How to build a more sustainable business

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Corporate social responsibility (CSR) has a high priority in companies’ business agendas today. Extensive research has been done in the field for nearly 50 years, although it still remains a complexity. Despite this research, no generalised CSR strategy has been established for companies to follow. The aim of this thesis is to investigate the question, how is CSR being implemented in a company’s overall strategy in emerging markets? A second aim, is to explore whether or not a trigger is needed in order for a company to implement CSR into its overall strategy within emerging markets. This research is built up around a particular theoretical framework, which is composed of key factors of CSR strategy and stages of CSR implementation (see illustration p. 25). An exploratory research design with a qualitative research method was chosen with the purpose of exploring the similar patterns between companies. Four Swedish multinational companies (MNEs) were selected and data was collected from six respondents. The results showed that companies were aware of the opportunities to have CSR integrated in their business. However the type of CSR initiative differed between the companies. Nevertheless, the results indicate that there is a correlation between to what extent the companies have integrated CSR, and the level of a company’s awareness of CSR. CSR initiatives could be either interpreted as passive CSR engagement or active CSR engagement. These different CSR initiatives could be interpreted as levels of corporate willingness towards CSR where the companies CSR engagement was either to gain reputation or to gain sustainability. This dissertation contributes to leading the research forward in the field of CSR and sustainable business, due to the fact that the consolidative model along with other theories chosen show conformed patterns to the empirical study, thus further research is suggested. Sida’s label for developing countries presented in 2004, defines emerging markets as a developing country which is identified as a country where the income BNI/capita is below $3 256-$10 065.

**Keywords:** Corporate social responsibility, CSR strategy, Emerging markets, Implementation process, Swedish multinational enterprises (MNEs)
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Thank you.

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**Appendices**

Appendix 1: Consolidative Model
1. Introduction

This chapter will introduce the reader to the research topic of this dissertation. A background will present the topic and then the problem, the purpose and the research question. The introduction will end with explaining the theoretical limitations and an outline will provide the reader with an overview of this dissertation.

1.1 Background

There is an increasing awareness of global problems concerning climate changes and poverty today that goes all the way into people’s homes (Kolk & van Tulder, 2009; Maon, Lindgreen & Swaen, 2010; Porter & Kramer, 2006). Scholars today generally call it corporate social responsibility (CSR). This term was first brought up in 1953 by Bowen and Walton (1967) who were two of the first researchers to study this new field of research. From this moment, CSR has been a topic for research within different aspects and fields (Maon et al., 2010). It is still in the embryonic stage and several aspects regarding frameworks, measurements and empirical methods are still to be resolved (Heide & Våland, 2005). According to Maon et al. (2010), Carroll, (1979) and Windsor (2006), early research on CSR has mainly focused on explaining and describing the phenomenon from an ethical point of view. Friedman (1970) has been important for the development of CSR thinking. His critical article about corporate profit from CSR inspired a new interesting angle, a stakeholder view of CSR. However, Carroll (1979) has also played an important role for CSR research and still does today. Consequently, thanks to Smith (2003) the research topic of CSR once again took a new direction, the question now changed from whether or not to engage in CSR, to how to engage in CSR.

Hence, there are different approaches to explain the phenomenon of CSR, for instance by looking at the factors’ influence on businesses and society when implementing CSR. Some examples are ethical, social, cultural, profitable and institutional aspects (Kolk & van Tulder, 2009; Porter & Kramer, 2006; Maon et al, 2010). Another approach is to categorize the fields where research on CSR appear today, which are perceived to be important aspects comprising sustainability,
marketing and labour (Kolk & van Tulder, 2009; Maon et al., 2010; Porter & Kramer, 2006).

Another perspective, which is important for the perception of CSR, is what triggers a company to integrate CSR in its business like the media (Porter & Kramer, 2006). Media makes the world aware of a company’s business and the impact it has on society. Thanks to that pressure companies have started to engage in CSR in different ways, different levels and with different strengths and purposes in order to defend their position on the market and satisfy the consumers. In other words, the trigger to commit to CSR is related to a company’s willingness to profit by brand image.

Then again, consumers nowadays are increasingly aware of their own power towards a company’s business. In order to counter this awareness, companies implement CSR reporting, statements of code of conduct and foreign direct investment (FDI) as CSR tools (ibid).

Azmat and Samaratunge’s (2009) research combines CSR and developing countries, such as Bangladesh. They have developed a framework which validates different components and their influence on socially responsible business practices and claim “[t]here is however a need to empirically test this framework” (2009, p.448). What they claim is that “unless a culture of responsible entrepreneurship is created, their potential to contribute to the economy cannot be fully utilised” (2009, p.448). In other words, CSR has to be implemented in the company’s strategy in a way that makes it possible to contribute to society without loss of the company’s CSR efforts (ibid). Consequently, Kolk and van Tulder (2009) highlight that there are gaps in the field of international business (IB) when doing business in emerging markets with a CSR initiative. Peng, Wang & Jiang (2008) explain these gaps as to be joint with the company’s needs to have an institutional-based view within its strategic approach when working in the field of IB.

Hence, CSR strategy, implementation and the relationship in emerging markets in developing countries are linked. This renders CSR complex and difficult to understand (Azmat & Samaratunge, 2009; Kolk & Tulder, 2009; Maon et al. 2010; Porter & Kramer, 2006). What previous research in CSR shows and what several researchers argue is that there is a lack of knowledge and a lack of understanding
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CSR, as well as a lack of how to integrate CSR in a direct way between companies businesses and society (Maon et al., 2010). This gap has been addressed by Non Governmental Organisations (NGO’s) that often act as an intermediary between a company’s CSR actions and the society (Porter & Kramer, 2006).

Most of the present research done, focuses on the definition of CSR and whether or not to use it. Research concentrates on how CSR is used. However, there is no determined theory, model or framework within the developed theories on how CSR is used that has yet been empirically tested. Therefore there is a lack of empirically tested theories in how CSR is being implemented in a company’s overall strategy within emerging markets. The purpose of this dissertation is to explore how previous theories are combined with the practical cases and if there are aspects lacking when operating in emerging markets. A wide range of Swedish companies and their CSR commitment will be analyzed.

1.2 Problem

As mentioned in the background, the main problem that occurs with CSR is that there is not yet one unified description of this phenomenon and no determined general accepted categories (Nelson, 2010, Maon et al. 2010, Carroll 1979, Scherer & Palazzo 2007). Porter and Kramer (2006) add that a company needs to integrate CSR in its strategy to be able to maximize its opportunities for profit.

The strategic models that they suggest, analyze the company’s competitive advantages. Scientists argue that awareness of competitive advantages highlights a company’s CSR potentials and therefore enables a company to more easily make the link between their business and CSR. Still no statements of these assumptions exist. Hence, scholars demand for more research about the implementation of CSR within a company’s overall strategy (Porter & Kramer, 2006, Maon et al., 2010). Porter and Kramer (2006) go beyond the company’s competitive advantages and argue that there are opportunities to benefit for both company and society. However, further research to study the interrelationship between a company’s strategy and the society is needed (Heide & Vålland 2005; Maon et al. 2010; Smith, 2003). When discussing strategy and society the way to implement is crucial (Maon et al., 2010). According to research there is a lack in the field of practical research showing CSR implementation which suggests a need to explore practice-oriented models (ibid).
Even though most academic research is done in developed countries there is much difference between the developed countries and developing countries in terms of cultural and political aspects, such as infrastructure of a business (Azmat & Samaratunge, 2009, Kolk & van Tulder, 2009). The question is what issues need to be taken into consideration when penetrating emerging markets (ibid).

1.3 Purpose
The purpose of this dissertation is to explore which issues need to be integrated in a company’s CSR strategy in an emerging market and how to implement it with an optimized success of exchange between the company’s goal and society.

1.4 Research Question
How is Corporate Social Responsibility being implemented in a company’s overall strategy in emerging markets?

1.5 Theoretical limitations
This dissertation is limited to use a few selected theories in the field of corporate social responsibility (CSR) which is connected with the strategy of CSR, implementation of CSR and CSR in emerging markets. The field of CSR is rather young and complex. However, many developed theories lack empirical study especially concerning emerging markets. As a result of this CSR still remains complex and lacks a generalised definition which may limit the outcome of this dissertation.

This research is limited to investigate whether the Consolidative model (Maon et al., 2010) explains a company’s level of CSR commitment and whether competitive advantages and social values have a special influence on a company’s success in their implementation of CSR. It will not look at the outcomes of using CSR. However, it will study what triggers the CSR integration since it seems to be an important factor within the implementation process.

Due to the limited time frame the outcomes of this dissertation might be limited. Furthermore, this dissertation will not take into account or discuss the theories and issues influencing strategy, management and stakeholders. The research is limited to
investigate Swedish companies operating in emerging markets. Throughout the dissertation further limitations will be discussed where appropriate.

1.6 Outline

This dissertation consists of seven chapters. The first chapter will start with a presentation of the topic of CSR together with the problem, purpose, research question and theoretical limitations. In chapter two the reader will be introduced to the chosen philosophy, research approach, choice of theory and choice of methodology. This chapter will be followed by chapter three, which contains a review of the latest literature within the field of CSR and the chapter will end with a theoretical model. Chapter four will explain the chosen research design and strategy, time horizon, data collection and sample selection. It will also present a detailed operationalization and will finish by explaining the credibility of the findings. Chapter five will present the results from the interviews and chapter six will analyze and discuss the outcomes. This dissertation ends with chapter seven which will present the conclusions of this research, practical implications, self criticism and finally suggestions for further research.
2. Research Method

This chapter will introduce the reader to methodology theories in general, and a presentation of research philosophy, research approach, choice of theories and choice of methodology. Each subchapter will end with a presentation and a brief discussion of outlines and choices of this dissertation.

2.1 Theoretical Method

Saunders et al. (2009) argue that it is imperative to have structured guidelines throughout the whole procedure of a dissertation. They suggest the reader to define a research strategy because the way to proceed affects the interpretation and the results. Moreover, it facilitates to frame the specific topic to investigate.

2.2 Research Philosophy

According to Saunders et al. (2009) the intention of defining the research philosophy is to develop new knowledge by a specific structure directed and determined in a systematic way in order to have scientific outcomes. The purpose is to have a defined objective of how to view the research aimed to study. Saunders et al. (2009) refer to four types of philosophies, namely pragmatism, interpretivism, positivism, and realism.

The most significant about *pragmatism* is the research question. Taschakkori and Teddlie (quoted by Saunders et al. 2009) explain that the researcher is not looking for what is real and true but instead studying what is deemed appropriate. With this view the results estimate to have a positive contribution to what is to be studied. The most important about pragmatism is the research question. According to Taschakkori and Teddlie you are not looking for what is real and truth instead you study what you deem appropriate, and give results to what you believe is positive to the study in purpose.

*Interpretivism* argues the necessity to see the complexity of the world and that it is impossible to make assumptions and make generalisations like the physical sciences. Instead interpretivism focuses on the social actors and how they interact together.
Each individual is complex and the interactions with each other enhance the complexity. The main criticism of this research philosophy is the need for a compassionate attitude. This approach is mainly used in research areas such as organisation, marketing and human resource management.

**Positivism** deals with reality as research through facts whereas interpretivism deals with researching through feelings. Saunders *et al.* (2009) point out that the:

> only phenomena that you can observe will lead to the production of credible data. The collecting data will lead to creating hypotheses. The assumptions are independent where nothing impacts on the outcomes of the researched. (Remenyi, 1998 quoted by Saunders *et al.*, 2009)

One distinction of positivism is that it is value free. Positivistic research is recognised as being highly structured because of the aim for a value-free approach. Even if quantitative observations are the most common research method for positivism, it is possible to make statistical analysis on in depth interviews as well. Positivism requires a large empirical sample to attain credibility. Comparing to pragmatism it is possible to use a multi mixed methodology design alternating between quantitative and qualitative approach.

**Realism** deals with observing the truth, what we experience with our senses. The world is real depending on how we perceive it. Direct realism implies that the world is quite unchangeable whereas critical realism would say that the importance is to do the study in multi levels to be able to explore a higher understanding of what is being researched. This approach gives the understanding necessary to be able to make changes. This is a business and management approach.

This dissertation will use an interpretivist philosophy because of the complexity of the chosen research topic. Furthermore, the topic makes it normally difficult to make statements and generalisations of the assumptions. Nevertheless, this is an approach often used in areas, such as organisational, marketing and HR management, which are to be compared with CSR activities.
2.3 Research approach

There are two types of research approaches, namely inductive and deductive approach (Saunders et al. 2009). The inductive approach is based on social science and is characterised by flexibility and a non-structured research design. The flexible approach allows the researcher to change the emphasis of the research along the way. The researcher also focuses much on the context in which the research is being done. A researcher that has an inductive approach is also less concerned with the need to generalise and is often basing the research results on qualitative data (e.g. interviews, small samples and observations).

Contrary to the inductive approach, the deductive approach has its origins in natural science. This approach is based on quantitative data and seeks to explain causal relationships between dependent and independent variables. For this reason the researcher is aiming to collect a certain amount of data in order to perform a statistical analysis. From the analysis the researcher also aims to generalise the research result. In short, the deductive approach is highly structured and the researcher is trying to develop a theory that has been subjected to rigorous statistical tests (ibid).

This dissertation will use a deductive approach with the purpose to systematically interpret the collected data in order to search for patterns to compare with the previous theories. However, there is a doubt that there will be enough empirical data to obtain a high credibility. Due to the time limit the purpose is to empirically test a combination of the latest theories in the field of CSR strategy, CSR implementation and Swedish companies CSR adaptation in emerging markets.

2.4 Choice of theory

This dissertation and the research performed aims to find new approaches to existing theories in the field of CSR. The purpose is to merge CSR with a company’s strategy and implementation in an emerging market. A short historical overview of CSR will be presented as well the most developed theories that are related to the Consolidative Model, the Competitive Corporate Social Agenda and the Bottom of the Pyramid. Further theories about implementation, international business and emerging markets will be discussed together with a description of Multi National Enterprises (MNEs)
and Developing countries to better understand the links and distinctions between the two. Finally, the links between the above mentioned theories needed for a MNE to succeed in its implementation in an emerging market with a CSR commitment will be discussed.

2.5 Choice of Methodology

The author of this dissertation would like to explore relationships between concepts highlighted in the existing theories. The purpose is to explore the different features impact on a company’s strategy of CSR commitment in an emerging market. This research will use an interpretivistic philosophy to be able to explore CSR. A deductive research approach is applied since the aim is to draw conclusions from existing literature and to construct a model. This model will be a framework which will be tested empirically in accordance with a deductive approach.

A deductive approach is normally combined with a quantitative study. However, according to Saunders et al. (2009) they do not exclude a qualitative study in combination with a deductive approach and refer to Yin’s case study method. A short presentation of the differences and the similarities between qualitative research and quantitative research and the chosen research approach will be discussed below. Both research methods can be useful when studying business and management, however, the research strategy and design of data collection practices and analysis technique differ. Qualitative research has the purpose of explaining a phenomenon while qualitative research aims to explore a phenomenon. The latter uses data which is not numeric, in other words, the data consists of words. Due to the lack of numbers this technique is not quantifiable. Qualitative research often uses interviews as a data collection technique while quantitative research often uses a survey to collect data. The purpose of collecting non-numeric data is to systematically categorize the outcomes to prepare for the analysis practice when using a qualitative research method. Regarding quantitative research which has a numeric data collection technique, the purpose is to analyze data using graphs and statistics. Furthermore, there are mono-methods, multi-methods and mixed methods which emphasise the choice between data collection practices and analysis practices in combination with choices of qualitative and quantitative research. This verifies that the research has followed a structured research design. A multi-method qualitative study uses various
practices of data collection and analysis. However all procedures should be strictly qualitative. The same applies if a multi-method quantitative study is chosen. “[T]he more ambiguous and elastic our concepts, the less possible it is to quantify our data in a meaningful way” (Dey, 1993, quoted by Saunders et al., 2009).

This dissertation will conduct a multi-method qualitative study with the purpose of gathering data with various types of data collection techniques within a qualitative research method. The chosen analysis procedure will follow what is appropriate for a qualitative research. The aim is to strictly pursue what is appropriate for an exploratory research design where the chosen research strategy is a case study based on semi-structured interviews.
3. Literature Review

This chapter includes the literature review from a theoretical perspective. The objective of this chapter is to introduce the reader to the Corporate Social Responsibility concept. Theories about implementation of strategy will be presented together with a description of emerging markets.

There is an external pressure and a moral obligation to integrate CSR into a company’s business. At the same time, there is an internal opportunity to profit for both company and society by engaging in CSR. However, the question is what triggers the company to engage in CSR (Porter & Kramer, 2006; Maon et al., 2010). To better understand and to determine a general description of CSR an explanation of the term CSR is presented below.

3.1 Evolution of Corporate Social Responsibility (CSR)

Bowen (1953) was one of the first who formalised the expression Corporate Social Responsibility (CSR). Bowen argues that businessmen also have a responsibility to society and defines this phenomenon as “the obligations of businessmen to pursue those politics, to make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of society” (Bowen, 1953, p. 6, quoted in Falck & Heblich, 2007).

The discussion continued whether corporations have a social responsibility and to what extent they should intervene in the public interest. Walton (1967) argues that:

If economic folklore can, for the moment, be equated with emphasis on profit maximization and market competition and “human value” identified with corporate social responsibility, it becomes apparent that the debate over the business executive’s appropriate role in the corporation is being wages as hotly as ever. (Walton 1967, p.2)

In other words, Walton agrees that there are expectations and a pressure towards the executives’ engagement in social responsibility. To better understand the phenomenon of CSR, Walton created a model, including six sub-models. The model contains a categorisation of a company’s general business policy, ranging from a sole financial approach (profit realisation) to a more social approach to CSR (health and welfare). He also introduces an “expectation level” which for instance goes from a
strictly obligatory to a strictly voluntary level. The main conclusion is that a company with a financial policy, that is a primary goal of profit maximisation, is more or less forced to incorporate CSR. At the other end of the scale a company with a social approach is more inclined to voluntarily incorporate CSR though its main goal is to create welfare for the public \(\textit{ibid}\).

Following the stream of interest in CSR, Friedman (1970) contributed to the research development of CSR. In a critical article about corporate executives’ attitude towards CSR, Friedman more or less accused them of not fully understanding the concept of CSR and that businessmen were merely “unwitting puppets” of the intellectual forces that had undermined the social responsibilities. Many businesses defended their social responsibility arguing that their business is not only concerned with profits but also with taking their “social responsibility”. However, Friedman rather harshly dismantled their argument by saying that business, in its purest form, is profit seeking, thus, cannot be part of socialism and social welfare. Furthermore, Friedman engages in the debate over whether it is the corporate executives themselves or the corporation as an entity that can claim “social responsibility”. In his conclusion, Friedman claims that the corporate executives’ attitude must be that the approach towards CSR commitment is voluntary. Thus, he expresses his definition of CSR by saying that there is only one social responsibility of a business and that is:

\[
\text{to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud. (Friedman 1970, p. 125)}
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All in all, Friedman essentially rejects the term “corporate social commitment” (Falck & Heblich, 2007). Before Friedman’s article, the use of the term “businessmen” implied that a company’s owner also was its manager, and therefore bore the cost of every social commitment personally. Later when CSR was expanded to include companies as legal entities, the attribution of costs was not so easy. In the case of a manager-led company, the legal representatives of the company, i.e. the managers, cannot bear the costs of social conduct. Instead, they decided to take these actions in their role as agents of the principals (Friedman, 1970).

Identifying CSR is difficult. This is exemplified by Carroll (1979) who points out that “as the time changes, so does emphasis on the range of social issues business
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must address” (1979, p.501). As with Friedman’s “agent-principal dilemma” and “businessmen vs company entity”, Carroll identifies problems with CSR as how companies can be able to have the “best use of it”. He further classifies CSR into four main categories: economic, legal, ethical and discretionary business performance. In this way, he moves the focus from ethical obligations to social voluntary values. The first category, *economic business performance*, determines that the business institution is the basic economic unit in our society. The second category, *legal business performance*, says that society expects business to fulfil its economic mission within the framework of legal requirements. The third category embeds that society has expectations on businesses above legal requirements. The last category, *discretionary business performance*, stresses that society has no clear-cut message for business, that is, “they are left to individual judgement and choice” (Carroll, 1979, p.500). He further explains this category to be a company’s choice to do voluntary activities as for example training the hardcore unemployed and so on *(ibid)*.

Even though identifying CSR is a challenge (Carroll, 1979), there are several definitions of CSR. One definition is that CSR involves:

managing a firm in such a way that it can be economically profitable, law abiding, ethical and social supportive, something which is complicated when operating in a large number of different contexts with often diverging views of the role of business and society. (Kolk & van Tulder, 2009, p.2)

Kolk and van Tulder (2009) have a favourable view from a business perspective as it includes profit realisation. Contrary to Kolk and van Tulder (2009), Non-Governmental Organisations (NGO), Governmental organisations such as the EU, NAFTA, the UN, or other cross-national non-political organisations have a wider definition which goes beyond profitability, using a more philanthropic view. For instance, the World Business Council for Sustainable Development (WBCSD) defines CSR as the “commitment of business to contribute to sustainable economic development, working with employees, their families and the local communities” (WBCSD, 2001, quoted in Jamali & Mirshak, 2007).
3.2 CSR – Strategy

One theory suggests that the society’s needs and companies endeavour to make profit, have joint opportunities where both can achieve advantages. The purpose of this theory is to explore issues important to firms that implements CSR. That is, to explore a firm’s external and internal position and to estimate the stage of integration. Another way to explain the choice of this theory is to say that this theory highlights external and internal aspects that impact the outcomes and to what extent a firm makes a commitment to a CSR engagement. Does this theory support the implementation theory below? Are there aspects of this theory that the below theories about implementation and operating in emerging markets have not taken into consideration? The theory states that there are opportunities for both company and society to gain benefits, which is supported among researchers within the field (Porter & Kramer, 2006).

Strategy theories will be evaluated from the view of Porter and Kramer’s (2006) theories about competitive advantages and the social values, where they claim that these issues are of great importance since companies engage in CSR to achieve better opportunities. These factors are examined here below with the purpose to later explore the relationships between CSR and emerging markets. Theories within this chapter aim to highlight the influences of external and internal factors, obligations and voluntary willingness; moral, ethical and social aspects; advantages and disadvantages relationships and finally a brief of what the triggers are that for which reason companies engages in CSR and the most important how to benefit from a CSR engagement for both business and society.

For the company to be able to implement CSR into its overall strategy there is a need for the company to change attitude and neglect economic based drivers and work towards social value drivers (de Woot, 2005 quoted by Maon et al., 2010).

The shift from an obligatory use of CSR to a strategic CSR is evident when Porter and Kramer (2002) in their article “The competitive advantage of corporate philanthropy” claim that corporate philanthropy can be used in terms of gaining competitive advantage. The basis for their argument is the company’s “competitive context”. A company’s competitive context consists of four elements: factor
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conditions, or the available inputs of production; demand conditions; the context for strategy and rivalry; and the related and supporting industries. By carefully analysing the element of competitive context, a company can identify areas of overlap between social and economic value that will most enhance its own and its clusters’ competitiveness. Also, Porter and Kramer (2006) continue, understanding the link between philanthropy and competitive context helps companies identify where they should focus their corporate giving. Understanding the ways in which philanthropy creates value highlights how they can achieve the greatest social and environmental impact through their contribution. They do however put up a warning arguing that there is a risk that corporate executives could be caught in a no-win situation, being stuck between financial investors on the one hand and environmental organisations on the other.

Porter and Kramer (2006) argue that the problem for each and every company is to find their individual link between the company’s strategy and the society. Due to the complexity of the concept CSR and its wide definitions, Porter and Kramer define a way for each company, no matter which branch, market, and culture and so on, to identify its specific approach to CSR. This approach is based on four main prevailing areas; moral obligations, sustainability, license to operate, reputation. They emphasise the importance of companies’ duty to be good citizens (moral appeal), stewardship for the environment (sustainability), regulations (license to operate), goodwill thinking and a way of marketing a company’s CSR commitment as a way to obtain profit (reputation). Even though the trigger to committing to CSR is that a company finds cost saving issues, this can in turn catalyse the willingness to more easily adapt CSR into their strategy.

Reviewing the research of CSR, many scholars argue that there has been a shift from “obligation” to “strategy” (Falck & Heblich 2007; Porter and Kramer 2002, 2006; Windsor 2006; Shrivastava 1995). Further, if practiced successfully, CSR may become a competitive advantage for companies (Porter and Kramer 2006; Linfei and Qingliang 2009; Kolk and Tulder 2009). Falck and Heblich (2007) show that by practicing CSR strategically, a company can “do well by doing good” (p.247). They are essentially saying that a company can make a profit while at the same time make the world a better place. This view is further supported by Linfei and Qingliang’s (2009) research which shows that companies practicing strategic CSR enhance both
its economic and social performance. However not all scholars are certain of the advantage, but rather argues that CSR is too Western-centric and that it is marginal to business practice (Shrivastava, 1995).

According to Porter and Kramer (2006) companies need public pressure as a trigger or a driving force to act beyond profit and act as a participating actor to take part in the global social responsibility. However, Freeman claims that companies participation in this social responsibility needs to be voluntary and actions need to be done by the corporate willingness to be able to achieve opportunities to both business and society. Porter and Kramer (2006) claim that companies need to investigate their opportunities and potentials by looking into their competitive advantages and social values. When determining and combining those factors with society, they claim that both business and society will gain advantages. They assume as follow:

When a well-run business applies its vast resources, expertise, and management talent to problems that it understands and in which it has a stake, it can have a greater impact on social good than any other institution or philanthropic organization. (Porter & Kramer, 2006, p.14)

These assumptions are supported by several other researchers in the field of CSR.

Assumption 1 (competitive advantages): - The more a company is aware of its competitive advantages and sees how those advantages contribute to society the more will the company’s core business merge with its CSR commitment.

Assumption 2 (social values): - CSR commitment is stronger for those companies who built their business on social values and that share these values with the community social values. This gives the company greater opportunities and leads the company forward in its business.

3.3 CSR - Implementation

Paton and Siegel (2005) argue that managers have a lack of knowledge of how to implement CSR into their companies’ strategies (2005). At the same time, it is imperative to integrate CSR into a firm’s strategy and to implement it in the organisation to achieve beneficial advantages (Porter & Kramer, 2006; Maon et al., 2010).
One theory in implementation is the Consolidative model which presents the implementation process of CSR, the level of CSR commitment and embraces the whole concept of CSR. The model is divided into seven stages of a company’s implementation process of CSR and determines the level of commitment a company has within its strategy. This theory is based on earlier developed CSR models within the fields as psychology, organisation, business and society, where some of the present models have been empirically recognised. The seven stages are further distinguished into three cultural phases. The CSR cultural reluctance phase, the CSR cultural grasp phase and the CSR cultural embedment phase. The theory proclaims that there is an essential link between a company’s stakeholders’ culture and a company’s organisational culture, which either prevents or prompts the CSR development process (Maon et al., 2010). The model emphasises the aspects of how companies increase their implementation level of CSR and what issues that catalyse these changes towards a stronger CSR engagement. The main factors within this theory of stakeholders and organisations are about cultural and moral aspects that impact on CSR.

First phase is the cultural reluctance phase, which describes the dismissing stage as the stage where a company’s CSR activity has the objective of “winning at any cost”. This is explained as a black-box posture which means that there is no connection more than by contractual bases between the CSR action and the company’s commitment.

Second phase is the cultural grasp phase and this searching stage is where a company in different level of attitude searches for a link between the company’s business and CSR principles. In these stages i.e. self-protecting, compliance-seeking, capability-seeking) a company is battling to find long term commitment instead of short terms as in the earlier described stage (i.e. contractual, public relationship strategies or isolated profitable opportunities).

The third phase is called the cultural embedment phase, which explains how CSR policies are implemented in a company’s organisation and the stakeholders’ mind, where it creates potential value thinking for the company. Instead of thinking short cut profit as a CSR action, the company is aware of the value of CSR to co-operate
as in a joint innovation of a company’s core business activities. The first stage in this cultural embedment phase is explained as going beyond “short-term profit-driven aspiration” and is the fifth stage named Caring stage. At this stage awareness and knowledge emerge where companies begin to understand the meaning of CSR and a slow improvement of CSR programs towards companies’ organizational structure are created. The six (strategizing stage) and seven (transforming stage) increase this attitude towards fully integrated CSR principles. The six’s stage is where the company embeds CSR in its overall strategy with purpose to “moves beyond community expectations and finds opportunities to achieve social, environmental and economic benefits” (Maon et al., 2010, p. 33). Here below is an overview of Maon et al.’s (2010) Consolidative model presented, which gives a more explicit comprehensiveness of the content.

Factors that affect the result of CSR commitment according to Crane et al. (2009) are the process of decision-making, influence, and politicizing, which have been shown to be important in the implementation of a wide variety of corporate policies. They argue that these factors will be more important in implementing CSR activities than in “costly” philanthropic approaches (Crane et al. 2009, p.540). As there is a difference in the definition and approach of CSR, Porter and Kramer (2006) propose a new way of looking at the relationship between business and society that does not treat corporate success and social welfare as a “zero-sum game” (2006, p.1).

To summarize this chapter about CSR implementation this dissertation refers to Maon et al.’s (2010) Consolidative model which presents a company’s process to
implement CSR into a company’s business. Further, it explains a company’s procedure moving from short cut winning perspective of CSR actions to long term fully integration of CSR where awareness, knowledge and entrepreneurial innovation are some implicit factors which are of great importance in the implementation process of CSR.

Assumption 3 (CSR cultural reluctance): - There is no integration of CSR within the company’s structure more than purely contractual and there are no elements showing a connection between the company’s values and the CSR initiative.

Assumption 4 (CSR cultural grasp): - Companies take CSR initiatives to protect its business values from global pressure.

Assumption 5 (CSR cultural embedment): - CSR initiatives improve a company’s main business goals.

3.4 CSR – Emerging Markets

Using the example of an American company responding to an environmental crisis in India (Union Carbine’s pesticide plant in Bhopal, India), Shrivastava (1995) argues that CSR is marginalised in a company’s business strategy. He also refers to CSR as “western-centric”.

Prahalad claims that firms have to look beyond CSR (Prahalad, 2009). There are great potentials in looking at the consumer behaviour, new products and new consumer targets. Consequently, the purpose is to look at the barriers that occur as potentials. However, they suggest that these potentials are essentially feasible for MNEs since they have the structure necessary to succeed as economic of scale which is linked with sustainability. Sustainability is argued by several authors to be an essential issue to succeed in CSR (Porter & Kramer 2006: Azmat & Samaratunge 2009: Kolk & van Tulder 2009). To explain emerging markets, Prahalad (2010) discusses a definition based on firms’ classification of a population in developing countries, where a person is estimated to have an income between $ 2/day (Prahalad, 2009). His definition of the Bottom of the Pyramid (BOP) is as follows:
Four billion poor can be the engine of the next round of global trade and prosperity. Serving the Bottom of the Pyramid consumers will demand innovations in technology, products and services, and business models. More important, it will require large firms to work collaboratively with civil society organizations and local governments. Market development at the Bottom of the Pyramid will also create millions of new entrepreneurs at the grass root level—from women working as distributors and entrepreneurs to village level micro enterprises. (Prahalad, 2009, p.6)

The BOP theory reached scientific recognition when it was published in Harvard Business Review (Prahalad and Hammond 2002: Prahalad 2010). In their article, they argue that companies which choose to serve the poorest consumers in the world will gain economic profit. They further highlight a large number of examples where in the bottom-of-the-pyramid markets, are in their earliest stages of economic development, hence, growth can be extremely rapid. In other words, companies implementing a strategy with a philanthropic attitude towards doing business with the world’s poorest customers with the purpose to increase their business will consequently participate in improving these consumers’ life at the same time as they gain self-interest advantages.

In order to achieve success, there are three crucial business opportunities to serve the less developed countries; new sources of revenue growth, greater efficiency and access to innovation. They suggest that revenue growth is the greatest opportunity for MNEs’. By developing new markets in the poorest regions in the world and modifying already existing products to fit the poor customers’ customer needs, the buying power is high even though the distribution access and the product are not tailored for this new type of customer. In other words, there is a great potential consumer population of 1.5 to 2 billion consumers, a cheap supply chain and distribution thanks to the density. Practice example is that a BOP consumer has a purchasing power of $600/person. It is important to analyse the consumer behaviour to recognise necessary, complement and substitute goods. Another essential issue is the transaction of information which is due to good infrastructure where they suggest that the MNEs deploy advanced technology and that with this improved access there are great opportunities. In other words, it is a way to enhance the exchange of information to obtain access to knowledge, education and communication. One important disadvantage is if MNEs and financial contributors prefer to take advantage having an exploiting attitude instead of an exchanging and helping attitude.
"How is CSR being implemented in a company’s overall strategy in emerging markets?"

Secondly, in terms of efficiency they suggest a labour-intensive service function, ROCE (returns on capital employed), which consists of among several examples, outsourcing of manufacturing, working capital, streamlining supply chain, also called “kiosk”. This is explained as an action service by networking where assets are replaced with information needed. Other supportive actions are shared access models as for example pay-per-use basis services.

Nevertheless, the last and also important issue is innovation, which includes inventing products and services modified for the BOP environment, which of course requires entrepreneurial thinking. They suggest the opportunity as experimental activities, which claims even create venture groups to enhance innovations. This theory claims that MNEs’ need to rethink their managerial practices and suggest that their actions are the answer to alleviate the poverty in the same time as MNEs’ will gain opportunities and generate real growths. (Hammond & Prahalad, 2002).

According to Crane, Mc Williams, Matten, Moon and Siegel (2009) there is a lack of insights in research within developing countries. They present a revisited pyramid suggested by Visser (2006, quoted by Crane et al., 2009) as a way to have an overview of the main issues that could have an impact on a company when implementing CSR in developing countries. They divide the factors as economic, legal, ethical, and philanthropic responsibilities.

They describe the first category, Economic Responsibilities, to be the largest in scale and in the base level of the pyramid. They assume that economics in developing countries are more highly suffering from lack of financial resources. Although, as to the heavy degree of unemployment, which in both aspects are more of an onerous burden than in western countries. The category includes aspects such as “capacity to generate investment and income, produce safe products and services, create jobs, invest in human capital, establish local business linkages, spread international business standards, support technology transfer and build physical and institutional infrastructure” which by Nelson named ‘economic multipliers’ (quoted by Crane et al., 2009, p.490). They emphasize that CSR engagements impinge on these factors. Consequently, there is a balance between dependency and opportunities thus the
How is CSR being implemented in a company’s overall strategy in emerging markets? investor e.g. company’s investment is utilised. What they point out is the scare difference of the investors’ position of power to abuse or to contribute.

Secondly, the next biggest level from the bottom, is categorised as Philanthropic Responsibilities. They point out an important difference between European companies’ approaches and American, where the European companies choose a more compulsory approach to CSR than American. Though, the American is more equal the developing countries attitudes. However, the issue with this philanthropic view is that it is squeezed thought the present 50 year long tradition of approach is mistaken to equalise with this new approach of CRS engagement, which disturb potentials of CSR. For instance, the question is if these funds required for developing human needs really fulfil what they are meant for.

The thirdly category lightens Legal Responsibilities as for the scarcely developed institutional system (Crane et al., 2009, Kolk & Muller, 2008, Azmat & Samaratunge, 2009). Other aspects that differ compared to Westerns countries are that they are not autonomous and have a need for resources and efficient administration. Moreover, authors demonstrate that there is a lack of laws integrated in the national system within these developing countries, which concerns human rights and other CSR aspects, thus the important barriers for effective CSR initiatives as for example tax avoidance.

![CSR pyramid for developing countries](image)

The last category Ethical Responsibilities, is visible here above together with the comprehensive model of the CSR pyramid for developing countries (Visser, 2006, quoted by Crane, Mc Williams, Matten, Moon, Siegel, Corporate Social Responsibility 2009, p.489). This category is on the top of the pyramid and explains the moral value of doing the right thing where the authors claim that the attitude against corruption in business and government is extremely week. It is even those developing countries as Angola which refuses to governmentally standardize issues
against corruption as Extractive Industries Transparency Initiative standards offers. The suggestion is to go beyond stakeholders’ interest and incorporate sustainable reporting including social, transformation, ethical, safety, environmental, managerial, and policies. A practical oriented description of developing countries actual situation concerns developing human rights, standards and corruption. Suggestion is to embrace ethical, transparent governance practice to make the foundation of CSR agenda in developing countries. In today’s practice it works only in large MNEs which are well established in the global market and have well known brands. One clear barrier is that developing countries are still associated with charity (ibid).

It is crucial to see for the need of who the CSR is working for (Azmat & Samaratunge, 2009). Several researchers questioning if the purpose of CSR is really achieved (Azmat & Samaratunge, 2009; Shrivastava; 1995). Consequently, it is investigated that there are distinguished issues between operating in a developed country compared to a developing country, e.i. emerging market. Azmat & Samaratunge (2009) also draw attention to the entrepreneurship of small individual and medium size enterprises where they emphasize the need for governmental institutional system. This assumption is also supported by Kolk & van Tulder (2009) and Peng, Wang & Jiang (2008).

Azmat & Samaratunge (2009) research is aimed to combine CSR and developing countries. They created a framework, which validates different components and their influence on socially responsible business practices. However there is a need to empirically test this framework. What they claim is that unless a culture of responsible entrepreneurship is created, the potential to contribute to the economy cannot be fully utilised. In other words the CSR has to be implemented in a company’s strategy in a way that it makes it possible to contribute to society without loss of a company’s effort.

Azmat & Samaratunge (2009) explain by their framework the need for responsible entrepreneurship of Small-scaled individual entrepreneurs (SIE) and Small & Medium sized entrepreneurs (SME) to obtain a sustainable business practice in developing countries.

Peng et al., (2008) explain in their paper how important it is for a company to have an institutional-based view of the International Business Strategy (IB). Further, and
in another paper Kolk and van Tulder (2009) suggests that there are gaps in IB approaches when doing business in emerging markets with relationship of CSR activities. Furthermore they claim the need for “downstream and upstream perspectives” both in general IB strategy and in CSR/sustainable related actions. It is explained that MNEs management need to build up codes of conducts to suppliers and others involved in the operational chain of companies activities to protect companies from risks and vulnerabilities in interaction with emerging markets in developing countries. Kolk and van Tulder (2009) point out that all interaction with international supply and production networks are directly in contact with CSR issues (ibid).

**Assumption 6 (CSR in emerging markets):** Even if companies use their core competence (technology and knowledge) and adapt their core business to the market demand, companies need to be willing and aware of how to actively contribute to CSR.

### 3.5 Theoretical model – CSR implementation model adapted to emerging markets

The aim of this study is to investigate how companies implement CSR into their business strategy, particularly in emerging markets. In order to do so a theoretical model has been created comprising Maon et al.’s (2010) Consolidative model and the strategic factors, competitive advantages and social values. However, a black-box is presented between the strategic factors and the implementation stages to indicate the why factor, which is not investigated within this dissertation, but believed to have an impact between a company’s strategy posture and a company’s implementation of CSR, when operating in emerging markets. The following six areas are part of the model:

1. Competitive advantages
2. Social values
3. CSR cultural reluctance
4. CSR cultural grasp
5. CSR cultural embedment
6. CSR in emerging markets
"How is CSR being implemented in a company’s overall strategy in emerging markets?"

Figure 3.3 CSR Implementation model adapted to emerging markets

The three areas of CSR strategy, implementation levels and emerging markets represent the basic elements, which this research aims to study. The identified areas are constructed and framed within this model, where the purpose is to find the interaction between the concepts presented here below. The overall aim of this research is (1) to see how a company implements CSR, (2) to see the level of CSR commitment, and (3) to see how the level of CSR commitment affects a company, when operating in emerging markets. This framework illustrates two essential CSR strategy factors, for instance competitive advantages and social values. In addition to the three stages of CSR implementation, such as CSR cultural reluctance phase, CSR cultural grasp phase and CSR cultural embedment phase.
4. Empirical Method

This chapter presents the research method, it starts with an explanation of the chosen research design and strategy, followed by a description of the time horizon, data collection and sample selection. Furthermore, this chapter ends with an operationalization and most importantly a discussion of the credibility of the research findings.

4.1 Research Design and Strategy

There are three ways of classifying the purpose of research, namely as exploratory, descriptive, or explanatory research (Saunders et al., 2009).

An exploratory study is useful to clarify an understanding of a problem. By being flexible and adapting to changes that occur, the researcher is “exploring” different opportunities as they might appear. An exploratory study is useful when not much is known about a certain situation or phenomenon. The result of exploratory research can lead to new research questions, a new theoretical model, new selection criteria and so on.

A descriptive study might be useful to identify patterns or for instance. The result will indicate, in a descriptive way, how facts are spread according to certain criteria (for instance, by using a histogram/diagram/pie chart). The descriptive approach includes facts that are accurate and systematically collected, but it cannot explain what is caused a certain outcome.

In order to explain what causes a certain outcome, or phenomenon, the researcher uses an explanatory research design. Using this design the researcher is trying to understand what is affecting a certain phenomenon. In other words, the researcher is looking for a causal relationship between one and more variables (dependent and independent variables). Explanatory research focuses on statistical analysis. A lot of weight is put on creating a “robust statistical analysis”, including high reliability, validity, generalisability, using different statistical methods, such as factor analysis, regression analysis, and structural equation modelling and so on (ibid).
Due to the complexity of CSR and the lack of stated generalisations, this dissertation is an exploratory study. The purpose of this choice is to remain flexible and to better understand the problem when the data is collected.

To further strengthen the purpose of the research, it is important to have a clear research strategy. Saunders et al. (2009) consider seven strategies: Experiment, Survey, Case study, Action research, Grounded theory, Ethnography, and Archival research. The classical form of experimental research is based on natural science, where the researcher sets up two identical groups within a controlled context with one experimental and one control group. By influencing the experimental group with an intervention or manipulation, the researcher is trying to find differences between the groups, or a casual link. A strategy using a survey is often related to exploratory and descriptive research, due to the relative large amount of data. A survey allows the researcher to collect data, from a defined sample, in a structured way and to analyse it with statistical significance. Contrary, to experimental and survey, a case study allows the researcher to study a phenomenon within a certain context, even though the relationship between them are not obvious. The collection of a case study is likely to include interviews, observations, and questionnaires, or a combination thereof (ibid).

Action research focuses on action, in particular promoting changes within an organisation, where the researcher is involved during the implementation of the findings. Furthermore, much time is devoted to diagnosing, planning and evaluation, as well as to the involvement of the employees throughout the process regarding this research method. Grounded theory is similar to building theories. This strategy is helpful for the researcher to predict and explain behaviour when trying to develop and build theories. It is the best example of an inductive approach. Ethnography streams from the field of anthropology and has the purpose of describing and explaining social behaviour in a certain context. The research is often conducted in very close relationship with or even within the research context itself. An example where this strategy can be useful is when studying social behaviour within groups like different tribes in remote areas such as Papa New Guinea. The last strategy that Saunders et al. (2009) consider is archival research (ibid).
In this dissertation a case study is appropriate due to the type of information needed for this study and the ability to access which can often be difficult, due to the complexity of the topic CSR, and also because the perception and the awareness of CSR can vary. There is a great access to information on the Internet and most of the multinational companies have their own CSR management department.

4.2 Time horizon
During the planning stage of research it is important not only to establish a strategy but also to have an idea over which time horizon the research should be conducted. One approach is to study a phenomenon during a certain period of time, a so called longitudinal study. This could also be named a “diary perspective” where the researcher is able to observe changes in a particular phenomenon over time (Saunders et al., 2009, p.155). The other form of study is to make a “snapshot” taken at a particular time. The cross-sectional study is, therefore, limited in the way that the “snapshot” is valid only at the time of the research. Due to time restraints many researchers find it necessary to conduct a cross-sectional study. This does not have to be negative since many studies are based on pre-interviews that are conducted over time.

In this dissertation a cross-sectional study is implemented. A pre-testing of the interview questions has been done and interviews with the respondents took place during the course of two weeks. This might limit the broadness of the dissertation. However, the purpose is not to examine changing behaviour related to a company’s CSR strategy.

4.3 Data collection
Data collection can be employed in various ways and in combination with different strategies such as interviews, observations, documentary analysis and questionnaires. A first distinction is the choice between primary data collection and secondary data collection and which of those the research is aimed to be based on, even though both of them are often used in combination. The latter refers to gathering data which already exists, while primary data is contemporary data which is gathered within this current time frame. Primary data consists of observations, interviews and questionnaires. Interviews are divided into semi-structured, in-depth and group
How is CSR being implemented in a company’s overall strategy in emerging markets?

Interviews. Semi-structured interviews are defined to be non-standardised interviews and are conducted in an unstructured outline opposing totally to any quantitative data collection methods and thus being considered as purely qualitative. The outlines of an unstructured interview (semi-structured) are framed by using a prepared questionnaire with determined themes as guidelines throughout the interview. The purpose with this type of interviewing is to stay open-minded throughout the interview to be able to grasp a deeper understanding and explore the nature of events.

A research study can be based on primary data or secondary data; however, the choice depends on the aim of the research question and expected outcomes. Examples of secondary data are public or internal company reports, certificates, companies’ web site presentation of their activities, annual reports and other types of documents. Secondary data is divided into documentary data, survey-based data and multiple-source secondary data. Documentary data is often used in combination with primary data and it is appropriate to analyse it both quantitatively and qualitatively (Saunders et al., 2009).

This dissertation will mainly collect primary data even though secondary data will be used for supporting the analysis. The primary data will be collected through semi-structured interviews as an appropriate link to a case study strategy. The choice of semi-structured interviews was due to the expected outcomes which Saunders et al. (2009) describe as a way to more easily reveal areas previously not considered but which are of importance for the understanding. Consequently, deeper and more detailed data is presumed to be gathered. Advantages with collecting interview data is that the respondent rate increases where an informal contact gives a higher personal relationship and aims to grasp sensitive information which otherwise would be omitted. The information gathered depends obviously on if an interviewee is aware of the purpose of the interview, the previous knowledge of the interviewer and the interviewee, these factors are of importance when proceeding with the analysis and when evaluating the credibility. In addition, documentary data will be used as secondary data supporting the research study, such as, public or internal company reports, certificates, companies’ web site presentation of their activities, annual reports and other types of documents deemed to be appropriate according to Saunders et al. (2009).
4.4 Sample selection

Mason (1996) defines sampling selection as “principles and procedures used to identify, choose, and gain access to relevant units” (Mason, 1996, p.83). When collecting data from fewer samples, it is likely that the results will be more accurate since the data can be more detailed. At the same time, when selecting a representative sample from a population, the probability is affected; the smaller the sample, the scarcer the probability of the sample being a true representation. Thus, the representativeness depends on the amount of selected sample, the choice of sample, how the chosen sample is collected and the respondent rate of the selected sample. The intention of any study is usually to draw out a representative sample from the population. Probability is rarely employed in the logic of a qualitative study, though it is related to statistics and laws like generalizations. The logic of sampling differs between a qualitative study and a quantitative study where Mason (1996) proclaims that rigorous and systematic sampling is less important in a qualitative study due to the absence of analysis through mathematic probability. However, the selection of samples is quite crucial to enhance the credibility (ibid).

This dissertation has selected four Swedish MNEs, which operate in several emerging markets. The companies are categorised as multinational companies and the category emerging markets corresponds to Sida’s definition of developing countries. Each of the four companies has a CSR department and a strong marketing presentation of their CSR activities presented on their web site. Of the four companies who were contacted, all of them accepted to be interviewed and an extensive contact remained with the sources during the process of this dissertation. The selected companies are all operating in different industries. According to Porter and Kramer (2006) there are no difference between branches and industries regarding to advantages gained by being actively committed to CSR, hence the selection of four different industries. The purpose of this dissertation is to be able to draw a generalised conclusion of the broad and complex topic of CSR which, with the help of theories of Maon et al. (2010) can narrow down the broadness of the concept of CSR. The selected sample is convenient for this type of research according to the above described categories. Few respondents might limit the generalisation of the outcomes. However, selecting a wide range of industries gives the opportunity to investigate the main implementation strategies for CSR. The empirical study will be
limited to qualitative interviews to investigate each company’s level of CSR commitment.

4.4.1 Company A
Company A is a Swedish company operating in several stages of the supply chain, with its target groups towards both end consumers (B to C relationship) and professionals (B to agency relationship). The company was founded in the late 60s and entered the first emerging market in the late 80s. The year 2009 showed a turnover/profit margin of 1.316 million Euros and a business establishment in 55 countries, out of which 27 were established in emerging markets. The company has five facilities out of which three are in emerging markets, 8000 employees and 3.5 million consultants over the world.

4.4.2 Company B
Company B is a Swedish production company operating at several stages of the supply chain, with target groups towards both industrial customers (B to B relationship) and end consumers (B to C relationship). The company was founded in the late 70s and entered the first subsidiary in an emerging market in early 90s. 2009 showed a turnover of 1.200 million Euros, with an establishment in 39 countries where about seven were in emerging markets. The company has seven facilities, one of which is in emerging markets and more than 300 employees over the world.

4.4.3 Company C
Company C is another Swedish company, operating in several stages of the supply chain, with a target group towards end consumers (B to C relationship). The company was founded in the 40s and entered its first subsidiary in an emerging market in late 90s. However, collaboration with several sub-industries is presented and seems to be established before the 90s. 2009 showed results of 21.5 billion Euros, established in more than 40 countries where of only about two are in emerging markets. The company has seven facilities, two of which are in emerging markets, suppliers in 55 countries (the suppliers operating in emerging markets could not been discovered from the sources used) and 123 thousand employees over the world.
4.4.4 Company D

Company D is also a Swedish company, operating in the production and technology industry, with its indirect target group towards end consumers. The company was founded in the late 18th century and started to operate in an emerging market more than 100 years ago. The company has a close collaboration with their customers (B to B customer relationship). Their 2009 results, showed a turnover of 8.2 billion SEK, established in about 175 countries of which about 57 in emerging markets and with 88 thousand employees working all over the world.

4.5 Operationalization

The purpose to operationalise is to sort out and systematically categorize the parts of the research question and explore in detail the possible relationships (Mason, 1996). The interviews were conducted by a question guide which functioned as a framework throughout the interviews. The question guide was employed for this study and the aim was to combine it with the theoretical model. The aim of this research is threefold; first to investigate whether the suggested theories are correct, second if they are not correct, to investigate what is missing, and third to explore the relationships, between the concepts represented here below, when operating in emerging markets. However, this dissertation estimates that there is a difference between working in emerging markets and western markets.

First of all, the interviews began by identifying the position of the company and the interviewee to control, justify and secure the relevance of their participation in this research.

4.5.1 P 1 Competitive advantages

The purpose of this category, presented in the theoretical model, is to investigate whether a company has strong competitive advantages and if it is based on a strong business strategy. The main purpose is to find out if the company’s competitive advantages combine with CSR values in general and their implemented CSR initiatives. In this research competitive advantages are defined as a company’s awareness of their core business and their ability to identity specific key points with which the company is competing with, within their branch. Competitive advantages will be measured as awareness of their opportunities given by their core business,
which are concerned with access to and capability of knowledge, technology and innovation. (Measurement: Level of awareness that the company has about their opportunities from their core business towards CSR)

Primary data (source: interviews):
1. What is your company’s core business?
2. What has been the purpose of integrating CSR in your business?
3. For what reason is your company engaged in CSR activities?
4. When did your company integrate CSR into the business?
5. How did your company integrate CSR into the business?

Secondary data (source: internet):
- What is the structure of the firm (size, turnover, number of employees, global extension, industry and branch).
- How the company is presented on the Internet.

4.5.2 P2 Social values
The purpose of this category presented in the theoretical model is to investigate whether the company has strong social values and if those values are connected in any way, to the company’s engagement in CSR. In this research social values mean long term thinking of a healthy corporation and are identified by the willingness and the attitude of a business, towards CSR activities. Social values will be measured in terms of vision. (Measurement: To what extent the vision has a visible connection to practical cases of CSR)

Primary data (source: interviews):
6. What are your CSR projects today?
7. In what way does CSR promote your business?
8. Describe shortly what CSR is for you?
9. Does your CSR commitment affect the corporate culture and the employees’ attitude?

Secondary data (source: internet):
- How is the company presented on the Internet focusing on social values and CSR activities?
4.5.3 P3 CSR cultural reluctance phase
The purpose of this category is to investigate a company’s level of CSR engagement. The category is supported and described in detail within the theoretical framework. In this research the CSR cultural reluctance phase means the absence of a connection between a company’s CSR engagement and the company’s organisational environment, which is shown by the lack of self initiatives and motivation to develop CSR activities. The CSR cultural reluctance phase will be measured as pure charity or forced participation through governmental regulations. (Measurement: Type and function of CSR activity)

Primary data (source: interviews):
10. For what reason is your company engaged in CSR activities?
11. When did your company integrate CSR into the business?

Secondary data (source: internet):
- Certificates

4.5.4 P4 CSR cultural grasp phase
The purpose of this category is to investigate whether the company under observation, has CSR activities corresponding to what is presented by the theories trying to estimate the levels of CSR commitment. In this research the CSR cultural grasp phase means self-protecting, compliance-seeking and capability-seeking and is identified by a marketing posture to protect the company’s business objectives. The CSR cultural grasp phase is measured as the company’s purpose towards CSR engagement being seen as an obligation. (Measurement: Type, function, attitude, knowledge, public presentation and number of CSR activities, level of awareness)

Primary data (source: interviews):
12. When did your company integrate CSR into the business?
13. How has the company’s CSR engagement developed?
14. What are your company’s plans for the future?
15. Have you had any external advice or collaboration in the development of CSR initiatives?
16. What is your opinion of how CSR engagement has affected the company’s business?
17. For what reason is your company engaged in CSR activities?
"How is CSR being implemented in a company’s overall strategy in emerging markets?"

Secondary data (source: internet):
- Presentation of CSR activities

4.5.5 P5 CSR cultural embedment phase
The purpose of this part of the study is to investigate whether or not a company has any CSR activities corresponding to this category, which are supported by the theories. In this research the CSR cultural embedment phase defines a company’s willingness to be proactive and endeavour to create potential values for the company’s business and/or its ability to construct CSR principles. This category is identified by a strategy seeking posture and will identify long-term settings of CSR initiatives. The CSR cultural embedment phase is measured as joint innovations and sustainable CSR activities. (Measurement: level of decision-making, type of CSR engagement, level of corporate strategy involvement of CSR activity, CSR activity integrated in the core-business, own created certificates of superior required regulations)

Primary data (source: interviews):
18. What is the decision-making procedure for CSR?
19. In what area of your business has your company a CSR engagement?
20. Do you see any potentials of how CSR can contribute to your core business?
21. For what reason is your company engaged in CSR activities?
22. What are your company’s plans for the future?

Secondary data (source: internet):
- Presentation of CSR commitment by articles, advertisement, reporting and so on.

4.5.6 P6 Emerging markets
The purpose of this category presented in the theoretical model, is to investigate whether there is a connection between a company’s CSR initiative and the emerging market in which the company operates in. In this research an emerging market means a developing country and is identified as a country where the income BNI/capita is below $3 256-$10 065 according to Sida’s label for developing countries presented in 2004. Emerging markets are measured as sharing, exchanging and transferring economic, philanthropic, regulatory and ethical knowledge,
technology, access and capability from Swedish multinational companies. (Measurement: In what way is the company’s CSR action connected with the company’s business?)

Primary data (source: interviews):

23. Is the company’s CSR engagement integrated into the company’s operational activities abroad (emerging markets)?
24. How is the company’s CSR engagement related to the company’s business in emerging markets where the company is established today?
25. How is the development of CSR engagement connected with the company’s business activities in emerging markets?
26. Does the CSR engagement contribute to the main business of the company?
27. What are the steps of a CSR activity when the company is in an operating process in an emerging market?

Secondary data (source: internet):
- Presentation of CSR engagement

4.6 Credibility of research findings

In order to achieve credibility of the research findings, researchers have to consider reliability and validity.

Reliability refers to the consistency of the data collection process, the analysis procedures, and the results. Saunders et al. (2009, p. 156) propose three questions that could assist researchers in assessing the credibility:
- Will the measures yield the same results on other occasions?
- Will similar observations be reached by other observers?
- Is there transparency in how sense was made from the raw data?

The term reliability can therefore be said to be the consistency of responses to a certain question and that reliable measures obtain identical or very similar responses from the same or similar respondents. Researchers also have to be aware of the transparency when analysing the data. In other words, the researcher should explain in detail, how the data was collected and how it was analysed. For instance, when using a questionnaire or structured interviews, researchers can ensure reliability by using questions which have previously been tested in a similar research setting. The
assumption is of course that the questions have previously reached high reliability. Another way of somewhat securing reliability, is to conduct a pre-test of the questionnaire with several respondents. This could be followed up by interviews.

Validity is different from reliability. Validity deals with whether the findings actually measure what is supposed to be measured (Saunders et al., 2009). In other words, the term validity refers to the accuracy of the questions, and the subsequent accuracy of the answers. To ensure that a respondent is accurate in his/her answer, the researcher need some form of confirmation. This could be done by conducting a pre-interview, where respondents are asked if they understand the questions and why they answered the way they answered.

As a conclusion, reliability is an equal consistency, whereas validity is equivalent to accuracy.

There is however another aspect of the credibility of research, namely generalisability. Another word for generalisability is external validity (Saunders et al., 2009). The question is “whether the findings may be equally applicable to other research settings” (2009, p. 158). For instance, could the findings from research, examining Small Medium sized Enterprises (SME), also be applicable when examining companies listed on the stock-exchange? The argument here is whether research findings drawn from certain sample population, are credible enough to evoke the creation of a theory that would be applicable to the whole population? Can results be taken from one sample, and be generalised to the rest of the population? Generalisability has therefore much to do with the data collection and sampling process.

In this dissertation the author has tried to take rigorous precautions to ensure the credibility and validity of the findings. To ensure reliability the author used a pre-coded questionnaire during the interviews. To ensure that no bias or misunderstanding occurred, every interview was recorded. This gave the author the opportunity to review the respondents’ answers. If questions arose from the playback, a complementary phone call or email was made. To ensure the validity, the questions were pre-tested on two respondents. The aim was to make sure that the questions were properly understood and if accurate answers could be given. Firstly
the interview questions were sent via mail to test the respondents. This was followed up by a face to face meeting where any ambiguities were discussed. The pre tested respondents are operating in areas corresponding to selected criteria of the four Swedish companies.

The author is aware that the findings cannot be widely generalised. However, according to Yin (1984), there is a difference between analytical generalisations and statistical generalisations. Consequently, according to Mason (1996) it is possible to generalize a qualitative study, hence it depends on the systemized procedure of collecting and analyzing the data. It is not possible to generalize a quantitative study in the same way.

4.7 Conclusion

This dissertation will use an interpretivistic philosophy and a deductive approach. The concept of CSR is complex and the in-depth interviews can be unstructured, this occurs frequently in most cases of qualitative studies. Mason (1996) emphasises that it is possible to enhance the credibility of a study, if the qualitative research is systematically and rigorously conducted. This also reflects flexibility and is contextual at the same time as it has to detain its determined structure and strategy design. It is also important that the researcher keeps in mind to actively reflect upon his research frequently (ibid). Dey (1993, p.28 quoted by Sanders et al., 2009) points out that “the more ambiguous and elastic our concepts, the less possible it is to quantify our data in a meaningful way” (2009).

The main reason for this is that the concept of CSR is complex and consists of several interpretations depending on the research area and direction, and who is answering the questions. Much of the concept lies in the social perspective, which can range from factors such as sociology and psychology, to company behaviour and marketing. The author therefore has to be open-minded about other people’s interpretation of CSR and acknowledge that there is a difference between humans in our role as social actors (Saunders et al., 2009).

The author is aware of the limitations and of a non-structured research design. The author is also aware of the limitations of generalisation.
5. RESULTS

This chapter contains the results obtained from each interview conducted from four selected companies operating in several emerging markets as medium sized or large sized enterprises. The information is gathered from employees who have the main responsibility for CSR. The results are structured from company to company with subheadings meeting the theoretical model’s guidelines.

5.1 Company A

Date and time: 28th April 2010, 10.30-11.15 a.m.
Meeting person: Senior Advisor Environmental Sustainability
Meeting place: Phone call, conducted in a quiet room in the library at Kristianstad University, supported by record player
(Respondent requested to stay anonymous)

- P1 Competitive Advantages
The first question was: - What is your company’s core business? The respondent answered that their business slogan is “by helping people you will help yourself”. To the next question, which was: - What has been the purpose integrating CSR in your business? The respondent answered that they have always had CSR integrated in their business since the business was founded. The respondent answered equivalent as above to the following questions (see sub title 4.5.1 P1, p.32). A discussion followed, about the main purpose of their business which is to make profit by fulfilling a customer’s demand while taking the responsibility of the company’s actions towards society and humanity into account.

- P2 Social values
Concerning the second factor of CSR strategy the question “What are your company’s CSR projects today?” was asked. The respondent answered to look at the web site where all their projects are sited. However the respondent recalled at the same time that all actions made, are profit based. To serve the customer demand, the respondent also remarked that all their actions made are based on their basic value which is “caring for people and environment”. The respondent continued the discussion and explained that one of the company’s goals was to transfer the company’s Swedish ethics to the company’s whole business around the world. The respondent describes CSR as a term brought up in the 90th century, however their business has taken responsibility for their actions towards the human nature since its establishment in the 60s. In other words, they
were already aware of the values of CSR before it became a topical subject. When asked about the affect towards corporate culture the respondent answered that the purpose between CSR values and their business values are totally integrated and are important values in order for their business to survive. The respondent gave reference to their web site which presents the company’s code of conduct.

- **P3 CSR cultural reluctance phase**
  The answers to questions within the CSR cultural reluctance phase are already given above and the respondent reclaims that the company’s existence is based on human values in order to make profit in a responsible way which is in line with CSR values.

- **P4 CSR cultural grasp phase**
  Regarding the CSR cultural grasp phase the discussion continued. Since the 90th century a public awareness has grown and made the company aware of how to better present its values towards customers. Today the CSR values are not yet implemented in their whole business and in each and every part of their structure. Nevertheless they are working actively to achieve this. The respondent explained the aim of their code of conduct, which is to transfer the Swedish ethics of honesty and quality in order to secure the companies values. However, they acknowledge that this is only one part of the implementation of CSR strategy.

- **P5 CSR cultural embedment phase**
  Concerning the third stage of the implementation process of a CSR strategy the respondent continued the discussion about the goal of implementing a CSR strategy which concerns all parts of their business welfare and care for both the human nature as well as for the environmental care. The respondent highlighted some of their CSR actions where they aim to improve their CSR engagement in all business areas all in purpose to achieve a total implementation of CSR. For example, the respondent explained that it is necessary for them to make a scientific analyse of their total business structure. They are also striving to embrace the top management in the decision-making in the purpose of building up a sustainable CSR strategy.

- **P6 Emerging markets**
  Regarding the questions which concerned their approach in their establishment in emerging markets, the respondent answered that they do not diversify their operational action depending on a specific market. They believe that their
purpose of their business and what they strive for is to transfer their Swedish ethical values with the slogan “by helping others you help yourself”, as well as to take responsible of all their business actions, e.g. to be honest in their role as social actor and to make actions in order to protect the nature.

5.2 Company B

Respondent (2 persons): VD (R1), Sustainability Director (R2)
Date and time: 29th April 2010, 3 p.m. to 3.45 p.m. (R1)
7th May 2010, 2 p.m. to 2.45 p.m. (R2)
Meeting place: Face to face interview, conducted in a quiet room at the office in the headquarters outside Kristianstad, supported by record player
(Respondent required being anonymous)

- P1 Competitive Advantages

The first question was: - What is your company’s core business? The first respondent (R1) answered that their vision is to be one of the best in Scandinavia in supporting their customers and to provide them with the knowledge needed to produce the best products within the branch. Later on, the respondent added that their main key points of the business are to deliver taste and texture. The second respondent (R2) answer on the first question, that they are producing to satisfy a consumer demand. To the next question, which was:

- What has been the purpose integrating CSR in your business? R1 answers that it is of great important for their business to have frequent control procedures of their supply chain. If we are not controlling our products we will quickly loose the relationship and trust towards our customers. If we make one small mistake, we can loose hundreds of clients. For the following questions the respondents had determinant opinions as follows. The third question was: - For what reason is your company engaged in CSR activities? To this question, R1 answered that the reason is based on public pressure from the media and from consumers, but also by a merged need from themselves to keep a high standard in the process of producing in addition to the product itself. Secondly, R2 answered that the reason for their engagement in CSR, is to satisfy the consumer demand and to secure their products quality. Furthermore, the respondent was asked: - When did your company integrate CSR into the business? R1 answered that it has been an important issue to work with since a long time ago and estimated that it has been
an issue at least since the early 90\textsuperscript{th} century. At the same time, R1 believes that it is difficult to estimate the exact time when they started. The last question was: - \textit{How did your company integrate CSR into the business?} R1 answered that they started with CSR activities mainly concerning internal policies, quality control systems and control visits to the sub-industries. R1 explained that they developed their own inquiry sheets towards their sub-industries. Within the discussion the respondent revealed that the pressure from the media and the control by the governmental legislations have been of great importance and has been a necessity for companies to “do things in the right way” and explain that they are working hard today to evaluate and develop their products to better meet the customers demand and expectations.

\begin{itemize}
  \item \textbf{P2 Social values}
\end{itemize}

Concerning the second factor of CSR strategy the question “\textit{What are your company’s CSR projects today?}” was asked. Firstly, R1 answers that they were continuously developing their policies and that they additionally participate to a charity, whose mission is to serve the children’s care and evolution. Secondly, R2 answered that they are constantly striving to develop the standards in a way to protect their business from doing any wrong and to meet the consumers’ expectations. The same applies towards the governmental legislations. The next question was: - \textit{In what way does CSR promote your business?} Neither R1 nor R2 answered on this question. The third question was: - \textit{Describe shortly what CSR is for you?} R1 answered that he believes it hard to describe but that it is mainly based on ethical policies. His view of the concept of CSR is where a business is so well structured that the ability to repeat procedure with the same client is feasible. Secondly, he described the necessity of incorporating a trustful collaboration towards their sub-industries. R2 answered that CSR has solely to do with ethical policies and nothing else according to his point of view. The last question, “\textit{Does your CSR commitment affect the corporate culture and the employees' attitude}” was answered by the second respondent. He said that their quality assurance (QA) of ISO 9000\textsuperscript{1} and ISO 14000\textsuperscript{2}, which are built on

\begin{footnotesize}
\begin{itemize}
  \item ISO 9000 = Quality Management System (www.iso.org, 2010). It presents an international consensus of suggested quality management practices and consists of standards and guidelines in the topic of quality management systems and other supported standards. This is the only standard which an organisation can obtain a certificate (\textit{ibid}).
  \item ISO 14000 = Environmental Management System (www.iso.org, 2010). It presents international standards of guidelines and requirements in the topic of environmental impact within an organisation’s activities (\textit{ibid}).
\end{itemize}
\end{footnotesize}
systematic goals, have been motivating and increased the internal communication between contributors.

- **P3 CSR cultural reluctance phase**
The answers to questions within the CSR cultural reluctance phase started with:
- *For what reason is your company engaged in CSR activities?* R1 was answering these questions through earlier discussed matter. The respondent reclaims throughout this discussion that the reason for integrating CSR actions in their business is based on the revealed pressure from public media. In addition to the increased expectations from consumers towards the producer to participate in CSR actions and actively take initial responsibility of their business.

- **P4 CSR cultural grasp phase**
Regarding the CSR cultural grasp phase the discussion continued where some of the answers are already given from earlier parts of the dialogue presented above. As for example, the respondents answered that their CSR engagement started in the early 90th century. Furthermore, one of the questions was: - *How has the company’s CSR engagement developed?* R1 answered that they developed throughout the needs that occurred and that they controlled and they improved their internal policies not later than a month ago. The respondent continued to explain that the policies are something they are continually developing by their initiatives since starting up point of their CSR actions. The next question was: - *What are your company’s plans for the future?* R1 answered that one of the most important matters is to have a close and trustful collaboration with their subsidiaries and their business partners, mainly concerning improvement of working conditions for the employees. One of their crucial goals to achieve is to constantly transferring their knowledge by educating their collaborators. Conversely, they believe that they would not be able to reinforce and make these improvements if they were the only actor on the business field to battle for CSR issues. In addition, he proclaims that when a group of stakeholders sets up joint rules in the topic of responsible business and carry them out together, the respondent believes that there is a potential to make an impact and obtain constructive changes. The discussion continued with the question: - *Have you had any external advice or collaboration within the development of CSR initiatives?* R2 answered by describing the different policies developed by external bodies or organizations, to which they comply. The following question
was: - What is your opinion of how the CSR engagement has affected the company’s business? R2 answered that since the company is following policies regarding consumers’ demand and requirements of governmental restrictions, which are considered as CSR engagement, the respondent believe to have obtained a constructive affect on the quality of organization’s standards. To the question: “For what reason is your company engaged in CSR activities?” the second respondent replied multiply that it is due to the global restrictions as well as due to the consumers’ demand which require a high satisfaction level to stay faithful. Thereto, it is due to the requirements to meet international standards and their self interest of strengthen their trustworthiness towards external global expectations.

- P5 CSR cultural embedment phase

Concerning the third stage of the implementation process of a CSR strategy the respondents were asked: - What is the decision-making procedure for CSR? R1 answered that he delegates the responsibility as much as possible but most of the decisions of CSR related matter are mainly relaying on him and the head director for sustainability. In the next question: “In what area of your business has your company a CSR engagement?” the first respondent answered that the policies and the control activities are dispatched in each area of the production chain within the company and the sub-industries. On the question: “Do you see any potentials of how CSR can contribute to your core business?” did R1 repeat that it is a way to meet the customers’ expectations and demand and pointed out once again the great importance of meeting the customers’ expectations and again argued about the purpose of gaining the consumers trust and long term relationship building. The following questions are already answered above. Nevertheless, R2 added that his principle aim in the CSR matter is to develop even more ethical values and ethical policies in order to be more explicit in their actions and motives.

- P6 Emerging markets

Regarding the questions which stressed their approach in their establishment in emerging markets both respondents answered that the company's aim on the topic of standards, knowledge, education and vision to persistently transfer these qualities to the company’s activities abroad. Both respondents explain that the procedure for this is to process through their control systems, physical visits and by constantly evaluating and developing their internal policies. A discussion in the topic continued where R1 specified the importance of improving their
policies in order to meet the changes which appear in time. R2 added that the quality of their activities abroad especially in their connection with emerging markets, have shown a tremendous evolution of standards, working environment as well as the employees working and private conditions. However within the discussion none of the respondents describe these improvements as to have been an aim of their actions to be addressed as a CSR action. It seems rather to be an effect of an initially pure profitable action.

5.3 Company C

**Respondent (1 person):** Sustainability life and Green living strategy & Development department  
**Date and time:** 7th May 2010, 9 a.m. to 9.45 a.m.  
**Meeting place:** Face to face interview, conducted in a quiet room at the office outside Kristianstad, supported by record player (Respondent required being anonymous)

- **P1 Competitive Advantages**

  The first question was: *What is your company's core business?* The respondent answered that their core business key points are to develop well designed products to have good functionality of their products, always with a low price option of their products in order to let “all people” be able to afford the products that their business offers. To the next question, which was: *What has been the purpose integrating CSR in your business?* The respondent answered by highlighting several perspectives of this question. Whereof, on the one hand, the respondent answered that the purpose is to use CSR actions as a communication tool, however it is crucial to have a clear purpose for the CSR action to succeed as well as a clear need for the business. In other words, the choice and the form of CSR action needs to be built on a trustful need in order to fulfill its purpose and avoid a failure. On the next hand, the respondent explain that it is about having an active engagement and a willingness to be a part of the constant development of human and environmental conditions and needs, within the area where the company is actually operating. The following question was: *For what reason is your company engaged in CSR activities?* The respondent answered twofold. First of all, the respondent proclaims it is an essential key point of their business. At the same time, the respondent describes how another part of the CSR engagement took a kickoff due to a German journalist’s discovery in the early 90s. This journalist revealed that one of the company’s suppliers favored child
labor. This catalyzed their CSR engagement and an active role and a vigorous awareness of CSR appeared in purpose to care for and contribute to social needs more broadly all in essential connection with their core business. The fifth question was: - How did your company integrate CSR into the business? The respondent continued the conversation which joined the present answers and added that on the one hand, the company has always had the concept of CSR integrated within their organization due to the strong corporate culture which are built on well analyzed and evaluated social values, e.g. internal thesis. On the other hand, the respondent replied that the company started collaboration with a welfare organization for children, Unicef, where they in collaboration with their distinguished and combined know-how built up schools for the children. The aim of this action was to eliminate children from working, which was a consequence due to the discovery of child labor in the early 90s. Furthermore, the company took a vast step and created a trust fund for social initiatives which present an important source of capital contributing to areas health, which have no direct link to their direct business and finally acts independently besides the company’s main business. Within the following discussion the respondent added that their strong corporate culture was interpreted as one of the company’s competitive advantages. In the same time, the respondent proclaims the company needs to be aware of its basic values and aware of its core business and functions. Moreover, all in purpose to be able to analyze its business opportunities, in order to contribute to as well as to resist from problems that can occur. Whether, is due to external and internal changes which affect the company and its environment.

- **P2 Social values**

Concerning the second factor of CSR strategy the question “What are your company’s CSR projects today?” was asked. The respondent answered that they have a large amount of projects going on which will take too long to repeat. The projects are all described on the Internet. To mention some of the activities they have for instance The following question was: - In what way does CSR promote your business? The respondent answered that it creates a higher trustworthiness towards the end consumers and an increasing quality of the products. The third question was: - Describe shortly what CSR is for you? The respondent answered that “in my opinion the ambition is to contribute to the society with the corporate resources and capital available in purpose to obtain profit all in aspiration to do sustainable business. The last question, “Does your CSR commitment affect the
"How is CSR being implemented in a company’s overall strategy in emerging markets?"

corporate culture and the employees’ attitude” was asked. The respondent argued once again that the company is built on a strong corporate culture, which is the basic values for this company. The respondent repeated that the purpose is to focus on the value for the “many people” and refers once again to the earlier part of the conversation where the respondent mention the company’s internal thesis, e.g. codes of conduct for which the company’s values are built on. The respondent stress the fact that this thesis facilitates the company’s aim to integrate CSR in their business as it is conformed to the company’s basic values.

- **P3 CSR cultural reluctance phase**

The respondent had either already answered within the other subheadings or believed not able to answer due to the lack of coherence between the question and the company.

- **P4 CSR cultural grasp phase**

The question: “What are your company’s plans for the future?” was asked. The respondent answered that the company is regularly in development and the discussion is continuously open referring to develop products which are adapted to the Third World. At the same time the respondent adds that they frequently develop their policies and their Code of Conduct principals, e.g. their internal thesis, which affects both the production chain and their suppliers and demand recurrently prestigious adjustments. There are also other kinds of CSR initiatives going on that as well demands to be reformed, controlled, developed and modified. However the most important is to view the initiatives in long terms, which is the only way to achieve the purpose of CSR, sad the respondent.

Furthermore, one of the questions was: - Have you had any external advises or collaboration within the development of CSR initiatives? The respondent answered twofold. On the one hand the company proclames to be a Global driver in the development of Code of Conduct. On the other hand the company remarks the importance to collaborate with external organizations, which are supporting CSR initiatives. The respondent believes that the company needs to have collaboration with an external organization which share equal social values. This in order to contribute to the society where the partner and the joint CSR supporter fill in with their specific core competence in the CSR initiative matter were the company itself lacks this it. The following question was: - What is your opinion of how CSR engagement has affected the company’s business? The respondent answered that the credibility of the end consumers has increased, same with
regard to employees’ working conditions as well as to the quality of the manufactured products, which has also increased.

- **P5 CSR cultural embedment phase**

Concerning the third stage of the implementation process of a CSR strategy the respondents were asked: *What is the decision-making procedure for CSR?* The respondent answered that it depends on the type of project. For decisions containing Code of Conduct’s the company has a well and strong organized department who works constantly with its development and control. For decisions related to social initiatives the border of the trust fund determines the projects to support. Other projects, which are more related to a local based operation are normally conducted and determined in local based directed unions. In the next question: *“In what area of your business has your company a CSR engagement?”* the respondent replied that the company endeavors integration throughout the whole organization in addition to those already external stakeholders such as consumers and suppliers. On the question: *“Do you see any potentials of how CSR can contribute to your core business?”*, the respondent answered that they believe that their strong corporate culture is one of their main values and due to that fact that the company’s values are similar to the CRS Codes of Conduct there are obvious preferences of potentials. For instance, as mentioned earlier the quality of the products have increased due to CSR initiatives as well as augmentation of sales figures shown due to the amplified consumer satisfaction since the company offers products adapted to the care for the environment. In the same time there are great potentials of doing profit by developing products well adapted to the Third World sad the respondent.

- **P6 Emerging markets**

Regarding the questions which concerned their approach in their establishment in emerging markets the respondent had already answered within the interview where it was discussed the connections between the company’s core business and the CSR principles when operating in emerging markets and is emphasized in the above presentation. For instance, in the first place, one of the questions asked was: *“Is the company’s CSR engagement integrated into the company’s operational activities abroad (emerging markets)?* The respondent had already answered regarding this since, one main point is that the corporate culture is strongly established in the organization and indicates a strong transmission of values throughout the organizations network and branches. In other words,
changes in one part of the company’s business are rapidly adapted within the opposite part of the business. Hence, the answer is yes. In the second place, another question asked was: - How is the company’s CSR engagement related to the company’s business in emerging markets where the company is established today? The respondent had already answered however some more details were added such as achievement to raise a better quality of primary products increased several factors for the company and the employees as well as to the environment and the employees’ surroundings, neighborhood and the local society.

5.4 Company D

**Respondent (2 persons):** Sustainable Director (R1),
Project & Partnership Director (R2)

**Date and time:**
12th May 2010, 1 p.m. to 1.45 p.m. (R1),
12th May 2010, 2.15 p.m. to 3 p.m. (R2)

**Meeting place:** Interview by telephone, conducted in a quiet room in the library at Kristianstad University, supported by record player
(Respondent required being anonymous)

- **P1 Competitive Advantages**

The first question was: - What is your company’s core business? The first respondent (R1) referred to look on the Internet and guided the interviewer enthusiastic throughout their web site which shown a vast range of CSR actions. Further, the second respondent (R2) described their CSR goals and referred to their internal designed term “triple bottom line” a concept which aims to describe three key points “people, profit and planet”. To the third question, which was: - For what reason is your company engaged in CSR activities? The first respondent answered that the previous executive for the company’s CSR department was a guru within the field CSR which for the company presented the birth of its CSR engagement. The visionary’s developed throughout a long period of time knowledge of how to implement CSR. This lead to the next question:

- When did your company integrate CSR into the business? The respondent continued the discussion and replied that due to this guru the company summarized its first environmental report, which was conducted and rendered 20 years ago. The last question was: - How did your company integrate CSR into the business? R1 answered that the first step within the introduction of CSR action was the environmental report. Thereafter a method was developed called “Life Cycle Assessment” (LCA), which was created 15 years ago. This method
analyzes how the products affect the society and the environment. Since then the company has gradually developed new ways of analyzing and creating actions to contribute to a sustainable society.

### P2 Social values

Concerning the second factor of CSR strategy the question “What are your company’s CSR projects today?” was asked. R1 answered that one of the current projects today is to contribute to the education of young girls in less developed countries. The company’s spirit is to go ahead to create technical solutions to reduce the humans impact on the environment. The next question was: - In what way does CSR promote your business? R1 answered that it is important to act in the spirit of CSR. For the company to be able to survive with its business the company need to analyze how, in what way and were in the value chain the company impact on the health of the society. The respondent proclaimed that it is the only way for a company to survive with its business. The third question was: - Describe shortly what CSR is for you? R1 answered that CSR within their company is defined as sustainability whereof the areas are divided into environment, economy and social areas. The last question, “Does your CSR commitment affect the corporate culture and the employees’ attitude” was answered by the first respondent and she replied that the company is trying to act in a way that the employees could be proud of the company’s actions and values. A year ago the company launched an internal competition with the theme CSR innovation which was a success were the respondent rate was high among the employees.

### P3 CSR cultural reluctance phase

(refers to the other subheadings)

### P4 CSR cultural grasp phase

The question: “What are your company’s plans for the future?” was asked. Both respondents replied within the same spirit that the most important is to keep developing the CSR areas since the concept CSR and the philosophy surrounding it is already invented and implemented. R1 explained it as the company and the society is constantly in a movement there is a need to follow this movement by frequently up-dating what has previously already been set. The company has forecasted in the topic of climate changes that there is a favorable possibility to reduce carbon with up to 20% with help of company’s solutions within the next two years. Furthermore, one of the questions was: - Have you had any external advises or collaboration within the development of CSR initiatives? R1 answered
that even if the company contributes with their knowledge and technology there is a frequent dialog and a constant collaboration with the international organization United Nations. However, the driving enthusiasm comes from inside the company wools, which is the essential contributor to provide with development of CSR actions. R2 answered, additionally, that it is essential to have a narrow collaboration with both customers (refers to business to business partners) and NGOs to be able to provide with assimilated CSR development. Therefore, well equally sets of partnerships and good selections of projects are determinant in order to obtain successful CSR. The following question was:

- **What is your opinion of how CSR engagement has affected the company’s business?** R1 answered that the company aims to drive the CSR forces forwards and to lead the process of CSR development. The first respondent proclaims that this spirit leads to many benefits for the company and that it is essential to survive and is crucial for the high technology development issues. According to the question: “*For what reason is your company engaged in CSR activities?*” R1 replied, that the general driver is the global pressure, whereof there are legislations to follow. However, the company is often fare ahead and views the pressure as business opportunities.

- **P5 CSR cultural embedment phase**

Concerning the third stage of the implementation process of a CSR strategy the respondents were asked: - **What is the decision-making procedure for CSR?** R1 answered that they are a strategy unit of seven persons with one manager. They share the responsibility for developing CSR strategically and the group is divided in selected areas. They report to their superior above the CSR unit, which in turn report to the Vice Director. To have the top-management support is the only way to be able to correctly implement CSR into the business. In the next question: “*In what area of your business has your company a CSR engagement?*” the R1 replied that the company aims to develop sustainable strategies for the whole company. The CSR strategy group work cross-functional with the company’s functional and business units. The units selected depend on the CSR area in focus to develop. The last question was: - **What are your company’s plans for the future?** R1 explained that they are developing new CSR strategies to implement within the whole company each 5 years.

- **P6 Emerging markets**
Regarding the questions which concerned their approach in their establishment in emerging markets the first question was: - *Is the company’s CSR engagement integrated in the company’s operational activities abroad (emerging markets)?*

The second respondent (R2) answered that “We are established instead of we are going to be established”. As for example, the company is established in China and Russia since more than a century. The next question was: - *How is the company’s CSR engagement related to the company’s business in emerging markets where the company is established today?* R2 responded that since they are established with the same company structure, strategy, organization, decision-making procedure and so on all concerning global or local procedures are totally integrated and are easily implemented due to this centralized structure. The business unites and the functional unites are all structured in the same way in each country where the company operates. Therefore it is easy to adjust or modify in case of changes or working shift. R2 explained about their having description sheets (developed from inter alia ISO 14000), a tool, which aims to work as a guideline to obtain defined goals. This process also applies concerning CSR projects. They claim that the key to succeed in implementation is to construct a global system where each country proceeds in a similar way. On of the following questions was: - *How is the development of CSR engagement connected with the company’s business activities in emerging markets?* R2 answered that there are internal studies carried out which show a positive affect of using their products in an efficient way adapted to the emerging markets. However these projects are based on partnerships to achieve a joint and defined goal and by a well performed communication between the partners, they are together able to created projects which promote all partners. In addition to, these defined projects are based on forecasts of strategy planning which includes the whole company. Next to the last question was: - *Does the CSR engagement (implicitly in emerging markets) contribute to the main business of the company?* R1 explained that one of the company’s earlier project was initiated about 5 years ago which were concentrated on an area with very poor people. This achievement contributed with an important knowledge of effects that could be obtained. Due to the type of determined investment the project showed a gaining situation for both the company and the particular part of the society. Nevertheless it requests a more or less important investment to start with. The last question was: - *What are the steps of a CSR activity when the company is in an operating process in an*
emerging market? R2 answered that the potential is based on a long term establishment on the local market and referred the local markets as to be the emerging markets. Due to this long experience of local operations, by already established subsidiaries, they have created opportunities to more easily develop projects, the respondent proclaims. Consequently, this shapes potentials on the local actors to collaborate and actively take action and invest in order to contribute to enhance the conditions for the poor societies of the world. The purpose is to take an active part of responsibility on the local area. At the same time, they attend to gain from the action and believes to achieve that goal by looking from a long term perspective. However it recalls having a long term experience in the local environment to be able to both contribute and make profit. It is about having both a local and a global strong establishment, the respondent said. Within the discussion it was emphasized that due to their internal studies in end-consumer behavior collected in vast type of markets they have enhanced their knowledge. These studies have contributed to the analyzing and strategic planning, which have given them important key facts in their decision making about what type of project to take into consideration as well as to defend their choices and forecast their expected outcomes.
Table 5.1 Summary of result

<table>
<thead>
<tr>
<th>Concept/Company</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P1 Competitive Advantages</strong></td>
<td>They believe by helping people you help yourself to gain profit.</td>
<td>They aim to make best products, satisfy consumer, provide with knowledge.</td>
<td>They aim to serve “the many people” with their business, to democratize.</td>
<td>They aim to merge their business with a triple bottom line concept.</td>
</tr>
<tr>
<td><strong>P2 Social Values</strong></td>
<td>To transfer the Swedish ethical values to the global market, against faults.</td>
<td>To give funds to children charity and protect and control their activity.</td>
<td>To do a societal contribution by use of corporate resources to obtain a sustainable society.</td>
<td>To analyze their value chain to determine how to contribute to economy environmental and social improvements.</td>
</tr>
<tr>
<td><strong>P3 CSR Cultural Reluctance Phase</strong></td>
<td>Their existence is based on human values, which are in line with CSR values. CSR always integrated.</td>
<td>Their initiatives is based on public pressure even though there is a self-interest to do things right. CSR integrated since the 90s.</td>
<td>Their existence is based on human values; corporate culture, democratized products. Active CSR initiatives since 90s.</td>
<td>Regarding a previous executive who were a CSR visionary. First environmental report in the 80s. First CSR analyzing method LCA² created 15 years ago.</td>
</tr>
<tr>
<td><strong>P4 CSR Cultural Grasp Phase</strong></td>
<td>They use Code of Conduct, their fundamental activity. They are currently analyzing their potentials for a complete CSR implementation.</td>
<td>They use several policies; ISO14000, etc. They improve frequently when necessary.</td>
<td>They do CSR reporting. They do started focusing on CSR.</td>
<td>They do CSR reporting, ISO14000, charities without financial support to a specific project, frequently internal, external studies to follow movements and to innovate. Collaboration with customers (B2B), NGO etc.</td>
</tr>
<tr>
<td><strong>P5 CSR Cultural Embedment Phase</strong></td>
<td>They are not yet top-management directed for CSR initiatives, they aim to be.</td>
<td>They are top-management directed, transferring core knowledge and educate collaborators operating in the global market.</td>
<td>Their top-management decisions are threefold. Code of conduct is one, social initiatives trust fund another, or decentralized local based.</td>
<td>They are a CSR strategy unit of seven persons, one manager, with a top-management support which is obliged to achieve CSR goals. Dispatching decisions cross-functional.</td>
</tr>
<tr>
<td><strong>P6 CSR in Emerging Markets</strong></td>
<td>Their Code of Conduct is implemented globally, key to succeed in LDC³.</td>
<td>They transfer their technology, knowledge and education, shown enormous Improvement in LDCs,</td>
<td>They are learning from LDCs, created innovations, enhanced the quality both internal and external.</td>
<td>They do easily implement CSR in all business areas, functional units etc, due to decision-making procedure. Operating since 100 years in LDCs. Received positive outcomes in studies.</td>
</tr>
</tbody>
</table>

1 Triple bottom line concept indicates the people, profit and planet.
2 Life Cycle Assessment is a method to analyze how the business impacts on the global market (environmental, economic and social).
3 LDC = Less developing countries
6. Analysis

This chapter presents the analysis of the data collected from the interviews with the four companies. The intentions are to analyse the empirical outcomes and investigate whether the theoretical framework reflects the reality. Consequently, each company will be evaluated and compared to the concepts presented in the framework.

An analysis of the empirical outcomes will be made for each company in order to compare the outcomes within the theoretical framework. The analysis will follow the outline, starting with a focus on competitive advantages.

6.1 P1 Competitive advantages (Company A, B, C, D)

Company A, claim that their core business is built on the motto “by helping people you help your business growth” and explain that they have built their business by transferring their ethical values when operating in the global market. Company A argue that this approach is one of their competitive advantages and an opportunity for them to become successful. This approach is confirmed by Porter et al.’s (2002) theory, which claims that corporate philanthropy can be used in terms of gaining competitive advantages. Company B claim that their core business provides their customers with core knowledge and high quality products in order to gain competitive advantages against other companies and a trust towards their customers. As the company explains the public pressure has actually forced them to enhance the quality of their products by improving control systems. Porter and Kramer (2006) argue that it is important to have public pressure as a trigger to go beyond profit. In other words, as the media make the public; e.g. customers, aware of their potential of requiring high quality products and human environmental conditions for the employees and so on, the company has a pressure to obtain the costumers required expectations to build up a trust and loyalty towards their customers, since these factors are crucial for their survival. However, Friedman (1970) claims it is the corporate willingness and a voluntary approach which is needed to obtain truly successful CSR in order to achieve business opportunities as well as to make a profit. Company C claim that their core business aims to serve “the many people” by offering democratized products which are targeted to “the many people”. This is a strong competitive advantage which the company claims is their strength in gaining business opportunities. This approach is similar to company A’s approach where
philanthropic values are integrated into the company’s core business approach. According to Company D, they aim to merge their core business with a “triple bottom line” concept, which contains philanthropic values and is one of their strong competitive advantages. This can be compared to Porter & Kramer’s (2002) theory that corporate philanthropy can be used in terms of gaining competitive advantages. The empirical outcomes seem to conform to this, since three companies out of four argue that they are aware of their opportunities in employing corporate philanthropic values in their business. Moreover, Company A, B and C explain the media as an important actor which has enlightened the companies’ awareness of increasing their social responsibility and claim that this public pressure is important and refer to their achievements, such as enhanced control of the companies’ responsibility for their actions, increased customer awareness and most importantly their own awareness of their actions upon society. According to Company C, the public pressure has catalysed their willingness to actively contribute to society by innovative business actions. This is confirmed by Porter and Kramer (2006) who argue that there is a need for public pressure as a driving force to push businesses beyond profit and towards participation in the global social responsibility. However, Company D goes further, which can be compared to Friedman’s (1970) proposition of a needed voluntarily force to be socially responsible. Company D explain two aspects of willingness to do “the right thing” One of them has to do with their previous executive CSR director, a visionary, who pro-actively contributed to the company’s active social responsibility. The other is that they actively and frequently analyse their corporate opportunities with the goal of contributing to society and gaining competitive advantages. This pattern is followed by Company C and Company A, except that Company A claim they are in an embryonic stage of this approach. This later theory links the earlier theory with philanthropy by means of a more thorough analysis of the company’s competitive advantages. This allows the company to discover their ability to contribute society and in the same way to gain business opportunities (ibid).

6.2 P2 Social values (Company A, B, C, D)
Company A and C argue that their corporate values are based on “caring for people and the environment” (refers to Company A) and doing business with “the many people” (refers to Company C). With regards to Company A this motto has felicitated the integration of their Codes of Conduct. Due to Company C’s
How is CSR being implemented in a company’s overall strategy in emerging markets?

philosophy, they have been able to construct their own thesis around their philosophy of giving access to a wide majority of people, which has simplified their integration of CSR values into their business.

Company D go beyond the integration of social values into their company’s business and claim that their business is made up of social values and that therefore, the purpose is to analyse “how” to use the company’s core business in order to serve people’s needs. They express it in terms of how to create solutions for a healthy society. All these three companies are interpreted as acting voluntarily with respect to their CSR participation and having a corporate willingness. This is in line with Friedman’s (1970) statement that CSR needs to be voluntary and that the actions taken need to have a corporate willingness. On the contrary, Company B argue that they build their social responsibility on consumers’ (public) and customers’ (direct) expectations and explain that their social actions of controlling their production chain is to maintain a high level of trust and to satisfy their target groups. According to Friedman’s (1970) idea of voluntary participation and corporate willingness, Company B’s approach is interpreted as a rejection of this.

6.3 P3 CSR cultural reluctance phase (Company A, B, C, D)

All four companies (A, B, C, and D) present awareness towards CSR initiatives, even though the level of awareness differs. The awareness is presented in terms of how the four companies explain the motivation behind their CSR commitment. To analyse the empirical outcomes and investigate whether the reality reflected upon the assumed theory a review of all four companies were gathered with the purpose of discovering any particular correlation between them, linked to the CSR cultural reluctance phase. For instance, Company A argued that due to their basic social corporate values the development of CSR initiatives is crucial for the existence of their business. Company B’s motivations for CSR initiatives were due to the customers’ expectations, which Maon et al. (2010) argue is related to a public pressure. Company C claim that their CSR initiatives are motivated due to public pressure but proclaim that the main motivation is due to their core businesses’ being made up of social values. This approach is explained by Maon et al.’s (2010) the CSR cultural grasp phase, which is the level above the CSR cultural reluctance phase. In the same time, due to the absence of non-motivated CSR initiatives it could be assumed as to be conformed to the CSR cultural reluctance phase since none of
the companies showed a correlation. However, more investigation and more details to justify this phase are needed to be able to clarify the absence of it or not. Additionally, as none of the companies showed behaviour similar to the essential assumption argued by the CSR cultural reluctance phase, this phase, cannot in the end be confirmed. On the other hand, it is clear that Company D showed a total absence of this phase due to their many activities and their way to proceed with CSR initiatives which is interpreted as a total rejection of this phase. More arguments will be presented within the other stages and will confirm the analysis of this phase.

6.4 P4 CSR cultural grasp phase (Company A, B, C, D)

Company B claim that they develop their CSR engagement throughout the needs which occur, this was advocated by both respondents. In comparison with the first stage (second stage in the Consolidative model named “self-protecting” stage) of the CSR cultural grasp phase, Maon et al. (2010) describe that the company’s performance objectives are to find resolutions to problems as they occur, which conforms to the empirical outcomes. In the explanation given by Company B, they argue that the purpose of the chosen policies to follow is due to the customer demand and refer to their web site which presents each policy, which is developed by different external organisations in order to meet a wide range of different customer demands. The policies and CSR initiatives are presented on the Internet by the Company B’s web site. In the discussion of what CSR stands for, the respondents’ answers are not coherent. Furthermore their web site has a well performed presentation of all their CSR involvements. However, when discussing with the respondents (including the marketing department who was presented as being responsible for the social initiative partnership e.g. charity) they answered differently on what the purpose is of the company’s CSR initiatives. In comparison with the self-protecting stage (Maon et al., 2010), included in the CSR cultural grasp phase, Company B show several aspects similar to this stage, and refer to the description above. To mention some aspects, it regards the protection from harming business, window-dressing, piecemeal-involvement, justifying posture, CSR as marginal and lack of coherence with the company’s core business capacity. This description is confirmed by the arguments from the two respondents and it has been interpreted that the empirical outcomes conform to the stage that describe the self-protecting stage which is included in the CSR cultural grasp phase (ibid). However, at the same time, Company B’s defending argument is that they frequently control and improve their
internal policies which were made not later than a month ago. This is not emphasising a pro-action nonetheless it is interpreted as a gentle deed towards it. Additionally, according to stage two (third stage in the Consolidative model named “compliance-seeking” stage) within the CSR cultural grasp phase, the company B’s aspiration is described as meeting a minimum of industrial requirements and standards, in order to develop its policies regarding the environment, health and safety. The empirical outcomes given by Company B conform to this stage even though the outcomes are relatively insignificant.

Company A, claim that they have not yet implemented CSR into their entire business, even though they argue to have a total integration regarding their social values (see P2 Social values). Today they are striving to integrate a CSR strategy in order to have CSR values integrated in each part of their business, to secure their CSR posture scientifically and to engage the top-management with the attempt to construct a sustainable CSR strategy. However, they do not explain how. According to Maon et al.’s (2010) third stage (fourth stage in the Consolidative model named “capability-seeking stage”), the organisation has developed fundamental CSR managing skills, however the stage still remains on the protection level but is defined as strengthening corporate reputation. Company A developed a CSR department less than one year ago and with their attempt to develop a CSR strategy it is interpreted as conforming with the capability-seeking stage within the CSR cultural grasp phase (Maon et al. 2010).

Company A, B, C and D describe working with policies, developed either by external organisations and bodies or internally by their own initiatives, as CSR tools (Maon et al, 2006, Porter & Kramer, 2006). Even though the companies’ (A, B, C, D) purpose of using these policies differs, it conforms to the compliance-seeking stage (third stage of the Consolidative model) within the CSR cultural grasp phase. In other words, it is likely to assume that the empirical outcomes in comparison with the CSR cultural grasp phase are confirmed, due to the companies’ description of their CSR policies.

Company A, B and C also describe in different ways how the public pressure contributes to make companies more aware of how “to do things right” in the words of Company B, how to better present their values towards customers in the words of
Company A, how it has “catalysed the company’s business awareness” (Company C). Whereof, these approaches have shaped their company’s roles to be active in order to discover ways to best contribute to their society, based on their company’s capacity. This public pressure described by the CSR cultural grasp phase as a company’s attempt to actively take CSR related actions in order to minimize the operational risks and protect its assets (Maon et al., 2010), conforms with the empirical outcomes.

### 6.5 P5 CSR cultural embedment phase (Company A, B, C, D)

Company A and C have codes of conduct implemented in their businesses, which is described as long-term CSR initiatives (Maon et al., 2010, Porter & Kramer, 2006). Even though the Companies’ (A and C) codes of conduct differ, it conforms to the Caring stage (fourth stage of the Consolidative model) within the CSR cultural embedment phase. Company C describe how they constantly develop their codes of conduct and how their codes of conduct have been valuable and have not only contributed both to other external institutions and organisations, but also to other companies’ development in general. At the same time, Company C explain that the codes of conduct have also contributed to increasing their own business standards and providing business opportunities as well (Company C gave several examples). Company C have even created their own codes of conduct department which frequently controls health, technical, social, environmental and educational aspects. According to the CSR cultural embedment phase (Maon et al., 2010), these features show that CSR values are integrated into the company’s entire organisation. As Company C describe their actions, they are combined with the CSR cultural embedment phase which is described to be pro-active and where CSR initiatives are taken in order to gain business opportunities.

Company C and D do both present in public a CSR report accessible on the Internet, where Company C has conducted a public CSR report since 2003 and Company D’s public CSR reporting has been accessible since 1990. This public CSR reporting reflects upon the CSR cultural embedment phase, which claims that conducting a public CSR report also requires that the company already has a developed CSR programme (Maon et al., 2010).
Both Company C and Company D describe their CSR initiatives as pro-active and give several examples which show that their CSR initiatives have been developed individually for the companies C and D in addition to given them strong future business opportunities. The Company C describes several CSR activities which are linked to the company’s core business in the topic of codes of conduct, social contributions, environmental protection, joint innovation, and top management commitment. First of all, they have a program of codes of conduct which is based on their own constructed thesis of CSR invented in the early stages of the corporate foundation. In other words, their codes of conduct are developed uppermost by the company’s own initiatives, in a way that they pro-actively contribute to governmental institutes’, NGOs’ and other international organisations’ development. Company D also have an equal evolution in this matter. Secondly, the company’s CSR (Company C) initiatives additionally contribute to enhance the society’s educational standards within the local communities where the company operates. Thus, the company’s contributions provide a benefit towards the company’s business activity. This is additionally comparable to Company D’s approach. Thirdly, it is due to the companies CSR initiatives in the topic of reducing the environmental damages. This area of CSR initiatives also shows an equal profitable return of investment for the company according to their own approximations. For instance, the company invests to increase the quality of the production process as well as for the finished products which are interpreted as beneficial investment efforts towards the company’s main business. Fourthly, the activities mentioned above show a clear link as a joint innovation between the CSR action and the company’s core business, where the essential topic of the project addresses social and environmental issues. Lastly, Company C claim that it is inevitable to integrate CSR into their entire business structure without a full involvement of the top management. This is also argued and stated in Company D’s responses. All these different types of CSR activities all conform to the CSR cultural embedment phase (Maon et al., 2010).

Company D present CSR activities in all three areas as far as economic, social and environmental aspects are concerned, which is Company D’s CSR strategy approach in general. To describe the company’s CSR strategy approach, Company D first use their resources such as their knowledge, technical capacity, financial capacity, analytical capacity and scientific capacity as to contribute to develop CSR. Secondly, Company D aim to develop sustainable strategies and endeavour to implement this
determined CSR strategy into the entire company within a 5 year period. Company D have additionally conceptualized their CSR and call it triple bottom line, which refers to people, profit and planet. One of the company’s strongest CSR tools is their methodology which analyses external market demands with the aim to compare these analyses with their internal core capacity in order to locate innovative CSR initiatives, where both the company and the society gain opportunities. Furthermore, the Company D share this discovered knowledge, which is obtained due to the company’s own analysis, in public and with the society. The company believes that this obtained knowledge, which is shared in public, is one of their great opportunities in future business. Moreover, other presented techniques are the analysis of their value chain and the “life cycle assessment” method which they created 15 years ago.

To summarise, both Company C and Company D are working pro-actively by inventing new projects and by doing pilot projects. Therefore, through these CSR initiatives they both provide in different ways, depending on their core business capacities, new knowledge, new techniques and reduced health damages and reduced environmental damages, all of which benefits towards their businesses. The CSR cultural embedment phase (Maon et al., 2010) puts emphasis on having an oriented management perspective in order to develop focused CSR projects in areas concerned with the economic, the social and the environmental. In comparison with the empirical outcomes (Company C and Company D) presented above, this might conform to the CSR cultural embedment phase (ibid).

Even though both companies (C and D) present a number of projects, they both argue that it is crucial that the top-management decision-making is directly linked to and entirely support the actions innovated by the CSR strategy department. However the decision-making procedure differs between company C and D. For Company D, it is diffused within their entire organisation. In other words, each decision made is confirmed by the top-management at the same time as it is first of all discussed with the area, unit or operational department where the CSR initiative is tangible. This can be compared with Company C where the decisions are also top-management orientated. However, company C’s CSR strategy department is separated from the core business units and is parallel oriented instead of being cross-functionally oriented in functional units and business areas. That is to say, instead of an overall strategy decision being diffused to the area involved, it is on the contrary the area
which suggests a future CSR oriented project to the CSR strategy department. In comparison with the CSR cultural embedment phase, this difference in decision-making is divided between the sixth stage strategizing (refers to Company C) and the transforming seventh stage (refers to company D) according to Maon et al.’s Consolidative model. This shows that both Company C and Company D conform to the CSR cultural embedment phase regarding having a top-management involvement in the decision-making procedure as described by the theory (ibid).

6.6 P6 CSR in emerging markets (Company A, B, C, D)
Company D present to have developed products modified to suit the poor. Company C introduce pilot projects with the purpose of developing such products. However, neither Company A nor Company B endeavours to develop similar projects. According to the BOP theory (Hammond & Prahalad, 2009) there are crucial business opportunities to be gained by developing new products and new markets modified to suit the poorest. In comparison with the BOP theory (Hammond & Prahalad, 2009) which presents the CSR in emerging markets (P6) and assumes that modifying products to the poor makes the company obtain new business opportunities and the empirical outcomes from Company C and Company D conform with this. Furthermore, the main difference between Company C and Company D is that D is operating with their CSR initiatives from the external society demand perspective. In comparison, Company C is operating with their CSR initiatives from the internal company demand perspective. However, both Company D and Company C view the potentials by analysing the consumer behaviour and the market demand to obtain potential business in the emerging markets. This conforms with the BOP theory (Prahalad, 2009) within the CSR in emerging markets (P6), which argues that looking at the consumer behaviour, new products and new consumer targets are crucial for creating great business potentials when operating in emerging markets.

Moreover, both Company C and Company D present pilot projects and explain that they are operating to use their core competences, regarding technology and knowledge, in order to contribute to societal needs. However, they declare that it is essential to view these pilot projects in the long term in order to contribute to sustainability. In terms of sustainability it is analogous with the theories (Azmat & Samararatunge, 2009, Kolk & van Tulder, 2009, Porter & Kramer, 2009). From another
point of view, the pilot projects obtained by Company C and Company D aim to discover new innovative procedures to operate and not only to operate but also to develop new products, which they claim creates great business opportunities. Company C describe for instance that one of their projects increases both the conditions for the employees’ health, but also for the surrounding community by enhancing the quality of the products. However, the company still points out the crucial aspect of sustainability. Company D’s pilot projects give the company interesting studies to use in order to share this information with the community in focus, but at the same time uses this gained information to develop their own products. The shaped structure to work in pilot projects in order to obtain new innovations and new knowledge is required to work in an entrepreneurial and innovative way. The BOP theory (Hammond & Prahalad, 2009), which presents CSR in emerging markets (P6), emphasizes the importance of having an innovative and entrepreneurial perspective to obtain business opportunities or, in other words, of having an access to innovation (ibid). Azmat and Samartunge (2009) also argue that there is a need for a responsible entrepreneurship to obtain sustainable business practice. The similarity between the empirical outcomes from Company C and Company D seem to conform to the theory presented in CSR in emerging markets (P6).

It is interpreted that Company C and Company D have a financial capacity, due to their description of how they have proceeded with their pilot projects. They explain it as looking on CSR initiatives as sustainable and choose the type of CSR action with the aim that the CSR initiative will sustain and bear by itself but always with the purpose of company benefit and achievement. The companies bring up several aspects where both society and the business have gained benefits from a CSR initiative, but still recall that in a sustainable perspective. However, the companies remark that the crucial point to succeed and to have a benefit of their CSR initiative is that they already have a local establishment and that the CSR initiative is connected to their core business activity. This point of view concerning having a connection between CSR initiative and company core business is conformed with the theory (Maon et al., 2010, Porter & Kramer, 2006, Hammond & Prahalad, 2009).

It is interpreted that companies (C and D) have a strong financial capacity to bear the costs during the development cycle. Company C give several examples of this where
they contribute to a sustainable development of a specific CSR initiative. Company D argue that it is of great importance to contribute with the resources capacity available from the company such as knowledge, technology and education in order to create jobs, produce healthy and safe products and so on. This conforms to the first category of Economic Responsibility emphasized by Visser (2006, quoted by Crane et al., 2009), and remarks the most important factor for a company to contribute to CSR in emerging markets is financial sustainability. However they claim that it is not a commercial charity and argue that it is a constraint to a sustainable development of a CSR initiative to give donations. Company A and B present ethical values which conform to Visser’s (2006, quoted by Crane et al., 2009) CSR pyramid in developing countries.

Company C, D and B mention that the most important factor is to have a close and explicit collaboration with a NGO to be able to embrace the best of a CSR initiative when operating in emerging markets. In other words, they argue that it is unfeasible to obtain expected goals without. This conforms to what Azmat and Samaratunge (2009), Kolk and van Tulder (2009) and Peng et al. (2008) assume.

6.7 Conclusion of analysis
The analysis revealed that all companies (A, B, C, D) are using CSR initiatives as a competitive advantage (P1) to position the company and present their strengths towards the global market. However, the reason why and the companies’ expectations differ and seems to be of importance. This is emphasized by Porter & Kramer (2006), who argue that the trigger determines how the company uses CSR in their strategy and how they implement it in their company. They claim that these factors are crucial to gain opportunities out of a company’s CSR engagement. It is also highlighted by Friedman (1970), who argues that the level of corporate willingness also determines how the company uses CSR in their strategy and how they implement CSR in their company. All four companies (A, B, C, D) have discovered their core values, as company A and C have, through their codes of conduct which is interpreted as transferring ethical values, e.g. social values (P2) and company B and D through their policies which is also interpreted as transferring knowledge. All four companies (A, B, C, D) were rejecting the CSR cultural reluctance phase (P3). This is interpreted as a useful factor to control the reason to CSR, the willingness to CSR and the awareness of CSR which is revealed due to the
analysis of type of CSR initiative in combination with the company’s core activity. Company A and B showed patterns which corresponded to the *CSR cultural grasp phase* (P4), even though each company showed differences within the CSR cultural grasp phase. That will say, Company B corresponded to the beginning stage of this phase where Company A corresponded to the last stage of the phase. Company C and D showed patterns which corresponded to the *CSR cultural embedment phase* (P5), however Company D was the only one of the four companies which corresponded to the last stage (seventh stage transforming in the Consolidative model of Maon *et al.*, 2009) of the CSR development stage included in P5. The patterns that were emphasized when investigating the companies CSR initiatives operating in emerging markets (P6 CSR in emerging markets) showed an explicit difference where the companies could be divided into two separate groups. Company C and D showed an active initiative towards CSR activities when operating in emerging markets. However Company A and B seem to either be unaware of their contribution or not actively contributing with their core business operation in emerging markets. These attitudes are interpreted as passive and refer to Friedman (1970), who argues that companies can only contribute through corporate willingness, Maon *et al.*, (2010) who argue that the company needs to be aware of the company’s core capacity and Porter *et al.*, (2006) who claim a company needs to be active to be able to contribute otherwise the CSR initiatives will remain in the company’s margin of the strategy (Shivastrava, 1995).
7. Conclusion

This chapter presents the conclusion of the entire dissertation and begins with a summary of the dissertation. Consequently a discussion of the outcomes is revealed and follows by a critical review, practical implications and ends with suggestions for future research.

7.1 Summary of the dissertation

CSR is a topic where saving the planet has started to be a high priority in each company’s business agenda (Nelson, 2010). Companies show an increased interest to implement CSR into the company’s business especially for MNEs operating in emerging markets. Since the early 90s companies have discovered the needs to integrate CSR values into the company’s business and today there is a wide range of CSR actions presented to companies to implement CSR initiatives, for instance codes of conduct and CSR public reporting. The public pressure has made companies aware of their impacts on society and has acted as a catalyzer for companies to take CSR initiatives, for example United Nations Global Compact and the ISO14000 quality management system (Maon et al., 2010, Porter & Kramer, 2006). The purpose of this dissertation was to explore how companies actually use this awareness to actually implement CSR into their business and if CSR initiatives are part of their strategy and if their CSR engagement is connected to their operations in emerging markets.

Previous research has revealed that companies are doing CSR today, and there is a wide diversification on how companies actually use CSR. Researchers claim that there is a lack of a comprehensive framework of how to implement CSR and how to implement a CSR strategy (Azmat & Samaratunge, 2009, Heide & Våland, 2005, Maon et al., 2010, Kolk & van Tulder, 2009, Porter & Kramer, 2006). Most of the CSR actions are actually concerned with companies operating in emerging markets. This dissertation has chosen to lay the focus on this market due to the lack of investigation in this particular market (Azmat & Samaratunge, 2009, Kolk & Muller, 2008). This dissertation is built on Maon et al.’s (2010) Consolidative model which is a theoretical model that has not previous been empirically tested. This dissertation then develops upon Porter & Kramer’s (2006) assumptions, of how to analyze a company’s competitive advantages and social values in order to best implement CSR.
into a company’s strategy. This dissertation then explores selected theories which describe the important issues to highlight when operating in emerging markets (for example Crane et al., 2009, Hammond & Prahalad, 2009, Visser, 2006). The theories presented in the literature review have provided with a framework referred to as the CSR Implementation model which is particularly adapted to emerging markets. This dissertation aimed to empirically test this framework in order to investigate the issues important for companies when implementing CSR into their business. The primary data was collected through six semi-structured interviews and the sample was selected from four Swedish MNEs, which are currently operating in emerging markets. The theoretical framework was tested through the interviews in addition to analyze the results and discuss the outcomes in order to verify the suggested model.

7.2 Discussion
Research argued that there is a lack of how to practically implement CSR into a company and what the issues are to best find an interaction between a company’s strategy and the society, especially regarding emerging markets. Previous research has provided guidelines and highlighted factors which still needed to be empirically tested. The aim of this dissertation was to empirically test what previous researchers have assumed is of importance for a company to best implement CSR in its strategy. For that reason a research question was initiated as follows:

*How is CSR being implemented in a company’s overall strategy in emerging markets?*

The chosen theoretical literature was narrowed down and composed a framework and sex determined concepts were appointed to work as guidelines in order to verify how companies implement CSR in their strategy and how it was adapted regarding emerging markets.

*P1 Competitive advantages:* All four Companies (A, B, C, D) were interpreted to use CSR in order to gain competitive advantages however it was found that the companies had different approaches, reasons and expectations of why to implement CSR. For instance, three Companies (A, C, D) out of four showed that they were aware of business opportunities by employing philanthropic values into their business strategy. Three Companies (A, B, C) out of four argued that the public
pressure catalyzed the awareness and willingness to contribute to innovative business actions (CSR initiatives). Three (A, C, D) out of four companies presented that they analyzed the corporate opportunities in order to gain from CSR initiatives. It seems like competitive advantages are the key for companies to implement CSR into a company’s strategy. However more investigations need to be done regarding the impacts from public pressure, companies’ awareness, companies’ willingness and companies purpose to integrate CSR. In other words, how those factors affect the level of CSR commitment.

*P2 Social values:* It was shown that two companies out of four were actively implementing CSR due to the fact that their business was based on social values and shared through their well developed codes of conduct. The other two companies showed an attempt of shared social values due to their policies which referred to transferring knowledge. However, the study could not determine the correlation between social values and CSR commitment which could depend on the difficulties to measure social values.

*P3 CSR cultural reluctance phase:* None of the companies showed any attempt to this phase. This could depend on wrong interpretation of the theory or wrong interpretation of the data collected. For instance, Company B presented a charity participation which was managed by the marketing department. However, due to the time limit of this dissertation it was not enough evidence to interpret a correlation regarding the CSR cultural reluctance phase.

*P4 CSR cultural grasp phase:* Two companies out of four corresponded to the description initiated from P4 the CSR cultural grasp phase. This was shown due to the attitude of protecting their business from harm. Even if these two companies were in the stages between self-protecting and capability-seeking they also showed differences in how to implement CSR. One company was interpreted to show a strong self-protecting position due to what is earlier described in the analysis. The other company showed very strong similarities with the last stage in the P4 phase as for seeking the capability to anticipate to new requirements. However, all four companies presented that they integrated policies which are standardised from different international organisations. For instance, three out of four companies presented that they had integrated the United Nations Global compact principles. To
summarize it is interpreted that two companies out of four corresponded to this phase due to the attitude and their participation towards CSR initiatives. In other words, they have started to implement CSR in their business however their CSR initiatives are still in the margin of their overall business strategies. The joint factor for this attempted statement is due to the passivity of their CSR actions, which will be discussed more in the next paragraph.

**P5 CSR cultural embedment phase:** Two out of four companies showed explicit evidence of having implemented CSR in their overall business strategy. Their knowledge of what CSR is, corresponded to the descriptions determined by researchers, even though the descriptive details differed. They have both a pro-active role where they contribute to develop CSR initiatives by developing policies, developing codes of conduct, analyzing markets and customers in order to create innovative services and products to contribute to an improved society. They are collaborating in joint innovations with NGOs, were the company and the organisation share knowledge to obtain shared values in order to contribute and gain business opportunities at the same time.

**P6 CSR in emerging markets:** Two companies out of four showed a strategic implementation of CSR initiatives when operating in emerging markets. Both companies were strategically implementing CSR from a sustainable perspective, a customer demand perspective and an innovative and entrepreneurial perspective. A fourth factor that was similar in both companies was the importance of having a partnership with a NGO (as in, the UN and the UNICEF) in order to obtain the joint goals of contributing to society and gaining business opportunities. This was interpreted to act as a joint venture. However to determine the importance of the relationship between a company’s business operations and the impact NGOs have on society, is still to be investigated. Comparing with the two companies that did not correspond to P6, it is interpreted that it was due to their passive CSR initiative approach when operating in emerging markets. It is also interpreted that the reason why these companies did not show any relationship in the outcomes of P6 could depend on a lack of access to right information during the data collection. It could also depend on companies’ unawareness of their real impact when operating in emerging markets, or lack of willingness to actually contribute to CSR initiatives.
To summarize the discussion a modified framework is presented here above in order to suggest a factor for the black-box. From this research a question can be asked, does a certain level of CSR commitment enhance a company’s social values and competitive advantages? Or is it these values and competitive advantages which drive a company towards a CSR engagement? CSR commitment may have an impact on the three phases on CSR development phases when operating in emerging markets. As shown earlier in the analysis and in the discussion it is interpreted that there might be several issues impacting on why companies are implementing CSR into their strategy and the question of how CSR is being implemented, is assumed to be of great importance. Issues revealed during the study of this dissertation are the company’s awareness of CSR from different perspectives and the company’s willingness towards CSR and if the trigger to integrate CSR is due to the public pressure, purpose to achieve a good reputation or to build a sustainable business. It is interpreted that this dissertation found patterns which might be an attempt to determine how CSR is being implemented in a company’s overall strategy.
7.3 Critical review
The aim of this dissertation was to explore the important factors when implementing a CSR strategy. The limitations to achieve a high credibility of the results are many. For instance, this dissertation chose a qualitative study and the data was collected through interviews. This can interact on the results due to which questions were asked, how the questions were asked and the respondents’ perception of the topic. The respondents were interpreted to have a close connection with the company’s overall strategy in terms of CSR initiatives. However the choice of sample selected could have had an impact on the results. Consequently, the results from the empirical outcomes could have varied due to the companies’ different size, different financial capacity and duration of their establishment in emerging markets. Other factors that could have had an impact on the results are the interpretation of the theories, choice of theories or lack of previous research important for this dissertation.

7.4 Practical implications
It is well shown that the topic CSR is complex and the purpose of this dissertation was to narrow down this complexity. The theoretical framework composed in this research could act as guidelines a company to analyze where they are in their particular implementation process and also analyze how to enhance their CSR integration. Most importantly, this research has highlighted new angles to investigate and has contributed to lead the academic research forward in the field of a more sustainable business.

7.5 Further research
Event though it has been examined how CSR is implemented in companies businesses it is explicit that more research in the field still needs to be done. For instance, a suggestion to the black-box could be to study whether there is a correlation between a triggering factor and the CSR commitment. And if there is a correlation, the following question would be does that initial triggering factor affect the level of CSR commitment? This was a question that appeared during the research process and seemed to be of importance for how the company implements CSR. At the same time, it could be interpreted that the chosen theories in the framework might have been too broad. In that case, one suggestion would be to empirically test the
"How is CSR being implemented in a company’s overall strategy in emerging markets?"

Consolidative model with a quantitative study to find out if there are possible generalisations to determine within a company’s implementation procedure of CSR development. Since this dissertation showed several attempts that were conformed between the theory and the empirical data, it could be assumed to have enough evidence to test this developed model quantitatively to find out if there is any significance.
How is CSR being implemented in a company’s overall strategy in emerging markets?

References


"How is CSR being implemented in a company’s overall strategy in emerging markets?"

## Appendices

### Appendix 1

**Consolidative Model**

<table>
<thead>
<tr>
<th>Stakeholders’ Attunement</th>
<th>Transparency and Trustworthiness of Operations</th>
<th>Operational Integration of CSR Initiatives</th>
<th>CSR View and Performance in the Market</th>
<th>Stages of CSR Development</th>
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<td>CSR Cultural Matrix Matrix</td>
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**CSR Cultural Matrix Phase**

1. **Disrupting the Status Quo**
   - CSR activities that disrupt the status quo in order to create new possibilities.
2. **Sustaining the Core**
   - CSR activities that sustain the core business and operations.
3. **Reinforcing the Future**
   - CSR activities that reinforce the future direction and strategy of the company.
4. **Building Social Capital**
   - CSR activities that build social capital and relationships within the community.
5. **Caring**
   - CSR activities that demonstrate empathy and concern for others.
6. **Strengthening the Position**
   - CSR activities that strengthen the company’s position in the market.
7. **Transforming the Game**
   - CSR activities that transform the game by creating new possibilities and opportunities.