MASTER'S THESIS

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Global Considerations in Corporate Social Responsibility

Case studies of three MNCs

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Acknowledgement

Abstract

It has become a trend among companies to actively work with corporate social responsibility issues since consumers and other stakeholders are supporting those companies who take their responsibility. The rather long history of corporate social responsibility that to some extent goes back to the 18th century together with today's globalization, the growing corporate social responsibility trend, and the limited research within this area makes this study an important piece of the puzzle to understand corporate social responsibility in the 21st century. The purpose of this thesis was to gain a deeper understanding of the influence of global considerations on multinational companies' corporate social responsibility. In order to reach this objective, research questions focusing on the content of multinational companies' corporate social responsibility and the factors influencing multinational companies' corporate social responsibility in foreign markets were developed. To be able to answer the stated research questions, three case studies of multinational companies were conducted. The collected data was analyzed through both within-case and cross-case analysis. The findings of this study show that global considerations are something that companies need to pay attention to. When multinational companies implement their corporate social responsibility in foreign markets, they are influenced by a number of factors. As a result of this it is difficult for them to work with corporate social responsibility completely standardized throughout the world. Depending on the country of operations it might be necessary to adapt the global corporate social responsibility to local/national factors. These factors mainly influence the corporate social responsibility locally/nationally and not globally. Factors that companies need to take into consideration in foreign markets are: outside influences, origins or ecological factors, norms, and global extensive guidelines.

Sammanfattning

Det har blivit en trend bland företag att aktivt arbeta med corporate social responsibility eftersom konsumenter och andra intressenter stödjer de företag som tar sitt ansvar. Historien om corporate social responsibility sträcker sig tillbaka till 1700-talet och tillsammans med dagens globalisering, den växande corporate social responsibility trenden, och den begränsade forskningen inom detta område gör denna studie till en viktig pusselbit för att förstå corporate social responsibility på 2000-talet. Syftet med denna uppsats var att erhålla en djupare förståelse för vilka globala omständigheter som påverkar multinationella företags corporate social responsibility. För att nå detta mål utvecklades två forskningsfrågor som fokuserade på innehållet av multinationella företags corporate social responsibility och faktorerna som påverkar multinationella företags corporate social responsibility utomlands. För att kunna besvara forskningsfrågorna utfördes tre fallstudier av multinationella företag. Den insamlade data analyserades genom att jämföra den med teorierna och genom att jämföra fallstudierna med varandra. Resultatet från denna studie visar att företag måste ta hänsyn till globala aspekter. När multinationella företag implementerar deras corporate social responsibility utomlands påverkas de av ett antal faktorer. Detta resulterar i att det är svårt för dem att arbeta med helt standardiserad corporate social responsibility i hela världen. Beroende på vilket land som företaget bedriver sin verksamhet i kan det vara nödvändigt att anpassa sitt globala corporate social responsibility efter lokala/nationella faktorer. Dessa faktorer påverkar huvudsakligen corporate social responsibility lokalt/nationellt och inte globalt. Faktorer som företag behöver ta hänsyn till utomlands är: yttre påverkan, ursprung eller ekologiska faktorer, normer, och globala omfattande riktlinjer.

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1. Introduction

This chapter will provide a background to the research area of this thesis, namely corporate social responsibility; it will begin with a broad overview of the topic, followed by the problem discussion which will lead to the purpose and research questions.

1.1 Background

Business ethics

Recent textbooks in the management area all have sections dealing with business ethics and this is because many companies today develop codes of ethics and make commitments to the public to behave ethically (Fisher, 2003). Business ethics is defined as: "the moral thinking and analysis by corporate decision-makers and other members regarding the motives and consequences of their decisions and actions" (Phatak, Bhagat & Kashlak, 2005, p. 512).

According to Svensson and Wood (2003) business ethics depend on two main factors, culture and time. The business environment's culture will define what is accepted and unaccepted and it is influenced by traditions, values, and religion as well as individuals. Different cultures have different opinions in this question and if there is no adaptation it will affect the company's success. The business time dimension will also affect what is accepted and unaccepted. What is considered ethical today might not turn out to be ethical tomorrow. Companies should not only use business ethics as a corporate code. It should instead be integrated in the business as a corporate philosophy. Phatak et al. (2005, p. 512-513) state that there are several ethical dilemmas where international businesses have to take a stand. It can be situations regarding bribery, corruption, child labor, sweatshops, etc. When companies engage in international business they face a lot of different laws, norms, and regulations and the acceptance differ from country to country. More and more international companies have ethic programs that discuss these issues and are implemented in their organization (ibid).

Johnson, Scholes and Whittington (2005, p. 188) state that there are three levels of business ethics where societal expectations have a great impact on companies and organizations. The first level is the macro level that is concerned with the ethical stance of the organization or in other words to which extent organizations exceed its legal requirements in connection with their stakeholders. The second level is the corporate social responsibility level that is within the macro level and concerned with how organizations exceed the minimum requirements to live up to the ethical stance of the organization. The third and final level is the individual level or manager level that is concerned with individuals' behaviors and actions such as behaving with integrity and whistle blowing. Johnson et al. (2005) add that even though the first level of ethical stance and the second level of the ways used to live up to this ethical stance is separated by them, they are often both included in the term corporate social responsibility (CSR) in the literature and will be the overall topic of this study.

Definition of CSR

There is not a generally accepted definition of CSR but it is commonly understood as: "doing more than what is required by law" (Buhmann, 2006). Despite the lack of a generally accepted definition, other researchers define CSR in similar ways.

One of many definitions of this vast subject of CSR is offered by World Business Council of sustainable development who states that: "CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life

of the workforce and their families as well as the local community and society at large" Moir (2001).

CSR can also be defined as "the social responsibility of businesses encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time (Carroll, 2004).

History of CSR
The CSR concept can be traced back to the 18th century when companies started to recognize the importance of having an efficient workforce. Insufficiencies in food, housing and healthcare had a negative effect on the workforce's efficiency and as a result of that, companies started to invest in medical facilities, housing and subsidized food for their own employees. From the companies' point of view this philanthropic act was really coming from an enlightened self-interest (Brown, 2005, p. 18).

The contemporary CSR originated in the 1950's or 1960's mainly due to two principles. The principle of charity suggests that those who are well off should give to those less fortunate. The second one is the principle of stewardship that says that companies have an obligation to serve the public's interests because the power and wealth that companies enjoy come from the society they work within and they should therefore serve the society's needs. This affected how companies were perceived by governments, press and other groups which led to the birth of new more socially responsible laws (Sims, 2003, p. 48).

CSR today
The CSR of today has been the topic of an ongoing debate because of the increased media interest. It has become a trend among companies to actively involve themselves in CSR issues. As always with trends many companies go with the flow while others discuss why and how they can engage in these activities efficiently (Andersson, 2006). Consumers are favoring companies who take social responsibility and therefore it is considered a growing strategic issue for companies (CSRwire).

Many of the major corporations such as, McDonald's, General Electric and Ford together with approximately 1,200 other CSR practitioners and experts attended the annual conference for social responsibility in New York 2006. The main topic was to discuss this growing CSR trend among companies. It has become so popular that sometimes the companies' CSR reports exceed their annual reports. "It's become a sexy field, and lots of people want to get into it". The participants of this conference spoke about their own corporate social responsibility and about how companies want to make the world a better place. (Nocera, 2006)

Bob Langert vice president of McDonald's corporate citizenship said the following about the subject:" This is core to the way we do business" (Nocera 2006). In 2007 the media published a scandal about McDonald's use of foreign students working under terrible conditions in Sweden. This could damage the McDonald's brand but there is also a high probability that the general public quickly forget the exposure due to McDonald's hard work to create an image as a company that takes societal issues seriously (Svenska Dagbladet).

Layers of CSR

Sachs, Ruhli, and Mittnacht (2005) state that the probably most famous theory laying the ground work for much of the literature today regarding CSR, without paying any particular interest to different cultural settings, is Archie Carroll's CSR pyramid (see figure 1.1).
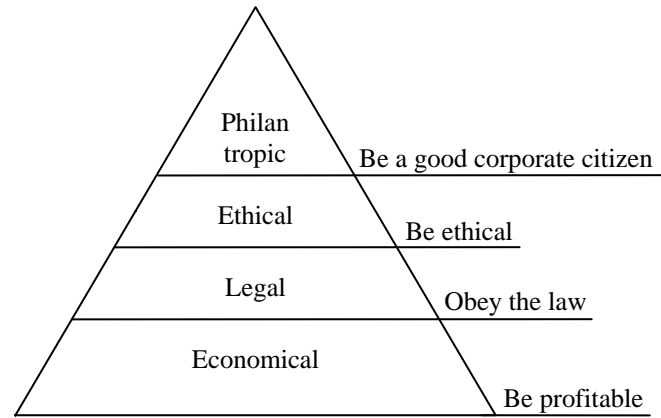
Figure 1.1: **Archie Carroll's CSR pyramid**
Adapted from: Sachs, Ruhli & Mittnacht (2005)

The CSR pyramid consists of four layers of responsibility that companies should take into consideration and these layers are also connected to companies' development over time due to that this increases their responsibilities. The foundation layer of the pyramid is called economic responsibilities and basically this means for companies to be profitable. One view that stresses the importance of this layer is the neo-classical view. It is often portrayed by Milton Friedman's maximizing shareholder value perspective. The neo-classical view of corporations' responsibilities is that corporations should provide employment, pay taxes and most importantly maximize the value to their shareholders within the rules of the game, but not anything more than that (Moir, 2001).

The second layer is the legal responsibilities level that is characterized by legislation. Company growth and increased market complexity increase company regulations and these regulations are to some extent derived from the next level of ethical responsibilities due to that laws originate from ethical norms. Ethical responsibilities are norms that have not taken the step to become laws but are regarded as important by societal groups. The last step of the pyramid is the philanthropic responsibilities level where companies strive to be good corporate citizens, which means that the corporate responsibility goes beyond the first three levels of the pyramid and incorporates commitment to societal wealth on a voluntary basis (ibid).

Moir (2001) says that theories concerning what corporations are responsible for and to whom they are responsible are topics much discussed within CSR literature since the 1950's when the more or less contemporary view originated. Galbreath (2006) states that there is a need to look at CSR in a global perspective and look at what global considerations that affect CSR in different cultural settings.

1.2 Problem Discussion

Gardiner, Rubbens, and Bonfoglioli (2003) state that corporations view on sustainable development has changed due to external pressure from consumers and other stakeholder groups. A majority of the business leaders think that committing to sustainable development has higher benefits than costs. On the other hand research has showed that consumers'

willingness to punish companies that are not fulfilling their social responsibilities has dramatically increased in parts of North America and Europe the last years. One example of this is that in a European study performed in 2000, 70% of the respondents said that the CSR commitment from the company was important for them when deciding whether or not to buy a product or service (OECD). This is due to globalization and the greater accessibility of information in Europe that increases people's knowledge and concern about societal and environmental issues in other parts of the world. This will in turn put pressure on organizations to meet these higher public expectations and behave ethically (ibid).

Other stakeholder groups also play an important part in companies CSR content i.e. shareholders in Germany are more reluctant to sell shares in a company that is not socially responsible than Italian shareholders. This due to that the expectations on companies' CSR differ between countries (Globescan). According to Greenfield (1984), in Galbreath (2006) the view on CSR is culture bound and as a result young kids working 80 hours a week could be seen as appalling and illegal conduct in one country while socially responsible in another because work keeps the kids off the streets. Issues such as this one needs to be taken into consideration by multinational corporations (MNCs) (ibid).

According to Galbreath (2006) the method that corporations use to achieve their CSR goals can be viewed as a vehicle. These goals could be reached through i.e. check-book philanthropy, cause-related marketing, applied ethics, and stakeholder dialogue (ibid). Holme and Watts (2000) say that cultural differences have an impact on companies CSR and how companies in different countries use CSR. For example in the Philippines interactive partnerships rather than charity based CSR is welcomed, in Brazil charity was used due to difficulties in recognizing direct monetary benefits but indirect benefits were considered very important, and in Argentina stakeholder participation in CSR issues was considered essential.

Due to the increasing interest of CSR globally an improved importance to follow global CSR standards are observed among companies (Castka, Bamber, Bamber & Sharp, 2004). Countries and businesses in different cultural contexts are more eager to adjust to these standards. Some reasons for this is because investors, consumers and other stakeholder groups are demanding higher standards and can obtain information about companies CSR behavior in for example emerging markets, and the interest from developing countries to maintain their supplier-relationships with MNCs.

Galbreath (2006) says that when companies go international there are many global considerations for their CSR and brings up culture, law, global standards, and nongovernmental organizations (NGOs) as the main factors that could influence how companies use their CSR. Ringov and Zollo (2007) believe that cultural specificity is important to look at for companies operating internationally. They further propose that companies should have a global position as well as being sensitive towards local idiosyncrasies in order to perform CSR effectively.

What transpires from existing research is the need to further investigate the impact of global considerations such as: country, region, and global factors on MNCs' approach to CSR, which will be the area of research that this study focuses on.

1.3 Purpose and Research Questions

Based on the problem discussion, the purpose of this thesis is to gain a deeper understanding of the influence of global considerations on multinational companies' corporate social responsibility. To achieve the purpose, the following research questions are developed:

RQ 1: **How can the content of multinational companies' corporate social responsibility be described?**

RQ 2: **How can the factors influencing multinational companies' corporate social responsibility in foreign markets be described?**

1.4 Thesis Outline

Figure 1.2 presents the outline of this thesis. The first chapter begins with a presentation of the research area. In the next chapter the literature review will be presented followed by the third chapter that presents the research methods and how the data was collected. In chapter four the data that was collected will be presented and later be analyzed in chapter five. Finally in the last chapter the research questions that was stated in chapter one will be answered and some conclusions and finding of this research will be discussed.

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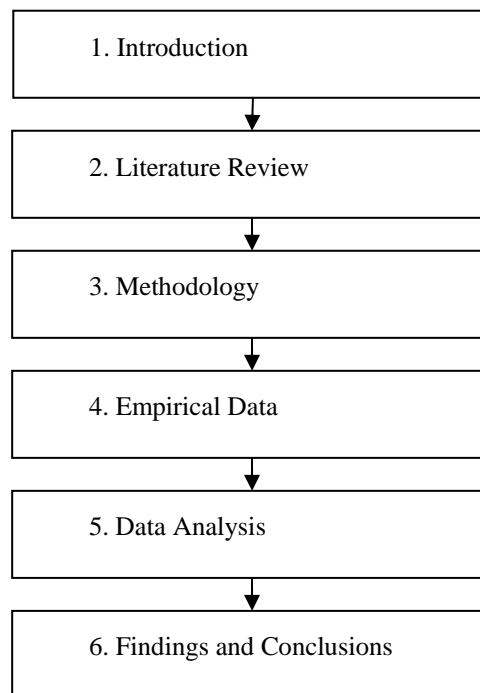
Figure 1.2: **Outline of the thesis**

2. Literature Review

This chapter will present a selection of the literature that is relevant to the topic of CSR and especially to the research questions. Literature related to the two research questions will be presented in the same order. The last section will show a conceptual framework which should guide data collection and data analysis.

2.1 Content of Corporate Social Responsibility

This section will discuss the main areas that the literature regarding CSR content covers and how the content of CSR can be described. The theories that are described in this chapter will look at CSR from the companies' perspective. The literature that is brought up do to some extent overlap each other in terms of content but to gain a holistic picture of the intriguing areas all of the issues will be brought up and discussed separately in this thesis. The literature used was selected because of their relevance and that they are often referred to in other previous studies within CSR. Areas that will be discussed are firstly the benefits of companies' corporate responsibility, and later the areas and aspects that companies' could assume responsibility over and encompass in their CSR work which becomes the content of their CSR.

2.1.1 Benefits of CSR

The first thing to consider before implementing CSR is what potential benefits the company might enjoy and depending on which benefits sought by the company the construction of the specific CSR program is likely to differ from programs that seek other benefits. Even though there have been an increasing interest in implementing CSR, Sen and Bhattacharya (2001) claim that there are not a lot of facts about the effects of CSR. Research has showed that there is a weak positive relationship between CSR and financial performance but it is difficult to distinguish for whom CSR is efficient.

Andriof and McIntosh (2001, p. 59-61) define several principles that are the foundation to why businesses use CSR. They claim that it is about making a difference in society in order to reach a sustainable success both in business and society. To ensure this everybody associated with the company i.e. employees and stakeholders, have to be allowed to contribute. This inclusion of the employees and stakeholders requires a long term philosophy with a transparent organization, which will be beneficial in the long run. It is a continuous communication and shared responsibility between business, government, and community in order to create an engagement to achieve a sustainable social, environmental, and economic success. All this has to be done without losing profitability.

Strategic Direction (2005) state that benefits that are derived from companies CSR work can include: enhanced reputation, employee satisfaction and loyalty, enhanced product lifecycles, improved risk management due to a wider audience, innovation improvements, and a higher probability to attract investments.

Many consumers prefer to buy from ethical businesses. In a consumer survey that was conducted by Cone Inc. (2004) 80 percent of the consumers preferred businesses that support a good cause and 86 percent said that if price and quality were equal in a product they would rather switch and buy that one. However Bhattacharya and Sen (2004) state that their research shows different purchasing behavior. Although people claim that CSR influence their purchasing decisions they claim that the customers do not respond to the CSR in that extent.

Engaging in CSR will give a good reputation which simplifies the recruitment of employees who stay longer and therefore the recruitment costs are reduced. It will create good relationship with authorities and have a positive image in media which prevents damage to the company and its reputation. It can also create a deeper understanding of the business which can lead to new products and services in the company. Other companies often prefer to cooperate with those who have a CSR policy to ensure their own reputation (Business Link). The different benefits sought by companies involved in CSR can be derived from what the company focuses on in their CSR work. John Elkington states below that there are three bottom lines of focus that companies can have.

2.1.2 Triple bottom line

In the middle of the 90's John Elkington defined the term triple bottom line as the agenda for companies to focus not only the economic values but also the environmental and social values. The three bottom lines are known as the economic, environmental and the social bottom lines but they are also referred to as the 3Ps, profit, planet and people. Within CSR the triple bottom line is a term that is often used when describing companies' success in these three areas (Elkington, 2004). It is also a framework of how to measure and report a companies' performance in these areas. The economic values have historically been prioritized by most companies but more and more are beginning to take the environmental and social aspects into consideration in order to become successful (Elkington, 2001).

The economic bottom line is the traditional accounting of financial performance. This is partially done through a mandatory accounting due to the laws in each country but also through annual meetings with shareholders and reports. The environmental bottom line is the field of environmental accounting. The goal is to identify costs and benefits in the accounting system that are environmental related. The last bottom line is the social which emphasizes on the impact that the companies actions have on people. Measuring the success in the social bottom line can be difficult since it is subjective. A company who apply the triple bottom lines will not use child labor. They will pay fair wages and offer good working hours and working conditions. They will not produce harmful and dangerous products such as weapons, and chemicals (ibid).

Elkington (2001) discusses the agenda for companies involved in CSR in a quite broad term called the triple bottom line. Andriof and McIntosh (2001) below go a bit deeper into the areas of CSR that firms are responsible for.

2.1.3 Areas of CSR that firms are responsible for

According to Andriof and McIntosh (2001, p. 15-16) CSR is neither philanthropy nor a study of business ethics. It can instead be described as a vision that business leaders have besides making money. It has an impact on everything that the company does and will affect areas either inside or outside the company. They further state that this can be divided into four distinct areas:

- ✓ The environment
- ✓ The workplace
- ✓ The community
- ✓ The marketplace

These four areas are what companies focus on, work with, and develop special programs within. These areas will also have an impact such as monitoring and changing the way they do business within the organization (ibid).

Companies that engage in CSR give up their traditional way of doing business and focus instead on making profit and through this give in return to employees, environment, and communities. Those who practice CSR believe that employees are productive when they get fair wages and work under good conditions. They also believe that a company will be successful in the long run if the community has a low crime rate and well developed infrastructure including education, healthcare etc. Companies which have environmental issues in mind in all their operations will earn a high degree of loyalty from customers and other companies in return. Today the companies' reputation is almost as important as the price when a decision of purchasing the product is taken (ibid). Closely related to Andriof and McIntosh's (2001) areas of CSR, Sen and Bhattacharya (2004) provide below a number of CSR activities that companies can engage in.

2.1.4 Activities of CSR

According to Sen and Bhattacharya (2004) there are a lot of CSR initiatives and these can be divided into six categories of activities within CSR. These activities are broad descriptions of different ways for companies to engage in CSR. Companies can get involved in one or more of these activities. The chosen areas are based on what CSR activities the customers consider important and thereafter the company has to invest money, time, and goods. The six different types of activities are:

- ✓ Community support: the company supports different programs in their community such as arts, health, education, and housing initiatives for those who are poor but also generous and innovative giving occurs.

- ✓ Diversity: the company works for and supports a diversity of sex, race, family, sexuality, and disability.

- ✓ Employee support: the company supports questions regarding safety, job security, profit sharing, union relations, and employee involvement.

- ✓ The environment: the company uses environmental friendly products such as ozone depleting chemicals etc. They have a well developed dangerous waste management and pollution control and recycling system. They also avoid testing methods involving animals.

- ✓ Non-domestic operations: the company ensures that operations in countries with human right violations and labor practices such as sweatshops are prevented.

- ✓ Product: the company produces safe products and develops new innovations.

Johnson, Scholes and Whittington (2005, p. 193) discuss the same areas when describing the internal and external aspects of CSR. They present a checklist for what organizations should be responsible for. These are divided into internal and external aspects of what areas the companies' activities can affect. Internal aspects of the company's activities include: employee welfare, working conditions, job design and intellectual property. External aspects include: environmental issues, products, markets and marketing, suppliers, employment,

community activity and human rights. Kok, Van Der Wiele, McCenna and Brown (2001) agree with Sen and Bhattacharya (2004), and Johnson, Scholes and Whittington (2005) regarding the activities/aspects of CSR but provides a more extensive framework which can be seen in the next section.

2.1.5 CSR aspects

Castka et al. (2004) state that: "there is no single authoritative definition of CSR. The CSR agenda seems to be a loosely defined umbrella embracing a vast number of concepts traditionally framed as environmental concerns, public relations, corporate philanthropy, human resource management and community relations". Kok et al. (2001) present in table 2.1 a framework where the concepts mentioned above are taken into consideration. This framework was developed to help companies to reflect on their current CSR position and stimulate movements in the preferred CSR direction. Issues that are important when discussing CSR are classified into fourteen aspects that are connected to the external environment, the internal environment or both.

Table 2.1: Aspects of CSR

External environment:	
1. Social responsibility and new opportunities:	Contributing to solving or reducing social problems
2. Community relations:	Extent of openness and support to people around the organization and to (local or national) government, stakeholder groups, action groups, churches, educational institutes, health care institutes, and others.
3. Consumer relations:	Extent of openness towards consumers; recognition of rights of consumers: safety, information, free choice, and to be listened.
4. Supplier relations:	Extent of openness towards suppliers; recognition of rights of suppliers: information, participation in design.
5. Natural environment (e.g. pollution and packaging) and future generations:	Execution of legal requirements, research into current and future technical and environmental developments, environmental issues regarding packaging (recycling). Respect for biodiversity and needs of future generations.
6. Shareholders relations:	Extent of openness regarding social effects of the activities of the organization (especially with regard to investment decisions).
Internal environment:	
7. Physical environment:	Safety, health, ergonomic aspects, structure and culture.
8. Working conditions:	Demands in relation to recruitment, selection, promotion, part-time work, working on Sundays, medical aspects, retirement aspects.
9. Minorities/diversity:	Extent to which attention is given to minorities, diversity, multiculturalism.
10. Organizational structure and management style:	Empowerment, involvement.
11. Communication and transparency:	Top down and bottom up communication, use of information technology, review of information flows: relevance, timeliness, detail, accuracy.
12. Industrial relations:	Extent to which communication takes place about expectations, needs, values and norms in society.
13. Education and training:	Needs of employees, current and future knowledge and skills, review of training budget, personal development, quality assurance of training process, evaluation of training results.

Table 2.1: continued

Internally and externally:	
14. Ethics awareness:	Attention within development and training and communication for ethical subjects and aspects in relation to work and the business; involvement of employees in developing codes of behavior, values, ethical codes, and the way employees are addressed to those aspects; stimulation of broad ethical discussion with all parties.

Source: Kok et al. (2001)

Kok et al. (2001) state that there are several reasons for companies to use a framework like the one in table 2.1. It can be used as a part of the CSR planning process both strategically and operationally to review current internal and external practices. It is a way to identify the strategic and practical CSR strengths and weaknesses. It simplifies the development of a CSR improvement plan and it provides basic data for the measurement of the CSR implementation in the organization. It also identifies the ones able to contribute to the CSR work and makes the participants.

2.1.6 CSR policy levels
Kok et al. (2001) continue to say that companies have one of four different policy levels in connection with each of these 14 aspects. Improvements in the company's CSR can be achieved by moving towards the next policy level.

✓ The first policy level, the ad hoc policy, is in reality no policy. The only times social issues are given any attention are when the costs of neglecting them are too high and potentially when legal action is made against the company.

✓ The second policy level, standard policy, is that the policy strictly follows the law. Only when legal requirements exist will the company integrate it in the business practice.

✓ The third policy level, planned policy, is when the law is followed and also when other parties that have a direct relation to the business performance is taken into consideration.

✓ The fourth policy level, reviewed policy, is when the company believes it has legal and moral obligations to society. All parties are involved in the companies' decision making and ethics awareness is a key word of the organization (ibid).

2.1.7 Codes of conduct
Closely connected to the company's policy is the company's code of conduct that is defined by International Labor Organization (ILO, No Date) as: "companies' policy statements that define ethical standards for their conduct". They further state that there is a great variation in the content of companies' codes of conduct. Leipziger (2003) agrees with ILO's definition and continuous to say that one characteristic of the codes of conduct is that they are either internal or firm specific and different from what is usually called standards that are broader in scope and can be applied wider geographically and industrially.

The institute of business ethics also refers to the code of conduct as, code of ethics, ethical policy, statement of business practice, and set of business principles which indicates that companies view the code of conduct differently. Löhman & Steinholtz (2003) state that key

issues that can influence what a company's code of conduct contains is what industry that company works within and which activities the company is involved in. They continue to say that a code of conduct can contain areas such as: labor rights, human rights, bribery and corruption, environmental concerns and more.

According to Leipziger (2003) an effective code of conduct can serve to: "Raise awareness about corporate responsibility within the company, help companies to set strategies and objectives, assist companies with implementation and control of values, help companies avoid risk, foster dialogue and partnerships between companies and key stakeholders, enhance unity and identity among divergent companies". The code of conduct's importance, when trying to foster dialogue and partnerships between companies and key stakeholders is receiving much space within the literature today and therefore the area of CSR and the company's stakeholders are discussed further below.

2.1.8 CSR stakeholders

Johnson, Scholes and Whittington's (2005) definition of the CSR concept contains the words "obligations to stakeholders", which illustrate the importance of stakeholders in this area. Stakeholders are those individuals or groups who depend on the organization to fulfill their own goals and on whom, in turn, the organization depends". Conflicting interests from different stakeholders are common and usually, compromises between the different stakeholders' expectations are reached, because all expectations cannot be achieved at the same time (ibid).

When conducting CSR it is highly important to identify the stakeholder groups that the organization has and also to prioritize between the different stakeholder groups. For example a company highly vulnerable to criticism usually prioritizes media and NGOs to a further extent than a company not as vulnerable to criticism (Löhman & Steinholtz, 2003).

Nielsen and Thomsen (2007) divide the organizations' stakeholders into primary and secondary stakeholders where the primary are those who have a direct/legitimate interest in the organization and the secondary have an indirect interest. Primary stakeholders are according to them: customers, employees, and investors while secondary stakeholders are: suppliers, interest groups, local society, society, competitors, and media.

CSR should not be treated differently than other investments according to Castka et al. (2004). They say that the main thing to strive for in concern to stakeholder theory is finding the perfect balance between maximizing the profit from CSR on one hand while satisfying the demand for CSR from the different stakeholders on another (see figure 2.1). Castka et al. (2004) propose that organizations should assess the stakeholder's expectations through dialogue and encompass these expectations into the organization's CSR plan.
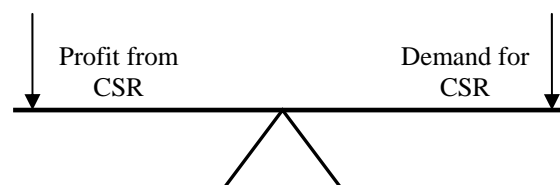

Figure 2.1: **Key CSR equilibrium**
Source: Castka (2004)

Gallagher (2005) states that the corporations that incorporate socio-cultural norms of the broad stakeholder group called society have got an advantage. The company invests in a shock absorber better built to survive potential external forces and future changes in legislation derived from norms in society.

2.1.9 CSR initiatives

Kotler and Lee (2005) state that they have identified six major initiatives in the area of CSR, and that most of corporations' CSR activities falls into one of these six initiatives. These initiatives have different potential benefits and concerns. Table 2.2 briefly describes the six CSR initiatives called cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering, and socially responsible business practices and also their potential benefits and concerns.

Table 2.2: CSR initiatives and their potential benefits and concerns

CSR Initiatives	Potential Benefits	Potential Concerns
Cause promotions Supporting social causes through promotional sponsorships	• Builds corporate reputation • Attracts and retains a motivated workforce • Supports marketing objectives • Builds strong community relationships	• Visibility for corporate efforts can easily be lost • Coordination with cause partners can be time consuming • Staff time and involvement can be significant • Promotional expenses can be significant • Consumers may be skeptical of corporate motivations and commitment
Cause-related marketing Making a contribution or donating a percentage of revenues to a specific cause based on product sales or usage	• Support marketing objectives • Builds strong community relationships	• Coordination with cause partners can be time • Staff time and involvement can be significant • Promotional expenses can be significant • Consumers may be skeptical of corporate motivations and commitment
Corporate social marketing Supporting behavior change campaigns	• Builds corporate reputation • Contributes to general business goals • Attracts and retains a motivated workforce • Supports marketing objectives • Builds strong community relationships	• Coordination with cause partners can be time • Staff time and involvement can be significant • Efforts may require external expertise • Promotional expenses can be significant
Corporate philanthropy Making direct contributions to a charity or cause	• Builds corporate reputation • Builds strong community relationships • Attracts and retains a motivated workforce	• Visibility for corporate efforts can easily be lost • Tracking resource expenditures and value can be difficult and expensive

Table 2.2: continued

Community volunteering Providing volunteer services in the community	- Builds corporate reputation - Builds strong community relationships - Attracts and retains a motivated workforce	- Visibility for corporate efforts can easily be lost - Staff time and involvement can be significant - Tracking resource expenditures and value can be difficult and expensive
Socially responsible business practices Adopting and conducting discretionary business practices and investments that support social causes	- Builds corporate reputation - Contributes to business goals - Builds strong community relationships - Reduces operating costs - Reduces regulatory oversight - Attracts and retains a motivated workforce	- Visibility for corporate efforts can easily be lost - Efforts may require external expertise - Consumers may be skeptical of corporate motivations and commitment

Source: Adapted from: Kotler & Lee (2005) p. 25, 258-259

2.2 Factors Influencing Corporate Social Responsibility

In this section the global factors that firms have to take in consideration in their CSR when they go from the home market to foreign markets will be discussed. Due to the globalization and the international business, people have to interact with others from different countries and cultures to become successful. Even though the foundation of the CSR is equal worldwide there are differences in the context between the countries. These differences in the CSR are a reflection of four main factors which are culture, regulations and laws, NGOs, and global standards, etc. Since these factors are different in each country, there are different values that will influence the society's expectations of the company (Burton, Farh & Hegarty, 2000). When establishing the CSR in the home country the company evaluates the options in that country. However the CSR that is based on the factors in the home country will not necessarily be suitable as a global CSR. The company has to identify differences in these factors in the home and the foreign country in order to choose an effective approach to the CSR (Galbreath, 2006). The literatures used were selected because of their relevance and that they are often referred to in other previous studies within global CSR.

2.2.1 Cultural factor

When looking at the cultural factor it is essential to look at Hofstede's cultural dimensions. He studied IBM employees from 70 countries and based on this he analyzed the countries different cultural behaviors. His dimensions give an insight into other countries' cultures to be more effective when doing business internationally (Geert-hofstede.com).

Individualism and collectivism

In Phatak et al. (2005, p. 145) Hofstede defines individualism as "a social pattern that consists of loosely linked individuals who view themselves as independent of groups and who are motivated by their own preferences, needs, rights, and contracts". They define collectivism as "a social pattern that consist of closely linked individuals who see themselves as belonging to one or more groups and who are motivated by norms, duties, and obligations identified by these groups". These definitions indicate that firms which operate in individualistic societies are expected to care less about the company's impact on society. However Ringov and Zollo (2007) state that this dimension has no significant effect on the social and environmental performance based on their research.

Power distance
According to Hofstede in Phatak et al. (2005, p. 146) power distance is described as "the extent to which extent less powerful members of institutions and organisations within a country expects and accept that power is distributed unequally". Ringov and Zollo (2007) claim that companies that operate in countries with low power distance discuss social and environmental aspects openly and therefore perform better in this area than those with a high power distance. They further claim that countries with high power distance consider more business practices as ethical compared to low power distance countries. They conclude that this dimension effect the social and environmental performance.

Uncertainty avoidance
"The extent to which the members of a culture feel threatened by uncertain or unknown situations" is the definition of uncertainty avoidance provided by Hofstede in Phatak et al. (2005, p. 148). Ringov and Zollo (2007) claim that firms that operate in a country with high uncertainty avoidance will have harder to adapt to social and environmental demands and therefore will take less initiatives in these areas. Their research does not support this theory and has no significant impact on the social and environmental performance.

Masculinity and femininity
In (2005, p. 145) Hofstede defines masculinity as "pertains to societies in which social gender roles are clearly distinct" and femininity as "pertains to societies in which social gender roles overlap". Companies that operate in high masculinity countries are expected to prioritize material success and progress before cooperation which is considered to be a sign of weakness. Ringov and Zollo's (2007) research support the theory that this dimension has an effect on the social and environmental performance.

Burton et al. (2000) claim that the understanding of the culture of the country that a company wants to establish in is very important to understand. Phatak et al. (2005) mention that the child labor is common in developing countries and few companies have eliminated it in their productions. It is not unusual that children are working 12 hours a day for extremely low wages. In many cultures it is considered not only as unethical but also against labor laws to use child labor while in other cultures this is about surviving and keeping the children out of the streets doing crimes. Galbreath (2006) discusses this dilemma and states that it is a fundamental issue whether a company should establish their CSR based on the home country's or the foreign country's cultural standards. Companies might choose not to operate in countries where they have major differences in what is expected from their CSR. In some cases they might use a CSR that is adapted to the foreign country and is different from the one used in the home country. Some of the major international companies, Galbreath (2006) mentions Sony as one example, have standardized and implemented a global CSR worldwide. Using a universal CSR globally can be preferable in some areas but it is important to understand the different cultures in order to acknowledge when and where adaptations are necessary (ibid). Burton et al. (2000) study supports the theory that different cultures will react differently to a company's CSR.

Andriof and McIntosh (2001) explain that cross-cultural factors are becoming important when doing international business. That there will not be a successful business if there is no understanding for the other party's cultural beliefs, religion, and values. This should also be taken into consideration in the home country since there are different people with different background, religion and cultures integrated in the modern societies. These aspects are becoming more important in businesses' CSR today. Another way to look at culture besides

Hofstede's cultural dimensions is by viewing it through what Kampf (2007) refers to as the cultural system.

2.2.2 Cultural systems and CSR

According to Genest (2005) CSR internationally is more complicated than it first seems, even though giving is a universal practice, all sorts of corporate philanthropy practices needs to be aligned to the cultural values of the particular countries and satisfy the multicultural stakeholders that MNCs have in the global market today.

Kampf (2007) states that the most holistic way to look at CSR in different cultures is through a cultural systems perspective (figure 2.2). The reason for using cultural systems model is that the model both tries to understand stakeholders and their interaction with other stakeholders as well as the interaction with the company, this by viewing the company as a part of the cultural system (one part of institutional consequences) instead of the hub of the system.

Outside Influences:	Origins or Ecological factors:	Norms: Coming from:	Institutional Consequences:
World Economy Technology	Political groups Governments Suppliers	Employees Communities Customers Managers	Firms (the company) Trade associations Investors NGO's
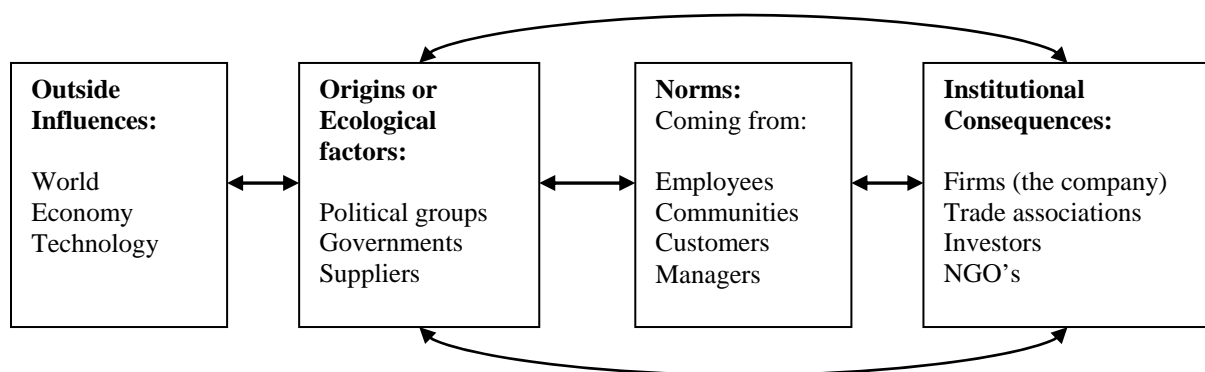
Figure 2.2: **The company and its stakeholders situated in a cultural system**
Source: Kampf (2007)

Kampf (2007) says that this system does not separate culture from history, policies or law but looks at culture as the system where context, norms, and institutional consequences interact. Outside influence such as globalization affects culture within a culture/country but the specific cultural systems functions different depending on the origins or ecological factors, the norms and institutional consequences that are created by stakeholders who affect and interact with each other. For example both Denmark and the US are affected by outside influences in CSR, but the origins or ecological factors differ. The Danish government has for a long time provided extensive social services for their people in comparison to the American government. The norms differ as a result where Danes have a higher concern for social welfare and that businesses contributing through high taxes while Americans have a higher concern for shareholder's money and that businesses contribute by choice. The institutional consequences are that companies are already involved in providing for social welfare in Denmark and do not need to communicate their CSR to the same extent as American companies that does not automatically provide to social welfare in the same extent (ibid).

According to Kampf (2007) "The cultural systems approach to understanding corporate responsibility opens up the opportunity for researchers to explore the connection between local culture in which multinational company headquarters are situated and the global influences which are becoming increasingly important and influential as business becomes increasingly globalized". One part of the cultural system that is receiving much interest in the current CSR debate is the nongovernmental organizations.

2.2.3 Non-governmental organization

Princeton University's WordNet defines non-governmental organizations (NGO) as "an organization that is not part of the local or state or federal government". Johns (2001) states that NGOs usually are either ideas-based or identity-based or both. Ideas-based NGOs focus on "human rights, education, equality, environmental sustainability, etc." while identity-based NGOs focus on "indigenous, female, homosexual, etc.". Many NGOs have causes that are crossing and combining these two bases. Galbreath (2006) classifies the NGOs into three different groups that are based on what they do. These are: operational, advisory, and advocacy. Operational NGOs offers their services to the society in areas such as education, health, disaster relief. Advisory NGOs offers different advice and information and works as consultants. Advocacy involves in lobbying activities with governments and other organizations in order to influence their decisions concerning policies for businesses. The question whether to customize the CSR to the host country due to the impact of NGOs in that country needs to be discussed by the company when going abroad. The decision whether to customize or not might vary and is based on the company's policy and goals (ibid).

Freeman (2006) emphasizes that "the power and impact of NGOs cannot be overstated, emerging from almost nowhere to challenge multinational corporations". He exemplifies this with Nike and Gap who were accused by NGOs that they were using sweatshops. After this a lot of companies in different sectors have been confronted by NGOs regarding different issues. This resulted in that businesses have gained a lot of respect for NGOs ability to work with these issues. He further claims that the NGOs are the institutions that influence business to engage in CSR more than most of the others. NGOs find companies willingness to admit when they have major problems or reduced performance as the most important aspect due to transparency. Two major multinational companies that had earlier been accused by NGO solved the problem by setting a new standard for transparency. Nike and Gap chose to show the public all of their suppliers and what problems they had with violations with their own CSR. Freeman (2006) concludes that "NGO relations are becoming almost as important as investor relations, especially from a corporate reputation and communications perspective".

Johns (2001) mentions that the growing CSR trend and its popularity have arisen as a result of the pressure that the NGOs have on companies. NGOs want companies to be "good citizens", which means supporting the NGOs objectives. NGOs often apply pressure on companies not behaving ethically correct but they are also often involved in applying pressure on companies not behaving legally correct.

2.2.4 Laws and regulations

Legal responsibility is an important component of global CSR according to Carroll (2004). Companies have to obey the law in each country since it sets the norms of what is acceptable and unacceptable. If laws and regulations are not obeyed it can damage the company's reputation and image on the market. All countries have sanctioned legal systems which vary in each country. This implies that the expectations on the company also will vary. Significant differences have to be identified before going into business in a foreign country (ibid). Galbreath (2006) says that laws are generally imposed by government when the companies and the market have failed to "ensure fair competition, safe products, fair and equitable working conditions and a clean and healthy environment". Laws are also developed with respect to different social responsibility aspects, usually demanded from agencies or organizations within that area (ibid).

There are also laws that are more global and Phatak et al. (2005, p. 129-131) mention the OECD convention on Combating Bribery of Foreign Public Officials in International Business Transactions. It was adapted in 1997 and currently 35 nations have signed this convention. They further state that the international legal environment consists of three levels of laws: the law in the home country, the law in the foreign country, and international law. The biggest difference between the countries' laws and the international law is that it is an agreement between countries and not a decision taken by a central authority.

According to one of OECD's reports the compliance with law is the dominant factor that influences the companies' codes of conduct. They also state that almost all of the commitments in the 246 codes that they have analyzed are applied both in the home and foreign country. Besides these legal compliances all the companies have commitments extending those regulated by law (ibid). A research made by Küskü and Zarkada-Fraser (2004) on differences between Australian and Turkish companies showed that laws regarding product, contracts and industrial relations are equally important in both countries. However it also shows that there were some differences in how the environmental and anti-discrimination laws are considered important in each country. The Turkish companies care less about these laws than the Australians and this can be due to the lack of regulations in these areas in Turkey (ibid).

Galbreath (2006) adds that the regulatory environment of the country that the company will operate in when going abroad is an important factor that needs to be considered in the CSR. Companies face the decision whether to regard the home and/or the host country's laws in the CSR. He clarifies this by giving an example "If a firm adopts a reciprocal strategy with respect to CSR in the home country and implements environmental production standards that go beyond those required by law as a part of that strategy, should the same policy be adopted in a host country of operation where environmental laws don't even exist?" Issues such as this one have paved the way for more discretionary guidelines due to the legal inconsistencies worldwide.

2.2.5 Global standards and codes of conduct
The number of companies that integrate global standards and codes of conduct in their CSR have multiplied in the last decade and have become increasingly important in emerging markets which indicates that is has become even more essential for MNCs to incorporate standards and codes of conduct in their business (Fliess, 2007). Global standards, codes of conduct and frameworks within the CSR area are topics that are receiving very much interest by companies and researchers at the moment. But global standards and codes of conduct are not something new, standards and codes have been signed between governments, organizations and companies ever since 1948 in order to constitute some kind of moral authority and create guidelines for MNCs (Phatak et al., 2005, p. 521). Leipziger (2003) and Brown (2005) agree when saying that it could be very troublesome for companies active in CSR to navigate through the jungle of the thousands of standards and codes available. The vast number of standards and codes makes it impossible to review even a fraction of them in this study.

Leipziger (2003) states that some initiatives that are wide in scope and also implemented throughout the world by MNCs are: the OECD guidelines for multinational enterprises, the United Nations (UN) global compact, and the global Sullivan principles of social responsibility.

The OECD guidelines for multinational enterprises are one of the most comprehensive guidelines and many countries that are not OECD members have declared their commitment to these guidelines. Some of the areas treated in the guidelines are: general policies, disclosure, employment and industrial relations, the environment, combating bribery, science and technology, competition, and taxation (OECD.org).

UN Global compact are probably the guideline most used by MNCs worldwide with over 3,800 participants. The UN global compact consists of ten dimensions covering human rights, labor standards, the environment and anti-corruption that are derived from the more area specific codes and standards: The Universal Declaration of Human Rights, The International Labor Organization's Declaration on Fundamental Principles and Rights at Work, The Rio Declaration on Environment and Development, and The United Nations Convention Against Corruption (UNGlobalCompact.org).

The global Sullivan principles was started to fight apartheid in South Africa but has later become a part of many MNCs' own code of conduct outside South Africa. The global Sullivan principles resemble the UN global compact but are more concise (The Sullivan Foundation, 2005). There is a need to use it in conjunction with complementary codes and standards to get a comprehensive code (Leipziger, 2003).

Other codes and standards that are more focused on specific areas such as human rights, labor rights and the environment consists of amongst others: The universal declaration of human rights, Social accountability 8000 (SA8000), Ethical trading initiative, The CERES principles, the Natural step, the business principles for countering bribery, and the International labor organization: tripartite declaration of principles concerning multinational enterprises and social policy. There also exist global standards and codes for implementation of CSR i.e. Accountability 1000, Global Reporting Initiative as well as certification systems such as OHSAS 18001 that deals with occupational health and safety, and ISO 14001 that deals with environmental issues (ibid).

2.2.6 National and regional standards
Not only global standards affect MNCs' CSR. Codes and standards are developed so that companies can act in an ethical way but ethics is not universal. Countries and cultures differ from each other in how they perceive ethics and therefore the codes and standards within countries and cultures differs (Donaldson, 2001). To illustrate this he says that even criminal gangs have their codes. The importance for companies to comply with different local/regional standards differ depending on where companies do business. For example company licenses issued to companies that comply with local/regional environmental standards amount to 99 in the US (Green Seal), 1756 in Japan (Eco-Mark program), and 223 in Sweden (Good Environmental Choice). There are also differences in how difficult these standards are to obtain in different countries. For example in Sweden and Spain there are relatively few requirements for companies when complying to national standards and as a result quite easy to obtain which is the contrary to Canada and Korea who have a vast number of requirements for companies' that wants to comply with the national standards (Fliess, 2007). The author continues to say that these national standard differences are just one of a large number of factors that show countries' commitment towards CSR.

2.2.7 The state of responsible competitiveness
The degree of responsible competitiveness in a country affects the CSR expectations that stakeholders have toward companies conducting business within that country. Al Gore says

that countries that have a high degree of responsible competitiveness help companies to do the right thing through public policies and citizen actions and increase the CSR demands on companies. Some of the twenty one factors that affect the degree of responsibility competitiveness in a country which in turn affects the expectation of companies CSR work are: the signing and ratification of environmental treaties, ratification of basic worker's rights, the tax environment, strength of audit and accounting standards, ratio of ISO certification, the level of corruption, press freedom, transparency on transactions and NGO memberships (MacGillivray, 2007).

2.3 Conceptual Framework

In the previous section relevant literature for this study within CSR with connection to the purpose and research questions of this thesis was presented. This section will develop a conceptual framework. The most appropriate literature will be used to develop a theoretical framework which should help us in collecting data and analyzing the data. Miles and Huberman (1994, p. 18) define the conceptual framework as: "the main things to be studied - the key factors, constructs or variables - and the presumed relationships among them".

2.3.1 Content of CSR

There are a great deal of literature concerning the content of CSR and the theories and models provided by researchers and organizations often overlap each other or focus on a very limited area within this field. Therefore the authors of this thesis made the choice to single out literature that together contributes to an extensive scope in order to minimize the risk of neglecting important issues connected to the description of CSR. CSR benefits, aspects, and initiatives have also been chosen due to their potential strengths as topics for data collection.

CSR benefits

The view in Strategic Direction (2005) is compiled by the opinions of three authors with substantial experience in the CSR area and will therefore provide a good base when studying the benefits sought by companies engaged in CSR. Kotler & Lee (2005) present a more extensive list of potential benefits which are connected to CSR and to a large extent agrees with Strategic Direction. A suitable list is accumulated consisting of the following CSR benefits:

- ✓ Enhanced reputation
- ✓ Employee satisfaction and loyalty
- ✓ Enhanced product lifecycles
- ✓ Improved risk management due to a wider audience
- ✓ Innovation improvements
- ✓ Higher probability to attract investments
- ✓ Supports marketing objectives
- ✓ Contributes to general business goals
- ✓ Reduces operating costs
- ✓ Reduces regulatory oversight
- ✓ Builds strong community relationships

CSR aspects

Kok et al.'s (2001) framework for CSR aspects provides a broad list of CSR aspects both externally and internally. The framework is based on previous literature by Humble (1975), Certo (1993), and Porter (1990) to give the framework a spectrum as broad as possible concerning the aspects of CSR. The framework to some extent includes aspects of importance

in literature that were brought up in the literature review such as: CSR stakeholders, CSR areas, CSR activities and codes of conduct that increases the legitimacy to use this framework. The aspects of CSR according to Kok et al. (2001) consist of the following fourteen aspects:

External environment
- ✓ *Social responsibility and new opportunities*
- ✓ *Community relations*
- ✓ *Consumer relations*
- ✓ *Supplier relations*
- ✓ *Natural environment*
- ✓ *Shareholder relations*

Internal environment
- ✓ *Physical environment*
- ✓ *Working conditions*
- ✓ *Minorities/diversity*
- ✓ *Organizational structure*
- ✓ *Communication and transparency*
- ✓ *Industrial relations*
- ✓ *Education and training*

Internally and Externally
- ✓ *Ethics awareness*

CSR initiatives/methods
Kotler and Lee (2005) state that they have identified six major types of CSR initiatives that companies use in their CSR work. These initiatives are also referred to by other authors and are also referred to by using other terms such as CSR methods and CSR vehicles by i.e. Galbreath (2006). The cause marketing forum's recommendation of Kotler and Lee's (2007) CSR initiatives together with the authors' world renowned reputation have made the researchers to select the conceptualization of these initiatives. The six types of CSR initiatives that Kotler and Lee (2005) have identified are:

- ✓ *Cause promotions*
- ✓ *Cause-related marketing*
- ✓ *Corporate social marketing*
- ✓ *Corporate philanthropy*
- ✓ *Community volunteering*
- ✓ *Socially responsible business practices*

2.3.2 Factors influencing CSR in foreign markets

The literature conceptualized to best answer what factors that influence CSR in foreign markets are not as vast as the literature connected to the description of CSR. Galbreath's (2006) global factors in CSR guided the researchers in the conceptualization process due to its wide-range in what factors that could influence CSR in foreign markets. The amount of literature concerning this topic and the correlation to the literature chosen in the conceptualization is also a reason for the selection. Cultural factors, cultural system, global codes and standards, laws, and NGOs have also been chosen due to their potential strengths as topics for data collection.

Cultural factors

The cultural factors initially provided by Hofstede have a strong position in today's cross-cultural literature and was therefore important for the researchers to conceptualize. The conceptualization of two of the cultural factors were based on recently conducted research by Ringov and Zollo (2007). The factors called power distance and masculinity and femininity provided by Hofstede were the factors that had a significant influence on companies CSR in their research. Since these two factors are considered to be the most relevant in this area of research these will also be the factors used in this particular study.

- ✓ *Power distance*
- ✓ *Masculinity and femininity*

Cultural system

Kampf's (2007) up to date research regarding cultural system's influence on CSR is an interesting and new approach. This was important for the researchers' due to the relatively older cultural literature provided by Hofstede that could be complemented in a good way by using Kampf's (2007) cultural system. The inclusion of the CSR stakeholders was also an important attribute for deciding to conceptualize the cultural system approach due to the recognition that the overall literature gives to the CSR stakeholders. These are the four elements in the cultural system:

- ✓ *Outside influences*
- ✓ *Origins or ecological factors*
- ✓ *Norms*
- ✓ *Institutional consequences*

Global codes and standards

The extensive amount of literature that discusses the influence that global codes and standards have on companies CSR made it more or less impossible for the researchers to not include these factors in the conceptual framework. Leipziger's (2003) good work on compiling and dividing the vast amounts of codes and standards available impacted the choice of applying her work in the conceptual framework. The three main types of codes and standards are:

- ✓ *Global extensive guidelines*
- ✓ *Area specific guidelines*
- ✓ *Implementation guidelines*

Laws

The impact of laws on CSR in foreign markets is a topic that most researchers agree upon. Complying with the law is a key issue for organizations and laws differ between countries which makes this an interesting factor to analyze (Carroll, 2004). The international law also needs to be obeyed (Phatak et al., 2005), and this is also a factor that is included in the conceptual framework due to the increasing amount of international laws (Taliman, Tal, & Brenner, 2003). Except of the home country law these two laws could impact CSR:

- ✓ *International law*
- ✓ *Foreign country law*

2.4 Frame of Reference

Figure 2.3 shows the interconnectedness between the research questions stated in chapter one and also between the conceptualized theories in chapter two, as well as the connection between the research questions and the theories. Depending on the results of research question one, the second research question is likely to be affected. In other words the factors influencing CSR in a foreign country is likely to be affected by the content of CSR.
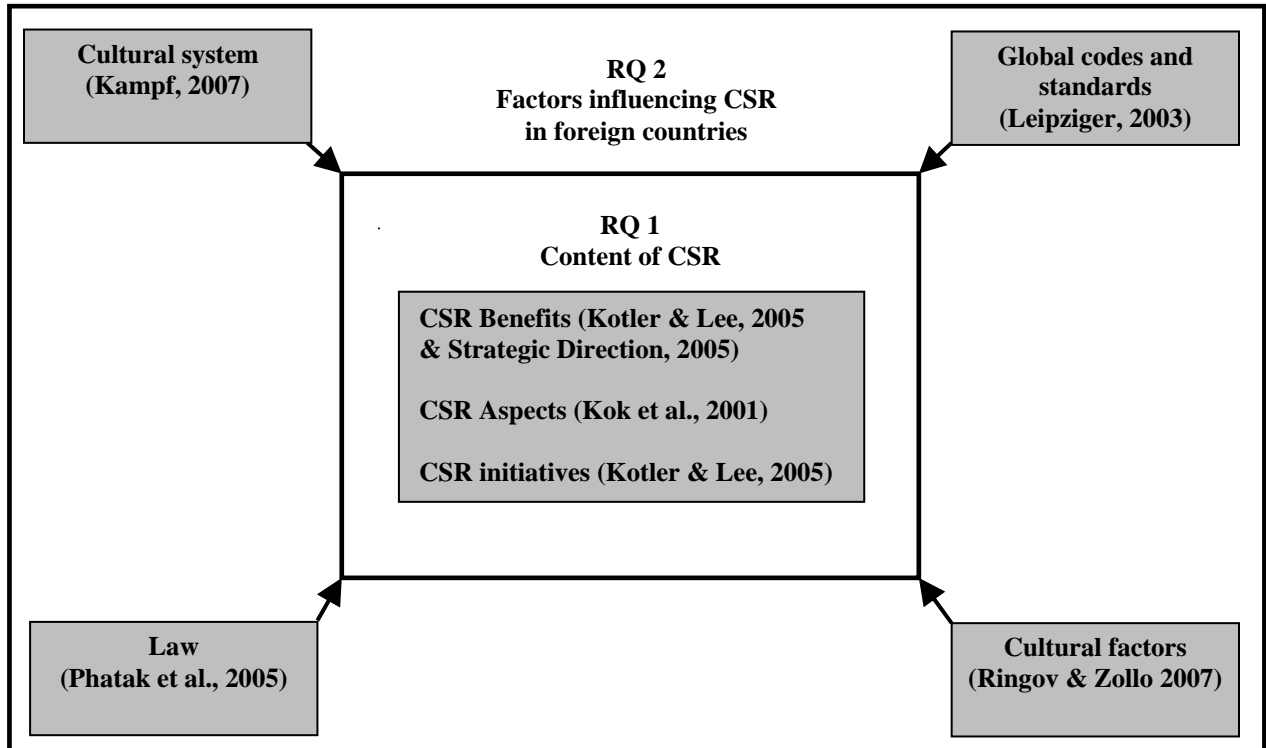

Figure 2.3: Conceptual frame of references

3. Methodology

This chapter will present the research method followed in this study. First the research purpose will be described followed by research approach and research strategy. Moreover this chapter continues to discuss the data collection, sample selection and finally data analysis.

3.1 Research Purpose

Research purpose has been classified by researchers (Yin, 2003, Wiedershielm-Paul & Eriksson, 1989, Saunders, Lewis and Thornhill, 2000) into three types. The two types that are relevant for this study are:

- ✓ *Exploratory*
- ✓ *Descriptive*

Exploratory research purpose is described by Saunders, Lewis and Thornhill (2000) as research that starts off broadly in focus and becomes narrower through the research process as more knowledge is gained. They further state that research with an exploratory research purpose is trying to find out: ""what is happening; to seek new insights; to ask questions and to assess phenomena in a new light". According to Wiedershielm-Paul and Eriksson (1989) an exploratory purpose is suitable when theory is not clear and when research is difficult to demarcate.

Descriptive research purpose is appropriate according to Wiedershielm-Paul and Eriksson (1989) when the researcher does not know the answers but when he/she knows what to examine. Potter (1996) says that when a descriptive research purpose is used it is: "to preserve the form, content, and the context of social phenomena and analyze their qualities, rather than separate them from historical and institutional surroundings." Potter (1996) agrees with Wiedershielm-Paul and Eriksson (1989) and Saunders et al. (2002) that one crucial aspect when using a descriptive research purpose is to specifying what it is that is going to be described in an accurate way.

This study's research purpose is primarily descriptive and to some extent exploratory. A descriptive research purpose is required in the study to answer the research questions stated. An exploratory research purpose is also required since the research purpose was "to gain a deeper understanding of CSR" together with the previous limited research in factors that can affect CSR in foreign countries.

3.2 Research Approach

Research can approach its problems in a variety of ways; firstly research can have either a deductive or an inductive research approach and secondly research can be either qualitative or quantitative.

3.2.1 Deductive research approach

Researchers who choose the deductive approach base their research on existing literature and theory. Based on different methods when examining the theories, conclusions can be drawn (Eriksson & Wiedershielm-Paul, 1997). This study has a deductive research approach because it is based on existing literature and theories. The empirical data gathered will then be compared to the theory that have been presented and finally result in conclusions.

3.2.2 Qualitative research approach

Miles and Huberman (1994, p. 1) state that qualitative data: "are a source of well-grounded, rich descriptions and explanations of processes in identifiable local contexts". This more holistic research approach is favored by research that has purpose of gaining insights and understanding of an area (Silverman, 2005).

The research approach chosen for this study was qualitative due to the purpose of this research which is to gain a deeper understanding of the CSR area. This is more suitable to carry out through qualitative research because of its more holistic approach.

3.3 Research Strategy: Case Study

Saunders et al. (2002) state that the research strategy is often described as the general plan to answer the research questions posed by the researcher. Yin (1994) mentions case study as one of the five research strategies and defines the scope of the case study as the following: "Investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident". Furthermore, Yin (1994) states that a case study answers the questions of how and why, and does not require control over behavioral events and focuses on contemporary events. Saunders et al. (2002) say that both when exploring the existing theory as well as challenging the existing theory the use of case study as a research strategy is valuable. Yin (1994) states that the researcher can use a multiple-case study when there is a need to compare or generalize between different cases.

In this study the researchers wanted to compare and investigate a limited number of companies using theory as a base and investigate the companies within their real-life context which contributed to the choice of using multiple-case study as the strategy most suitable for this thesis. The increased validity that a multiple-case study has in comparison to a single-case study was another characteristic that was considered important.

3.4 Data Collection: Interviews and Documentation

The case study as a strategy have according to Yin (1994) six major data collection sources to choose from, either separately or complementary. The two sources that are used in this study are: documentation and interviews.

Yin (1994) states that data collected through multiple sources increases the validity of a thesis and that: "any finding or conclusion in a case study is likely to be much more convincing and accurate if it is based on several different sources of information" and refers to this as data triangulation. This thesis relied on both interviews and documentation in order to increase the validity of the study.

Yin (1994) says that the interview is one of the most important sources for collecting primary empirical data. Interviews were also used because of its ability to focus on the specific topic (Yin, 1994) as well as their characteristic of being flexible so that the researcher can ask potential follow up questions of significance (Holme & Solvang, 1991). Yin (1994) further states that there are three types of interviews: the open-ended, the focused and the structured. The specific type chosen in this study was the focused interview that according to Yin (1994) is still open-ended in nature but at the same time guided by a pre-thought protocol so the respondent can discuss freely within given boundaries set by the researcher. This was of importance due to the researchers need to gain data that can help answering the specific research questions, while at the same time not limiting the respondent too much so that the purpose of the thesis "to gain a deeper understanding" did not become unfounded. The

interviews were guided by a pre-thought protocol called the interview guide (see Appendix B) to reduce potential validity problems.

Jacobsen (1993) state that interviews can be conducted either in person or via a telephone and due to time constraints together with the geographic distances between the researchers and the respondents the best alternative was to conduct these interviews via telephone. We also followed Yin's (1994) and Holme and Solvang's (1991) guidelines for the interview. Prior to the actual interview an outline of the interview guide were sent by e-mail to the respondents so that they could contribute to the study with suitable data. These interviews were also recorded and in a later stage comprehensively written down on both paper and on a computer file with permission from the respondents to improve both the reliability and validity of the thesis.

The collection of secondary data in form of documentation was also used in this study because of the explicit importance that Yin (1994) puts on documentation as a source of evidence when performing a case study. Yin (1994) says that: "For case studies, the most important use of documents is to corroborate and augment evidence from other sources" even though documents also can offer contradictory evidence compared to these sources that can shed new light on the topic. The stable, unobtrusive and exact characteristics of documentation as a source of evidence were also reasons why it was a part of this study. Annual reports, corporate social responsibility and sustainable development reports and other printed sources provided by the companies are examples of the documentation used in this study.

3.5 Sample Selection

This section will describe what sampling strategy that was used when selecting the companies and the respondents for these case studies. According to Blaxter, Hughes and Tight (2001) a non-probability sampling approach is preferred when working with small samples such as case studies. In the non-probability sampling there are several different sampling strategies. Two of them are convenience sampling and purposive sampling which were used when selecting the companies for this thesis. Convenience sampling means that the cases are selected based on accessibility and availability. Purposive sampling is based on judgmental decisions where interesting cases that are suitable for the purpose and the research questions are chosen (ibid).

When choosing what companies to study certain criteria were used in order to find the answers to the research questions. The main criterion was to find a Swedish multinational producing company with experience from CSR. The first selection was made through the companies' CSR reports where an agreement of Global Reporting Initiative's (GRI) principles was desirable. GRI is an organization that develops and produces the framework that is the most commonly used in the world when reporting CSR. If the companies' CSR and operations in general suited the purpose and research questions a first contact was established with the companies through email, in order to find out their willingness to participate in this study. The chosen companies were SCA (Svenska Cellulosa AB), Vattenfall and ABB. SCA were chosen because they develop and produce products worldwide. They have also qualified for the "Global 100 Most Sustainable Corporations in the World" list the last three years. Vattenfall was the other chosen company since they are one of the largest electricity companies in Europe and because of their well developed CSR report. The last chosen company was ABB because they are one of the leading engineering companies in the world

and due to their extensive CSR work. All of the three chosen companies report their CSR work in accordance with GRI's guidelines for sustainability reporting.

After being in contact with SCA, Vattenfall and ABB both by phone and email we were finally referred to Yogi Pillay who is Manager of CSR programs at SCA, Åsa Pettersson who is CSR Manager at Vattenfall and Lena Westerholm who is responsible for working with environmental issues at ABB Sweden. The interview with the respondent at SCA took place on 29th November 2007, the interview with the respondent at Vattenfall took place on 4th December 2007, and the last interview with the respondent at ABB took place on 5th December 2007. All three interviews were conducted over the phone because of the distances and a pre-prepared interview guide was used in all cases. All the interviews lasted about one hour and were recorded.

3.6 Data Analysis

Yin (2003) states that data analysis should be a process including examining, categorizing, tabulating, testing or recombine the quantitative and the qualitative data into a more explicit set of data. He further states that there are three general strategies: "relying on theoretical prepositions, thinking about rival explanations and developing a case description". The choice of analytical strategy in this thesis is theoretical prepositions presented in the first two chapters.

Miles and Huberman (1994, p. 10) define data analysis as "three concurrent flows of activities: data reduction, data display, and conclusion drawing/verification". This thesis data analysis will focus on the definition according to Miles and Huberman (1994) and are explained as:

- ✓ Data reduction is to select, focus, simplify, abstract and transform the information received from the collected data to be able to verify it and draw conclusions. This is a continuous process parallel to the data analysis until the final report is finished. The data reduction can be either qualitative or quantitative. The qualitative data can be reduced through selection, summary or paraphrase by being put in context with a larger pattern.

- ✓ Data display is the process of organizing and compressing the information to be able to easily understand it and draw conclusions. The display of data is also an ongoing process of the data analysis until the report is finished.

- ✓ Conclusion drawing/verification is the process of studying regularities, patterns, explanations, possible configurations, casual flows and propositions. The importance of this activity in the data analysis is to be careful with the conclusion drawing at an early stage to prevent biased results. Final conclusions should be discussed when the data collection and the data analyses are completed.

All of the three stages above have guided the data analysis in this study. When formulating the research questions and selecting the theories we took the data analysis aspects into consideration in order to simplify the data reduction, the data display and, the conclusion drawing. The literature conceptualized was portrayed in a figure to simplify the following processes of within-case analyzing and cross-case analyzing the data and improve the prerequisites for the final conclusion drawings.

Miles and Huberman (1994, p. 5, 90, 172) claim that there are dozens of different ways to perform qualitative research and two of them are within-case and cross-case analyzes. In the within-case analysis the collected data will be compared with theories connected to this topic. In a cross-case analysis the collected data from different cases will be compared to each other. This thesis will compare the collected data from each case with the theories presented in the literature review. Thereafter a comparison between the cases will be conducted (ibid).

3.7 Validity and Reliability

Blaxter et al. (2001, p. 221) state that validity is if the methods and techniques have measured the issue studied within the topic correctly. Wiedersheim-Paul and Eriksson (1991) agree and further mention that validity is the most important requirement on a measure instrument. According to Blaxter et al. (2001, p. 221) reliability is about how well the research has been performed. If the same research was conducted once again the same results should be explored. According to Wiedersheim-Paul and Eriksson (1991) reliability is another important requirement which should present a stable and trustworthy result.

According to Yin (2003) external validity "establishes the domain to which a study's findings can be generalized". This thesis will contain two case studies and if the same results occur there will be a replication which improves the external validity. However the results might not be generalized due to the differences among companies and the countries they operate in. A key factor that also matters is the companies' involvement and traditions within CSR. To increase the validity and make sure that no information was left out the interviews were recorded. The first drafts of the interviews were late e-mailed to the respondents to make sure that everything was correctly understood to prevent misunderstandings.

Reliability explains if it is possible to come up with the same results and conclusions if the whole procedure was repeated at the same case. Reliability strives to minimize errors and biases in a study. The two tactics in reliability are case study protocol and developing a case study database. For this research an interview guide was used which increases the reliability. Since the interviews were conducted in Swedish, the interview guide was translated from English to Swedish and then the answers translated back to English. This might weaken the reliability but since the draft of the interviews were reviewed by the respondents this might not influence significantly. These reviews also prevent misunderstandings that might have occurred earlier during the interviews which gives higher reliability.

4. Empirical Data

This chapter will present the empirical data. The collected data are based on the interviews that were made with the chosen companies and secondary sources i.e. homepages, annual reports, and CSR reports.

4.1 Case Study One: CSR at SCA

Company background
According to Svenska Cellulosa AB's (SCA) official site the company was established in 1929 by Ivar Kreuger. Back then he merged ten Swedish forest companies consisting of forests, sawmills, pulp mills, machine shops and power companies into one that became SCA. Since the 1970s SCA has acquired several companies within the personal care and packing industries in different countries around the world. They are a global company that develop, produce and market personal care products, tissue, packaging solutions, publication papers and solid-wood products all over the world.

Today SCA operates in about 50 countries and has about 51,000 employees worldwide. The main two markets are Europe and North America followed by Latin America, Asia and Australasia. More than half of their sales are to consumers' households and most of that is sold under their own brands such as: TENA, Tork, Edet, Zewa, Libero, and Libresse. These brands include products such as: baby diapers, feminine care, toilet paper, kitchen rolls, handkerchiefs, and napkins. They also produce packaging solutions and high quality papers. Their packaging solutions are mainly used when transporting food and their high quality papers are used for newspapers and magazines. SCA's mission statement reads as follow**:** "to provide essential products that improves the quality of everyday life". The company's vision is: "to be recognized as the leading provider of value for customers, shareholders and employees in its field".

CSR at SCA
The respondent for this case study was Yogi Pilay, who is SCA's Manager for Corporate Social Responsibility Programs. She has been in that position since 2001. SCA believes that their CSR engagement is a very important part of their operation, since they are a global organization and that the products they produce is something that most consumers come in contact with in their daily life. They consider that this way of working and engaging is a part of their business in order to prepare for upcoming challenges due to their rapid international growth. Their goal is that their activities will be carried out with social and environmental responsibilities in mind. SCA will always as a minimum fulfill the legislative and regulatory requirements and follow their standards where legislation is lacking. Due to their intense work within CSR they have qualified for the "Global 100 Most Sustainable Corporations in the World" list three years in a row (SCA Sustainability Report, 2006).

4.1.1 Content of CSR

CSR benefits
SCA says that a key benefit to their CSR work is concerned with their reputation and not particularly e*nhancing the reputation* of the company. It is more about maintaining the already good reputation that they have which is crucial for their operations.

The benefit of *employee satisfaction and loyalty* is something that SCA is really aware of. SCA has noticed that young people to a greater extent than before want to work for a

company that they can be proud of, and a company that takes its responsibility in issues regarding sustainable development. This has a huge impact on SCA and they claim that performing good CSR work is vital in order to attract and retain the best employees.

SCA has as a result of their CSR work introduced life cycle assessment results to help them to optimize the choice of materials in the products and identify suppliers with improvement potential which could possibly *enhance the products lifecycles.*

SCA feels that their CSR work *improves risk management due to a wider audience.* For example in China where SCA has difficulty to compete with the local competition based on price alone, the extensive CSR work of SCA acts as a competitive tool and attracts many MNCs who are concerned about their own reputation. The guarantees that SCA provides, such as not exploiting people and the environment, means a lot for larger companies and even though SCA can be more expensive than much of the competition they still acquire new customers in China.

Innovation improvement is absolutely a benefit of SCA's CSR work. By being a socially responsible company the products SCA sell are Forest Stewardship Council (FSC) certified or The Nordic Swan certified to name a few. This means that the raw material used in the production process have to go through an extra examination process.

SCA states that they clearly see the benefit of a *higher probability to attract investments* and investors due to their CSR work. They also see a benefit to keep their maintaining investors loyal to SCA which they have recognized having a strong connection to the SCA's hard work in environmental and socially responsible issues. SCA have noticed that their investors increasingly invest in SCA by screening for environmental and social responsibility which they state has increased from 3% to over 11% since 2003.

SCA's sustainable development reflects their overall objectives and therefore also *supports the marketing objectives.* SCA's sustainability initiatives are put into action following the line of their business and are as a result *contributing* to the fulfillment of *general business goals* in the long term perspective.

Reduction of operating costs is considered as a CSR benefit for SCA that states that CSR is:" reducing our operational expenses, for instance by reducing energy and water consumption". They have also invested in green technologies that have reduces both their costs and carbon dioxide emissions.

Reduction of regulatory oversight is something that SCA does not consider as being a benefit of CSR mainly because they feel that the reality is the other way around. SCA states that the more a company stands in the CSR limelight the more focus will fall on the company. For example if SCA wins a CSR award it is only human to question if that company actually can operate that well and examine it closer. In other words SCA is probably scrutinized more due to the high CSR ranking.

SCA considers *building strong community relationships* as very essential part of their operations which has contributed to their strong position on the market today. Due to their good relationships with local and regional governments give them the opportunity to expand. They always strive to engage and contribute to all of the communities in which they operate.

CSR aspects

SCA's code of conduct is based on their core values which are excellence, respect, and responsibility. In their sustainability report 2006 they mention that one of their long term goals is to develop a HIV/AIDS policy. Some of the other things SCA works with in the area of *social responsibility and new opportunities* are that they encourage their North American workers to donate blood. SCA Asia Pacific has developed emergency management plans to fight the Avian flu and launched a website with this information, and SCA Australia helps the community to remove litter from public areas in Melbourne. Another large project in this area that SCA works with is the partnership with other energy intensive companies in Sweden and Finland. They have established an environmentally friendly energy company called BasEl that derives its energy from wind power stations. At the moment the company has invested in 150 new wind power stations that have a combined capacity of 1 TWh.

SCA has a strong position as an employer and their strong social commitment creates good *community relations* with local and regional authorities. They have an open dialogue with government representatives and they establish a mutual understanding of upcoming challenges that both parties might face. This way of working lead to a long-term development of both SCA and the community they operate in. SCA's engagement for community relations are based on accountability and transparency and they strive to support environmental and social work in communities they operate through either donating money, equipment, products or services. A lot of their employees are involved in charitable or other different types of social causes and in some business groups they even encourage their employees to actively become involved in charitable causes.

It is important for SCA to communicate with their customers in order to create good *consumer relations*. This communication creates a deeper understanding of what they expect of their products and services. SCA's goal is to meet and hopefully exceed these expectations. When it comes to product safety within SCA their main concern is to ensure that their products are safe and is in congruence with legal requirements. Their product safety requirements are developed due to their stakeholders and external laws but it is also driven by their own work through i.e. the implementation of SCA's new control procedure called CHAP (Chemical Assessment Procedure). Their consumers have high expectations on SCA's product safety and they implement standards to ensure that the materials and procedures they use are safe.

SCA's *supplier relations* are based on an open and transparent dialogue about environmental and social issues. Therefore they require the same commitment to transparency in return from their suppliers and subcontractors. SCA controls the entire chain from raw material to finishing the product since it takes place at their production facilities. They are a large and global company which makes it possible for them to set high standards of CSR on their suppliers. These two reasons give them the ability to minimize the environmental impact. In SCA's codes of conduct commitments and principles for doing business with their suppliers are stated. It includes different areas such as building relationships, dealing, selecting, consulting and paying. How they select their suppliers is based on their consideration for social and environmental standards. SCA inspect their suppliers constantly and in 2006 they decided to integrate their suppliers' CSR requirements in this inspection. SCA does not accept corruption or bribery and do not want to support and do business with suppliers who use child labor, forced labor or violates human rights.

SCA has an interest in the *natural environment* and address several of these issues in their sustainability reports. Since SCA's productions require large amounts of energy they are

actively participating in the energy policy debate. They are promoting long terms sustainable alternatives of energy productions that are not based on fossil fuels. They are also developing efficient energy techniques to increase their ability to generate their own electricity. One example of this is their power plant that they are building in Germany. There they will burn production waste and domestic waste from the region in order to produce their own energy and make the facilities self sufficient. They also invest in wind power and produce bio-fuel in order to create a sustainable supply of energy. To reduce their costs and their carbon dioxide emissions they have made large investments in green technologies such as co-generation.

SCA's productions need large amounts of water. Since clean water already is a major problem in many countries they work intensively to reduce their consumption and enhance the efficiency of the purification. SCA has for many years been at the forefront of the development of new methods to use recycle fiber as raw material. They have also established SCA recycling which collects and distributes recycle fiber throughout Europe.

SCA's *shareholder relations* are based on an open and transparent dialogue about environmental and social issues. One of their long term commitments is creating value for their shareholders. Their shareholders' engagement for sustainability is very limited but during the last three years there has been some increasing interest concerning this issue and they believe that this trend is going to increase even more in the future.

Physical environment such as health and safety is an area that SCA focus on and strives to improve in continuously. Involving in this area is important to SCA to be an attractive employer to their employees. Their health and safety environment is based on national legislation and international standards. Their health and safety policy exceed in most cases the requirements stated by law. Several of SCA's mills are certified according to international standard of Occupational Health & Safety Assessment Series. In two of SCA's mills in Sweden they test their employees for drugs to prevent accidents. If they find any employee with drug problem they offer them rehabilitation and support. SCA also helps their employees who are on long-term sick leave to return to work as soon as possible. If needed their work tasks can be adapted to their working capacity so they can return earlier to their work.

SCA offers good *working conditions* for its employees consisting of good wages, insurances, pensions, and medical treatment. In the process of closing down production in different business groups SCA has a structured and responsible approach. They managed to close down without damaging their reputation as a social responsible employer. When they close down business groups they offer their employees help and training with applying for jobs and interview techniques. An example of this is when they closed down the SCA Packaging in Switzerland. They opened a job center where the employees could get help to apply for their new jobs. After only six weeks 40 percent of the employees had new jobs.

SCA has a *diverse* workforce which means that they offer a working environment that treat everyone equal and with respect. Individuals have an opportunity to contribute to make business successful and also develop their work potentials. They believe that every individual has skills, experience, and perspectives that are unique and that these differences are important within their business to become successful. They support an environment that is free from discrimination, harassment and intimidation to provide a good working condition for its employees. All employees are welcomed no matter age, gender, family status, origin, sexual orientation, religious beliefs, etc. During 2006 the average number of employees was 51,022 and out of these about 25 percent were women. A study they conducted about their

1,000 top managers showed that 14 percent were women and 86 percent were men. Among these managers 38 nationalities were represented.

SCA's *organizational structure* of their CSR consists of Sustainability Council which is accountable for their environmental and social responsibility activities. It consists of representatives from senior corporate management. It is divided into two committees which are environmental and corporate social responsibility. SCA has also established networks that are responsible for carrying out the decisions. Some examples of the networks are: product safety, resource management, and environmental management. Each business unit within SCA has the freedom to decide their own objectives and practices as long as it coincides with the sustainability council's objectives. This autonomy increases the local commitment to the CSR activities.

SCA is committed to an open *communication and transparency* when reporting their CSR. Both the environmental and corporate social responsibility committee report to the sustainability council whose chairman is the CEO. The progress on environmental and social issues is communicated through the annual sustainability report to the stakeholders. SCA's sustainability reporting is based on the Global Reporting Initiative (GRI) principles. SCA has an open and transparent dialogue with its employees and provides them effective support when it is needed. When it comes to restructuring and reorganization they inform their employees about the different situations and make them a part of the decision making.

When SCA talks about *industrial relations* they mean their relations with employees and employee representatives and trade unions etc. SCA's employees work within different national frameworks since they have operations in over 50 countries. SCA recognizes the right for all employees to be represented by unions. Freedom of association is as a result an essential part of their code of conduct. The dialogue between the employee representatives and SCA is regarded as a valuable information source for both parties.

Every year SCA offers different *education and training* programs for its employees to satisfy their personal growth and professional skills. Within each business group there are tailor made programs such as courses, assignments, mentoring, team development days, workshops, seminars and electronic learning. In 2005 the developing and training programs costs were about 170 million SEK. Some business groups even offer the employees' leadership or management training or an opportunity to finish their high school education.

The *ethics awareness* is important to SCA and during 2006 they have focused on defining internally how ethical sourcing will be managed, establishing responsibilities, and allocating resources. Employees are encouraged to report if they suspect any violations of the code of conduct to their manager or human resources department. If such is reported, SCA will investigate it thoroughly and take disciplinary actions if needed. SCA also emphasizes on the importance of ethical awareness in cooperation with other parties and therefore they participate in different EU projects. For example SCA packaging cooperates with other packaging companies to find sustainable solutions for the future and how to meet the environmental requirements in the society.

CSR initiatives/methods
SCA says that the initiatives or methods used in CSR are not the most important things to focus on but the real importance lies in that everything that SCA is working with is incorporating the overall responsibility aspect. SCA's philosophy when it comes to

commitment to the society is that:" every unit should make a positive social contribution in the region that they operate" and that the business units themselves decide what the best thing is to do and not headquarter in Stockholm.

One initiative that SCA works a lot with is *corporate philanthropy* and mainly from a local perspective. This due to that the needs of the society's neighboring SCA's production units are best known/met by SCA personal working/living in those areas and not from the corporate headquarters far away in Stockholm.

Community volunteering is very common in SCA's organization and at the moment approximately 40-50 SCA units around the world are actively working with community volunteering. SCA's community volunteering programs have different shapes worldwide due to the different community needs worldwide and SCA's ambition is to always commit to society in a relevant way.

The CSR initiative or method that is closest to the heart of SCA is *socially responsible business practices.* SCA tries to implement CSR in all relationships they have, from their current employees to customers, suppliers, and agents. The socially responsible business practice perspective is something that SCA works very hard with.

SCA continues to say that the three initiatives above together with c*ause promotions, cause-related marketing, and corporate social marketing* are all used at some place in the SCA organization but due to that each business unit decides for themselves to a large degree it is difficult to provide generalized answers.

4.1.2 Factors in foreign countries influencing CSR

Cultural factors
SCA states that cultural factors absolutely influence their CSR work. They do business in over 50 countries and the culture is to some extent different in all of those and as a result of that SCA's code of conduct is written in a short and general way. The code of conduct may not be implemented exactly in the way it is written in some countries due to cultural characteristics in a specific country and SCA then needs to support the code of conduct in different ways to make the business practices in that country to agree with the code of conduct. SCA says that there are many CSR risks connected to cultural factors and in some countries one can behave contrary to the code of conduct.

SCA has dealt with the issues of *power distance* and hierarchy in relation to SCA's CSR. SCA previously thought that companies or units far away geographically or culturally (in terms of hierarchy) was where they would find unsuitable business practices and people not obeying the code of conduct but they have concluded that it is the other way around. In Asia and South America that have high levels of hierarchy the employees follows everything that the CEO writes in the policy without hesitating because of the respect to authority. While in European countries the employees question everything and will not do something just because the CEO of SCA said or wrote so. SCA have become aware of this and it influences how SCA's CSR is implemented. Everything needs to be explained more with a background to why it should be implemented in the countries of Europe than in other parts of the world.

The influence of *masculinity and femininity* in different countries on the CSR work of SCA is not something that they believe have had any major effect. The paper industry in general has

always been dominated by men regardless of which country one looks at, so to some extent the situation is quite similar around the world, even though there are differences. To reduce the impact of distinct gender roles worldwide SCA works actively from the bottom up in collaboration with universities throughout the world to even out the number of women and men in the organization in the recruiting phase to secure diversity for the future. SCA says that this will take time and the last five years increase in the number of women in the organization makes it possible to have more female managers in the future.

Cultural systems
Outside influences such as technology and economy is something that SCA considers to be a challenge for the company in their CSR work. This factor really influences how SCA delivers and implements the different parts of their CSR in different parts of the world. For example when SCA was going to implement their code of conduct worldwide a number of factors influenced how SCA worked with this aspect of CSR. In many countries electronic/digital education were offered to employees who could not attend previous code of conduct seminars, but in some countries SCA's employees did not have accessibility to computers or could not read or write so SCA were forced to come up with new solutions to tackle these problems.

Origins or ecological factors influence SCA's CSR according to the respondent who uses the example of China to explain how political groups and governments in foreign countries affect their CSR work. The SCA employees in China do not really have freedom of association, free unions and collective bargaining that employees of SCA have due to the political situation in China. This means that SCA takes more responsibility in regards to conditions of employment, salaries and benefits etc. SCA has developed Chinese employee handbook that dictates aspects such as the employees' salary ranges, and working conditions. SCA says that this is their way to circumvent the political situation in specific countries and implement SCA's principles in the countries which they operate.

The norms of local managers in SCA's organization influence the CSR constantly due to that many choices connected to CSR is taken locally such as the commitment to the neighboring societies, local health and safety performance even though SCA has a corporate health and safety policy that acts as a foundation. The employees also affect their CSR on a local level because of that the projects that SCA commits to locally are projects that lie very close to the hearts of the their employees. SCA continues to say that the norms in foreign countries do not influence their CSR on a global scale.

Overall *institutional consequences* in foreign countries do not influence SCA's CSR work in any major way. SCA's investors are mostly large institutional investment funds and those who influence their CSR activities the most are the Swedish investors. Outside of Europe SCA has not felt any considerable interest from investors to influence their work concerning CSR. Companies in foreign countries do not influence SCA either. They say that of course they look at what significant MNCs do good and bad but not to the extent that SCA feels that they are influenced by other companies more to learn of new ideas, examples of best practice etc. NGOs outside of Europe have not influenced SCA's CSR to date in the way that SCA has had to change their CSR programs. The NGOs instead affect the CSR dialogue and provide useful information about SCA's operations in the countries in which they operate and can serve as an eye opener to relevant issues that SCA has not discovered yet. SCA considers NGOs to be very important stakeholders that play an important role in information sharing and contribution to awareness in regard to CSR issues.

Global codes and standards
Global extensive guidelines influence SCA, the global codes and standards influence SCA's CSR on solely a global level. Their code of conduct is based on international conventions such as, the OECD guidelines and UN global Compact as well as *area specific guidelines* such as, the UN's declaration of human rights and ILO's core conventions. The reporting of SCA's CSR is in line with the *implementation guideline* Global Reporting Initiative's G3 version from 2006.

SCA further states that when it comes to implementation guidelines and then mainly standards they are not necessarily standardized in all parts of the organization throughout the world. SCA is not ISO 14001 certified in every country where they have production but it is often a requirement from the customers in order for them to feel safe as well as it works as a good management system for SCA's environmental work. Safety and health standards is another area where SCA is not all through standardized and the reason for this is according to SCA that the occupational laws differs a great deal from country to country and to certify a Swedish unit with OHSAS 18001 does not add value because the national health and safety laws demands a similar standard. If SCA would certify a Swedish unit it would not result in any occupational improvements but it would cost to acquire the certificate while in China the standard OHSAS 18001 exceeds the law and is therefore of more value to the business in China.

SCA adds that even though many units have the opportunity to decide for themselves whether or not to certify a specific area of their CSR work it is also dependent on what type of product area that unit belongs to. Several of the four product areas, Tissue, Personal Care, Forestry and Packaging may have the same large customers worldwide who demands a specific certification and then they decide that for example all units within packaging will be required to be ISO 14001 certified.

Laws
International laws influences SCA's CSR work. One example of this is the European Union's 2007 legislation called REACH (Registration, Evaluation and Authorization of Chemicals) that will increase the cost of water for industries and municipalities and EU also recommended that water should be priced in the future to reduce the water consumption. As an effect of this SCA has started to work harder in the area of water consumption and have set up its own network that have found the following improvement areas in SCA's production process: reduction of total water consumption by recycling processed water, more efficient external purification of process water, and shifting fresh water intake from well water to surface water.

SCA's motto in connection to laws and regulations are: "we abide by the law as a minimum in every country" and SCA's own minimum standards is sometimes exceeding the *foreign country laws* and sometimes the minimum standards is equivalent to the foreign country laws. SCA states that as long as the legal requirements are lower than SCA's own principles they work with their principles as the guideline and are not influenced by the law.

4.2 Case Study Two: CSR at Vattenfall

Company background
Vattenfall was established in 1909 and is owned by the Swedish government. Back then they provided electricity mainly to industries due to the high price of household electricity. In the early 1990s when the European Union introduced the directives on open trade in electricity markets they have the opportunity to do business internationally and compete on the European market. During the late 1990s they acquired other companies in different countries in Europe to become a leading European energy company.

Today Vattenfall operates in Denmark, Finland, Poland, Sweden, and Germany and they have about 32,000 employees in these countries. They are Europe's fourth largest producer of electricity and the largest generator of heat. They produce and provide electricity and heat in different parts of Europe both to private and industrial customers. Vattenfall uses fossil energy, nuclear energy, and hydroelectric energy when producing electricity. Besides this they also offer different varieties of energy solutions, operation services, telecom services and consultancy to use the energy effectively. Vattenfall's mission statement reads as follows: **"**to enhance our customers' competitiveness, environment and quality of life through efficient energy solutions and world class service". The company's vision is: "to be a leading European energy company".

CSR at Vattenfall
The respondent for this case study was Åsa Pettersson, who is Vattenfall's CSR Manager. She has been in that position since September 2007. Vattenfall believes that it is their responsibility to have activities that are in congruence with a sustainable development in society. They do not think that it is enough to just look at the environmental factors of each product or service. They want their solutions to have a positive influence on the sustainable development in society and they strive to provide future generations with possibilities to do the same. Vattenfall has a well defined framework for their CSR where the foundation consists of regulations and market mechanisms but besides this they also have high ambitions to contribute to a sustainable development in society.

4.2.1 Content of CSR

CSR benefits
Vattenfall claims that it is not about *enhancing reputation* but instead maintain their reputation. CSR is about doing what companies are expected to do. By doing it does not necessarily mean that you will get credit for it, but if you would not do it you will probably get discredit for it.

Employee satisfaction and loyalty is achieved by presenting good examples to their employees of what Vattenfall has contributed in areas such as the climate change, reducing fuel consumption etc. It is an important area for Vattenfall and they want all of their employees get an insight into the company's work within CSR.

Vattenfall says that a company's CSR should have a connection to its core activities. The CSR activities are about planning how products can compete on the market over a long term perspective which therefore results in *enhanced product lifecycles*.

Improved risk management due to a wider audience is in connection with the aspect of enhancing reputation. It is more about identifying those areas that there might be a risk to not act within. According to the respondent it is hard to say if the customers they have are because of their interest in for example the climate change. To them it is more a concern about managing the risks to avoid losing customers.

Vattenfall describes their *innovation improvements* as a result of their responsibility to find new energy alternatives in the future and that they want to contribute to a sustainable society. One example of this is in Germany where they have a plant that is carbon dioxide free. This innovation is due to their engagement in the climate change debate.

A good reputation is connected with *higher probability to attract investments*. As long as Vattenfall has good reputation they will attract investors.

Reputation and trust are two benefits from CSR that are *contributing to general business goals* and *supporting marketing objectives*, but Vattenfall does not have specific CSR goals. Instead they use CSR as a way to bundle together their work in this area and therefore it is hard to identify if it supports marketing objectives or contributes to general business goals directly.

Reduction of operating costs is a benefit of their CSR due to the cost effective ways to reduce emissions of greenhouse gases. They believe that if they are in the forefront of the development in this area it will give them higher reductions in the future and an advantage over their competitors.

Vattenfall claims that *reduction of regulatory oversight* is a result due to being a corporate social responsible company. The authorities have less interest in getting involved in companies who fulfill their requirements but it can also result in the opposite. For example in Sweden where the government has legislated that all government owned companies have to report their CSR according to GRI standards on a yearly basis. This might be a result of having some companies more active in their CSR reporting and setting the standards high which leads to increased requirements for those who are less active.

Building strong community relationships are crucial in the way Vattenfall does business and can be seen as their license to operate. They build these relations based on transparency and continuous discussions and dialogues with society. Without these relations it is impossible for Vattenfall to operate and expand. They do not only need good relationships with their customers but also with politicians who take decisions in permission errands and the neighbors to their plants since they have an influence of what is happening in their community.

CSR aspects
When it comes to *social responsibility and new opportunities* Vattenfall tries to engage in different corporate citizenship activities through supporting different sponsorship and projects. All sponsoring projects should have a connection to activities that benefit the society. Projects that have a wider positive impact on society are prioritized. Vattenfall says that if they have satisfied customers who believe in them, their operations and development of energy solutions will be accepted in the society.

Good *community relations* are essential for Vattenfall's business since they have a lot of collaboration projects with large industrial customers in Europe. By taking responsibility for their actions in all countries and regions that they operate in creates good relationships. A good example of this is "Switch to Silesia" in Poland where Vattenfall helps the region and business in general but also schools and universities because of the high unemployment in that area.

Consumer relations are a central part of Vattenfall's work that aims to help their consumers with saving energy due to the climate change. In 2007 they established the Energy Efficiency Program where the purpose was to offer energy efficiency advice to the customers. One example of building consumer relations is when they distributed low–energy light bulbs to Swedish and Finnish households. Vattenfall's customers are confident that they will provide them with energy and heat in a safe way. Vattenfall will never compromise safety to be cost-effective.

Having good *supplier relations* are essential for Vattenfall. In their CSR report they have stated that all of their suppliers should work under good environmental and social standards. This includes take in consideration the environmental impact in production, working conditions and human rights. Vattenfall also wants to show their suppliers that they take their part of the responsibility by striving to work with high standards of business ethics and integrity.

Vattenfall works with reducing their impact on the *natural environment* by being cost effective and using environmentally friendly technologies. Their goal is to reduce the carbon dioxide emissions by half and increase the usage of renewable energy. To achieve these goals they increase their usage of wind power farms and they have also built a carbon dioxide emission free lignite power plant in Germany which is the first one in the world.

Vattenfall's *shareholder relation* is that every year at the Annual General Meeting the shareholders can directly influence their work. At this meeting the members of the Board of Directors are appointed and the company's goals are set. One of the most important goals for Vattenfall is to achieve a profit that after tax should be 15 percent of average equity. In order to be able to fulfill the owners' objectives they have to adapt to the changing markets. They consider open communication with their shareholders as a key to success.

One of Vattenfall's Human Resources Policies is to provide a safe, healthy and stimulating *physical environment* for their employees. Health and safety are important parts of Vattenfall's corporate culture and 76 percent of their employees are satisfied with Vattenfall's efforts in this area. Vattenfall is investing a lot of money to upgrade the safety levels of Swedish nuclear power plants and also in Germany they are continuously working at increasing their safety levels.

Working conditions, freedom of association and bans of forced labor are aspects that Vattenfall does not emphasize on in their CSR work. This is due to that these requirements are completely congruent and well developed in the countries that Vattenfall operates. When they recruit their employees they need to be qualified for the business operations. To develop their employees they use project assignments and variation in work tasks etc. Medical services are offered to all of their employees and in Poland they even offer the same service to their retirees.

Minorities/diversity is something that Vattenfall strives to accomplish. Their human resources policy is to treat everyone equal and have a diverse workforce working together no matter of gender, age, background, experience, nationality, belief etc. Vattenfall's employee diversity should reflect the society's diversity in which they operate. Women in leadership positions are something they strive to increase in their corporation. Therefore they have established the Stella Mentor program in collaboration with the Royal Institute of Technology in Stockholm in order to educate more female leaders.

Vattenfall's *organizational structure and management style* are based on communication. By having the employees' participation they can learn from each other and achieve competences that contribute to success. Every year Vattenfall conducts a survey called "My Opinion" among their employees and based on the results from this they improve their working conditions. All of the managers have a responsibility to communicate with their employees and to encourage communication in the organization.

Vattenfall wants to achieve an open *communication and transparency* when reporting their CSR and therefore follows the GRI guidelines. They want to report their operations' environmental impact in a transparent way as possible. They consider transparency as a key success factor due to these requirements from their stakeholders. Their communication policy states that the information they serve should be true, comprehensible, relevant, and transparent.

Industrial relations at Vattenfall is an aspect that they believe is highly important and is included in Vattenfall's code of conduct. Employee representatives are regarded as vital in the dialogue between managers and employees at a national level. Vattenfall has also an agreement with the European Works Council (EWC) that improves the discussion regarding both national and cross-border CSR issues. Freedom of association is something considered obvious for Vattenfall in all countries of operation.

Vattenfall provides all of their employees with *education and training* in order to develop as individuals and professionals. They offer both competence and management training programs to their employees and freely share their skills, knowledge, resources and opportunities. However they consider learning as a continuous process and that it is something that occurs in the daily work as well as specific programs. Therefore they do not specify any numbers of how much training that is offered.

Vattenfall emphasizes on *ethics awareness* and their codes of conduct states that they work with high standards of business ethics and integrity in order to show their business partners and suppliers that they are a social responsible company. Every employee is responsible to stay updated with current rules that concern their daily work. If someone finds evidence of activities that do not follow their codes of conduct they are encouraged to report this to their superior. The social expectations on Vattenfall are based on the needs, values and norms in society. Currently some of these expectations are: provide energy at low cost, assuming responsibility for their neighbors, and managing nuclear waste, etc. Vattenfall has proposed a Curbing Climate Change (3C) agenda that has been positively received around the world. They welcome co-operations with other industries on this 3C mission to reach the global goals in these areas.

CSR initiatives/methods
Cause promotions are a result from their human sponsoring. They do not expect anything in return besides being connected with the cause.

Vattenfall has implemented *corporate social marketing* campaigns. One example of this is when they gave away low-energy light bulbs to their customers. The purpose of this was to symbolize that everyone can contribute in making energy effective.

Vattenfall claims that the level they are involved in *corporate philanthropy* depends on how you define it. They sponsor projects both globally and locally and they are one of the main sponsors of the World Childhood Foundation. An example of a local human project is Fryshuset in Stockholm were they provide a safe environment for youths. In other cases they are trying to find a connection between the project and their own business activities.

Vattenfall does not engage in *cause-related marketing* or *community volunteering* because they believe that initiative of socially responsible business practices is what really makes a difference and therefore Vattenfall's main focus when it comes to CSR lies within that area.

Socially responsible business practices is the initiative where Vattenfall works the hardest. Vattenfall's dialogues with NGOs are often in direct relation with this initiative. Vattenfall's 3C (combat climate change) initiative together with other actors and the 3G (The most recent GRI version) version used in their sustainability reporting are examples of the importance that Vattenfall puts on this initiative.

4.2.2 Factors in foreign countries influencing CSR

Cultural factors
Vattenfall looks at the influence that *power distance* has on the CSR in more than one way. Firstly in a more hierarchic environment than Sweden, such as Germany where the employees obey the leader to a higher degree and if the leader makes a CSR decision, the employees follow that CSR decision. Secondly and more important when discussing the influence of hierarchy on CSR is that in a low hierarchy country such as Sweden the CSR work runs much smoother, due to that CSR permeates the entire organization and there are not really one single leader responsible for everything connected to CSR and as a result a lot of responsibility is shared throughout the organization by using loosely defined networks and mixing leaders with other personal. The CSR way of working is therefore not as easy to apply in a more hierarchic context according to Vattenfall.

The culture in terms of more defined gender roles makes a difference in Vattenfall's CSR work. Depending on the degree of *feminity and masculinity* in a specific country that Vattenfall operates in, the ways of working with CSR also changes due to that cultural structure. In Vattenfall's home country of Sweden they express that equal opportunities between the genders are much more obvious and given than it is in Poland or Germany where it is not as simple to set up forthright and clear equal opportunities objectives. The impact of the influence can be seen in the ratio of men and women in leadership positions at Vattenfall who have a fifty/fifty objective but are much closer to realize the objective in Sweden than in Poland and Germany.

Cultural systems

Outside influences absolutely influence Vattenfall's CSR work. Vattenfall says that the economy of course influences the CSR but it is very important to not neglect outside influences in the form of attitudes and i.e. Germany has been dependent on their domestic coal power plants for a very long time without any major demotic discussions regarding the environmental effects. The international debate about global climate change has gotten more and more attention in Germany and now even Germans questions the coal power plants which is their own main source of energy. This has become a huge issue in Germany and as a result has a huge impact on Vattenfall as a company in connection to its CSR work. The result has been that if Vattenfall wants to build new coal power plants they at the same time have to take the consequences and take care of the carbon dioxide pollution they create.

Origins or ecological factors in the form of political groups and governments influence Vattenfall's CSR work considerably. In general it is often the political directionality decisions that do affect the CSR work of Vattenfall. A very recent example (4th December 2007) that the respondent brought up was the Swedish political decision that makes it obligatory for all Swedish state-owned companies to publish a sustainability report based on the Global Reporting Initiative (GRI). Another country specific example is the same governments' ambition for Vattenfall to invest sustainable. Vattenfall continues to say that the political agenda influence them the whole time.

The *norms* among employees, the society and leaders do affect how Vattenfall is working with their CSR. Two more specific examples of what influences Vattenfall in different countries are, firstly the view on CSR transparency and openness to the society and other stakeholders comes very natural in Sweden where communicating information about environmental and social effects that no one have asked for is pursued by the company. In Germany this view of transparent communication is highly questioned and can almost lead to internal conflicts between Swedish and German managers. Secondly, the opinion regarding what CSR really is also influences how CSR is executed. The respondent is in favor for the meaning that CSR is about being responsible and accountable for the organizations own operations and try to affect those areas where they really can make a difference while other countries feel that CSR should have more to do with areas such as charity, philanthropy and employee volunteering.

Vattenfall believes that other competitive firms as a part of the *institutional consequences* affect their CSR work but cannot say that the specific country that the competitors originate from is particularly important though the energy industry's actors often compete over national borders. Vattenfall continues to say that the energy industry is much more vulnerable and questioned when it comes to CSR issues compared to many other industries and companies within this sector have as a result more to win by being CSR competitive. For Vattenfall to be CSR competitive means that they have to examine how the competitors work with their CSR as well. The influence that investors and shareholders have on Vattenfall when it comes to their CSR efforts is somewhat special since the Swedish government owns 100 percent of the shares in Vattenfall, and therefore controls most of the power in the company. Vattenfall is nonetheless influenced by the investors in the financial market on who Vattenfall depends on when borrowing capital and who are very interested in how Vattenfall operates and communicates their CSR. This interest mainly comes from the Swedish financial market that according to Vattenfall puts a higher importance in this issue then their German counterparts. Vattenfall is experiencing that the CSR focus in Germany's financial market is currently moving towards the Swedish line and that this change started more or less one year ago and

that CSR is becoming an important question even there. The influence of NGOs is also something that Vattenfall is recognizing in connection to social responsibility. Large environmental NGOs such as: World Wildlife Foundation and Greenpeace have an influence on a more general level when discussing CSR while more country specific NGOs such as: The Swedish Society for Nature Conservation can influence i.e. where to locate a planned wind power farm. To have a dialogue with both international and national NGOs is something that Vattenfall considers to be very important and says that they have a fairly large influence on their CSR.

Global codes and standards

Global extensive guidelines are something that Vattenfall works with throughout the organization. The OECD Guidelines for multinational enterprises concerns the whole corporation as well as UN's Global Compact guidelines that Vattenfall signed due to an initiative called Global Responsibility that the Swedish Government put into practice.

Vattenfall does also work with *area specific guidelines* and *implementation guidelines* from a corporate level where all units in the Vattenfall group are included. These are for example the Worlds Economic Forum's Partnering against corruption and the Global Reporting Initiative. Other area specific guidelines and implementation guidelines such as OHSAS 18001 and ISO 14001 are not used throughout the entire organization and the use of these are often decided facility per facility. Vattenfall does not know if there are any significant differences between the countries that they operate in this matter.

Laws

Vattenfall's view on the influence of law on their CSR is that *international laws* affect their CSR relatively high because of that the markets that Vattenfall operates in all lies within the boundaries of the European Union and are therefore bound to follow the European Union legislation. These EU laws affect Vattenfall in every country that they are represented, but the impact of these laws can be of different significance. For example the EU emissions trading scheme which aims to reduce the emissions of carbon dioxide have a larger impact on Vattenfall's operations in Poland than in Sweden due to that in Sweden, Vattenfall is not participating in any coal based operations.

Vattenfall does not consider that *foreign country laws* play any significant role in influencing their CSR work. The markets that they operate in are all members of the European Union and have shared laws as a result of that, additionally the countries all have collective bargaining and resembling environmental laws that makes the region of northern Europe quite uniform. Vattenfall's respondent ends with saying that the countries limited geographic spreading makes it easier to maneuver the CSR work similarly in all of the countries.

4.3 Case Study Three: CSR at ABB

Company background
According to ABB's official site their history can be traced back to the late 19th century and the Swedish company Asea and the Swiss company BBC (Brown, Boveri & Cie). Both of these two companies were engaging in international business successfully as early as in the beginning of 20th century. In 1988 they merged into ABB (Asea Brown Boveri) and became one of the leading engineering companies in the world. After the merging they acquired several companies within different branches and sold their shares in several other companies in order to focus on their market strengths which are core power and automation technology.

Today ABB operates in 100 different countries in North and South America, Europe, Middle East, Africa, Asia and Oceania and has about 110,000 employees worldwide. They build, develop and maintain infrastructures in different countries around the world. Besides this they also offer electrical power to customers to stay productive in their operations. They are world leading in power and automation technologies and their products and solutions are used all over the world. ABB's mission statements are the following: "*Improve performance:* ABB helps customers improve their operating performance, grid reliability and productivity whilst saving energy and lowering environmental impact. *Drive innovation:* Innovation and quality are key characteristics of our product, systems and service offering. *Attract talent:* ABB is committed to attracting and retaining dedicated and skilled people and offering employees an attractive, global work environment. *Act responsibly:* Sustainability, lowering environmental impact and business ethics are at the core of our market offering and our own operations." Their vision is: "As one of the world's leading engineering companies, we help our customers to use electrical power efficiently, to increase industrial productivity and to lower environmental impact in a sustainable way. Power and productivity for a better world."

CSR at ABB
The respondent for this case study was Lena Westerholm, who works for ABB's sustainability affairs and is responsible for working environmental issues in Sweden. She has worked with ABB's sustainability issues for about 8 years. ABB has seven different prioritized sustainability goals which they work to make a significant difference within. ABB values CSR issues as one of the key elements of their sustainability goals. To them CSR is a commitment to maintain high social, environmental, ethical and governance standards in the countries that they operate. ABB follows the triple bottom line which means that they focus on economic, environmental, and social issues. ABB's view and commitment to CSR permeate the way they design and manufacture their products but also how they engage with other parties and do business in general.

4.3.1 Content of CSR

CSR benefits
ABB believes that their work with CSR gives *enhanced reputation* both internally and externally. The respondent mentions that ABB recently has been noticed by Folksam in Sweden for their good work with human rights issues. Their CSR work also result in *employee satisfaction and loyalty* since the employees feel proud over the company they work for. ABB believes that the younger generations have higher expectations and demands on companies concerning ethical issues such as human rights, working environmental questions, etc.

ABB claims that CSR is not only about dealing with human rights, social and working environment issues, etc. but also environmental and green issue. Working with CSR in these areas increases the quality in their products which leads to *enhanced product lifecycles*. This does not affect ABB's products to the same extent since they are used by their customers for a relatively long period of time.

ABB has high demands on their suppliers' CSR work and it happens that they decide not to cooperate with another company due to insufficient CSR. They assume that their customers audit them in the same way and therefore they receive *improved risk management due to a wider audience.*

The demands from the surrounding world are constantly increasing which incites to *innovation improvements*. An innovation can be anything from removing dangerous substances from their products to develop new technology in their productions and their CSR is one of many driving forces in this.

ABB has an advantage because of the ongoing climate change debate. They have the possibility to make a direct improvement with their products. Their business mission is to provide solution with a low impact on the environment and this of course gives a *higher probability to attract investments*.

The CSR work should be integrated to the company's core activities and not be seen as a separate work. This leads to that their CSR work might *support marketing objectives* and also c*ontribute to general business goals.*

ABB states that CSR contributes to a *reduction of operating costs* in many ways. One aspect of this is that they try to use recycled material and this of course reduces their costs but also the working environmental aspects contributes. By caring for their employees well-being will decrease the amounts of sick-leaves which also reduce their costs.

Reduction of regulatory oversight might occur since they have a well established CSR work but since all of their units are certified in different areas this also creates extra auditing to ensure that they are fulfilling the requirements for those certifications. Because of their genuine involvement in CSR the inspector can easily approve their work and does not have to come back for supplementations.

In order to *build strong community relationships* they communicate with different NGOs such as Amnesty and The Red Cross (Röda Korset), to know which areas that are connected to their business activities and to improve their CSR within. By doing this and by being a responsible employer, will create a better relationship to the community they operate within.

CSR aspects
The ABB company slogan "Power and productivity for a better world" underlines ABB's mindset concerning *social responsibility and new opportunities*. This slogan shows what ABB can contribute with in improving the world we live in and the challenges that the world faces. ABB is currently involved in a number of socially responsible projects to improve existing situations. ABB has HIV/AIDS programs in six countries, a Malaria program in South Africa, and a pandemic disease program to deal with particularly the avian flu.

ABB consider the *relations* with *communities* and societies to be very important stakeholders and ABB's CSR work is according to ABB a commitment to them to maintain high ethical, environmental, social and governance standards in the areas where ABB operates. ABB's community involvement policy states that they should participate in and promote activities that engages the community and fosters development in the areas stated above. In 2006 the total community support for projects mounted up to $ 3.5 million in financial support and 2,500 man-days of volunteering. Additionally ABB have integrated a new sustainability criterion when assessing project risks to reduce potential negative impacts on local communities.

ABB works actively with *consumer relations* in connection to their CSR work. Environmental Product Declarations (EPDs) provide information about products environmental impact in both a descriptive and quantifiable way in the products different life cycle phases such as, material extraction, manufacturing, transportation, and recycling. The numbers of ABB products that have EPDs are currently 80 and this number is still growing.The consumers' health and safety is usually enhanced by the use of ABB's products but in case of any quality flaws ABB have a CCRP system in place in 43 out of 50 countries where all complaints are compiled and analyzed from a global integrated level.

ABB carries out supplier surveys every one to three years to maintain their good *supplier relations* but also demands much effort from their suppliers to act responsible in a number of areas so that the relation is mutually beneficial. ABB looks at their suppliers' sustainability performance crucially and regards it as a key factor to ABB's success. ABB's own activities are i.e. not relatively energy consuming and therefore the energy consumption of its suppliers is an important factor to consider because to some extent that consumption transpires indirectly to ABB's activities. The requirements posed on ABB's material and service suppliers are that they firstly, implement an environmental and social policy, secondly identifies the significant environmental and social aspects of manufacturing, components or services they supply, thirdly ensures that all operations and processes comply with environmental and social standards and legislation, and finally that they are in a position to ensure continuous performance improvements. In addition to the requirements ABB has on its suppliers they also continuously train their current suppliers to improve their sustainability performances.

The *natural environment* is an area very close to ABB's core operations since they deal mainly with aspects connected to power and electricity that contributes to global warming. ABB is currently in the middle of their two year program to reduce carbon dioxide emissions with five percent on each manufactured unit even though ABB is a relatively low energy intensive company. A lot of financial resources go into the R&D section of ABB to develop products that mitigates environmental impact and the reduction of natural resources. The researchers at ABB have objectives such as: increase the energy efficiency both in the production and for the consumer, ensure that recycling is possible, and lower volume and weight to reduce environmental damage. The main objective for ABB in this area which is based on internal assessment studies is to reduce their customers' energy use since that has shown having the highest environmental benefits. ABB also takes the biodiversity aspect into account since no ABB manufacturing or workshop facilities are located nearby any protected areas or areas that have a high biodiversity value.

ABB annually produces a Sustainability review based on the third and most recent version of the Global Reporting Initiatives requirements. The report contains information about ABB's

performance in environmental management, social responsibility and employee health and safety. This to make ABB's *shareholders* informed about the current situation. An independent verification of the sustainability report is also conducted to improve the validity of the report for their shareholders. CSR transparency is considered highly important for ABB and by being approved in being a part of different ethical and environmental funds such as Ethica Miljö (Robur, Swedbank, Sweden) confirms that ABB also acts in such a way. Quarterly briefings are held with shareholders to provide information and receive feedback about the current CSR work.

A high-quality *physical environment* is something that ABB strives for in their CSR work by implementing (but not certifying) the health and safety system OHSAS 18001 together with other guidelines on a global scale, incorporating all ABB units throughout the world. ABB's health and safety policy states that ABB should work "To provide a safe and healthy working environment at all sites and facilities and to take adequate steps to prevent accidents and injury to health arising from the course of work by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment". Large health and safety programs have been run during 2006 throughout the ABB group covering areas such as: electrical safety, road safety training, project safety, and national health campaigns. ABB states that their biggest threat connected to physical environment is the high degree of projects that they work at externally in factories of clients, rural project sites and where there is a rapid urban development.

ABB has an extensive list of what is accepted and not accepted when it comes to *working conditions* for their employees. The list contains things such as, the principles against child labor to protect minors, employees' freedom of engagement to ensure that employees work at ABB by their own free will and also that they have the company's permission to join unions, working hours and overtime guidelines, compensation guidelines that meets or exceeds legal/industry standards, and a uniform appraisal system for all skilled staff on a global level.

ABB guiding principle concerning *minority and diversity* issues is their equality of opportunity principle which states that it is not acceptable to engage or support discrimination against anybody based on sex, caste, disability, ethnic or national origin, age, union membership, sexual orientation, political affiliation, or religion and that everyone should have the same opportunity to be promoted, compensated, hired, retired, and terminated. ABB has developed a diversity tool for managers to help them identify the benefits with a diverse workforce and a global appraisal system to enhance the probability that promotions is based on ability.

ABB's opinion on the *organizational structure* is that that employee participation in decisions connected to CSR makes the employees function better in the CSR system and takes responsibility in another way than they would do if the entire CSR work was run from the top down. This is one of the reasons why ABB's Sustainability affairs consist of approximately 400 people working in 50 different countries at almost every level of the organization, so that the gap between the employee and CSR personal is as limited as possible and the employee feels more involved in the process. A new e-learning program in CSR issues have also been launched to reduce the distance between different levels of the organization as well as the Global Compliance Organization within ABB that amongst other things works to foster internal dialogue and offers CSR helpdesks and a global CSR intranet. An ethics hotline was introduced in 2006 to report any compliance violations globally. Different incentive plans

such as the employee participation program that is linked to ownership of ABB shares serves to align employees with the goals of ABB and is considered as an important instrument.

Communication and transparency is highly important to ABB who states that they are committed to communicate timely and consistently to customers, suppliers, shareholders, financial analysts, the media, NGOs, and other interested parties. An annual G3 sustainability report based on the Global Reporting Initiative's guidelines is produced and independently verified to enhance ABB's transparency in the CSR issues. ABB says that their commitment to have an effective CSR communication within the organization can be seen by looking at the number of sustainability controllers, officers, advisors and specialists at the bottom of the organization and the networks that have been created amongst them and between them and the senior management. Collaborations with a number of investigative NGOs such as: Transparency International and Amnesty International Business Group enhances ABB's trustworthiness in these areas.

ABB works actively with their *industrial relations* in various ways such as: ensure that employee representatives are treated fairly and are not discriminated as well as having access to the employees that they represent, to provide the opportunity for employees to form and join unions, and by informing and communicating CSR issues effectively to the employees and the employee representatives. Guidance plans and social benefits are provided by ABB prior to possible major layoffs in order to improve their industry relations.

Education and training are continuously performed and developed within the ABB group as well as externally to suppliers, customers and different regions. The training is adapted so that the employees' results are enhanced. Health and safety training on site, anti-corruption awareness training, and code of conduct training that were supported by training programs in 45 languages are some of the things carried out in 2006 alone. The objectives were reached on the health and safety training program that were carried out in all of ABB's 66 countries, while 85 percent of ABB's employees have undergone the anti-corruption training by the end of 2006.

ABB believes in participation in the CSR process where employees feel that they can contribute to the CSR is considered highly important. As a result a lot of CSR initiatives are coming from a local level. Active participation in organizations to raise the *ethics awareness* about CSR in the company is another method used by ABB. Ethics awareness has been a part of ABB's CSR work for a long time, since they work to reduce the energy consumption for its customers and by not using a "no frills" strategy, ABB actively needs to influence the market of the benefits connected to a reduction of energy consumption. ABB's hard work in this area have made it possible for the agreement with the Chinese province of Guangdong where ABB's advise and counseling to over 1,000 companies will help to reduce their energy consumption by 16 percent until 2010. ABB's active involvement in organizations and competence centers is another way to communicate and share thoughts, feelings and values in the CSR area. The Centre for Environmental Assessment of Product and Material (CPM), Transparency International, the World Economic Forum, the Basel Institute on Governance, and Vattenfall's 3C initiative are some of the arenas where ABB vigorously participates.

CSR initiatives/methods
Cause promotions are a result from their human sponsoring. They do not expect anything in return besides being connected with the cause.

ABB does not implement *cause-related marketing* or *corporate social marketing* since they mainly work with business to business relationships. However, the respondent mentions that they have an eco-driving program for their employees in Sweden which encourages them to drive in a more fuel efficient and safe way.

ABB associate their *corporate philanthropy* with their sponsoring projects. Examples of these are The World Childhood Foundation, museums, and local sport organizations where they for instance have sponsored and named the bandy arena in Västerås to ABB arena.

ABB's employees participate in *community volunteering* in a variety of projects in many different parts of the world. Two examples of this are when the employees in Thailand helped to provide electricity in jungle areas and when they helped earthquake victims in Indonesia.

Socially responsible business practices are the focal point of ABB's sustainability efforts. ABB's outspoken opinion that they should strive to improve issues that they really can impact, which most often are issues in direct relation with their own operations. Accountability is regarded highly important within the ABB organization.

4.3.2 Factors in foreign countries influencing CSR

Cultural factors
The opinion that ABB has on the influence of *power distance* on their CSR work is that there is a clear correlation between the company's performance in the work environment area and the employees' participation in the work environment process. The employees who participates in the decision-making process also functions better in the systems created and takes more responsibility over the things decided than employees would do in a more hierarchic culture where the employees only do what the boss tells them to do.

Masculinity, femininity and clearly defined gender roles in different cultures is something that ABB considers being a real challenge when it comes to working with their CSR. ABB states that they want one ABB all over the globe and that everything should function in the same way and that everybody should have equal opportunities, but also that the huge differences in gender roles between countries and cultures makes this extremely hard to live up to. As a result of this ABB has to change the ways that they work with issues such as diversity in different countries.

Cultural system
When ABB introduces or implements a new CSR program i.e. a revised code of conduct, *outside influences* can have some kind of impact on the CSR work. Even though the corporate language is English, there is a need to communicate in a way so that people will understand. People do not either have the possibility to go on-line everywhere in the world so face to face communication is a important tool to use for ABB.

ABB states that *origins or ecological factors* such as, political groups and governments of course can influence how ABB works with CSR in a particular country because laws etc. are most often stipulated by the governments but at the same time ABB says that they cannot always fold over just because the politics in a country changes. ABB's earlier work in Sudan and their current work in many South American countries where political instability predominate, the decisions to continue to work in those places is also seen from a corporate social responsibility view. The people in those countries are most probably in need of

electricity when the situation calms down so ABB tries to reflect over these questions in a more long term perspective.

Norms among employees and managers in different countries play a big role in ABB's CSR work and what directions to take when working with CSR. Swedish employees have high requirements on their employers and take for granted that ABB works with issues concerning the environment, the work environment, and to some extent human rights and if the employees are not satisfied they might quit their jobs while in other countries, such as Japan where employees only takes out fifty percent of their vacation days and are very loyal to their company, it is more focus on working hours and wages.

ABB believes that some parts of the *institutional consequences* play a bigger role in influencing their CSR work than other. NGOs do to some extent influence ABB's CSR since they try to have an active dialogue with these types of organizations because of their knowledge in certain areas. ABB believes that the quality of the CSR work is not affected but that NGOs are an important partner when deciding about how they should work with certain aspects in different countries by having constructive discussions. It is also considered very important for ABB to listen to NGOs because they do really not want to be in a conflict with any NGOs. The choices taken concerning the project in Sudan were done together with such organizations for an example. ABB's investors do have different demands on ABB depending on where the investors come from geographically. Investors in Europe have very tough CSR requirements on ABB compared to the rest of the world and Sweden's Export Credit Guarantee Board (EKN) has even higher requirements when ABB exports large projects abroad from Sweden, which influences how ABB works with their CSR in different countries. Whether competition in different countries influence ABB's CSR is not something that ABB have really focused on but they say that in low cost countries the cost is often the key issue when companies are choosing a supplier.

Global codes and standards

ABB works with the *global extensive guidelines* such as OECD guidelines for multinational enterprises and Global Compact on a global level. When it comes to *area specific guidelines* ABB states that the toughest part to work with is the one concerning human rights in specific countries and continues with saying that ABB has to adapt certain parts to the countries in which they operate and also that they have to work differently with these issues in different countries because it is the necessity of what that needs to be done that governs how ABB operates their CSR. The use of different *implementation guidelines* at ABB are used in different ways. ABB is not OHSAS 18001 certified but works with this system throughout the entire organization while ABB is ISO 14001 certified and also works with this system globally. Both systems are mandatory for all production facilities within the ABB group which ranges somewhere between 400 and 500 units. According to ABB these systems are based on continuous improvements and the discovery of substantial risks and because these risks most likely differ from country to country it is also what influence ABB's CSR work.

Laws

ABB believes that *international laws* influence their CSR work to a certain degree, though they state that they cannot recognize any really global laws that are implemented worldwide. The laws that stretch over a number of countries and influences ABB's work are mainly the laws legislated by the European Union covering a wide array of areas such as environmental laws and product quality laws. The European laws require much more effort from the company than laws elsewhere and as a consequence alternative ways of working with CSR is

required in this area. The specific issues that ABB works with in concern to CSR also differs from the European Union and other parts of the world where the legal requirements are less strict. The impact of EU legislation in different countries within the EU might also differ and as an effect of that the CSR work within the specific countries could be influenced differently.

Foreign country laws or the lack of foreign country laws have an effect on ABB's CSR work in the countries in which they operate. The legislation in Sweden, one of ABB's home countries, has very strict laws and regulations concerning i.e. the environment and the health and safety among employees compared to ABB's other national markets which helps to improve the CSR work in general and CSR systems in particular. One concrete example of this is within the waste management area where the strict law in Sweden that makes it mandatory for companies to deposit waste in a number of different fractions does not really exist in any other country. ABB's policy to act responsibly in the waste management area even outside of the Swedish border has made it necessary for ABB to develop new CSR systems in countries that lack this law to be able to process the waste in a socially responsible way.

5. Data Analysis

This chapter will analyze the empirical data that was collected. First there will be a within-case analysis where the collected data will be compared with the theories contained in the developed conceptual framework, followed by a cross-case analysis where the analyzed data from the three cases will be compared with each other.

5.1 Within-Case Analysis of SCA

5.1.1 Content of CSR

CSR benefits

There are a number of different benefits sought by companies who engage in CSR and these are: *Enhanced reputation, employee satisfaction and loyalty, enhanced product lifecycles, improved risk management due to a wider audience, innovation improvements,* and *higher probability to attract investments* Strategic Direction (2005). The list is complemented with the following benefits: *supports marketing objectives, contributes to general business goals, reduces operating costs, reduces regulatory oversight and builds strong community relationships* (Kotler and Lee, 2005).

SCA does not support Strategic Direction (2005) that *enhanced reputation* is a key benefit of their CSR work because they are more concerned about maintaining their reputation and not particularly enhancing the reputation. The reason is that stakeholder expectations on the company are high nowadays and SCA strives to live up to their stakeholders expectations.

Employee satisfaction and loyalty is a benefit sought since this has a huge impact on SCA and performing good CSR work is vital in order to attract and retain the best employees which corresponds with the theory.

A benefit that is sought to some extent by SCA is *enhanced product lifecycles*. This due to that their work with optimizing the choice of materials in their products might result in enhanced product lifecycles which partially agrees with the theory.

SCA agrees with the same when stating that their CSR work *improves risk management due to a wider audience*. This is because the guarantees they provide when cooperating with other larger companies are valuable and attracts many MNCs even though they sometimes are more expensive than their competitors. SCA is currently experiencing this benefit as a result of their CSR work in i.e. China.

Innovation improvements is a benefit that SCA seek as a result of their CSR work. They certify several of their products to show that they are a social responsible company and this requires innovations due to additional examination processes. This is agreeing with the literature in this area.

SCA sees clearly in accordance with Strategic Direction (2005) that *higher probability to attract investments* is a benefit for them. The investments in SCA by funds screening for environmental and social responsibility has increased by eight percent only in the last couple of years which acts as evidence for this.

SCA supports Kotler and Lee (2005) and has *supporting marketing objectives* as well as *contribution to general business goals* as sought benefits since their CSR work reflects their overall objectives. The long term focus and strategy of their CSR work also supports the theory which is crucial for fulfilling the business goals.

Reduction of the operating costs is something that SCA is aware of due to their investments in green technologies, and in reducing energy and water consumption which have resulted in reduced costs. However SCA does not comply with Kotler and Lee (2005) regarding that CSR *reduces the regulatory oversight*. They believe that it is the other way around and that they are scrutinized more due to their high CSR ranking.

Building strong community relationships is a very important part of SCA's operations and due to their good relationships with local and regional governments they can enjoy more opportunities. SCA's emphasis on the engagement and contribution to all surrounding communities of their operations is in accordance with Kotler and Lee (2005).

CSR aspects
Kok et al. (2001) provide a framework that lists both external and internal CSR aspects. This framework helps companies to state their current CSR position and stimulate movements in the preferred CSR direction. The external aspects are: *social responsibility and new opportunities, community relations, consumer relations, supplier relations, natural environment,* and *shareholder relations.* The internal aspects are: *physical environment, working conditions, minorities/diversity, organizational structure, communication and transparency, industrial relations,* and *education and training.* Finally the combined internal and external aspect is: *ethics awareness.*

Kok et al. (2001) state that *social responsibility and new opportunities* can be described as when companies contribute to solve or reduce social problems. SCA agrees with this since they work within this aspect. They develop a HIV/AIDS policy, donate blood, remove litter from public areas etc.

Community relations is the extent of openness and support to people around the organization and to all other stakeholders. SCA's engagement for this aspect is based on accountability and transparency. They strive to support environmental and social work in communities they operate within and due to this it corresponds with the theory.

The definition of *consumer relations* is according to Kok et al. (2001) the extent of openness towards consumers and the consumers' rights. For SCA this is important since communication creates a deeper understanding of what their consumers expect in their products and services and therefore they agree with the theory.

Supplier relations is the extent of openness towards suppliers and their rights. SCA's agrees with this because their supplier relations are based on an open and transparent dialogue about environmental and social issues and they require the same in return.

Natural environment is according to Kok et al. (2001) the execution of legal requirements, research into current and future technical and environmental developments and issues. This aspect is in line with SCA's interests since they address several of these issues and develop efficient energy techniques for the future.

Kok et al. (2001) state that *shareholder relations* is the extent of openness regarding social effects of the activities of the organization. SCA's work within this aspect is based on an open and transparent dialogue about social effects of their business. Hence this corresponds with the theory.

Physical environment includes: safety, health, ergonomic, structure and culture. For SCA health and safety environment is important which supports the theory. They follow the national legislation and international standards but in most cases they exceed the requirements stated by law.

Areas that are included in *working conditions* are: recruitment, selection, promotion, working hours as well as medical and retirement. SCA offers good wages, insurances, pensions and medical treatment, hence this agrees with the theory.

Kok et al. (2001) explain *minorities/diversity* as the extent to which attention is given to minorities, diversity, and multiculturalism. SCA is congruent with this since they offer a working environment that treat everyone equal and with respect.

Organizational structure is described as: the empowerment and involvement. Each business unit in SCA decides their own objectives and practices as long as it follows the company's CSR objectives, hence this correspond with the theory.

The direction of the communication, the use of information technology, and relevance and accuracy of information, is the description of *communication and transparency*. In SCA's case this is in accordance with the theory since they emphasize on an open and transparent dialogue with their employees.

Industrial relations is the extent to which communication takes place about expectations, needs, values and norms in society. SCA believes in freedom of association and values the dialogue between employee representatives and themselves, and therefore supports the theory.

According to Kok et al. (2001) *education and training* includes development, future needs and the process of training. SCA offers and develops different types of training programs for their employees and invest a lot within this area which agrees with the theory.

Kok et al. (2001) explain *ethics awareness* as attention, involvement and stimulation of ethical discussions with all parties. SCA partially agrees with this, but they have focused on defining internally how ethical sourcing will be managed, establishing responsibilities, and allocating resources.

CSR initiatives/methods

Kotler and Lee (2005) state that there are six major initiatives in the area of CSR and most of the companies CSR activities falls into one of these six initiatives: *cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering,* and *socially responsible business practices.*

SCA says that four of these initiatives are used at some place in the organization but since each business unit decides for themselves to a large degree they could not provide generalized answers and therefore it is somewhat in congruence with the theory. These four initiatives are: *cause promotions*: when companies support social causes through promotional sponsorships,

cause-related marketing: when a company makes a contribution or donates a percentage of their revenues to a specific cause based on product sales or usage, *corporate social marketing*: when companies support behavior change campaigns, and *corporate philanthropy*: when companies make direct contributions to a charity or cause.

Community volunteering is when a company provides volunteer services in the community. In SCA's case community volunteering is applied in their organization around the world and therefore agrees with the theory.

Supporting *socially responsible business practices* is when a company adopts and conducts discretionary business practices and investments that support social causes. SCA is in accordance with this since the empirical data shows that this is the CSR initiative that they focus on and work very hard with. Socially responsible business practices is emphasized internally as well as in all of SCA's relationships.

5.1.2 Factors influencing CSR in foreign markets

Cultural factors
Hofstede's cultural dimensions served as the base of Ringov and Zollo's (2007) research, who conclude that the factors of *power distance* and *masculinity and femininity* are the ones that can significantly influence companies CSR.

The degree of *power distance* within a country affects companies CSR and that the low power distance cultures have a more open CSR debate and performs better. SCA agrees that the degree of power distance influences their CSR and especially the implementation phase. However, they disagree on the point that high power distant cultures perform worse and states that it is the other way around. More work is needed in providing CSR background and information when implementing CSR in low power distance cultures. Mainly because that the individuals in these cultures have less respect for authorities.

Ringov and Zollo (2007) claim that companies operating within masculine countries have less focus on CSR issues compared to companies operating in feminine countries. SCA disagrees with this theory to some extent. The relative disagreement is mainly derived from SCA's industry specific characteristic of male dominance within the organization throughout the world.

Cultural system
Kampf's (2007) cultural system looks at culture from a systems approach which includes stakeholders more than much of the previous literature did. The four elements that the culture system contains are: *outside influences, origins or ecological factors, norms,* and *institutional consequences*.

The *outside influences* that can affect a company's CSR are things such as: the outside world, the economy, and the technology. SCA's view corresponds with this theory. This factor influences their CSR and in particular how they deliver and implement the CSR in the different countries where they are represented. This adaptation is due to differences in i.e. technology and literacy.

Political groups and governments are two actors belonging to the *origins or ecological factors* of the cultural system that can influence the CSR work of companies. This plays an important

role in how SCA operates their CSR. The origins or ecological factors affect how they implement their CSR principles and how much responsibility that they have to assume to live up to their principles. The development of i.e. the Chinese handbook to compensate for weak regulations based on the political agenda in that country is one example of this.

The *norms* coming from employees, communities, customers and managers is the third factor that Kampf (2007) says can affect companies CSR in different countries. These norms influence SCA's CSR constantly since many issues are dealt with at a local level at SCA such as: the commitment to neighboring societies, local health and safety policies, where both employees and local managers are participants. Therefore SCA agrees with the theory but these norms do not influence SCA's global CSR noticeably.

Firms, trade associations, investors and NGOs all go under the umbrella called *institutional consequences* and can all have an impact on companies CSR. The institutional consequences do not have any significant impact on SCA's CSR which is a disagreement with the literature. Competitors and investors outside of Sweden have no or little impact while NGOs merely affect the CSR dialogue and not the practical CSR work.

Global codes and standards

Leipziger's (2003) extensive work on compiling and dividing the vast amounts of codes and standards available has resulted in the categorization into three types. The three main types of codes and standards are: *global extensive guidelines, area specific guidelines,* and *implementation guidelines.*

Global extensive guidelines is wide in scope and implemented throughout the world and is becoming increasingly important to consider when operating in emerging markets. These guidelines' broad span could possibly have a large effect on companies CSR. SCA agrees with the theory that global extensive guidelines influence their CSR, but mainly the whole SCA group on a global level and not particularly specific countries. However, country-specific CSR adaptations are required to live up to the guidelines. The OECD guidelines for multinational enterprises and the UN global compact are the most influential ones for SCA.

The influence of *area specific guidelines* on companies' CSR concerns a variety of different areas within the CSR umbrella such as corruption and human rights to name a few. SCA states that the area specific guidelines affect their CSR globally and that the UN's declaration of human rights and ILO's core conventions are two good examples of this. The empirical data from SCA therefore agrees with the theory.

The Global reporting initiative (GRI), ISO 14001, and OHSAS 18001 are examples of *implementation guidelines* that can influence the CSR work of MNCs when conducting their business operations. SCA uses all of the mentioned examples globally but they are not certified in all countries that uses these guidelines. This is because of that the legal regulations in some countries exceed the stringency of the guidelines, which makes them pointless. Implementation guidelines do as a result have an impact on SCA's CSR in countries where legislation is weak. The SCA empirical data agrees with the literature on this point.

Laws

Complying with the law is a key issue for organizations and the fact that laws differ between countries. The two main types of laws that could influence CSR in foreign countries are according to Phatak et al. (2005) *international law* and *foreign country law.*

International laws originate from agreements between countries and can have different effects on different countries. SCA agrees with the theory and says that the EU law REACH together with potential EU laws such as the pricing of water has made them work harder with the CSR aspects that are connected to these laws. To prevent negative effects of potential international laws SCA has also developed internal CSR networks where necessary.

SCA agrees that *foreign country laws* influence their CSR in many areas. One aspect that is considered legally mandatory in one country can be considered as CSR in another, because SCA follows their own business principles when they exceed the national laws.

5.2 Within-Case Analysis of Vattenfall

5.2.1 Content of CSR

CSR benefits
Strategic Direction (2005) says that there are a number of different benefits sought by companies who engage in CSR and these are: *Enhanced reputation, employee satisfaction and loyalty, enhanced product lifecycles, improved risk management due to a wider audience, innovation improvements,* and *higher probability to attract investments*. Kotler and Lee (2005) complement the list with the following benefits: *supports marketing objectives, contributes to general business goals, reduces operating costs, reduces regulatory oversight and builds strong community relationships*.

Vattenfall does not support Strategic Direction (2005) in seeking *enhanced reputation* as a benefit in their CSR work. To them it is more about maintaining the company's reputation. Engaging in CSR will not automatically give Vattenfall any credit but the lack of CSR will probably harm their reputation.

Employee satisfaction and loyalty is on the other hand very important to them. They want their employees to get an insight into the company's work within CSR by presenting good examples of what Vattenfall has contributed to. This is in correspondence with the theory.

Enhanced product lifecycles is a benefit that Vattenfall experiences, since their CSR work is connected with the company's core activities which are stretched over a long term perspective. Vattenfall's conscious product planning perspective agrees with the theory.

Vattenfall does on the other hand not agree that *improved risk management due to a wider audience* is something derived from their CSR work. To them CSR is more a concern about managing the risks to avoid losing customers.

Innovation improvements is an advantage derived from Vattenfall's CSR work due to their responsibility to find new energy alternatives in the future. Hence, this benefit is congruent with the theory.

When it comes to *higher probability to attract investments* it is something that Vattenfall strives for in their CSR work but they believe that it has a lot to do with having a good reputation which in turn attracts investors. This partially agrees with the theory.
Vattenfall does not have specific CSR goals and therefore they cannot identify if their CSR *supports marketing objectives* or if it *contributes to general business goals*. Therefore the comparison between the empirical data and Kotler and Lee's (2005) theory is inconclusive.

Reduction of the operating costs is something that Vattenfall currently experiences and their belief is that their work in this area will give them higher cost reductions in the future.Vattenfall and the literature correlate on this matter.

Vattenfall agrees with the theory that companies' commitment to CSR *reduces regulatory oversight* due to that authorities have less interest in inspecting companies who fulfill their requirements. In this particular case the reason for the agreement probably stems from that Vattenfall is a stately owned company.

The benefit of *building strong community relationships* is an essential part of Vattenfall's CSR work. They see the commitment, dialogue, and transparency to the community as their license to operate. The theory corresponds with Vattenfall's view in this matter.

CSR aspects
Kok et al. (2001) provide a framework that lists both external and internal CSR aspects. This framework helps companies to state their current CSR position and stimulate movements in the preferred CSR direction. The external aspects are: *social responsibility and new opportunities, community relations, consumer relations, supplier relations, natural environment,* and *shareholder relations.* The internal aspects are: *physical environment, working conditions, minorities/diversity, organizational structure, communication and transparency, industrial relations,* and *education and training.* Finally the combined internal and external aspect is: *ethics awareness.*

Kok et al. (2001) state that *social responsibility and new opportunities* can be described as when companies contribute to solve or reduce social problems. Vattenfall engages in different corporate citizenship activities through sponsorship and projects and therefore they support the theory.

Community relations is the extent of openness and support to people around the organization and to all other stakeholders. Vattenfall agrees with the theory and community relations are essential to them since they have a lot of collaboration projects with large industrial customers in Europe.

The definition of *consumer relations* is the extent of openness towards consumers and the consumers' rights. Vattenfall is in congruent with the theory and states that their central work is to help their consumers with being energy effective.

Another aspect that also is congruent with the theory is *supplier relations,* which is the extent of openness towards suppliers and their rights. This aspect is essential for Vattenfall and they have stated in their corporate social responsibility report that all of their suppliers should work under good environmental and social standards.

Kok et al. (2001) further explain that *natural environment* is the execution of legal requirements, research into current and future technical and environmental developments and issues. Vattenfall strives to use environmentally friendly technologies and have goals to become better in this area which support the theory.

Shareholder relations are the extent of openness regarding social effects of the activities of the organization. Vattenfall agrees with this since they consider open communication with their shareholders as a key to success.

Vattenfall is congruent with the theory concerning *physical environment* which includes: safety, health, ergonomic, structure and culture. They consider this as an important part of their corporate culture and they invest heavily in this area.

Recruitment, selection, promotion, working hours as well as medical and retirement are areas included in *working conditions*. Vattenfall partially agrees with the theory since even though they do address this aspect, they do not emphasize on it in their CSR work due to that the requirements are legislated and well developed in the countries that they operate.

The aspect *minorities/diversity* is the extent to which attention is given to minorities, diversity, and multiculturalism. Vattenfall's human policy is to treat everyone equal and strive to have a diverse workforce which is in accordance with the theory.

Organizational structure is defined as the empowerment and involvement. Vattenfall agrees with this and encourages both employee participation and communication within the organization.

Kok et al. (2001) describe *communication and transparency* as the direction of the communication, the use of information technology, and relevance and accuracy of information. Vattenfall supports this and consider transparency as essential in the information they provide which should be true, comprehensible and relevant.

The extent to which communication takes place about expectations, needs, values and norms in society is the description of *industrial relations*. Vattenfall covers this aspect in their code of conduct and considers dialogue between the parties as vital, which supports the theory.

According to Kok et al. (2001) *education and training* includes development, future needs and the process of training. Vattenfall is in congruent with this aspect since they offer both competence and management training programs and they believe that learning is a daily process even without these programs.

Ethics awareness is explained as attention, involvement and stimulation of ethical discussions with all parties. Vattenfall emphasizes on this aspect and their codes of conduct states that they work with high standards of business ethics and integrity and thus they agree with the theory.

CSR initiatives/methods
Kotler and Lee (2005) state that there are six major initiatives in the area of CSR and most of the companies CSR activities falls into one of these six initiatives: *cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering,* and *socially responsible business practices.*

According to Kotler and Lee (2005) *cause promotions* is when companies support social causes through promotional sponsorships. Vattenfall associates their human sponsoring with this initiative and use that in accordance with the theory.

The authors continue to say that *corporate philanthropy* is when companies make direct contributions to a charity or cause. Vattenfall partially agrees with this, since they are involved in corporate philanthropy but in most cases they are trying to find a connection between the project and their own business activities like in cause promotions.

Cause-related marketing is when a company makes a contribution or donates a percentage of their revenues to a specific cause based on product sales or usage. *Community volunteering* is when a company provides volunteer services in the community. Vattenfall uses neither of these initiatives since they focus mainly on initiatives of socially responsible business practices and thus it is not in accordance with the theory.

Supporting behavior change campaigns is Kotler and Lee's (2005) definition of *corporate social marketing*. Vattenfall use this initiative in accordance with the theory because they believe that everyone can contribute to a more responsible world. Vattenfall gave recently away low-energy light bulbs to all consumers which is an example of a corporate social marketing initiative.

Socially responsible business practices is when a company adopts and conducts discretionary business practices and investments that support social causes. Vattenfall works the hardest with this initiative and is therefore completely in congruence with the theory. Vattenfall's 3C (curbing climate change) initiative is one of many things Vattenfall works with when it comes to this area.

5.1.2 Factors influencing CSR in foreign markets

Cultural factors
Hofstede's cultural dimensions served as the base of Ringov and Zollo's (2007) research who concludes that the factors of *power distance* and *masculinity and femininity* are the ones that can significantly influence companies CSR.

The degree of power distance within a country affects companies CSR and that low *power distance* cultures have a more open CSR debate and performs better are proposed by Ringov and Zollo's (2007). Vattenfall shares this view and the main reason for this agreement is that CSR is considered to permeate the entire organization and the responsibility is therefore shared throughout the organization without a single leader responsible for everything. Vattenfall believes that CSR is more difficult to apply in high power distance contexts where flat organizations are rare.

Ringov and Zollo's (2007) statement that companies operating within masculine countries have less focus on CSR issues compared to feminine countries. Vattenfall also agrees with this influential factor and states that since their CSR objectives is the same in the different countries of operation, the level of masculinity and femininity in those countries forces Vattenfall to work in different ways with their CSR. One outspoken area where the CSR work is influenced is Vattenfall's fifty/fifty gender-objective in leadership positions in Poland compared to their home country Sweden.

Cultural system
Kampf's (2007) cultural system looks at culture from a systems approach which includes stakeholders more than much of the previous literature did. The four elements that the culture system contains are: *outside influences, origins or ecological factors, norms,* and *institutional consequences*.

The *outside influences* that include: the outside world, the economy, and the technology can affect a company's CSR according to Kampf (2007). Vattenfall's beliefs correlate with the

literature on this point and they state that factors such as the economy and the effect of foreign attitudes influence their CSR work. The international debate about global climate change affects Germany relatively more than Sweden which Vattenfall takes into consideration when discussing energy sources.

Political groups and governments are two actors belonging to the *origins or ecological factors* of the cultural system that can influence the CSR work of companies and who plays important influential roles according to Kampf (2007). Vattenfall's opinions are in congruence with this theory regarding origins or political factors and states that the political agenda influence them constantly. Political directionality is a main influencer of Vattenfall, maybe even more affected than other companies since they are owned by the Swedish state. This has resulted in that Vattenfall is obligated to work with UN's global compact and the Global Reporting Initiative.

The employees, communities, customers and managers *norms* is the third factor that Kampf (2007) says can affect companies CSR in different countries. Vattenfall agrees with this theory and states that communities and managers norms influence their CSR in foreign countries. The view on transparency and openness in their home country differs to a great extent from their foreign markets as well as how the different cultures define what CSR is. This results in modifications of the Vattenfall's CSR, and especially when it comes to implementing different CSR initiatives.

The *institutional consequences* that Kampf (2007) states are the: firms, trade associations, investors and NGOs in the CSR cultural system. He further states that the actors above can have an impact on companies' CSR. Vattenfall agrees with the theory and states that this factor affect their CSR. The competitors and investors do influence Vattenfall, while NGOs is considered to have a fairly large effect on their CSR. They continue to say that these factors are likely to increase in importance due to the augmenting interest concerning CSR that they notice in Germany.

Global codes and standards
Leipziger's (2003) extensive work on compiling and dividing the vast amounts of codes and standards available has resulted in the categorization into three types. The three main types of codes and standards are: *global extensive guidelines, area specific guidelines,* and *implementation guidelines.*

The broadness in scope of the *global extensive guidelines* and the fact that they are implemented throughout the world has made them increasingly important to consider when operating internationally. Vattenfall agrees that the importance of global extensive guidelines on the CSR work, and states that the OECD guidelines for multinational enterprises and the UN global compact have the most impact on their organization. These guidelines concern and affect the whole Vattenfall Corporation in every country of operations. It is worth noting that it has become mandatory for state-owned companies in Sweden to sign up to the UN global compact.

The influence of *area specific guidelines* on companies CSR concerns a variety of different areas within the CSR umbrella such as corruption and human rights to name a few. Vattenfall implements area specific guidelines i.e. the Worlds Economic Forum's partnering against corruption on a global level but also uses some area specific guidelines locally. Vattenfall does not know if there are any significant differences between the countries where they

operate in this matter so the empirical data from Vattenfall is inconclusive in connection to the theory. This is also the case with the i*mplementation guidelines* where Vattenfall's empirical data neither can strengthen nor weaken the theory.

Laws

Complying with the law is a key issue for organizations and the fact that laws differ between countries. The two main types of laws that could influence CSR in foreign countries are according to Phatak et al. (2005) *international law* and *foreign country law.*

Vattenfall's CSR work is to a relatively high degree influenced by *international laws* which is in agreement with Phatak et al. (2005). All of Vattenfall's markets and production sites lie within the EU area and are influenced by i.e. EU emissions trading scheme to different extents since they have different production prerequisites.

Vattenfall does to some extent disagree with the theory regarding *foreign country laws* by saying that it does not play any significant role in influencing their CSR but adds that this is the case due to the legislative similarities in the markets where they operate. All the countries in which they operate are members of EU which is a major reason for this relatively limited effect.

5.3 Within-Case Analysis of ABB

5.3.1 Content of CSR

CSR benefits

Strategic Direction (2005) says that there are a number of different benefits sought by companies who engage in CSR and these are: *Enhanced reputation, employee satisfaction and loyalty, enhanced product lifecycles, improved risk management due to a wider audience, innovation improvements,* and *higher probability to attract investments*. Kotler and Lee (2005) complement the list with the following benefits: *supports marketing objectives, contributes to general business goals, reduces operating costs, reduces regulatory oversight and builds strong community relationships*.

ABB completely agrees with Strategic Direction (2005) that *enhanced reputation* is a benefit sought and claims that their CSR work gives both enhanced reputation internally and externally in the organization.

They further claim that their CSR work result in *employee satisfaction and loyalty* since the employees feel proud over the company they work for. They believe that the younger generations have higher expectations and demands on companies concerning ethical issues such as human rights, working environmental questions, etc. The view of ABB is correlating with the theory in this matter.

ABB does not really believe that their CSR work *enhances the products lifecycles* since they are used by their customers for a relatively long period of time. However their CSR work leads to increased quality in their products and therefore it to some extent enhances the lifecycle which therefore to some extent support the theory.

ABB comply with the theory that *improved risk management due to a wider audience* is a benefit they experience, since they assume that their customers audit them the same way that they audit their suppliers when deciding which company to cooperate with.

Innovation improvements is an advantage that they see with CSR because of the increasing demands from the surrounding world. When it comes to i.e. removing dangerous substances or developing new technology their CSR work plays an important role.

ABB corresponds with the theory and states that they have *higher probability to attract investments* as a result of their CSR work. This is mainly due to their business mission which is to provide solutions with a low impact on the environment.

The integration of ABB's CSR with their core activities instead of seeing CSR as a separate work partially agrees with Kotler and Lee's (2005) theory that CSR *supports marketing objectives* and c*ontributes to general business goals*.

The theory that CSR contributes to a *reduction of operating costs* is something that ABB agrees with. The advantages of CSR in connection to costs can be seen using a number of examples. The usage of recycle materials decrease costs as well as the caring for the employees' well-being which decreases the amounts of sick-leaves.

ABB only partially agrees that having a well established CSR work can *reduce regulatory oversight* since it also creates extra auditing to ensure that they are fulfilling the requirements for specific certifications. Due to the CSR work ABB does a lot of the work earlier done by external inspectors.

Building strong community relationships is in accordance with the theory seen as a CSR benefit. Acting as a responsible employer and having dialogues with different NGOs are important tools for ABB to use in order to achieve strong relationships.

CSR aspects

Kok et al. (2001) provide a framework that lists both external and internal CSR aspects. This framework helps companies to state their current CSR position and stimulate movements in the preferred CSR direction. The external aspects are: *social responsibility and new opportunities, community relations, consumer relations, supplier relations, natural environment,* and *shareholder relations*. The internal aspects are: *physical environment, working conditions, minorities/diversity, organizational structure, communication and transparency, industrial relations,* and *education and training*. Finally the combined internal and external aspect is: *ethics awareness*.

Kok et al. (2001) state that *social responsibility and new opportunities* can be described as when companies contribute to solve or reduce social problems. ABB's slogan "power and productivity for a better world" results in improving the world we live in and the challenges that the world faces which agrees with the theory.

Community relations is the extent of openness and support to people around the organization and to all other stakeholders. ABB has a community involvement policy that states that they should participate and promote activities that engages the community and fosters development in the areas that they operate and therefore ABB supports this theory.

The definition of *consumer relations* is the extent of openness towards consumers and the consumers' rights. ABB works with *consumer relations* actively since it is connected with their CSR work and therefore it is also in accordance with the theory.

Kok et al. (2001) state that *supplier relations* is the extent of openness towards suppliers and their rights. Suppliers' sustainability performance is crucial for ABB and regarded as a key factor to their success, hence they support the theory.

Natural environment is the execution of legal requirements, research into current and future technical and environmental developments and issues. This aspect is very close to ABB's core operations and they have research objectives to improve further which agrees with the theory.

The extent of openness regarding social effects of the activities of the organization is the description of *shareholder relations*. This is very important to ABB and therefore they agree with the theory and have independent verification to improve the validity or their CSR work.

According to Kok et al. (2001) *physical environment* includes: safety, health, ergonomic, structure and culture. ABB agrees with this and strive to implement global health and safety system standards.

Recruitment, selection, promotion, working hours as well as medical and retirement are the areas within *working conditions*. ABB is in line with the theory and have stated an extensive list that defines their working conditions.

Minorities/diversity is the extent to which attention is given to minorities, diversity, and multiculturalism. ABB agrees with the theory and has equality of opportunity principle which states that everyone should be treated equally.

ABB supports the theory regarding *organizational structure* which is defined as the empowerment and involvement. They encourage employee participation in decisions connected to CSR.

Kok et al. (2001) describe *communication and transparency* as the direction of the communication, the use of information technology, and relevance and accuracy of information. This is highly important to ABB who collaborates with a number of investigative NGOs to enhance their trustworthiness in this area and thus agrees with the theory.

Industrial relations is the extent to which communication takes place about expectations, needs, values and norms in society. ABB works actively within this area in various ways such as employee representative accessibility and providing union opportunities for employees etc. which therefore agrees with Kok et al. (2001).

According to Kok et al. (2001) *education and training* includes development and future needs as well as aspects of the training process. ABB agrees with the theory since they continuously perform and develop training programs.

Ethics awareness is attention, involvement and stimulation of ethical discussions with all parties. ABB uses active participation to raise the ethics awareness about CSR in the company which contributes to supporting the theory.

CSR initiatives/methods
Kotler and Lee (2005) state that there are six major initiatives in the area of CSR and most of the companies CSR activities falls into one of these six initiatives: *cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering,* and *socially responsible business practices.*

Cause promotions is when companies support social causes through promotional sponsorships. ABB agrees with Kotler and Lee (2005) in this matter since they perform human sponsoring as their cause promotions.

The authors' further state that *corporate philanthropy* is when companies make direct contributions to a charity or cause. ABB partially supports the theory since they associate this initiative with their sponsoring projects such as the ABB Arena, and The World Childhood Foundation.

Cause-related marketing is when company donations are strictly connected to purchases. This initiative is not used by ABB since they work mainly business to business and does not see any particular advantages with this. This non-congruence with the theory is also the case regarding the initiative of *corporate social marketing* that is to support behavior change campaigns.

ABB works with the initiative called *community volunteering* which can be described as when a company provides volunteer services in the community. ABB agrees with the theory since they actively participate in community volunteering around the world, mainly to provide electricity to people in rural areas but also to help people during disasters etc.

Supporting *socially responsible business practices* is according to Kotler and Lee (2005) when a company adopts and conducts discretionary business practices and investments that support social causes. This is ABB's focal point of their sustainability efforts and therefore supports the theory. Their outspoken opinion is that they should strive to improve issues where they really can make a difference, and that these issues most often concern their own operations.

5.3.2 Factors influencing CSR in foreign markets

Cultural factors
Hofstede's cultural dimensions served as the base of Ringov and Zollo's (2007) research who concludes that the factors of *power distance* and *masculinity and femininity* are the ones that can significantly influence companies CSR.

Ringov and Zollo (2007) state that the degree of *power distance* within a country affect companies CSR. ABB have similar opinions and agree that the low power distance cultures have a more open CSR debate and performs better. CSR is more participative in low power distant cultures and as a result the employees take more responsibility in issues connected to the company's CSR which have an impact on the actual work.

Another factor that influences ABB's CSR is the level of *masculinity/femininity* which they consider being a real challenge when working with their CSR. CSR issues such as diversity needs to be addressed differently in different countries due to this. Their diverse ways of working with i.e. providing equal opportunities in countries with different views agrees with

the theory that states that companies operating within masculine countries have less focus on CSR issues compared to feminine countries.

Cultural system
Kampf's (2007) cultural system looks at culture from a systems approach which includes stakeholders more than much of the previous literature did. The four elements that the culture system contains are: *outside influences, origins or ecological factors, norms,* and *institutional consequences*.

ABB shares the opinion that *outside influences* can affect a company's CSR with Kampf (2007). The implementation/introduction phase of CSR programs are where the outside influences in a country makes a difference in their own work. Furthermore they slightly adapt their CSR in different countries because of differences in such things as on-line accessibility.

According to Kampf (2007) political groups and governments are two actors belonging to the *origins or ecological factors* of the cultural system that can influence the CSR work of companies and who plays important roles. ABB is in agreement with the theory that this influences their CSR even though they try to minimize this in unstable political climates by reflecting over their CSR in a long-term perspective. Their active work with many NGOs is a result of ABB's effort to try to decrease the influence that this factor have on their CSR.

ABB states that the norms coming from employees and managers influence the CSR work which also is in agreement with the theory. These norms influence the relative importance of the different CSR aspects. For example working hours and wages are emphasized in Japan due to the company loyalty there, which is not the case all over the world.

Firms, trade associations, investors and NGOs all go under the umbrella called *institutional consequences* and can have an impact on companies CSR. ABB's opinions correlate with the literature conceptualized regarding institutional consequences when saying that the investors influence how ABB works with their CSR while they partly agree when saying that NGOs influence how they should work with certain CSR aspects in different countries.

Global codes and standards
Leipziger's (2003) extensive work on compiling and dividing the vast amounts of codes and standards available has resulted in the categorization into three types. The three main types of codes and standards are: *global extensive guidelines, area specific guidelines,* and *implementation guidelines.*

The *global extensive guidelines* wide scope and broad implementation throughout the world have become important to consider when conducting CSR. ABB agrees with this and says that the OECD guidelines for multinational enterprises and the Global Compact influence their CSR work on a global level.

The influence of *area specific guidelines* is something that ABB fully agrees with the theory since they need to adapt certain parts of their CSR work to the different countries where they operate, mainly when it comes to their most challenging area specific guideline that concerns human rights. The different needs in different countries are the starting point and ABB adapts the CSR to those needs.

Implementation guidelines such as: The Global reporting initiative (GRI), ISO 14001, and OHSAS 18001 are examples that can influence the CSR work of MNCs when conducting their business operations. The ABB data agrees with the literature due to that the implementation guidelines influences ABB's CSR work in different countries differently. This due to the systems construction of discovering risks which in turn differs between countries. Both ISO 14001 and OHSAS 18001 are mandatory for all production facilities but the OHSAS 18001 implementation is run solely internally.

Laws
Complying with the law is a key issue for organizations and the fact that laws differ between countries. The two main types of laws that could influence CSR in foreign countries are according to Phatak et al. (2005) *international law* and *foreign country law*.

International laws originate from agreements between countries and can have different effects on different countries. ABB states that environmental and product laws within the EU are international laws that influence their CSR work. These laws affect what CSR issues to work with and due to that CSR differs between the EU area and the rest of the world. Whether the EU laws impact the CSR differently in the EU countries where ABB operates is uncertain according to ABB. The empirical data from ABB somewhat agrees with the theory.

This is not the case when looking at *foreign country law*. The empirical data of ABB fully agrees with the theory in the importance of the factor foreign country laws in connection to CSR abroad. The lack of laws in certain countries together with ABB's responsibility policies have made it necessary for ABB to create new CSR systems in those countries. For example the waste management process is legislated in Sweden but in few other countries, and ABB's policy to act responsible results in creating similar waste management systems where the regulation do not exist.

5.4 Cross-Case Analysis
In this part of the analysis the analyzed data obtained from the within-case analysis of the three cases will be compared to each other, using tables based on the theories constituting the study's frame of reference. A comparison of the analyzed data from the three cases will be shown in matrix form in connection with each topic (related to each research question). In both table 5.1 and 5.2 the following symbols are used:

+   = The empirical data agrees with theory
+ − = The empirical data partially agrees with theory
−   = The empirical data disagrees with theory
?   = The empirical data is inconclusive

5.4.1 Content of CSR

Table 5.1: Content of CSR

Content/Case	SCA	Vattenfall	ABB
CSR benefits			
Enhanced reputation	-	-	+
Employee satisfaction and loyalty	+	+	+
Enhanced product lifecycles	+ -	+	+ -
Improved risk management due to a wider audience	+	-	+
Innovation improvements	+	+	+
Higher probability to attract investments	+	+ -	+ -
Supports marketing objectives	+	?	+ -
Contributes to general business goals	+	?	+ -
Reduces operating costs	+	+	+
Reduces regulatory oversight	-	+	+ -
Builds strong community relationships	+	+	+
CSR aspects			
Social responsibility and new opportunities	+	+	+
Community relations	+	+	+
Consumer relations	+	+	+
Supplier relation	+	+	+
Natural environment	+	+	+
Shareholder relations	+	+	+
Physical environment	+	+	+
Working conditions	+	+ -	+
Minorities/diversity	+	+	+
Organizational structure	+	+	+
Communication and transparency	+	+	+
Industrial relations	+	+	+
Education and training	+	+	+
Ethics awareness	+	+	+
CSR initiatives			
Cause promotions	+ -	+	+
Cause-related marketing	+ -	-	-
Corporate social marketing	+ -	+	-
Corporate philanthropy	+ -	+ -	+ -
Community volunteering	+	-	+
Socially responsible business practices	+	+	+

CSR benefits

As visualized in the upper section of table 5.1 in regard to the content of CSR, the congruence between the theory and the three cases as well as between the three cases themselves varies. Conceptualized benefits that all three companies seek are: *employee satisfaction and loyalty, innovation improvements, reduction of operating costs*, and *building strong community*

relationships. *Enhanced reputation* was only seen as a benefit for SCA, while both Vattenfall and ABB were more focused on maintaining their reputation. *Enhanced product lifecycles* was seen as a benefit for all companies to some extent, but Vattenfall was the only company that saw enhanced product lifecycles as a direct benefit. Both SCA and ABB saw *improved risk management due to a wider audience* as a benefit for them, which was not the case for Vattenfall who were instead more focused on not loosing existing customers. Neither Vattenfall nor ABB were clearly in accordance with the benefit *higher probability to attract investments* even though they saw this benefit to some extent, while SCA was clearly agreeing to the theory. SCA agreed with the CSR benefits *supports marketing objectives* and *contributes to general business goals,* while ABB partially agreed with these benefits and Vattenfall's data was inconclusive. Dissimilarity between all companies could be identified in connection to the benefit reduction of regulatory oversight, where SCA disagreed, Vattenfall partially agreed, and ABB agreed with the literature.

CSR aspects

As can be seen in middle section of table 5.1 concerning the aspects, all companies examined were almost identical to each other as well as agreeing with the conceptualized theory. The aspects of: *social responsibility and new opportunities, community relations, consumer relations, supplier relations, the natural environment, shareholder relations, the physical environment, minorities/diversity, organizational structure, communication and transparency, industrial relations, education and training,* and *ethics awareness* were all part of the content of SCA's, Vattenfall's, and ABB's CSR. The only aspect that did not totally correlate was the *working conditions* factor where Vattenfall partially agreed with the theory while both SCA and ABB agreed with the theory. This due to the geographical and cultural differences in the areas of operation in the cases of SCA and ABB while in Vattenfall's case the areas of operation are geographically/culturally close and share many strict legislations in regard to working conditions.

CSR initiatives/methods

As can be seen in lower section of table 5.1 the correlation between the companies themselves and the companies and the theory showed larger dissimilarities than the middle section. The only CSR initiative where all companies agreed with the theory was the *socially responsible business practices* initiative. *Corporate philanthropy* was also an initiative where the companies agreed with each other, but they did not entirely agree with the theory though either their initiative had some resemblances with sponsorship or that the initiative was conducted from a business unit level. Both SCA and ABB agree with the literature and have *community volunteering* as a part of the content of their CSR, while Vattenfall disagrees with the theory. *Cause promotions* was a part of all the examined companies content of CSR, but this was solely managed from a business unit level at SCA and therefore partially agrees with the theory. The same could be said about SCA and the *corporate social marketing initiative* which showed disagreement between all the three cases studied. The companies examined did not uniformly disagree with the theory regarding any initiative even though the *cause-related marketing* initiative was the only initiative that can be considered to be used scarcely. Neither Vattenfall nor ABB had cause-related marketing as a part of their the content of their CSR while in the SCA organization this initiative was dealt with at a local and not global level.

5.4.2 Factors influencing CSR in foreign markets

Table 5.2: Factors influencing CSR

Factors/Case	SCA	Vattenfall	ABB
Cultural factors			
Power distance	+ -	+	+
Masculinity and femininity	-	+	+
Cultural system			
Outside influences	+	+	+
Origins or ecological factors	+	+	+
Norms	+	+	+
Institutional consequences	-	+	+
Global codes/standards			
Global extensive guidelines	+	+	+
Area specific guidelines	+	?	+
Implementation guidelines	+	?	+
Law			
International law	+	+	+ -
Foreign country law	+	-	+

The factors influencing the three cases CSR in foreign countries were quite similar overall with the correlation of at least two companies in connection to the conceptualized literature. Factors that influence the CSR that were agreed on by all cases were: *outside influences, origins or ecological factors, norms,* and *global extensive guidelines. Power distance* as an influential factor was agreed on by all companies but SCA's totally different opinion in power distance performance makes it difficult to group the three companies together. *Masculinity and femininity* as a factor were agreed on by Vattenfall and ABB and not by SCA who stated that their male ratio domination throughout the entire organization could be a potential reason for that.

Institutional consequences is not a influential factor for SCA alone even though they state that NGOs which is a part of the institutional consequences can influence the CSR dialogue. Vattenfall did not know whether there were any differences between Vattenfall's countries of operation in concern to either *area specific guidelines* or *implementation guidelines* and therefore neither agreement nor disagreement of the two factors could be made. *International law* affects all companies CSR especially when looking at the European Union compared to the rest of the world, but ABB is not certain whether the CSR of units within different countries of the EU (same jurisdiction) are influenced differently and is therefore considered agreeing with the literature to some extent. Vattenfall's reason for not being influenced by *foreign country law,* that both SCA and ABB is considered to be, is that Vattenfall solely operates within the EU and that the countries within EU have similar law.

In addition there were neither any factors agreed on by all cases that did not have any influence on their company's CSR, nor any factors that more than one company agreed on not having an influence on their CSR.

6. Findings and Conclusions

This chapter contains the answers to the research questions stated in chapter one. First of all the findings to each research question will be presented followed by the conclusions to the specific research question based on the analyzed data and at the end implications for managers, theory and future research will be presented.

6.1 How can the content of multinational companies' corporate social responsibility be described?

In the process of this study we gained insight regarding the content of corporate social responsibility that firstly needs to be addressed. The part of the content framework that in this study is referred to as benefits of CSR could be seen in different lights. The benefits could either be seen as a part of the content where the benefits are encompassed in the CSR process, which is the path chosen in this study. Alternatively they can arise from the CSR without actively aiming towards them or as purposes and objectives where the content of CSR is structured in a specific way in order to fulfill these objectives.

The benefits that companies working with CSR enjoy differ due to different prerequisites in different companies, but there are some benefits more commonly enjoyed than others. More satisfied and loyal employees, reduced operating costs, stronger community relationships, and improved innovations can be seen as this study shows the benefits most probable to enjoy for MNCs together with a reputation that is at least not deteriorating.

This study's findings strongly suggest that all aspects of the CSR content are important to include for companies working in a global market. The importance for companies to maintain or enhance their reputation can be the potential driving force behind the choice to include all aspects of the content of the CSR in their operations. The relative high focus on transparency and communication derived from the stakeholders in their home markets may also serve to boost the interest regarding the additional aspects since they are more open for scrutiny than if transparency and communication were of less concern. The increased incorporation of external CSR guidelines and frameworks in today's businesses alters the fundamental process of evaluation because now companies themselves as well as internal and external interested parties can compare and benchmark a large number of companies in many aspects of CSR which was not really a possibility before the year 2000.

This study suggests that companies' focus lie on socially responsible business practices as a core initiative when discussing CSR. This could be illustrated through figure 6.1.

Figure 6.1: Core and complementary CSR initiatives

This study also supports the idea that CSR is much more than just a marketing concept for companies. Everyday people in late 2007 contemplate over energy efficiency, bio-fuel as an energy source and much more to preserve the human race and everything else on the planet earth that are threatened by global climate change. Companies that are built up on human resources and also interact with people externally are likely to encompass principles derived from this debate. Companies have therefore started to contribute to this issue from within and want to change and improve in areas where they truly can make a difference, which is mainly within the own organizations' operations. As a complement to the socially responsible business practices initiative, various other initiatives are taking place in companies either from a business group level but most often from a business unit level to ensure that CSR initiatives really are responsible. The initiative called cause-related marketing that is probably most associated with marketing and that actively pursuits increased purchasing is the initiative least widespread among companies.

Furthermore the cases in this study were from different male dominated industries, both at floor level and managerial level, but the CSR manager positions were solely held by females.

Based on our findings, the following conclusions can be made:
- Companies involved in CSR see the following as the main benefits with CSR: increase their employee's satisfaction and loyalty, improve their innovations, reduce their operating costs, and build strong relationships with the communities.

- Maintaining the company's reputation rather than enhancing the reputation is pursued by companies.

- The content in terms of internal and external aspects is strongly emphasized by companies and extensively taken into consideration.

- Socially responsible business practices is shown in this study to be the CSR core initiative for companies who strive to act socially responsible.

- CSR initiatives besides socially responsible business practices act as complements to the CSR core initiative.

6.2 How can the factors influencing multinational companies' corporate social responsibility in foreign markets be described?

We have found that there are many factors that influence MNCs' CSR in foreign markets and the fact that companies mostly agree with the eleven factors of influence brought up in this study acts as evidence for that. This can also be seen if looking at the small amout of factors that outspokenly do not affect the CSR.

The study shows that the factors influencing CSR most often influence on the local/national level where adaptation of the CSR work to the foreign context takes place and seldom at the top of the CSR ladder. This due to the need of a uniform CSR foundation for the companies that serves as the base throughout the world and then becomes slightly country-specific modified to best suit the companies overriding CSR principles to the place of operations. The complexity and broad definition of CSR that seem to almost encompass everything a company does and everyone and everything it influences, makes the uniform CSR even more important for companies in order to get a grip on this slippery subject. Due to the

extensiveness, complexity, and broadness of this subject the CSR work becomes vulnerable to influential factors in foreign countries since the amount of areas where the influential factors can get a hold are substantial.

The research have found quite interestingly that different degrees of hierarchy between home country and foreign countries do affect the CSR work, but that the way hierarchy affects the CSR might differ. The view on gender roles in different countries can also affect companies CSR but not necessarily depending on the organizations prerequisites.

Our research shows that the characteristics of the cultural system within a country significantly affect the CSR work in that country. Attitudes together with economic and technological aspects that influences a country from the outside world mainly influences the implementation phase of CSR and to some extent the future planning of CSR. The politics and the norms within a country is something that companies need to take into consideration when applying the CSR since these factors are both powerful in different countries but also diverse from country to country. The somewhat surprising discovery for the authors was that the institutional consequences that include NGOs, investors, competitors etc. in foreign countries do not influence all companies' actual CSR work. Instead the institutional consequences and then chiefly the NGOs can be viewed as a source of information and feedback on the company's fulfilment of their CSR and not a factor that alter the actual CSR work.

The set of global and area specific guidelines do not change in any extent between different countries while the certification of standards do differ between countries to some extent. The UN Global Compact, the OECD guidelines for multinational enterprises and the Global Reporting Initiative permeates the CSR of today and the content of these are strongly incorporated in the CSR which can be seen by only looking through a sustainability report. The content and especially the aspects of CSR are influenced by the guidelines on a global level which sets the standard for companies' work on a local/national level. This together with country-specific characteristics and culture-bound factors makes it more accessible to point out potential risks and areas of improvement. The identification can then act as a stepping stone in the adjustment of the CSR effort to help companies' follow their overriding CSR principles and thereby influence how CSR issues are conducted locally/nationally.

When conducting CSR work the international laws are not necessary something that needs much consideration depending on where in the world one operates. Operations solely situated outside the borders of the European Union do experience a limited effect on the CSR work. Operations solely situated within the borders of the EU as well as both inside and outside the borders are affected by either the different impacts of the EU laws in different countries or the differences in legislature between EU members and non-EU members.

Truly global MNCs operating in markets worldwide do become influenced by the country-specific laws to a much higher extent than MNCs operating in countries that rate low in physic distance to their home country when it comes to their CSR work. The most general influence is the lack of legislature within an aspect of CSR in foreign countries that is to some extent compensated by the companies who voluntarily takes over the responsibility in this aspect.

One of the main concerns regarding the factors influencing companies CSR in foreign countries that this study did not encompass is the potential outcome of the United Nations

climate change conference in Nusa Dua, Bali, and the following in Copenhagen, Denmark where the discussion concerning the goals for the future distribution of carbon dioxide emissions reduction between countries takes place that will take the Kyoto protocol's place in 2012. The reason for the disregard is the overwhelming ambiguity connected to this issue, even though the outcome of the Bali discussions most probably will have an impact on many of the factors conceptualized in this study, such as: the entire cultural system, the guidelines, international and country specific law that will as a result have a considerable influence on companies CSR throughout the world.

Based on our findings, the following conclusions can be made:

- MNCs' CSR in foreign markets is influenced by a number of factors, and as a result makes it difficult for companies to work with CSR completely standardized throughout the world.

- Factors influencing MNCs' CSR in foreign countries mainly influence the CSR locally/nationally and not globally.

- Factors that companies need to take into consideration to a very high extent when conducting CSR in foreign markets are: outside influences, origins or ecological factors, norms, and global extensive guidelines.

- Factors that companies need to take into consideration when conducting CSR in foreign countries depend on the prerequisites of the company and the characteristics of the market.

- Factors influencing MNCs' CSR often results in that MNCs' need to take responsibility over CSR aspects in foreign markets that are mainly a concern for other actors in their home country.

6.4 Implications

6.4.1 Implications for managers

There are a number of issues that can be given as implications for management based on the three cases studied. These implications are:

- First of all, decide whether your company is committed enough for the extensiveness of CSR or if your company views CSR more or less as a part of your marketing program.

- If the company strives to be regarded as a truly socially responsible organization, base the CSR work from a socially responsible business practices perspective. Start with the fundamental work, and the fundament is the own organization.

- Do include all CSR aspects when working with CSR, incorporate guidelines, codes, and standards suitable for companies working in your industry and suitable for the level of commitment your company is ready for.

- If operating globally, do not be too specific in your company's code of conduct, business principles etc. due to the need of space to maneuver in foreign countries might be crucial if wanting to work really responsible.

- Do not neglect any of the eleven factors influencing CSR in foreign countries that were brought up in this study unless your company has a very strong support for neglecting it.

- Be prepared to adapt certain parts of your CSR within given boundaries in foreign countries, and be ready to assume responsibility in foreign markets that is not your concern in the home country.

- Contemplate over if it is advantageous for your company to delegate responsibility concerning complementary CSR initiatives down to a national/local level when conducting CSR in diverse cultural contexts.

6.4.2 Implications for theory

We have studied how MNCs' CSR is influenced by global considerations. Our purpose and research questions are based on theories that discuss the influencing factors separately and only touch the connection between them and not the holistic view in detail. We have come to the conclusions that this study is in line with the theories used and since there has been a limited amount of theories that combines all of the discussed factors this study might serve as a base for future research within this area.

6.4.3 Implications for future research

This study has provided us with a deeper understanding of how MNCs' CSR is influenced by global considerations even if this is only the tip of the extensive CSR iceberg. The long tradition of companies involving themselves in some kind of CSR related activity together with being a relatively new research area as well as being a part of today's globalization makes this area of research extremely interesting. There is a lot more to explore concerning this phenomena, where our suggestions are the following:

- Research concerning the MNCs' country of origin in connection to the CSR content and influential factors since this study suggested that country and culture matter when conducting CSR.

- A thorough investigation concerning how companies use the complementary CSR initiatives and the core CSR initiative together, and whether there are any synergistic effects depending on the fit and interaction between them.

- A similar qualitative study with disregard to the benefits studying less "heavy" industries, such as the textile industry to gain a more holistic picture of the subject.

- Research regarding the impact of the eleven factors influencing CSR in foreign markets and how these factors influence the MNCs' actual CSR work and what CSR aspects are most likely to be affected.

- Research on MNCs who implement standardized CSR globally and how they deal with factors influencing CSR in foreign markets.

- A three stage qualitative/quantitative comparison of MNCs' CSR in order to gain knowledge about the contemporary CSR development, with the three stages being:
  - Pre Global Reporting Initiative (GRI),
  - Between GRI and the Bali/Copenhagen agreements and,
  - Post Bali/Copenhagen agreements+.

- A three stage qualitative/quantitative comparison of MNCs' CSR in order to gain knowledge about the contemporary CSR development, with the three stages being:

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Appendix A
Interview Guide - English Version

- ✓ Name of the respondent
- ✓ Position of the respondent
- ✓ Period of time in that position

1. Could you explain the history and background to CSR in your company and how it has developed over the years and what lessons you have learned and what experience you have gained.

2. There has been much discussion regarding the benefits of companies' CSR. We would like you to comment on them? (Why, Why not, Motivate)

- ✓ *Enhanced reputation*
- ✓ *Employee satisfaction and loyalty*
- ✓ *Enhanced product lifecycles*
- ✓ *Improved risk management due to a wider audience*
- ✓ *Innovation improvements*
- ✓ *Higher probability to attract investments*
- ✓ *Supporting marketing objectives*
- ✓ *Contribution to general business goals*
- ✓ *Reduction of operating costs*
- ✓ *Reduction of regulatory oversight*
- ✓ *Building strong community relationships*

3. We also like to discuss what your company's CSR consists of which in the literature is referred to as the CSR aspects. What do you consider that your company's current CSR position is in the following aspects? (Why, Why not, Motivate)

External environment
- ✓ *Social responsibility and new opportunities*
- ✓ *Community relations*
- ✓ *Consumer relations*
- ✓ *Supplier relations*
- ✓ *Natural environment*
- ✓ *Shareholder relations*

Internal environment
- ✓ *Physical environment*
- ✓ *Working conditions*
- ✓ *Minorities/diversity*
- ✓ *Organizational structure*
- ✓ *Communication and transparency*
- ✓ *Industrial relations*
- ✓ *Education and training*

Internally and Externally
- ✓ *Ethics awareness*

4. Companies CSR falls into these activities mentioned below. Could you explain which initiative/methods your company choose? (Why, Why not, Motivate)

- ✓ *Cause promotions*
- ✓ *Cause-related marketing*
- ✓ *Corporate social marketing*
- ✓ *Corporate philanthropy*
- ✓ *Community volunteering*
- ✓ *Socially responsible business practices*

5. The literature discusses some factors that influence companies CSR in foreign countries. Which, if any, of the following cultural factors influence your company's CSR? (Why, Why not, Motivate)

- ✓ *Hierarchy*
- ✓ *Gender roles*

6. The literature proposes that the cultural system's factors and parts have an impact on CSR. Do any of the parts of the cultural system influence your CSR? (Why, Why not, Motivate)

- ✓ *Outside influences* (outside world, economy, and technology)
- ✓ *Origins or ecological factors* (political groups, governments, and suppliers)
- ✓ *Norms* (employees, communities, customers, and managers)
- ✓ *Institutional* (firms, trade associations, investors, NGOs)

7. High degree of complying with global codes and standards seem to be a hot topic at the moment. Do any of these global codes and standards influence your CSR? (Why, Why not, Motivate)

- ✓ *Global extensive guidelines* (e.g. OECD guidelines, UN global compact, Sullivan principles)
- ✓ *Area specific guidelines* (e.g. declaration of human rights, SA 8000)
- ✓ *Implementation guidelines* (e.g. ISO 14001, Global Reporting Initiative)

8. Do the law have an impact on your CSR, and do any of these two types of law influence your company's CSR in any way? (Why, Why not, Motivate)
- ✓ *International law*s
- ✓ *Foreign country laws*

9. Do you have anything to add concerning the factors influencing CSR?

10. Do you have anything else you would like to add concerning this interview?

Appendix B
Intervjuguide - svensk version

- ✓ Respondentens namn
- ✓ Respondentens position
- ✓ Tidsperiod på den positionen

1. Kan du förklara historian och bakgrunden till CSR i ert företag och hur den har utvecklats under åren och vad ni har lärt er och vilka erfarenheter ni har fått.

2. Det har varit mycket diskussioner angående företagens fördelar av CSR. Vi skulle vilja att ni kommenterade dem? (Varför, Varför inte, Motivera)

- ✓ *Förbättrat rykte*
- ✓ *Nöjdhet och lojalitet hos medarbetare*
- ✓ *Förlängd produktlivscykel*
- ✓ *Förbättrad riskhantering på grund av en bredare publik*
- ✓ *Innovationsförbättringar*
- ✓ *Högre sannolikhet att attrahera investeringar*
- ✓ *Stödjer företagets marknadsföringsmål*
- ✓ *Bidra till företagets generella mål*
- ✓ *Minskning av verksamhetskostnader*
- ✓ *Minskning av lagmässig tillsyn*
- ✓ *Uppbyggnad av starka samhällsrelationer*

3. Vi skulle också vilja diskutera vad ert företags CSR består av, vilket i litteraturen kallas för CSR aspekter. Vad anser ni är ert företags nuvarande position i följande aspekter? (Varför, Varför inte, Motivera)

Externa omgivningen
- ✓ *Socialt ansvarstagande och nya möjligheter*
- ✓ *Samhällsrelationer*
- ✓ *Konsumentrelationer*
- ✓ *Leverantörsrelationer*
- ✓ *Miljön*
- ✓ *Aktieägarrelationer*

Interna omgivningen
- ✓ *Fysisk miljö*
- ✓ *Arbetsförhållanden*
- ✓ *Minoritet/mångfald*
- ✓ *Organisationsstruktur*
- ✓ *Kommunikation och transparens*
- ✓ *Industriella relationer*
- ✓ *Utbildning och träning*

Interna och Externa
- ✓ *Etisk medvetenhet*

4. Företagens CSR faller under de nedan nämnda aktiviteterna. Kan du förklara vilka initiativ/metoder ert företag använder? (Varför, Varför inte, Motivera)

- ✓ *Cause promotions*
- ✓ *Cause-related marketing*
- ✓ *Corporate social marketing*
- ✓ *Corporate philanthropy*
- ✓ *Community volunteering*
- ✓ *Socially responsible business practices*

5. Litteraturen diskuterar några faktorer som påverkar företagens CSR utomlands. Vilka, om någon, av följande kulturella faktorer påverkar ert företags CSR? (Varför, Varför inte, Motivera)

- ✓ *Hierarki*
- ✓ *Könsroller*

6. Litteraturen föreslår att det kulturella systemets faktorer och delar påverkar CSR. Påverkar någon av dessa delar i det kulturella systemet ert CSR? (Varför, Varför inte, Motivera)

- ✓ *Yttre påverkan* (övriga världen, ekonomin och teknologin)
- ✓ *Ursprung eller ekologiska faktorer* (politiska grupper, regeringar och leverantörer)
- ✓ *Normer* (anställda, samhällen, konsumenter och chefer)
- ✓ *Institutionella* (företag, handelsförbund, investerare och icke statliga organisationer)

7. Hög grad av överensstämmelse med globala koder och standarder verkar vara ett hett ämne för tillfället. Påverkar någon av dessa globala koder och standarder ert CSR? (Varför, Varför inte, Motivera)

- ✓ *Omfattande globala riktlinjer* (t.ex. OECD guidelines, UN global compact, Sullivan principles)
- ✓ *Områdesspecifika riktlinjer* (t.ex. föredraget om mänskliga rättigheter, SA 8000)
- ✓ *Tillämpningsriktlinjer* (t.ex. ISO 14001, Global Reporting Initiative)

8. Påverkan lagen ert CSR, och påverkar någon av dessa typer av lagar ert företags CSR på något sätt? (Varför, Varför inte, Motivera)

- ✓ *Internationella lagar*
- ✓ *Utländska lagar*

9. Har du någonting du skulle vilja tillägga angående faktorerna som påverkar CSR?

10. Har du någonting annat du skulle vilja tillägga angående denna intervju?