their pro bono engagement as well as contribute more broadly to the stakeholder and employee engagement literature with industry-specific insights.

Keywords: Pro bono, Employee Engagement, Stakeholders, Management consulting, CSR
Supervisor: Max Jerneck, Affiliated Researcher, SSE Institute for Research (SIR)
Examiner: Laurence Romani, Professor, Department of Management and Organization

Bachelor Thesis
Bachelor Program in Management Stockholm School of Economics

Abbreviations

Abbreviation	Meaning
PB	Pro Bono
ST	Stakeholder Theory
EE	Employee Engagement
CSR	Corporate Social Responsibility
NGO	Non-governmental Organization
SSE	Stockholm School of Economics

Definitions

By companies, consultancies, consulting industry, the industry we refer to management consulting companies and the management consulting industry.

Contents

1. Introduction

1.1 Background

Pro bono (PB) refers to professional services voluntarily undertaken "for the public good" for a reduced payment or completely free. Pro bono differs from volunteerism by the requirement of the specialized skills and professional expertise involved to deliver services to parties that otherwise cannot afford them.

Consequently, PB services should be assessed through the industry and expert services supplied. The oldest tradition of PB can be found in the legal industry, where it is a deeply integrated practice considered to be an ethical duty of any lawyer (Maute, 2002). Although many other industries today, e.g. medicine, marketing, and accounting, offer PB services to an increasing extent, they lack a well-established tradition. This leads to a widely discussed dilemma between conflicting logic of achieving both financial objectives and social purpose (Jensen, 2002). According to Patterson et al. (2020), demand for PB is increasing concurrently, while professional service businesses are pressured to produce revenue growth and productivity gains and expect more of their employees. Still, the majority of consulting firms today conduct PB engagement and offer NGOs PB opportunities and advanced partnership programs (e.g. Deloitte, PwC, 2022).

A possible explanation of this phenomenon is the effectiveness of PB as a tool for supporting CSR programs and the notion of shared value. Pro bono can also help consultancies achieve their goals by increasing employee engagement, cultivating skills, and fostering innovation (Mirvis & Googins, 2018). In the consulting industry, innovation and human capital are the most important sources of competitive advantage. Hence, we can anticipate CSR activities like PB engagement to be a strategic component. The donating firm might in exchange obtain certain non-monetary benefits that, when translated into monetary worth, can potentially outweigh the monetary value spent on PB by the donor firm.

Despite its peculiarity, PB engagement outside the legal profession has received little attention from scholars. The importance of management consulting PB activities may be recognized by shifting the focus from their donors to beneficiaries. A study by the Taproot Foundation (2018) showed that 68% of nonprofit professionals report they do not have enough financial resources for normal operations and 95% report that PB services improved their organization's effectiveness. These figures demonstrate an opportunity for management consultants to contribute to addressing the global challenges humanity confronts today by cooperating with NGOs and assisting in optimizing their scarce resources. The opportunity to create substantial impact makes it interesting to obtain a better understanding of the unstudied field of management consulting companies' incentives to engage in PB activities.

1.2 Previous Research and Research Gap

In academic literature, PB engagement is typically examined as a type of CSR engagement (Burbano, 2018; Hanlon et al, 2009). Although there is vast research on CSR activities (donations, philanthropy, volunteerism, etc.) in the marketing and lawyer industry, there is a lack of studies on PB activities within industries like management consulting (Patterson et al, 2020). According to the same study, no academic research has been done to model the factors motivating and/or discouraging PB engagement in service professions, like management consultancy. Patterson claims to conduct the first study examining personal, situational, and business factors defining PB engagement motivation in management consulting. However, that statement is technically untrue. Mirvis & Googins (2018) have partially covered this industry's motivation through the lens of social innovation and employee engagement. There are also several studies touching upon the consulting industry and studying cross-institutional aspects of PB services (Arnold et al., 2011) or organizational and intrinsic motivation (McColl-Kennedy, 2015).

Nevertheless, research scarcity on the incentive to engage in PB activities in the management consulting industry can be observed. This becomes evident when PB engagements are discussed in other industry-dedicated literature such as advertising (Waller, 2010), communication (Waller, 2012), healthcare (Goupil et al., 2020), and specifically legal services (Burbano, 2018). Due to the nature and history of legal industry practice, existing literature here tends to individualize the PB engagement through an employee individuality, ignoring organizational motivation. Boon and White argue that "t*o individualize [pro bono]… would be to misunderstand the social, political and organizational context within which it operates*"(1999:190).

Several researchers attempted to develop discussion towards organizational context. Hwang and Powell (2009) observed a trend towards rationalizing PB as a collective enterprise, almost a parallel institution to CSR. Some scholars studied the role of companies' size, concluding PB to be an institutionalized practice across the large firms only (Cummings, 2004; Boutcher, 2013). Some scholars stressed firms' profitability is one of the strongest predictors of their willingness to devote organizational resources to CSR, including PB (Margolis & Walsh, 2003; Orlitzky et al., 2003; Campbell, 2007). Patterson et al. (2020) equated all the professional services, suggesting the entire service industry will be driven by the same institutional logic. Despite these academic efforts, according to Boutcher (2017), we still observe individualization of PB by scholars.

Within CSR academia, previous research has mainly focused on explaining how corporate volunteering could impact their CSR image and help them obtain competitive advantage (e.g. Basil et al., 2009; Plewa et al., 2015) or linking CSR activities to positive organizational outcomes (Aguilera et al., 2007; Aguinis & Glavas, 2012). For instance, Bode et al. (2015) concluded retention rates increase for employees who valued meaningfulness and worked PB in a consulting firm.

Our study will contribute to the literature by mapping industry-specific insights and determining the motivation for undertaking PB projects by management consulting firms. Considering the individualized approach to understanding PB engagement motivation in previous research, it is of interest to investigate motivation from an organizational perspective and to obtain industry-specific insights.

1.3 Purpose and Research Question

In this study, we research organizational motivation for PB engagement. We focus on what makes companies' managers devote paid labor hours to unpaid or significantly discounted projects. We intend to examine the theoretical and empirical grounds to show the connection between PB engagement and the stakeholder approach applied by companies. We do it through the umbrella of stakeholder theory combined with employee engagement theory, which provides an even deeper understanding of organizational motivation. This study will enable managers to make more informed decisions regarding PB engagement. Hopefully, the study will contribute more broadly to the stakeholder and employee engagement literature on the PB phenomenon within the industry. Additionally, this is a CIVICA thesis (Appendix 1).

Consequently, the purpose of this study is to explore and gain an understanding of why management consultant firms engage in PB projects, which results in the following research question:

Why do management consulting companies engage in pro bono projects?

1.4 Main Focus and Delimitations

This study is limited to organizational motivation and excludes individual employee motivation. We focus on management reasoning and the drivers leading companies to engage in PB projects. We do not estimate monetary value of different benefits or rank favorability but rather interpret motives, benefits and drawbacks of PB management and consultants experience. Non-profit management consulting companies are excluded as their business models do not possess the same value creation conflict as for-profit management consultants demonstrate and, thus, may strongly deviate in their motivations. This study is limited to Sweden, due to our belief that cultural differences regarding e.g. philanthropy, and volunteering vary between countries. To achieve good coverage of the phenomenon in the industry, we had no limitations regarding the size of the studied companies but included every company with ongoing PB engagement. Including companies without PB projects could result in a broader understanding of companies' relation to PB services. However, to better understand the drivers behind PB projects, we want an insight into the practical experiences of consultancy firms conducting PB engagements today.

2. Theoretical Framework

This section outlines the theoretical frameworks used to answer our research question, namely Stakeholder Theory (ST) and Employee Engagement (EE) Theory. This section presents and discusses the theories and gives a brief overview of related literature.

2.1 Stakeholder Theory

Stakeholder theory (Freeman, 1984) is a management theory that integrates the social contract into organizational decision-making by bridging the areas of ethics and capitalism. With changes in the business environment, a necessity to redefine the value creation process for businesses emerged. A stakeholder approach to business is “about value creation and trade and how to manage a business effectively” (Freeman et al., 2008). A stakeholder is any group or individual that can affect or be affected by realizing an organization’s purpose (Freeman et al., 2010). Hence, ST describes how the relationships with the stakeholders of an organization interact to generate maximum value in an ethical manner and in a broader sense. The significance and application of ST have risen over the past decades, partially due to increasing concerns about growing corporate power, misconduct, and exploitation (Laplume et al., 2008). Despite some “critical distortions” and “friendly misinterpretations” as delineated in Phillips et al. (2003), the ST has been advanced and justified in the management literature based on its descriptive accuracy, instrumental power, and normative validity (Wu, 2015).

In management theory, ST implies balancing multiple, often conflicting stakeholder interests and includes three main components with a normative aspect as its core, developed by instrumental and descriptive aspects (Figure 2.1) (Donaldson & Preston,1995). In management ST literature, many scholars mix the instrumental and descriptive aspects as both are considered part of the management aspect of the concept. According to Rose et al. (2018), these primary aspects can be understood as:

- A normative core positing a moral imperative for managers to attend to the legitimate interests of a variety of stakeholders, not only company shareholders.
- An instrumental element investigating the connection between stakeholder management and organizational outcomes.
- A descriptive aspect concerned with the identification of stakeholders and their interests and relationships.

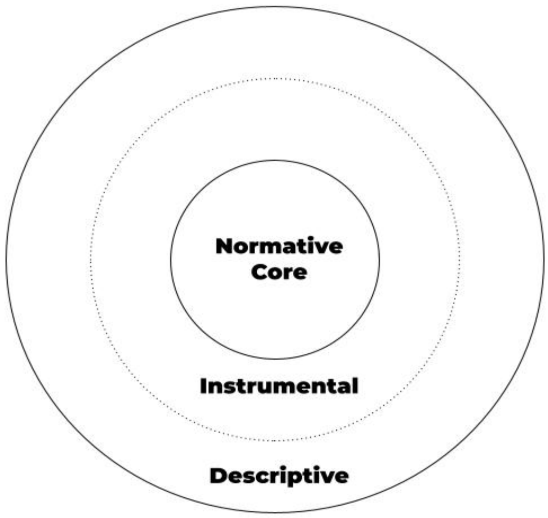

Figure 2.1. Three Aspects of Stakeholder Theory after Donaldson & Preston (1995)

Scholar discussion suggests various defining stakeholders, yet argued that typically firms tend to have similar stakeholder groups (Freeman, 2007). Over the years, the debate shifted to discussing which stakeholder groups should be included in managerial consideration, which resulted in a reviewed model suggesting a two-tier view where both primary and secondary stakeholders should be included, implying different managerial assessments (Freeman et al., 2010).

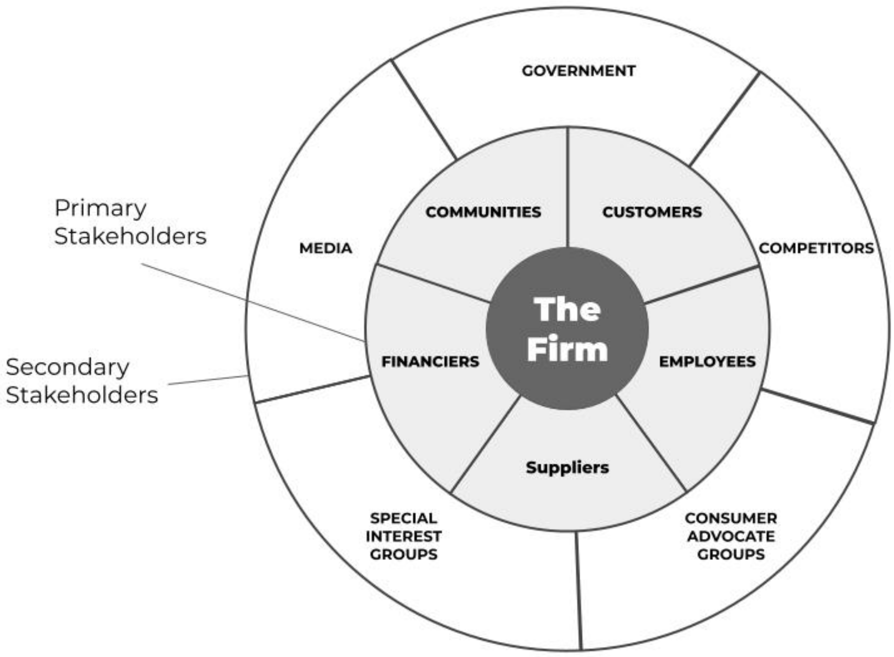

Figure 2.2 Two-tier stakeholder map after Freeman et al. (2007)

According to Freeman et al. (2010), many strategists are confused by including competitors as stakeholders within ST. However, based on the definition and areas the conceptualization addresses, most stakeholder models envision competitors alongside other stakeholders.

ST is often contrasted by scholars to the concept of agency theory, which instead privileges maximizing shareholder value as companies' primary objective (Jensen, 1993). According to Shaikh (2022), economists' views have since evolved to acknowledge the reality that a firm is more than a nexus of arm's length financial contracts. Bundy et al. (2018) support this view that management can benefit more from cooperative behavior by communicating values and aligning their interests with stakeholders. It's worth noting that ST suggests agents are boundedly rational, reasonably self-interested, and predominantly intrinsically motivated to realize the value of ecosystem partners (Shaikh, 2022).

Criticism

The stakeholder approach was criticized by scholars as a concept that cannot provide a sufficiently specific objective function for the corporation, concerned with the distribution of financial outputs or an excuse for managerial opportunism (Marcoux, 2000; Sternberg, 2000; Jensen, 2002). This led to an alternative view on rewards where a pecuniary view (financial incentives) on rewards was complemented by non-pecuniary (i.g. non-monetary extrinsic rewards), which may contribute to understanding a company's motivation to engage in activities that aren't directly connected to pecuniary rewards, for instance, PB services. It is from that perspective we take our stance using ST as a tool to understand motivations rather than investigating specific objectives and financial outputs of the companies.

2.1.1 Stakeholder Theory's Research on Pro Bono Engagement

Today, organizations are expected to communicate not just their commercial outcomes, but also their CSR engagement. Many scholars see it as a sort of moral legitimation that may benefit organizations' image and attract important stakeholders (Greening & Turban, 2000; Richards et al., 2017). Academia has provided extensive research on CSR engagement. Many studies identified institutional and organizational predictors of CSR activities and their relation to various outcomes (e.g. Aguinis & Glavas, 2012; Glavas, 2016).

Scholars also used ST to study PB. Several studies used ST to describe PB in various industries, aiming to either identify potential advantages (Lister, 2008; Waller, 2010) or map

PB activities disclosure (Waller, 2012). Gray et al. (1995) claimed that organizations strive to demonstrate to stakeholders that they are socially and morally accountable for their actions by engaging in PB activities and communicating them in company reports and other corporate channels.

2.2 Employee Engagement Model

Within management literature, employees have always been considered a primary stakeholder for organizations to maintain (Madsen & Ulhøi, 2001; Young & Thyil, 2009; Bauman and Skitka, 2012). Partially due to their potential to affect general (Johansen, 2010) or CSR-related decision-making (Oh & Chen, 2015). Thus, companies have an interest in managing their relations with employees.

According to Wollard & Shuck (2011), employee engagement (EE) is vital for businesses. Numerous studies suggest that higher levels of EE significantly reduce employee turnover intention (Saks, 2006; Shuck et al., 2011) and enhance job and task performance, organizational citizenship behaviors, productivity, discretionary effort, affective and continuance commitment, and most importantly associated with higher levels of profit, overall revenue generation, and growth (Richman, 2006; Xanthopoulou et al., 2009, Rich et al., 2010; Christian et al., 2011).

EE is a contentious and evolving academic construct with a broad range of definitions. A largely acknowledged definition of engagement was proposed by William Kahn. Kahn suggested engagement is a multidimensional construct and defined personal engagement at work as *"harnessing of organization members' selves to their work roles: in engagement, people employ and express themselves physically, cognitively and emotionally during role performances"* (Kahn,1990:694). Kahn emphasized the significance of psychological conditions, preceding engagement: meaningfulness, safety, and availability. According to Kahn, these antecedents explain why an employee may choose to personally engage or disengage and highlight the link between the work conditions experienced by an individual and an employee's working conditions or role. These EE antecedents conflate an organizational value systems assessment (by examining value congruence, perceived organizational support, and interpersonal relations at work), and core self-evaluations, which refer to the degree of self-confidence individuals have over the exercise of influence in their work environment.

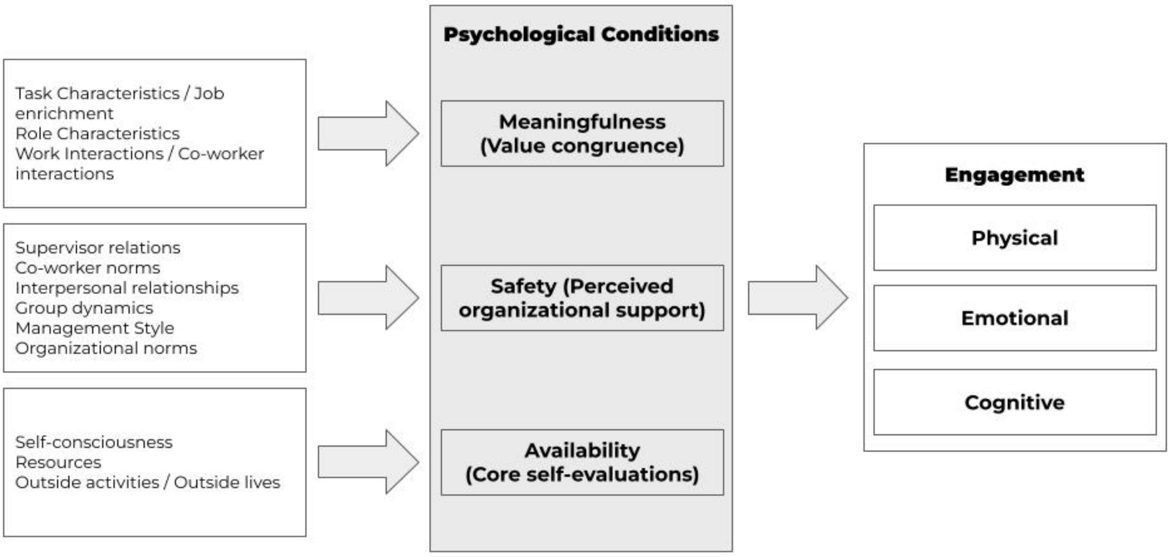

Figure 2.3 EE Model (cf. Kahn (1990), May (2004), Rich et al.(2010))

The academic literature has provided valuable insights into the construct of EE and rigorously tested causal relationships between antecedents and engagement outcomes (Xanthopoulou et al., 2009; Rich et al. 2010). The practitioner literature focuses on managers' capability to generate employee identification, beneficial job features, or engaged employees while navigating through potential conflicting interests.

Empirical tests of Kahn's (1990) model proved that meaningfulness, safety, and availability were significantly related to engagement and mediate the antecedents – engagement relationships (May, 2004; Rich et al. 2010). Most importantly, meaningfulness was found to have the strongest relation to different employee outcomes in terms of engagement (May, 2004).

Meaningfulness can be defined as the value of a work goal or purpose, judged in relation to an individual's own ideals or standards (Hackman & Oldham, 1980; May, 2003). Finally, Kahn (1990) defined safety as the *"feeling of safety without fear or any negative elements of self-image, status or career shown himself"* and availability as the *"sense of possessing the physical, emotional, and psychological resources necessary"* to complete one's work.

In conclusion, we observe meaningfulness has shown to have the strongest relation to EE emergence, which combined with two other conditions, demonstrate the EE model's relevance for accessing organization motivation to increase EE engagement.

2.2.1 Development of Kahn's Model and its Criticism

The conceptualization suggested by Kahn laid the groundwork for EE discussion. As a result of the increased acknowledgment of EE prompted by Kahn's work, many researchers have begun to investigate engagement from many theoretical and practical viewpoints (Shuck, 2011). Kahn's research has been criticized for considerable overlaps and redundancy between engagement and other notions (e.g. job satisfaction) (Newman & Harrison, 2008; Wefald & Downey, 2009). However, there is overlap among many constructs in the organizational sciences, while they still can add to our understanding of organizational phenomena (Gruman & Saks, 2011).

Despite an ongoing discussion, recent organizational researchers advocate for returning to Kahn's conceptualization (cf. the need-based approach) as it reflects not just a vast motivational construct but also one with particular psychological conditions that are both prerequisites and antecedents (Saks & Gruman, 2014; Anthony-McMann, 2017).

We believe EE shouldn't be seen as just another HR-framework, but as a long-term process that is tied to core business elements such as values, culture, and managerial philosophy. By conceptually integrating Kahn's (1990) theoretically derived dimensions of engagement in understanding employees as a primary stakeholder in a company, we deem there is a conceptual fit, establishing theoretical grounding for a better understanding of why companies may choose to engage in PB services.

EE and CSR

These are clear indicators that key organizational stakeholders express increasing concern about the commitment of organizations to their social responsibilities and moral obligations (Lange & Bundy, 2018; Ellemers & De Gilder, 2021). Research on CSR and EE is relatively nascent (Glavas, 2016), but there are a few studies that establish that there is a positive relationship between CSR and EE. It contradicts the findings of May (2004) that found volunteering seems to have depletion effects on work engagement but criticized this finding themselves. Caligiuri et al. (2013) concluded a positive relationship between CSR and EE. Glavas (2012) explains the positive correlation between CSR and engagement by assuming that employees find more meaningfulness and value congruence at work.

There is only one reliable study in organizational management that connects the two concepts of PB and EE. Mirvis & Googins (2018) concluded that PB engagements had the potential to psychologically engage employees who participated in them. Researchers also explained the corporate motivation for engagement in PB by learning and development opportunities and mentioned EE as the main beneficial outcome for stakeholders.

3. Methodology

This section presents the research design and philosophy, how data was collected and analyzed and a discussion of the method.

3.1. Research Design and Philosophy

3.1.1 An Abductive and Qualitative Approach

The approach to theory development in this study has been abductive reasoning. To explain PB projects within the management consultancy industry we alternately collected empirical material and applied different theoretical frameworks. This fluctuation between the general and the specific lead to a set of premises deemed sufficient to explain the specific phenomenon (Van Maanen et al. 2007). This would not have been possible using a purely deductive or inductive method. The purpose of our study is considered exploratory as it aims to generate insight and explore the chosen phenomenon. The abductive approach is therefore suitable since exploratory research has to be adaptable to change and becomes increasingly focused as the research progresses. As we seek to study meanings and associated relationships that the interviewees identify we have a qualitative approach (Saunders et al., 2019).

3.1.2 A Social Constructivist and Interpretive Study

This thesis takes a subjectivist position as we believe managers make decisions based on their subjective opinions, contexts, and narratives. Further, we are aware that our own values and beliefs affect and are incorporated into our research and do actively evaluate and reflect upon this. Hence, an objectivist position would not be suitable. Ontologically, we acknowledge the existence of partially shared meanings and realities, created through the interaction of social actors. The organizations studied are not seen as objects but understood as ongoing processes where social phenomena constantly are revisioned. Social reality is thus seen as intersubjectively constructed, not external, or decided by universalism. Consequently, social constructionism is the subjectivist tradition we embrace. The epistemology adopted in this thesis is based on the assumptions of the arts and humanities, where opinions and beliefs are considered legitimate and acceptable knowledge (Saunders et al., 2019). The empirical material is seen as co-produced by us and the interviewees (Denzin, 2001). This is suitable as our method is qualitative where we want to gain rich empirical data. As we seek to understand the way PB is conducted within the consulting industry, rather than drive change, we work within the regulation perspective (Kelemen & Rumens 2008). Consequently, we are working within the interpretive paradigm (Saunders et al., 2019).

3.1.3 A Cross-Sectional Study

The study is cross-sectional as it studies a particular phenomenon through multiple cases under a limited time frame. This enables us to determine the relationships between different variables which we need to answer the research question. As we do not want to study change or development per se a longitudinal study would not have been appropriate (Saunders et al., 2019).

3.2 Data Collection

3.2.1 Sample

This study is built on interviews done with 12 individuals working for 7 different management consultancy firms. The target population was individuals with an explicit relationship to the PB projects at their companies respectively. Partners and CEOs were crucial as they ultimately are responsible and are the ones who decide whether their company should conduct PB engagement or not. Their perspectives are crucial to answering our research question. Consultants and middle management were interviewed to increase our understanding and insight which makes the empirics richer. The sampling technique used is self-selection sampling. It is a non-probability sample which is the most appropriate considering the subjectivist research approach and limited accessibility (Saunders et al., 2019).

In total 17 firms were contacted with a general invitation via the SSE corporate relations send-out or email (Appendix 3). The accepting companies varied in terms of the number of employees, revenue, age, and primary customer groups, which is deemed to result in good coverage of the management consultancy industry. Bigger firms that declined referred to lack of time and smaller companies stated that they had no PB engagements.

Companies were divided into three categories: big, middle, and small based on a combined assessment of their number of consultants and revenue retrieved from their annual reports. To protect the identity of the companies, we intentionally do not specify a specific number of employees or revenue streams used for the assessment. Participants are presented in Table 3.1:

Table 3.1: List of participating companies and interviewees

Interviewee	Company	Company size	Position	Code	
1	A	Big	Top Management	A1	
2			Consultant	A2	
3	B		Top Management	B1	
4	C		Middle Manager	C1	
5			Middle Manager	C2	
6			Consultant	C3	
7			Consultant	C4	
8	D	Middle	CEO	D1	
9	E	Small	Top Management	E1	
10			Consultant	E2	
11	F		CEO	F1	
12	G		Middle Manager	G1	

3.2.2 Interview Process

Data collection was done through a mono method where semi-constructed interviews were used. Two interview guides, one for managers and one for consultants, were conducted with 8 open, concise, and unambiguous questions, and several probable follow-up questions. This 'non-standardized' method enabled us to partly compare the interviewees' responses, but also to remain open-minded to the subject, ask follow-up questions to gain deeper insights, and give the interviewees opportunities to express and elaborate their unique perspectives on complex themes. This would not have been possible using a purely structured or unstructured interview method. We listened carefully and attentively to the interviewees, giving eye contact, nodding, and avoiding interrupting when the interviewees talked, to manifest active listening. This allowed us to ask for clarifications and confirmations when things were unclear and explore points of interest (Saunders et al., 2019) (Appendix 2).

3.3 Analysis

With the consent of the interviewees, the interviews were recorded and later transcribed. The analytical technique applied to comprehend the large qualitative data set is thematic analysis. Hence, the analytical focus has been on themes, and data fragmentation and reduction have been central. The flexibility and straightforwardness of this technique allowed us to invest our energy into a rigorous analysis rather than focusing on applying a more advanced technique correctly (Braun & Clarke, 2006). Coding was used to categorize recurring and seemingly important concepts in the data. Codes were organized into themes as relationships, patterns, and trends appeared. The themes were later organized under an overarching theme (Appendix 4). Codes and themes were refined, added, and modified concurrently to catch the essence and relate our findings to our research question (Saunders et al., 2019).

3.4 Method Discussion

3.4.1 Ethical Consideration

Before initiating contact with the interviewees, we evaluated the risks of harm occurring during our study. We turned to a set of ethical principles to ensure the ethical quality of the study. Respect for others and the principle of non-maleficence were central in our work. Many interviewees expressed great interest in our study and were enthusiastic before, during, and after the interviews, which makes us believe that they felt fairly and respectfully treated. After the interview, the interviewees were given an opportunity to comment or ask questions regarding our study. This allowed them to raise concerns. To ensure informed consent from the interviewees, we sent an information sheet in the invitation containing information about the aim of our research, the requirements of the interviewee, and the implications of participation, which enabled the interviewees to make a fully informed decision regarding their participation. Some individuals we contacted declined our invitation, asked to reschedule meetings, or withdrew. Thus, we argue that the voluntary nature of the study was obvious to the interviewees. The privacy of the interviewees and the confidentiality of data were crucial. Before every interview, the interviewees were asked whether the interview could be recorded. We clearly stated that the reason why we record was to better be able to remember what was said. One interviewee disapproved and, in that case, we instead took notes during the interview. All data will be permanently deleted after this thesis is written. The safety of us researchers was never deemed to be threatened.

3.4.2 Method Quality and Criticism

To assess the quality of our study, we applied the quality criteria developed by Guba and Lincoln (1989) being *dependability, credibility,* and *transferability*. The abductive nature of this study has resulted in many changes as the research progressed. To increase the *dependability,* we documented and saved research material and notes. Additionally, in our supervisor group, we regularly shared our progress, which increased the dependability of our study further. The *credibility* could have been improved by more interaction with the interviewees. This could have led to an increased level of trust and understanding and thus more honest answers that we would have interpreted more correctly. We should also have checked the analysis, data, and interpretations with the interviewees. Furthermore, the sampling technique used is self-selection. As interviewees likely have strong opinions or feelings about the research topic which might result in skewed data. However, we studied and discussed our empirics, ideas, and findings thoroughly and with an open mind, which made us reevaluate our perceptions and increased the internal validity. The *transferability* might be limited since we did a qualitative, cross-sectional, and interpretive study where the responses of the interviewees are deemed to be unique for their context and time.

4. Empirics

This section will present the empirical material structured in relation to the research question.

4.1 Expectations on the Company

The interviewees all perceived expectations from multiple stakeholders that their companies should take societal responsibility. C1 said that they work with PB due to: "*Employee demand, regulatory demands, and client demands"*. F1 emphasized this aspect: "*We exist in a network of customers, employees, people and so on. There are expectations on us*" and that the PB projects are "*important for relations to employees and others. Generally, it is appreciated when companies do good*".

The interviewees were aware that pressure from stakeholders pushes companies to do various types of social engagement. G1 reflected: *"It could be so that this is something you do because you feel like you have to"*. D1 elaborated: "*...others do it because customers like it*". This pressure was not seen as a bad thing. F1 stated: *"There is a social pressure towards this. Not at a personal level but between firms. That is good! Sometimes we feel the pressure. Sometimes we are pushing"*. A1 summarized it by saying: *"At this point, it comes quite naturally"*.

4.2 Employee Management and Engagement

All interviewees saw employees as key stakeholders for the respective firm.

4.2.1 Employee Demand and Manager Response

The employees at all companies were said to have a lot of influence over which PB engagements the company conducts. There was no strategy regarding PB projects in most companies. Instead, the employees were the ones who initiated different PB projects. G1 talked about how they decided on what PB projects they should conduct: *"We asked our employees what type of projects they wanted to take [...] It has to come from within"*. F1 stated: "*We receive initiative from our consultants"*. C2 said that *"When we asked employees about their dream project, I would say 9 out of 10 say something like 'social impact' or 'environmental impact'"*. The moral aspect of PB was prominent. A2 said:

"You want to be a company that mirrors the values of the employees and that listens to what employees want and also I think that it affects how we do charity"

The top managers perceived that employees are motivated by their passions, intrinsic values when they chose PB projects. G1 said: "*You do it because you want to contribute".* B1 explained: "*It is a personal thing that has to do with personal interests*". The role of the employee became evident as the projects almost always were driven by the initiating employee. The members of top management expressed that they try to support and encourage the employees in their PB initiatives. B1 argued:

"We try to find pro bono projects that [...] are important to our clients, for society, for our employees. I would say that the latter has been a strong guiding star"

Further, the managers were aware that PB projects positively impact the employees. That it makes them more motivated and that it enriches their work. B1 expressed this:

"It is also a way of motivating employees to do things they think are important and other things than just traditional improvement of companies and operations"

The wish to make a meaningful impact was prominent in the data. PB engagements that do not lead to positive change were perceived as meaningless. C2 shared his view: "*I think the hope is that there is some impact. Otherwise, I just spend my time working with these things with no point".* E1 meant that employees get good experiences from working with PB clients as they receive gratitude and feel that they make a difference:

"It is something in addition to what you can do within these four walls. That puts a silver lining on your everyday life and gives you an outlet for your societal interest"

This is something that most top management members expressed. A1 elaborated on his view:

"First and foremost, this job will always be a job where people invest a huge part of their time and energy, but also where you get very much back in terms of personal development. It is also about the opportunity to live out another passion and to feel that you contribute, except just going through the consultancy grind within these four walls"

The importance of the encouraging aspect of PB projects was further emphasized when the managers express their views on company donations. Most managers were averse to donating money. The positive effect on employees was perceived to be very limited in contrast to PB projects. D1 shared his view: "*If you give money, you don't see what you are contributing to. We want to avoid that. It creates alienation. We want projects that create direct feedback.*"

Management perceived the support for PB as strong and that some employees even would want the company to do more. Despite management's conviction, some employees state that the interest in PB engagement varies. E2 said: "*It seems as if you either like it or you don't. It seems to be hard to start if you are not interested, to begin with*". C3 said: "*I work with sustainability normally so for me it's nothing special*". Consultants did not always perceive it as if employees come with the initiatives, rather than management decides.

4.2.2 Attract, Keep and Develop Employees

Managers at smaller companies discussed the impact their PB engagements had on their companies' ability to attract new employees. E1 said:

"Of course [PB] is something many mention during recruitments, that they think it is something valuable you can do at work which makes us an even more attractive employer [...] I don't think it is something that determines whether you chose [Company E] or not"

A1, partner at a big firm, was skeptical regarding how PB engagements affect potential employees chooses of employer:

"If we say that we have X billion in pro bono budget I think that everybody gives a positive response, but is that how you chose an employer when you are planning your future career? [...] There is so much else that matters. Shall I discharge it completely? No, it might affect the margin."

Most interviewees considered PB projects to contribute to maintaining employees as it makes employees feel stimulated, meaningful, and supported by management. Employees were also perceived to learn new things and gain new perspectives that they can apply in their for-profit projects. C2 perceived this as positive and said:

"We do go in and [...] to try and have that little bit of more sustainability head-on and look for ways to, you know, think in terms of sustainability or looking at just different kinds of things rather than just be a profit-making machine, right?"

C4 said that she was inspired to work more with sustainability after having worked with a PB project. D1 shared his thought about the impact PB projects have on employees:

> *"We want kind and humble employees. We think that it is good for people to get different perspectives. Employees then become better. Our company is not representative of society. Most employees come from KTH, Chalmers and SSE."*

4.2.3 Internal Communication, Company Pride and Culture

All companies conducted internal communication about their PB project. This was done frequently at conferences, company parties and in the internal communication channels. This is something primarily smaller firms said was important when creating company culture. E1 accounted for this: *"It strengthens our culture. [...] We have something in common that we are proud of"* and *"It becomes something to gather around. That is probably the most important aspect"*. Also, B1 had a similar view: *"...internally we use pro bono to create excitement and sort of show people that we are working with important issues. Internally it is very important"*.

The interviewees from the medium-large company and three of the four small companies emphasized the pride-enhancing aspects of PB projects. G1 gave his view: *"Then you create pride in the company as you belong to something that does something good*". D1 shared a similar view: "*You are proud to work for a company that cares"*.

4.2.4 Staffing

Staffing was mentioned as a core activity in the consultancy firms. Two companies had managers employed only to lead PB projects. When employees are to be assigned to a project, volunteers are most often the ones who do it. However, in larger firms, it is more common that employees are assigned to PB projects as well as when a specific skill is required. PB projects were said to be staffed the same way as regular projects, but PB projects were mostly conducted when there was less to do. The interviewees stated that many want to do PB projects but that there is seldom enough time. C1 said:

> *"Very often it happens that people, our colleagues, reach out to me and say, you know, in three weeks time, I gotta roll off. I'm interested in doing a sustainability project. You have something in the pipeline so that the demand comes from them?"*

4.3 Strategic Partnerships for Customer Relations

Customers are a stakeholder group that all interviewees address. All interviewees are conscious of the connection between PB activities and customers' perception of the company. Still, most interviewees expressed that PB projects are extremely costly and that business incentives are very limited. A1 said: "*There is no greater commercial value" and "We don't have to motivate our investment with a return in any way*". Yet, customer demand is by the interviewees discussed to be one reason why firms do PB projects. F1 reflected: *"[PB projects] might possibly have a certain effect on our business. We get a positive aura*". G1 explains: *"I am not denying that when we tell our customers about our social responsibility projects, they like it"*.

C1 articulated that their PB strategy is *"...very much in line with our overall corporate business strategy*", and a good way of entering new markets:

> *"So, we do work in countries where [COMPANY C] doesn't have an office, for example in [Country]. We don't have an office now, but because our clients [...] was there, there was an opportunity to be on the ground and which in turn can grow [COMPANY C] as well"*

Most companies highlighted that they take their PB projects very seriously and that they are bound to deliver as if the beneficiary was a paying customer. However, most companies did not set goals and had no follow-ups on the effects of their PB engagements. A1 talked about how they conduct follow-ups:

> *"The one who is responsible [...] normally maintains contact with the organization that we have helped. [...] We get updates on how things are going. Informal, absolutely. Not in a structured measurable way"*

4.3.1 Building Customer Relations

The issues that different small companies chose to target in their PB projects were often linked to their customers' fields of work. F1 said that: *"The topic we chose to engage in lies close to our customers",* e.g. companies working with public sector clients do PB projects related to education and companies working with the real estate industry want to combat segregation and contribute to safer neighborhoods. Further, companies said they do PB projects for or together with clients. Most PB projects were similar to the projects usually done. G1 elaborated:

"We think that it is important that what we do reflects our core business. [...] It is an important success factor if you want to succeed with this type of engagement."

PB projects were thereby easy to incorporate into regular business activities. Regardless of company, the projects are driven similarly or in exact the same manner as for-profit projects. Choosing projects where the company's unique competencies can be leveraged is also evident in the data. D1 explained: "*It is also a matter of effective resource utilization. We can't build wells in Africa. We don't know how to do it. We can do other things*".

4.3.2 External Communication and Fear of Critique

External communication regarding PB engagements showed to be a sensitive topic. F1 said: "*We don't want to be like the pharisees. We do not want to brag*". D1 also elaborated on this: *"We don't want to do it for publicity. Not get praise we don't deserve"*. Smaller firms, that appeared to be more sensitive towards customer demands, were more inclined to communicate their PB projects externally. Still, only at a limited degree. F1 argued that it is beneficial to communicate the good things the company does: "*It is good that it sounds good that we do these types of things. We must do things that can be perceived as positive*".

Bigger firms, such as B1s were very averse to external communication: *"Out of tradition we are incredibly low key when it comes to external [communication]. And we do not allow anyone to use our name or anything"*. He explained that the motives of his company get questioned: "*Of course there are always people on the side who say that these things are not done to help anyone but to only build an image*". This view is also expressed by A1: "*Newspapers are more inclined to write when there are bad things happening in this industry"*. Communication with external stakeholders is instead conducted directly to customers and potential customers. Often during mutual PB projects.

C1's company stands out. She thinks that one reason why her company does PB is that *"it might be pushed from the corporate wanting to act as a social strong actor and they want to be able to tell the world that we've been donating X amount to Ukraine*". The PB projects done by her company are explicitly communicated. She says that it is a way to be "*positioned as a kind of leader in climate and as an organization that takes a large standpoint in humanitarian issues*".

5. Analysis

This section presents an analysis grounded in our empirical data. Analysis strives to draw credible conclusions to answer the research question. This is done by applying the ST as an overarching theory where the role of the employees is further investigated through the EE theory.

5.1 Stakeholder Assessment and Management

Based on our analysis of the management interpretation of ST (Freeman, 1984, 2007, 2010), we can indicate clear signs of adopting a stakeholder management approach by consulting companies.

Our empirics demonstrate that companies distinctly identify the most relevant stakeholders driving their PB engagement and are aware of how diverse stakeholders affect the value generation process and what their interests are. This assessment of internal and external organizational environments defines how a company manages multiple stakeholder relationships.

The empirics support the presence of all three aspects of ST. From the descriptive and instrumental perspective, consultancies demonstrate a tendency to:

- Determine and define stakeholders' characteristics.
- Map out their interests.
- Identify conflicting interests and tensions between stakeholders.
- Provide solutions for approaching these conflicts.
- Assess the ability and willingness of different stakeholders to engage.
- Initiate and manage current or emergent relationships.
- Communicate outcomes of engagement.
- Understand resources available for engagement.

As to the normative core, we don't observe significant differences between companies. All consultancies admit both moral duty and capability to engage in PB and create impact. However, within the current study, it is impossible to identify to what extent organizations' engagement in PB is determined by the normative core (because it's morally right) versus instrumental aspect (because it's beneficial).

The norms and values that characterize each organization (either individual decision-makers' values or values defined by organizational culture) affect the way stakeholder concept is applied and how sensitive managers are to stakeholders' interests. Distinguishing interests of various stakeholders and ability to evaluate their potential impact on the company forces companies' management to balance multiple conflicting stakeholder interests. It supports the hypothesis that consultancies are driven by stakeholder approach in their PB operations. This need to navigate conflicting interests unavoidably results in the necessity to prioritize stakeholders based on their potential to impact their company's performance, not only by classifying them as primary and secondary stakeholders but even further prioritizing them within the categories. Hence, such a human-capital-intensive industry prioritizes employees the most, followed by customers, financiers, and competitors in the priority order. Employees (including potential), customers (corporate, organizational, and governmental), and companies' financiers are identified as primary stakeholders in PB engagement, whereas competitors, government (non-customer interactions), media, and, interestingly, NGOs are regarded as secondary stakeholders (Figure 5.1). These findings are not very different from stakeholder groups defined by Freeman (2007).

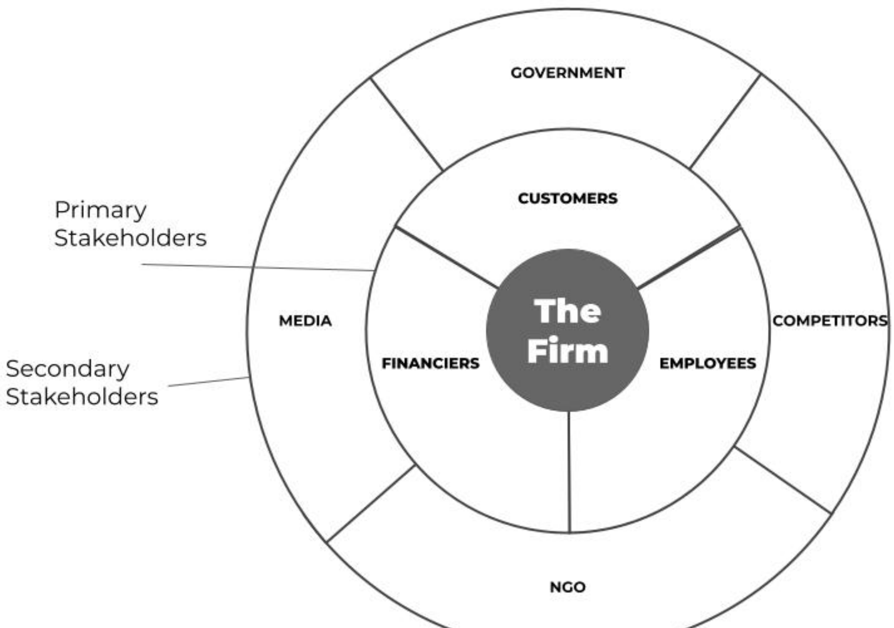

Figure 5.1 Identified stakeholders affecting pro bono engagement

NGOs, even despite being the most common users and recipients of PB services, are not perceived to be ordinary customers for many consultancies, most likely, due to their limited ability to impact companies. Compared to ordinary clients, the main difference observed is non-peculiar – management consultancies regularly choose a partner for PB projects themselves and seldom accept incoming invitations from NGOs. This significant difference distinguishes customers and NGOs based on their ability to influence decision-making, and thus companies don't experience the same pressure and necessity to adapt to NGOs' interests. In cases when the beneficiary is a client who typically pays for consulting services, we observe the same strategy and power dynamics as in a typical for-profit project, as the beneficiary stakeholder can affect future company value creation processes to a greater extent than an NGO.

This rational approach goes along with the ST paradigm of stakeholder assessment. Similar to the notion presented by Shaikh (2022), companies' management is open about being reasonably self-interested and intrinsically motivated to realize the value of their stakeholders. Further, ST is supported by the fact that management recognizes the fact that they have responsibilities that extend to a wider range of stakeholders – not just their shareholders.

Conflicting interests between companies' stakeholders results in a certain pressure put on consulting firms. This pressure is quite similar to the notion described in the classical institutional theory (DiMaggio, 1983). It should be noted that there is a certain variation in the pressure degree exercised by different stakeholders depending on the company's size, market position, and customer portfolio. For instance, we observe stronger concern for employee retention and higher bargaining power of customers among smaller and middle-sized firms than bigger ones. However, these variations don't result in changes in companies' prioritization.

Parallel to the stakeholder interests, firms have their own interests to pursue even within PB engagement. Consultancies successfully realize those interests that coincide with their other stakeholders. The process of staffing, i.g. matching projects and consultants, is a great example. Unoccupied consultants expect meaningful occupations when ordinary for-profit projects are unavailable. To satisfy financiers' interests, the workforce is still productive and shall deliver (even non-monetary) value to the firm. Additionally, at some firms' employees engaged in PB projects get a reduced salary. As the company doesn't follow up on the outcomes, the stake is not as high as with regular projects. Thus, PB project managers, also provided with meaningful tasks, can explore new ideas, try new employees, concepts, and markets, while accumulating experience and fostering innovation. In the long run, it benefits many other stakeholders, e.g. customers. This view correlates with findings of Mirvis & Googins (2018) that meaningfulness benefits multiple stakeholders. However, it's worth noting that PB projects aren't always staffed this way.

In conclusion, we argue that companies carry out their primary function of value creation through balancing stakeholder interests. We find support for ST's normative principle of fairness (Phillips, 1997) as stakeholders are prioritized and returned benefits in proportion to their contribution to the firm. Thus, certain stakeholders are seen as more essential for managerial decision-making. Employees' strategic relevance for consultancies has been identified, which will be further investigated in the next section.

5.2 Employees as Stakeholders

Employees matter to the firm for both normative and instrumental reasons. The normative core implies the strive of management to be a responsible employer, while instrumental aspect results in extensive employee management strategy companies' practice.

It is impossible to estimate the impact of normative versus instrumental and descriptive aspects to company engagement motivations in the current study. It would be a misunderstanding to consider PB engagement as merely another workplace perk; firms recognize the moral relevance of PB, and top management frequently participates in these projects. However, companies also admit the important instrumental role of PB in engaging employees.

Unlike many industries, consulting doesn't really have suppliers in the traditional sense. Their employees are their suppliers providing knowledge, skills, and expertise. Thus, it's natural that employees are considered to be the most impactful stakeholder by all companies. This forces companies to adapt their decision-making to employees' interests.

Donations by consultancies perfectly demonstrate this phenomenon. Empirics indicates that companies often donate money to organizations. Consultancies could potentially use them as a way to buy out employees' labor hours instead of devoting them to unpaid PB. Yet, despite these donations, employees initiate PB projects, implying they require something else.

As all companies explain, employee demand is the major driving force for PB engagement. Management believes employees are motivated by PB projects. Thus, PB can be seen as the way to maintain the most important stakeholder relation they have and balance between firms' and employees' interests. Another way to interpret it lies in subsequent benefits a firm obtains from this engagement, namely EE.

Employees seeking enriching, meaningful and varying tasks is a strong predictor of seeking meaningfulness, an antecedent of EE. Seeking congruence between individual values and work purpose motivates employees to increase pressure on employers. Supported by empirics, it's crucial to note not all employees value and seek PB opportunities. Moreover, firms stated that it's commonplace for the same employees to initiate or participate in PB initiatives, while others never do. These findings are not very different from May (2004) arguing targeting the wrong employees will result in EE decrease. Thus, PB engagement is voluntary at most consultancies. However, we have noticed a pattern in which consultants are appointed to PB projects using a standard stuffing procedure. It doesn't necessarily contradict EE theory because meaningfulness is just one of the predictions, but it does have implications for staffing managers. Yet, some employees felt forced to behave as if they like PB services or are congruent with the values of other employees and management.

Empirics indicate PB appeals to other EE antecedents (availability and safety) demonstrating organizational support through supporting employee initiatives, aligning organizational norms with employees' expectations, and providing resources for their PB engagement.

Another reason cited by companies is the retention of existing and attraction of new top talent, which is reasonable based on scholars' findings (cf. Tschopp, 2002). Often conducted through internal channels, PB is another tool for promoting the company as a responsible employer and signalizing culture and values. Interestingly, the company's size and scope seem to affect this instrumental aspect. Big multinational companies have an established culture and mainly aim to maintain it while small consultancies use PB as a tool to create their own. Bigger reputable companies claim using PB for developing employees by forcing them to leave the social bubble they live in, something they believe will make them humble and work better. Smaller companies claim to use it to develop a sense of pride. Robinson (2006) argued that EE is achieved in organizations where involvement and pride are encouraged. He also linked it to improved organizational performance, lower employee turnover, and better health.

Thus, both companies create value not only for employees or themselves but also for their other stakeholders. This interplay between EE antecedents and stakeholder approach enables employees to affect not only firms' management but also organizational outcomes and, consequently, all stakeholders.

By integrating identified pressures expressed by stakeholders with the implications of EE theory, we can map out stakeholder relationship dynamics that drive PB engagement. Due to consultants' peculiar role, employees possess power to affect both customers and the firm, acting like a double-edged sword described by Nosseir (2016). Consultants are always torn between serving their customers to the best of their abilities and using that knowledge to advance their interests.

5.3 Customers, Financiers, and Other Stakeholders

Interviewees explicitly identify no or few business incentives to engage in PB. Yet, implicitly all companies have built a limited business case for their PB engagement.

Firstly, customers were referred to as primary stakeholders who explicitly demand and increasingly anticipate participation in socially responsible activities. The company has to manage the pressure from customers and respond to it with either communicative or collaborative activities.

Companies mentioned sharing similar normative cores with their customers and, thus, they strive to signalize its congruence with targeted and limited external communication efforts. Although the interviewees generally express pride in talking about their PB engagement, most companies are averse to communicating their engagements publicly. The general sensitivity towards reputational risks (e.g. greenwashing accusations) forces companies to avoid the spotlight to avoid undermining stakeholder relations. In case of potential criticism in the media, companies seem to fear mainly customers' and employees' reactions, which demonstrates how consultancies differentiate stakeholders. Thus, communication regarding

PB engagements is mainly shared directly with customers. By this disclosure, companies attempt to demonstrate to stakeholders that they are socially and morally accountable for their actions by engaging in PB. Consultancies believe it has a certain positive impact on customers but unanimously don't deem communication opportunities to be significant enough to justify PB engagement.

Collaboration with companies' existing or potential customers in PB was deemed to be a more effective way of managing customer relationships. Those projects realize instrumental aspect as they aim to strengthen relationships between the two commercial parties. These projects often deliberately resonated with the customers' normative core which has shown to be an effective way to approach potential customers, leading often to customer conversion. Donations, as an alternative way of signaling the normative core mentioned by companies, didn't demonstrate the same opportunity to improve customer relations or appeal to employees as PB projects.

There were cases of using PB projects as a way to drive down the price for other for-profit projects. Talent attraction and retention is another instrumental aspect that was reflected upon competitors. No joint PB projects were identified. Explicitly, companies generally claim to have little interest in following their competitors' PB engagement (with one exception). Still, managers in all firms reflected upon other firms' PB engagements, showing that they possess an awareness of how competitors are working with PB.

6. Discussion

This section will present the answer to our research question and a discussion where we engage with previous literature and state how this thesis contributes to research.

6.1 Conclusion and Answer to Research Question

Our research question was as follows:

Why do management consulting companies engage in pro bono projects?

We have discovered that the primary reason why management consultancy firms conduct PB projects is demand from employees, followed by the positive outcomes management associates with PB.

Consultancies admit both moral duty to engage in PB, showing the presence of the normative core. However, the reason for PB engagement is of an instrumental nature. Employees are deemed to be the most crucial stakeholder of management consultancy firms, and their meditative position between customers and the firm forces companies to listen to employees as they are of strategic importance to the firms' well-being. Based on the analysis in section 5, we have identified that companies are driven by both normative and instrumental aspects of ST. Strong interplay between EE and ST aspects is also identified (Figure 6.1).

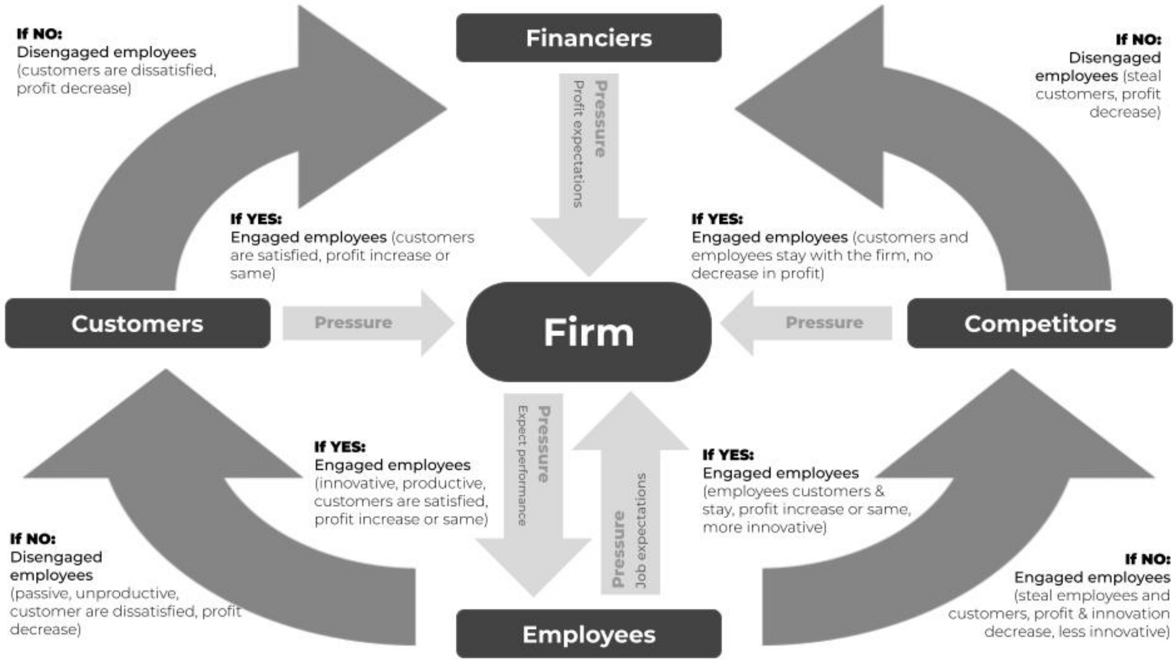

Figure 6.1 Primary stakeholders' pressure interplay with EE from pro bono engagement

Companies find PB more an effective CSR activity than donations which means to address the expectations of the company in the light of PB engagements seen as inferior. PB projects, unlike donations, supply both the opportunity for the company to initiate, maintain and develop relationships with existing and potential customers and offer employees meaningful job characteristics. Thus, firms use PB projects as a way of managing their customers, getting closer to them, and getting their approval and thereby improving organizational outcomes. PB creates opportunities for managers to test new things without having to justify them financially. In that context, employees find opportunities to experiment, learn and try out new markets without much risk. Resulting in both pecuniary and non-pecuniary incentives. Additionally, PB projects enable employees to create non-monetary value when between commercial projects.

Importantly, the interpretivist nature of this study naturally highlights that perception of benefits by companies is more central than actual proof for building a business case for PB.

6.1.1 Discussion and Strategic Implications

Despite their economic significance and broadly created impact, PB services within the management consulting industry are still understudied. This research has contributed to the discussion by supporting deindividualization of PB engagement debate and bringing it to the organizational context. One of the very first studies to study organizational motivation for PB engagement within the consulting industry was presented by McColl-Kennedy et al. (2015) and Patterson et al. (2020), which they explain with the help of cross-institutional tensions. We claim internal tensions between the firm and employees have greater significance than other cross-institutional tensions we could identify. While we assessed the Swedish market, these studies targeted the US consulting industry, which can explain the variation in our findings and needs to be further researched.

With our study, we also join the trend of rationalizing PB, described by Hwang and Powell (2009) and, just as Shaikh (2022) suggests, companies are seen as ST agents with reasonably self-interest in their PB engagement. Supporting findings of Glavas (2012) and Caligiuri et al. (2013), studied consultancies report a positive relationship between CSR and EE, which we also find support for and explain through the notion of meaningfulness and value congruence at work. This contradicts findings of May (2004) that found volunteering to have depletion effects on work engagement. Similar findings to Mirvis & Googins (2018) have been observed. PB is widely used by consultancies to increase employee engagement and cultivate skills and experiences, which are perceived to result in innovation potential. These outcomes seem to be crucial in building the business case of PB due to the unique mediating position of employees between customers and the firm giving them a key role in the value creation process.

Finally, despite our research being focused on the management consulting industry, our reasoning potentially can be generalized to other professional services industries, where similar stakeholder interplay can be observed. Waller (2010) has identified several similar motivations for organizations to engage in the advertising industry, such as the opportunity to attract paying clients, to be more inventive and valuable tools for motivating staff.

Managerial implications

Our study suggests the idea that PB engagement can result in:

- More engaged employees, which leads to enhanced job and task performance, organizational citizenship behaviors, productivity, discretionary effort, affective and continuance commitment, and most importantly associated with higher levels of profit, overall revenue generation, and growth (Richman, 2006; Xanthopoulou et al., 2009, Rich et al., 2010; Christian et al., 2011).

- Employee excitement, common culture, and company pride.

Additionally, we found that:

- PB is a good way of responding to employee and customer demands for social responsibility and proved to be more effective than donations.
- It may be important to keep PB voluntary, as people that perceive PB to be less meaningful can become disengaged.
- Various customer PB models can be adapted depending on the organizational fit (non-profit paying vs. non-profit non-paying).
- PB can be used for customer attraction and as a way of getting competitive advantage.

6.1.2 Limitations with the Study

The researchers acknowledge certain considerable limitations of this study. Firstly, the current study's findings were restricted to qualitative research with a social constructivist and interpretivist approach. It implies that our interpretation is grounded in conflicts arising from our cultural bias and other personal perspectives. Secondly, the current study's findings were restricted to qualitative research in seven consulting firms. As a result, further study on a wider scale using more advanced qualitative or quantitative approaches to further analyze which factors contribute the most to PB engagement by consultancies is necessary.

Furthermore, the study's emphasis should be widened to cover other potential contributing elements – dependency on firms' financial performance (cf. Campbell, 2007), leadership role, HR-policy and staffing procedures. Finally, the scope of this study was limited to Sweden, which has a harder transferability of study's results and implications, as altruistic behavior varies between countries based on cultural values.

6.1.3 Suggestions for Future Research

Besides above-mentioned ways of developing this study, a comparative study enlightening various PB engagement models (e.g. non-profit paying vs. non-profit non-paying customer PB models) could be of great interest for companies' managers. It would also contribute to a deeper understanding of value creation processes described in this study. Further research on defining the pain point for when companies can't afford PB can improve managerial application of this study by drawing a line for companies challenged by low profitability defining when to give up on PB engagement. PB beneficiary perspectives seem to be understudied by scholars and can be included in future research to map stakeholder interplay and value creation process even better. Finally, targeted research estimating the scope of EE would help in potential quantitative assessment of the value created by PB engagements.

Reference list

Aguilera, R.V., Rupp, D.E., Williams, C.A. and Ganapathi, J., 2007. Putting the S back in corporate social responsibility: A multilevel theory of social change in organizations. *Academy of management review*, *32*(3), pp.836-863.

Aguinis, H. and Glavas, A., 2012. What we know and don't know about corporate social responsibility: A review and research agenda. Journal of management, 38(4), pp.932-968.

Anthony-McMann, P.E., Ellinger, A.D., Astakhova, M. and Halbesleben, J.R., 2017. Exploring different operationalizations of employee engagement and their relationships with workplace stress and burnout. *Human Resource Development Quarterly*, *28*(2), pp.163-195.

Arnold, S.L., Nguyen, D.T. and Hartley, N., 2011. Pro bono service sheds new light into commercial friendship. *Journal of Strategic Marketing*, *19*(4), pp.381-394.

Basil, D.Z., Runte, M.S., Easwaramoorthy, M. and Barr, C., 2009. Company support for employee volunteering: A national survey of companies in Canada. *Journal of Business Ethics*, *85*(2), pp.387-398.

Bauman, C.W. and Skitka, L.J., 2012. Corporate social responsibility as a source of employee satisfaction. *Research in organizational Behavior*, *32*, pp.63-86.

Bode C, Singh J, Rogan M. 2015. Corporate social initiatives and employee retention. Organization Science 26(6): 1702–1720.

Boon, A. & Whyte, A. 1999, ""Charity and beating begins at home": The aetiology of the new culture of pro bono publico", Legal Ethics, vol. 2, no. 2, pp. 169-191.

Boutcher, S., 2013. Lawyering for social change: pro bono publico, cause lawyering, and the social movement society. *Mobilization: An International Quarterly*, *18*(2), pp.179-196.

Boutcher, S.A., 2017. Private Law Firms in the Public Interest: The Organizational and Institutional Determinants of Pro Bono Participation, 1994–2005. *Law & Social Inquiry*, *42*(2), pp.543-564.

Braun, V. and Clarke, V., 2006. Using thematic analysis in psychology. *Qualitative research in psychology*, *3*(2), pp.77-101.

Bundy, J., Vogel, R.M. and Zachary, M.A., 2018. Organization–stakeholder fit: A dynamic theory of cooperation, compromise, and conflict between an organization and its stakeholders. *Strategic Management Journal*, *39*(2), pp.476-501.

Burbano, V.C., Mamer, J. and Snyder, J., 2018. Pro bono as a human capital learning and screening mechanism: Evidence from law firms. Strategic Management Journal, 39(11), pp.2899-2920.

Caligiuri, P., Mencin, A. and Jiang, K., 2013. Win–win–win: The influence of company-sponsored volunteerism programs on employees, NGOs, and business units. *Personnel Psychology*, *66*(4), pp.825-860.

Campbell, J.L., 2007. Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of management Review*, *32*(3), pp.946-967.

Christian, M.S., Garza, A.S. and Slaughter, J.E., 2011. Work engagement: A quantitative review and test of its relations with task and contextual performance. *Personnel psychology*, *64*(1), pp.89-136.

Cummings, S. 2004,"The politics of pro bono", UCLA Law Review, Vol. 52 No. 1, pp. 1-16.

Deloitte, 2022. Pro Bono and Skills-based Volunteering. [online] Available at: <https://www2.deloitte.com/us/en/pages/about-deloitte/articles/corporate-citizenship-pro-bono-skills-based-volunteering.html> [Accessed 11 May 2022].

Denzin, N.K., 2001. Interpretive interactionism (Vol. 16). Sage.

DiMaggio, P.J. and Powell, W.W., 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. American sociological review, pp.147-160.

Donaldson, T. and Preston, L.E., 1995. The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of management Review*, *20*(1), pp.65-91.

Ellemers, N. and de Gilder, T.C., 2021. Categorization and identity as motivational principles in intergroup relations. *Social psychology*, (3rd).

Freeman, R.E., 1984. Strategic Management: A Stakeholder Approach, Boston, Pitman. *Lukas, Janina (2017): Ethik als Standard in der Beschaffung. Werte und Normen als Gestaltungsausgangspunkt von Nicht-Regierungs-Organisationen. Wiesbaden: Springer Gabler*.

Freeman, R.E., Harrison, J.S. and Wicks, A.C., 2007. Managing for stakeholders: Reputation, survival and success.

Freeman, R.E., Harrison, J.S. and Wicks, A.C., 2008. Managing for stakeholders. In *Managing for Stakeholders*. Yale University Press.

Freeman, R.E., Harrison, J.S., Wicks, A.C., Parmar, B.L. and De Colle, S., 2010. Stakeholder theory: The state of the art.

Glavas, A. and Piderit, S.K., 2009. How does doing good matter? Effects of corporate citizenship on employees. *Journal of Corporate Citizenship*, (36), pp.51-70.

Glavas, A., 2012. Employee engagement and sustainability: A model for implementing meaningfulness at and in work. *Journal of Corporate Citizenship*, (46), pp.13-29.

Glavas, A., 2016. Corporate social responsibility and employee engagement: Enabling employees to employ more of their whole selves at work. *Frontiers in psychology*, p.796.

Goupil, K. and Kinsinger, F.S., 2020. Pro Bono Services in 4 Health Care Professions: A Discussion of Exemplars. *Journal of Chiropractic Humanities*, 27, pp.21-28.

Gray, R., Kouhy, R. and Lavers, S., 1995. Corporate social and environmental reporting: a review of the literature and a longitudinal study of UK disclosure. *Accounting, Auditing & Accountability Journal*.

Greening, D.W. and Turban, D.B., 2000. Corporate social performance as a competitive advantage in attracting a quality workforce. *Business & society*, *39*(3), pp.254-280.

Gruman, J.A. and Saks, A.M., 2011. Performance management and employee engagement. *Human resource management review*, *21*(2), pp.123-136.

Hackman, J.R., 1980. Work redesign and motivation. Professional psychology, 11(3), p.445.

Hanlon, G. and Fleming, P.P., 2009. Updating the critical perspective on corporate social responsibility. *Sociology Compass*, *3*(6), pp.937-948.

Hwang, H. and Powell, W.W., 2009. The rationalization of charity: The influences of professionalism in the nonprofit sector. *Administrative science quarterly*, *54*(2), pp.268-298.

Jensen, M.C., 1993. The modern industrial revolution, exit, and the failure of internal control systems. *the Journal of Finance*, *48*(3), pp.831-880.

Jensen, M.C., 2002. Value maximization, stakeholder theory, and the corporate objective function. *Business ethics quarterly*, pp.235-256.

Johansen, T.R., 2010. Employees, non-financial reports and institutional arrangements: A study of accounts in the workplace. *European Accounting Review*, *19*(1), pp.97-130.

Kelemen, M.L. and Rumens, N., 2008. An introduction to critical management research. Sage.

Lange, D. and Bundy, J., 2018. The association between ethics and stakeholder theory. In *Sustainability, stakeholder governance, and corporate social responsibility*. Emerald Publishing Limited.

Lister, L., 2008. When the going gets tough. *B&T Weekly*, *58*(8).

Madsen, H. and Ulhøi, J.P., 2001. Integrating environmental and stakeholder management. *Business strategy and the environment*, *10*(2), pp.77-88.

Marcoux, A.M., 2000. Balancing act. *Contemporary issues in business ethics*, *4*, pp.45-67.

Maute, J.L., 2002. Changing conceptions of lawyers' pro bono responsibilities: From chance noblesse oblige to stated expectations. Tul. L. Rev., 77, p.91.

May, D.R., 2003. Fostering the human spirit at work: Toward an understanding of the influences on employees' experienced meaningfulness at work. *Unpublished manuscript*.

May, D.R., Gilson, R.L. and Harter, L.M., 2004. The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work. *Journal of occupational and organizational psychology*, *77*(1), pp.11-37.

McColl-Kennedy, J.R., Patterson, P., Brady, M.K., Cheung, L. and Nguyen, D., 2015. To give or not to give professional services to non-paying clients: Professionals' giving backstory. *Journal of Service Management*, Vol. 26 No. 3, pp. 426-459. https://doi-org.ez.hhs.se/10.1108/JOSM-07-2014-0194

Mirvis, P. and Googins, B., 2018. Engaging employees as social innovators. *California Management Review*, *60*(4), pp.25-50.

Newman, D.A. and Harrison, D.A., 2008. Been there, bottled that: Are state and behavioral work engagement new and useful construct "wines"?. *Industrial and organizational Psychology*, *1*(1), pp.31-35.

Nosseir, M., 2017. Integrity matters: the importance of ethics in the consultancy business.

Oh, L.B. and Chen, J., 2015. Determinants of employees' intention to exert pressure on firms to engage in web accessibility. *Behaviour & Information Technology*, *34*(2), pp.108-118.

Orlitzky, M., Schmidt, F.L. and Rynes, S.L., 2003. Corporate social and financial performance: A meta-analysis. *Organization studies*, *24*(3), pp.403-441.

Patterson, P.G., McColl-Kennedy, J.R., Lee, J.J. and Brady, M.K., 2020. Gaining insights into why professionals continue or abandon pro bono service. *European Journal of Marketing*, Vol. 55 No. 3, pp. 790-813. https://doi-org.ez.hhs.se/10.1108/EJM-05-2019-0438

Phillips, R., Freeman, R. E., and Wicks, A. C. 2003. "What stakeholder theory is not," Business Ethics Quarterly 13(4): 479–502.

Plewa, C., Conduit, J., Quester, P.G. and Johnson, C., 2015. The impact of corporate volunteering on CSR image: A consumer perspective. *Journal of Business Ethics*, *127*(3), pp.643-659., https://doi.org/10.1007/s10551-014-2066-2.

Pwc, 2022. Skills for Society. [online] Available at: <https://www.pwc.com/us/en/about-us/corporate-responsibility/pro-bono.html> [Accessed 11 May 2022].

Renn, R.W. and Vandenberg, R.J., 1995. The critical psychological states: An underrepresented component in job characteristics model research. *Journal of management*, *21*(2), pp.279-303.

Rich, B.L., Lepine, J.A. and Crawford, E.R., 2010. Job engagement: Antecedents and effects on job performance. *Academy of management journal*, *53*(3), pp.617-635.

Richards, M., Zellweger, T. and Gond, J.P., 2017. Maintaining moral legitimacy through worlds and words: an explanation of firms' investment in sustainability certification. *Journal of Management Studies*, *54*(5), pp.676-710.

Robinson, D., Perryman, S. and Hayday, S., 2004. *The drivers of employee engagement*. Institute for Employment Studies.

Rose, J., Flak, L.S. and Sæbø, Ø., 2018. Stakeholder theory for the E-government context: Framing a value-oriented normative core. *Government Information Quarterly*, *35*(3), pp.362-374.

Saks, A.M. and Gruman, J.A., 2014. What do we really know about employee engagement?. *Human resource development quarterly*, *25*(2), pp.155-182.

Saks, A.M., 2006. Antecedents and consequences of employee engagement. *Journal of managerial psychology*. 21 (7), 600–619.

Saunders, M.N.K., Lewis, P. and Thornhill, A., 2019. Research Methods for Business Students Eight Edition. *QualitativeMarket Research: An International Journal*.

Shaikh, I. and Randhawa, K., 2022. Managing the risks and motivations of technology managers in open innovation: Bringing stakeholder-centric corporate governance into focus. Technovation, 114, p.102437.

Shuck, B., 2011. Integrative literature review: Four emerging perspectives of employee engagement: An integrative literature review. *Human Resource Development Review*, *10*(3), pp.304-328. doi:10.1177/1534484311410840

Sternberg, E., 2000. Just business: Business ethics in action. Oxford University Press: New York.

Taproot Foundation, 2018. Making The Case For More Pro Bono [Online] Available at: <https://taprootfoundation.org/wp-content/uploads/2018/10/making_the_case_for_more_probono.pdf> [Accessed 11 May 2022].

Tschopp, D.J., 2003. *The sustainability advantage: seven business case benefits of a triple bottom line by Bob Willard, 2002*. New Society, 203 pp (pbk). ISBN 0-86571-451-7. Business Strategy and the Environment, 12(6), pp. 405.

Van Maanen, J., Sørensen, J.B. and Mitchell, T.R., 2007. The interplay between theory and method. Academy of management review, 32(4), pp.1145-1154.

Waller, D.S., 2010. Does doing good do good?: how pro bono work may benefit advertising agencies. *Journal of Advertising Research*, *50*(4), pp.440-449.

Waller, D.S., 2012. A longitudinal study of pro bono activities reported by WPP Group. *Social Marketing Quarterly*, *18*(3), pp.234-246.

Wefald, A.J. and Downey, R.G., 2009. Job engagement in organizations: fad, fashion, or folderol?. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, *30*(1), pp.141-145.

Wollard, K.K. and Shuck, B., 2011. Antecedents to employee engagement: A structured review of the literature. *Advances in developing human resources*, *13*(4), pp.429-446.

Wu, J. and Wokutch, R.E., 2015. C onfucian Stakeholder Theory: An Exploration. *Business and Society Review*, *120*(1), pp.1-21.

Xanthopoulou, D., Bakker, A.B., Demerouti, E. and Schaufeli, W.B., 2009. Reciprocal relationships between job resources, personal resources, and work engagement. *Journal of Vocational behavior*, *74*(3), pp.235-244.

Young, S. and Thyil, V., 2009. Governance, employees and CSR: Integration is the key to unlocking value. *Asia Pacific Journal of Human Resources*, *47*(2), pp.167-185.

Appendix 1. CIVICA Component of this Thesis

1. Engagement with an External Partner(s)

During the production of this thesis, we have engaged with several companies external to SSE. Our partners in the creation of this thesis have been the CEOs, partners, managers, and consultants that we have interviewed. All the companies we have been working with are actively engaged in pro bono projects aiming to improve the society in which they are active. Especially their local communities in which their employees live. The projects they conduct spans from integration and education to the reduction of CO2 and sustainable fishing. Their CIVICA engagement focus was a condition for our collaboration.

Our primary CIVICA partner in course 619 is the Stockholm Office of a global consultancy firm. More precisely their section works with sustainability and social impact.

2. Topic Relevant to Society

The topic we are addressing with our project is the motivations for management consultancy firms to conduct pro bono projects. The topic is of great interest to our partner, and to us, as it has the potential to create a lot of positive impact on society. Interpersonal interaction with rapid tangible impact is part of our project component.

Through research, we aim to address this topic that is relevant to society. To achieve the global sustainability goals of 2030, society needs to change in various ways. PB projects conducted by established firms are one way to build a more sustainable society. A society where corporations contribute more and where human capital and expertise is used for the betterment of the world.

3. Topic Related to a European Challenge

The European economies are prosperous in many ways. Still, there are societal issues very much present in our communities. We have the economic liberty to experiment with new ways of doing business and doing good. Sustainability, being ecological, social or economic, is a global and thus also a European issue. The European economy is one of the world's largest and both as consumers and business owners we have to do more to achieve sustainable change. Europe can lead the way.

4. A Project Component

The project component of our CIVICA thesis is to conduct a presentation where we will share our research findings with employees at our CIVICA partners company, invited by the section working with sustainability and social impact. The purpose of this presentation is to enable management consultants to engage more efficiently in PB projects, affect policy regarding those projects, and other relevant actions that will be grounded in the results of our study. By doing this, we bridge theory and practice, enabling our findings to change society for the better. To change Europe for the better.

Appendix 2. Detailed table over Interviewees

	Company	Company size	Position	Code	Length	Place
1	Company A	Big	Top Management	A1	35 min	Online
2	Company A	Big	Consultant	A2	17 min	Phone
3	Company B	Big	Top Management	B1	42 min	On-site
4	Company C	Big	Middle Manager	C1	47 min	On-site
5	Company C	Big	Middle Manager	C2	44 min	On-site
6	Company C	Big	Consultant	C3	19 min	On-site
7	Company C	Big	Consultant	C4	11 min	On-site
8	Company D	Middle	CEO	D1	54 min	On-site
9	Company E	Small	Top Management	E1	24 min	Online
10	Company E	Small	Consultant	E2	16 min	Online
11	Company F	Small	CEO	F1	43 min	Online
12	Company G	Small	Middle Manager	G1	40 min	Online

Appendix 3. Invitation for Research Participation

Pro Bono Services within the Management Consulting Industry

Dear Sir/Madam,

We are Kiryl Shantyka and John Öberg and we are currently writing our bachelor thesis in management at Stockholm School of Economics.

We would like to extend an invitation for you to participate in an interview for our thesis research investigating pro bono services in the management consulting industry. The aim of this study is to increase the understanding of this phenomenon and the reasoning behind it. Pro bono projects are becoming increasingly common within the management consulting industry. Some consider it to be a new industry standard, as among law firms. The demand for such services is growing unprecedentedly. Therefore, we want to explore this new trend and see why management consulting firms engage in this type of projects.

We would like to meet with people within the management team with an insight in the shaping of the pro bono engagement strategy and the decision-making processes behind it. This is crucial for us in order to be able to conduct this thesis report and answer the research question.

The interviews would take place during week 9-13. The length of each interview would be approximately 45 minutes. We are very flexible and can adapt to your schedule. We are very much looking forward to hearing from you.

Best regards, Kiryl Shantyka and John Öberg 3rd-year BSc Students at Stockholm School of Economics

Appendix 4. Overview of Empiric Data

Codes	**Themes**	**Overarching Theme**
Stakeholder Expectations	Stakeholder Expectations	Stakeholder Management
Volunteerism and Employee Skepticism	Employee Management	
Employee Demand an Initiative		
Internal Communication: Culture and Company Pride		
Moral Implications		
Management Support		
Attract, Keep and Develop Employees		
Staffing		
Follow-up and Goals	Strategic Partnership and Customer Relations	
Building Customer Relations		
External Communication and Fear of Greenwashing		