

# CSR Discourse in Corporate Reports - Exploring the Socially Constructed Nature of Corporate Social Responsibility

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OF CORPORATE SOCIAL RESPONSIBILITY

### **Objective of the Research**

The objective of this research is to increase understanding on the contemporary Corporate Social Responsibility (CSR) discourse from the perspective of multinational corporations (MNCs) operating in the global business environment. The research seeks to contribute to CSR research by analysing the socio-cultural construction of CSR in terms of the social responsibilities of MNCs and their role in the society. This is done by analysing how companies shape and participate in the CSR discourse through their reports and by examining how the corporations construct subject positions for themselves in relation to the society. The aim is thus to understand how companies contribute to the culturally shared understanding of CSR by legitimating and naturalising certain ways of perceiving the corporate social reality.

### **Methodology**

The empirical materials used for the research consist of CSR reports from 10 Western European MNCs. The methodological approach adopted builds on a cultural, interpretive approach to qualitative analysis. The approach draws from discourse analysis and tools of textual criticism and analysis of the systems, relationships, and structures involved in the construction of meaning. The reports are analysed as cultural texts that are constructed with socio-cultural practices, embedded in a framework of discourse, knowledge and power. The analysis is carried out through close reading of the texts, focusing on how the concept of CSR is constructed and presented in the reports by analysing the discursive strategies and practices employed in the reports.

### **Findings and Conclusions**

In the texts studied, three dominant streams of discourse were observed: The first one, “business discourse” relates CSR to profitable business and strategic management. The discourse emphasises the business case and business justification for CSR activities, framing CSR as a tool contributing to growth, profitability, and competitiveness of the corporation. The second stream, “caring discourse” constructs companies as humane, “caring” entities embedded in the societies in which they operate. The corporation that emerges from the caring discourse is an active and engaged actor seeking to contribute constructively to the development of the society. The corporations are positioned as drivers and enablers of change in the society. Finally, “sharing discourse” frames CSR as a joint initiative that requires participation of a range of different social actors. This stream draws from themes such as collaboration, working together, and encouraging others to act to advance common goals and to address global challenges. The corporations are portrayed as seeking engagement and encouraging broader, constructive participation in collaborative efforts involving different stakeholders. Sharing discourse embeds the corporation in the society and constructs the corporation as an active participant working towards mutually shared goals and joint interests.

### **Keywords**

International companies, Corporate Social Responsibility (CSR), discourse, Multinational Corporation (MNC), social construction, qualitative analysis

YHTEISKUNTAVASTUUN DISKURSSIT YRITYSRAPORTEISSA – TARKASTELUSSA YRITYSTEN  
YHTEISKUNTAVASTUUN SOSIAALISESTI RAKENNETTUNA ILMIÖNÄ

### **Tutkimuksen tavoitteet**

Tutkimuksen tavoitteena on tarkastella yritysten yhteiskuntavastuuseen liittyviä diskursseja globaalissa toimintaympäristössä operoivien monikansallisten yritysten näkökulmasta. Tutkimus pyrkii avaamaan yhteiskuntavastuu-tutkimukseen uusia näkökulmia analysoimalla monikansallisten yritysten yhteiskuntavastuuta ja yritysten roolia yhteiskunnassa sosiaalisena rakennelmana. Tutkimuksessa analysoidaan kuinka yritykset muokkaavat ja osallistuvat yhteiskuntavastuudiskurssiin raporttiansa kautta tutkimalla kuinka yritykset rakentavat rooleja itselleen suhteessa yhteiskuntaan. Tavoitteena on siis ymmärtää kuinka yritykset luovat ja muokkaavat kulttuurillista määritelmää yhteiskuntavastuusta legitimoimalla ja luonnollistamalla tiettyjä tapoja määritellä yritysten sosiaalinen todellisuus.

### **Tutkimusaineisto ja -menetelmä**

Tutkimuksessa käytetään yhteiskuntavastuuraportteja 10 länsieurooppalaiselta monikansalliselta yritykseltä. Metodologinen lähestymistapa perustuu kulttuurilliseen ja tulkinnalliseen laadulliseen analyysiin. Analyysin välineinä käytetään diskurssianalyysiä sekä tekstillistä kritiikkiä ja systeemien, suhteiden ja rakenteiden analysointia tarkoituksen rakentamisessa. Raportteja analysoidaan kulttuurillisina teksteinä jotka rakentuvat sosiaalis-kulttuurillisille tavoille ja käytännöille, jotka heijastuvat diskursseissa, sisällössä ja voimasuhteissa. Analyysi perustuu tekstien ”lähilukuun” ja diskursiivisten strategioiden analysointiin, jossa keskitytään erityisesti siihen, kuinka yhteiskuntavastuun käsitettä rakennetaan ja kuinka se esitetään raporteissa.

### **Tutkimustulokset**

Kolme vahvaa diskurssisuuntausta nousivat esiin tarkastelluissa teksteissä. Ensimmäinen suuntaus, ”liiketoimintadiskurssi”, yhdistää yhteiskuntavastuun voitolliseen, menestyksekkääseen liiketoimintaan ja strategiseen johtamiseen. Diskurssissa painotetaan yhteiskuntavastuun ”business casea” ja liiketoimintapohjaista oikeutusta vastuullisuudelle. Yhteiskuntavastuu kuvataan välineenä, jonka avulla luodaan kasvua ja voittoa, sekä parannetaan kilpailukykyä. Toinen suuntaus, ”välittämisen diskurssi”, rakentaa käsitystä yrityksestä inhimillisenä, ”välittävänä” yhteiskunnan jäsenenä. Diskurssissa esiintyy yritys, joka on aktiivinen ja osallistuva toimija, jonka tavoitteena on osallistua rakentavasti yhteiskunnan kehittämiseen. Yritys kuvataan muutoksen vauhdittajana yhteiskunnassa. Kolmas suuntaus, ”jakamisen diskurssi”, kuvaa yhteiskuntavastuuta yhteiseksi aloitteeksi, johon tarvitaan osallistumista eri tahoilta yhteiskunnassa. Diskurssi liittyy yhteiskuntavastuuseen käsitteitä kuten yhteistyön ja yhdessä toimimisen yhteisten tavoitteiden saavuttamiseksi ja globaalien ongelmien ratkaisemiseksi. Yritys esitetään osallistuvana ja innostavana toimijana, joka pyrkii kannustamaan muitakin yhteiskunnallisia sidosryhmiä osallistuvaan yhteistyöhön. Jakamisen diskurssi rakentaa yritykselle keskeistä roolia yhteiskunnassa, jossa yritys työskentelee aktiivisesti yhteisten tavoitteiden saavuttamisen ja yhteisen edun hyväksi.

### **Avainsanat**

Kansainväliset yritykset, yhteiskuntavastuu, diskurssi, monikansallinen yritys, sosiaalinen rakennelma, laadullinen analyysi

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## List of Acronyms

CR	Corporate Responsibility
CSR	Corporate Social Responsibility
DJSI	Dow Jones Sustainability Index
EC	European Commisison
EU	European Union
GRI	Global Reporting Initiative
ILO	International Labour Organization
ISO	International Organization for Standardisation
ISO 14000	Environmental Management Standards from ISO
ISO 26000	Management and Leadership Standards from ISO
KPI	Key Performance Indicator
MDG	UN Millenium Development Goals
MNC	Multinational Corporation
NGO	Non-governmental Organization
OECD	Organisation for Economic Cooperation and Development
SA 8000	Global social accountability standard for decent working conditions from Social Accountability International (SAI)
UN	United Nations
WBCSD	World Business Council for Sustainable Development
WHO	World Health Organization
WWF	World Wide Fund for Nature

## **1 INTRODUCTION**

The importance of Corporate Social Responsibility (CSR) has increased in the 21<sup>st</sup> century due to globalisation and the increasing power of the economy and business, and decreasing power of national governments over global markets and transnationally operating corporations. At the same, the phenomenon of globalisation makes it more complex and difficult to define and evaluate socially responsible business behaviour, as there is no central body or authority to determine the boundaries of CSR. Global CSR builds on universal values such as the human rights, but it is also influenced by societal and contextual factors. As the global economy lacks the shared values and norms that exist in national cultures to frame corporate behaviour, the concept of CSR is constantly constructed and negotiated by the different social actors in different social contexts.

The changing and globalising business environment transforms the context for corporate responsibility, particularly for large companies operating in international markets. The new emerging social and economic structures require new ways of understanding the social role of companies (Weiser and Zadek 2000). For instance, the evolution of global network of finance has increased the need for transparency and responsibility. At the same time, globalisation is changing the institutional set up, as old institutions are gradually breaking down and new ones are emerging (Wilenius 2005). This changing context calls into question the role of corporations in the transforming environment. Particularly in the global context, issues and problems such as population growth, poverty and social inequality, ageing, or climate change and environmental crises are linked to the responsibilities of corporations (ibid.). Moreover, the increasing public scrutiny over corporate activities is pressuring companies to reconsider their role as public citizens.

It has become inevitable for large companies to acknowledge their responsibilities and address social and environmental impacts and consequences of their business activities in addition to profit and wealth creation objectives to meet the expectations of their stakeholders (e.g. Livesey 2002). According to Wilenius (2005), the international business environment is now different because economies, societies, and individuals are more closely linked to one another than before. Especially large multinational companies (MNCs) are expected to contribute to the society beyond their direct business operations. MNCs in particular need to deal with the societal expectations, scrutiny over corporate action and public pressure to support and contribute to the communities in which they operate, respect and protect the environment, contribute to sustainable development, and treat their employees with respect. Addressing stakeholders in corporate communication has become a necessity. Stakeholder dialogue has become an integral part of activities for corporations wishing to exercise CSR. CSR reporting has evolved into an integral part of corporate reporting, and companies report on their responsibility along with their other activities. MNCs in particular publish extensive CSR reports or report on CSR as a part of their annual reporting.

Even though CSR has a long history dating back to the 1950s (Carroll 1999), the term remains ambiguous and contested among academics, businesses and stakeholders. The debate revolves around the definition of CSR, as well as its implementation, operationalisation and management. The CSR debate reflects a broader discussion about the role of businesses in society. Exploring how corporations themselves define and interpret CSR has been identified as a potentially fruitful area of research (Göbbels 2002). Several researchers advocate the context-specificity of CSR, and a lot of the research has focused on firms in individual countries, particularly the US or the UK.

This thesis seeks to analyse the CSR discourse from a broader perspective by examining the reports of large European multinationals identified as supersector leaders by Dow

Jones Sustainability Index. The objective is to increase understanding of CSR through studying corporate reports as cultural texts, using qualitative cultural research methodology and discourse analysis as methodological tools (see e.g. Chouliaraki and Fairclough 1999, Fairclough 1995, 2003, Van Dijk 1993, Wodak 1996). The aim is thus to study how corporate actors participate in cultural construction of CSR.

### **1.1. The changing context of CSR opens new avenues for research**

CSR is an intriguing topic due to its constant evolution and the wide variety of opinions and views on the issue. It is widely supported among the public, decision-makers, and companies, but it has also raised a fair share of criticism. Even though many researchers take the importance of CSR as a given in the current global economy and define it broadly as companies' responsibility in economic, social and environmental terms and move on to propose ways of “measuring” or “managing” CSR, there is still need to improve understanding of how CSR as a concept is constructed. CSR as a phenomenon is shaped by the ongoing debate involving different agents such as academics, corporations, NGOs, governments, and inter-governmental organisations. This thesis seeks to contribute to the understanding of CSR as a socially constructed concept that emerges from this debate.

While there is an extensive body of research discussing the theoretical basis of CSR, the debate has become rather academically focused and “self-absorbed” on the argumentative details or suitability of terms put forward by different scholars regarding CSR. Research is evolving in two separate streams, one focused on practical applications and another on theoretical argumentation (Waddock 2004). Whilst both are important and necessary, there should be more work to bridge the gap between the two streams. In this regard, cultural approach to analysing CSR could yield new insights for both streams.

The corporate interest in the issue is reflected in the ever-increasing number of CSR-related reports published by companies. A selection of these reports will be used as the data for the study, but rather than analysing the reports as such, they are seen as giving access to the wider social phenomena of CSR construction. Rather than judging whether or in which ways companies should be more responsible, this thesis seeks to enhance understanding on how companies themselves – seen as actors in the market who operate in interaction with other parties, such as customers, suppliers, and governments – participate in the social construction of CSR. By conceptualising CSR as a socially constructed phenomenon, this research seeks to enhance understanding of the ongoing construction and re-construction of the concept.

## **1.2. Research needs to adapt to the development of CSR**

Prior research on CSR often starts from a perspective that differs from the one adopted in this thesis. Instead of listing or comparing the activities carried out by different companies, the objective of this study is to understand CSR and the role of corporations in the society in broader terms. Researchers have investigated the links between corporate reputation, financial performance and responsibility (Margolis and Walsh 2003, Orlitzky et al. 2003, Schaltegger and Wagner 2006), but less attention has been paid to the discourse on CSR (Siltaoja 2009). Prior research (e.g. Dahlsrud 2008) suggests that the ambiguity of CSR does not derive only from how CSR is defined, but also from how it is socially constructed in a specific context. This social construction process is the focal point of this research.

Even though CSR has a long history and it continues to attract a significant amount of research interest from various perspectives and theoretical viewpoints, the phenomenon still offers vast possibilities for new research as a continuously developing domain. Companies' CSR discourse and the language used in corporate reports have been covered by few studies (e.g. Livesey 2001, 2002, Livesey and Kearins 2002) and these

discourses provide fruitful avenues for further research. The methodology of this study is inspired by the recent cultural turn in business research (Moisander and Valtonen 2006), and this thesis seeks to contribute to the study of CSR discourses by analysing CSR reports of European MNCs from a perspective that builds on cultural research and discourse analysis.

Large companies and MNCs are often cited to lead the development of CSR (e.g. Panapaan et al. 2003, Perrini 2006). Their reports reach wide audiences of shareholders and stakeholders around the world. They could thus be seen as having more power to contribute to and shape the CSR discourse. Given the impact and influence of large corporations, it is justifiable to focus on reports of MNCs in order to shed more light on the contemporary CSR discourse. Instead of attempting to establish a universal set of characteristics to describe a “good corporate citizen” or a responsible corporation, the aim of this study is to understand how these transnationally operating MNCs participate in the discourse on CSR and how they portray the role of corporations in the globalizing society. Thus, instead of seeking for a definition or the “truth” of what CSR is, this study aims to understand how companies, through their reports, engage in the discourse shaping the prevailing concept of CSR.

### ***1.2.1. Research and ongoing debate on the concept of CSR***

CSR conceptualizations vary in terms of the nature of CSR commitments (from voluntary practices to moral obligations) and differ in relation to identification of the groups towards which the companies should be responsible (ranging from shareholders or stakeholders to the society at large) (Maon et al. 2010). The debate on CSR is moving to a global level, as sustainable development, for instance, is as an issue transcending national borders, and new transnational solutions are called for to address the global challenges (Valencia Sáiz 2005). Furthermore, the globalization of the

economy shifts the context of CSR to a world economy in which MNCs are key actors, which increases their role in driving CSR (Windsor 2001).

There is a well-established body of research seeking to define CSR and explain the reasons for companies to engage or not to engage in it (incl. Mitchell et al. 1997, Tuzzolino and Armandi 1981, Wartick and Cochrane 1985). Basu and Palazzo (2008) point out that although CSR research remains highly pluralised, majority of studies have sought to analyse CSR by examining CSR activities carried out by companies. Nevertheless, as pointed out by several authors (e.g. Fry and Hock 1976, Snider et al. 2003) simply documenting CSR related activities without understanding their precipitating causes is unlikely to reveal real differences among firms, given the trend of rising homogeneity and standardisation in CSR reporting. Therefore, Tengblad and Ohlsson (2010) call for more in-depth discourse-related studies where motifs and values of current CSR discourse are examined in relation to the increasingly global CSR agenda. They suggest that the growing interest in CSR could be seen as an increasing interest for a global framing of the concept rather than its national framing.

According to Basu and Palazzo (2008), CSR is defined as the process by which managers within an organisation think about and discuss relationships with stakeholders as well as their roles in relation to the common good. They suggest that the ways in which organisations justify their actions reflect how they interpret their relationships with stakeholders and view their broader responsibilities to society. Scherer and Palazzo (2007) call for more reflexivity in management research, as researchers are socialized and embedded within a particular culture and history – in CSR research most often the culture of Western academic thinking – which shapes both research practices and analytical interpretations. Yet this cultural embeddedness of research is rarely explicitly acknowledged in carrying out research.

The current debate is largely dominated by economic thinking and the “business case” of CSR, emphasizing the potential benefits of CSR for the companies and their shareholders. These benefits include for instance profits and enhanced employee engagement (Swaen and Maignan 2003). Research has shifted to analysing the effects of CSR on profits and financial performance (Rowley and Berman 2000, Walsh et al. 2003), and linking CSR with business strategy (Lee 2008). However, despite the attempts to link profits and responsible corporate behaviour, the empirical findings remain inconclusive regarding the impact of CSR on corporate financial performance (Windsor 2001).

While the current research often emphasizes the business case of CSR, it is also necessary to develop conceptual tools that explain changes in organizational behaviour from a broader societal perspective. Lee (2008) calls for further attention to the role of CSR in changing the business-society interactions, as this rich and dynamic phenomenon has not yet been adequately explored. The construct and function of CSR should be re-examined to understand the role of corporations in the global context (Windsor 2001). Scholars have suggested that CSR should be studied in the context of the overall ecology of societies, instead of placing the company at the centre of a single society (Waddock and Smith 2000). A broader outlook could help in reaching a more balanced understanding of the corporate responsibilities in societies whilst acknowledging the demand for cultural, social and political-regulatory adjustments in different contexts.

The importance of stakeholder relationships has been emphasized in recent CSR research (Waddock and Smith 2000). However, while stakeholder relations are often discussed in terms of engagement in mutual dialogue and transparency, the underlying objectives, and the related power struggle in gaining acceptance and legitimacy has been less discussed. Blindheim and Langhelle (2010) suggest that the concept of CSR

and the role of corporations in society are constantly evolving through an ongoing process of negotiation, argumentation and deliberation upon the meaning of CSR. They approach CSR from a pragmatic perspective, arguing that legitimacy of a certain societal role of corporations arises from political conversations and an ongoing process of communication and negotiation, rather than some underlying ethical norms. The concept of legitimacy builds on the idea that business should address and adapt to the society's idea about responsible conduct (Palazzo and Scherer 2006, Blindheim and Langhelle 2010). The societal expectations can change over time, and corporations should adapt their approach accordingly (Wood 1991). There is a growing body of literature calling for politically rooted conceptualisation of CSR and the role of the firms in the society (Crane et al. 2004, Crane et al. 2008, Vogel 2005, Scherer and Palazzo 2007).

CSR should be studied from a broader perspective that examines not only the corporations' responsibility, but also the society's responsibility in keeping corporations accountable (Vogel 2005, Margolis and Walsh 2003). Halme et al. (2009) argue that in order to understand CSR, it is necessary to understand the dynamics and relationships between social institutions and economic actors. CSR involves interactions and relations with stakeholders ranging from investors, regulators, governments, employees, suppliers, competitors, customers, civil society organisations, and communities, and therefore the concept shapes management routines as well as the roles and relations of corporations, governments, and society (Steurer 2010). Adams and Whelan (2009) identify governments, academia, NGOs, the media, and the CSR industry as stakeholders with the greatest potential to alter the practices of CSR reporting. Furthermore, international bodies such as UN, OECD, ISO, and ILO have also had a significant impact in driving harmonisation of CSR and the related reporting practices.

There are multiple interrelated factors contributing to the rules of the society that are ultimately reflected in corporate behaviour, and this calls for greater understanding of the web of actors and issues influencing managerial thinking (ibid.). There is need for research that pays more attention to the dynamics of social interaction between companies and their stakeholders, particularly in a cross-border context. In other words, research should move beyond examining the fundamental drivers of CSR to analysis of the social implications of CSR and the changing role of corporations in the society.

### ***1.2.2. The increasing prominence of CSR disclosure and communication***

CSR reporting has evolved over time, and along with guidelines like the Global Reporting Initiative (GRI), UN Global Compact, or ISO 26000 and increasing pressure from stakeholders. Corporations have begun to report on a broader range of social impacts in more detail (e.g. Livesey 2002). However, while the scope of the reports expands and guidelines suggest appropriate metrics of reporting, the debate over standards of measurement of CSR continues. For companies, CSR reporting is an appropriate and effective channel for putting forward their definitions and perspectives on CSR, since reporting tends to be perceived as rather direct and objective description of reality by the audience.

National business environments are increasingly promoting CSR, and global guidelines streamline the management of CSR in international operations (Waddock 2002). Several forces are seeking to homogenise CSR in the global context, including for instance international guidelines (Kolk et al. 1999), multilateral agreements and treaties such as WTO and NAFTA (Sanyal 2001, Sethi 2003), and standards like the OECD Guidelines for Multinational Enterprises (OECD 2008) or the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (ILO 1977). Adoption of voluntary initiatives and standards, such as the ISO 26000, EMAS, SA 8000 and the GRI are also streamlining the reporting and management of business

activities. Moreover, in their business operations, MNCs operate with multinational clients and global business partners, which also contributes to the increasing homogenisation of CSR across operations.

Corporate reports and other forms of corporate communication are important means by which companies influence public discourse and they are thus worthy of scholarly attention (Cheney and Frenette 1993). Prior research has examined corporate responses to crisis or specific events (e.g. Tyler 1992), but the underlying characteristics of CSR reporting have been less explored. Moreover, most studies on CSR communication have focused on describing the content and structure of reports, websites, or other forms of disclosure, rather than analysing their implications or the engagement in broader CSR discourses through the reports.

Prior research on CSR reporting has been conducted with theoretical underpinnings from different orientations, such as the political economy theory focusing on power interests, stakeholder theory analysing legitimacy or identity issues, and lately discursive theories inspired by Foucault, highlighting the socially constructed nature of communication and its rhetorical and political purposes and effects (Livesey 2002). Although application of Foucault's theories in CSR reporting is only emerging, other forms of social constructionist perspectives have been used to examine financial reporting since the mid-1980s (e.g. Morgan 1988, Hoskin and Macve 1986, 1988, Loft 1986, Poovey 1998).

CSR has been studied in particular contexts or examined in terms of the differences between different countries in their approaches to CSR, but the management of global CSR in MNCs has received less research attention (Wood and Pasquero 1997, Wartick and Wood 1998, Freeman 1997). Particularly regarding CSR reporting, Kolk (2010)

points out that despite considerable attention to reporting, the explicit international business dimension central to MNCs' operations has not been sufficiently examined. He calls for more research on MNCs' reporting as an institutionalised phenomenon.

Research has mainly focused on documenting reporting trends or the phenomenon in general or at national level, while insights on dynamics of CSR engagement in cross-border context by the MNCs remain uncovered. Furthermore, as highlighted by Kolk (2010), prior studies analysing MNCs (e.g., Kolk, 2003; Krut and Moretz, 2000; Line, Hawley, and Krut, 2002; Rondinelli and Berry, 2000) or comparing firms cross-nationally (e.g., Adams, Hill, and Roberts, 1998; Van der Laan Smith, Adhikari, and Tondkar, 2005) have not been embedded in the international business literature or contributed specifically to discussions related to MNCs.

The ways in which MNCs communicate on social and environmental issues warrants research attention, as it has potential impacts on the society and other corporations (Kolk et al. 2001). In line with the cultural approach to research adopted in this study, the focus of this research is on *how* CSR is discussed in the discourse and how CSR activities or decisions are justified and legitimized. The goal is to draw interpretations on how the texts construct the social reality of CSR. In doing so, attention will be focused on features and characteristics that would go unnoticed with a more instrumental research approach.

### **1.3. Seeking new perspectives to CSR through cultural research methodology**

In their reports, companies produce a discourse of the responsibilities of the corporations, their role in the society and relations with different stakeholders (Barry and Elmes 1997). The corporate reports contain and reflect discourses embedded in the

context of the contemporary business environment characterised for instance by accelerating globalisation and increased public awareness and attention directed toward social issues and global problems like poverty, climate change, or the need for sustainability. Analysis of discourses and discursive strategies can help to understand how MNCs are engaged in giving forms and framing CSR and the role of companies in the contemporary society.

The methodological approach of this research builds on a cultural approach to qualitative analysis. This constructionist and interpretive approach has gained popularity in business research, as well as in social sciences in broader terms (Moisander and Eriksson 2006). No single or fixed methodology is specified for cultural research, as the ways of analysing the construction of social reality can vary. Social reality is organised and represented through cultural texts, which draw from culturally shared values and intentions. In this study, reality is seen as constructed and influenced by the use of language. Language both mirrors reality and constructs it through discourses (Davies and Harré 1990; Hall 1997a).

Methodologically, the approach adopted in this study draws from literature studies and textual criticism as well as from structuralism to analyse the systems, relationships, and structures involved in construction of meaning (Moisander and Valtonen 2006). Analysis is focused on the textual data with tools used in discourse analysis. The texts are viewed as discursive artefacts constructed with socio-cultural practices, embedded in a complex formation of discourse, knowledge and power (Nakagawa 1993). Discourses entail a set of assumptions and interpretive procedures for sense making, thus guiding and constraining the way in which a phenomenon is understood (Moisander and Valtonen 2006). Analysis of discourses is thus based on the assumption that language contributes to the construction of social reality, which again influences the use of language. Hence, the starting point for this research is the assumption that the

language used in corporate reports for talking about corporate social responsibility contributes to the construction of CSR.

The approach adopted in this study underlines the important role of language in constructing social reality. Particularly in environmental studies, the constructionist approach and linguistically oriented cultural research ideas have been applied more extensively, but in CSR research, the approach has been less utilised despite the vast potential it offers.

Social reality is seen as a linguistic construction that is constantly undergoing changes and being re-negotiated. Therefore, the analysis seeks to understand how linguistic and rhetoric techniques are used when talking about CSR. The aim is to enhance understanding of the culturally constrained discourses on CSR, as well as to discuss their potential implications on the role of corporations in the society (e.g. Hajer 1995, Dryzek 1997, Harré et al. 1999). As language is seen as playing a role in shaping and constructing the social reality, it is important to understand how companies talk about CSR. The ways of talking about CSR reflect the way(s) of understanding the social responsibility and role of corporations in the society. Through their reports and the language used, companies participate in the ongoing negotiation and discourse on the meaning of CSR, and thus influence the broader understanding of CSR.

Instead of starting with a fixed framework and seeking to locate certain discourses in the texts, the objective of this research is to understand how the corporate reports construct and contribute to the social construction of CSR. However, a distinction should be made between the “reality” of CSR and the ways of talking about CSR. The reports, being part of the corporations’ external public communication, have been produced and written with the strategic and marketing objectives of the companies in mind. Instead of

purely fact-based or objective descriptions, the reports are likely to include visionary and aspirational statements and serve to construct the image of the corporation in positive terms. Nevertheless, these partially fictional or “imagined worlds” (Appadurai 1990) portrayed in the texts are also very meaningful in terms of potential for new research insights. In CSR reports, the imaginary aspect is present when companies talk about the world they would like to be a part of, and the production and documentation of these worlds occurs through different practices, texts, and images in interaction with other market actors.

In sum, this thesis does not aim to uncover an “objective” or “universal” definition of CSR, but to understand how companies, through participating in CSR discourse, contribute to the culturally shared understanding of CSR by legitimating and naturalising certain ways of perceiving social reality. Furthermore, texts like corporate reports derive their meaning within a network of inter-textual relations, and they are thus not isolated entities. They are context-specific and intentionally shaped accounts rather than objective representations or true meanings. A text can be interpreted in different ways depending on the context and cultural discourses applied. The purpose of the analysis is thus to gain a better understanding of the ways in which MNCs are involved in the construction and shaping of the contested concept of CSR.

The analysis is carried out through close reading of the data, focused on search for patterns, differences, and shared features in the content or form of the texts (Moisander and Valtonen 2006). The aim is to locate the constitutive elements of CSR discourse and examine the rhetorical argumentative organisation of the text. This is done by exploring a set of discursive resources in the text, including for instance word choices, metaphors and their invoked meanings (Davies and Harré 1990), rhetoric discourses (Potter 1996), classifications, categorisations and distinctions (Silverman 1993), stereotypes, and norms (Alasuutari 1995) related to CSR. The notes on observations

and interpretations raised during data analysis is contrasted with literature on CSR, sustainability, corporate citizenship and related concepts, with the ultimate goal of gradually arriving at an interpretation on the content and structure of the discourses on from which the report texts draw. The interpretations thus build on an analysis of the cultural discourses and discursive practices through which the meanings, norms, values and the associated role expectations are produced in the texts (Moisander and Valtonen, 2006). In other words, the analysis seeks to understand the discursive strategies adopted and their implications.

Reports were chosen as the data because they provide an opportunity to explore how MNCs participate in the cultural construction of CSR through their public communication. The primary data set consists of naturally occurring textual data obtained from reports of 10 European MNCs. Reports are seen as a suitable data source for the purpose of this research, as they are an important channel used to communicate CSR to external audiences and serve as a “window” for understanding the discourses and interpreting the cultural phenomenon of CSR (Perrini 2006, Dawkins 2004). The analysed reports are from companies in different industries, selected from the Dow Jones Sustainability Index Global Supersector Leaders. They are all large companies that operate on an international scale, and thus their reports can be analysed to understand how CSR discourse is produced and negotiated in a transnational context. The reports were downloaded from the corporate websites. The sample size was limited to 10 reports, as the gathering and analysing of new materials seemed to have reached a saturation point and no new or significant insights were likely to be yielded by including additional reports in the sample. Since the aim of this research is not to analyse or evaluate the reporting practices themselves, nor is the aim to compare the reports with one another, the different structural layouts or lengths of the reports were not considered to be a limitation. The objective is rather to analyse the perceptions and definitions of CSR put forward in the texts.

CSR reporting has evolved into a diversified field in terms of reporting types (environmental or social and sustainability reports), formats (standalone or integrated as a part of annual report, targeted at specific stakeholder groups or general audience), means (electronic and/or paper report, in one or multiple languages) and external involvement (external verification, inclusion of stakeholder views etc.) (Kolk 2010). Corporations are developing increasingly interactive, web-based reports (Baltels et al. 2008), but this research is focused on the texts gathered from pdf reports, as they remain the dominant format of reporting. Moreover, the web-based formats consist of different means of communication ranging from texts to interviews or videos and images, and such a range of data is beyond the scope of this study.

In sum, the focus of this thesis is on the discourses used when talking about CSR in corporate reports. The empirical materials used in the analysis consist of 10 CSR Reports and Annual Reports from MNCs (in case CSR reporting is integrated as part of the Annual Report). Instead of analysing and comparing the reports of different companies as such, the reports are analysed as cultural texts, and the focus of analysis is on the discourses built with language used in the reports. Discourse is understood as ways of talking about and understanding social phenomena, realised in and as texts (Halliday 1994).

#### **1.4. The evolving definition(s) of CSR**

As several studies indicate, CSR has become problematised and remains a contested concept (e.g. Campbell 2006, Göbbels 2002, Jones and Haigh 2007, Jonker and Marberg 2007, Rondinelli 2002, Scherer et al. 2006), and the need to understand and make sense of the concept of CSR inspires this thesis. My aspiration is to examine how the corporations construct subject positions for themselves in relation to the society through their CSR reports. The objective is thus to analyse the socio-cultural construction of corporate discourse on CSR in the contexts of social role and social

responsibilities of transnationally operating MNCs. The underlying assumption is that the MNCs operate in a shared social reality, despite the potentially differing interests or country of origin. The aim is to explore the ways in which that reality is expressed and how it influences the discourse in which the MNCs are engaged.

While CSR can be defined in many ways, for the purposes of this study CSR is used as an overarching term covering concepts like sustainability, corporate citizenship, and corporate responsibility. This thesis starts from a broad conception of corporate social responsibility, considering CSR as an “umbrella” term for other similar or related terms, including corporate responsibility, corporate philanthropy, corporate citizenship, and sustainable development or business ethics, shareholder management, community involvement, corporate social performance, and triple-bottom line. For the purposes of this research, CSR is conceptualised as referring to how companies behave in a responsible manner relative to their stakeholders and the world. CSR is taken as an idea including social, economic, and environmental aspects of business activities. As there is already a myriad of terms related to CSR, the aim is not to introduce new terms. Rather, the purpose of this thesis is to increase understanding on the terminology and discourses used by the companies in their CSR disclosures.

While this research is anchored in the context of prior CSR research, the point of view and approach adopted differs from that generally used in CSR research. The analytical approach in this research is inspired by cultural research and the assumption that the different parties and actors engaged in CSR discourse draw from and are a part of a broader cultural context and system. The culture in this case refers to shared meanings and values from which the different parties engaged in the discourse draw from and to which they refer, i.e. the shared conceptions that enable the debate (Hall 1997b, Alasuutari 1996). Discourses, on the other hand, refer to the sets of negotiated and contested meanings attached to concepts, which frame issues and concepts and construct

the social reality (Potter and Wetherell 1987). Thus, the focus of analysis is on the culturally bound social reality, which is accessed through examining the use of language in corporate reports.

In recent years, there has been increasing research interest toward the different discourses of CSR. Dobers and Springett (2010) describe discourses as problematic and contestable by nature, and thus open to interpretation and reinterpretation. In order to understand discourses on CSR, it is important to analyse their origins, intent, and contents of discourses. Dobers and Springett (2010) thus call for more research on the nature, purpose, construction, and framing of CSR. Moreover, research should adopt a critical perspective on how discourses and narratives are constructed, and seek to understand the fundamental assumptions of business in promoting CSR (Ählström et al 2009). Broader perspectives to CSR are called for, emerging for instance from natural sciences, literature, sociology, anthropology, psychology and related disciplines, or creative integration of different disciplines into the field (Waddock 2004).

As companies discuss CSR, they rely on particular cultural values, pre-understandings and assumptions, which can be explicated by examining the shared conceptions of socially responsible business behaviour constructed and portrayed in the texts. These conceptions are related to the ways of giving meaning to and making sense of the role of business in the society, and they are essentially of cultural nature, rather than related to the underlying motivations of individual actors, in this case, companies. The research is focused on the use of language, and particularly on how corporations – through language and rhetoric tools – create and construct definitions and meanings for CSR. This means that CSR is not analysed as an activity, i.e. something that the companies do, but rather the focus is on how the companies argue and give meaning to CSR in their communication. Such an approach can be seen as beneficial, particularly in

analysing a phenomenon in which the communication and actual behaviour may not always fully mirror one another, as can be the case with CSR.

Rather than comparing the differences between companies, the focus of this study is on the shared cultural and contextual values featured in the discourse. Language has a central role on constructing the social reality, and the analysis aims to explore and highlight the cultural structures and assumptions inherent in the arguments put forward in the texts. Furthermore, the goal is to understand how the companies, through engaging in the CSR discourse, produce and construct definitions and roles for themselves and other societal actors in relation to CSR. In other words, the cultural values attached to CSR and the ways of referring to the responsibilities of corporations and their role(s) in the society are examined.

In conclusion, this research seeks to elaborate on the common elements in MNCs' CSR discourse. The underlying assumption is that through their reports, the corporations participate in a broader CSR discourse, and in doing so, they refer to commonly shared values and conceptions. Even though their actions and case-specific definitions may vary, the underlying core assumptions are assumed to be shared, as they enable the engagement in the discourse in the first place. This thesis seeks to contribute to the CSR research by increasing understanding of the less studied linguistic contributions to the CSR discourse through corporate reports. This is done through analysing how companies construct and shape the CSR discourse through their reports, thus enhancing the understanding of how the CSR discourse and the social reality of CSR is constructed. A broader goal is to understand how the role of the corporations in the society is portrayed in the reports, and analyse the societal and managerial implications of the CSR discourse and ongoing negotiations on the meaning and understanding of CSR and related practices.

## 1.5. Research Questions

The research questions for this thesis are as follows:

1. How do companies talk about CSR in their reports?
  - What are the central elements of MNCs' CSR discourse and how are they presented to the reader? How is CSR related to business activities or business strategy in corporate discourse?
2. How is the corporation's responsibility constructed in the report texts?
  - How do the MNCs define CSR and responsible business practices in their reports? What kinds of activities are framed as socially responsible? What kinds of meanings are given to CSR in corporate reports? How the concept of CSR is constructed and framed?
3. How is the role of companies in the society portrayed in the discourses?
  - How are the relationships of the company with the society, stakeholders or for instance governments and decision-makers described?

As qualitative research in general and cultural research in particular are not intended for measuring quantities, intensity, frequency, impacts, or effects in terms of cause-and-effect relationships, this research will explicitly focus on the characteristics and meanings in the texts, rather than comparing the reports with one another or evaluating whether one report is better than another in some measurable way. Furthermore, as cultural knowledge is viewed as contextual, it becomes irrelevant to seek consistent or globally applicable results or findings that are fully generalizable beyond the studied sample (Moisander and Valtonen 2006).

The aim is understand how the concept of CSR is constructed, not how often it occurs, or how typical it is. Nor is the goal to assess whether companies actually perform

according to the descriptions given in their reports. The focus is on analysing the characteristics and meanings given to CSR in the particular context of reports of certain companies. The interpretations are thus based on descriptive information and local explanations. This research seeks to contribute to the current CSR debate by using a novel way of analysing the data and thus extending the methodological framework applied in CSR research, as well as enhancing the understanding of the concept of CSR as a socially constructed phenomena.

## **1.6. Outline of the thesis**

This introductory chapter has outlined the research objective, theoretical background, methodological approach and empirical materials for the analysis. I have also provided reasons to justify the need for this type of study in CSR research. In doing so, I have positioned my thesis within the group of critical studies focused on discursive analysis of corporate communications related to CSR and sustainability issues. The critical stance draws from the argument that business-society relations are defined and negotiated in a dynamic socio-cultural context (Moisander and Valtonen 2006).

Rather than seeking to define what CSR means, this thesis sets out to identify and explore the complex interactions, relationships, meanings, beliefs, and values that legitimate and determine the socially responsible status of corporations and their activities. The study draws on a multi-stakeholder perspective and a qualitative, cultural approach and discourse analysis. More specifically, through exploring corporate CSR communication and texts from CSR reports of European multinational corporations, I will examine some of the complexities inherent in the notion of corporate social responsibility. This allows me to work towards a theoretical and methodological framework for studying CSR as a socio-cultural construction.

This thesis is structured in five parts. The first part introduces the theme of the research and the empirical materials to be used for the analysis and specifies the research problem and research questions. The second part explores in more detail the changing context of CSR and relevant prior research. The third part introduces the methodological framework of the study and outlines the perspectives that cultural and discourse analysis as methodological tools open to the research problem (Moisander and Valtonen, 2006). The fourth part illustrates the ways in which MNCs engage in the CSR discourse and build images of socially responsible global corporate citizens. Finally, the fifth part will conclude by discussing the social and managerial implications of the discourse and perceptions of CSR put forward by the companies.

## **2 UNDERSTANDING THE THEORETICAL LANDSCAPE OF CSR**

As highlighted in the introduction, CSR and sustainability issues are of high interest for both academics and business practitioners in the contemporary business environment. This research approaches CSR from a less used perspective inspired by cultural research and discourse analysis, focusing particularly on the social construction of the concept of CSR in the context of increasingly globalised business environment of multinational corporations. This second part of the thesis outlines the key theories and recent developments of CSR research and thus sets the context for the subsequent sections and the analysis.

CSR remains high on the corporate agenda, but it also draws interest of governments, NGOs, and the general public. Companies are increasingly paying more attention to the social aspects of their operations, and drivers for such behaviour arise from factors ranging from customer demand and expectations, government regulation, risk management, profits, human resources and talent management, to brand reputation and image, or competitive edge (e.g. Amaeshi et al. 2008, Veleva 2010). CSR is thus gaining an increasingly strategic role. Particularly brand-based, multinational companies have been in the forefront in developing CSR strategies in response to customer and stakeholder pressures (Burchell and Cook 2006).

Nevertheless, despite the general acceptance of CSR, the role of business in society and the appropriate definition of CSR remain subjects of debate. There is a lack of agreement on how CSR or the related concepts should be defined (e.g. Carroll 1999, Moir 2001, Dahlsrud 2008, Dobers and Springett 2010). A range of terms and definitions has emerged in addition to CSR, such as Corporate Responsibility or Sustainability, Corporate Citizenship or Corporate Social Performance. Furthermore, research has attempted to reframe the concept of CSR for instance in terms of

economic, political or social theories (e.g. Van Marrewijk 2003, Matten and Crane 2005, Göbbels 2002), but no consensus on the most applicable theoretical perspective has been reached. However, particularly communication-related studies stress that certain common understanding is required for discussing or debating the phenomenon, and this study seeks to understand how such common understanding is constructed and negotiated. Several academics see CSR as a social construction for which an unbiased or universal definition is neither possible nor necessarily desirable. As it seems that a common consensus on all-inclusive and all-applicable definition of CSR is difficult if not impossible to reach, several academics have suggested re-directing efforts toward sector-related or otherwise context-specific definitions of CSR (e.g. Timonen and Luoma-Aho 2010).

The body of literature on existing theories, views, and definitions is constantly growing as researchers strive to understand the development of the concept. However, Dahlsrud (2008) proposes that instead of “mapping” the range of definitions and their evolution over time, as is done in many studies, it would be important to advance understanding of how CSR is socially constructed in order to help companies plan more effective business strategies. Dobers and Springett (2010), on the other hand, underline the need to study the social construction and framing of CSR in order to understand its nature and purpose. Several management scholars have also stressed that use of language and cultural constructions like myths and metaphors deserve more attention in management research (e.g., Merilainen et al. 2000; Starik and Marcus 2000; Dobers et al. 2001; Roome 2001).

Furthermore, Dahlsrud (2008) suggests that confusion on defining CSR derives from how CSR is socially constructed in a specific context, rather than from the definition of the concept *per se*. Research on different CSR discourses has emerged as an important theme in academic research in recent years (Halme et al. 2009, Dobers et al. 2009,

Dobers and Springett 2010), but research adopting a critical rather than descriptive perspective remain scarce (Ählström et al. 2009, Joutsenvirta 2009). Particularly critical perspectives are sought after, as the CSR discourses in different settings (business, politics, society, academia) often contain power struggles and debate on the role of business in the society (Welford 1997).

The power struggle and power relations inherent in the cultural construction (Foucault 1980, 1983, 1991) of CSR contribute to the ways in which CSR is understood, acted upon, and shaped. Corporations actively participate in the struggle to define their meaning and acceptable or desirable modes of being in the society (e.g. Moisander and Pesonen 2002). It is important to understand the different cultural constructions of the CSR, because they set the context for different roles and identities for companies in the society and their stakeholders by emphasising different values, practices, and priorities.

Prior research has used a range of data and methodologies to study CSR and perceptions on corporate responsibility, including interviews (e.g. O'Dwyer 2002, Azer 2001), studies of corporate websites (Guimarães-Costa and Cunha 2008), governmental policies, and surveys sampling for instance business students or corporate managers (Hine and Preuss 2009). Corporate websites (Snider et al. 2003, Esrock and Leichty 1998, Maignan and Ralston 2002) or documents ranging from annual reports to codes of conduct (Logsdon and Wood 2005) and environmental reports (Cerin 2002b) or responsibility reports (Cerin 2002a, Spence 2009) have been used a research data. The research has often been carried out in quantitative terms with large samples, or through mechanical coding and analysis focused on technical or stylistic features of the documents. Moreover, several studies have focused on communication and for instance the use of indicators or measures (Lyytimäki and Rosenström 2008), disclosure (Vormedal and Rund 2009) or ethical aspects of communication (Baghi et al. 2009). However, this thesis will focus on analysing a selected, smaller sample of CSR reports

and examine how these documents, considered as cultural texts, contribute to the social construction of the concept of CSR.

Prior studies examining corporate communications, whether analysing websites, reports or other materials approach the texts from a very mechanical perspective through coding or categorisation or search for pre-determined themes or certain structural patterns. However, they often seem to stop there, concluding with a list of characteristics or thematic content found in the material. With cultural analysis and through examining the reports as cultural texts, I wish to take the analysis one step further and analyse how different issues are addressed or described. Instead of examining what is said, I try to uncover how it language is used, and what kind of meanings or implications the texts have as a part of the broader CSR discourse.

## **2.1. The interplay of multitude of CSR conceptions**

At the conceptual level, CSR is not a new concept, as businesses have always had social, environmental and economic impacts that have been managed in relation to owners, customers, governments or stakeholders (Dahlsrud 2008). CSR is one of the earliest conceptions in the business and society research (Windsor 2001). Nevertheless, despite the rising stakeholder demand and recognition of the theoretical and practical importance of CSR, there is no single definition for CSR or related terms and much ambiguity remains concerning the scope, antecedents of potential outcomes of corporate responsibility (e.g. Swaen and Maignan 2003, Fairbrass 2008, Windsor 2001, Windsor 2006, Lee 2008, Garriga and Melé 2004, Jonker and Marberg 2007). The absence of a specific definition leaves CSR open to conflicting interpretations.

CSR research has evolved to a conceptually and empirically disparate body of literature, including themes such as business and society relations, corporate social performance,

social issues management, social demands, corporate citizenship, international policy regimes, business-government relations, and stakeholder management (e.g. Windsor 2001, Garriga and Melé 2004). Secchi (2007) and Windsor (2006) note that the heterogeneity of CSR research derives from the multi-disciplinary diversity in both the scholarly research and managerial practices. The comparison of closely related concepts of Corporate Responsibility, CSR and sustainable development and their linkages to stakeholder management have been explored in prior studies (e.g. Steurer, Konrad and Martinuzzi 2005, Halme and Laurila, 2009) and thus I will not focus on the different connotations of the related or linked terms in my research.

The discussion of corporate responsibilities is also related to topics like environmentalism, business ethics, and sustainability (Windsor 2001). There are thus many ways of thinking about what CSR includes. Dahlrud (2006) cites the stakeholder dimension, economic dimension, voluntary dimension and environmental dimension as the most common elements linked to corporations' responsibilities. While environmental issues and corporate responsibility have often been treated separately in empirical research, I contend with Egri and Ralston's (2008) view that the impact of social and environmental issues are fundamentally intertwined and transcend national boundaries. Therefore, CSR is in this research approached in broad terms, including economic, social and environmental components.

In the current context of globalization and changing business environment, the operational context of businesses is undergoing changes, and new stakeholder groups and new regulations or legislators are putting new expectations on businesses in terms of how their social, environmental and economic impacts should be managed. In recent years, the media, academic research and NGOs have also been active in scrutinizing corporate operations and calling for re-evaluation of business responsibilities (Maignan and Ralston 2002). It has been suggested that CSR should be understood as a function

of its conditions, including globalisation, technological change, increasing power, size and scope of (multinational) corporations, increasing pressure and scrutiny over corporate action by the media and NGOs, demands of consumers, and the current political and regulatory environment that places increasing emphasis on CSR (Hine and Preuss 2009, Waddock 2004). Public trust in corporate morality is declining (Sethi 2003) and corporate activities are increasingly being monitored by stakeholders, media, and NGOs (Doh and Teegen 2004, Spar and La Mure 2003, Waddock 2000). Particularly MNCs are scrutinised by NGOs around the globe (Detomasi 2007). Stakeholder monitoring has been noted as a driving force to adopt CSR (Aguilera and Jackson 2003, Driver and Thompson 2002, Mitchell et al. 1997).

The increasing power and influence of MNCs has also been noted by the CSR research that draws from political theory, highlighted particularly in discussions of corporations as political actors with responsibilities in relation to social rights (e.g. health care issues), civil rights (rights of employees), and political rights (self-regulation). This occurs especially in context or situations where local authorities or governments are weak or malfunctioning and corporations assume roles and responsibilities above and beyond the state (Freeman 1994, Crane, Matten and Moon 2008, Scherer and Palazzo 2007). While there can be industry- or culture-specific practices and CSR activities, it has been noted that in particular MNCs seem to act similarly in their development and dissemination of CSR (Snider et al. 2003). This is consistent with globalization research, which suggests that globally operating companies adopt similar management strategies regardless of their origin (Hill and Dhanda 2002).

From the cultural perspective, CSR can be considered as a cultural practice through which companies make sense of reality and themselves. As a cultural phenomenon, CSR is constantly being constructed, produced, transformed, negotiated, and contested in social interaction in both political and private arenas. Culture can be defined in many

different ways, but for the purposes of this thesis, culture is understood as a complex system including culturally shared and standardised discourses. These include the everyday discursive, social and material practices through which meaning and cultural artefacts are produced, and through which people express themselves, interpret each other and make sense of everyday social life (Moisander and Valtonen 2006, p. 8).

CSR as a cultural practice is seen as a practice of giving meaning to and making sense of the rapidly changing world and framing the corporations' role in addressing social and environmental issues and sustainable development. CSR is thus a part of a cultural identity that is maintained and made sense of through particular ways of thinking and acting. The involved social practices direct attention to the socially shared norms, values, ideas and meanings that are used to make sense of the socially and culturally particular ways of being. As Albareda et al. (2007) suggest, CSR no longer simply affects the relationships between businesses and society, but it has become a way of rethinking the role of companies in the society. Also Halme et al. (2009) argue for the CSR as a phenomenon closely related to the fundamental role and position of business in society, its institutions, history and conditions. As a part of this contextual understanding of CSR, Halme et al. (2009) suggest that in order to understand CSR, one should reflect on the historical developments and the dynamics in the relationship between business and society. Hence, this study seeks to reflect on the function of CSR especially in the business-society interface.

## **2.2. Emergence and development of CSR**

CSR has a long history, and the concept has gained considerable importance and significance over the decades (Carroll and Shabana 2010). The history of CSR has been comprehensively reviewed by others (e.g. Carroll 1999, Margolis and Walsh 2003, Orlitzky et al. 2003, Lee 2008). While extensive bibliographic review would be beyond the scope of this thesis, a brief outline of the development of the concept is in order to

set the context for the analysis of the corporate reports and discourses in the parts that follow.

### ***2.2.1. The evolution of CSR over time***

The origin of the notion of corporate responsibilities dates back to the 1950s, and for instance Carroll (1999) divides the development of CSR into phases by decades. The emergence of CSR is often traced to Bowen's (1953) theories and considerations on how to merge business interests and the interests of society in the long run. In "Social Responsibilities of the Businessman", Bowen (1953) also acknowledged the power of large corporations and the influence of their actions on the society and citizens. Corporate Social Responsibility has its origins in the legal and regulatory environment of the US, although the concept has developed and been applied in different ways around the world throughout its ongoing evolution.

During the 1960s, social movements contributed to the construction of social environment for companies. Literature on the topic expanded as attitudes toward CSR turned more positive. The 1970s saw a proliferation of responsibility definitions, the rise of an emerging CSR business practice, and an increasing involvement in community affairs as a response to the growing social consciousness. CSR was initially decoupled from financial performance, exercised as corporate philanthropy driven by external, socially conscious motivations (Carroll and Shabana 2010). In the 1970s, the CSR discussion began to focus on concrete and observable CSR on the organizational level. Interest toward financial ramifications of CSR increased while ethical debate subsided to the background (Lee 2008). In a famous statement reflecting this course of development, Friedman (1970) outlined the responsibilities of corporations as the maximization of profits to shareholders within the legal framework and ethical customs of the country. The ideas related to corporate social performance emerged in the 1970s,

although their practical application never grew widespread due to lacking and objective tools for measurement.

In the 1980s, the empirical research on CSR continued, and alternative or related themes of corporate responsibility began to proliferate. CSR was becoming increasingly linked with financial performance and the business case thinking was emerging as a distinct trend in empirical research (Carroll and Shabana 2010). From the 1980s and 1990s onwards, the debate has shifted from developing new or refined definitions of CSR to practice-oriented research, mainstreaming concepts such as stakeholder management and responsiveness, corporate accountability and corporate citizenship (Fairbrass 2008, Windsor 2001). During the 1990s, corporate environmental responsibility attracted increasing attention (Shrivastava 1996, Starik and Rands 1995). Interest in environmental issues was sparked by the World Commission on Environment and Development's "Bruntland Report" in 1987, which introduced the concept of sustainable development into the responsibility discussion.

During the 1990s, the ideas on the triple bottom line gained acceptance, and CSR was described as a strategic resource to improve corporate reputation and performance (Lee 2008). Stakeholder theory, initially popularised by Freeman (1984), linked CSR to strategic and stakeholder management. Stakeholder theory builds on the assumption that corporations need to address not only the interests of their shareholders, but also those of their stakeholders. Stakeholders are defined as groups or individuals with legitimate interest in the corporation, i.e. parties that can influence or are influenced by the corporate operations either positively or negatively (Freeman 1984, Matten et al. 2003). The popularity stakeholder theory derives from its practical orientation, as it helps managers to identify the groups to which a company has responsibilities (e.g. Garriga and Melé 2004). Lee (2008) points out that the attempts to adapt CSR to the stakeholder framework forced researchers to specify CSR according to stakeholder relations of a

firm, resulting in the emergence of local or industry-specific adaptations and broadening of the meaning and scope of CSR.

In the 2000s, the shifting focus of CSR toward the global and international business environment has been driven by globalisation and the entry of international institutions in the discussion on socially responsible business (Secchi 2007). Sustainable development has maintained and increased its popularity, and the concept of CSR has expanded to integrate social, environmental and economic considerations (e.g. WBCSD 2000). The Global Reporting Initiative (GRI) was launched by the United Nations in 2000, the International Labour Office published its Declaration International Labour Standards in 2000, followed by standards like SA 8000, ISO 14000, and ISO 26000. The OECD laid out its guidelines for MNCs in 2000, and for instance the European Union has been actively engaged in promoting adoption of CSR through Commission Communications and reports (e.g. European Commission, 2001, 2002, 2006) and other forms of soft encouragement. Windsor (2006) characterises the multi-stakeholder discussions and multilateral initiatives such as UN Global Compact as increasing the tendency toward voluntarism in CSR, emphasising exchange of opinions and encouragement over regulation.

### ***2.2.2. Development of CSR research and new models, perspectives and theories***

Carroll (1979, 1991) has developed one of the most influential models of CSR. His conceptualisation of CSR consists of economic, legal, ethical, and philanthropic responsibilities. In order to be truly responsible, corporations need to address all four interrelated aspects. Fulfilling the economic responsibilities, i.e. making a profit from business operations, is the primary responsibility of business, and a pre-condition for other responsibilities. In pursuing their economic interests, companies are expected to respect their legal responsibilities and comply with legislative and regulatory

frameworks and “social contracts” with the society. Beyond legal requirements, companies are faced with social norms, standards, and expectations on appropriate business behaviour. In order to establish and maintain their legitimacy, they should respect these ethical responsibilities. Finally, corporations should be good corporate citizens and acknowledge their philanthropic responsibilities through voluntarily contributing to the society.

More recently, Elkington’s (1999) triple bottom line conceptualisation of CSR has gained popularity among business practitioners. The concept defines corporate value creation in terms of economic, environmental, and social performance. In other words, Elkington (1999) views corporate activities as influencing three categories; people, planet and profits. Therefore, sustainable business has to deliver positive results in terms of economic prosperity as well as regarding environmental quality and social justice. The triple bottom line thinking is reflected also in the GRI guidelines that outline reporting principles in terms of indicators for economic, environmental, and social performance.

Lee (2008) has traced the evolutionary path of CSR theories, noting an increasing rationalisation and tighter coupling of CSR with financial goals in the recent decades. The research interest has shifted from macro-social effects of CSR to the organisation-level analysis of the effects of CSR on profit and performance-oriented managerial studies. Garriga and Melé (2004) have classified the main theories on CSR into four groups according to how they view the interaction between business and society. The four groups used for classification are (1) instrumental theories, (2) political theories, (3) integrative theories, and (4) ethical theories. Windsor (2006) categorised the key approaches to CSR in three slightly different categories, consisting of (1) ethical responsibility theory, (2) economic responsibility theory, and (3) Corporate Citizenship theory. Moreover, Secchi (2007) has categorised the different roles CSR theorists confer

to the firm in three groups: (1) utilitarian group, (2) managerial category, and (3) relational theories.

Lockett et al. (2006) have examined the prevalence of CSR research in management journals between 1992 and 2002. They found that CSR remains in a continuing state of emergence with a heterogeneous body of research. Egri and Ralston (2008) reviewed CSR research in terms of orientation, methodology and internationalization in International Management journals from 1998 to 2007, and found four major themes, including CSR, environmental responsibility, ethics, and governance. Both Egri and Ralston (2008) and Lockett et al. (2006) concluded that international management CSR research has been dominated by theoretical articles and quantitative research. Furthermore, majority of research has been carried out in economically developed countries in North America, Western Europe, and East Asia, as well as in major growth economies like China, India, Brazil, Mexico, Russia and Poland.

### **2.3. Evolution of CSR reporting, disclosure and communication**

CSR-related corporate communication has been significantly increasing since the 1990s. Baltels et al. (2008) note the remarkable development and acceleration of CSR reporting particularly in Europe in recent years. Corporations need to invest in stakeholder communication and reporting to communicate their CSR performance to different audiences to address the stakeholder pressure for social responsibility (Hopkins 2006). CSR reporting has become a key form of communication as the attention and interest toward global problems such as climate change and human rights increase and stakeholders call for companies for transparency on the environmental and social aspects of their operations.

Large companies have been recognised as being the most advanced at CSR communication (Ziek 2009). CSR communication involves a range of communication

activities directed at stakeholders to explain the company's approach to CSR and the activities carried out. In addition to CSR reports, this can involve articles or other types of media coverage, interviews, videos, web pages, marketing activities, and increasingly also corporate engagement in social media highlighting the CSR aspects of business. The communication can be reactive and targeted to address a specific issue or respond for instance to criticism against the company, or it can be proactive, aiming to contribute to building the corporate image or otherwise highlighting corporate achievements.

While the landscape of CSR communication remains and grows increasingly diverse, CSR reporting is gradually becoming more institutionalised. The internationally recognised guidelines or standards on CSR implementation and reporting, such as ISO 26000 and GRI, advance the homogenisation of reporting as they propose issues and indicators for reporting. Furthermore, as CSR reporting is often combined with annual reporting or environmental reporting, which are guided or regulated with further standards, the CSR reporting is gradually adapting to these better-established formats as well. However, as CSR reporting is not strictly regulated and the existing guidelines leave room for flexibility, CSR reports generally include also explanatory statements or justifications for activities or decisions. Moreover, as CSR remains an ambiguous concept, there is both a need and a possibility for corporations to convey their own perceptions of CSR in their reports and communication.

Reporting has to meet a wide range of expectations and address the needs of both financially oriented shareholders and investors, and the informational needs of stakeholders and other interest groups. In terms of research, the communicative elements of CSR have mainly been studied in terms of the content of corporate messages (Guthriw and Parker 1990, Niskala and Pretes 1995) and corporate codes (Kaptein and Schwartz 2008). Through their reports, companies explain their goals,

strategies, and results not only to their investors and stakeholders, but also to investment analysts and the financial community, government regulators, media, and the general public (Jameson 2000). The reports thus need to be accessible, both literally and conceptually, to a wide range of audiences. Studies suggest that despite the heterogeneous audiences of CSR reports, including different stakeholder groups, investors and shareholders, the expectations of the audience are largely shared across reader groups and geographies (e.g. Kolk 2010). Stakeholders call for more engagement and dialogue from the corporations, and emphasise the importance of following guidelines such as the GRI in order to improve comparability between reports (Baltels et al. 2008). Generally, readers of the reports are looking for a link between CSR and overall business strategy, indications of corporate commitment to CSR and sustainability, and examples of impact or concrete actions taken by the corporation.

However, corporate social reporting is generally not objective or a value-free form of disclosure, as it is also used as a method of self-presentation and impression management by the companies (Wilenius 2005, Hooghiemstra 2000, Gray et al. 1996). Reports can be used to construct the business as responsible or sustainable through redefining the corporate image and stakeholders' concerns in a way that is beneficial for the company. The reports are designed to present the company in a positive light as a socially responsible and good corporate citizen, rather than merely objectively describing activities and making statements about CSR performance. While CSR reports are a part of corporate communications and accordingly partially motivated by public relations motives, they also have a function in the ongoing socio-political struggle over the meaning of the role of business in society (Livesey and Kearins 2002). Furthermore, the reports both produce knowledge and information about the firms and their operations, and influence and are influenced by the evolving, potentially conflicting meanings and practices attached to the concept of CSR (ibid.).

Hooghiemstra (2000) describes social reporting as a form of impression management, explaining that companies engage in social reporting to influence the public's perception of the company. In the contemporary business environment where the public scrutiny over corporate action is intensifying, one of the main challenges for companies is related to managing their legitimacy and credibility (Joutsenvirta 2009). Corporations need to continuously demonstrate their legitimacy, as a company's survival is dependent on the extent that the company operates within the evolving bounds and norms of the society (Brown and Deegan 1998). Therefore, establishing and maintaining legitimacy of the organization and corporate activities is another driver of reporting (Deegan et al. 1999).

CSR disclosures respond both to public pressure and increased media attention to corporate behaviour (Hooghiemstra 2000). Social and environmental reporting thus plays an important role in contributing to corporate legitimacy and credibility, as well as to corporate image and identity. However, CSR reports do not exist in a vacuum, and even though corporations select the issues discussed in the reports and aim to portray the firm in a certain way, the interpretations drawn from the reports are not entirely in the company's control. Stakeholders and the public reinterpret the information in ways potentially different from those initially intended by the corporation (Livesey and Kearins 2002).

Reports and language in particular have been identified as a fruitful area of research, as the language used in communication can yield insights to a corporation's values and its approach to ethical and social responsibilities (Longsdon and Wood 2005, Joutsenvirta 2009). It has also been noted that social exchange plays a key role in constructing CSR, and that the construction is based on influences from both inside and outside companies, arising from individuals and their reactions and preferences, as well as social values (Glazebrook 2005). Alvesson and Willmott (1992) call for questioning and critically

examining the taken-for-granted assumptions and ideologies that underline the contemporary social order. Scherer and Palazzo (2007) challenge the liberal conception of the firm and shift the focus from specific stakeholder demands to a broader analysis of corporation's connectedness to public discourses and its ongoing cooperation with the broad field of national and transnational organisations and institutions.

Furthermore, the role of corporate communication and discourses have been noted as important in forming and transforming preferences and contributing to the "power games" of negotiating corporate rights and responsibilities, and also for this reason it is important to understand these discourses (Risse 2000; Scherer and Palazzo 2007; Deitelhoff 2009). Essentially, the study of language is not only concerned with examining the micro-level language use, but also analysing how macro-level social moral, political, and economic institutions manifest themselves in concrete social interactions (Suoninen 1999). Despite the heightened research attention on CSR, research addressing the potential struggles and manifestations of power in which CSR is entangled within organisational discourse remains to be developed and deepened (Siltaoja 2009).

#### **2.4. Current context of CSR and the road ahead**

Globalisation and the increasing power of MNCs shape the context of CSR and the discussions seem to be moving towards analysing the implications of this change. The following paragraphs discuss how the context of CSR is transforming in the international and European setting. On the whole, the relationships between corporations and the society or different social actors is changing, and this is reflected both in CSR practices and CSR language.

Communication and discourse play a central role in shaping and framing preferences in interactions and struggle between business and other societal actors for power and influence (Risse 2000, Mülle 2004, Deitelhoff 2009). News ways to study the relationship between organisations and their environment are called for (Barley 2007) and it has been proposed that CSR research should look beyond the established borders of management theory and other mainstream theories (Walsh 2005). This could mean for instance examining the different ways in which companies and other actors make use of the meanings of CSR as cultural artefacts to construct their image or to make sense of their selves and their social relations, rather than studying the influence of CSR on brand image or business profits (Walsh et al. 2003). This would help in gaining fresh perspectives on the role of business in society as well as aid in critically reconsidering some of the basic assumptions of the current approaches.

In recent years, the political role of business in society has gained increasing research attention. The role of corporations as political actors has been discussed for instance by Crane, Matten and Moon (2008), who draw from political theory and conceptualise corporations as actors with social, civil and political rights and responsibilities. Scherer and Palazzo (2007) have also worked on the political conception of CSR and corporate citizenship and suggested that companies can have influence over public policy processes over the state or authorities. The political role of business has been described in terms of engagement in the process of democratic decision-making, inspired by conceptions from political sciences, international relations, legal studies and theory of democracy (Habermas 1996, Rasche and Esser 2006, Scherer and Palazzo 2007). This changing role of business has implications also for CSR, and more attention should be paid in CSR research to interactions between businesses, civil society and governments.

The impact of market characteristics and national institutions, governments and cultural ideologies on whether and how companies choose or come to adopt CSR initiatives has

been discussed also in the political CSR literature. Among others, Detomasi (2007) has extended the CSR research into the realm of politics and examined the political roots of CSR. He argues that the increase in the size and activity of MNCs over the past decade guarantees that their CSR efforts will have a significant impact on the external, social, and political environment in which they operate (ibid.). Globalisation and changes in global markets have expanded the arenas and increased demands for companies to engage in CSR, which is seen as leading to an increasingly politicized role of corporations.

#### ***2.4.1. Internationalisation and Globalisation of CSR***

As the world and the economy are becoming increasingly globalised, more companies are engaged in business operations that exceed the regulatory capacities of national systems (MacLeod 2005). Due to their scope and reach, businesses are invited to be part of the solution to the problems of the globalising world. Collier and Wanderley (2005), for instance, characterise the role of business as a “primary global change agent”.

The global business as an activity has grown beyond the boundaries of socio-political control into an “extra-territorial territory” (Collier and Wanderley 2005). In the global business context, business organisations are not discrete units, but rather open systems nested within, and responsive to, the wider environment to which they belong. This wider environment, on the other hand, consists of a global system of interactions between institutional and organisational subsystems and individuals interacting in a complex web of mutual dependency.

While CSR was once considered mainly as a domestic business issue, its popularity has expanded to the global markets, and the thinking and development of the concept takes place in an increasingly international context (Carroll and Shabana 2010). In order to

enhance compliance with CSR norms, the interest toward an international regulatory framework is increasing. International certifications or guidelines on CSR are proliferating, including for instance standards like ISO 14000 and ISO 26000 or SA 8000 or guidelines of the OECD, the UN Global Compact, or GRI, suggesting that the need for managing CSR globally in a more integrated and consistent manner is increasing (e.g. Lee 2008, Waddock 2008).

#### ***2.4.1.1. CSR and Multinational Corporations***

The CSR management of MNCs is interesting due to the specific characteristics of MNCs. MNCs operate through complex networks and globally dispersed, diverse units, and they need to find a balance between diverse stakeholder environments and demands in their operations and manage these diversities (Bartlett and Ghoshal 1989, Ghoshal and Nohria 1989, Amba-Rao 1993). Different demands arise from varying cultures, values and social practices across countries and different cultural environments, resulting in different CSR practices and stakeholder expectations (Mohan 2001, Maignan and Ferrell 2001, Broberg 1996, Hofstede 1983). While certain degree of local responsiveness and adaptability is crucial, MNCs also need to define a general framework for their approach to CSR to manage their global operations. Furthermore, MNCs are under scrutiny of “supra-national” level stakeholders, such as the UN, the OECD, and international NGOs, or cross-border interest and activist groups (Doh and Teegen 2002, Sethi and Steidlmeier 1990). The international business environment thus provides a challenging and a complex context for CSR.

Furthermore, MNCs operate in a distinct business environment. For instance, Waddock and Smith (2000) have pointed out that when powerful corporations transcend national boundaries, they exert their influence on local conditions in multiple sites around the world. The number of corporations engaged in activities in foreign countries or facing

international competition is constantly growing (e.g. Secchi 2007). Transnational corporations or MNCs in particular need to operate responsibly with respect to multiple communities. MNCs are not bound by the rules of a single country. Instead, they have to deal with differences in norms, rules, and expectations in different communities (Logsdon and Wood 2002). Therefore, Waddock and Smith (2000) call for an expanded view of corporations' role as global citizens and underline the importance of stakeholder relationships in carrying out global business operations. Moreover, Garriga and Melé (2004) point out that the nature of the relationships between business and society is rarely situated at the centre of the contemporary CSR discussion, although CSR in itself seems to be a consequence of how this relationship is understood (Jones 1983, McMahon 1986, Preston 1975, Wood, 1991). This further increases the importance of enhancing understanding of the business-society relations and the ways in which corporations are engaged in shaping and constructing their roles in that relationship.

Logsdon and Wood (2002) have attempted to link international business theories and CSR by developing a framework for moving discussion on business citizenship from domestic to a global level. They suggest that international business theories on multi-domestic and globally integrated approaches (Bartlett and Ghoshal 1989, Daniels and Radebaugh 1995) provide useful lenses to analyse the strategic choices made by firms operating in cross-border contexts. In the context of CSR, multi-domestic approach refers to locally adapted approaches to CSR, which can differ from one another, as local norms influence the design of CSR policies in the absence of global government or set of rules. Globally integrated strategies, on the other hand, generally refer to standardisation and economies of scale in global operations. In relation to CSR, global integration is reflected in consistent policies, processes and structures across cultures. Globally integrated strategy builds on corporate mission and values instead of local norms and practices.

The problem of global CSR is that while the boundaries of socially acceptable or legitimate business conduct and the related responsibilities are generally determined by national legislation and regulatory framework, MNCs now operate in a global environment and in countries where state regulation may be malfunctioning or inexistent. Therefore, there is a need for global CSR, although it remains debated by whom and how such an approach should be defined. In a global environment, there is a need for common regulatory outline for corporate behaviour that cannot be replaced by mere self-regulation in practice. However, global framework does not exist, and global CSR currently builds on self-regulation and ethical consideration. The framework for self-regulation, on the other hand, is reflected in the discursive practices employed by MNCs in their corporate communication.

#### *2.4.1.2. Seeking a balance between local and global contexts*

As economic activity grows more globalised, it also becomes more difficult for national governments to regulate, and thus the importance of institutional investors, social movements, activists, and NGOs increase in monitoring corporate behaviour and ensuring that corporations behave in socially responsible ways (e.g. Fung, O'Rourke and Sabel 2001). Companies increasingly refer to international bodies and forums such as ILO, WBCSD, ISO and the UN as guidance and inspiration for their CSR policies (e.g. Fairbrass 2006), which could be seen as a sign of converging approaches to CSR. Such convergence of CSR is also enhanced by the convergence of national policies on regional and international level as a result of Europeanization in the EU and globalization across the world. It has been suggested that the rise of supranational structures such as NAFTA or the EU and the increasing globalization have led to the declining importance of national boundaries in international business (Logsdon and Wood 2002). Despite the regional differences, researchers are suggesting a tendency toward international standardization of CSR (e.g. Snider et al. 2003).

Nevertheless, research also indicates that the national context plays a role in shaping CSR practices (e.g. Albareda et al. 2007, Steurer and Konrad 2009). For instance Albareda et al. (2007) argue that a country's social, cultural and political context influences the development of CSR policies. However, from the perspective of the corporation, policies are only one of the factors influencing the corporations' approach to CSR. Several authors have commented on the different CSR adaptations driven by cultural differences, for instance between European and US firms (Maignan and Ferrell 2000, Maignan and Ralston 2002, Palazzo 2002). There are also theories, such as the varieties of capitalism by Hall and Soskice (2001) that explain how business and society relations in different countries are shaped by different historical and cultural factors. Societies maintain different economic systems that influence the relations of businesses and the society and shape the interaction and cooperation of different actors in the society. However, particularly in the Western world, different parties seem to agree on the basic components of CSR, and disagreement occurs on the level of implementing CSR (Fairbrass 2006).

Tengblad and Ohlsson (2010) have examined how the globalisation of national business systems has influenced the framing of CSR by carrying out a longitudinal analysis of CEO letters of major Swedish corporations. Their findings suggest that corporate discourse about CSR in annual reports has changed from a national and communitarian view of social responsibility toward an international and individualistic perspective, even though research evidence shows that CSR practices are influenced by local contexts and national governments (Chapple and Moon 2005, Habisch et al. 2005, Matten and Moon 2008). While Tengblad and Ohlsson (2010) acknowledge the impact of local context on CSR, they argue that government is not the most powerful regulator of economic affairs, especially due to the globalisation of national business systems. The globally occurring contextual changes are driven for instance by pressures from global investors, cross-national ownership of stocks and companies, and supranational regulation from bodies like the EU, NAFTA, OECD and the World Bank.

An increasingly common perception is that the new challenges created by corporate practice all over the world need to be solved through a multi-stakeholder approach (e.g. European Commission 2001). Multi-stakeholder dialogue proposals are put forth by different entities, such as the UN, the OECD, and the European Multi-Stakeholder Forum on CSR, aiming to reach multilateral consensus on CSR among different agents (Albareda et al. 2007). The new frameworks of collaboration between governments, business society and civil society stakeholders change the practices of social governance in globalised societies. However, relatively little research attention has been paid to this multi-stakeholder dialogue in itself.

CSR is thus not only a corporate sector trend, as many constituencies such as the World Bank, OECD, IMF, the EU, and the UN actively engage in CSR discourse and promote corporate responsibilities (Halme et al. 2009, Baughn et al. 2007). Furthermore, for instance Tengblad and Ohlsson (2010) note that while CSR was previously mediated by the state and defined in negotiations with organized stakeholders, in the contemporary context the concept is being defined unilaterally by globalised companies. Moreover, as corporations now operate in business systems spanning across national boundaries, the home country plays a less important role in influencing or controlling corporate activities. Additionally, due to the global nature of operations, companies are exposed to global risks, and there is thus a need to design systems to address and mitigate such risks.

Scherer et al. (2006) have raised questions on CSR in the global context and the role of transnational corporations in global governance. Similarly, van Oosterhout (2010) underlines the need to increase understanding on how corporations participate in shaping and maintaining the “global rules of the game”. Issues related to the role of corporations in shaping the global legal and institutional business environment is attracting increasing research interest (e.g. Scherer and Palazzo 2007, van Oosterhout

and Heugens 2009). Traditionally, the state has determined the regulatory framework for business operations, but the state intervention is very limited in the global context. Thus, MNCs and civil society groups participate in crafting the rules for global governance (Scherer et al. 2006). The global context leads to blurring boundaries between the public and private realms in the international arena. This has given rise to new kind of relationship between business and economic organizations (van Oosterhout 2010).

It has been argued that in the context of globalisation, nation states and their agencies are severely constrained in their ability to monitor and protect the rights of their citizens and to provide sufficient public services. The modern society is challenged by a loss of efficiency in national governance values (Palazzo and Scherer 2006). This changes the role division for global governance, as the decentralising of authority and emergence of political power for NGOs, intergovernmental organisations and MNCs result in new roles and responsibilities assumed by these originally non-political actors (e.g. Maragia 2002, Scherer and Palazzo 2007). The global business regulation is moving toward new multilateral modes of regulation in which private and non-governmental actors play an active role in both setting and implementing the rules. Scherer et al. (2006) also suggest that companies are engaging in an increasingly political role and participating in political decision-making that transcends the borders of national political systems. Consequently, CSR in global context needs to be discussed against the background of emerging governance institutions and procedures beyond or above the nation-state (Rondinelli 2002, Scherer and Palazzo 2007).

Halme et al. (2009) describe CSR as a global phenomenon acted upon in local contexts, and note that while the spread of the concept calls for a more comprehensive and robust definition of CSR, it should incorporate socio-political and contextual differences observed for instance between developed and developing economies. In the context of

increasing common awareness of cross-cultural conditions and the social, political, and economic forces of the world, Logsdon and Wood (2002) suggest that MNCs need to embrace their responsibilities and exercise self-regulation and CSR across national and cultural borders. Particularly since there is no supranational regulatory regime powerful enough to govern global business behaviour, self-regulation is necessary.

Matten and Moon (2008) discuss the global spread of CSR and its social contextualization beyond the US origins, thus framing the CSR debate as a part of the broader context of organization studies and international management. They compare the historical and contemporary contexts for CSR around the world, and note that while the US exhibits a long history of making CSR “explicit”, the approach in Europe has tended to be more “implicit”, although gradually moving toward more explicit practices. Whilst Europe has traditionally been characterized by implicit CSR, an explicit approach is driven for instance by government and EU initiatives, industry associations and large companies (Albareda, Tencati, Lozano and Perrini 2006). The corporations in particular are engaging in an increasingly active role in shaping, rather than merely reflecting, the institutional frameworks. Nevertheless, Matten and Moon (2005, 2008) contend that the meaning of CSR is nationally contingent and essentially contested and dynamic. Furthermore, they argue that historically developed cultural institutional frameworks, such as the political, cultural, financial, education, and labour systems that shape the national business systems can explain the national differences in CSR. Kampf (2007) suggests that due to the different contexts in which businesses are embedded, companies emphasize different themes in their stakeholder communications.

In Europe, the governments are more engaged in economic and social activity, and the power of the states is greater in Europe than it is in for instance the US. The cultural systems build on different foundations and assumptions about business, society and the government, as in the US the business responsibilities emerged as philanthropy of the

wealthy businessmen, whereas in Europe the system builds on reliance on political parties, unions, associations, churches and the state (Matten and Moon 2008). These factors have an impact on the structure and nature of the firm and its operations. The market processes are organized more in terms of alliances in Europe, whilst the US relies on self-organisation. Furthermore, the control and governance systems are based more on regulation in Europe and less so in the US. Pasquero (2004) has characterized the US culture as built on the traditions of individualism, democratic pluralism, moralism and utilitarianism. Matten and Moon (2008) argue that the European approach to CSR stems from the European national business systems and the European approach to industrial relations, labour law and corporate governance. However, even within Europe, the different historic, democratic and capitalist systems lead to slightly differing overall frameworks for CSR (Midttun, Gautesen and Gjølborg 2006).

On the whole, general theories on new institutionalism (DiMaggio and Powell 1983, Meyer 2000, Meyer and Rowan 1977) suggest toward homogenisation of institutional environments across national boundaries and predict increasingly standardised practices of organisations across industries and national boundaries. Matten and Moon (2008) suggest that standardisation is accelerated with international standards and initiatives proposed for instance by the UN, OECD, ISO, and ILO. Standardisation is driven by mimetic processes and sharing of best practices, which occur for instance among members of business coalitions like CSR Europe and through leadership-focused ranking and guidance programmes such as the UN Global Compact, GRI, Dow Jones Sustainability Index, and ISO 26000.

For instance, the UN increasingly assigns a role for corporations in addressing the global challenges of society and the environment, such as global poverty, climate change, and biodiversity (Blindheim and Langhelle 2010). UN has been calling for business and the industry, and MNCs in particular, to participate in the implementation

of activities to address global problems and sustainability issues (ibid.) Business responsibilities have been increasingly discussed in the context of sustainable development since the publication of so-called Brundtland Report (WCED 1987). The report was followed by establishment of the World Business Council for Sustainable Development in 1992, which gave business voice a strong presence in the sustainability discussions (World Business Council 2000). Over time, CSR and sustainability have become part of the corporate rhetoric, while the discussion around the role of business in society continues (e.g. Carroll 1998, 1999, Collier and Wanderley 2005, Matten and Crane 2005, Matten et al. 2003, Rondinelli and Berry 2000).

#### ***2.4.2. Convergence and divergence in the European context of CSR***

Europe is regarded as one of the contemporary leaders in CSR and CSR policies (Steurer 2010), and CSR has become widely accepted and practised in and across Western Europe particularly from the turn of the millennium onwards. The European Union has been active in promoting CSR, seeking to stake a claim as one of the leading global authorities in the policy area (Livesey 2002, Fairbrass 2006, Steurer 2010). The EU goals of further integration and collaboration between Member States influences approaches to CSR by putting pressure on cross-national convergence of standards and policies (Albareda et al. 2007).

Even though CSR is generally regarded as a phenomenon focused particularly on the business sector, attention should be paid also to the development and application of the concept within the framework of other stakeholders, such as governments and NGOs, from a relational perspective (Albareda et al. 2008). Research analysing governments and CSR is mainly focused on the different roles adopted by governments in relation to CSR and examination of the CSR public policies in the context of globalising economy and social and environmental challenges resulting from the transnationalisation of

business activities and eroding political power of national governments (e.g. Zadek 2001, Crane and Matten 2004).

Several scholars (e.g. Sena 2005, Albareda et al. 2007, 2008, Eberhard-Harribey 2006, Fairbrass 2006, 2008) have studied the design and implementation of CSR policies in Europe, both on the EU and country-level. Fairbrass (2008) examined the development of CSR policy in the EU and focused on lobbying and the power of political elites, interest organizations, trade unions, business associations, individual businesses and civil society groups in influencing the policy outcomes. Her findings suggest that business interests have been well represented throughout the policy-making process due to their resources and organizational power to influence decision-making. Consequently, the EU's CSR policy is to a great extent aligned with business interests. Indeed, several scholars have noted that the CSR definition adopted by the EU is very business oriented, emphasizing the business case of CSR, voluntariness over regulation and integration of CSR in business operations, rather than making responsibility the starting point of activities (e.g. MacLeod 2005, Fairbrass 2006). This also suggests that corporations have lobbying power over governments and other authorities and they thus play a significant part in shaping not only the general conception of CSR but also the regulatory and institutional framework, which further highlights the importance of understanding how corporations shape and participate in the CSR discourse.

The EU has sought to establish a uniform European approach to CSR, as outlined for instance in the Commission's Communications (European Commission 2001, 2002, 2006). The first Green Paper (EC 2001) linked CSR to EU objectives and goals of the Lisbon strategy, i.e. making the EU the most competitive economy by 2010, building on sustainability, dynamic knowledge-based economy, job creation, and social cohesion. The EU called for businesses to contribute to solving problems related to unemployment, poverty, discrimination, inequality and other such issues through CSR

engagement. The Green Paper was followed by a White Paper (EC 2002) that further defined CSR as a concept dynamically shaped by companies in interaction with their stakeholders. However, while CSR is promoted and encouraged, the views communicated by the EU underline the voluntary nature of CSR, thus leaving it for the companies to choose to adopt CSR.

Eberhard-Harribey (2006) analysed the EU CSR communication in relation to other EU communication, goals, and regulatory processes and examined the way in which the European Commission participates in the debate on CSR. He argues that CSR is used to advance and drive other EU goals on sustainable development and governance. The EU conceptualizes CSR as an instrument serving the market purposes, characterized by voluntariness, and business case in terms of potential economic benefits, profit making, growth, and value creation. The EU definition of CSR is thus aligned with corporate interests and international initiatives such as the UN Global Compact. It also draws explicit references to the OECD, the UN, and the ILO. The EU thus conceptualizes CSR as an essential component of sustainable development both on local and international levels (European Commission 2002).

While the EU is promoting a common approach to CSR, the Member States have followed the suggestions to different degrees (e.g. Sena 2005). The cultural, political and social traditions of different countries still influence the ways in which companies are locally expected to act in relation to CSR. On the whole, several Western European countries have become very active in promoting and shaping CSR (Albareda 2007, Steurer 2010). On the other hand, certain differences still persist in Europe, as disparities in policies and CSR practices have been noted between Western and Central-Eastern Europe (Steurer and Konrad 2009). Nevertheless, Albareda et al. (2008) note that in the past decade, governmental initiatives in Europe have significantly converged with the actions of international or intergovernmental organisations such as the UN

Global Compact and the European Commission, which have been active in promoting CSR.

Albareda et al. (2007) describe CSR as a priority issue on governments' agenda based on their analysis of CSR policies in European advanced democracies. They studied the design and implementation of public policies, as well as programs and instruments adopted to promote CSR in 15 European countries. The analysed countries were classified into four groups characterizing the governments' approach to CSR and the relationships between governments, businesses and the civil society stakeholder; (1) partnership, (2) business in the community, (3) sustainability and citizenship, and (4) Agora. Despite the categorisation, Albareda et al. (2007) noted convergence between the governmental approaches and the action to develop public CSR policies in these countries. From the reports included in this study, Nokia from Finland and AkzoNobel, Unilever, TNT, and Philips from the Netherlands belong to the partnership category, Xstrata and Pearson from the UK are from business in the community –category, Air France / KLM from France belongs to the sustainability and citizenship category, and EDP from Portugal and Telefonica from Spain belong to the Agora category.

Steurer (2010) has also analysed and characterised the public policies of CSR throughout Europe, focusing particularly on how European governments seek to shape and promote CSR and what influence the CSR policies have on business-government relations. In tracing the history of the concept in the European context, he suggests that CSR started out as a neo-liberal concept used for downscaling government regulations, but particularly in recent years, CSR has matured into a more progressive approach of societal co-regulation. The voluntary nature of CSR may even be in the governments' interests as it can help drive business efforts to meet policy objectives and thus help in redistributing corporate resources to public causes (Liston-Heyes and Ceton 2007).

Albareda et al. (2008) discuss the changing role of governments in promoting CSR and suggest that while governments used to have significant power over corporate behaviour for instance through regulation and legislation, the past decade has seen a shift among governments toward collaboration with intergovernmental organisations, the private sector and social organisations in promoting and encouraging CSR. Their analysis focused particularly on the European context and they noted that despite variations in policy frameworks and policy implementation, the countries studied seemed to share the same overall discourse on CSR, for instance in terms of the role of corporations in addressing social issues and contributing to sustainable development. However, while Albareda et al. (2008) indicate that European governments are increasingly engaging in partnerships with other social actors, Aaronson and Reeves (2002) suggest that European firms are more comfortable with working with governments and operating in a regulated environment, whereas the business sector and governmental initiatives are less linked elsewhere in the world.

The soft approach to CSR that is prevalent in Europe could be seen as a part of a broader transition of public governance based on collaboration between governments, public and private sector, and shift towards networked and partnership-based modes of self- and co-regulation (Steurer 2010, Rhodes 1997). The political theorists thus view CSR as a feature of emerging new societal governance rather than simply a feature of corporations (Moon 2007). This view assigns corporations responsibilities for meeting not only their business objectives, but also the social and environmental expectations raised by their stakeholders. Steurer (2010) suggests that CSR has complex political underpinnings that can transform business-government relations toward societal co-regulation, networked “enabling” (Jann 2003), and “relational” (Moon and Vogel 2007; Albareda et al. 2006, Lozano et al. 2008) or “embedded” (Midttun 2005) forms of societal steering.

In sum, reports from companies with EU-origins were selected for this study, since the EU has sought to position itself as providing leadership in the CSR policy area (Fairbrass 2006, EC 2006). There may be differences in CSR across the globe and between cultures, but research suggests that in Europe, the approaches are converging rather than diverging. Business actors or MNCs in particular, have been singled out as the focal point, as they have been suggested to possess dominant, privileged role in CSR policy making both nationally and internationally (Fairbrass 2006). Furthermore, European companies are frontrunners of CSR in many sectors (Kolk 2010). This further supports selection European MNCs as the focus of analysis in this study, as Berthelot et al. (2003) suggest that firms often imitate those perceived or recognised as leaders. It is thus of interest to increase understanding on the elements embodied in the discourse of the companies recognised as leaders in CSR reporting.

### **3 CULTURAL RESEARCH AND DISCOURSE ANALYSIS AS METHODOLOGICAL FRAMEWORK**

The previous parts have outlined the current context for CSR and the evolution of CSR research over time. This part will outline the methodological framework for the analysis, discussing first the different aspects of CSR discourses and the perspectives that a cultural research orientation opens to CSR research on the level of discourse analysis. Then, an overview of the methodological tools provided by cultural research is provided, outlining how the analysis of the report texts can yield new insights to the social construction of CSR. The reports that are used as data in this study are also introduced, as well as the iterative process through which the texts were analysed.

#### **3.1. The Significance of Discourse in CSR**

The discourse on CSR occurs on many levels and multiple participants contribute to the discourse. The discourse is shaped by numerous actors, including for instance influential frontrunner companies (Zadek 2004), public demand, interest groups and NGOs (McWilliams and Siegel 2001), as well as governments, particularly through their public policies (e.g. Steurer 2010, Zadek 2001, Utting 2005). The discourse is also mediated by institutional conditions, including regulations, standards, NGOs and other social actors monitoring corporate behaviour, institutionalized norms, behaviour of corporations themselves, and organized dialogues among corporations and their stakeholders (Campbell 2007).

The importance of analysing CSR discourses has been highlighted by Burchell and Cook (2006), who argue that CSR develops in interactions between business and civil society, and that the CSR discourse has wider implications, as it opens up a broader debate about the social and ethical responsibilities of modern firms and their role in the

society. Jonker and Marberg (2007) note that the current CSR discourse is anchored in the dominant social paradigm based on the Western worldview and capitalist doctrine of free enterprise, economic growth and private property. However, a new paradigm that involves also the social and environmental issues seems to be emerging to oppose the dominant social paradigm, and this change is also reflected in the CSR discourse (Campbell 2006).

Discourse is a shared way of understanding and making sense of the world (Dryzek 1997). Campbell (2006) defines discourse as a “system of language, concepts, and rules of logic through which people communicate”. Discourse encompasses both what is being talked about and how it is being talked about, as concepts can be “talked” into being through discourse (Chouliaraki and Fairclough 1999). Discourses are embedded in language and the use of language shapes what becomes known as the truth or social reality through the discourse. Once a discourse has been initiated, it can be influenced and altered by different actors as well as by situations and structures (Burchell and Cook 2006).

Framing of opinions and activities takes place in discourse. Framing is critical for gaining public acceptance, as it enables legitimation and justification of corporate activities to the broader audience (Campbell 2006). Reporting and CSR communication are important media for corporations to engage in the responsibility discourse. The language used by the corporations in communicating their CSR activities shapes the interpretations readers will draw on the nature of the activities (Tengblad and Ohlsson 2010). Consequently, linguistic framing of CSR activities influences the construction of corporate image and shapes the relationships between the company and its stakeholders.

Siltaoja (2009) posits CSR as constructed around a discursive struggle concerning the role and goals of business. Burchell and Cook (2006) also view CSR as a social construction, and they have conducted research applying Fairclough's critical discourse analysis framework to demonstrate the wider implications of CSR discourse. Joutsenvirta (2009) points out that research analysing the practices of language through which corporations and other actors describe, explain or account for environmental and social problems is lacking. Management scholars have emphasised the need for further studies involving cultural constructions, such as myths and metaphors, and the ways of using language (e.g., Merilainen et al., 2000; Starik and Marcus, 2000; Dobers et al., 2001; Roome, 2001). Attention should be paid particularly to the language use itself, and the ways in which it constructs social reality by producing definitions and attaching meanings to phenomena in historical and social situations.

The discourses can also have implications beyond the conception of CSR. Scherer and Palazzo (2007) have introduced a political conception of CSR, suggesting that corporations are engaged in governance processes and discourses shaping conceptions on CSR. They criticize the existing theories on CSR as instrumentalist, relativist, foundationalist or utopist, and propose a new role for business as a political actor in a globalizing society. They claim that in pluralistic societies that exhibit multiple and potentially conflicting moralities and social norms, a common ground on questions of right and wrong, and consequently on CSR, can only be settled through a joint communicative process between different actors. As the regulatory power of nation states is diminishing in the global era, national laws and regulations are insufficient to control business activities and therefore, new approaches for monitoring corporate activities are required. Scherer and Palazzo (2007) thus propose a deliberative concept of CSR that reflects the discursive link between the corporations and social actors. Their interpretation of CSR also shifts the focus from analysing the corporate reactions to stakeholder pressure to examining the companies' role in contributing to the society and to solving global and environmental challenges.

The language perspective opens possibilities to explore the shared cultural values and culture in which the discourse takes place. Joutsenvirta (2009) noted that language (talk and text) is often treated from a reflective perspective as a transparent medium to reality that is seen as giving direct access to behaviour, motives, opinions and attitudes, but these texts have not received sufficient and detailed research attention in themselves as sites of language use. She stressed that studying the texts as sites of language use has many benefits for corporate responsibility research. Furthermore, insights can be gained already from a rather small set of data. Moreover, according to Joutsenvirta (2009), a mere reflective approach fails to improve understanding on how certain discourses play an influential role in defining issues, social subjects and relations. Thus, a more constructive and critical approach should be used to understand how language constitutes to constructing reality.

### **3.2. Exploring the discursive aspects of CSR reporting from cultural perspective**

The methodological perspective adopted for this study draws from cultural research, which directs attention to business phenomena not merely in economic terms, but also as a cultural form related to other cultural forms, such as institutions and practices. This is done by studying the processes through which market actors use and produce cultural artefacts established on shared cultural meanings and social relations (Moisander and Valtonen 2006). For this study, the cultural approach was chosen due to its potential to open up new perspectives to CSR research, particularly in contrast to the causal and quantitative business terms that have generally been adopted in recent CSR studies.

The cultural approach to research provides an alternative interpretive framework to theorizing and empirical research, seeking to address the need for social and practical pertinence of academic research. The approach is inspired by recent theoretical and methodological developments in cultural studies, anthropology, psychology, and sociology, focusing on questions of community, identity, agency, and change,

emphasizing the contextual, historical, and geographically distinct nature of knowledge (Moisander and Valtonen 2006). The findings depend on the chosen perspective, which helps to understand one of the possibilities among multiple different options (Richardson 2000). Multiple methods are often combined in one study to add rigour, breadth and depth to the research (Denzin and Lincoln 2003, p. 8).

The objective of culturally oriented research is to gain a better understanding of complex social behaviours established on shared cultural meanings and social relations, and of the socio-political and cultural contingency of marketplace phenomena. Instead of a strictly defined framework, cultural research is more of a family of theoretical perspectives addressing the dynamic relations between marketplace actions and cultural meanings. The validity of the research is evaluated in pragmatic terms by judging the meaningfulness and insight of interpretations (Howarth 2000; Moisander and Valtonen 2006).

Cultural research is contextually bound, and all knowledge is seen as constructed from a particular perspective with particular interests (Arnold and Fisher 1994, Longino 2002). The focus of analysis is on discursive practices through which social reality and social order are constructed (e.g., Potter, 1996; Potter and Wetherell, 1987). The basic assumption of the cultural approach is that world is culturally constituted, and that particularly in contemporary Western society, the market plays a central stage on which the constitution takes place (Moisander and Valtonen 2006, p. 7).

Reality is seen as socially constructed and continuously produced, contested, reproduced and negotiated, and research thus focuses on understanding the ways and practices through which the world is produced by different parties in social interaction (ibid., p. 8). Furthermore, reality is interpreted by individuals based on the socio-

historical context and its inherent assumptions and pre-understandings (Arnold and Fisher 1994). Therefore, culture, or phenomena such as CSR can take different forms in different contexts. In this research, the focus is particularly on the Western European interpretation of CSR and its construction in the broader context of global markets.

In order to allow for detailed analysis of language, the number of reports included in the study was limited to ten. The data set was kept rather small due to the laborious nature of the analysis (Potter and Wetherell 1987). Furthermore, the analysis aimed to examine the texts in depth rather than to strive for broad generalisations from a large set of data (Silverman 1993, p. 3). The analysis is focused on the use of language and its implications. The aim is to understand how companies contribute to defining CSR, rather than evaluating the socially responsible behaviour of individual corporations as a practical activity (Suoninen 1999).

The aim of the analysis is to examine how CSR is portrayed within the discourses in which MNCs engage through their CSR reports. The research is focalized on the global context, approached through examining the discourses observed in the reports of ten Western European MNCs. The global perspective was selected over limiting the analysis to a national or industry-specific perspective, as the multinational corporations operate in an increasingly globalised environment. While CSR has also been studied in country- or culture-specific context, the increasing internationalization and globalization of business transcends national borders. The reports reach an increasingly wide range of stakeholders and audiences all over the world, and they can easily be accessed over the internet by interested parties despite geographical location, and the corporations need to take this into consideration in designing and shaping their communication. Therefore the analysis builds on the assumption that upon addressing this broad and international audience, the corporations draw from a shared cultural meanings acknowledged by stakeholders in different contexts.

### **3.3. Potential of cultural research in yielding insights into CSR**

CSR has captured the interest of researchers in different fields, ranging from business to politics and sociology. Cultural research as a cross-disciplinary multi-perspective approach that draws from different disciplines can yield new insights to the phenomenon. As reality, knowledge and truth are seen as socially constructed in cultural research, studies do not aim to uncover objective truth or certainties. Cultural research can provide novel interpretations by problematising the taken-for-granted ideas and drawing attention to the ways in which political and social forces influence the construction of meanings (Howarth 2000).

The ways of talking about things, i.e. the rules and conventions structuring the production of meaning are usually shared by the members of a particular culture, and research aims to understand and interpret the taken-for-granted cultural practices (Moisander and Valtonen 2006, p. 28). In the case of CSR, although there are various definitions of the concept, the general idea seems to be a fairly generally shared in many Western countries. In cultural research, the focus of interest is not on whether this idea is widespread but rather on the cultural practices through which the representation of socially responsible company is produced, and perhaps contested and transformed, in the discourse.

Cultural research and discourse analysis do not provide a strict or fixed set of research methods, but rather a set of theoretical assumptions to guide the research process. Core assumptions build on social constructionism that highlights the role of language in constructing social reality, the constant negotiation for systems of social meaning, and contextuality of signifying practices (Hajer 1995, Potter 1996, Fairclough 2003). The methodology adopted in this research is inspired by rhetoric discourse analysis (Potter and Wetherell 1987, Potter 1996). Discursive approach was selected for this research, as

it can increase understanding on use of language as social activity, and highlight the norms, power struggle, attitudes, and expectations underlying such social interaction (Fairclough 2003).

In sum, the analysis of discursive practices and cultural discourses provides a basis for challenging the taken-for-granted realities. It seeks to highlight that social meanings are not fixed, but products of history of social events and forces, constructed by multiple parties (Moisander and Valtonen 2006). In line with the cultural approach adopted for this research, the analytical focus of this study is on the discourses that corporations draw on when talking about CSR, as well as on the discursive practices through which these discourses are produced. Given the underlying assumptions of reality as socially constructed and constantly changing through re-negotiation, cultural analysis cannot reach any final or definite interpretation, but rather present one of multiple possibilities (Moisander and Valtonen 2006, p. 147). The purpose of this research is to analyse the structure and content of the dominant discourses that constitute the idea of CSR from the corporate perspective, and the discursive strategies, techniques and tactics through which corporate responsibility is produced.

#### **3.4. Analysing corporate CSR reports as cultural texts and talk**

Analysis of corporate reports from cultural perspective builds particularly on the analysis of language and the use of the language. The empirical analysis in cultural research is based on textual and visual materials, i.e. “cultural texts”, ranging from naturally occurring materials (documents, media texts) to texts generated through interviews and other techniques (Moisander and Valtonen 2006, p. 43). The scope of this study was limited to corporate reports and the report texts in particular in order to remain focused and to be able to draw interesting interpretations from a limited set of

data (Silverman 2001). Only the texts from the reports were analysed, and for instance, visual materials and pictures were ruled outside the scope of this study.

The report texts and the language used could be approached from several different perspectives. Text is a site where cultural meanings are made accessible, rather than a privileged object of study in its own right (Turner 1990). Texts are not analysed as accurate representation of “reality”, but they are used as giving access to the cultural discourses and discursive practices (ibid., p. 68). The texts are thus used as means for studying the subjective cultural forms they realize and make available. The reports have been chosen as empirical materials, because they have a central function in the CSR discourse. In this study, the focus is on how socially responsible business behaviour is described and what kind of elements it is portrayed as comprising, as well as what kinds of subject positions of the corporations role in the society such conceptions are built upon (cf. Alasuutari 1996). Therefore, the texts are studied in terms of how they discuss CSR and engagement in socially responsible action, how they produce and construct definitions of CSR and particular types of social identities, relationships, and positions for different actions and societal actors.

Corporate reports are part of the public discourse in which corporations engage. In their discourse, the corporations present their environment in ways that open particular possibilities for certain types of relationships between the firm and the society, which in turn are reflected in corporate behaviour (Livesey 2001). Corporations are not the only participants in the discourse, as other societal actors also put forward their perspectives, and thus the accounts of corporations reflect and address the other, potentially conflicting perspectives. In general, reports and policy documents can be seen as having a double orientation (Potter 1996, p. 108), as they are both used to accomplish action (action orientation) and constructed in a way to build up a particular status (epistemological orientation).

The CSR discourse could also have been studied in broader terms, for instance by including materials from entities other than corporations (governments, NGOs etc.), by carrying out interviews with corporate representatives or other stakeholders, or by including media articles or other elements of public communication in the analysis. However, reports were chosen as data to narrow the focus in such a way that allows for detailed inquiry. Moisander and Valtonen (2006, p. 69-70) suggest that naturally occurring data in such as reports provides a rich source of empirical data that can yield interesting interpretations, and there is not always need for researcher-generated data. Moreover, naturally occurring data provides easy access to research materials and new perspectives to complement the traditionally used interviews, focus groups or questionnaires. From the cultural research perspective, interview materials hold no privileged status as more authentic evidence of what goes on in the “real world” (Denzin 2001., p. 25), as they are similarly constrained by cultural conventions like other cultural texts (Moisander and Valtonen 2006, p. 71-72).

Moreover, report texts possess certain benefits for instance over interview data. The reports have been written to address a broad audience, consisting of investors and a wide range of other stakeholders. The reports are constructed in a way that seeks to address, influence, and convince the audience of the messages and arguments put forward in the reports. In this sense, they are particularly suitable research materials for the purposes of this study. The effectiveness of the arguments and the influential power of the communication rely on certain cultural preconditions. In order to ensure maximum impact, the authors – both consciously and unconsciously – refer to shared cultural values and assumptions.

Corporations produce also other materials in addition to their CSR reports as a part of their CSR communication. CSR communication as a broader phenomenon could be seen as comprising for instance a vast range of publications and statements or

interviews. For the sake of focus, the scope of this research is limited to CSR reports. Additionally, as reporting is becoming increasingly institutionalised and guided by standards or guidelines such as GRI, Global Compact, or ISO 26000, it facilitates the redirection of research from content to the language and meta-level. Due to this gradual institutionalisation of CSR reporting, it is also more interesting to analyse how companies frame their reports and discuss the selected topics, instead of analysing what companies report on *per se*.

While corporate reports provide abundant and potentially fruitful material for research, there are certain limitations to them. As a form of corporate communication, they could be seen as marketing- or PR-related tools. The texts from corporate reports are a form of institutional talk produced by organizations according to certain institutional conventions and objectives (Fairclough 1995). The report texts do not represent objective accounts of activities or personal opinions of those who have written them, but they have been created to serve organizational purposes. They are often constructed to portray the corporations in a positive light, and in line with corporate reporting conventions, they are constructed to present issues in logical and rational manner. Potentially conflicting or negative information may have been omitted from the report texts. Reports cannot thus be considered as means to judge what the corporations think, or what the people in the organisations think about CSR. The reports are structured to put forward certain messages, and the analysis of this research primarily takes place at this textual level. Interpretations are drawn in relation to the broader CSR discourse.

Discourse analysis has not been extensively applied in CSR research, but for instance, Livesey (2001) combined sense making and Foucauldian discourse theory approaches to study the discursive struggle and language games related to eco-discourse and construction of corporate eco-identity, focusing on the case of Royal Dutch/Shell. The analysis was rooted in the discursive struggle central to the late 20<sup>th</sup> and early 21<sup>st</sup>

century society regarding the definition of the relationship between corporations, communities, and nature (Hajer 1997, Livesey 2001). For her research, Livesey adopted interpretive and social constructionist perspectives (Bruner 1990, Geertz 1973) that have recently gained popularity in communication studies examining the reflexive and constitutive role of language in organisations (e.g. Boje 1991, Cheney and Christensen 2000).

The analytical perspective in this study builds on Fairclough's (1995, 2003) ideas on language as an inseparable part of social reality. According to Fairclough (1995), discourses are constructions of social practices representing underlying perspectives. Therefore, discourse is not analysed as a stand-alone entity or linguistic phenomenon, but in relation to a given context, in order to understand how texts and discursive practices are shaped by social and cultural contexts. In addition to being shaped by the contextual features, the use of language also constructs the social reality and relationships between social actors (Fairclough 2003).

The aim of the selected methodological framework is to examine the dynamic and fluid nature of CSR discourse and its role in societal change. Moisander and Valtonen (2006, p. 114-122) outline several tools that can be used in cultural research, including textual, structural and stylistic aspects. For instance, categorization and choice of vocabulary are keys for constructing phenomena (Potter 1996, p. 177) and the metaphors and images put forward – consciously or unconsciously – have an important role in influencing impressions created by receivers. The analysis involves coding, identifying, and categorising salient themes, metaphors, modes of expression, and argument structures, paying attention to not only the most salient features but also nonconforming instances. This includes evaluation of formal features of the texts, patterns of language, rhetorical schemata, and discursive resources that construct CSR in particular ways. Theoretical framework in this case does not seek to predict the results, but rather to suggest a

particular, explicitly defined framework within which the details of the data can be assessed (Alasuutari 1996).

The analysis is an iterative process of dialogue between the data and theory, in which the preliminary ideas and interpretations are continuously challenged and revisited. The process started by getting familiar with the data and noting down issues or aspects that catch attention in the texts, both in terms of themes as well as single expressions or phrases. The analysis continued through close reading of the texts, paying particular attention to the vocabulary, structure, and arguments used. Furthermore, features like categories, metaphors, normative expressions, and possible contradictions were examined. Thematic analysis was used to examine the texts, which were coded to chunks of themes, structures, descriptions, and patterns. The observations were then analysed in relation to the research questions. Summary of the most salient themes detected in the texts are summarised in Appendix 2. The analytical process in cultural research is data-driven and follows an emergent design approach, as the concepts and theoretical underpinnings are elaborated as the analysis proceeds. The data was not examined in isolation, but all observations and emerging interpretations were continuously contrasted with theoretical literature and findings from prior research.

In line with the cultural perspective, corporate social responsibility was conceptualized and analysed in terms of the multiple subject positions that are taken by and given to corporations, and produced through discourse. The analytic focus was on what kind of subject positions the dominant discourses of CSR produce for corporations and the role of corporations in society. The analysis therefore strived to interpret the ways in which CSR is represented or produced discursively in the texts, as well as to understand the implications of these discursive practices for different market actors.

### **3.5. European CSR leaders driving the development of the discourse**

The data used in this research consist of CSR reports and integrated CSR/Annual reports from 10 European MNCs. The companies were selected from Dow Jones Sustainability Index (DJSI) Global Supersector Leaders (Dow Jones Sustainability Index 2010a). DJSI and Supersector Leaders were used to have companies from different sectors and countries in the sample. This would help in gaining understanding of CSR as a broader phenomenon, instead of focusing on industry- or country-specific trends. Sampling is not representative of a larger population or all companies. Instead, it is purposive and follows a theoretical logic. The aim is to learn as much as possible from the cases being investigated, and the sample was selected in terms of richness of information, in the sense that the cases manifest the phenomenon intensely.

Out of the 19 Supersectors in DJSI, 11 leaders had their origins in Europe. The companies whose reports were selected for the analysis include Xtrata Plc., AkzoNobel, Unilever, TNT N.V., Pearson Plc., Philips Electronics, Nokia, Telefonica, Air France KLM, and EDP Energias de Portugal. More information on the companies can be found in Appendix 1. The selected companies represent different industries and sectors, such as Chemicals, Food, Media, Technology, and Utilities. The sample includes companies from different European countries, including Finland, France, Germany, the Netherlands, Portugal, and the UK. For each company, the most recent (2009-2010) report was included in the analysis.

The report length varied from a little over thirty to almost three hundred pages, altogether adding up to several hundred pages of text. The texts contained interesting statements, accounts of activities and metaphors, and I was initially struggling to find a way to analyse the texts without overtly simplifying the contents. I was particularly interested in understanding how companies gave meaning to the contested concept of

CSR and translate it into a conception that is meaningful and useful for the corporation. Upon reflection of my initial observations from reading the reports and further reading of academic literature on the topic, interpretations began to emerge.

Reports from the same year were used to ensure comparability across texts, particularly since CSR discourse is seen as embedded in certain time and context and thus potentially changing over time. Another European corporation, Bayerische Motoren Werke AG (BMW) from Germany, listed as a leader in Automobiles and Parts, was excluded from the sample, as it had not published a report for 2009-2010, unlike the other selected companies. Furthermore, 10 reports were judged as a sufficient sample for the research, particularly as a saturation point seemed to have been reached for the purposes of the analysis. Additional reports would thus not have significantly added new depth to the data or yielded new insights.

It should be noted that by selecting companies from DJSI Supersector Leaders, the discourses in the reports are likely to reflect not only the perspectives of the companies, but also those of DJSI. For contextual purposes, it is therefore important to understand the basic assumptions involved in DJSI rankings. DJSI was launched in September 1999 to serve as a benchmark to track financial performance of sustainability leaders on a global scale (Dow Jones Sustainability Index 2010b, 2010c, 2010d). The DJSI ranks the leading 10% of the largest 2500 companies in terms of corporate sustainability from each industry. As the selected companies had already been ranked according to DJSI as CSR leaders, their reports had already been analysed and evaluated according to a certain set of criteria. They would thus be likely to highlight similar issues in their reports and hence in their discourses, which further facilitates the task of identifying the common discursive elements from the sample.

Companies could also have been selected for instance according to their size or turnover, but as CSR is in many ways driven by frontrunner companies, focusing on companies identified by an external party as “global leaders” was deemed particularly interesting, especially since they could be seen as having a noteworthy potential to influence the overall CSR discourse. Moreover, prior research has found significant congruities in corporate discourse in report texts, despite the differences between companies in terms of size, history, culture, industry, or circumstances of report production (e.g. Livesey and Kearins 2002), suggesting that comparisons and analysis could also be carried out with texts from companies with different origins. In essence, thus, even though reports may be differently inspired and structured, they can still employ common metaphors or rhetoric tools (Livesey and Kearins 2002).

While research highlights the cultural and regional differences in CSR practices, attitudes and application, also similarities within bigger regions, such as Western Europe, the US or Asia have been noted. Responsibility and sustainability issues have been prominently discussed by EU decision-makers and several Western European governments, and Europe has been noted as a frontrunner in promoting sustainable development and CSR. The emerging European leadership on CSR makes European companies an interesting topic of research. However, in order to understand CSR discourse from a broader perspective, the analysis is focused on multinationals with business operations around the globe, and framed by the context of globalisation and internationalized business.

All in all, this thesis focuses on EU multinationals and analyses their CSR reports. MNCs were chosen as their role and cross-border operations in the changing and globalising business environment are among the key questions in CSR research. While there is a lot less research on SMEs, for instance, they often operate in a slightly different context, limited within regional or national boundaries, and they are more

influenced by national legislation and local stakeholders. Furthermore, as SMEs usually operate on a smaller scale, they are generally less scrutinised and pressured by the stakeholders or NGOs on CSR issues, and potentially resort to a more reactive rather than proactive approach to CSR.

Larger companies, on the other hand, are constantly called upon to account for their activities and take on responsibilities beyond the purely economic profits, and it is both in a necessity and in their interest to participate in the discussion shaping the definition and limits of CSR. Furthermore, they also have more power and resources to engage in the debate, and it is thus of interest to better understand how they contribute to the discourse.

## **4 OVERLAPPING AND INTERLINKED STREAMS IN THE CSR DISCOURSE**

The analysis of the identified streams of CSR discourse consists of five parts. The first part identifies the main contents and themes emerging from the data, while the second, third and fourth part describe the construction, contents, and messages of the three different streams of discourse identified. In discussing the interpretations and results, quotes<sup>1</sup> from the reports are used to illustrate the key elements from the discourses. The fourth part synthesizes the previous parts and discusses the main findings and interpretations on the CSR discourse in corporate reports as well as their implications to the role of corporations in society. However, it should be noted that even though the parts are, for reporting purposes, in sequential order, the analysis is more of an iterative and continuous process, and thus the parts are partially overlapping and integrated.

### **4.1. CSR discourse in corporate reports**

The reports used as data in this research have been named in different ways (titled variably Corporate Social Responsibility reports, Responsibility Reports, Sustainability reports and other such titles), but despite the different titles, the texts draw from similar discourses and arguments regarding CSR. Individual reports may highlight industry-specific issues and priorities, but references are also made to widely recognised and acknowledged global standards or initiatives such as the UN Millenium Development Goals or Global Compact. CSR is presented as a response to external pressure, and an element integrated into the corporate values, utilising the language of social responsibility, citizenship, and ethics to align with business goals, which is a trend noted also by other scholars (e.g. Burchell and Cook 2006).

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<sup>1</sup> Any emphases or highlights in the quotes have been added by the author of the thesis and do not constitute part of the original text.

Companies have been good at appropriating language from other actors to serve their own purposes, as noted for instance by Dryzek (1997) and Hajer (1995) in relation to how companies adopted the language from social movements to shape the discourse of sustainable development to align with corporate objectives. In the reports studied, companies often seek to present concerns raised by stakeholders as corporate concerns. For instance, concern over the environment and development of local societies are presented as issues important to the company, although generally companies are criticised by the public or media for neglecting these aspects. Corporate discourse on CSR builds on the ambiguity and voluntary nature attached to CSR, allowing for emphasis on ethics and responsibility in the discourse, while justifying the need to make and maintain profits (Burchell and Cook 2006). This can be observed in the analysed texts as well. The ambiguity and broad scope of the discourse serve to satisfy concerns of a range of stakeholders and allow the concept to be framed in the context of business strategy, profitability, and sustainability of business simultaneously.

The framework set by the companies, involving combination of responsibility and profit making, sets the context for engagement with others and policy development. By emphasising the voluntary nature of CSR, companies make a statement against regulatory frameworks to restrain corporate behaviour. The companies embrace social and environmental discourse in order to gain credibility as respectable and responsible actors (Burchell and Cook 2006). The texts analysed do not seek to introduce radically new definitions or contest the status quo. Instead, new or additional elements are integrated to the existing framework advocating voluntariness of CSR, the business priorities and importance of strategically aligned CSR.

The society is expecting businesses to work with others to provide solutions to humanitarian crises and global problems such as poverty, climate change, and environmental issues. This is observable in the texts analysed as well, where

corporations explicitly acknowledge the increasing stakeholder pressure as one of the factors catalysing corporate action and CSR. The stakeholders are expecting MNCs to be the positive force contributing to good in the society. Warhurst (2005) suggests that the roles and responsibilities of business in society, particularly in global business, are being defined more broadly by an expanding range of stakeholders, which is reflected in the changing boundaries of CSR both internally and externally. The corporate discourse frames the corporate action as contributing positively to the society, and instead of merely addressing the stakeholder concerns, the discourse seeks to position corporations as the driving force of change and positive contribution. The corporations are portrayed in the text as not only doing good, but also motivating others to contribute to social change and common good.

Discourses aim to appeal to their respective audiences and legitimize certain perspectives, thus contributing to constructing and shaping the social reality. CSR discourse draws from different perspectives and approaches. As outlined by Potter (1996) and Fairclough (1995, 2003, 2005), texts draw from different discursive elements and perspectives, setting limits and boundaries to expectations and countering potential alternative views. In the corporate reports examined, three key perspectives emerge, building on legitimating corporate activities and operations based on **business** reasons and profit-related argumentation, **caring** for the society and embracing responsibilities beyond business operations, but also on **sharing** the responsibilities with other social actors through collaboration and partnerships. These perspectives will be examined in more detail in the following chapters. It should be noted though, that discourses are intertwined and often linked to one another, instead of distinctive and separate elements or entities in themselves they often coincide and overlap and might even be exhibited simultaneously in a single sentence or paragraph, even though they are discussed here separately for reporting purposes.

#### 4.2. Business Discourse: Business case and profits setting the framework

The first discourse that emerges from the texts is related to the “business case” and business justification for CSR activities. In essence, the **business discourse** frames CSR as part of business activities, contributing to growth opportunities, profitability, and sustainability of the business operations now and in the future. CSR is described as an integral part of business or part of the strategy, as illustrated by the following examples:

- 1) “[...] leveraging sustainability is an **integral part of our strategy** and an additional **driver of growth**” (Philips)
- 2) “We are building our future business by rolling out innovative products and tailored services to best meet the expectations of our customers. Corporate Social Responsibility is **a part of our strategy** and is increasingly **becoming a part of our culture**.” (Air France)
- 3) “At Nokia we strive to lead in sustainability by taking it into account in everything we do. While it is a **key part of our business strategy**, we also look beyond our own operations to how the more than 1.2 billion people who use a Nokia phone can use mobility to embrace a more sustainable lifestyle every day.” (Nokia)

The impacts of CSR and the CSR-strategy link are described in very broad terms. CSR is an element that contributes to the quality of the products or services the company offers, but it is also described as having an impact on the corporate culture and the ways of carrying out activities, as highlighted in examples 2 and 3. Furthermore, CSR is linked to corporate performance and growth in particular. However, it should also be noted that CSR is generally described as a “part” of strategy or one of the factors contributing to success, and this could be interpreted as indirect reminder of the order of priorities. Business priorities come first, and even though CSR can potentially be linked to them, but CSR is nevertheless not framed as the first and foremost reason for corporate existence.

#### 4.2.1. *Instrumental view of CSR*

Even though CSR is framed as a vital part of business operations, the business discourse builds on a very instrumental view of CSR. Social Responsibility is managed according to business priorities, and the commercial agenda sets the limits and boundaries for CSR in the corporate discourse. The relationship between profits or financial priorities and responsible behaviour is discussed in very hierarchical terms. Responsibilities are at best at the same level on the agenda as financial performance, as illustrated below in quote 4. On the other hand, as exemplified quotes 5 and 6, actions categorised as responsible are quantified and evaluated in numerical terms, and managed in much the same way as other business activities or decisions.

- 4) *“Next to a strong financial performance TNT is strongly committed to responsible corporate citizenship and implements various international standards in order to retain its “licence to operate” in the broadest sense.” (TNT)*
- 5) *“We engage with our stakeholders in an equitable and culturally sensitive manner with the maximum transparency that is **commercially possible**”. (Xstrata)*
- 6) *“[We] purchase ‘green’ energy where **available and affordable**” (Pearson)*

The business-oriented thinking is also reflected in the way CSR is managed. The discourse draws from management language, emphasising the need to identify the key focus areas and set priorities to enhance effectiveness and maximise the influence of activities. Like other business decisions, these priorities should be aligned with the overall business strategy and objectives. This indicator- and figure-focused way of talking about CSR is likely to at least partially stem from the increasingly prevalent adoption of environmental and responsibility reporting standards and guidelines. At the same time, the discourse and the way in which the traditional business language is applied to discussing CSR have a reinforcing impact on conceptualising CSR as something that can be effectively managed and measured, and consequently it is best described with performance indicators and numbers. However, such an approach leaves

less room for discussing the motives, values or mindsets underlying CSR or the potential behavioural change. CSR becomes “business as usual”, one of the functions supporting core business operations.

CSR is often discussed with vocabulary from management or accounting, much like many other business activities, as illustrated in quotes 7 and 8. This is particularly visible in reports where CSR reporting and annual reporting is integrated in one document. CSR does not stand out as a separate element, but it is discussed and presented in the same way as other issues discussed in the reports. By using such language, CSR is naturalised as a part of business activities, discussed in the same way as other business functions such as sales or R&D, for example.

Furthermore, the management of CSR is also discussed in very instrumental terms, as corporations report on strictly defined key performance indicators and monitor progress with quantifiable and measurable indicators (e.g. example 9).

- 7) *“By identifying the **most relevant** sustainability issues to our business we can **prioritize** our activities and so **manage them most effectively**”*  
(Nokia)
- 8) *“Once identified, the areas of concern were **categorised and prioritised in terms of impact on strategy and influence** on interest groups”*  
(Telefonica)
- 9) *“Our corporate responsibility (CR) strategy is **focused on four pillars** where we need to have the biggest impact: our employees, the environment, other stakeholders such as customers and subcontractors, and voluntary contributions to society. In 2009 we defined 10 **key CR focus areas** in these four pillars, each reflected in a number of **KPIs that will enable us to measure** our progress.”* (TNT)

On the other hand, CSR discourse also draws from financial and management language, as responsible or sustainable activities are often discussed in terms of future potential

and key to new growth opportunities, profits, or enhanced productivity, as illustrated by example 10 below.

#### **4.2.2. CSR as contributing to business success**

CSR is described as a necessity and a requirement, and it is rhetorically constructed as a vital part of successful business operations. The discourse emphasising the potential value-adding function of CSR is also used to justify engagement in CSR activities. Responsible behaviour or “good corporate citizenship” is linked to success of business, value creation, and competitiveness or differentiation in the competitive markets (quote 11).

10) *“TNT recognises that the corporate responsibility efforts, while contributing to sustainable development in general, **support competitiveness** and help to **improve the financial performance** of the business” (TNT)*

11) *“Telefónica views sustainable management not just a necessity but above all an **opportunity to differentiate itself and increase its value** in the long term” (Telefonica)*

While the link between profits and CSR could be seen as originating from corporations, the relationship between CSR and improved competitiveness or financial benefits is also highlighted by discourses originating from governments and for instance the EU, seeking to encourage the acceptance and application of CSR (Albareda et al. 2008). Authorities use business discourse particularly to promote the engagement in CSR among corporations. Companies, on the other hand, adopt business discourse to justify CSR activities in economic terms to their shareholders and investors. The business discourse could therefore be seen as strengthening the arguments for engaging in CSR. However, when CSR is framed in terms of business profits or competitive advantages, it risks the simplification of CSR as a mere tool for profit making.

CSR is often justified by business reasons and links to potential profits, improved employee engagement or other such benefits. The link between CSR and profits or improved performance is presented as a truth. There is no longer need to explicitly justify the link between CSR and profits in the reports, and instead the link can be used to legitimate various corporate activities. It is interesting that companies themselves advocate the link between financial performance and CSR while academic research for instance remains inconclusive on the matter. Previous research has also noted that as the concept of CSR has been progressively rationalized and naturalised during the last two decades, a growing number of shareholders and institutional investors – in addition to companies – have begun to accept the idea that strategic adoption of CSR could lead to financial rewards in the long run (Lee 2008). Thus, it is sufficient from the corporate side to merely remind the investors of this link in order to justify their actions, without needing to elaborately attempt to prove this point with concrete evidence.

Indeed, even though CSR is justified as a part of business strategy and business operations, it is often described as more of a tool or an instrument that can be leveraged or embedded in business operations, rather than as an ethical driver or motivating force driving change in the corporate culture. As the text extracts below highlight, the discourse positions CSR as a method or strategy to enhance the corporation's relationships with stakeholders and partners, or as means to mitigate risks and gain a better position in the market. Again, the business-inspired discourse is coupled with an argumentative structure that defines CSR as a precondition or catalyst for improved business performance, thus justifying engagement in CSR and rhetorically strengthening the business case for responsible corporate behaviour.

12) *“Close collaboration of this nature is integral to the way we do business and it **resulted in even deeper relationships** being formed, which **subsequently led to higher market shares**” (Akzo Nobel)*

13) *“Telefónica sees Corporate Responsibility as **a tool which creates added value**, it allows sustainable relations to be built with stakeholders*

*and ensure their confidence, through the efficient management of risk and opportunity. All of this contributes to **increasing the legitimacy in the society in which Telefónica operates**” (Telefonica)*

Recent research findings support the view that the business case argument for CSR is still widely accepted (Carroll and Shabana 2010). Business case refers to the arguments that justify CSR from the economic and financial perspective, suggesting that engagement in CSR activities will lead to improved financial and market performance. Carroll and Shabana (2010) argue that the bottom-line financial reasons motivate businesses to pursue CSR and socially responsible business behaviour is seen as a source of benefits in the long-term. Such an approach builds on self-interest and strives to maintain business viability.

The argument is further strengthened by linking CSR to risk and cost reductions, strengthened corporate legitimacy and reputation, competitive advantage and synergistic value creation leading to win-win situations for both corporations and the society. These elements can be found from the texts examined as well, as CSR is often linked to risk management and creation of added value. Legitimacy and reputational benefits on the other hand are mainly implied in the texts indirectly, and in only few instances are references made to “license to operate” for instance.

#### ***4.2.3. Positioning the business as good in itself***

In addition to framing the conditions for and potential of CSR, the business discourse also attempts to reframe the business-society relationship in terms favourable to business. Prior research suggests that old arguments on social responsibility of businesses limited to making profits have become inappropriate in the contemporary context, and the social responsibilities of business in the 21<sup>st</sup> century have evolved beyond philanthropy and social impact to an increasingly engaged member of the

society (Warhurst 2005). Nevertheless, the discourse still appears to draw from these older forms of responsibilities as well. Business is described as good and beneficial for the society in itself, as these examples illustrate:

- 14) *“Our business brings economic benefits to all our stakeholders: consumers, employees, investors, governments, suppliers, distributors and local communities. In developing markets, we have a particular opportunity to contribute to economic development” (Unilever)*
- 15) *“These taxes and royalties comprise a substantial part of our contribution to socio-economic development [...] In addition to the direct economic contribution we make through taxes and royalty payments, our operations and projects often develop and maintain infrastructure such as roads and utilities for their own use which benefit local communities.” (Xstrata)*
- 16) *“Beyond our shareholders there are many interested parties that depend on the Group’s results, including employees, suppliers, public authorities and local communities” (Air France)*

In the business discourse, the societal and other benefits are linked to business results and economic success in particular. The argument embedded in the discourse posits that if the business is doing well and operating profitable, it leads to benefits to investors, partners, and employees, as well as to communities, governments, and customers.

The discourse seeks to bridge the gap between shareholders and stakeholders, and stakeholders are described as dependent and benefiting from business results. Particularly interesting is how these benefits are described as deriving from corporate profits and economic results, instead of mere voluntary contributions for instance. The business discourse thus links virtually all aspects of business to responsibilities and CSR. However, the discourse also underlines the potential of business to drive change in the world and inspire improvements in the society.

The discourse firstly constructs the business in itself as contributing to the society, be it in terms of taxes paid, people employed, or community development supported alongside corporate activities. Business contributes directly for instance by providing means to well-being to their employees and tax revenues to governments and communities, but also indirectly by contributing to local infrastructure and development of local communities and economies. Secondly, business is also described as having an inspirational role in leading the society towards change and improvement, as quotes 17 and 18 illustrate. Inspirational leadership will be discussed in latter parts of this report in greater detail, but in the context of business discourse, it is particularly through products and services, i.e. core business operations, that the corporations are constructed as contributing to change.

17) ***“We meet this challenge [of addressing climate change] with our Green Products and Green Innovations and by inspiring individuals to make simple changes that can have profound results” (Philips)***

18) ***“We work to create a better future every day. We help people feel good, look good and get more out of life with brands and services that are good for them and good for others. We will inspire people to take small, everyday actions that can add up to a big difference for the world.” (Unilever)***

The texts also set forth glimpses of the process through which companies come to adopt and integrate CSR as a part of their operations. According to Hajer (1995), discourses assign roles and duties through which social actors are positioned in different roles. In business discourse describing the process of adopting or engaging in CSR, corporations are portrayed as the active party, proactively taking initiative and assuming new responsibilities beyond existing regulations and legislation.

The strong economic and business thinking underlining the CSR discourse is in line with the dominating business-centric orientation of CSR that seems to prevail in both the academic sphere as well as among practitioners. CSR is rendered more acceptable and easily approachable in the corporate context by framing and discussing it in

business terms and linking it to issues like strategy or profit making. CSR can even be described as the central element enabling success or a significant contributor to growth and expansion of business operations. Business discourse thus frames CSR in the context of traditional view of the firm.

#### **4.3. Caring Discourse: Increasing corporate concern for the broader society**

Alongside the business- and profit-oriented discourse, another stream emerges, emphasising the “**caring**” nature of the corporation and underlining its strong commitment and dedication for working towards common societal goals. This stream of discourse constructs the corporation as engaged and committed to taking the societal needs into consideration in the long run, involving both efforts to understand the needs of the society, and actively addressing them with corporate activities as illustrated below in examples 19 and 20.

19) *“For many years now, EDP has focused on its **relationship with the community in all the geographical areas in which it operates and devotes special attention to people living in the vicinity of its facilities**”* (EDP)

20) *“We are committed to **identifying the concerns and needs of the communities local to our activities and to contribute to their socio-economic capacity and sustainable development**”* (Xstrata)

The discourse seeks to position the corporation as a committed actor and constructs the actions as taking place on a long timeframe, often spanning from the past well into the future. Statements emphasising the long history of being active and implying continuity of such engagement, e.g. “we have been doing/engaging”, “we have a long history in contributing”, “we will continue to develop and implement” are employed to highlight the commitment and duration of the engagement.

#### ***4.3.1. Long-term engagement and commitment driving the development of CSR***

The discourse builds a caring relationship between the corporation and the society that is described as a long-term engagement developed throughout years, thus further emphasising the commitment and societal participation of the corporations. Furthermore, the relationship with the community is described as having a wide geographical reach, extending to different areas of operations or regions influenced by corporate activities. The following examples highlight in particular the long-term orientation of the responsibility commitments:

- 21) *“Community involvement is **not new** to Philips. We **have been running programs** in all regions **for many years**”* (Philips)
- 22) *“We are proud of Pearson’s **long history as a responsible business**, but we always feel that there is much more for us to do.”* (Pearson)
- 23) *“We will **continue to develop and implement** proactive environmental initiatives that limit any potential impacts to the environment and local community”* (Xstrata)

By emphasising the long timeframe of this caring approach and commitment, the attitude itself is discursively constructed as an integral part of the corporate behaviour, instead of a mere contemporary trend. No specific start or end date is given, and the responsible attitude and societal involvement are presented as inherent features of “being” a corporation.

Besides the long-term duration of the engagement with the society, the texts underline the reach and scope of this caring attitude and commitment. On one hand, the language used to describe corporate activities or approach is filled with words signalling dedication and commitment, such as “doing everything possible”, being “committed to”, or “strives to”, and “is working hard to”. On the other hand, a significant part of the explanations and arguments put forward in the reports seek to set boundaries and

explain the limits of corporations' responsibilities and their power and possibilities to influence.

Closely linked to the efforts noted in the business discourse to portray the business in itself as inherently "good" and "beneficial" to the society at large, the care and commitment are also described as extending beyond the corporate boundaries and own operations. Discourse highlights the active efforts and attempts of companies to drive change among the entire value chain and throughout the life cycle of their products. As the quotes below illustrate, the corporation is even portrayed as willing to acknowledge and accept responsibilities beyond its direct operations. On the other hand, direct remarks to other actors who could influence the outcome are made ranging from suppliers to customers or end-users.

- 24) *"TNT acknowledges the significant ecological and social impact it has on its supply chain and suppliers' local communities. As such, TNT is committed to raising its social and ecological standards as well as those of subcontractors and suppliers. TNT also acknowledges that its overall footprint is larger than that resulting from solely its own operations"* (TNT)
- 25) *"Our commitment to sustainability extends beyond our direct operations and we participate in a number of industry and stakeholder initiatives to promote sustainable development"* (Xstrata)
- 26) *"Our commitment extends right across our value chain – i.e. from the sourcing of raw materials through our own production and distribution to consumer use and eventual disposal of residual packaging. We fully recognise that we will need to develop a new model for business growth"* (Unilever)

In the argumentative structure of the texts, the extending scope of acknowledged responsibilities are presented after outlining the responsibilities over own operations directly under corporate sphere of control. The wider scope may be an attempt to mitigate or a response towards external criticism, but it also discursively brings the corporations closer to other members of the value chain or even other societal actors and

thus contributes to paving the way for further collaboration, which will be discussed in more detail in the section focusing on “sharing” discourse.

#### ***4.3.2. Acknowledging and addressing stakeholder concerns***

Furthermore, the scope of corporate “caring” seems to be extending. On one hand, the discourse identifies the increasing pressure from customers and authorities for responsible corporate action, as highlighted below, but the corporations also present themselves as caring and engaged partners driving further collaboration. The discourse thus constructs the corporation as an active agent seeking to contribute to the development of the society.

27) ***“Customers and regulatory bodies around the world are making increasing demands for products with better environmental profiles.”***  
(Akzo Nobel)

28) ***“As our business has grown and entered into new geographies and commodities, and as society’s expectations of business have continued to evolve, we have aimed to align our practices with international leading standards and to continually improve our understanding and management of our social, environmental and economic impacts, both positive and negative.”*** (Xstrata)

29) ***“We recognise that our responsibility and the way we interact with all our stakeholders requires an increasingly global approach across the various areas of our business. We want to lead and continue to stand out from the competition.”*** (EDP)

In addition to the areas or entities directly influenced by the corporate activities, the companies acknowledge the need to engage with the broader society on an increasingly global scale. Internationalisation and globalisation has been discussed as a contemporary trend in academic literature as well (e.g. Carroll and Shabana 2010). The corporate discourse reflects the increasing pressure towards companies, as illustrated by the previous examples. However, companies are not presented as merely responding to this pressure, but also as taking initiative and having a strong commitment towards

broad responsibilities on their own. This also illustrates the inherent struggle for power and control in the CSR discourse.

Corporations seek to construct themselves as being in control and acting proactively and voluntarily, as implied in the quotes below and suggested in the previously presented examples. Even in instances where corporations admit to respond to external pressure, they often continue by explaining how they also go beyond the expectations and seek novel ways to go further.

30) *“We assume our **responsibilities at the local level**, where we generate business, development and employment, **not only for the regions in which we are based but also for the countries to which we fly**. We have therefore built lasting relationships with our regional partners.”* (Air France)

31) *“We seek to make positive **contributions to the communities where we operate**, engaging the talents and resources of our people and partners to ensure the success of our projects”* (Unilever)

32) *“We really do believe that we should **put something back into the communities in which we work**”* (Pearson)

Corporations can play a role in driving broader behavioural change in the society, and the discourse positions the corporation as central in “doing good” or “driving change”. This potential to act as a “change agent” has been identified by CSR scholars as well (e.g. Collier and Wanderley 2005).

#### **4.3.3. Business expertise contributing to CSR**

Particularly for MNCs, the globalised world grants vast power and possibilities to influence. This phenomenon has been noted also in academic literature, and for instance Wilenius (2005) suggests that corporate responsibility should match the spread of its influence. In the texts, the corporations’ potential to do good is described as arising

from extensive experience and long history in the markets and scale and scope of business that can be used to leverage the positive change.

As the examples below illustrate, the leverage from market reach, number of customers, or well-established market position for instance are presented as factors that increase the corporations possibilities to influence the society.

- 33) *“We have a **long-established presence, strong brand equity and large workforce** in the emerging economies. This gives us the **home-grown insights** needed to produce sustainable solutions that meet the needs of local people”* (Philips)
- 34) *“The Millennium Development Goals outline eight goals for governments to reach by 2015 on a range of issues from halving world poverty to reducing child mortality. We believe that **through the scale and breadth of our business we can make a difference** to many aspects of health and development.”* (Unilever)
- 35) *“We believe **we are well placed to help people** understand how their brand choices and small actions, when added to those of others, can **make a big difference across the world**”* (Unilever)
- 36) *“More than one billion people use a Nokia phone, so we have **a unique opportunity to make an impact** that goes beyond our own activities”* (Nokia)
- 37) *“on any given day, 2 billion people use our products. This gives us **a unique opportunity to help improve their daily lives**”* (Unilever)

This approach to discussing societal contribution through scope of business is closely linked to the key propositions of the business discourse and the potential of business to contribute through its products or services. However, it goes further than merely attributing social responsibilities to provision of goods and services, as the discourse suggests that the corporation contributes to societal development and addresses big social challenges through its business and its reach. Products and services may be a part of this, but the texts imply that the corporation is willing and determined to go beyond the business sphere and leverage its scope for explicit CSR and social contributions.

#### 4.3.4. *Outlining the limits of corporate capabilities in CSR*

Instead of fully embracing their extended powers, companies also attempt to set boundaries to their responsibilities. While the caring discourse generally emphasises a long-lasting and extensive dedication to societal engagement, the limited possibilities of companies to make changes alone is raised as a constraining factor. In the reports, companies emphasise the limits of their responsibilities and state that while they are willing and committed to contribute to the society, they do not have the power to fix everything. The discourse thus also seeks to establish the limits of corporate influence. The corporations explain how several internal changes have already been made, and consequently the discourse is directed towards the society. The development of technology, behaviour of consumers, and actions throughout the supply chain are stressed as necessary aspects of goals that need to be reached or changes that need to be made, underlining the need for a broader behavioural change in order to make a difference. This is illustrated in the excerpts 38-40 below.

38) *“We will continue to explore further improvements. But we recognise that **having implemented the biggest and easiest changes, future reductions will be more difficult** and in some cases are dependent on new technologies becoming available.”* (Unilever)

39) *“ultimately, however, **we will not achieve our environmental goals without persuading consumers to change their behaviour.** For many of our products consumers generate around 70% of the environmental impact”* (Unilever)

40) *“Our carbon, water and packaging footprints show that **the greatest impacts associated with our products often occur during consumer use.** [...] Our ambition is to show our consumers that their individual actions, multiplied by the scale of our business, can together achieve real impacts. **Our aim is to inspire people to take small, everyday actions that can add up to a big difference for the world**”* (Unilever)

The discourse thus acknowledges the need and motivation for change, but points to constraining factors outside the corporation hindering the change process. This could be interpreted as an attempt seeking to mitigate potential criticism towards lacking or

insufficient corporate action by counter-argument disputing the omnipotent transformative powers of responsible corporate action.

#### **4.3.5. Building an image of a caring and active corporation**

The caring discourse is characterised by its distinct features personifying the corporation as a “concerned” entity exhibiting feelings of care and worry about commonly recognised problems. These may involve industry-specific issues, such as “conflict minerals” in quote 42, but also more general topics, such as health and safety or quality of life for example. Quote 43 illustrates how the discourse draws from metaphors to personify the corporation, in this case by attributing humane features to the corporation, such as a “heart” with feelings.

- 41) *“As a responsible company, **EDP shows constant concern** for health and safety issues and works together with the community to address them”* (EDP)
- 42) *“Even though we do not source or buy metals directly, **we are very concerned** about poor practices at some mine operations around the world. [...] Despite the complexity and the fact that there are typically four to eight supplier layers between Nokia and any mining activities, **we are actively working to tackle these issues.**”* (Nokia)
- 43) *“Pearson’s goal is simple: to help people make progress in their lives and to thrive in a brain-based economy through learning. We have our commercial and financial goals too, of course, and we believe we have been successful in meeting them, because, **at our heart, is that social purpose: to make a positive impact on society by helping people learn**”* (Pearson)

There are also clear elements of power and leadership linked to the discourse of care. Whilst the corporation is portrayed as a caring and feeling entity concerned over the social well-being and state of affairs, the potential of corporations to lead the change and development towards a better society, industry or business, is continuously emphasised. The discourse highlights the corporate strive to progress and lead the

development in setting new standards or leading change in its own industry or in business in a more general sense.

However, as scholars note, it is important to differentiate between rhetoric of socially responsible corporate behaviour and concrete action, as organisations often engage in symbolic and rhetoric framing of their activities in their communication to manage their public image (Campbell 2007, Meyer and Rowan 1977). Thus, the vast contributions and influential power of corporation proposed in the corporate discourse should be interpreted rather critically, particularly as the leadership is discussed in aspirational terms, rather than stated as a fact supported with concrete evidence, as highlighted below.

- 44) *“Keen to move forward, we are playing our role in this joint effort by modernizing our feet, optimizing fuel consumption and flight procedures, while **taking a leading role** in the development of biofuels that do not compete with the food chain. In this way our Group is **setting the industry standards** for corporate social responsibility: an ambition fitting for the place we occupy in global air transport”* (Air France)
- 45) *“we have **maintained our ambition to lead** the revolution in how the energy sector will contribute to a new relationship between producer and consumer”* (EDP)
- 46) *“Nokia **aims to be a leading company** in environmental performance. Our vision is a world where everyone is connected and contributing to sustainable development. **We want to shape our industry and drive best practices** in this area”* (Nokia)
- 47) *“We **aim to be the true front-runner** – while **continuing to contribute** to responsible energy use and sustainable growth”* (Philips)
- 48) *“**Beyond continuing to lead** the way in value creation, **we also want to be at the forefront** of how innovation and sustainability inform the way we do business.”* (EDP)
- 49) *“Telefónica is a **driving force** for economic, technological and social development in the countries where it operates”* (Telefonica)

50) “we’ve *sought to take a further step forward* by offering the business community a comparable reporting model, one which is relevant and capable of combining local demands with those of global initiatives (Global Compact and Global Reporting Initiative), and the responsible investment indexes (the DJSI and the FTSE4Good)” (Telefonica)

The element of “care” has been observed in corporate discourse by other scholars as well. Livesey (2001), for instance, noted that as a company was facing increasing criticism over its activities, it began to draw from a discourse of care in its communication, representing the company as caring and sensitive to ecological and social concerns. Moreover, Livesey and Kearins (2002) analysed the discursive construction of corporations as “caring” societal actors by examining the corporate responsibility reports of Shell and Body Shop. They suggest that reports are part of a larger rhetoric effort to demonstrate how companies are concerned about the social well-being and the environment.

#### ***4.3.6. The notion of Caring in the broader discourse***

Furthermore, companies are not the only entities incorporating the notion of caring in their discourse, but a growing community consisting of consultants, academics, groups of responsible investor, multilateral organisations, and experts contribute to the institutionalisation of the notion of caring as related to CSR (Livesey and Kearins 2002). This inter-textuality, cross-referencing and common use of language among companies and other social actors is mutually reinforcing and legitimating (Fairclough 1995, Livesey and Kearins 2002). The cross-referencing and inter-textuality has been noted in literature as discourse coalitions (Hajer 1997) and webs of institutional connections that produce legitimacy and authority by including other texts and views in the reports (Livesey 2002). These coalitions thus support certain ways of perceiving and practising CSR. Similar cross-references can be observed also in the texts analysed for this research, as several companies refer to the UN Millenium Development Goals, bodies like WHO or WWF, or other such globally acknowledged institutions and

objectives either explicitly or implicitly. The corporations thus project their perspectives as aligned with those of these recognised institutions, thereby enhancing the credibility and legitimacy of their statements and claims.

This cross-referencing has a mutually reinforcing impact and it shapes the use of concepts and vocabulary applied in CSR discourse. Livesey (2001) suggests that through referencing and re-actualising studies or statements of other parties, such as multilateral organisations, corporations demonstrate solidarity with these institutions and leverage their legitimacy. It also enhances the power and influence of certain discourses or certain participants in the discourse (Livesey 2001). For instance, by referring to the UN Millenium Development Goals, the corporations reinforce the messages laid out by the UN. On the other hand, the UN may also refer to certain corporations in its progress reports or other communication as exemplary corporate activities. This legitimates the corporate perspective and grants it further influential power in the broader discourse, which in turn gives the corporation more influence over setting the standards and being the best practice example for other corporations.

In sum, the corporation that emerges from the caring discourse is an active and engaged actor wishing to contribute constructively to the development of the society. In this context, CSR is less of a tool, and more of corporate characteristic, a feature used to personify the corporation and make it more humane, almost like an entity with feelings. Livesey and Kearins (2002) suggest that application of the notion of caring to corporations provides new opportunities to rethink and reshape the interface between business and society for instance through making the boundaries between public and private decision making more permeable. Similar interpretations could be drawn from the texts studied here as well. This will be discussed in more detail in the next section.

#### 4.4. Sharing Discourse: Calling for further engagement from other actors

As can be seen from the extending scope of the “caring” discourse, the ways of talking about corporate responsibilities and activities towards and in the society are also exhibiting novel features that could be characterised as a separate stream of discourse on their own. This stream draws from **collaboration, working together, and encouraging others to act** and work with one another to advance common goals, hence best described as “**sharing**” discourse.

In the report texts, this sharing is vividly referred to by highlighting the corporations’ active role in seeking engagement and encouraging broader, constructive participation in collaborative efforts from different stakeholders. This emphasis on collaborative action directs the centre of attention away from the corporation itself, and more towards the need to act together and share the responsibility of contributing to a better future. In line with the discourse employed in the reports presenting the corporation as active and engaged, the corporations are portrayed as motivated to develop new ways of working and collaborating. The examples below illustrate how the attention is directed to stakeholders outside the corporation. The objectives of this broader outlook are well summarised in quote 54, highlighting how the corporation is constructed as stakeholder-oriented and open to collaboration.

51) *“We seek constructive dialogue and the opportunity to engage with stakeholders in the supply chain and beyond. [...] We also believe that cooperation with local governments is **the way to truly achieve sustainable change**” (Philips)*

52) *“We continue to seek **constructive relationships** with governments and to facilitate revenue transparency and encourage equitable and stable taxation and mineral royalty regimes to enable us to make the large, long-term and risky investments required to develop mineral resources” (Xstrata)*

53) “TNT will invest in **seeking new ways to work with its suppliers and subcontractors** to improve the reliability of reported CR information.” (TNT)

54) “Our ‘**Engaging you**’ value defines what we stand for in the world and predisposes our business approach to be **transparent and stakeholder focussed**. Coupled with our ‘**Achieving together**’ value, which point us towards **trusting and collaborative business approaches**, our many case studies demonstrate how important stakeholder relationships truly are to us” (Nokia)

This collaboration spans the entire value chain and a variety of partners and a range of stakeholders, as the discourse features prominently parties ranging from customers to NGOs and governments to suppliers and subcontractors. The collaboration and engagement is discussed in very egalitarian terms, and the corporation is positioned as an equal partner to governments for instance, as the two parties work together to design suitable policies or to address different issues. This also gives hints on the power and leadership structure the corporations aspire. MNCs are not simply submissive to governmental regulation, but they work together with the government to construct the framework for both business operations and the business-society interaction in the corporate discourse.

#### **4.4.1. Seeking to lead and encourage transformation**

The corporation is often positioned as the driving force or at least one of the drivers of the change, but discourse underlines the shared nature of the responsibility to change, as it is not possible for companies to realise the required changes alone (quote 55). Collaborating and working together is presented as the most effective approach to delivering transformation.

55) “To achieve the scale of impact required, **we need to encourage others** to make public commitments and help drive market demand” (Unilever)

56) *“Akzo Nobel’s Community Program encourages employees to engage in hands-on involvement in their local communities and provides them with the necessary financial support” (Akzo Nobel)*

57) *“Air France-KLM believes that its influence on CSR is not only felt within the Group. It also supports major innovation projects while encouraging subsidiaries, suppliers, and partners – including the SkyTeam alliance – to launch their own CSR programs” (Air France)*

The sharing discourse also underlines the voluntary nature of CSR. Even though the broader changes and the pressing need to address societal challenges are presented as indisputable, the required behavioural change is constructed in the discourse as voluntary. It is implied that the corporation itself has made conscious effort and is committed to change. However, when it comes to other actors, the corporation can and will encourage and support them to adopt CSR and get engaged, but they cannot make them change. The change is described as requiring will and determination from all actors, and while these characteristics are textually attributed to the corporation itself, the other actors need to acknowledge their role and take responsibility themselves.

In addition to the general search for engaged partners and new stakeholders with whom to collaborate, the discourse also highlights the necessity of collaboration in the quest to solve big global problems and challenges. Partnerships and collaboration are described as vital means of making a difference. On one hand, the discourse is linked to the previously discussed acknowledged need to change and adjust ways of working or doing business. On the other hand, though, the discourse emphasises that in order to achieve such a change, the entire society needs to change.

Besides emphasising the need to find new ways of acting, the discourse involves a struggle for leadership and a strive to establish corporations as steering the transformation toward greater collaboration. Corporation is positioned in a central role promoting joint action on different levels and with different actors, both from inside and

outside the organisation, as illustrated in quotes 56 and 57. From a critical perspective, this could be interpreted as discursive means to limiting corporate responsibilities and the relationship between corporations and the society. According to the logic of the argument put forward in the discourse, companies can and will change, but only if the surrounding conditions change as well.

#### **4.4.2. Co-creating change through partnerships and collaboration**

The sharing element is strongly present in discussing corporate activities and the corporate approach to social engagement. Even though companies are often presented as the leaders or the driving force of social initiatives, a distinct pattern of discourse emphasising the corporate engagement and participation in joint initiatives also emerges from the texts. The corporation is textually brought closer to the society, as it is stressed how the company takes into account the perspective of the community and stakeholders in making decisions, and how the company supports initiatives launched by other societal actors, such as authorities or NGOs.

58) “*Working with stakeholders we aim to **share expertise and co-create innovative solutions** that will make a difference to future generations” (Philips)*

59) “[We are] increasingly **working in partnership** with a range of stakeholders **to achieve transformational change**” (Akzo Nobel)

60) “*Producing and distributing low-cost products and getting an economically sustainable margin is difficult. We have yet to find a way of doing this at scale. **Part of the solution is to work in partnership**” (Unilever)*

61) “*‘Achieving together’ is **more than collaboration and partnership**. As well as **trust**, it involves **sharing**, having the right mind-set and working in formal and informal **networks**” (Nokia)*

Corporate membership in industry alliances or programmes advocating positive change and responsibility is also discussed, and the texts make references to other, internationally acknowledged standards or guidelines of socially responsibly business or initiatives such as the Millenium Development Goals, highlighting how the company either supports the initiatives or is actively engaged in developing and setting up such efforts. Albareda et al. (2008) suggest that governments play a role as the mediator or facilitator in local context in bringing different stakeholders together to address social issues. However, as can be observed in the corporate discourse, the corporations also seek to portray themselves as both partners and facilitators or drivers of social change. It could thus be argued that while the broader changes in the society call for new roles for corporations, governments and other actors, these roles remain negotiated, as all parties seek to secure a position aligned with their interests.

- 62) *“Partners bring expertise on specific issues as well as the networks to deliver practical initiatives on the ground. **We complement this with our experience, marketing expertise and commercial muscle**”* (Unilever)
- 63) *“We aim to address any public health risks that may impact our workforce, their families or the communities associated with our operations. We work in **partnership with communities, public health authorities and other stakeholders** to improve education, protection and prevention of public health risks and widespread diseases.”* (Xstrata)
- 64) *“Sustainability is not only a top priority for Akzo Nobel, it’s also essential to most of our customers. This **shared commitment** to safeguarding the environment was brought into sharp focus [in joint action]”* (Akzo Nobel)

The tendency towards collaborative action has been acknowledged also in the politically oriented CSR research. For instance, Albareda et al. (2008) argue that the eroding power of national governments drives social actors to look for new “relational CSR” and collective ways of action to address the social demands that cannot be met by the state.

Collaboration and “co-responsibility” of state and society, or public and private sectors are required to address problems in the contemporary society. This is reflected in the increasing number of partnerships and initiatives in which companies, governments and the civil society organisations work together. Scholars suggest that CSR acts as a catalyst for these social partnerships (Nelson and Zadek 2000, Gribben et al. 2001).

It is through this participative, active engagement that corporations are constructed in the texts as paving the way for collaborative action and shared responsibility of different societal actors. However, the discourse is shadowed by the struggle for power that emerges from the texts. The companies are described as active and socially oriented actors that seek engagement with other stakeholders, but on the other hand, the corporate participation is always described as very active, dedicated and critical for achieving the desired, beneficial outcomes. The discourse generally portrays the corporation either as leading the action or at least as actively participating and significantly contributing to progress or achievements. Thus the corporation emerges as an important societal actor with a central role in driving development and progress. Companies also emphasise that they are engaged in several activities together with NGOs and other organisations and contribute to them both through their business expertise and voluntary contributions or support.

65) “*Xstrata plays an active role in a number of significant international and national industry organisations and multi-stakeholder groups, through membership, funding, provision of expertise and participation in committees and working groups*” (Xstrata)

66) “*TNT engages in a range of cross-company and cross-industry initiatives*” (TNT)

67) “*We support a number of external organizations and charters to demonstrate our commitment to sustainability issues*” (Akzo Nobel)

#### **4.4.3. Critical view to the Sharing discourse**

In its very basic form, the discourse seeks to underline the benefits and the vast potential of collaborative action and shared responsibility. However, as the arguments put forward in the texts are developed, an element positioning the corporation as the driving force of the process of making a difference, or contributing to change, emerge. Even though the discourse generally emphasises collaboration, the corporation is often placed in the role of the leader, someone from whom the others could learn or the enabler of the joint action.

- 68) “*we wish to, and we **look for others who want to do the same, be like us***” (Pearson)
- 69) “*We believe the **future is about everybody working more collaboratively**. Because change often happens informally and from the ground up*” (Nokia)
- 70) “***Our intervention will make a difference***” (EDP)
- 71) “***Lots of small actions can add up to a big difference**. Empowering consumers to change everyday habits will help us achieve our sustainability goals.*” (Unilever)

The sharing discourse also extends to propose new boundaries to responsibilities and duties. The corporate impact is described as limited in such a way that there is a need for broad engagement to produce lasting change in the society. Several companies, in their reports, call for their customers to take conscious action and collaborate with the company to realise the change. The company is described as willing and able to learn and collaborate, and particularly the large corporations are portrayed as having extensive leveraging capabilities and a global reach, enabling them to contribute to the transformative change process. However, the discourse urges the authorities, customers, and other stakeholders to seize the opportunity provided and work together with the corporations to improve the society.

- 72) “Unilever’s **biggest impacts do not come from its own operations**. Our 264 factories account for only a small proportion of our emissions. Our biggest effects on the world around us come from the sourcing of raw materials at one end of the value chain and consumer use of our products at the other. **These are issues, which we cannot tackle alone**. Together with NGOs, customers and other partner organisations we have programmes and commitments in place to address them at each stage of the value chain.” (Unilever)
- 73) “**Customer use is a significant element of footprint** for many of our coatings businesses. We have not yet set CO2 reduction targets on the end-user application of our products, but we do measure key applications with customers to **identify joint reduction opportunities**” (Akzo Nobel)
- 74) “Major public health issues such as HIV/AIDS **need to be tackled holistically**. We also work with governments, charities, health providers, unions and companies in the region to provide community members with testing and treatment” (Xstrata)
- 75) “To combat climate change, Philips **calls upon mayors and municipal leaders** to accelerate sustainability in infrastructure projects and building renovation” (Philips)

The discourse thus involves a broader call for action for customers, clients, as well as to governments, partners, and other societal actors to do their share when it comes to responsible conduct. The elements of sharing in the discourse can also be viewed from a more critical perspective. While collaboration may indeed be essential for producing a broader and lasting social change, sharing and reallocating duties and responsibilities to actors other than corporations can also be seen as ways of shifting responsibilities away from the corporations, thus limiting the scope of CSR. The tendency to “shift” responsibilities has also been noted for instance by Livesey (2001). She suggests that when corporations face problems or difficulties, they may attempt to downplay the severity of the problem and shift the responsibility of solving it away from the corporation.

- 76) “Perhaps a broader lesson from these analyses is the **interdependence** between the conduct of multinationals, the design of national policy frameworks and the response of consumers and stakeholders. The

*studies teach us that we should not expect sustained social change without the engagement of all key stakeholders” (Unilever)*

77) *“Many sustainability issues can only be addressed through a collaborative, multi-stakeholder approach. If we are to fulfil our vision, we must work in partnership.” (Unilever)*

The idea that social problems can only be effectively addressed through collaborative practices is inherent also in multi-stakeholder perspectives to CSR (e.g. Hemmati 2001, Maignan et al. 2005). The multi-stakeholder perspective highlights the importance of social processes through which different stakeholders and corporations negotiate and come to agree upon the conceptualisation of CSR in business practice. The collaborative, participative corporate action has been noted by Livesey (2002), who suggests that corporations seek to position their reports as part of a dialogue with its stakeholders. Altman and Vidaver-Cohen (2000) also note in their work concerning corporate citizenship for the new millennium, that corporations are increasingly required to engage in relationships with the society. This interconnection of proactive engagement, partnership society, collaborative transformation of business opportunities and stakeholder relationships are regarded as central to global CSR.

As can be seen in the corporate reports, the importance of partnerships, alliances, and collaboration is portrayed as vital in advancing CSR and reaching sustainability goals. The emphasis placed on partnerships and collaboration in the discourse is in line with the social context advanced for instance by the EU, which has underlined the importance of engagement and dialogue in CSR (European Commission 2001). The idea of partnerships has been noted as an essential tool for corporate action also by Wilenius (2005), emphasising that a new level of cooperation is needed in order to contribute to social change.

However, despite the strong prevalence of the emphasis on partnerships and working with governments to improve social conditions in the discourse, this may be a local phenomenon displayed particularly prominently in the European context. For instance Aaronson and Reeves (2002) have suggested that Europe-based companies are more comfortable working with governments or operating in a regulated environment than their counterparts in for instance the US. Moreover, Halme et al. (2009) suggest that European companies working in a social or mixed market take for granted their need to continuously negotiate their position with other social actors. Thus, given that the texts studied come from Europe-based MNCs, the emphasis on partnerships could be a theme reinforced by the European contextual framework.

Organisations are increasingly working in partnership to address major societal issues that cannot be mitigated by a single actor or institution. As Warhurst (2005) points out, “no single societal actor can work independently or in vacuum”, and indeed, all social agents have a role in contributing towards common goals and sustainable future. This message comes across very strongly in the “sharing discourse” as well. Globalisation is redrawing the boundaries of responsibility for business and in some areas of social development and human rights, merging corporate responsibilities with those of governments (Warhurst 2005). This requires business to address social development goals increasingly in partnership with other societal actors. These partnerships and increasing collaborative action have implications and re-define the boundaries of business, government, and community responsibilities in society.

#### **4.5. Implications of the evolution of CSR to the role of corporations in society**

While the discourses discussed in previous parts could be seen as implying a more active role for corporations as a part of the society, it should be noted, though, that the corporate discourse does not propose radical changes to the underlying primary goals or purposes of the corporation. Instead, the more socially directed discourses are linked

and integrated with the traditional economic business discourse. Similar phenomena was also observed by Livesey (2002), as she suggests that while companies embraced the triple bottom line thinking and engaged in social and environmental reporting, the fundamental values of economic and management models, such as growth and efficiency, were left unquestioned. Similarly, in the texts examined, the business priorities are taken as a given. However, in constructing their messages and arguments or positions, companies draw from other discourses to soften their overall position.

Livesey (2002) argues that while triple bottom line thinking imported discursive conventions of accountancy and business into environmental and social domains, and vice versa, corporations sought to fit problems related to ecology and social justice to business discourse, and the integration occurred on terms of business priorities. She further suggests that companies de- and reconstruct the traditional view of profit to accommodate social and environmental issues, but do so within fairly narrow constraints of a competitive market paradigm. This is reflected also in the texts analysed for instance in the ways in which the language draws from traditional economic discourse, and how corporate activities and results are transformed through a commercial lens into win-win situations for both the corporation and the society.

The texts discuss the responsibilities of the corporations and the actions taken to address these specified responsibilities, but they also draw lines and boundaries on what can and should be expected from corporations and what are their roles and relationships in relation to other societal actors, including governments, NGOs and customers. Similar trend has been noted also in academic research for instance by Windsor (2001), who states that the stakeholder literature is beginning to explore responsibilities of stakeholders to each other and to the firm. Thus, the discourse on CSR revolves not only around the corporations and its responsibilities, but in shaping and seeking to establish roles, responsibilities and relationships for other societal actors as well.

The three identified streams of discourse – business, caring, and sharing – imply slightly different roles for the corporation in society, as summarised in the table below. Business discourse is aligned with the traditional view of the firm, and the corporation remains detached from the society, although companies can contribute to the society through business activities. However, profits remain the main objective, and CSR is leveraged to achieve both social and financial goals. Caring discourse positions the corporation closer to the society. The corporation is portrayed as sharing the concern for the well-being and prosperity of the immediate surroundings, employees, the environment, as well as caring for the broader community influenced by corporate activities either directly or indirectly. Finally, sharing discourse embeds the corporation in the society and constructs the corporation as an active participant collaborating with other societal actors and working towards common goals. The sharing discourse portrays the societal and corporate interests as convergent, emphasising the mutual benefits to all parties that arise from collaboration.

**Table 1. Summary of key discourses**

<b>Discourse</b>	<b>Key elements</b>	<b>Framing of responsibilities</b>	<b>Implications to business-society relationship</b>
<b>Business</b>	<ul style="list-style-type: none"> <li>- CSR as a tool</li> <li>- Link between CSR and strategy, profits and competitiveness</li> <li>- Emphasis on business priorities</li> </ul>	<ul style="list-style-type: none"> <li>- Business as good in itself</li> <li>- Profits and products/ services contributing to the society</li> <li>- Voluntary initiatives as complementary CSR</li> </ul>	<ul style="list-style-type: none"> <li>- Business as separate from the society</li> <li>- Contributions primarily through core business, other activities if deemed viable</li> </ul>
<b>Caring</b>	<ul style="list-style-type: none"> <li>- CSR as an attitude</li> <li>- Commitment, dedication,</li> <li>- Long-term engagement</li> <li>- Personifying corporation as an entity with feelings</li> <li>- Care and concern extend beyond core business</li> </ul>	<ul style="list-style-type: none"> <li>- Identifying and responding to stakeholder needs</li> <li>- Caring and being concerned for the society and the broader environment</li> <li>- Encouraging change</li> </ul>	<ul style="list-style-type: none"> <li>- Business embedded in operating societies</li> <li>- Active and engaged role, seeking to contribute</li> <li>- Aspiring to lead the change and set new standards</li> </ul>
<b>Sharing</b>	<ul style="list-style-type: none"> <li>- CSR as a joint initiative</li> <li>- Seeking new ways to realise collaborative, constructive relationships</li> <li>- Collaboration, trust</li> <li>- Sharing efforts and supporting others</li> <li>- Acting together and making a difference</li> </ul>	<ul style="list-style-type: none"> <li>- Using corporate expertise in collaborative initiatives to address global challenges</li> <li>- Acknowledging limits of corporate powers; addressing problems with partnerships and joint action</li> <li>- Initiating collaborative action and collaboration; calling for further action</li> </ul>	<ul style="list-style-type: none"> <li>- Business as an integral part of the society</li> <li>- Close and constructive relations with other stakeholders and authorities</li> <li>- Influential and inspirational leader initiating joint action</li> <li>- Participation in collective decision-making, both in the local and global context</li> </ul>

However, it should be noted that these streams of discourse are intertwined and in many cases at least partially overlapping. The streams of business, caring and sharing discourse were observed in all of the analysed texts, but the corporations may apply and combine these streams differently in their reports, and the outcome of for instance the role of corporation constructed in one report may differ from that presented in another, depending on the balance between different discourses in each report.

One corporation may for example be more oriented towards its shareholders and investors, and it may emphasise the business discourse in its report. Another one may

have faced severe criticism and responds by attempting to mitigate this by reinforcing its image as a caring operator, whereas yet another corporation may underline the importance of collaborative efforts and sharing of responsibilities for example as an attempt to legitimise its activities that may be traditionally been seen as responsibilities of governments or other authorities. Individual reports may thus differ from one another, but the objective of this thesis was not to compare the outcomes of these different discursive combinations and arguments or to uncover motives of a particular corporation, but rather to shed light on the general discourses from which corporations draw in discussing CSR and their broad implications.

Another remark is that these discourses may be exhibited in specific parts of the report, setting the overall tone and theme to a certain chapter, or they may be combined and multiple discourses may be used within a single paragraph or a single phrase. They can be linked to one another by justifying a certain claim or strengthening an argument. They may also be combined to make a certain statement more acceptable to the different groups in the reports' target audience. Few examples of these combinations are illustrated below.

78) *“Supporting community members to establish small and medium enterprises (SMEs) makes an important contribution to economic development and is a key part of our approach. These SMEs grow to supply Xstrata and other businesses in the same area. This not only helps increase wealth in the regions where we operate, but can also diversify our supply base, reducing the risk of interrupted supply”.* (Xstrata)

The argument above starts with a statement exhibiting caring discourse, as the corporate support for societal development is emphasised. However, the approach to support community and economic development is then justified with business discourse, as the caring and community-focused activities are in fact linked to business benefits.

79) *Our mission is to make meaningful contributions to communities in the countries where we operate. However, we do not have a global one-size-fits-*

*all volunteering policy. Instead, our program is an umbrella for locally relevant volunteering activities. [- - -] We aim to engage our employees as well as influence our corporate culture in a sustainable way. Through volunteering we are able to learn new skills and gain new perspectives. Volunteering also helps to create a balance between our personal convictions and professional lives. It is important to encourage and support employees who want to contribute. (Nokia)*

In example above, the paragraph opens with a statement typical to caring discourse, emphasising the good intentions of the corporation and will to contribute to the society. The approach is explained in terms of sharing discourse, emphasising the need to engage for instance employees to be able to achieve the mission to contribute. As in the previous example, the engagement is again justified in terms of business benefits and business discourse, although it is also linked back to caring and sharing, emphasising the transformative and balancing impact of volunteering on lives and the corporate role in supporting this engagement.

Two examples of linking using the discourses to set limits to corporate responsibilities and expectations on the results corporations can achieve can be found below. The first one illustrates how the broad goal of contributing to solving social challenges is introduced through caring discourse, and through first emphasising the ability to contribute through corporate products, the discourse changes to business and sharing orientation, as the business limitations and difficulty in reaching sufficient margins hampers the goal achievement, and collaboration is proposed as a potential solution to overcome these obstacles. The last quote illustrates how sharing discourse is employed to present the continuous partnerships which help in transforming not only corporate operations but also encourage CSR throughout the entire supply chain. The broad, aspirational statement is again coupled with business discourse, as these efforts are justified with their contributions to strengthening competitiveness and enhancing financial business performance.

80) *“Some of our brands can play a role in tackling under-nutrition, particularly micronutrient deficiencies, through food fortification” [- - -] Our aim is to offer these kinds of products at an affordable price to bring them within the*

*reach of as many people as possible. However, our current impact is small. Producing and distributing low-cost products and getting an economically sustainable margin is difficult. We have yet to find a way of doing this at scale. Part of the solution is to work in partnership.” (Unilever )*

81) *“During 2009, TNT continued to embed the health and safety, environmental and business principles by working in partnership with organisations to help strengthen the corporate responsibility approach within the supply chain. TNT recognises that the corporate responsibility efforts, while contributing to sustainable development in general, support competitiveness and help to improve the financial performance of the business.” (TNT)*

On the whole, the different streams of discourses provide vast opportunities for constructing arguments and statements within the general corporate rhetoric. These discourses may in themselves imply different roles and frameworks for business-society interaction, but as they are often combined and linked to one another in the broader discourse, their interpretation is not always straightforward or simple, and one should be cautious against over generalisations or simplifications. In any case, they are nevertheless very significant in subtly constructing the impressions on the ways in which corporations should or should not contribute to the society or exhibit CSR in their operations. Therefore it is extremely relevant to seek to look beyond the surface and attempt to understand how the broader discourse is constructed and what kinds of elements it entails.

## 5 CONCLUSION

### 5.1. On the road towards collaboration and shared responsibility

The objective of this research was to increase understanding on contemporary CSR discourse from the perspective of multinational corporations operating in the global business environment. This was done through close reading and analysis of corporate CSR reports, focusing particularly on how the concept of CSR is constructed and presented in the texts. In the texts studied, three dominant streams of discourse were observed. The “**business discourse**” relates CSR to profitable business and strategic management, while the “**caring discourse**” constructs companies as humane, “caring” entities embedded in the societies in which they operate, and thus CSR is presented as engagement in activities yielding positive outcomes and benefits for the entire society. Finally, “**sharing discourse**” presents CSR as a joint initiative which essentially requires participation of all social actors acknowledging that corporations should engage in socially responsible business behaviour, yet also at the same time setting boundaries to what can and should be expected from corporations and what ought to be carried out by different actors.

Thus, to revisit the research questions outlined in the first chapter and to summarise the key findings and interpretations from the analysis, certain observations can be highlighted. Firstly, companies draw from different discourses when talking about CSR. Therefore, a set of different elements emerges as central characteristics of the discourses. On one hand, CSR is positioned as an integral part of business activities and the overall strategy to both illustrate the corporate commitment to CSR and to establish the legitimacy and justification of CSR engagements. On the other hand, the discourse addresses the concerns raised by stakeholders, as the texts reactively respond to specific problems raised by the public, and also pre-emptively integrate further aspects of responsibility and social contributions as part of CSR. However, despite the broadening

view of CSR that emerges from the discourse, the new elements are discursively constructed as part of the prevailing view of the firm, rather than suggesting an engagement in a self-reflective re-evaluation of the corporate role or function and re-evaluating the priorities and objectives of corporate activities in the report discourse.

Secondly, responsible corporate behaviour is framed in the reports in very broad terms. The discourse constructs a responsible corporation as contributing to the society both inherently through its core business activities, as well as voluntarily by engaging in collaborative action and inspiring other social actors to contribute to the society together with the corporation. In addition to the variety of responsible activities attributed to the corporation, the significant impact and influential potential of corporate behaviour is also highlighted in the discourse. However, while the vast scope of responsible activities and initiatives is stressed in the texts, part of responsibility also arises from acknowledging the limits of the corporate capabilities. The corporate discourse calls for further action also from other social actors. This attempt to redistribute responsibilities is also framed as part of responsible practice, as it is portrayed as part of corporate efforts directed at sparking broader societal change.

Finally, the societal role of corporations is portrayed as active and engaged. The corporation is rhetorically constructed as a natural part of the society and a corporate citizen with close and constructive relations with other stakeholders and authorities. Furthermore, the corporation is depicted as an influential and inspirational leader seeking to initiate joint action to address global challenges and encourage behavioural change throughout the society by setting an example to others. The texts outline the range of societal actors with whom the corporations collaborate, illustrating in great detail the different ways of engaging with different parties and contributing to a myriad of activities. Thus, the corporation is rhetorically positioned as a societal stakeholder

who should be acknowledged by other actors as a viable partner for producing change or contributing to the common goals.

Companies seek to combine different discursive elements in order to portray themselves as active societal actors who contribute to or lead social change. At the same time, the overall discourse illustrates the struggle in the quest of balancing different expectations, goals and motivations. While the corporations want to construct themselves as active and caring, responsible organizations, the structure of the discourse and arguments put forward in the texts seek to set limits and boundaries to the responsibilities of corporations. Particularly in reports that seek to address a wide range of audiences and interest groups, the corporate discourse combines elements from different discourses and highlight different motivations or impacts of their CSR activities, ranging from profit making and business case –thinking to care and concern to the environment or global issues and problems.

The corporations construct themselves as willing to assume social responsibilities and contribute to seeking solutions to global problems. On the other hand, they also highlight and call for increased activity of other social actors. This is expressed in the discourse both as limiting corporate responsibilities and by calling for more collaboration and partnerships. The corporate discourse explains and illustrates what the companies are capable of doing or influencing, and links this to the potential influence and impact of other actors, such as suppliers, customers, or governments. The strong emphasis on collaboration and partnership-based, shared action in relation to CSR was particularly interesting dimension in the texts studied. As the partnership-related discourse stems from motives prominently featured in communication of parties other than business (NGOs, UN, governments etc.), it could be interpreted as a part of the common ground upon which different actors build, and thus it may be easier for these different parties to accept this perspective. Partnering or collaboration can be carried out

in many different ways and all parties are likely to have different interests regarding this collaboration. Thus, the negotiation on CSR and joint action will undoubtedly continue, as partnership and networking have elements to which everyone can relate in the debate. Businesses can justify it in business terms, and for other parties it is a part of their activities and operations, and thus the debate should be more on “how” rather than “what”.

The broader discussion on the meaning of CSR and the role of corporations in the society is reflected in the corporate discourse as an attempt to combine and balance different views and perspectives to the issue. There is no single role with distinct duties and responsibilities assigned for corporations in the texts. However, a feature that emerges from the discourse is the increasingly collaborative, social, and active function assigned to corporations as a part of the society and collective decision-making, both in the local and global context. Future of CSR builds on construction and creation of shared expectations that shape the planning and development of new activities. In the texts examined, corporations are not only seeking to adjust their current and future operations to address the issues and problems raised by the stakeholders, but also engaging in efforts to re-direct the pressure to adopt new behavioural models to their customers, partners as well as to other societal actors in broader terms. However, by emphasising the potential synergies arising from combining strengths and capabilities of different actors in a mutually beneficial relationship, the corporate discourse is also steering the attention away from corporate actions *per se*, and re-directing focus on joint initiatives instead.

While partnerships are not a new phenomenon in themselves, the way they are linked with CSR have implications on the meanings attached to the concept. In other words, instead of talking about *corporate* social responsibility, it may be more fruitful to talk about *collaborative* social responsibility or shared responsibility. This means, on one

hand, that the focus of CSR shifts away from companies as the focal point to a broader perspective, addressing a broader spectrum of social actors. On the other hand, this has implications on the way corporations are perceived, as they are moving to an increasingly integral role as a part of the society. Such a change in the way CSR is conceived could be useful for the development of the concept. It can help discussion to advance from the stalling debate on the best way to define corporate social responsibility to the ways of thinking about how to best engage with other societal actors to contribute to sustainability and positive, constructive change in the society. Furthermore, partnerships and collaboration are a step towards a more action-oriented direction, as opposed to a mere call for enhanced stakeholder engagement and consideration. While engagement can be limited to the level of acknowledging stakeholders' opinions and attempting to understand their positions, actual collaboration could lead to concrete action and thus contribute to change.

## **5.2. Theoretical and managerial contributions**

The findings provide further support to the claim that global reporting standards and joint initiatives have a harmonising influence on CSR, or at least contribute to reaching a common ground upon which to build the shared conception of CSR. There are themes or issues discussed in the reports that are reflective of the industry specificities or home or operating country context, which is consistent with prior research illustrating the impact of the country of origin and local context on CSR. Nevertheless, while these differences exist in local activities and implementation of CSR, the overall discourse seems to build largely on similar elements. This is important for future and further development of CSR, as a shared understanding of the concept is vital for advancing the operationalisation of CSR. However, this study focused explicitly on corporate CSR discourse, which represents only one of the groups participating in the broader debate. On the other hand, the corporate discourse seems to borrow and refer to several elements from views traditionally promoted by other interest groups and social actors,

such as political decision-makers or environmental NGOs. This could be seen as a sign of the gradual evolution towards common basic principles for CSR.

The main contribution of this thesis to the current CSR research derives from the novel research approach applied to the phenomenon. Whilst the CSR literature has been described as fragmented and overtly reliant on the existing theories of the firm, illustrated for instance by the current trend of seeking to establish a link between profits or business performance and CSR, this research approaches the issue from a different perspective. The analysis sought to uncover the broader implications of CSR to the societal role assigned to corporations, particularly to MNCs operating in the increasingly globalised markets transcending national borders.

This research thus extends the current CSR discussion into the realm of international business and operations of MNCs in complex, cross-border contexts, and in doing so, contributes to the understanding of global CSR, which has been a less examined research area (Freeman 1997, Wood and Pasquero 1997, Logdon and Wood 2002). The significance of the research derives from the application of less-used methodological approach, cultural research and discourse analysis, and the perspective through which CSR is analysed in terms of its implications to the role of corporations in the society, rather than the more commonly adopted perspective of seeking to identify and outline corporate activities classified as CSR.

Furthermore, the findings highlight the emphasis and strive in corporate discourse towards sharing and joint action. This aspect has been less discussed in business research, even though in the era of opening organisational structures, the trend towards open innovation and collaboration across the value chain, and increasing prevalence of public-private partnerships, also CSR warrants more attention as a joint initiative. This

study has contributed to CSR research also by drawing from both political and business research on CSR, as well as by utilising a methodological approach from social sciences, thus seeking to contribute to bridging the gap between different streams of research.

The findings bear also managerial relevance, as they highlight in particular the role of corporate engagement and contribution in the broader CSR debate. Corporations are influential participants in the CSR discourse, and thus it is not irrelevant how corporations discuss CSR in their reports or communications. By exploring the potential implications and significance of messages and statements put forward in corporate reports, this research has illustrated how corporations should pay more attention to their own communication, but also consider how it relates to accounts from their partners, authorities, or other stakeholders.

### **5.3. Limitations and suggestions for further research**

This research sought to enhance understanding of corporate discourse on CSR, particularly in the context of globally operating MNCs. The focus was particularly on European multinationals, as the EU has been active in promoting CSR and European companies have often been cited as prime examples of responsibly operating corporations. The scope of the research was limited to companies with European origins in order to allow for examination of the common elements of the discourses, instead of resorting to a comparison of different legal frameworks and cultural contexts in different continents. For future research, it could be interesting to explore the discourses in different contexts. For instance, it would be interesting to study the potential differences in discourses in different national or regional contexts, or within or between different industries or sectors.

In cultural research and discourse analysis, the empirical materials play an important role. This research was conducted on texts from 2009-2010 reports from ten companies. The selected sample yielded a set of data that was deemed adequate and sufficient for the purposes of this research. However, the materials used in this study consisted of corporate CSR reports and the analysis was limited to the report texts only, excluding other forms of communication, such as internet sites or corporate participation in media discourse through interviews, press releases or other forms of internal or external corporate communication. For a more comprehensive picture of the discourse, also other channels of communication could be studied. Complementary data could also be collected through other means, such as interviews or other interactive approaches. Furthermore, the methodological approach of this study could also be applied to analysis of visual materials. Even though pictures were excluded from this study due to scope limitations, they could offer fruitful insights for further research. For instance, the pictures or other visualisations in corporate reports or communication in broader terms could be studied.

The analysis of CSR discourses provides vast potential for future research. It would be interesting to explore in more detail the dynamics of different levels of discourse. While this study and majority of current CSR research have focused on corporations, it would be interesting to explore the linkages and interaction between different societal actors in relation to CSR and contrast the discourses originating from different stakeholders. It would be interesting to explore the dimensions in policy documents or reports and materials from international institutions like UN, OECD or ISO, for instance. The texts from different sources could also be contrasted with one another, or studied in one sample to explore the strongest common themes and streams of discourse.

Future research could extend the research by adopting a longitudinal approach and examining the development of CSR discourses over a longer period of time. Moreover,

it would be interesting to track the changes and development of discourses over time and extend the research scope to include texts and other materials. Each stream in itself also warrants more research. As this study explicitly aimed to identify and interpret the most salient streams of discourse, further studies could dwell deeper into the implications or characteristics of different streams, on both conceptual and practical level. Particularly the sharing discourse offers vast potential for further elaboration, as it seems to steer the broader discussion into a new direction and since it can be used in persuasive arguments to achieve very different outcomes.

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## 8 APPENDICES

### Appendix 1, 1. Company Information (1/5)

<p><b>Air France KLM</b></p>	<ul style="list-style-type: none"> <li>• Global airline company (passenger and cargo transportation, aeronautics maintenance and overhaul services)</li> <li>• Country: France</li> <li>• DJSI Supersector: Travel and Leisure</li> <li>• Serves 244 destinations in 105 countries</li> <li>• 104,721 employees</li> <li>• <a href="http://www.airFrance.com">www.airFrance.com</a></li> <li>• Sales (mil.): 20,994 € (2009), 22,834 € (2010E)</li> <li>• Airline industry driving forces:             <ul style="list-style-type: none"> <li>○ Flying speeds up globalisation, shortens travel time and provides easy access to remote areas, and facilitates economic growth, world trade, international investment and tourism</li> <li>○ Due to its cyclical nature, the industry is occasionally faced with overcapacity and poor profitability</li> <li>○ Challenges: rise in fuel and oil prices, environmental impact (CO2 emissions), rising labour and airport usage costs</li> <li>○ Industry is moving toward globalization and consolidation through alliances and partnerships between airlines</li> </ul> </li> <li>• Report title: “Corporate Social Responsibility Report 2009-2010”, 56 pages</li> </ul>
<p><b>AkzoNobel</b></p>	<ul style="list-style-type: none"> <li>• Manufactures and distributes paints and coatings worldwide</li> <li>• Three business segments: decorative paints, performance coatings, and specialty chemicals</li> <li>• Country: Netherlands</li> <li>• DJSI Supersector: Chemicals</li> <li>• Operations in 80 countries</li> <li>• 58,600 employees</li> <li>• <a href="http://www.akzonobel.com">www.akzonobel.com</a></li> <li>• Sales (mil.): 13,893 € (2009), 14,264 € (2010E)</li> <li>• Chemical industry driving forces             <ul style="list-style-type: none"> <li>○ Development of innovative processes and products</li> <li>○ Heightened awareness of the environmental impacts associated with chemical processes (legislative and consumer driven pressure for “greening” of the industry)</li> <li>○ Challenges from occupational health risks and threat of major pollution incidents</li> </ul> </li> <li>• Report title: “Report 2009” (combined report), 166 pages             <ul style="list-style-type: none"> <li>○ Separate section “Sustainability Facts and Figures”, 20 pages</li> </ul> </li> </ul>

## Appendix 1, 2. Company Information (2/5)

<p><b>EDP</b></p>	<ul style="list-style-type: none"> <li>• Electricity and gas company; leading energy generator, distributor and trader (hydroelectric and thermoelectric power, wind energy)</li> <li>• Country: Portugal</li> <li>• DJSI Supersector: Utilities</li> <li>• Significant presence in Portugal and Spain, subsidiaries also in Brazil, US, France and Poland</li> <li>• 12,096 employees</li> <li>• <a href="http://www.edp.pt">www.edp.pt</a></li> <li>• Sales (mil.): 12,198 € (2009), 13,124 € (2010E)</li> <li>• Electric utilities industry driving forces             <ul style="list-style-type: none"> <li>○ Liberalisation of energy markets reshaping the sector landscape, increasing attention to global warming and growing demand for energy in emerging economies</li> <li>○ Importance of regulation and environmental issues (reducing environmental impacts)</li> <li>○ Growing demand for cleaner, renewable and distributed energy, and diversification of fuel sources and energy services</li> <li>○ Increasing competition and price volatility, greenhouse gas emissions from carbon-intensive power generation, and potential opposition to large infrastructure projects</li> </ul> </li> <li>• Report title: “Annual Report 2009” (combined report), 268 pages             <ul style="list-style-type: none"> <li>○ Separate section “Contribution to Sustainability, 37 pages)</li> </ul> </li> </ul>
<p><b>Nokia</b></p>	<ul style="list-style-type: none"> <li>• Mobile phone and telecom networks provider</li> <li>• Country: Finland</li> <li>• DJSI Supersector: Technology</li> <li>• Three segments: Devices and Services (mobile devices’ portfolio and user experience), NAVTEQ (digital map data for navigation systems and solutions), Nokia Siemens Networks (wireless and fixed network infrastructure and services)</li> <li>• Sales in more than 160 countries, manufacturing facilities in 10 countries</li> <li>• 123,553 employees</li> <li>• <a href="http://www.nokia.com">www.nokia.com</a></li> <li>• Sales (mil.): 40,984 € (2009), 41,709 € (2010E)</li> <li>• Technology industry driving forces             <ul style="list-style-type: none"> <li>○ Driven by regulations, product design needs to take into account the usage of chemicals, the energy efficiency, and the generated waste in the production and throughout the life cycle</li> <li>○ Increasing relevance of take-back programs, greater modularity, and extended producer responsibility</li> <li>○ Increasing importance of environmental and social standards for suppliers (e.g. in terms of use of hazardous substances, working conditions)</li> <li>○ Scrutiny over operations in emerging economies</li> </ul> </li> <li>• Report title: “Sustainability Report 2009”, 158 pages</li> </ul>

### Appendix 1, 3. Company Information (3/5)

<p><b>Pearson</b></p>	<ul style="list-style-type: none"> <li>• Publishing company operating in the education, business information and consumer publishing markets</li> <li>• Country: UK</li> <li>• DJSI Supersector: Media</li> <li>• Presence in more than 60 countries</li> <li>• Three divisions: Pearson Education (educational materials, technologies and related services), the Penguin Group (publishing of fiction and non-fiction titles), and the Financial Times Group (business and financial news and related services)</li> <li>• 37,164 employees</li> <li>• <a href="http://www.pearson.com">www.pearson.com</a></li> <li>• Sales (mil.): 5,624 GBp(2009), 5,789 GBp (2010E)</li> <li>• Publishing sector driving forces             <ul style="list-style-type: none"> <li>○ Innovative thinking, content, technology, channel management, emerging markets, and talented, creative and motivated workforce</li> <li>○ Unique and valuable content forms the backbone of the industry</li> <li>○ Importance of technology and digital or electronic content</li> <li>○ Social aspects such as non-discrimination of the workforce and cultural sensitivity toward clients and communities are at the center of public attention and scrutiny</li> <li>○ Accountability and transparency in key role given the power of media to shape public opinion</li> </ul> </li> <li>• Report title: “Our impact on society 2009”, 31 pages</li> </ul>
<p><b>Philips Electronics</b></p>	<ul style="list-style-type: none"> <li>• One of the world’s biggest electronics companies; manufactures and supplies healthcare, consumer lifestyle, and lighting products worldwide</li> <li>• Country: Netherlands</li> <li>• DJSI Supersector: Personal and Household Goods</li> <li>• Approx. 127 production sites in 29 countries, sales and service outlets in 100 countries, 7 research labs in Europe, North America, and Asia</li> <li>• 115,924 employees</li> <li>• <a href="http://www.philips.com">www.philips.com</a></li> <li>• Sales (mil.): 23,189 € (2009), 25,824 € (2010E)</li> <li>• Leisure goods industry driving forces             <ul style="list-style-type: none"> <li>○ Key drivers: differentiation, quality and brand management</li> <li>○ Ensuring competitiveness by focusing on innovation, R&amp;D, and new technologies</li> <li>○ Managing challenges through strategic alliances and outsourcing in fast-changing markets (electronics, entertainment)</li> <li>○ Importance of supply chain management (including environmental and social aspects) to minimize economic, social and reputational risks</li> <li>○ Increased scrutiny over working conditions and suppliers or sub-contractors in developing countries</li> <li>○ Environmental challenges throughout the product life cycle</li> </ul> </li> <li>• Report title: “Annual Report 2009 – Financial, Social and Environmental Performance” (combined report) , 244 pages</li> </ul>

#### Appendix 1, 4. Company Information (4/5)

<p><b>Telefonica</b></p>	<ul style="list-style-type: none"> <li>• One of the world’s largest telecommunication companies (fixed-line and wireless communications, broadband and paid television services)</li> <li>• Country: Spain</li> <li>• DJSI Supersector: Telecommunications</li> <li>• Operations in 25 countries</li> <li>• 257,426 employees</li> <li>• <a href="http://www.telefonica.com">www.telefonica.com</a></li> <li>• Sales (mil.): 56,731 € (2009), 58,445 € (2010E)</li> <li>• Telecommunications industry driving forces             <ul style="list-style-type: none"> <li>○ Key drivers include innovation, quality and differentiation</li> <li>○ Increasing importance of environmental and social standards (working conditions, supply chain, environmental issues)</li> </ul> </li> <li>• Report title: “Annual Corporate Responsibility Report 2009”, 42 pages</li> </ul>
<p><b>TNT</b></p>	<ul style="list-style-type: none"> <li>• Transportation company that provides express delivery and mail services to businesses and consumers worldwide</li> <li>• Country of origin: Netherlands</li> <li>• DJSI Supersector: Industrial Goods and Services</li> <li>• Sorting, handling, transporting and delivering documents, packets, parcels, and freight through combination of physical (depots, trucks) , electronic (billing and tracing systems), and commercial infrastructures</li> <li>• Two divisions: Express (regional, national and worldwide express delivery services, primarily B2B customers) and Mail (mail and parcel services)</li> <li>• Serves more than 200 countries</li> <li>• 159,663 employees</li> <li>• <a href="http://group.tnt.com">group.tnt.com</a></li> <li>• Sales (mil.): 10,278 € (2009), 11,140 € (2010E)</li> <li>• Transportation and logistics sector driving forces             <ul style="list-style-type: none"> <li>○ The sector facilitates trade and promotes economic efficiencies and development through its operations</li> <li>○ Enhancing competitiveness through value-added and additional services</li> <li>○ Importance of supply chain management (reducing costs, speeding up delivery)</li> <li>○ Pressure to address environmental issues (energy efficiency, climate change, pollution from transportation etc.)</li> </ul> </li> <li>• Report title: “Annual Report 2009” (combined report), 222 pages             <ul style="list-style-type: none"> <li>○ Separate section “Corporate Responsibility”, 30 pages)</li> </ul> </li> </ul>

## Appendix 1, 5. Company Information (5/5)

<p><b>Unilever</b></p>	<ul style="list-style-type: none"> <li>• One of the world’s leading food producers, and household and personal care product manufacturer</li> <li>• Country: Netherlands</li> <li>• DJSI Supersector: Food and Beverages</li> <li>• 264 manufacturing sites worldwide, operations in about 100 countries</li> <li>• 400 brands spanning across 14 categories of home, personal care, and food products</li> <li>• 168,000 employees</li> <li>• <a href="http://www.unilever.com">www.unilever.com</a></li> <li>• Sales (mil.): 39,823 € (2009), 44,391 € (2010E)</li> <li>• Food industry driving forces <ul style="list-style-type: none"> <li>○ Food sector in industrialized markets is mature and consolidation will continue</li> <li>○ Competitiveness from strong brands and innovations</li> <li>○ Shifting consumer demands and new consumption patterns provide possibilities in new niches with higher margins and sales growth (e.g. organic or healthy nutrition market)</li> <li>○ Growing consumer base in emerging markets</li> <li>○ Internationalized supply chain increases the importance of establishing long-term partnerships</li> </ul> </li> <li>• Report title: “Sustainable Development Overview 2009”, 40 pages</li> </ul>
<p><b>Xstrata</b></p>	<ul style="list-style-type: none"> <li>• One of the largest metals and mining companies in the world</li> <li>• Country: UK/Switzerland</li> <li>• DJSI Supersector: Basic Resources</li> <li>• Operations and projects in 19 countries</li> <li>• 37,845 employees</li> <li>• <a href="http://www.xstrata.com">www.xstrata.com</a></li> <li>• Sales (mil.): 22,731 GBp (2009); 28,342 GBp (2010E)</li> <li>• Mining industry driving forces <ul style="list-style-type: none"> <li>○ Industry characterised by strong demand, volatile commodity prices, increasing operating costs, shortage of skilled workforce and supply constraints</li> <li>○ Challenges: safety, environmental and regulatory requirements, corporate governance in politically difficult regions</li> <li>○ Seeking sustainability through community engagement, technological improvement, climate change mitigation programmes, sustainability assessments, waste management, occupational health and safety, training, and management of resettlement processes etc.</li> </ul> </li> <li>• Report title: “Sustainability Report 2009”, 116 pages</li> </ul>

Source: Adapted from company websites and DJSI Supersector leader profiles (available online at [http://www.sustainability-index.com/07\\_html/indexes/djsiworld\\_supersectorleaders\\_10.html](http://www.sustainability-index.com/07_html/indexes/djsiworld_supersectorleaders_10.html))

**Appendix 2, 1. Key elements in CSR reports (1/3)**

<p><b>Air France KLM</b></p>	<ul style="list-style-type: none"> <li>• business as serving a common good (beyond profit-making)</li> <li>• strong verbs; assertive, dedicated</li> <li>• codes and guidelines (GRI, Global Compact, UN Millenium Development Goals); measurement, indicators, standards</li> <li>• CSR linked to strategy and corporate culture</li> <li>• continuous improvement</li> <li>• partnerships, collectivism, joint efforts with academia, customers, governments, partners, competitors</li> <li>• leadership; setting standards; being an example; driving change</li> <li>• trust, confidence</li> </ul>
<p><b>AkzoNobel</b></p>	<ul style="list-style-type: none"> <li>• annual and CSR reports combined in an integrated report</li> <li>• acknowledgements, recognition – e.g. Dow Jones Sustainability Index</li> <li>• ambitious targets, continuous learning and improvement; CSR as a journey; ongoing process</li> <li>• setting an example: best-in-class performance, world-class level standards, being ahead of competition</li> <li>• sustainability linked to profits and growth opportunities</li> <li>• continuous monitoring – control and power</li> <li>• global approach, global standards, commitment at all levels</li> <li>• pro-active approach</li> <li>• partnerships, collaboration, support</li> </ul>
<p><b>EDP</b></p>	<ul style="list-style-type: none"> <li>• external recognition</li> <li>• sustainability high on the corporate agenda; part of values</li> <li>• commitment: customer, persons, sustainability, results</li> <li>• best practices, setting the market standards, being a role model</li> <li>• vision: sustainability based on <i>dialogue, responsibility and innovation</i>; interaction with customers, communities, NGOs and other local partnerships</li> <li>• global goals but local adaptations (additional annual and sustainability reports from some subsidiaries with complementary information)</li> <li>• inspiring change; organising events, inviting others, encouraging knowledge sharing, initiating action</li> <li>• CSR in numbers; social accounting, SROI</li> </ul>
<p><b>Nokia</b></p>	<ul style="list-style-type: none"> <li>• Thinking/looking beyond own operations; seeking to engage users, customers to benefit from the power of many</li> <li>• ranking references, guideline references (GRI, Global Compact)</li> <li>• leadership – setting an example to others (industry, competitors, suppliers, general public, customers, governments)</li> <li>• small changes making a big difference, “together we can do more”</li> <li>• commitment</li> <li>• lifecycle thinking; sustainability linked to all aspects of business</li> <li>• partnerships, programs, collaboration</li> <li>• leadership, driving change; “not just us but everyone”, educating employees, suppliers, customers, working together</li> <li>• global strategies – local implementation</li> </ul>

**Appendix 2, 2. Key elements in CSR reports (2/3)**

<p><b>Pearson</b></p>	<ul style="list-style-type: none"> <li>• learning, helping, trust, commitment</li> <li>• CSR as a process of change, journey</li> <li>• being the first; setting an example; leadership</li> <li>• seeking to contribute and have a positive impact on society</li> <li>• encouraging dialogue, engaging stakeholders</li> <li>• “common goals”</li> <li>• local and global, global principles allowing local flexibility</li> <li>• playing a part in helping to improve future/economy</li> <li>• partnerships</li> <li>• reference to guidelines (e.g. Global Compact)</li> <li>• business leadership – setting an example – driving social change</li> </ul>
<p><b>Philips Electronics</b></p>	<ul style="list-style-type: none"> <li>• integrated report covering three aspects: (1) financial, (2) social, (3) environmental (CSR embedded in different parts)</li> <li>• no distinction between home and abroad, but rather between mature and emerging economies</li> <li>• behavioural change within the company; not just “what” but “how”; responsible corporate citizen</li> <li>• driving transition in the society: educating customers, innovating</li> <li>• doing business framed as contributing to sustainability</li> <li>• people-centred thinking, seeking constructive dialogue</li> <li>• addressing global needs with business (business and products as beneficial for the society; addressing societal needs)</li> <li>• truly making a difference – inspiring others, “working on global issues”</li> <li>• commitment</li> <li>• references to global standards and objectives (e.g. UN Millennium Development Goals), as well as external recognition for corporate actions</li> <li>• collaboration with governments and communities</li> </ul>
<p><b>Telefonica</b></p>	<ul style="list-style-type: none"> <li>• references to standards and guidelines (e.g. Global Compact, GRI)</li> <li>• CR as a tool to create added value</li> <li>• legitimacy in the society</li> <li>• trust and confidence</li> <li>• risk management</li> <li>• leadership, being a model, driving change</li> <li>• stakeholder orientation</li> <li>• CSR as collaborative effort</li> <li>• networks, partners, collaboration</li> <li>• portraying corporate action as contributing to Millenium Development Goals (→ better world)</li> <li>• acknowledging responsibilities/impact beyond business profits</li> <li>• examples particularly from poorer countries</li> </ul>

**Appendix 2, 3. Key elements in CSR reports (3/3)**

<p><b>TNT</b></p>	<ul style="list-style-type: none"> <li>• leadership; engaging employees; encouraging responsibility among suppliers and subcontractors</li> <li>• responsibility as part of mission statement and corporate values; senior manager involvement, strategic alignment</li> <li>• recognition and references; international standards and certifications (e.g. UN Global Compact)</li> <li>• positioning the company as a part of <i>global</i> industry; multinational nature of business</li> <li>• partnerships and collaboration</li> <li>• sustainability, customer focus, responsibility</li> <li>• continuous improvement</li> <li>• adherence to standards measuring progress by KPIs</li> <li>• multi-stakeholder approach – importance of interaction; regular contact with customers</li> <li>• driving change; educating public/customers</li> </ul>
<p><b>Unilever</b></p>	<ul style="list-style-type: none"> <li>• references to certificates and external recognition (e.g. UN Global Compact)</li> <li>• leadership, setting industry standards, guiding consumers, championing change with global campaigns</li> <li>• CSR as a journey and a process</li> <li>• need for cooperation and partnerships</li> <li>• trust</li> <li>• commitment to change and progress</li> <li>• addressing the role of business and brands in changing the world</li> <li>• acknowledging responsibilities in different corporate activities; responsible marketing, product design, sourcing etc.</li> <li>• references to external pressure for corporate responsibility</li> </ul>
<p><b>Xstrata</b></p>	<ul style="list-style-type: none"> <li>• leadership; setting an example, being active and addressing issues proactively</li> <li>• continuous learning, added value</li> <li>• participation to solving global issues (e.g. climate change)</li> <li>• references to standards and guidelines: UN Global Compact, ILO and other standards, human rights etc.</li> <li>• cultural sensitivity in global operations</li> <li>• commitment</li> <li>• “reasonable responsibility”; setting boundaries: what is “commercially possible”</li> <li>• link between well-being (society, employees) and corporate success</li> <li>• CSR aligned with business strategy</li> <li>• acknowledging the role of a corporation in community (communities)</li> </ul>

