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NGO-BUSINESS PARTNERSHIPS

- A Strategic Way of Performing Corporate Social Responsibility?

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ABSTRACT

One of the most recent trends among Corporate Social Responsibility (CSR) researchers is to study NGO-Business Partnerships. This type of cross-sectoral alliance is promoted as a way to manifest a CSR commitment as concrete actions, improving environmental and social problems in society. The purpose of this thesis was to investigate to what extent strategic partnership between corporations in Sweden and NGOs existed, how strategic they were, and to find what reasons could explain these engagements. The purpose was fulfilled through the conduction of a national survey, sent to CSR managers at the 203 largest corporations in Sweden.

69 corporations responded, and out of those 26 claimed to have partnerships with NGOs. When the survey data was quantitatively analyzed, we found that the main reason to involve in a partnership is competitive pressure. Another probable reason is the personal engagement of managers. Nevertheless, the low response rate of the survey disappointed us, and in addition, we suspected that few of the partnerships were strategic. Therefore, we expanded the research to also include phone calls and grading of the corporations' homepages. As a result of these assessments, we estimate that only 5 to 9 percent of the corporations in Sweden have strategic partnerships. An additional result from our expanded research is that approximately 40 percent of the corporations in Sweden to some extent are engaged in CSR.

The low response rate limited the results that could be drawn from the quantitative analysis and eventually made us apply institutional theories as well. This additional analysis further helped us to explain why corporations engage in partnerships and CSR. Interestingly enough, institutional theory in part led us in the same direction as our quantitative analysis. We found that legitimacy and CSR are interconnected, and that external pressure was an important reason. In the end, we ended up with three plausible reasons for corporate engagement: competitive pressure, the personal engagement of managers, and external pressure.

Keywords: Corporate Social Responsibility (CSR); Nongovernmental Organizations (NGOs); Partnerships; corporations; alliances

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PREFACE

When we began our thesis work, we early decided that we wanted to study the field of Corporate Social Responsibility (CSR). We had previously been involved in the subject, both at the academic and the private level. During our time as students at SSE, we have repeatedly been engaged in organizing *Response|Ability*, a theme day concerned with CSR and Business Ethics. Furthermore, one of the authors have studied CSR among Mexican companies and participated in several courses on the subject, both at SSE and in Mexico. The other author has written a Minor Field Study within Political Science on corporations' CSR in Guatemala.

Before we decided upon the subject, we looked into many different approaches of the thesis. To receive input on our ideas we contacted PhD student Niklas Egels-Zandén from Gothenburg Research Institute (GRI) at the School of Business, Economics, and Law at Gothenburg University. He offered us the possibility of functioning as research assistants on a cross-national research project on CSR and partnership. The survey scope included the US, New Zealand, Holland, the UK, and Sweden. The research project had been initiated by Professor Jonathan Doh, Director at the Center for Responsible Leadership and Governance at the College of Commerce and Finance; Villanova University, USA.

We decided to participate even though this partly limited our freedom and field of exploration. The arrangement was set up so that we were given the main responsibility for carrying out the Swedish part of the survey, and we were allowed to use the collected survey material in our thesis. We perceived this as an excellent opportunity, since it supposedly gave us easy information access to a large corporate population.

Special thanks go to our tutors Karin Fernler, Assistant Professor in Public Management at the Economic Research Institute at SSE, and Karin Svedberg-Nilsson, Assistant Professor of the Department of Management and Organization, for their many valuable comments, and for being so supportive and patient.

We would also like to thank Niklas Egels-Zandén for his initial help and the possibility to participate in this project. Moreover, we would like to thank Per-Olov Edlund, Associate Professor of the Department of Economic Statistics and Decision Support at SSE, whose assistance with the quantitative analysis was much appreciated. Lastly, our thanks go to the corporate managers who took of their time to answer our survey, and to our friends who supported us with input at various parts of the thesis.

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Mattias Frithiof and Amelie Mossberg

1 INTRODUCTION

1.1 BACKGROUND

Many people have an opinion about the existence, scope, and future of CSR. This is true for the business, the academic, and the public sector. CSR – here defined as "*actions taken by the firm intended to further social goods beyond the direct interests of the firm and that which is required by law*" (Doh & Guay 2006) – seem to be receiving increased attention and interest from many different actors. Within the business sector, there is a substantial production of CSR material such as CSR and sustainability reports, codes of conduct, homepages, environmental and CSR prizes, and corporate conferences. There are also a growing number of senior management positions with CSR as key responsibility being created (Höjensgård 2004). At the same time, many academics are researching the phenomenon (Carroll 1999, Svedberg-Nilsson 2004, Egels-Zandén 2005, Doh & Guay 2006) and the Swedish government has recently investigated the need and scope for CSR actions.[1]

Several research centers have been created focused on investigating the CSR phenomenon. Examples are the Sustainability Research Group (SuRe) at SSE, Management for Sustainability at KTH, Economy for Sustainable Development at the School of Business; Mälardalen University, and the Centre for Business in Society (CBiS) at the School of Business, Economics and Law; Gothenburg University.[2] It is definitely no exaggeration to say that the concept of CSR has gained increased attention in Sweden during the last few years. A quick search on "Corporate Social Responsibility" on the Internet, gave as many as 36, 4 million hits.[3] One of the latest emerging trends within CSR is the action focused concept of partnerships. Partnership is here defined as "*a cross sector alliance between a corporation and a non-governmental organization (NGO).*"[4]

According to Doh (2005), partnerships have become hip among academics and an interesting topic of management research. CSR and partnerships are increasingly being promoted as a great solution to both environmental and social problems. CSR has been described as *"a universally embraced concept"* (Doh 2005) with a tremendous potential (Andreasen 1996). The business community and civil society are portrayed as becoming actively involved in shaping socio-economic change through partnerships (Kjaer et al 2001). The partnership phenomenon is seen by many as the next step leading towards a better society and a sustainable future (Ählström & Sjöström 2005).

Increased media interest for CSR and tough public expectations on business have fuelled the external pressure on corporations to demonstrate a socially responsible behavior. A survey based on 2800

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[1] Report from the Ministry of Foreign Affairs (http://www.regeringen.se/sb/d/2657/a/21819) and: *What do we know about Corporate Social Responsibility? – a sampling of Swedish research in the field* Workshop in Stockholm November 2005 held by the Swedish Partnership for Global Responsibility (www.ud.se/ga).

[2] See: *What do we know about Corporate Social Responsibility? – a sampling of Swedish research in the field.*

[3] Our search was done on www.google.se (2006-09-26). Compare this number with the number 4, 56 million hits that Jutterström (2005) found when he approximately one year earlier searched Google.se (2005-09-28).

[4] For a more in-depth explanation and definition, see chapter 2.

public interviews in Sweden conducted in 2004 by the Reputation Institute[5] shows a large public pressure on corporations to assume social responsibility. 75 percent of the respondents emphasized the responsibility toward both shareholders and those stakeholders who are affected by the corporations' activities. An additional 20 percent thought that corporations should consider even broader social responsibilities. Only about 6 percent of the respondents thought that corporations' main purpose was to generate shareholder profit. Based on this survey, it could be said that approximately 95 percent of the Swedish public expects corporations to take responsibilities beyond that of pure profit.

Corporations in Sweden are historically considered to assume fairly large responsibility towards the environment, working conditions and human rights. In Sweden, we can see examples of forming partnerships. Some of the corporations are being in the CSR frontline. Ericsson, for example is partnering with the Red Cross Federation, Fritidsresegruppen with Ecpat, SBAB with the World Wildlife Foundation (Hedberg & Sandberg 2002, Ählström & Sjöström 2005) and SJ's trains are licensed with eco labeling.[6] Does this mean that all corporations in Sweden engage in CSR and partnerships to a large extent? As business students, we wanted to investigate the CSR trend and partnership development in Sweden from the perspective of corporations. What is the corporation managers' view on this phenomenon? And to what extent do corporations in Sweden partnerships with NGOs exist?

1.2 HISTORICAL DEVELOPMENT

To introduce the reader to CSR and partnerships, the Introduction chapter includes a brief historical review of the development of CSR. As long as corporations have existed on earth, their goals, obligations, and place in society have been discussed. The CSR movement is said to have a long and colorful history (Carroll 1999) and in order to understand the interest in CSR and partnership today, it is essential to understand the history as described in literature. Below, we will present an overview of the CSR field and of how the concepts of CSR and partnership have developed over time. Since it to a large extent is a newly emerged research field there are few books on the subject, most references are taken from academic journals and conference papers.

1.2.1 The Environmental Wave

The start of a strong citizen movement called the environmental wave is dated to around 1962 when Rachel Carson wrote her famous book *"Silent spring"* (Stafford & Hartman 1996, Menon & Menon 1997). The media attention and public debate that followed the book raised consumer concerns and also led to the questioning of corporations' then very limited responsibility for polluting the environment (Stafford & Hartman 1996). Out of this wave and other strong social protest movements, such as student, peace, ecological and women's movements, many NGOs emerged.

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[5] The Reputation Institute was founded by Prof. Charles Fombrun, at Stern School of Business, NY University & Cees van Riel, Prof. of Business & Society at Rotterdam School of Management, Erasmus University.
[6] Correspondence with Helena Wildros, Environmental Manager at SJ. See further info on www.snf.se/bmv/ or www.snf.se/bmv/persontransport-kriterier.cfm. or www.sj.se/miljo.

This emergence is seen by many as a very important step in the development of CSR (Doh & Guay 2006). Even though the idea of business having societal obligations emerged in the 19th century, as industrial leaders started seeing the benefits of taking better care of their employees (Smith 2003), CSR as a concept has only been discussed during the last 40 years (Tracey et al 2005).

1.2.2 External Pressure on Corporations

The first initiative to create external pressure on corporations was taken already back in 1976 when the OECD presented their *"OECD Guidelines for Multinational Enterprises."*[7] Those guidelines are today supported by 36 countries and are calculated to cover 85 percent of the world's MNCs. This assumed global responsibility of MNCs is seen as a complement to state laws and regulations (Bohman & Freiner 2003).

An early example of CSR arising from external NGO pressure was during the apartheid time in South Africa as in box 1 below (Hamann & Acutt 2003, Spar & La Mure 2003).

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1) The Sullivan Principles in South Africa

During 1971 and 1994, international NGOs pressured western corporations doing business in South Africa to withdraw or at least comply with the Sullivan principles. These principles were voluntary codes of conduct that required signatories from corporations active in South Africa to maintain non-segregated workplace facilities, train colored staff into higher positions and to contribute to better housing and services for their staff (www.snf.se).

Another example of external environmental pressure, presented in box 2, is the Swedish Society for Nature Conservation (SSNC), which pressured various industries with their eco labeling (www.snf.se/bmv 2006-10-02).

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2) SSNC and chlorine bleached paper

In 1987, SSNC started working with the "Bra Miljöval" eco labelling. They started with paper since many people during that time were concerned about the environmental problems stemming from chlorine effluents. During paper production, large amounts of chlorine were used for bleaching the paper pulp. Together, SSNC and Friends of the Earth created criterias for an eco labelling of paper to pressure the paper industry. At first the paper industry claimed that it was impossible to create non chlorine bleached paper. However, when the first non-bleached paper appeared on the market it was instantly a large success and all producers soon followed. Between 1990 and 1993 chlorine effluents from the paper pulp industry were cut in half. Today, no paper in Sweden is produced using chlorine. The "Bra Miljöval" labelling today exists on 13 product groups and services, covering everything from shampoo and laundry detergent to transports and electricity (www.snf.se/bmv).

1.2.3 Antagonistic Relationships

The start of the questioning of MNCs and their responsibility sphere by NGOs as well as by labor unions is dated to have begun in the 1990s (Egels-Zandén & Hyllman 2006). In these early years of

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[7] See the revised text of the OECD Guidelines for Multinational Enterprises which were adopted on 27 June 2000: www.oecd.org/document/28/0,2340,en_2649_34889_2397532_1_1_1_1,00.html

CSR, the relations between corporations and NGOs were to a large degree antagonistic, according to Hemphill (1994), and they viewed each other as bitter enemies. To characterize how corporations and NGOs viewed one another, a comparison with the cold war between the US and the USSR is a reasonably accurate analogy (Hemphill 1994). The NGOs commonly had a very negative *"Sue the bastards"* attitude towards corporations (Stafford & Hartman 1996), and they exhibited significant influence on environmental legislations through the use of media, public protests and by filing citizen lawsuits against violations of environmental legislations (Milliman et al 1994). Corporations, on the other hand viewed NGOs as utopianists, radicalists and amateurists (Arts 2002). They seriously questioned NGOs' right to exist and believed them to be parasites that lived on attacks and lawsuits against corporations (Martinez 2003).

However, as it is still the case, many in society put a lot of trust in NGOs and believe that *"NGOs are the moral compass and ethical watchdogs against the forces of government and capitalism that seek to despoil the planet"* (Argenti 2004). During this antagonistic era, several clashes took place, shocking the public, damaging the accused corporations and sometimes the attacking NGOs or labor union as well. Examples are the Nike conflict with the AAFLA (Spar & La Mure 2003) and the Loblaw-Pollution Probe conflict in 1989 (Stafford & Hartman 1996). These are further explained in boxes 3 & 4. By using media and even more so the Internet, the NGOs had "*a very powerful tool to threaten the corporations reputation"* (Argenti 2004).

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3) Nike & the Asian-American Free Labor Association (AAFLA)

In 1991, Labor union activists from AAFLA reported on working conditions and wage levels in Nike's Indonesian factories. Their factories, alias "Sweatshops" were criticized of violating labor laws and exploiting labor. As a result of this NGO criticism and resulting consumer boycotts, in 1998, Nike finally decided to raise minimum wages and improve labor standards (Spar & La Mure 2003).

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4) Loblaw & Pollution Probe

In 1989, Canada's largest food retailer, Loblaw, launched a product line with environmentally friendly products called G.R.E.E.N. This was done in collaboration with the environmental NGO Pollution Probe. This product line was publicly attacked by Greenpeace using the slogan "G.R.E.E.N. products are pure GREED". Greenpeace accused Loblaw of exploiting environmental problems to sell more products. In the end, the conflict led to a bitter partnership failure (Stafford & Hartman 1996).

These type of clashes made the public increasingly critical towards corporations that placed profit before everything, the environment, the community as well as the consumers. Corporations began to realize that a more collaborative approach could be beneficial for all parties. Just like the cold war started to defrost in the late 1980s, so did the attitudes between the traditional corporation-NGO enemies. Both corporations and NGOs gradually started to change their mind-sets (Hemphill 1994). The Brentspar case (box 5) is in many articles described as a milestone in this development (Milne 1996, Arts 2002). By that time, many corporations had doubts *"Should the NGOs be attacked, ignored, or befriended?"* (*The Economist* 2003-08-03).

> **5) Brentspar case: Shell and Greenpeace**
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> *In 1995, Shell had planned to dump an oil storage and loading buoy "Brentspar" in the North Sea. Such dumping would, according to scientists, cause severe environmental impacts. Greenpeace therefore decided to occupy the oil buoy. This conflict attained media coverage and mobilized strong public opinion, forcing Shell to abandon their dumping plans. Later on, however, Greenpeace had to admit that they had exaggerated the amounts of oil and toxic waste and thereby also overestimated the environmental impact. The incident damaged both the credibility of Greenpeace as well as consumer confidence in Shell. Therefore, both sides evaluated their misbehaving which in the end led to a more balanced view. Shell nowadays takes environmental concerns more seriously, for example they are researching solar energy (Hemphill 1994, Milne 1996, Arts 2002).*

Within the oil industry, BP soon followed and both the corporations have become more environmentally friendly brands that invest in renewable energy sources (Aaker 2004). Nowadays they are considered leading corporations when it comes to CSR and partnerships (Arts 2002)., Esso, another oil corporation however chose to maintain their strategy not to invest in renewable energy sources and view that the Kyoto Accords were flawed and should be opposed. As a result, Greenpeace confronted them too with a "StopEsso campaign" that made UK sales drop with 7 percent in one year (Aaker 2004).

1.2.4 Green Alliances

After the Brentspar incident, Shell reevaluated their views, which led to an attitude change among the corporations. Some corporations started to understand how alliances with NGOs could offer legitimacy to corporate environmental efforts and also assist in developing environmental management practices (Milliman et al 1994). At the same time, Greenpeace and other NGOs partly abandoned the *"us versus them"* attitude and became increasingly willing to work together with corporations *"within the system"* (Milne 1996, Hamann 2003). They had started realizing that actions such as lobbying, education and research were better methods to reach an improved ecological protection (Milliman et al 1994). An example of how NGO have changed their tactics and now cooperate to a greater extent can be seen in box 6, the Greenpeace-Wenko case.

> **6) Greenpeace & Wenko AG**
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> *In 1992, Greenpeace changed tactic from the earlier "business-bashing" and decided instead to cooperate with business partners to design and produce eco-products. Together with Wenko AG they created the Smile car, a car that used half as much petrol as normal cars (Arts 2002).*

It is important to take into account that it is not only an attitudinal change on behalf of the NGOs. According to Martinez (2003), it is also due to the fact that many governments have cut their funding to social services and NGOs. Therefore, the non-profits and NGOs have had to go elsewhere to find new sources of revenue. One such example of this is the collaboration between SOS and American Express, described in box 7 below (Andreasen 1996).

7) SOS and American Express

In 1993, American Express wanted to increase their customers' use of the Amex card. Therefore they promised that every time someone used the AmEx card during November and December, they would donate 3 cents to SOS. This "Charge Against Hunger Program" led to a donation of $ 5 million to SOS. It was such a successful campaign that it has become an annual event. Later, other partners have joined the program too. For example, Kmart donates another 10 cents every time a customer uses his AmEx card at a Kmart store. This yielded an additional $ 250, 000 to SOS and the program (Andreasen 1996).

This change in the approach of NGOs and corporations has lead to reevaluated attitudes and relationships. NGOs are focusing more power on corporation persuasion and firms have become increasingly responsive (Spar & La Mure 2003). These dynamics and the increased interest for alliances seem to have led to the creation of more mutual trust between the different sectors (Argandoña 1999). Relationships between NGOs and corporations are now wider and corporations are more deeply involved instead of just giving a check (Martinez 2003).

These first types of partnerships were called Green Alliances. They proved to be an efficient alternative to government regulations, since those who should implement the policy, the industries, designed the changes themselves (Arts 2002). Some examples are the collaboration between McDonald's and the Environmental Defense Fund on waste reduction, (Hartman & Stafford 1996) Greenpeace and Foron, who produced an ozone-free refrigerator together (Hartman & Stafford 1997 & 2000) and, SSNC and the retail industry that collaborated to create green pressure on laundry detergent producers (Ählström & Sjöström 2005, www.snf.se 2006-10-02). See boxes 8, 9, & 10 below.

8) Environmental Defense Fund (EDF) and McDonald's (McD)

During a decade, McD had been strongly criticized for their polystyrene clamshell-hamburger packaging that took centuries to decompose and damaged the earth's ozone-layer. In 1989, EDF approached McD for a discussion on solid waste issues. McD was willing to cooperate, since it had already tried, unsuccessfully, to develop an environmental policy on its own. Together, they studied the waste management and created a 42-step waste reduction plan. The polystyrene was replaced with a quilted paper wrap that was less bulky, used less material and fewer resources when produced and caused much less pollution. "The results of the task force far exceed all of our expectations and original goals" said Keith Magnusson, Operations Development Director at McD (Hemphill 1994, Hartman & Stafford 1996).

9) SSNC & ICA, Konsum and Dagab

In 1990, SSNC started looking at the potential for eco labeling of laundry detergents. At first the large producers did not listen at all to the demands of SSNC. Then SSNC started collaborating with three retail coroporations: ICA, Konsum and Dagab thereby threatening the laundry detergent producers that they would not distribute products that didn't live up to the environmental criteria's of SSNC. Today, 90 percent of the laundry detergents on the Swedish market are eco-labelled. These are unique numbers, in the Nordic countries the number is 5-15 percent and in remaining Europe eco-labeled laundry detergent does not even exists (www.snf.se/bmv).

> **10) Greenpeace and Foron**
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> *After the environmental Smile Car, Greenpeace once again decided to approach a corporation, this time the nearly bankrupt company Foron. This strategic collaboration addressed the environmental problems in the refrigerator market. Together, they developed and marketed an ozone-safe hydro carbon refrigerator, Green freeze. The refrigerator pursued mutually beneficial ecological goals and both partners claimed to have gained strategic advantages from the cooperation (Hartman & Stafford, 1997 & 2000).*

1.2.5 The Present Situation - Partnerships

Even if the relations between corporations and NGOs have improved, has the public criticism and distrust of business continued to grow and is today, according to Argenti (2004), more far-reaching than ever before. Earlier crises due to corporations' social and environmental misbehavior and collapses of corporations such as Enron and World.com have resulted in large reputation damages and loss of trust in the private sector (Loza 2004). Another factor is globalization, which has made corporations persistent and more powerful; therefore, they have increasingly become targets of more NGO activism (Smith 2003, Spar & La Mure 2003).

Therefore, CSR continues to be an important business concept and is at present prominent in discussion all over the world (Welford 2005). During recent years, many international initiatives have been taken to increase CSR and partnerships actions. The European Commission[8], the UN Global Compact[9], International Business Leaders Forum[10], the World Business Council for Sustainable Development (WBCSD)[11] and CSR Europe are all strong actors acknowledging the field (Smith 2003, Höjensgård 2005). For example, the European Commission's goal for year 2010 is for Europe to be *"a highly competitive yet socially and environmentally sustainable economy"* (Höjensgård 2005). ISO legitimization is another example on how corporations work with CSR (Tamm-Hallström, 2005). The Swedish government has also taken some initiatives; *"the Swedish Partnership for Global Responsibility"*[12] was introduced in March 2002 and they recently held a workshop on academic research about CSR.[13]

The recent and most visible step in the history of CSR development is partnerships. The milestone marking this change was when Kofi Annan, the then UN General Secretary, in 1998 declared that

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[8] See the EC's recently published (22 March 2006) new communication on CSR *"Implementing the Partnership for Growth and Jobs: Making Europe a pole of excellence on CSR."* (http://ec.europa.eu/enterprise/csr/policy.htm)

[9] The United Nations Global Compact is the world's largest voluntary corporate responsibility initiative. (www.unglobalcompact.org)

[10] The Prince of Wales International Business Leaders Forum is promoting business leadership and partnership for sustainable international development. (www.iblf.org)

[11] The WBCSD brings together 180 international companies in a shared commitment to sustainable development through economic growth, ecological balance and social progress. The members are drawn from more than 30 countries and 20 major industrial sectors. (www.wbcsd.ch)

[12] Swedish Partnership for Global Responsibility translated to Swedish is Globalt Ansvar. (www.ud.se/ga)

[13] *What do we know about Corporate Social Responsibility? – a sampling of Swedish research in the field."* Workshop held by Swedish Partnership for Global Responsibility in November 2005.

the UN would start working in partnerships with corporations thorough *"the Global Compact Program"* (Hamann 2003, Ählström & Sjöström 2005).[14]

Giving money to charity is not very strategic from the perspective of the corporation. Many corporations do not even know how much they give since donations to good causes often seems to get lost in general spending (Lloyd 2002). Corporate charity is not very far reaching, but to work in partnerships instead can be seen as a way of reaching more accountability (Boström 2005, Tracey et al 2005). Over time, CSR has moved from donations and sponsorships to seeking technical help, and temporary coalitions towards more strategic partnerships (Harris 1992). Globalization processes have also lead to environmental and societal problems that nation states have not been able to tackle on their own. Some believe that the joint ventures of partnerships possibly can improve the situation (Gulbrandsen 2005).

Partnerships are described as a possibility for corporations to convert the theoretical CSR concept into concrete actions and it offers corporations the possibility of becoming involved in a project of mutual benefit, which also can benefit society as a whole (Nelson & Zadek 2000). Furthermore, partnerships seem to be a focused, sustainable, and, possibly more efficient way of performing CSR actions (Hamann 2003, Tracey et al 2005). Community investments in the form of partnerships are one of the most visible aspects of CSR activities. That kind of involvement is more action oriented and it is also expected that the external NGOs can guarantee that certain ethical values are protected (Boström 2005) meaning that it is harder to do *"Green wash"* within a real partnership and hence it is a CSR act that could generate substantial social capital (Moon 2001, in Loza 2004).

The formerly hostile climate between corporations and NGOs has transformed and communications have improved. Most representatives now respect each other's intentions and competences and the groups are more closely aligned (Boström 2005). One example is that EDF after the successful partnership with McD, soon decided to enter a new partnership, this time with the General Motors Corporation (GM) confronting air pollution issues (Hemphill 1994). That alliance reflected a mutual recognition that market based mechanisms could enhance the performance and cost effectiveness and that a pooling of resources from the both organizations could improve environmental quality without sacrificing economic well-being. This partnership is described in box 11 below.

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[14] The purpose was to encourage corporations to take on an increased global responsibility and care for human rights. www.unglobalcompact.org

11) Environmental Defense Fund (EDF) and the General Motors Corporation (GM)

In 1992, right after the successful McD case, EDF entered into a technical dialogue with GM. "Our successful work with McD shows that sometimes working with business can result in real environmental progress" said Fred Krupp, EDF's Executive Director. EDF and GM soon signed an accord and announced a policy that addressed a wide range of air pollution issues: The Mobile Emissions Reduction Credit Program. "Because vehicle emissions play a crucial role in urban air quality, and because EDF is interested in finding ways to protect the environment, we hope to enlist GM's resources, beyond those already dedicated to meeting their legal requirements, in tackling pollution problems," said EDF's Krupp. "The EDF has great credibility with the environmental community. They can tell people that GM is not lying about the future costs of pollution free cars" said John Dinan, spokesman for GM research and environment (Hemphill 1994).

Nevertheless, not all environmental organizations can be said to have embraced the partnership idea as enthusiastically as EDF. *"Corporates should not have to form alliances to meet their environmental responsibility"* said Jerry Leap, Director for ocean ecology, Greenpeace USA. *"It should be a normal consideration in all business operations. We value our ability to be autonomous"* (Hemphill 1994). There is however signs that also Greenpeace's actions are increasingly receiving acceptance and that they are *"being invited to the best political rooms in the EU"*. The EU's Environmental Commissioner, Stavros Dimas, recently visited, and publicly praised Greenpeace in media for its action to draw attention to and stop the poison ship Probo Koala (Dagens Nyheter 2006-09-29).

Two Swedish examples (box 12 and 13) are the partnerships of Ericsson and the Red Cross Federation (RC) (Owens & Sköldeberg 2005), and of Fritidsresegruppen (FRG) and End Child Prostitution, Child Pornography and Trafficking in Children for Sexual Purposes (ECPAT) (Hedberg & Sandberg 2002).

12) LM Ericsson and the Red Cross Federation (RC) – *"Ericsson Response Program"*
In 1999, Ericsson decided to form a task force that would develop a global CSR strategy. The task force soon found that many smaller Ericsson operations already were working locally with communication help during natural disasters. They realized the potential in this and decided to contact the RC for discussion. Ericsson chose RC as a partner since RC was able to provide "the legitimacy, mandate, and neutrality" that Ericsson wanted. RC soon realized the substantial gains in resources and facilitation of their own catastrophe efforts that Ericsson could give them. Therefore, the organizations agreed to form a strategic partnership: "the Ericsson Response Program." The aim of the partnership is to contribute with mobile networks and radio base stations in areas that recently have had an earthquake. Ericsson signed the partnership with the vision "to be regarded as an extraordinary global citizen, attractive business partner and the best employer" (Hedberg & Sandberg 2002, Owens & Sköldeberg 2005).

> **13) Fritidsresegruppen (FRG) and Ecpat**
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> *Already in 1996, Ecpat identified the tourism industry as a target in the work against child trafficking. However, in the beginning it was rather hard to engage the tourism industry. The corporations did not want to be associated with child abuse and trafficking; they saw a risk of being labeled as "the travel agency that has child abuse travelers." However, FRG later understood the commercial risk of not positioning themselves against child trafficking and realized the potential for gaining a competitive advantage. In 1998, FRG and Ecpat formed a strategic partnership on concrete work against child abuse tourism. Together they an Action plan and a Code of Conduct called "Sustainable Tourism". This partnership proved to very beneficial for Ecpat since it meant that the doors to partnerships with the other tourism corporations soon opened up. When Ecpat later approached the Scandinavian Leisure Group and Apollo, the process was very fast. This meant that 95 percent of the Swedish and approximately 75 percent of the Nordic tourism market soon was covered (Hedberg & Sandberg 2002).*

Furthermore, in a recent investigation of Ählström & Sjöström (2005) it was found that five out of ten of the largest Swedish NGOs have ongoing collaborations with corporations. For instance, SBAB are partnering with the WWF and the Swedish Red Cross is in partnership with both Sandvik and Ramlösa, as explained in box 14 below (Ählström & Sjöström 2005).

> **14) The Red Cross (RC) and Sandvik and Ramlösa**
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> *The Red Cross in Sweden is collaborating with the Swedish corporations, Sandvik and Ramlösa. RCs motivation for these partnerships is two sided. One is that the government has decreased their funding so the RC had to find new ways of funding their activities. The other reason is that RC thinks it is important to spread knowledge on how to protect human rights. RC has information about human rights on the Ramlösa bottles and at Sandvik they are involved in educating the staff about Human Rights issues. Sandvik and Ramlösa got involved in the partnership in order to receive CSR legitimacy (Ählström & Sjöström 2005).*

Many corporations have nowadays learned to pursue proactive rather than reactive strategies (Arts 2002, Argenti 2004). For some it was easy, such as in the Ericsson-Red Cross example above. Some learned it the harder way. A case exemplifying this is exemplified in box 13 below, which explains how the Starbucks coffee-Global Exchange crisis later led Starbucks to proactively form partnerships with three NGOs (Argenti 2004).

> **13) Starbucks Coffee and Global Exchange**
>
> *In 2002, Global Exchange, a NGO focused on human rights, criticized Starbucks coffee for not selling Fair Trade Coffee. In 2000, coffee was the world's second most traded commodity after oil and an $80 billion industry. But due to a fragmented market many small coffee producers never benefited from the strong demand for their product. Starbucks was criticized for profiting at the expense of small coffee farmers by pressing already very low prices and not buying from fair trade coffee producers. To avoid NGO attacks in the future, Starbucks proactively sought out new partnerships with three other NGOs: Oxfam America which works with hunger, poverty and social injustice, the Oaxacan State Coffee Producer Network CEPCO that is the largest association of small scale coffee producers in Oaxaca, Mexico and the Ford Foundation, a nonprofit that provides grants and loans to organizations working with democratic values, poverty and the like (Argenti 2004).*

The Starbucks-Global Exchange case exemplifies a development that has resulted in partnerships where the corporations have become the formulators of change and the initiators of the partnerships (Hartman, Hofman & Stafford 1999, Argenti 2004). This stems from the emphasis on self governance policies within industries and the rise of the sustainability discourse. By partnering with NGOs, corporations' credibility can be raised and balanced with a socially responsible behavior that can be beneficial in many intangible ways.

The critical reader will of course point to the fact that not all NGO-corporation partnerships are successful. For example, the Swedish Clean Clothes Campaign also called the DressCode partnership ended up as a failure after almost six years of negotiation (Ählström and Egels-Zandén 2006). This failure is described below in box 14. A final interesting development to note is that some Swedish researchers due to the failure of DressCode have written about *"post-partnership strategies",* which are partnerships open exclusively to those corporations that are *"tired, of what are /…/ inefficient and unproductive cross-sectoral partnerships"* (Egels-Zandén & Wahlqvist 2006).

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14) The DressCode Partnership

In 1996, the Fair trade council (FTC) started the Clean Clothes Campaign with the purpose to persuade the four largest Swedish garment retail firms – H&M, Lindex, KappAhl and Indiska – to take on responsibility for worker rights at their suppliers in developing countries. The firms were taken by surprise by the critique and wanted to find solutions that would minimize the goodwill losses resulting from negative media attention. In 1997 discussions were held between FTC, the corporations, and two Swedish unions regarding the adoption of a common code of conduct – "the DressCode". Independent monitoring systems were also negotiated. Eventually the unions however decided to leave the partnerships. They unions did not agree on the codes of conduct since they did not include al of the ILO conventions, rather, they wanted global collective agreements. Unfortunately, when the unions quit the project, the legitimacy disappeared and DressCode collapsed. The disappointed garment retailers decided to work out their own code of conduct – The Business Social Compliance Initiative - with interference of neither NGOs nor labor unions. Today, NGOs and labor unions only have restricted participation in the new initiative's Advisory Council (Ählström & Egels-Zandén 2006; Egels-Zandén & Wahlqvist 2006)

1.3 PURPOSE

It appears that the social and environmental responsibilities of Swedish corporations are under scrutiny. CSR and partnerships are discussed also in Swedish academic literature; however, few systematic efforts have been made to quantitatively explore the Partnership phenomenon, and none in Sweden. Science is a cumulative process, and it was our aspiration to cover a new field of research based on earlier scientists' efforts, knowledge, and conclusions (Befring 1994 p. 36), such as the work earlier made by Hedberg and Sandberg (2002), Bohman and Freiner (2003), Ählström & Sjöström (2005), Egels-Zandén (2005), and Ählström & Egels-Zandén (2006).

The purpose of this study is to look upon the phenomenon of strategic corporation and NGO partnerships in Sweden. First, we explore the academic research field of CSR and partnerships and then based on that, we investigate the scope of strategic partnerships from a business perspective

thereby asking to what extent strategic partnerships in corporations in Sweden exist and which reasons that are most relevant for explaining corporations' decision to engage in such partnerships.

To fulfill this purpose, we decided to send out a survey to top managers of large corporations in Sweden. Since we are interested in strategic partnerships, we contacted managers located at strategic levels. The survey aim was to quantitatively investigate the view of corporations in Sweden and perceptions of NGOs and their reasons for starting and engaging in strategic partnerships. In addition, we constructed hypotheses – different drivers that could motivate corporations to pursue partnerships. With the help of these hypotheses, we tested the received survey data to find answers to our research question. Below, the main research question is presented.

1.4 RESEARCH QUESTION

To what extent do strategic partnerships among large corporations in Sweden exist and what are the reasons for corporations' to involve in such partnerships?

1.5 LIMITING THE SCOPE

Since partnerships are a new research field, our aim was to paint a broad picture and not fall to deep into explaining the respective details of different reasons driving partnerships. However, when conducting a quantitative study, the large amount of data received makes it difficult to limit the scope to a reasonable workload. Therefore, we have chosen to make some limitations that focus our study while still keeping to the goal of exploring the partnership image of all large corporations in Sweden.

The first limitation made is *geographical.* We only looked at the population of corporations in Sweden. Secondly, we limited the investigated *corporation size* and chose to only investigate the 200 largest corporations defined by the Fortune 500 method.[15] Thirdly, we looked upon the topic from a *business perspective*. Being business students, this was as a natural perspective; also, we wanted to complement earlier Swedish studies that had more of a NGO (Ählström & Sjöström 2005) or government regulating perspective (Gulbrandsen 2005).

Furthermore, we chose only to explore *Corporation and NGO partnerships*, partnerships between corporations in the business sphere and NGOs in the non-profit sphere. Partnerships can in reality take many different forms and include several different stakeholders such as national and multinational corporations, national governments, international and national NGOs, international institutions, and political lobbying groups (Kjaer et al 2001). However, our business perspective as well as the survey scope had an explicit Business and NGO partnership focus.

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[15] See (http://money.cnn.com/magazines/fortune/fortune500/). This method is often used by academic researchers when doing quantitative studies, compare with Weaver et al 1999 and Williams & Barrett 2000.

The last limitation is that we only investigate *strategic partnerships*. A partnership can be initiated and carried out at different levels of the corporation. Moss-Kanter (1994) and Hemphill (1996) both define the business strategy as deciding in what business the corporation should be. In order for corporations to have a strategic approach to partnership, the decisions should be made at a high level within the corporation hierarchy. It is possible that many corporations do have partnerships at other levels, which are unknown at the strategic level (Lloyd 2002). However, in order to make an assessment of strategic partnerships we were only interested in those partnerships known and managed at a high hierarchical level.

1.6 DEFINITIONS IN BRIEF

It is evident that there exist several expressions and concepts for describing ethical issues in business. It is a jungle, where all concepts are interrelated but also display subtle differences in terms of context, content, and perspectives (Egels-Zandén 2005). We do not intend to be trapped in any longer philosophical discussion on definitions and distinctions within this field of research but will below briefly define some important concepts used in this thesis. The main concepts of CSR and partnership are defined in the chapter "Defining the concepts".

Corporate Citizenship (CC)[16]: "developing mutually beneficial, interactive and trusting relationships between the corporation and its many stakeholders – employees, customers, communities, suppliers, governments, investors and even non-governmental organizations and activists – through the implementation of the corporation's strategies and operating practices" (Waddock (2004) in Hemphill 2004)

Corporation: "The most common form of business organization, and one that is chartered by a state and given many legal rights as an entity separate from its owners. This form of business is characterized by the limited liability of its owners, the issuance of shares of easily transferable stock, and existence as a going concern. The process of becoming a corporation, gives the company separate legal standing from its owners and protects those owners from being personally liable in the event that the company is sued (a condition known as limited liability). Incorporation also provides companies with a more flexible way to manage their ownership structure. In addition, there are different tax implications for corporations, although these can be both advantageous and disadvantageous".[17]

Multinational Corporation (MNC): "A multinational corporation (MNC) or multinational enterprise (MNE)/…/ is a corporation or enterprise that manages production establishments or delivers services in at least two countries. Very large multinationals have budgets that exceed those of many countries. Of the 100 largest economies in the world, 51 are multinational corporations. They

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[16] Noteworthy here is that CC is a commonly used concept that is highly equivalent and basically considered to be interchangeable to the concept of CSR that we have used in this thesis. The CC concept is more frequently used in the US, whereas business leaders and practitioners in Europe prefer to use the CSR concept. Differences are that CC does not emphasize the corporations' responsibility as strongly, they are rather seen as actors among many, and also, CC is not as normative as CSR (Egels 2005).
[17] See (http://www.investorwords.com/1140/corporation.html)

can have a powerful influence in international relations, given their large economic influence in politicians' representative districts, as well as their extensive financial resources available for public relations and political lobbying. Multinationals have played an important role in globalization. Given their international reach and mobility, prospective countries, and sometimes regions within countries, must compete with each other to have MNCs locate their facilities, and subsequent tax revenue, employment, and economic activity, within./…/".[18]

Non Governmental Organization (NGO): "Any nonprofit voluntary citizens group which is organized on a local, national or international level. Task oriented and driven by people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizens concerns to governments, monetary policies, and encourage political participation at the community level. They provide analysis and expertise, serve as early mechanisms and help monitor and implement international agreements"[19]

Sustainable Development (SD): "A development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs"[20]

1.7 DEFINING THE CONCEPTS

Below we will present the two main concepts that this thesis evolves around – CSR and Partnership. Since these are at the focal point, it seems natural to include a thorough and detailed presentation of them.

1.7.1 Defining Corporate Social Responsibility

A common critique towards the CSR concept is that it is too loosely defined and that the field of business ethics is literally a jungle of definitions and complementary distinctions (Egels-Zandén 2005). Therefore, to avoid too much confusion we chose to use a CSR definition that was created by the same professor, Jonathan Doh, who initiated our research project. We define CSR as: "*actions taken by the firm intended to further social goods beyond the direct interests of the firm and that which is required by law*" (Doh & Guay 2006).

It calls for a corporation to respond not only to its *share*holders, but also to its *stake*holders, including employees, customers, NGOs, and communities (Hamann 2003). A basic paradox of CSR is the difference between a CSR that either stems from a desire to do good "the ethics case", or a CSR that reflects an enlightened self-interest "the business case" (Smith 2003).

A brief introduction to CSR can be found in Carroll's (1991) Pyramid of Corporate Social Responsibility in figure 1.1 below. This pyramid is considered to be one of the most influential definitions of CSR (Egels-Zandén 2005). The four building blocks represent the four kinds of social

---

[18] See (http://en.wikipedia.org/wiki/Multinational_corporation)
[19] Defined by the United Nations in Guay, Doh & Sinclair (2004).
[20] Defined by the Brundtland Commission Report in Hartman et al (1999).

responsibility that together are considered to constitute total CSR: economic, legal, ethical, and philanthropic responsibilities.

These four building blocks are interrelated and interactive with each other, and to be considered a fully engaged CSR corporation it requires a fulfillment of all the four steps of responsibility.

THE PYRAMID OF CORPORATE SOCIAL RESPONSIBILITY

Economic responsibilities are clearly at the core of every business. Notice that "being profitable" is the foundation that all other responsibilities rest on. If there is no profit made, there is no space for CSR actions. To continue upwards the pyramid, all corporations are expected to obey the law, play by the rules and regulations of the game.

The two remaining building blocks represent ethical standards that are higher than what is actually required by Swedish law. This is also, where most CSR debate in Sweden currently is centered. All four blocks are part of the same dynamic but it is the latter two that contain the corporate responsibility that is desired in the society of today in Sweden.

PHILANTROPHIC
Responsibilities

Be a good corporate citizen
Contribute resources to the community; improve quality of life

ETHICAL
Responsibilities

Be ethical
Obligation to do what is right, just and fair. Avoid harm.

LEGAL
Responsibilities

Obey the law
Law is society's codification of right and wrong. Play by the rules of the game.

ECONOMIC
Responsibilities

Be Profitable
The foundation upon which all others rest.

Figure 1.1 from Carroll (1991)

Another important criterion for being engaged in CSR is the acknowledgement that corporations have many stakeholders and that they do not only respond to their shareholders. Corporations that today claim to act with CSR commitment should therefore be careful to acknowledge other stakeholders, such as employees, customers, NGOs, and communities, i.e. those who are affected by the policies and practices and that have an interest in the corporation that rests more on moral that economic claims (Carroll 1991, Smith 2003, Egels-Zandén 2005).

Stakeholder engagement is at the core when corporations figure out their CSR strategies. The basic theory implies that *"the squeaky wheel gets the grease"* meaning that the process of identifying what and how stakeholders affect/are affected by corporate actions. Corporations have to consider the influence and legitimacy as well as the CSR contribution and outcome for all relevant stakeholders (Smith 2003, Egels-Zandén 2005). Another core topic of CSR is complying with different codes of conduct (Egels-Zandén 2005, Welford 2005). The development of codes of conduct or the complying with for example the codes of Global Reporting Initiative, (www.globalreporting.org) the

UN Global Compact (www.unglobalcompact.org), or the ILO conventions (www.ilo.org), are concrete and practical modes of performing CSR for corporations. However, this thesis will not be focusing on codes of conduct since these are usually seen as strategic CSR work for corporations situated in developing countries.

In summary, CSR theory implies that corporations can be profitable while at the same time obeying the law, acting ethically and socially responsibly, considering the impact of their actions on all stakeholders and giving back to society. CSR theory aims at actions that create an inclusive society that benefits all parties involved.

1.7.2 Defining Partnerships

As described earlier, business communities and civil societies are becoming actively involved in creating socio-economic change through partnerships. Partnerships have become a hip topic among academic researchers. CSR and partnerships are increasingly being promoted as a solution with a tremendous potential to solve environmental and social problems (Andreasen 1996, Kjaer et al 2001, Doh 2005). Two differing definitions are to be found below:

"An alliance has to meet three requirements: they have to be related with their productive or core business activity, they tend to modify the firm's position in the market, and the authority, power and decision making are shared among the allies" (Trigo & Drudis 1999 in Martinez 2003)

"A voluntary and collaborative effort among businesses, nonprofit groups, and government agencies working on a sustained basis to address a…challenge that is important to all the parties" (Nelson & Zadek 2000)

As presented above, partnership can be observed between government and private companies as well as between private corporations and NGOs but we are only interested in the latter. There exist many expressions for defining interactions between corporations and NGOs. Alliances or collaborations are widely used connotations, but we have chosen to focus on the expression partnerships. Furthermore, in accordance with earlier argumentation, the focal point is on strategic partnership.

Below we have condensed existing definitions of partnership found in literature into our own partnership definition (for example from: Mendleson & Polonsky 1995, Stafford & Hartmann 1996, Nelson & Zadek 2000, Ashman 2001, Kjaer et al 2001, McWilliams & Siegel 2001, Arts 2002, Martinez 2003, Doh & Guay 2006).

"Partnerships is a cross sector alliance between corporations and NGOs where the stakeholders formally have agreed to work strategically together and share decision making, authority, power, and risks with the purpose of pursuing mutually beneficial and socially responsible goals".

In the global world of today, where economic competitiveness not automatically implies the creation of inclusive societies, partnerships are by many considered very important (Nelson & Zadek 2000). The phenomenon is constantly growing, four times as many alliances were formed between 1987 and 1992 as were formed between 1980 and 1986 (Milne et al 1996). Another example is that the word partnership was mentioned 137 times in a 176-page report from the United Nation's World

Summit on Sustainable Development 2002 (Ählström & Sjöström 2005). Furthermore, the Copenhagen Center conducted a 2-year action research project about the sharing of partnership experiences among European countries (Kjaer et al 2001).

Partnerships are seen as the most recent and visible trend in management literature. *"The new catchword when talking about corporate social responsibility and inclusion is partnerships"* (Kjaer et al 2001). Within this development, partnerships seem to be a more sustainable focused and efficient way of performing CSR actions (Hamann 2003, Tracey et al 2005). Partnerships can be seen as an increasingly promoted hands-on solution to environmental and social problems, and a step on the road towards a more sustainable development (Ählström & Sjöström 2005).

Other researchers adhere to the fact that *"there are no winners in war"* and therefore a coordinated partnership is always more beneficial than any type of conflicting relationship (Egels-Zandén & Hyllman 2006). Being socially responsible is in accordance with the current and influential CSR paradigm and engaging in partnerships seems to be an important strategy for corporations that want to remain profitable and competitive in the 21st century.

Reasons for Corporations and NGOs to Partner

The logic of a partnership is plain. All corporations have strengths, but in order to remain competitive they must acquire new strengths. By seeking partnerships with for example NGOs, these competitive strengths can be obtained. Corporations want added value for their charitable giving (Mullen 1997) and by seeking deeper involvement with NGOs they can receive that. NGOs, on the other hand, seek to join forces with corporations to reach their own organizational goals, increasingly focusing attention on influencing MNCs to enlarge their responsibilities (Ählström & Sjöström 2005).

In figure 1.2 below, Martinez (2003) present the main reasons to why corporations and NGOs started approaching each other, which led to involvements in partnerships.

REASONS OF THE APPROACHING OF COMPANIES AND NONPROFITS
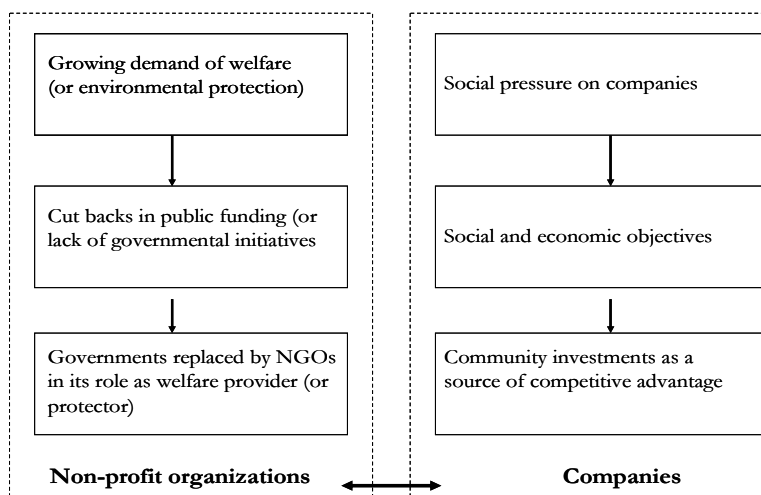
Figure 1.2 from Martinez (2003)

22

Steps of Partnership Development

Similar to the several steps of CSR development presented earlier in the historical review, some authors have identified different levels of partnership development (Menon & Menon 1997, Austin 2000, Starik & Heuer 2002, Tracey et al 2005). The most interesting one, in our view, is Austin's level identification (2000 in Berger et al 2004)., which can be seen below in figure 1.3. Austin identified three partnership stages: philanthropic, transactional, and integrative.

THE THREE STAGES OF

COMPANY/NONPROFIT PARTNERSHIPS
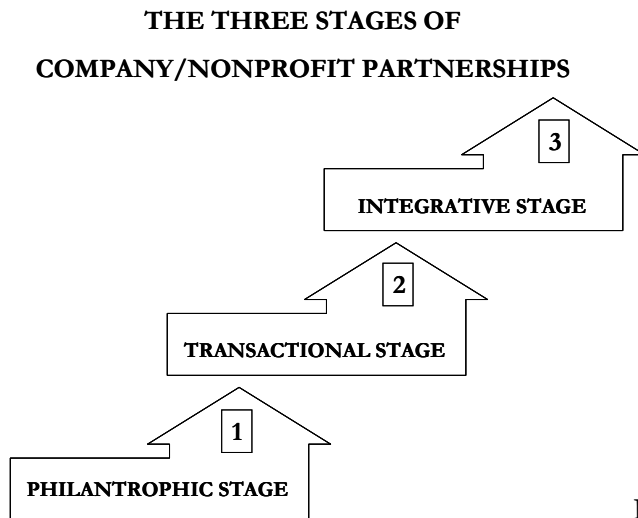
Figure 1.3 from Austin (2000)

The Philanthropic Stage

Philanthropic here basically means corporate donations. This stage can be illustrated by the earlier described AmEx case. It was considered a successful partnership, although it only was based on cash donations from the American Express Corporation to the SOS NGO. SOS gave credibility and increased loyalty among customers using the AmEx card.

The Transactional Stage

Transactional basically means the exchanging of information or resources. This stage can be illustrated by the "Green freeze" and "Smile car" cases. In both these cases, the transaction of information and knowledge led to successful entrepreneurial inventions – the first ozone-free fridge "Green freeze" and a very fuel-efficient car "the Smile car".

The Integrative Stage

 Integrative basically means that the corporation and the NGO share their mission, people and activities and focus on organizational integration and on doing collective actions. This stage can be illustrated by the Starbucks case. Due to attacks from NGOs, Starbucks proactively sought out several NGO partnerships to avoid future damage on their consumer-dependent brand. The new partnerships give the impression of being very integrative and both sides of the partnerships share mission, people and activities. These types of integrative partnerships are according to Berger et al (2004) said to be at the collaborative partnership frontier.

2 METHODOLOGY

In this chapter, we describe the methodology used. To begin with, we explain the research process, which contains the survey process and the quantitative statistical evaluation. We describe the processes and their advantages and possible drawbacks. We then motivate our chosen research approach. Finally, we present and discuss the data collection method.

2.1 RESEARCH PROCESS

Below, we will present in more detail how the research process has evolved. The main steps in the development of our thesis are summarized in figure 2.1 below.

Figure 2.1
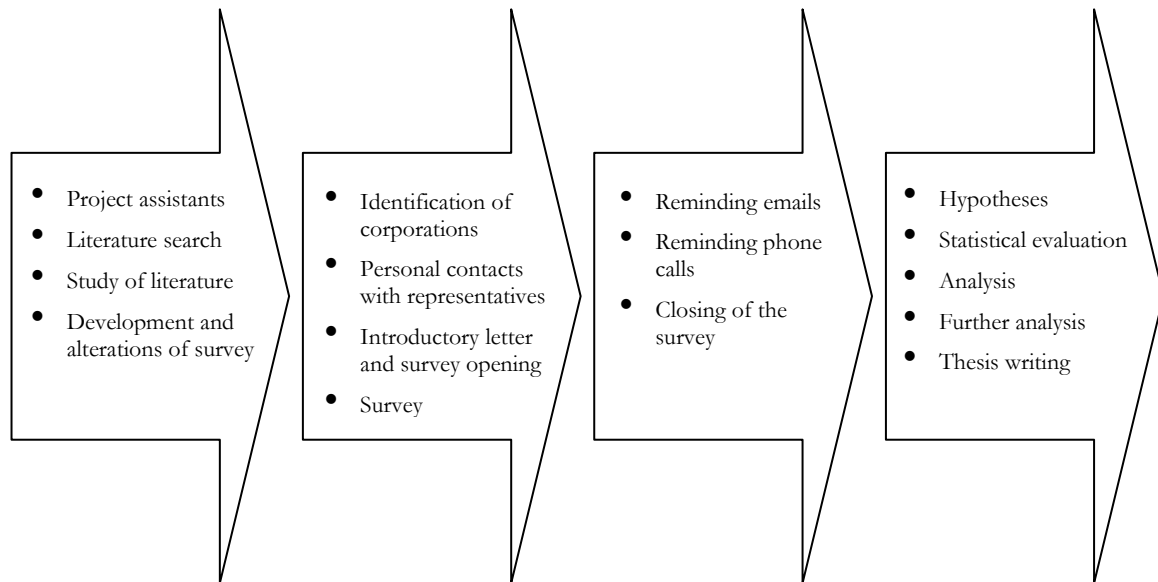
2.1.1 The Survey Questionnaire

With the aim of exploring the partnership field, we sent out an electronic survey questionnaire to the 203 largest corporations in Sweden. The questionnaire can be seen in Appendix 2. The survey contained 101 standardized questions divided into two sections, the first asking about "Personal and corporation background" and the second covering "Perception, experience and satisfaction with NGOs". The survey was calculated to take approximately 20 minutes to finish.

Sapsford describes a survey as *"a detailed and quantified description - a precise map and / or measurement of potential"* (1999 p. 1). With our survey, we wanted to describe the corporate population in Sweden. It is a systematic observation and a non-random selection of corporations that could give us a quantified description of the partnership phenomenon (Rossi et al 1983 pp. 150). Our sample, which is a subset of the whole population, was defined using the same method as the Fortune 500 list. The

design of the survey is further described below and the conduction of the survey is presented in chapter 3 "The Survey".

2.1.2 Designing the Survey

When designing the survey, six important factors were considered: appealing design, creation of interest, clear structure, systematic order, length, and duration of the survey, and avoidance of tension (Esaiasson et al 2003 pp 267).

As project assistants, we proposed a few alterations to the survey to the project leader in accordance with the above factors. However, the survey was part of an international project and was supposed to be roughly identical in all surveyed countries; therefore, we did not have much freedom to change or omit questions. On the other hand, alterations had already been made by the other researchers.

In our view, the design was fairly appealing. The questionnaire was sent to a corporation that designed the questionnaire format that assured an esthetically pleasing design. The topic certainly created interest, especially since it was intended to be sent out to the CSR managers of the respective firms, persons that obviously were interested in the topic. In addition, it was our anticipation that the contact making through a research project at a widely known institution with a strong network in corporate Sweden would generate interest and motivation for a high response rate (Andersen 1998 pp 139). The survey was not adapted or individualized in any way for different respondents, but there was room to elaborate more freely in some areas. The order and structure was made by a professional research team, which thereby reduced risks regarding an incorrect questionnaire structure and unsystematic order.

The survey contained many questions, 101, but the length of the survey was estimated to 20 minutes, which seemed like a reasonable time span that would not create tension. A long survey has advantages and disadvantages. To include many questions can provide more opportunities for in-depth analysis and understanding of the respondents opinions. Also, a large part of the survey's efforts and costs lies in the finding, contacting and persuading of the respondents to participate in the survey, thereby the researchers want to have value for their money, which means many answers. It is hard to make short surveys since the researcher never knows in advance, what the outcome will be and where the interesting results are to be found. In addition, the psychological preparation of the respondents as well as an interesting questionnaire design are considered much more important than the actual number of minutes required to answer (Rossi et al 1983 p. 222).

On the other hand, a disadvantage with long surveys is that they run the risk of not being answered at all. There is a general rule within survey research, saying that *"The more questions asked the lesser answers received"* (Ejvegård 1996 p.51). The respondent has to tend to other job demands. This can easily result in disruptions, and hurried answers without consideration behind. Such response effects are of course highly undesirable (Rossi et al 1983 p. 223).

2.2 RESEARCH APPROACH

Below we will discuss our choice of research method and type of study in the light of reliability and validity issues.

2.2.1 Deductive Method

The process of any research can be divided into four steps. As illustrated in figure 2.2 below, those steps are interactive and do not connect in any certain order (Andersen 1998 p. 22). A research process can have two different starting points, deductive or inductive. In a deductive process, the starting point of the researcher evolves around existing theories from which hypotheses are constructed. Those are then tested by observations in reality. On the other hand, an inductive process is mainly concerned with understanding and explaining empirical findings. In an inductive process, the researcher develops abstractions, hypotheses, and theories rather than testing already existing ones (Arbnor & Bjerke 1994). In reality however, the process is less linear with multiple processes going on at the same time and in different directions. Even when the process is fairly linear, it does not necessarily have to end after just one loop. The conclusion made from one loop is used, tested, and analyzed in the next one (Andersen 1998 p 30).
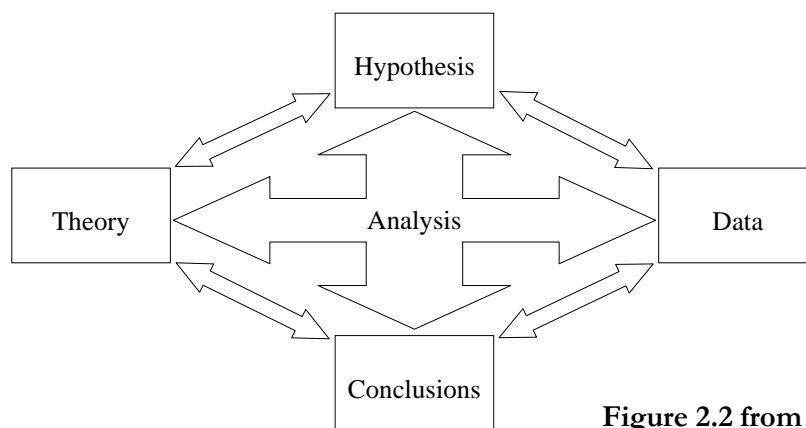
Figure 2.2 from Andersen (1998)

This thesis began with the reading of theory, starting with the studying of a large amount of literature about CSR and Partnerships. Simultaneously, the survey was designed and conducted, and we had to come up with hypotheses that could be tested against the information we were to obtain from the survey. Since there existed little information about the extent of partnerships in Sweden, the primary focus was to try to answer the question whether or not partnerships existed. When we had the answer to this, we continued to follow up and formulated our hypotheses about why corporations get involved in partnerships. Therefore, we followed what could best be characterized as a deductive process, where we came up with hypotheses based on our literature studies, which we later tested on our data. In order to avoid data mining, we have at all times been careful not to start analyzing the primary data until we have had some theory that we wanted to test. In conclusion, we mainly kept this thesis within a deductive process.

2.2.2 Quantitative Study

Two main approaches can be used undertaking scientific studies within Social Sciences, a qualitative or a quantitative approach. None of these methods is better than what the other is; they both have weak and strong sides (Holme & Solvang 1997 pp 75, Andersen 1998 pp 31).

With this study, we wanted to achieve a general perspective of the partnership field in Sweden. Collecting quantitative data is a useful approach and systematically structured method when doing an empirical study of an unexplored phenomenon. With a purpose of exploring and explaining the partnership field in Sweden, we therefore found the quantitative method through a survey questionnaire to be most appropriate (Holme & Solvang 1997 pp 150, Andersen 1998 pp 31).

2.2.3 Limitations with our Approach

As far as we know, a similar survey on this topic has previously not been done in Sweden. Thereby, it has been difficult to know if other researcher that contacted Swedish CSR managers would receive the same results as we have. With other words, it is difficult to test the reliability of our survey results. Reliability means: *"the extent to which repeated measurements yields constant results (over a reasonably short period of time) or supposedly identical measuring instruments yield identical results"* (Sapsford 1999 p. 15). Due to time and cost issues, retesting of such a large survey sample like ours was not possible and since there are no similar investigations earlier made, it has not been possible to conduct parallel comparisons to increase the survey reliability. Nonetheless, the survey was conducted by academic professional and contained several control questions, which is another way to improve reliability. It is further our hope that a similar survey covering Swedish partnerships, a retest, will be done in the near future, thereby increasing our survey reliability.

Furthermore, Holme and Solvang points out that, scientists never can be objective and value neutral. Our previous knowledge and understanding of the topic as well as our prejudices will always affect our problem definition, research question, literature, and choices of theory. In addition, the socialization process within the Stockholm School of Economics leads to similar problem definitions since we are all social constructs of the value world we live in. Since our tutors are from related research fields, this further increased the risk of having or developing a conformed view of the topic, which can be seen as problematic (Holme & Solvang 1997 pp 151).

Additionally, it is common to have an unrealistic belief in the "absoluteness" of quantitative numbers. Presented statistics are often perceived as more objective and true than qualitative study results. This is often an unrealistic optimism and one can ask oneself how measurable the partnership field in reality is? There exists many limitations with quantitative measurements; problems occur during the data collection and it is difficult to choose which data to collect. Incorrect interpretations of the collected data can negatively affect the outcome of quantitative studies (Holme & Solvang 1997 p 150).

Despite the above presented weaknesses, we found the quantitative approach being very valuable to use, since it repeatedly has proven its great ability to describe social conditions (Holme & Solvang 1997 p. 157). We were aware of the potential methodological drawbacks with quantitative studies and have therefore strived to be as accurate and careful as possible when conducting the survey. It is our hope that the added complexity of our qualitative analysis has improved the thesis analysis. A critical standpoint towards the quantitative tools and an awareness of potential negative survey effects has helped us in our research approach.

2.3 DATA COLLECTION

Our data collection method was guided by the chosen research design. With the use of primary and secondary data, we believed that it would be possible for us to paint a fairly accurate picture of the Swedish partnership field (Andersen 1998 p.149). This view is further described in "CSR-Partnerships". Partnership is a newly emerging research concept in Europe and much of the research conducted in the field is from the US. Therefore, the literature focus became somewhat American-biased, describing American partnership collaborations. This was problematic since differences in institutional environments in Europe and the United States affect expectations about the corporations' responsibilities towards society (Boström & Klintman 2003, Doh & Guay 2006). We tried to balance this bias by actively searching Swedish literature on the subject.

2.3.1 Primary Data

Primary data is data that has been collected with the primary purpose of being used in our thesis. Our primary data consist of two parts, survey data, and observations (Befring 1994 p. 64). The most important primary data source is obviously the survey results. The survey data were gathered, structured, standardized and aggregated into an excel file. Additional primary data is our phone call observations with all corporations involved. We personally spoke to the representatives working with CSR or a related area and took notes during these phone calls. We also received several interesting feedback emails as well as checked corporate homepages for CSR and partnership information. This procedure provided us with additional valuable input on how corporations view partnerships. Some of these inputs will later be discussed in the qualitative analysis "Additional classification".

2.3.2 Secondary Data

Secondary data is data that has been collected by others with a primary use other than our thesis (Befring 1994 pp. 65). Our secondary data is based on academic books, course literature, and articles from academic management journals. Since CSR and corporate-NGO partnerships are such newly developed concepts, it was rather difficult to find literature on the topic. We spent a substantial amount of time orienting ourselves on the topic and searching databases for relevant literature (Befring 1994 pp. 24; 65). Therefore, we decided to do a thorough search on CSR and partnerships in academic journals. In the SSE library electronic database, we found 17 journals covering our field of interest; these are presented in figure 2.3. Each of these journals was thereafter scanned using nine carefully selected keywords presented in figure 2.4.

Figure 2.3 JOURNALS

1. Academy of Management Journal
2. Academy of Management Review
3. Administrative Science Quarterly
4. Business Ethics: A European Review
5. Business Ethics Quarterly : The Journal of the Society for Business Ethics
6. Business Strategy and the Environment
7. Business Students Focus on Ethics – Praxiology
8. California Management Review
9. Corporate Social Responsibility and Environmental Management
10. Corporate Social Responsibility Partners for Progress
11. Electronic Journal of Business Ethics and Organization Studies
12. Greener Management International
13. Journal of Business Ethics : JBE
14. Journal of Corporate Citizenship
15. Organization Studies
16. Teaching Business Ethics
17. The Ruffin Series in Business Ethics

Figure 2.4 KEYWORDS

1. Partnership
2. Alliance
3. Collaboration
4. Non profit
5. NGO & Non governmental
6. Civil society
7. Responsibility
8. Citizenship
9. Ethics

After reading through the articles found we scanned the reference lists for further input, and looked up the most promising ones. Finally, we searched in Google Scholar using the same keywords in order to ensure that we had not missed out on any important articles. Literature recommended by our tutors has also been taken into account. Using this systematic method of data collection, we are confident that we have covered most literature of relevance to the thesis.

3 THE SURVEY

In this chapter, we present the conduction and the results of the survey. Thereafter, survey problems are presented and discussed.

3.1 CONDUCTING THE SURVEY

After considering the design issues, we started conducting the survey. The overarching goal for this structured approach was to reach as high response rate as possible (Esaiasson et al 2003 pp. 263). Below we describe the survey fieldwork.

3.1.1 Defining the Sample Population

First, we had to identify the right sample population. We wanted to find approximately 200 corporations chosen by a selection method equivalent to what is used by Fortune 500.[21] From the database Affärsdata, we ordered a list of the 300 largest corporations in Sweden by turnover. Since we wanted to follow the method of the fortune 500, we omitted subsidiaries.[22] Finally, we decided to also omit financial institutions with less than 80 employees.[23] This procedure left us with a total sample population of 203 corporations. This list is found in Appendix 1.

3.1.2 Search for the Right Respondent

After obtaining the list of corporations, we began searching for the representatives on an appropriately high strategic level. This was done in a three-step approach. First, we called the corporations' switchboards and asked them to identify the person responsible for CSR. Most corporations did not have a CSR Manager so subsequently we asked for the Environmental Manager, the Information Manager, and lastly the CEO. Thereafter we called the identified manager to confirm that it was the correct representative. If it was not, we called the suggested substitute person and made corrections. These telephone contacts were also seen as a way to commit the managers to respond to the survey (Esaiasson et al 2003 p. 264).

3.1.3 Introduction Letter

At this time, we had an informative list of approximately 200 corporations and their respective CSR contact person. An introductory letter, which can be seen in Appendix 3, was sent out by email to further motivate people to participate. The letter contained a presentation of the research project, of the project manager, guidance regarding who should respond and how it should be responded to. Thereafter a pledge to respond, assurance of anonymity, a word of appreciation and information

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[21] Compare our method with the Fortune 500 method (http://money.cnn.com/magazines/fortune/fortune500)
[22] Corporations were omitted as daughter corporations if the ownership was over 50 percent.
[23] This since we found many financial institutions with a disproportionately high turnover in relationship to the firm size measured by number of employees. It is not clear which limit is used for the Fortune 500.

regarding how to get in touch with the project assistants in case of possible questions completed the letter (Esaiasson et al 2003 p. 264).

3.1.4 Pretest

Four persons pre-tested the survey in advance. The reason for this was to find unclear questions and potential flaws (Rossi et. al. 1983 pp 225). This led to some minor improvements.

3.1.5 Survey Opening

The invitation to fill out the survey was sent on the 21st of October 2005, five days after the introduction letter. The *"Survey of Company Perspectives toward Nongovernmental Organizations,"* contained 101 questions and was expected to take approximately 20 minutes to finish. It was web based and the respondents could click on a link. I was possible to start filling the survey out, save the answers and later return to complete it. Since we wanted to decrease the possibility of our invitation being trapped in spam filters, the invitation and survey link was sent from an SSE-based email address: "amelie.mossberg@hhs.se".

3.1.6 Repeated Reminders

After about one and a half week, a reminding letter was sent out, after an additionally week the survey link was resent together with the reminding letter, and thereafter we personally called all those respondents who had not yet answered to remind and motivate them to participate. The repeated reminders were sent out to receive the highest possible response rate (Esaiasson et al 2003 p. 265). The reminding phone calls made clear that a few respondents never received the survey due to too efficient spam filters. That problem was on the other hand easy to fix once it was noted, and eventually they received the survey too.

3.1.7 Closing the Survey

The survey was closed on the 30th of November, forty days after it had opened. 203 corporations received the survey. In the end, a total of 85 answered.

3.2 RESPONSE RATE

That 85 out of 203 corporations answered means a response rate of 42 percent. Unfortunately, not all answers sent in were fully completed. Many respondents had stopped answering half way. Therefore, we choose only to consider the more fully answered surveys. This resulted in the real response rate being 34 percent, or 69 fully answered surveys. Out of these 69 answers, 26 corporations indicated that they had ongoing partnerships with NGOs.

It is interesting, to compare our response rate on 34 percent to the response rate of a survey conducted by Welford (2005) on CSR in Europe, North America, and Asia. Welford's survey had 20 questions, considering CSR-policies, and it was sent to a total of 450 corporations, 20-30 in each

participating country.[24] It was sent by email to an identified CSR, Sustainability, Environmental, or Health & Safety manager. The overall response rate was 50 percent (59% for Europe; 49% for North America; 40% for Asia) which the investigators considered impressive. It can further be hypothesized, just as Welford did (2004), that the response rate is a function of how important the concept of CSR is perceived to be in each country. In the other survey, the response rate was 73 percent for the UK, Germany 70 percent, Norway 63 percent, and Spain a relatively low 33 percent. The US had 66 percent. Thus, 34 percent for Sweden indicates a relatively low commitment to the CSR topic.

3.3 SURVEY PROBLEMS

We believe that the survey choices we made, consisting of a structured approach with a pretest, introduction letter, and repeated reminders, helped us to avoid some of the common problems with survey questionnaires. Thanks to the personal phone calls, we were certain that it was the most appropriate manager answering the survey. This is positive since a survey means that a big deal of trust is given to respondents. Furthermore, the survey was designed with the help of professionals, which improved its structure and format, and decreased the risks of leading or confusing questions (Andersen 1998 p 170).

Nevertheless, judging from phone call impressions and other received feedback we identified that there were some survey problems. Even though feedback for the most part is negative due to selection biases – why take time to send feedback if you are content and have no complaints? – It is important to consider the obtained information since it might have caused problems of survey validity. Validity is the extent to which a questionnaire measures what it is intended to measure (Ejvegård 1996 p. 69; Sapsford 1999 p.5). When conducting a survey like this, we have to ask ourselves whether the data presented as evidence can carry the weight of the conclusion; we want to draw from it. Alternatively, if there are "logical flaws" in the measurement and sampling, which makes our later drawn conclusions somewhat doubtful (Sapsford 1999 p. 9). Below, we therefore present and discuss arisen survey problems.

3.3.1 Survey Design Problems

Too Many Questions and Too Lengthy a Survey

"The worst survey ever – let us make as many questions as possible."

Some respondents complained that the survey contained far too many questions. Also, it was estimated that the survey would take 20 minutes to complete, however some respondents claimed it took them as much as 40 to 60 minutes. This surely caused irritation and probably decreased the number and quality of the answers. We could also observe that several respondents started

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[24] Sweden was not among the participating countries.

answering, but stopped halfway. Many spelling errors in the comments told us that the answers often had been done in a hurry.

English Language

"Why do you use words that are not used by regular people? 'reciprocate'? Come on!"

Furthermore, it was our impression that the choice of language might have affected the answer rate as well. The survey questionnaire was constructed in English since it was part of a cross-national research project. To most managers in Sweden it is more complicated and takes more time to fill out a survey in English than in Swedish. This could be another explanation to why the respondents claimed the survey to take much longer time than expected.

3.3.2 Conceptual Problems

Lack of Understanding

"The survey is not adapted to corporations within our industry and therefore we cannot answer the questions in a relevant way."

Already during the first contacts with corporations, we discovered that CSR was not as widely recognized as anticipated. Few of the staff contacted had a perception of the CSR concept. The telephone operators did not recognize the word CSR; neither did they know who was responsible for the functions covered by the CSR concept. This was perhaps not as surprising as the fact that high ranking environmental managers and others within top management, such as information managers, also lacked knowledge of the CSR concept. In our opinion, the overall understanding among managers of what CSR is was very low.

Lack of Relevance

"We hardly have any contact or relationships with NGOs and are therefore not a relevant corporation for this type of survey."

Some corporations proved to be uninterested in participating in the survey since they assessed neither CSR nor partnership to be of any relevancy to their corporation. It is difficult to find a survey interesting if you do not have the experience or the knowledge of the subject it covers. A corporation that does not have partnerships or work with CSR naturally finds the survey to be irrelevant.

Lack of Commitment

"Too many questions! I had to give up! Sorry!"

"Thank you for your questions concerning NGOs. At the moment we unfortunately do not have any time to answer this survey due to large work loads."

Furthermore, other respondents claimed to not have any time to answer, despite the fact that the survey was accessible during 40 days. If CSR is not considered as important to business, it will not be prioritized. Not having the time can be interpreted as low commitment for the subject. We perceived

the overall interest as well as commitment for CSR and partnerships to be surprisingly low in many corporations.

Confusion Regarding CSR Responsibility

"I feel I'm not the right person to answer these questions. I kindly refer to our CEO instead."

"Too many questions are just not valid. In our corporation, we have no local CSR department; however those issues to a significant extent belong to my department, Health, Security, Environment, and Quality"

Almost 26 percent (53 out of 203) of the corporations did not have an identifiable manager responsible for CSR issues. In addition, the location of responsibility for CSR and more explicitly partnerships seemed to be rather diffuse and unclear. Sometimes partnership was an "extended" responsibility of the Environmental Manager, sometimes of the Information Manager or Marketing Manager, and sometimes we could even be directed to the Quality or Human Relations manager. This confusion arose despite the fact that we spoke to at least two or three people at every corporation. Some company representatives redirected us back and forth, and in the end no one answered the survey. As an example, in one corporation the fourth person we spoke to recommended us to talk to the CSR Manager. We had been asking for this manager previously, but the position was for the most part unheard of. CSR and Partnership definitely seems to be a very unclear location of responsibility. The conclusion was that we were trying to locate a manager and a process that, within a majority of the corporations, did not exist.

CSR Located at the International Headquarter

"This corporation is internationally owned by corporation X. Many of your questions are being asked as if we were our own. Corporation X that owns us works very structured with CSR at the Head Quarters in the US."

"I cannot answer the survey since a majority of the questions isn't handled within the Swedish business entity."

"I am the responsible for local sponsoring issues in Sweden but that is just a very little part of my work tasks and field of responsibility. (…) This survey would be much better suited for my colleagues at the US Headquarter."

Another interesting discovery we made was that in those cases where a CSR manager did exist, the location of the CSR function within the corporation differed widely. In many corporations, CSR was not perceived as a phenomenon existing at the national level. In the more international corporations investigated, the CSR function was considered a strategic issue often situated at the corporation headquarters outside of Sweden. In other cases, there existed a local CSR manager, but it was still the international headquarters deciding on CSR actions, which made a Swedish perspective rather meaningless. Interestingly enough, this indicated that the existence of the CSR function sometime does not result in any effects at the national level. Unfortunately, some corporations did not answer due to this confusion of international and national responsibility.

3.3.3 Problems of Biases

Survey Bias

Another problem was that of survey bias. Even if we found the most appropriate managers, they were managers from different departments. The respondents therefore were a mix of Environmental, CSR, and Information Managers. Managers respond to what was important in their own department and industry branch. Therefore, their interpretation of the questions might have differed. They reflected the local challenges that they are facing, and were also influenced by local culture.

Self-selection Bias

Finally, it was obvious from the data that there was a positive bias among the respondents. We investigated the attitudes towards partnerships of managers responsible of CSR. Therefore, we must also take under consideration that the response rate is a function of how important the concepts of CSR and partnership are perceived to be. Those representatives who answered constitute a "self selection". Self-selection means that respondents are different from the non-respondents on some crucial point (Ejvegård 1996 p. 52). In our survey that point was of interest for the partnership topic. The representatives that responded most probably have positive attitudes towards the concept and are especially interested in the topic.

3.4 SUMMARY

Unfortunately, despite all the measures, we took, and despite all the energy put into searching, motivating, and reminding the respondents, the described problems resulted in a response rate of 34 percent. Our low response rate indicated that there were flaws in the survey construction. Therefore, we needed to discuss which survey problems might have caused this.

In retrospect, it is rather obvious that the amount of questions, the complexity, and demanded answer time of the survey was too long. This problem was further increased by the choice of language. Senior managers of CSR in Corporations in Sweden thereby dismissed the survey as to complicated and time consuming to complete. The intent to make many questions in order to receive answers that could enrich the analysis failed since we underrated the survey difficulty and demanded answer time.

Furthermore, we seem to have overrated the motivation among Swedish managers for the topic. Judging from feedback and phone calls it seemed like there is a widespread lack of understanding, interest, and engagement of CSR. Many managers never answered and among those who did, the answers have been hurried and half finished, which further support the impression that a low response rate could be interpreted as low CSR commitment among Swedish corporations.

The low response rate is probably also due to our findings regarding confused CSR location, and manager responsibility. The lack of CSR responsible managers was negative, since both information managers and environmental managers are very busy and hard to get a hold of. They might not have

the right knowledge, and perhaps motivation, to answer all questions. The confusion regarding national or international perspective further increased the problem. Why would a manager answer a survey that has a national perspective when (s)he knows that is not a truthful picture of the real corporate situation?

The survey design problems have most probably led to troubles with sampling validity. In addition, the conceptual problems with lack of understanding, interest, and commitment paired with confusion regarding manager responsibility and location probably affected the measurement validity negatively. Moreover, the bias that was created by the phenomenon of self-selection creates a response effect that is hard to evaluate. This phenomenon has probably further affected the validity. This is because managers that were not interested in the topic did not take the time to answer the survey. This fact makes it harder to accurately measure the corporations' propensity for engaging in partnership.

To conclude, one has to ask oneself how problematic the above presented survey weaknesses really are. The reliability and validity problems made it rather difficult to make as accurate measurements as we hoped to. Did the survey measure what it was supposed to measure – "Attitudes towards NGO partnerships" – or did it only measure the responding managers' relative patience? We believe that it is questionable to what extent our survey, with problems of self-selection and a response rate as low as 34 percent, can be used to draw conclusions.

Nonetheless, despite the above presented doubts on reliability and accurateness we decided to continue to work with the data collected. It is not the first time results and conclusions have to be made with some caution. Given that, a similar survey had never been done before in Sweden and considering the time we spent on the survey project we still regarded it motivating to quantitatively analyze the data obtained. This analysis is presented in the chapter, "Quantitative analysis".

4 CSR & PARTNERSHIP RESEARCH FIELD

In this chapter, we present different themes of the CSR and partnership research field. In this chapter, we intend to map the arguments in the ongoing discussion regarding CSR and Partnerships. In the academic literature, which we have studied, there is an overall positive picture of CSR and partnerships. This is not surprising, after all it seems rather difficult to be critical against a movement whose purpose is to engage corporations to become more just, fair and responsible. Nevertheless, there are some who bring forward a more critical view. To make the chapter easier to follow it has been divided into two parts, one where critical and one where supportive arguments are presented.

4.1 CRITIQUE

The basis of this critique is why a corporation should try to be socially responsible at all? In the end, the bottom line of any corporation is to be profitable. If a corporation does not make any profits, it is not able to give anything back to society at all. On the contrary, a bankruptcy would cause many negative social effects, such as unemployment, economic losses, and social problems in the surrounding community.

4.1.1 The Business of Business is Business

The free market view is based on Milton Friedman's classical proposition that the "*business of business is business*" and that the purpose of corporations is to, within legal and ethical constraints, maximize profits and shareholder value. Friedman early stated that: *"Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible"* (in Carroll 1999). CSR and partnerships are after all often costly actions (Marsden 2000, Martinez 2003). According to this view, shared by many economists, the primary role of private business is to act as a vehicle of economic progress (Henderson 2005).

Corporations are rather unwilling to initiate partnerships with NGOs when they consider the issue from a pure market perspective (Choi & Cheng 2005). To collaborate is costly and it is the corporations that finance the NGO. The argument is therefore that Philanthropy, CSR, and Partnerships should be seen as any other business investment decision, always measured in economic terms. As a result, many corporations are interested in CSR but not very many are interested in spending time and money on an expensive partnership (Lloyd 2002).

Therefore, a more sobering view on the demand put on managers for a stronger CSR focus is suggested by some (Ashman 2001). If corporations diversify their efforts, corporate executives have to take too many issues into account, which will result in a lack of focus, decreased competitiveness and eventually they will fall out of business (Walley & Whithead 1994, Henderson 2005). It is seen as problematic applying too *"fluffy"* values in the complex environments of corporations (Craggs 2002, Henderson 2005). The critics believe that corporations need to focus on the maximization of shareholder return.

Furthermore, the critics see CSR as an *"anti-market slogan,"* where people are placed before a profit, which is damaging for business. *"The world has not changed"* and therefore corporations' contribution to welfare and economic development derives from a market economy, where the stimulus are entrepreneurial opportunities and competitive pressures. Consequently, it is said that the CSR movement only contributes to decreased business performance, which results in a weaker fulfillment of business' primary role, profit. Thereby CSR is making everyone, corporations, societies, and people, poorer in the end (Henderson 2005).

4.1.2 Questioning the Win-Win Situation

According to Arts (2002), engaging in partnerships is difficult since corporations and NGOs have many inbuilt and structural differences, e.g. a profit versus a social aim, which can make it hard to cooperate successfully. Some NGOs are said to have the attitude that corporations should be grateful to them since the partnership compensates for their *"crime of being for profit"* (Gimeno et. al. 2002, in Martinez 2003). This mind-set sometimes makes partnerships volatile and very costly (Stafford & Hartmann 1996, Macdonald & Chrisp 2005). Furthermore, alliances could face a tension between cooperation and competition since the benefits of alliances are shared among the partners, which gives each partner a strong incentive to compete for a larger portion (Zeng & Chen 2003). Also, if the partners do not acknowledge the real purpose of the partnership, but rather claim it to be purely ethical, the partnership becomes dysfunctional and thus probably costly (Macdonald & Chrisp 2005). Hence, according to some authors, there are potential pitfalls, which could result in costly or failed partnerships.

Macdonald & Chrisp (2005) points to the fact that many academic evaluations of partnerships projects are carried out by people that are interested and enthusiastic about the phenomenon. According to them, this seems to have led to a positive bias in the evaluation, and the possibility of transaction costs being ignored. They claim that when results have been investigated, they often seem to fall short of promises, and that many investigated partnerships actually have resulted in failures. The conclusion is that partnerships are not always a win-win situation and that there is a need to acknowledge the pressure placed on corporations in managing the realities of CSR activities (Walley & Whitehead 1994, Macdonald & Chrisp 2005, Tracey et al 2005).

4.1.3 Questioning the Concept

Another criticism of CSR is what the impact within the business community really has been, will be, and could be? As an example, Arts (2002) claims it to be: *"a temporary initiatives of some isolated pioneers at best"*. A critique in line with this is presented by Lloyd (2002). Based on a survey on CSR done in Australia, it was found that 55 percent of the top 100 Australian corporations support community causes. However, Lloyd later discovers, that even though some corporations have partnerships, these are not very strategic and unknown within the corporation *"They are partners – but they don't know they are"* (McDonald & Chrisp 2005). According to these authors, the indications that something real actually has happened are uncertain.

An additional risk put forward is that with partnerships and CSR, corporations could talk instead of act. To some corporations, partnerships represent a strategy which repels attacks from NGOs and, or government. Corporations are less likely to be targeted when seen as champions of the environment, or as a manager put it: *"when we are working with them (NGOs), they don't have time to sue us!"* (Stafford & Hartmann 1996). By talking about CSR or joining a partnership, the corporations could be *"lulling us (NGOs and the public) into a false sense of accomplishment"* (Manolson 1989).

In a similar way, according to Hemphill (1994), corporations could use CSR and Partnerships as a way to hide their real unethical behavior. By collaborating with an environmental group, they can *"greenwash"* their name from unethical actions, while these actions to a large extent still are continuing (Manolson 1989, Martinez 2003). Moreover, Bjurling & Berg de Medeiros (2001, in Hedberg & Sandberg 2002) state that corporations sign the UN initiative called Global Compact, but that it is mostly *"bluewash"*. Corporations want to use the credibility of the UN without having to change much of its actions. This concept of blue and green wash is taken even further by the "Corporate Citizenship Paradox" presented by Marsden (2000): *"large corporations are responsible for much of the social and environmental disruption in the modern world, but at the same time considered key allies in the fight against these negative impacts"*.

4.2 SUPPORT

The following section presents, the supporters' most common arguments for getting engaged in partnerships are presented. A basic assumption behind partnership theory is that it offers corporations to do good by doing well. Many scientists are almost excessively positive towards the partnership development. Partnerships are described as an important feature emerging everywhere; in the field of policymaking, on the labor market, within the corporate sector and among civil society organizations (Kjaer et al 2001). *"Partnerships are building new relationships among industry, government, NGOs and other societal stakeholders and establishing new social values compatible with sustainability"* (Hartman et al 1999). There are a number of proposals on how and why this can

Figure 4.1 PARTNERSHIP BENEFITS
➢ Improved operations efficiency
➢ Better information access/better network
➢ More effective products and services
➢ Enhanced reputation and credibility
➢ Net gains in financial and material resources
➢ Improved community relations
➢ Improved organizational innovation
➢ Positive PR/Marketing
➢ Joint problem solving potential
➢ Development of human capital
➢ Organizational capacity building
➢ Easier to recruit/retain employees
➢ Increased access to financial resources
➢ Increased employee satisfaction

be achieved. Figure 4.1 above lists all the main participant benefits for corporations, as suggested by literature.

It is important to point out, that this positive development in the partnership view is not only seen among researchers in America, but also in Europe. Höjensgård (2004) claims that: *"Small cross-sector partnership or multi-stakeholder approach initiatives are starting to appear all over Europe to tackle concrete social*

problems". The above quote can be read in the "Campaign Report on European CSR Excellence" which is supported by the European Commission.[25] This report places emphasis on stakeholder engagement, cross-sector dialogue, and partnerships (Höjensgård 2004). Furthermore, the Copenhagen Centre, doing research on partnerships states that "*a new pan-European thinking*" about the partnership trend has evolved in recent years (Kjaer et al 2001).

4.2.1 The Moral Market Place

The environmental and social challenges of today are cross-boundary, which makes it difficult to define the responsibility spheres between the state, NGOs, and corporations. In line with this, Hamann (2003) suggests that it have become hard to separate the corporation from the society it works in. Therefore, ethics have emerged within business, and the adoption of a proactive position toward CSR issues has widely become seen as good business practice (Bendell & Murphy 2002). The development has been described as "*the new moral marketplace*", a market where the public have higher expectations on corporations' CSR actions and investors have stronger demands for social reporting, such as annual reports presented in accordance with the Global Reporting Initiative's guidelines. (Hess et al 2002).

From a Swedish perspective, it is worth mentioning the survey by the Reputation Institute, which showed how large the public pressure for CSR has become in Sweden. According to the survey, it could be said that approximately 95 percent of the Swedish public expect corporations to focus on issues other that just pure profit.

4.2.2 Competitive Advantages

Some of the supporters claim that there is a strong business case for CSR. The motivation behind the partnership logic is the ever-existing need of corporations to find new competitive advantages (Hess et al 2002, Hamann 2003, Macdonald & Chrisp 2005). It is said that successful partnerships, through the acquisition of resources not held by each participant, can lead to competitive advantages and benefits for both the corporation and the NGO, (Mendleson & Polonsky 1995, Mullen 1997, Zadek & Nelson 2000, Ashman 2001, Berger et al 2004).

Corporate management is searching for new, hard-to-imitate sources of competitive advantages. According to Hess et al (2002), Berger et al (2004), and Tracey et al (2005), enhanced competitiveness or profitability is most likely achieved when CSR actions correspond with the core values and the overall mission of the corporation. *"Corporations (and NGOs) should concentrate on doing what they do best"* (Hamann 2003), but since both partners have different needs, there needs to be a good fit, so that the partnership can fulfill those needs. Even though cooperating could be problematic, NGOs and corporations can potentially successfully complement each other (Arts 2002). An example of a good fit is the strategy of Eriksson to focus on having a partnership with aid

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[25]Report created by CSR Europe, The Copenhagen Centre and The Prince of Wales International Business Leaders Forum. Responsible publisher is The Copenhagen Centre.

organizations, and assist those with mobile access in catastrophe areas (Owens & Sköldeberg 2005). Another example would be if H&M would partner with Stadsmissionen and assist them with leftover clothes that could be given to homeless people. This is a key principle of a successful partnership, that the partners have complementary core competency (Hamann 2003).

A related point is, according to e.g. Hartman & Stafford (1997), that if the benefits are sufficiently large, a company in the search of competitive advantages could more or less force suppliers, competitors, and consumers to follow its lead – the partnership would create a "ripple effect". Corporations always try to benchmark the industry leader in order not to loose their own market position (Stafford & Hartmann 1996). An example of this ripple effect stemming from peer pressure are when McDonalds changed packaging from polystyrene cartoons to more environmental paper wraps (box 8) and this started a ripple which rapidly spread to other fast food chains (Hartman & Stafford 1997). A Swedish example is the authors experience from CSR consultancy as well as when IKEA decided that all paper used for their furniture catalogue should be recycled paper. A very large volume of paper is needed to print all IKEA catalogues; thereby the print companies and paper pulp producers had to adjust to this new demand. This industry peer pressure can be seen as a positive institutionalization of CSR within an industry (Hartman & Stafford 1997, Hess et al 2002, Gulbrandsen 2005).

4.2.3 Added Value and Profitability

Corporations are pressured to search for added value and there possibly exist advantages with partnerships (Hamann 2003). It seems evident that a coordinated partnership always is more beneficial than any type of conflicting relationship (Egels-Zandén & Hyllman 2006). Being environmentally or socially responsible can create both tangible and intangible added value for the corporation (Hamann 2003, Loza 2004).

We have listed corporation benefits above, but we would also like to comment on the examples of created added value mentioned in the earlier examples in chapter 1. To begin with, the McD-EDF paper wrap case (Hartman & Stafford 1997), led to an elimination of waste that was very favourable both for the environment and the McD. Secondly, the partnership between Greenpeace and Foron, when they created the first ozone free fridge (Stafford et al 2000), gave early mover and competitive advantages to its partners. Thirdly, the cases where Greenpeace partnered with corporations and created the ozone free fridge (Stafford et al 2000), as well as the fuel-efficient car (Arts 2002), are examples of how an external stakeholder can play a crucial role in releasing creativity and innovation within the corporation. Fourthly, there are several cases on how corporations can benefit from employees that are more loyal and be a recruitment aid (Mullen 1997, Nelson & Zadek 2000, Hess et al 2002, Martinez 2003). In addition, examples of partnerships that have generated increased consumer loyalty and increased sales as well as brand benefits are the Starbucks partnership with small coffee producer networks in Mexico (Argenti 2004); the AmEx partnership with SOS hunger programs; ICA, Konsum, and Dagab's collaboration with SSNC regarding laundry detergents. In essence, CSR and partnerships give some type of return, but it is not necessarily economical, also in the form of intangible values, the corporation can benefit strongly (Lloyd 2002).

4.2.4 NGO Collaboration Leads to Risk Reduction

Globalization has led to more powerful corporations (Norberg 2001), which in turn has changed NGOs lobbying strategies, from previously focusing on governments towards a more direct targeting of corporations (Smith 2003, Spar & La Mure 2003). The reviewed cases of Shell-Greenpeace, Starbucks Coffee-Global Exchange, and McDonalds-Environmental Defense Fund have shown the strong impact this targeting and criticism has had on the actions of corporations (Stafford & Hartmann 1996, Arts 2002, Spar & La Mure 2003, Argenti 2004).

As a consequence, corporations are said to have become increasingly aware of the fact that many NGOs have much better contact with media than the average corporation. Furthermore, NGOs have a better reputation among consumers. From the media and public perspective, NGOs are *"storehouses of moral integrity and it is clear that cooperation with such organizations can help deliver the credibility that proactive businesses require"* (Bendell & Murphy 2002). Partnering with NGOs is therefore good for risk management and credibility enhancement (Hartman & Stafford 1997, Bendell & Murphy 2002). One example of this type of risk management through NGO partnering is the mentioned Starbucks coffee case (Argenti 2004). Partnerships can lead to improved public and NGO relations, while a not-partnering philosophy can lead to media criticism, NGO protests, and boycotts, which could soon threaten the corporation's well-being and business sustainability.

4.2.5 Reputation and Brand Value

One of the most valuable assets of corporations today is their brand value. The brand value for MNCs is often very large; as an example, it is estimated to be 70 billion USD for Coca Cola, 29 billion USD for Nokia, and 7 billion USD for IKEA (DN 2003-07-28). People and organizations prefer to do business with those that they admire and respect. Therefore, a strong benefit with ethical behavior is the potential for raised brand value (Lloyd 2002) and the business benefit from caring for the important intangible brand value asset is very convincing. *"When brand matters, it may be better to talk (with NGOs) than fight"* (The Economist 2003-08-03). Many corporations with strong brand name recognize that multiple stakeholders exert pressure on them (Waddock & Bodwell 2004). According to Aaker (2004), it is positive if the corporation contains good people with a perspective *"beyond enhancing shareholder value at all costs,"* that it actually addresses social and environmental problems and is truly *"concerned about the employees, the community, and education"*. Examples of this are the approaches to renewable resources of Shell and BP compared to Esso and how that led to very different outcomes (Arts 2002, Aaker 2004).

According to Berry (1998) and Spar & La Mure (2003), it can be costly not to comply when faced with outside criticism and NGO demands, but there are also switching costs associated with compliance to CSR. However, the loss of brand value and other intangible values are likely to be greater for brand-focused corporations since they have more to lose through negative media exposure, which would result in reputation losses and brand damage (Stafford & Hartmann 1996, Arts 2002, Spar & La Mure 2003, Argenti 2004).

The Body Shop is one example in which the owner has turned corporate reputation of fairness into a strategic competitor factor. *"Profit with principles"* is the recipe that has created their strong cosmetic brand (Dowling 2004). Building reputation through partnerships can lead to improved sales thanks to increased consumer loyalty and confidence. Consumers have a favorable attitude towards corporations that engage in CSR (Bhattacharya & Sen 2004). In addition, consumers tend to minimize negative information received if they already perceive the corporation as socially responsible. Investing in CSR can thereby imply a proactive building of a good-will reservoir for the brand (Bhattacharya & Sen 2004).

4.2.6 Personal Engagement

Spar & La Mure (2003) states an interesting, but often neglected, driver of ethically acting corporations, the fact that managers have lives beyond the corporation. They have families, live in a community, and are affected by the social and environmental situation around them, therefore, they are prone to push for ethical behavior, CSR, and partnerships. Social pressure affects corporation managers to get engaged in partnerships (Martinez 2003). This notion is strengthened by two examples in Bohman & Freiner's (2003) study of Skandinaviska Enskilda Banken's (SEB) involvement in partnerships, where the personal engagement of an SEB manager played a significant role for the start up of a partnership.

Firstly, SEB Finance's partnership with the foundation Livslust was initiated after CEO Rickard Josefsson, through private contacts got acquainted with Livslust's orphanage in Lithuania. Later, he took the initiative and became responsible for the start-up of partnership discussions. Secondly, SEB Funds entered a partnership with Cancerfonden, and together they started a fund for cancer victims. SEB and the fund's customer donate one percent respectively of each year's revenue to Cancerfonden. This partnership was initiated by the then market manager of SEB Fund's who herself had breast cancer. In these two examples is it clear that the managers are the initiators since they want to act ethically. They want their corporation to have ideals and to assume social responsibility (Bohman & Freiner 2003). That managers want to act ethically, perhaps even when it is not profitable for the corporation is a factor that can make a significant difference (Spar & La Mure 2003).

4.3 SUMMARY

In this chapter, we have presented different themes in literature on CSR and partnership. To more easily distinguish between the alternative views and different sides of opinion, the chapter presented both critical and supportive arguments. The purpose of this was to show that the picture is not completely one sided and that there are critical views, even though a majority of the research is supportive.

A common notion among supporters as well as critics is that CSR and partnerships are to be seen as market investments, evaluated primarily in economic terms. The question would thus be whether or

not it is profitable to get engaged with NGOs. Not surprisingly, many have studied the connection between profitability and CSR engagement but there is not much concurrence on the subject.

Even though critics acknowledge that environmental and social concerns to some extent have turned into a market pressure that needs to be responded to, they still strongly emphasize that corporations cannot ignore the imperative of making money and that CSR and partnerships are costly actions. CSR is seen as an anti market slogan that causes corporations to lose their core focus and decrease in efficiency, which in the worst case would make them fall out of business. However, if there is no other motivation behind CSR and partnerships than increasing profits, it is a valid question to ask how reliable corporations are as a positive force in society, other than providers of general economical welfare. Furthermore, critics also question how strong an impact partnerships really have, when the partners do not even know they are partners. Finally, there is a critique that CSR is largely a cosmetic phenomenon, a lot of talk but little, or no, action, with few implications for the corporations.

Supporters, on the other hand, say that since corporations affect many stakeholders, they should act ethically and sustainable. Globalization and *"the new moral marketplace"* have increased the pressure on corporate actions. The consumer public, institutional powers like the EU and the civil society represented by NGOs and business academics all argue for the development of partnerships. Considering that managers have lives beyond the corporations it is not surprising that they feel a personal need to act ethically, and that they often are identified as the initiators of the partnership.

Acting socially responsibly and engaging in partnerships has many tangible and intangible positive effects on the well-being of both the society at large and private business. CSR actions through partnerships create a "win-win" situation and have become an important strategy for corporations that want to stay profitable and competitive. Two much accentuated arguments are that partnerships can create new and hard-to-imitate competitive advantages, and that the first mover in each industry thereby will create peer pressure affecting all competing corporations to act. Additionally, the benefits of reputation building and increased brand value are often commented upon by marketing researchers. In a strongly competitive environment, these reasons are growing in importance and most corporations see them as crucial for the long term survival of the corporation.

To conclude, we have presented several arguments to act socially responsibly and to engage in a partnership. The forces of CSR and partnerships are described as a movement to which corporations should adjust. However, since we want to focus on partnerships, we look at what it is that drives that movement. We have identified six hypotheses that affect the propensity to engage in strategic partnership: competitor pressures, NGO pressures, brand, profit, CSR engagement, and managerial opinions. These drivers are further discussed in the next chapter.

5 QUANTITATIVE ANALYSIS

In this chapter, we test the data received from the survey to see how well it supports our hypotheses. To start with, we needed to transform the survey responses into variables that corresponded to our suggested hypotheses. This transformation was done through factor analysis, and the variables obtained were later used in a logistic regression where we tested which of the suggested variables that were significant in explaining the probability to engage in partnerships. Finally, we comment, analyze, and draw conclusions from our observed results.

5.1 FINDING THE HYPOTHESES

An assumption in our thesis, which is based on the reviewed literature, was that corporations in Sweden today to a large extent are collaborating with NGOs. As presented previously, partnerships can be seen as a positive development that demonstrates a strategic way of implementing CSR into corporations. In the previous chapter, we tried to present all arguments as straightforward as possible. This was done despite the fact that not all views and arguments could be investigated in our survey and hence not quantitatively analyzed. Nevertheless, in this chapter we wanted to explain, through quantitative analysis, which variables that could explain corporations' probability to engage in a partnership.

We needed to extract valid variables that could then be tested with the probability of corporations, in Sweden, to engage in a partnership. Therefore, we constructed hypotheses by transforming a number of themes in CSR and partnership literature. These hypotheses and their underlying survey questions are presented below.

5.1.1 Competitor Hypothesis

H 1: *Corporations that perceive competitors to have partnerships with NGOs are more likely to have a partnership.*

Survey questions	
B23	In my industry, NGOs and corporations do not get along.
B33	In my industry, it is common for corporations to have frequent and active engagements with NGOs.

In a free market economy, there is competitive pressure within industries. Corporations are in constant search of new competitive advantages, and it is important to be among the first movers if you want to gain from the potential benefits. Therefore, if one corporation changes its view on partnerships, this change could "ripple" to other corporations within the industry. The market competition and industry peer pressure, makes it likely that successful CSR actions, such as partnerships, create benefits for the corporation and therefore will spread and get copied throughout the industry. In that case, corporations will be affected and try to benchmark their competitors' NGO partnering strategy.

5.1.2 NGO Hypothesis

H 2: *Corporations that have been targeted by NGO campaigns are more likely to have a partnership.*

Survey questions
B3   My corporation has been the target of NGO negative campaigns (boycotts, protests)
B19   My corporation has been subject to criticisms by NGOs.
B41   My corporation has been subject to protests by NGOs.
B42   My corporation has never been subject to a boycott initiated by NGOs.

Globalization has lead to more powerful corporations, which in turn has changed the lobbying strategies of NGOs, partly abandoning the government focus, towards a more direct targeting of corporations. Previously reviewed cases have shown the impact this targeting and criticism has had on the actions of corporations. There are several examples, presented in the literature review, where corporations after some kind of NGO targeting have realized the advantage of partnering with NGOs, both when it comes to media contacts, avoidance of criticism, and public credibility.

5.1.3 Brand Hypothesis

H 3: *Corporations that perceive their brand as important are more likely to have a partnership.*

Survey question
A50   What would be the most important reasons for your corporation for forming partnerships with NGOs? (Possible answers: **Brand building**/ Risk avoidance/ New perspectives/ New knowledge/ New contacts)

Brand has become a very important asset for large corporations of today. A strong brand creates many intangible values that contribute to its competitiveness. Partnering with NGOs is in literature and reviewed cases said to be good risk management and enhance the brand value.

5.1.4 Profit Hypothesis

H 4: *Corporations that perceive partnerships as being profitable are more likely to have a partnership.*

Survey questions
B9   NGOs provide valuable resources to their corporate partners.
B10   NGOs get more out of collaboration with corporations than vice versa.
B37   Working with NGOs is more trouble than it is worth.

Since corporations must be profitable, they would not be willing to engage in costly and time-consuming partnerships if they perceived them as having no added value whatsoever. Looking at the partnership benefits presented earlier, we saw that costs can be decreased through improved efficiency, enhanced innovation, free marketing, eased recruitment and decreased risk of NGO attack. In addition, revenues can rise thanks to enhanced consumer reputation that helps to boost

sales figures. However, the critics claim that partnerships are problematic due to structural differences that make cooperation difficult and the partnership volatile. Nevertheless, if corporations recognize partnership as profitable they are more likely to be involved.

5.1.5 CSR Hypothesis

H 5: *Corporations that have formal CSR features are more likely to have a partnership.*

Survey questions

A32　　Does your corporation have a formal process for addressing community relations?

A34　　Does your corporation have a formal process for addressing social responsibility?

A39　　Does your corporation have a written code of conduct regulating your corporations' operations?

A40　　Does your corporation have a written code of conduct regulating your suppliers' operations?

Homepage How well does the corporation communicate CSR on its homepage?

A common denominator in much of the reviewed literature is that partnerships will emerge from earlier forms of CSR engagement. That it is the next development step of CSR development. Therefore, partnerships can be used as an indication of how strategically a corporation works with CSR. If the corporation has no CSR strategy, it is less likely that it will have a partnership. A partnership can be seen as a CSR subset, and is more likely to exist in corporations with a formal CSR organization and strategy.

5.1.6 Managerial Opinion Hypothesis

H 6: *Corporations where managers have a positive perception of NGOs are more likely to have a partnership.*

Survey questions

B2　　In general, NGOs have a positive influence on society.

B5　　NGOs that lobby and advocate for changes in legislation and regulation are not interested in improving society.

B12　　I trust NGOs to honor and live up to what they say.

B15　　I am hesitant to reveal proprietary information to NGOs.

B17　　NGOs can't be trusted.

B46　　NGOs are generally reliable partners.

We have presented how the dynamics between NGOs and corporations have altered and developed positively to become more responsive and trusting. Looking at earlier cases of partnerships, we believe that there is a personal reason to be considered. If managers have a positive view of NGOs, trust them to be moral, and believe in their positive influence on society, then earlier NGO experience and managers' personal preferences and motivation will make a significant difference when a partnership is considered.

5.1.7 The Six Chosen Hypotheses

1. **Competitor:** Corporations that perceive competitors to have partnerships with NGOs are more likely to have a partnership.
2. **NGO**: Corporations that have been targeted by NGOs are more likely to have a partnership.
3. **Brand**: Corporations that perceive their brand as important are more likely to have a partnership.
4. **Profit**: Corporations that perceive partnerships as being profitable are more likely to have a partnership.
5. **CSR**: Corporations that have formal CSR features are more likely to have a partnership.
6. **Managerial opinion**: Corporations where managers have a positive perception of NGOs are more likely to have a partnership.

5.1.8 Other Possible Hypotheses

There is a vast amount of hypotheses that possibly could explain the probability of corporations to engage in partnerships. As an example, the type of industry, as well as shareholder structure are probably important to consider when discussing corporations decision to involve in partnerships. At first, we tried to create a shareholder hypothesis and corresponding variable, but it had to be omitted due to the low response rate on questions related to that specific topic. If this was an ideal situation, we should of course have made a better suited survey, but in a cross-national research project like the one we took part in there was a limited opportunity of changing the questions. On the other hand, one always has to draw the line somewhere, and we regarded six hypotheses as sufficient. When we created hypotheses to use in our quantitative analysis we narrowed down the number to those that could be covered by the survey questions.

5.2 CREATING AND TESTING VARIABLES

After formulating the hypotheses, we wanted to test our ideas quantitatively. First, the hypotheses needed to be transformed into variables. This was done using the survey questions, each hypothesis corresponded to a set of survey questions. Hence, it was our intention to weight the survey questions, each representing a factor, into six variables in accordance with table 5.1.

Table 5.1 Variables
The survey questions leading to our intended variables

	Questions						Variables
1.	B23	B33					Competitor
2.	B3	B19	B41	B42			NGO
3.	A50						Brand
4.	B9	B10	B37				Profit
5.	A32	A34	A39	A40	Homepage grading		CSR
6.	B2	B5	B12	B15	B17	B46	Manager

5.2.1 Factor Analysis

Each survey question is seen as a factor containing important information. However, since there are multiple factors included in most of the variables, in some way they have to be weighted together into one single variable. The technique used to do this was factor analysis, since the idea with factor analysis is to extract information into variables.

Factor analysis is a multivariate statistical technique that can be used in various fields of business research to analyze complex multidimensional problems. The purpose is to examine underlying patterns or relationships of a large number of factors. The main purpose is data reduction, the summarization of a number of original factors, which are all considered simultaneously and reduced into a smaller set of variables with a minimum loss of information. This approach assumes that a certain degree of underlying order exists in the data being analyzed (Hair et al 1992). In our case, it is the summarization of the survey questions into variables. What we wanted to do was to create a new and smaller set of variables, which were to replace the original and larger set of survey questions. This new set was to be included in subsequent regression and correlation analyses (Hair et al 1992).

Some parts of the survey were constructed in such a way that some of the survey questions were expected to render opposite values in the responses, such as question B3 and B42 in the "NGO" variable.[26] This could have made interpretation complicated and unintuitive. We therefore switched the number values so that a high number always indicated a positive view of NGO partnerships, and a low number a negative view. Therefore, all correlations are expected to be positive, even when the survey questions indicate that a negative correlation could have been expected.

5.2.2 Rotated Factor Analysis

It is possible to perform a rotation of factors, which, as it makes clustering more obvious, facilitates the interpretation of the data (Hair et al 1992).[27] Our intention with the rotated factor analysis was to come up with five variables that, together with the variable "Brand", were connected to our six hypotheses. Since there only was one factor covering "Brand", it was not included in the factor analysis. Through the use of the orthogonal factor rotation method, it was our hope to find an underlying pattern that would more or less extract the same variables as the ones we had intended.

As can be seen in table 5.2, below, the result was unfortunately not what we had hoped. To begin with, there were too many suggested variables, eight instead of our expected five. Furthermore, the eight variables extracted did not match the intended variables that we wanted them to match. Ideally, when performing a rotated factor analysis, each intended variable should only have correlations with one of the suggested variables. For example, "Suggested Variable 1" correlates to both the intended variables "Profit" (**B9**: 0.431 and **B37**: 0.631), and "Manager" (**B2**: 0.901, **B12**: 0.828, **B17**: 0.520, and

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[26] (**B3**) "My corporation **has** been the target of NGO negative campaigns", and (**B42**) "My corporation **has never** been subject to a boycott initiated by NGOs".

[27] We followed the recommendations and did a 90 degrees orthogonal factor rotation, and used Varimax, which is the most widely used program, to find a stopping criterion for the number of factors. Then the latent root criterion was used, which told us which factor loadings that were worth considering (Hair et al 1992).

B46: 0.738). Furthermore, "Suggested Variable 5" correlates to "Competitor" **B23**: 0.683 and **B33**: 0.335), to "Profit" (**B37**: 0.342), and "Manager" (**B15**: 0.671 and **B17**: 0.639). If the orthogonal factor rotation had worked out the way we wanted it to, the extraction would have looked more like the "Suggested Variable 2", which is only positively correlated to the variable "NGO" (**B3**: 0.922, **B19**: 0.915, **B41**: 0.933, and **B42**: 0.526).

Table 5.2 Rotated factor analysis

Correlations between survey questions and suggested variables

		Suggested Variables							
		1	2	3	4	5	6	7	8
	Factors								
Competitor	B23		-0,356			0,683			
	B33					0,335		0,770	
NGO	B3		0,922						
	B19		0,915						
	B41		0,933						
	B42		0,526						0,519
Profit	B9	0,431			0,359			0,573	
	B10				0,811				
	B37	0,636				0,342			
CSR	A32			-0,715				-0,402	
	A34			-0,834					
	A39						0,806		
	A40			0,400			0,752		
	Homepages			0,404	0,607				
Manager	B2	0,901		0,558					
	B5	-0,452			-0,454		0,403		
	B12	0,828							
	B15					0,671			
	B17	0,520				0,639			
	B46	0,738						0,331	

There was no intuitive way to divide the other intended variables. A way forward could have been to exclude factors that did not seem to correlate to their variable and perhaps to divide variables that contained negatively correlated factors. However, we would then have risked losing relevant information, and also complicated the interpretation of the obtained results. Instead, we decided to try a factor analysis, extracting one variable at a time.

5.2.3 Analysis Factor by Factor

Since the rotated factor analysis gave unsatisfactory results, we chose to perform a factor analysis extracting the variables one by one. This created a variable out of each set of survey questions. The result of this extraction is presented below in Table 5.3.[28]

When doing the extraction factor by factor, there were still some factors that did not follow the anticipated pattern. They were not correlated to the other factors supposed to be included in the same variable. The solution was to exclude those factors and eventually we ended up with seven variables: "Manager", "CSR 2", "CSR 3", "NGO", "Profit", "Competitor", and "Brand". All those variables were then used in the logistic regression analysis. As for the variables "NGO", "Profit", and "Competitor", the correlations between the factors belonging to the three variables were as expected, and no factors had to be excluded. Below we explain what was done with each variable.

In the case of the "Manager" variable, factor B5 was negatively correlated (-0.659), and B15 only slightly correlated (0.126), to the other questions. Therefore, those two factors were excluded from the "Manager" variable. As for the "CSR" variable, there were two negatively correlated factors. Therefore, the original "CSR" variable was divided into "CSR 3", which contains factors A32 and A34. Factors A39, A40, and homepage grading were transformed into "CSR 2".

Table 5.3 Factor analysis
Correlation between factors within each variable

	Manager		CSR 1		CSR 2	CSR 3	NGO		Profit		Competitor	
Component Correlations	B2	0,765 0,819	A32	-0,738	-	0,873	B3	0,947	B9	0,768	B23	0,792
	B5	-0,659 -	A34	-0,673	-	0,873	B19	0,909	B10	0,659	B33	0,792
	B12	0,879 0,890	A39	0,532	0,763	-	B41	0,952	B37	0,814		
	B15	0,126 -	A40	0,726	0,853	-	B42	0,715				
	B17	0,724 0,701	H*	0,520	0,550	-						
	B46	0,797 0,817										

* = Homepage Grading

5.3 CORRELATIONS

Correlation is a measurement of the linear connection between two variables. If an explanatory variable is correlated to another explanatory variable, it will then indirectly also measure the effects of the correlated variables. Only if a variable is uncorrelated will it measure the effects which are actually intended and interesting (Edlund 1997 p 46).

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[28] The component distribution of variances can be studied in detail in Appendix 4.

To be able to better interpret the results from the regression we looked at the correlations between all variables included in our model. In an ideal situation, none of the variables would have had any correlation to any of the others. However, reality is seldom as perfect as theory, and some correlations have to be expected and accepted. As can be seen in table 5.4 below, there is one case of strong correlation (0.581) between the "Profit" and the "Manager" variables, which are significant at the one percent level. At a five percent significance level, "Manager" is negatively correlated (-0.271) to "CSR 3". "Profit" is also correlated (0.295) to "Competitor". Some of the other variables also indicated significant correlations. "Competitor" is, as well as profit, significantly correlated to "CSR 2" (0.306). "CSR 2" and "CSR 3" have, as could be expected from the factor analysis, a significant negative correlation (-0.333).

The results from the correlations indicate that there are three potentially problematic variables. The strong correlation between "Profit" and "Manager" is one. A negative correlation is even more problematic than a positive one (Edlund 1997 p 46), and "CSR 3" are negatively correlated to all of the other variables except for "Brand", which could be seen a problematic too.

Table 5.4 Simple correlations between the variables

	Competitor	Manager	CSR 2	NGO	Profit	CSR 3	Brand
Competitor	1						
Manager	0,231	1					
CSR 2	0,306*	0,005	1				
NGO	-0,045	-0,232	0,215	1			
Profit	0,295*	,581**	-0,046	-0,088	1		
CSR 3	-0,232	-0,271*	-0,333*	-0,203	-0,221	1	
Brand	-0,184	0,031	-0,018	0,103	0,030	0,091	1

* = 5 % significance level, ** = 1 % Significance level

5.4 THE LOGISTIC REGRESSION

In a logistic regression, the dependent variable Y is binary and the independent variables are can be both continuous and discrete. That a variable is binary means that it can take only two different values, e.g. Yes or No, and Republican or Democratic. In our case, this means that either a company has a partnership, or it does not.

$P_i = $ Probability of having a partnership

A normal linear probability model "LPM" with one explanatory variable X looks like this:

$$P_i = E(Y = 1 | X_i) = \beta_1 + \beta_2 X_i \quad (1)$$

Y=1 means that a corporation has a partnership, and Y=0 that it does not. The explanatory variable can be for example a factor like "NGO pressure".

In the linear model, the probability of partnership is assumed to be a linear function of the explanatory variables. In a logit model, it is instead assumed that the probability follows a non-linear logistic distribution as follows (in the case of only one explanatory variable):

$$P_i = E(Y = 1 | X_i) = \frac{1}{1 + e^{-(\beta_1 + \beta_2 X_i)}} \quad (2)$$

Let $Z_i = \beta_1 + \beta_2 X_i + \varepsilon_i$ and rewrite this as:

$$P_i = \frac{1}{1 + e^{-Z_i}} = \frac{e^{Z_i}}{1 + e^{Z_i}} \quad (3)$$

The objective in our case was to find the probability of something happening, the probability of having a partnership P_i. Hence, we built a probability model that could investigate what variables could explain Swedish companies' engagement in partnerships that result in the model:

$$Z_P = \beta_1 + \beta_2 X_1 + \beta_3 X_2 + \beta_4 X_3 + \beta_5 X_4 + \beta_6 X_5 + \beta_7 X_6 + \beta_8 X_7 + u_P$$

Where: $X_1 = Competitor$ $X_2 = NGO,$ $X_3 = Brand,$ $X_4 = Profit,$ $X_5 = CSR_1,$ $X_6 = CSR_2,$ and $X_7 = Manager.$

The interpretation of a logistic regression coefficient is not as straightforward as that of a linear regression coefficient. The β coefficient is convenient for testing the usefulness and significance of the explanatory variables, but it not easily interpreted. Furthermore, since we through factor analysis weighted several factors into seven variables, the coefficient is in fact impossible to interpret in any meaningful way. The thing that can be said with certainty is that the probability of having a partnership increases as the value of the variable gets higher. Hence, the important thing in our study is to identify which variable are significantly separated from zero, and has a positive sign.

5.5 THE RESULTS

As can be seen in table 5.5 below, we have a model with a high degree of correct predictions, a fairly high R^2, [29] but with rather few observations and never more than two significant variables.

In Model 1, the only significant variable was "Competitor", which was significant at the 10 percent level. None of the other variables was close to being significant. The prediction level was 73.7 percent, which is more than acceptable. However, we relied on 38 observations. In order to get results that were more reliable it, would have been desirable to increase the included number of observations. It was possible to do so by excluding the variable with the lowest significance. As a first step, in Model 2, the "Brand" variable was excluded since it was the variable furthest from being significant and had a β value which was close to zero (-0.042).

After "Brand" was excluded in Model 2, the regression contained 41 observations, and the R^2 value increased. The predictive value, all though slightly lower, was still high at 70.7 percent. Even so, the "Competitor" variable was the only significant one, and now even at the 5 percent level. When, in Model 3 - 5, the "CSR 3", the "Profit", and the "NGO" variables were excluded, following the same criteria as earlier, the number of observations rose to 49. The "Competitor" variable was still significant at the 5 percent level and as long as the same number of observations was used, the β value is constant. The predictive value was still high at 69.4 percent. However, in Model 5 the R^2 value dropped considerably, indicating that the quality of the model was decreasing.

A somewhat surprising result was that, as the "Profit" variable was excluded in model 4, the "Manager" variable became significant at the 25 percent level. This result was probably due to the fact that those two variables were quite strongly correlated, as commented upon in table 5.4 "Correlations", and could partially contain the same information. This was also supported by the fact that in Model 8, "Profit" became significant as "Manager" was excluded, but in Model 7, when both were included with "Competitor", none of them was significant. Those variables seem to contain information that could help to explain whether or not corporations engage in partnerships, but it was not possible in this study to conclude what that relationship looked like.

As the values of β are difficult to interpret, other measurements have to be used to evaluate the model. An easily observed indication of the robustness of the model is how much the remaining variables change in value when one of them is omitted from the regression. It is desirable that β is fairly constant even when alterations are being made to the model. In our model, the β values changed considerably when the number of included observations changed, but the β values were fairly constant when other variables were removed from the regression, indicating that the results were fairly robust.

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[29] R^2 is the proportion of the variation in the dependent variable explained by the explanatory variables (Gujarati 2003 p 87). The R^2 statistic cannot be exactly computed for multinomial logistic regression models, so approximations (Cox & Snell and Nagelkerke) are computed instead. Larger R^2 statistics indicate that more of the variation is explained by the model, to a maximum of 1. The maximum value of the Cox and Snell R^2 statistic is actually somewhat less than 1; the Nagelkerke R^2 is a "correction" of the Cox and Snell statistic so that its maximum value is 1.

Table 5.5 Results of the logistic regression

		Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Competitor	β	0,981**	1,217***	1,203***	0,263***	0,700***	0,726***	0,636**	0,645**
	S.E.	0,521	0,498	0,493	0,467	0,369	0,357	0,358	0,353
Manager	β	0,454	0,494	0,472	0,556*	0,636**	0,623**	0,448	
	S.E.	0,536	0,538	0,523	0,465	0,357	0,357	0,401	
CSR 2	β	0,556	0,395	0,391	0,349	0,443			
	S.E.	0,531	0,499	0,500	0,481	0,435			
NGO	β	0,142	0,182	0,164	0,148				
	S.E.	0,450	0,441	0,435	0,431				
Profit	β	0,256	0,172	0,1848				0,408	0,614**
	S.E.	0,535	0,521	0,514				0,419	0,372
CSR 3	β	0,097	0,093						
	S.E.	0,422	0,409						
Brand	β	-0,042							
	S.E.	0,234							
Constant	β	0,187	0,008	-0,001	0,007	-0,155	-0,052	-0,065	-0,078
	S.E.	0,971	0,385	0,384	0,382	0,339	0,317	0,321	0,317
Observations (N)		38	41	41	41	49	49	49	49
Positive observations		19	19	19	19	25	25	25	25
Correct Predictions		73,70%	70,70%	70,70%	70,70%	69,40%	69,40%	69,40%	69,40%
R² Nagelkerke		0,347	0,370	0,368	0,365	0,270	0,246	0,267	0,240

* = 25% Significance level, ** = 10 % Significance level, *** = 5% Significance level

5.6 ANALYSIS OF THE RESULTS

In this chapter, we analyze the results obtained through the logistic regression. The different hypotheses are analyzed one by one and we try to elaborate on why some of our variables were significant while others were not, in explaining the probability of corporations in Sweden to engage in partnerships.

5.6.1 Significant Variable

We found one significant variable, "Competitor" which quite strongly could explain the probability of corporations in Sweden to get engaged in partnerships with NGOs.

Competitor
H 1 *Corporations that perceive that competitors have partnerships are more likely to have a partnership.*

The original idea behind this hypothesis was that most corporations perceive themselves as constantly pressured by their competitors and other companies. Thereby, competitor pressure, ripple effects, as well as first mover advantages would lead to a higher probability of corporations to engage in partnerships.

Corporations are in continuous search for new innovative ways to differentiate themselves from their competitors. As tangible resources for the most part are easy to imitate, it is important to find other way to differentiate in order to build a competitive advantage. As presented previously, literature does point towards the fact that CSR commitments such as partnerships could be a new differentiation tactic.

Changes in the marketplace are often first met with skepticism by corporations. However, peer pressure as well as other external pressure has been seen to lead to compliance with for example the ILO convention and different ISO standards. Today, there is an increasing awareness of corporate impact on environmental and social problems in Sweden. It is possible, that engaging in a partnership is the new differentiation tactic that the corporations have pursued and others copied. For instance, the earlier reviewed Ecpat case showed how peer pressure made FRGs competitors become interested in child trafficking issues and thereby copied the initiative taken by FRG.

There are many examples of this behavior. Between July and October, one of the authors has worked for a consultancy firm specializing in the area of Corporate Responsibility and Sustainable Business Development. When they assist client corporations with CSR strategy development, a competitor benchmark is done. This was the case both within projects for the car, energy and food retail industry. Hence, what competitors are doing is obviously of high importance when choosing CSR strategy.

One has to ask what the competitor pressure in this case consists of. Many of the 203 largest corporations in Sweden do not compete on the local market and they operate in wide range of businesses, from investment banking to furniture production. In this case, it is not unrealistic to assume that some of the peer pressure comes from competition abroad as well as competition locally. It would therefore have been interesting to look closer both at internationalization and at specific industries to investigate whether or not there would have been evidence of a significant connection. Unfortunately, we had too few observations to make any more extensive comparisons within different industry branches.

5.6.2 Possibly Significant Variables

There were two variables that showed inconclusive results and even though they were not significant enough when we tested them in our model, we did not want to throw them out totally either. These two variables were "Manager" and "Profit". What probably caused the problem in the model was the fact that we had considerable correlation between the two variables, even though it should not be so according to our theories.

Profit

H 4 *Corporations that perceive partnerships as being profitable are more likely to have a partnership.*

The basic idea behind this hypothesis was that if partnerships are perceived as profitable by the corporation it would be more likely to engage in partnership. Social engagements are, at least partially, always based on cost and benefits. The bottom line for all corporations is that if they do not make a profit there will be no CSR or Partnership activities at all.

It was not possible to obtain any conclusive results on whether or not "Profit" was a significant variable that could explain corporations' probability to engage in partnerships or not. One explanation is that "Profit" was quite strongly correlated to "Manager". It is plausible, that what the survey questions related to the "Profit" variable[30] measured was not profitability per se, but rather the personal attitude of the managers towards NGOs and the belief of whether or not it is valuable to get engaged with NGOs, rather than what on short terms is profitable for the company. On the other hand, if managers have a positive outlook on NGOs, trust them to be moral, combined with a belief in their positive influence on society, this will enhance that corporation's probability of having a partnership. The interpretation problem of the two questions could perhaps explain the strong correlation found between the variables.

Another explanation is that profit perhaps not is an explicit reason for partnering. Perhaps profit rather is the precondition and long-term goal. As a comparison, a parallel can be drawn to a study recently conducted by one of the authors on CSR in Guatemalan companies (Mossberg 2006). Company representatives in Guatemala used the profit argument much more openly than how it is used in Sweden. Profit was constantly described as the basis for all kinds of social engagements. As an example, the corporations received a tax reduction on all profit that was donated to CSR or philanthropic foundations. This connection between profit and partnership is perhaps not as frankly expressed within Swedish corporations, at least not by the CSR responsible managers.

Manager

H 6 *Corporations where managers have a positive perception of NGOs are more likely to have a partnership.*

The basic idea behind this hypothesis was that the probability for engagement in partnership would to a great extent depend on the CSR managers' opinions towards NGOs as potential partners.

A possible explanation to the inconclusive result of the "Manager" variable is that all questions in the survey had to be answered by a manager. Are the survey answers then reflecting the managers' or the corporations' opinions? It could in many cases be difficult to separate those two. Research shows that what is driving partnerships is often subjective in nature, which could also be seen in the SEB case study.

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[30] The "Profit" survey questions were: **B9**: NGOs provide valuable resources to their corporate partners; **B10**: NGOs get more out of collaboration with corporations than vice versa; and **B37**: Working with NGOs is more trouble than it is worth.

Also, the "Manager" variable showed correlation with all of the other variables except "CSR 2" and "Brand". However, this lack of correlation could be explained since "CSR 2" was less about opinions and more based on hard facts[31], and the "Brand" variable did not show correlation or significance to anything at all in the model. This would thus indicate that manager opinion is considerable in explaining the probability of corporations to interact with corporations, but it is not clear what this effect looks like and how strong it is.

When looking at the survey answers it also seemed like most respondents had a fairly positive notion of NGOs that could perhaps be one of the reasons, why they chose to answer the survey in the first place – the earlier discussed Self-selection phenomenon. This positive bias could be another reason to why the "Manager" variable did not get any significant results.

5.6.3 Insignificant Variables

We could find no evidence that the "CSR 2", "CSR 3", "NGO", or "Brand" variables affected the probability of corporations in Sweden to form partnerships with NGOs.

CSR 2 & 3
H 5: *Corporations that have formal CSR features are more likely to have a partnership.*

The idea behind this hypothesis was that CSR by many is considered to be the prerequisite for partnerships and we therefore expected a relationship between "CSR" and the probability of a corporation to partner. This insignificance in connection was perhaps the biggest surprise of all results. However, the problems with the "CSR" variable started already when we conducted the factor analysis and two of the factors were strongly negatively correlated with the other three. This indicated that we perhaps not constructed the "CSR" variable in an appropriate way.

Another plausible explanation is the same as used when discussing the "Manager" variable. Maybe this indicates that CSR is not an all that widely used concept after all, or perhaps partnership is not a subset of CSR? The effect could have been that among those corporations actually included in the regression, there is a positive bias of which are engaged in CSR activities, even though they do not have a partnership with a NGO. Just to answer the survey could in one way be seen as a type of corporate CSR. Therefore, it is plausible that there was a positive bias among the respondents, which made the results different than anticipated, even though it is doubtful whether or not this can adequately explain the lack of significant correlation.

NGOs
H 2: *Corporations that have been targeted by NGOs are more likely to have a partnership.*

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[31] The "CSR 2" survey questions were: **A39**: Does your corporation have a written code of conduct regulating your corporations' operations? **A40**: Does your corporation have a written code of conduct regulating your suppliers' operations? **Homepage** Does the corporation communicate CSR on its homepage?

The idea behind this NGO hypothesis was that corporations that earlier had been criticized publicly, pressured with protests or targeted with some type of NGO campaign would by now have changed and understood the advantages of partnering with NGOs.

It would be possible to explain the negative result here by saying that most NGOs are international organizations that generally choose to target large MNCs in order to reach the greatest impact. This is to say that NGOs probably have not been targeting or pressuring smaller corporations in Sweden to such a great extent as they have pressured multinational corporations.

Interestingly enough, there is also a negative correlation between the "NGO" and the "Manager" variable. This could imply that campaigns against corporations lower the trust level among CSR managers, which also decreases the probability to successfully develop a partnership between the corporation and NGOs. At the same time there are examples where campaigns has resulted in partnership cooperation, but those two effects might be canceling each others out in the end, and resulting in little effect and significance for the "NGO" variable in our regression.

Brand

H 3: *Corporations that perceive brand as important are more likely to have partnerships.*

Our idea behind this hypothesis was that "brand" is very important to large stock market based Swedish corporations. Since their trademarks probably contain a large amount of intangible value the corporations would do a lot to build and enhance their own trademark, thereby we would find them more likely to engage in partnerships.

We believe that the problem here was that the survey question was rather vaguely formulated[32] and that this may have affected the validity of this question. Furthermore, we unfortunately did not have any other questions in the survey covering this topic. The "Brand" variable did not show significance or correlation to anything in our model.

However, we still believe that there exist a connection between brand value and propensity of partnership engagements. Although, since brand value consists of many things, such as for example risk management, consumer opinion, NGO critique management, and marketing efforts it might be that it is simply not possible to analyze this type of variable with such a dull instrument as our survey.

5.7 SUMMARY

In this chapter, we have presented six hypotheses, which were based on our earlier review of the CSR and partnership literature. Through factor analysis, the hypotheses were transformed into variables, which were then used in our quantitative analysis. We then tested how well the results of

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[32] The "Brand" survey question was: **A 50**: What would be the most important reason for your company for forming partnerships with NGOs?

our survey supported our variables. The testing was done through logistic regression in SPSS that showed which hypotheses had a significant explanatory value.

Hypothesis number 1 "Competitor" proved to be the only easily identifiable significant variable when it came to explaining the probability of partnership engagement. Our results clearly indicated that there is strong competitor and intra industry pressure for corporations to get engaged in partnerships. At the same time, the result indicated that NGO pressure is not strong at all, or at least the impact of NGO pressure could not be proved by us. This is not the same as saying that NGOs cannot pressure corporations to become engaged, but among Swedish corporations, this pressure was not a significant factor. Additionally, the hypotheses "Profit" and "Manager" were at first glance not significant, but after a closer look and further analysis in the model, they both seemed to have some influence on partnership engagement. The hypotheses regarding "CSR", "NGO" and "Brand" all proved to be inconclusive or not significant at all.

These results regarding the motivation of corporations in Sweden are interesting to compare since they show that when it comes to engaging in partnerships, competitor pressure seem to matter much more than NGO pressure. In addition, when looking closer at the "Manager" and "Profit" variables, a plausible interpretation is that the personal opinions and perceptions of managers have a strong influence on the probability of a corporation to be engaged in a partnership. Whether or not a corporation in Sweden engages in partnership seems to depend much more on the actions of a single manager than an outspoken partnership strategy from the headquarters. Whether this is good or bad is beyond the scope of this thesis, but we interpret it as a lack of strategic thinking about partnerships.

6 QUALITATIVE ANALYSIS

Collecting the data and conducting the quantitative analysis partly changed our view of the magnitude of CSR in Sweden. One important limitation of the conclusions that were possible to draw from the quantitative analysis was the low response rate. This was despite substantial efforts to increase motivation and commitment. It was our impression that the low response rate was largely due to the fact that neither CSR nor Partnerships was a widespread phenomenon within Swedish corporations.

When we contacted our selected corporations by phone, we kept notes of our general impressions as a way to organize and remember who was who, who was doing what, and whom we had been speaking to in each corporation. When we started to send out the survey, we also received several interesting emails with comments from both respondents and non-respondents. These contact notes and feedback emails later on proved to be valuable sources of information that made a further qualitative analysis possible. To deepen that analysis further we also reviewed the homepages of all 203 corporation included in the survey.

In this chapter we present, classify, and analyze our impressions from the phone calls, from the received feedback, and from the reviewed homepages. These ultimately result in a corporate ranking. Our additional corporate classifications and homepage ranking is regarded as new data and an additional support for this qualitative analysis.

6.1 A CHANGE OF VIEW

When we commenced the work with our thesis, it was with the presumption that, even if there might not exist that many partnerships, then at least CSR already to a large extent would be an integrated part of the daily business of many corporations in Sweden. Our view was that CSR was widely discussed at research and corporate conferences, in academic literature, and enjoyed substantial media coverage in Sweden.[33]

Since partnership was described as a form of focused CSR action, it was more or less a prerequisite that CSR has a substantial reach within Swedish corporations. We assumed and expected the concept already to be strategically integrated in a majority of the 203 investigated corporations. We believed so since more than 80 percent of the Fortune 500 US corporations address CSR issues on their corporate homepages according to a recent investigation (Bhattacharya & Sen 2004).

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[33] Examples supporting this view are: *The Economist* "A skeptical look at CSR" January 22th –28th; Sustainability Day (April 14th 2005) organized by *Näringlivets Miljöchefer* (NMC) and *Det Naturliga Steget;* Score Conference O*rganizing the World* (October 13th –15th 2005)organized by SCORE at Stockholm University; *What do we know about CSR – a sampling of Swedish research in the field* Workshop (November 2005) organized by the Swedish Partnership for Global Responsibility (www.ud.se/ga); *The Nordic Market Place on CSR* organized by CSR Sweden and PriceWaterhouseCoopers 2006-02-02.

Additional data that led us to believe that CSR had a substantial reach in Sweden, was a large CSR survey conducted in Europe, Asia, and the US during 2004[34], which showed a strong link between countries' economic development and their CSR development (Welford 2005). Sweden being an economically well developed country, with high GDP per capita levels[35] should therefore also have CSR as an integrated part in a majority of large corporations in Sweden. In addition, earlier research has found that five out of ten Swedish based NGOs were involved in a partnership with a Swedish corporation (Ählström & Sjöström 2005).

This presumption of ours was strengthened by the fact that an international research team wanted to conduct a cross national investigation on corporations' perception and attitudes toward partnerships with NGOs. In addition, we thought that Sweden, with a rather large proportion of MNCs, would have implemented CSR since many MNCs often communicate their CSR work openly. All this reinforced our perception of CSR as a widespread and widely embraced phenomenon in Sweden.

However, since we started carrying out this survey, our perception of CSR integration in Swedish corporations has been modified. The low survey response rate made us become rather disillusioned. We started questioning the survey results, perhaps it was futile to carry out a survey on partnership, and given how few corporations in Sweden that actually have a strategic partnership. We had participated in a survey project destined to be unsuccessful.

Our change of view is three folded. Firstly, it stems from our disappointment with the low response rate. Secondly, it stems from feedback from received emails and our impressions from calling the corporations. Thirdly, it stems from our complementary homepage review. This will be explained in more detail below.

6.1.1 Additional Classifications

We decided to make two additional classifications where the corporations were graded on a scale from one to five, based on their embracement of CSR and partnerships. The first classification was based on our impressions from phone calls and survey feedback. This scoring can be seen as our interpretation and grading of the corporate managers' knowledge of CSR and partnerships. The second classification was based on homepage information regarding CSR and partnerships. Since we wanted to assess how important CSR officially was considered and communicated by the corporations, each corporation homepage was reviewed during approximately five minutes. This was considered sufficient to assess if there was any CSR work being done. If substantial information was found, this was later assessed in order to reevaluate whether or not the CSR work was also manifested in partnerships or other more concrete CSR engagements. We also double-checked our review with listings from the Corporate Register and Global Reporting Initiative.

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[34] The survey was sent to a sample of 450 stock exchange corporations, 30 from each country (Welford 2005).

[35] Sweden was 2005 the 19th wealthiest of the 181 members of the International Monetary Fund. Sweden had according to the International Monetary Fund's World Economic Outlook Database, September 2006 a GDP per capita (derived from purchasing power parity) of $ 29,926 (www.imf.org).

The compiled data was ranked in accordance with the description below:

(1) Corporations that we despite repeated efforts had no or very limited contact with were not ranked at all.
(2) Grade 2 was obtained by corporations that explicitly did not work with these issues.
(3) If the corporation had no, or a limited awareness of CSR, it received grade 3. For example, if there was confusion regarding CSR as a concept, or if no CSR manager existed, and we were redirected to the environmental manager, in a few cases even to the information manager.

CORPORATE RANKING
1. No information at all
2. No interest for CSR
3. Sketchy CSR (=Environment)
4. Systematic CSR
5. Extensive CSR

(4) If a CSR manager, some form of CSR, or an equivalent process existed, it rendered grade 4.
(5) Since partnership is looked upon as a focused form of CSR, a partnership or some other form of manifested CSR engagement was required to receive a 5, the highest grade.

These rankings were not intended to be exhaustive illustrations of CSR and partnerships in Swedish corporations, but were rather a way to conceptualize our impressions. It is nevertheless based on both primary and secondary data. The corporations were contacted in three rounds. At all the ranked corporations, at least two persons have been spoken to, and in most cases three persons or more.

## 6.1.2 Classification of our Impressions

We were able to classify 164 out of the 203 corporations (81%).[36] When analyzing the impressions of our phone calls we found that 8 of the contacted corporation managers (5%) were aware of having some sort of partnership. In another 33 corporations (20%), it was possible to identify a person who was actually working with CSR. In 67 corporations (41%), there was no managerial knowledge beyond the position of environmental manager. In 56 corporations (34%), no one working with issues that had anything to do with ethical or environmental issues could be identified.

6.1.3 Classification of the Homepages

We reviewed the 203 homepages of the corporations included in our survey. Each homepage was searched for a time of approximately 5 minutes. When reviewing the homepages, we could find evidence of partnerships in 18 corporations (9%) of the cases. On the homepages of 63 corporations (31%), we found explicit text about CSR or related issues. 84 of the corporations (41%) had some specific information concerning environment, or other field issues relevant to their specific industry. Finally, in 38 corporations (19%) there was no information whatsoever on topics concerning CSR, partnerships, nor on environmental issues. See chart 6.1 below for further information on the classification results.

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[36] 39 out of the 203 corporations could unfortunately not be assessed due to lack of sufficient data.

CHART 6.1: Classification results
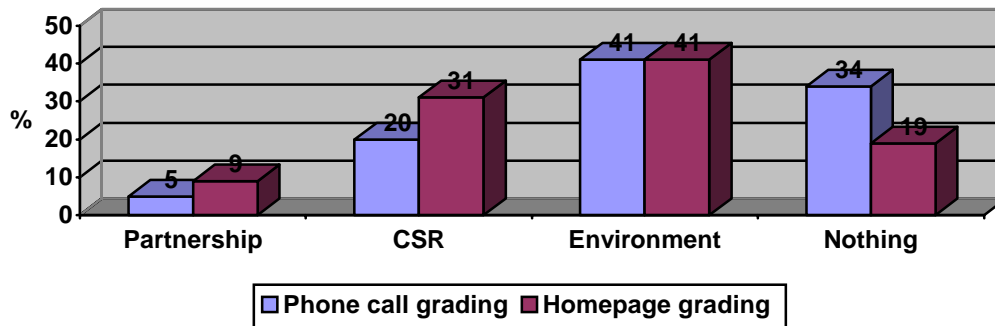
6.1.4 Discussion

When studying the classification results above, some observations can be made. The results show that only a quite low numbers, between 5 and 9 percent, of the corporations have a partnership. Thus, strategic partnerships are really not that common in Swedish corporations. Comparatively, 26 out of the 69 corporations (38%) that answered our survey claimed to have a partnership. This percentage difference is interesting and has been interpreted by us as the discrepancy between having "some type of" partnership and having a "strategic" partnership. However, a more cautious estimate would be that 13 percent (26 out of 203) rather than 38 percent have "some type of" partnership. 13 percent probably underestimates the true spread of partnerships, but is still a more realistic number than 38 percent due to the Self-selection problem which predicts that a skewed representation among the answers is to be expected.

CSR engagements are more common, when we add the percentages of CSR and partnership (5%+20%=25% and 9%+31%=40 %), we found that CSR engagement lies between 25 and 40 percent. Here, the discrepancy between our grading and the review of the homepages is even larger, 25 and 40 percentages respectively. Perhaps the reader does not regard a level of 25 to 40 percent CSR involvement to be strikingly low. Nevertheless, when the numbers are further compared and investigated, the level is even more disappointing. Three points could be made.

Firstly, when the numbers are compared internationally, even the higher number (40%) is only half of the result received from the US Fortune 500, where 80% of the corporations' websites address CSR issues (Bhattacharya & Sen 2004). A common and interesting observation made from our homepage screening, was that a substantial part of the CSR information found only was available in English. It was quite common with a link on the Swedish homepage that redirected us towards the English equivalent ".com" with formal CSR information written in English.[37] Those observations make the difference between American and Swedish homepages even larger than what the numbers

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[37] When redirection to an English webpage was the case, we still regarded it as having CSR, it rendered a (4).

of Bhattacharya & Sen would first indicate. It also put some doubt on the real effect it can have on action within corporations in Sweden. This could also explain why so few among staff actually know what CSR is. There appears to be a glitch in the relevance of CSR as a concept in the Swedish market and the international market.

Secondly, the assumption that CSR involvement is strongly related to a country's economic development (Welford 2005) seems to be tarnished. Sweden, a country with high economic development would be expected to have a high level of CSR and partnership engagement. Yet, in comparison to the US, corporations in Sweden appear to be more reluctant.

Thirdly, perhaps not so surprisingly, most of the investigated corporations seem to be better at communicating CSR through their homepages, than what they are at concrete CSR work. The difference of 15 percentage units between the homepage screening and the phone call ranking should not to be neglected. Concrete CSR, such as having a partnership or a CSR manager who is locally responsible for actually carrying out more action oriented CSR, is far from common, and even when it is done, it is often not labeled CSR.

These numbers of 25 to 40 percent CSR involvement was recently validated in an investigation conducted by Sasja Belik, Chief Ethical Analyst at Banco Fonder; an investment fund focused on ethical placements. When they examined the 63 largest corporations in Sweden, they found similar results to ours, 50 percent of corporations in Sweden are neglecting social issues, and only a third is working actively (strategically) with CSR questions (SvD 2006-11-13).

Nevertheless, environmental issues seem to a much larger extent to be a part of corporations' daily Swedish operations with an engagement level at 41 percent. Furthermore, it is a valid generalization to say that corporations engaging in CSR and/or partnerships already have environmental engagements. Therefore, the total numbers for environmental engagement are higher, giving a total level of between 66 to 81 percent environmental engagement.[38] At first glance, this indicated that CSR nonetheless is growing in Sweden. Theory proposes that after environment engagement, more advanced stages of CSR would soon develop, such as green alliances or partnerships.

Furthermore, the actual difference is perhaps not as large as the formal one, and could even be less than what it appears to be. As an example, high environmental engagement could be interpreted positively and is in many cases abroad seen as an important part of CSR. Seen in that perspective, environmental engagement could be interpreted as a form of CSR that could be developed into other forms of engagements, such as sustainability reports, green alliances, CSR, and NGO partnership involvement. Therefore, the 66 to 81 percent integration of environmental work is an indication that Sweden could develop toward becoming a country where corporations have a high CSR and partnership involvement.

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[38] 5%+20%+41%=66% and 9%+31%+41%=81%

The optimistic reader could further compare this with the partnership involvement result from the actual survey, were 26 out of 69 corporations (38%) indicated that they did had some sort of a partnership or collaboration with an NGO. 13 to 38 percent is certainly a much higher number than 5 to 9 percent. However, due to the selection biases previously discussed, those 26 corporations most likely are a substantial part of the total number of corporations in partnerships. A valid question then is what the relationship between CSR and Partnerships really is. There are apparently more companies that say that they have a partnership when responding to the survey than what the homepage and telephone calls indicate. Furthermore, there was no evidence of any significant relationship when conducting the quantitative analysis. Even though the problem of Self-selection is valid, it is doubtful if it can entirely explain why there is no significant connection. A more plausible explanation, which has been observed in some of the cases, e.g. Ericsson Response, is that the connection is not necessarily linear over time. Rather, it is likely with non-strategic partnerships that exist in different local parts of a MNC, and that these partnerships later are included as a part of the corporation's international CSR strategy. This casts doubt on the statement that CSR results in concrete action.

Nonetheless, at least 61 percent of the 203 investigated corporations in Sweden are not engaged in CSR and in those cases where CSR explicitly is a part of the corporation, the intended recipients seem to be located primarily outside of Sweden. The Swedish embracement of CSR has certainly not lived up to our original expectations when investigated in more detail. Our collected impressions and the new data stemming from our classification assessments eventually pointed us in a new direction. There was a need for a further set of theories to explain our observations.

6.2 INSTITUTIONAL THEORY

Even though we in chapter 4 presented some skeptical views and theories, these largely share the same ideological base as the supporters' arguments, and they offer little theoretical explanations for their observations. Therefore, the theories presented within the field of CSR could not in an adequate way explain our observations. To be able to explain our impressions and observations, it was instead helpful to add another set of theories, and conduct a more qualitative analysis. We found that institutional theory could help us understand and explain our observations and lack of progress with the quantitative analysis.

The idea of legitimacy is not new. As Meyer and Rowan put it already in 1977, organizations are dependent on legitimacy in order to survive and to receive resources. Legitimacy is obtained through rules and norms, which are present in the context surrounding the corporation. Adapting to these rules is important if you want to be perceived as a modern, successful, and "good" corporation (Meyer & Rowan 1977). To a reader somewhat familiar with institutional theory, corporations' need of legitimacy as a strong influence on the existence of CSR and partnerships is probably quite evident. After all, CSR actions could be a way to improve corporations' legitimacy in the eyes of external stakeholders. Furthermore, research has previously investigated the relation between legitimacy and CSR (Svedberg-Nilsson 2004; Jutterström 2005; Egels-Zandén & Kallifatides 2006).

The legitimacy issue was initially outside of our thesis since we believed that a quantitative method would not give us data suitable to analyze with institutional theory. However, as our research method changed, this view of legitimacy changed as well. In the end, we found two theoretical fields from the particularly useful for the analysis of our results. Firstly, those were hypocrisy and decoupling as presented by Brunsson (1989), and secondly, the theories of isomorphism by DiMaggio & Powell (1983). Our interpretations of the findings with the help of these institutional theories are presented below. In brief, it can be said that it is primarily the corporations' need for legitimacy that forces it to use the strategies of hypocrisy, decoupling, and isomorphism.

6.2.1 Hypocrisy and Decoupling

The pressures and demands on corporations are often many, differing, and contradictory and therefore it is almost impossible to live up to and completely satisfy all of them. According to Brunsson (1989) the demand on corporations is that they should "*provide employment; offer a good working environment that provides opportunities for personal development; provide their employees with decent wages; give good service to their customers; contribute to the prosperity, GDP, export revenues and the general progression on the country – while not polluting the environment*".

The solution to this dilemma of contradicting demands is what Brunsson calls hypocrisy, which means that there is an inconsistency within the corporation. The corporation meets different demands in different ways: "*some demands are met through talk, other through its decisions, and yet others through action*" (Brunsson 1989). The solution is therefore "*window dressing*", a behavior that shows a clear discrepancy between a corporation's talk, its decisions, and its actions (Weaver et al 1999).

Talk, Decision, and Action

We have observed in our classification that corporate homepages talk about CSR in a way that overreaches the concrete action. Approximately 40 percent of the corporations seem to have taken decisions on having a CSR framework that is also communicated on the homepage. However, when conducting the phone calls, our overall impression of CSR within the corporations was rather disappointing. In numbers, the difference was approximately 15 percent, but that is the most generous interpretation. Even in corporations that claimed to be working with CSR, we found little "real CSR" in the form of low employee knowledge and understanding, no formal CSR structure such as a responsible manager, and little CSR action such as partnerships with NGOs. Feedback proposed that CSR was far from considered a relevant and integral part of corporations' core business and our classification reinforced this view: 61 percent of our corporations have yet not implemented any visible CSR features.

A researcher who has observed the inconsistency between talk, decision, and action is Rombach (1991). He comments on the potential of control means, labeled *"Management by Objectives"* (MBO) within the Swedish county council. Despite the fact that the politicians earlier had decided to use MBO, the system was not in use and would most probably not become in use in the future either. MBO was rather a way to talk about the county council decision making that was not particularly coupled with reality (Rombach 1991).

If we draw a parallel between Rombach's results and the results put forward in this thesis, it puts the glitch between Swedish (41%) and US (80%) corporations that address CSR, in a new perspective. The difference between Sweden and the US is large, but as the MBO study and our Partnership investigation have accentuated, the difference between talk, decision, and action would indicate that the numbers regarding American corporations' CSR involvement would most probably decrease when investigated more qualitatively.

The need to satisfy external demands, such as demands on CSR and partnerships, is important to corporations. At the same time, CSR actions are perceived by many as costly and time consuming. Therefore, we naturally expected to observe more CSR talk than corporate action, and those expectations have been reinforced by our observations. The difficulty of finding a responsible CSR manager and, even when found, that manager had several areas of responsibility and obviously lacked time as well as commitment.

National and International Levels

Where Brunsson (1989) and Rombach (1991) mainly look at hypocrisy from a local perspective of action, in our research we have found hypocrisy at another level. Both when we carried out the survey and assessed the homepages, what appeared as the main perspective of CSR was that of the international headquarter. It seems like the hypocrisy is not only between talk, decision, and action at the local level, but also between the national and the international. The national entity appears to be partly unaware of what the corporation does at the international level and international decisions are not implemented locally. A clear indication of this is the fact that, in many of the investigated corporations, the information on CSR is only available at the international corporate homepage, and often the CSR information only exists in English, even if most of the other information can be found in Swedish.

A team of researchers that have previously noted this national versus international level of decoupling is Egels-Zandén and Kallifatides (2006). In a case study of electrification in sub-Saharan Africa, a project initiated by the MNC ASEA Brown Bowery (ABB), they found results similar to ours. In essence, the project proceeded on two disconnected geographic and hierarchical levels, which enabled local and international adaptation. The two managerial capabilities were situated in different locations in ABB's organizational structure and had a fairly sparse level of communication with each other. The project was hence conducted to satisfy demands from influential stakeholders in Europe and the US; structural performance, while at the same time satisfying local stakeholders' demands; output performance. As we can see, this is a clear case of decoupling between the international and the national/local level. As the researchers put it: *"For policy to succeed it is necessary, it seems, that it is not implemented, but that enough people, and people with enough power, are willing to believe that it is"* (Mosse 2005 in Egels-Zandén & Kallifatides 2006).

The hypocrisy is aimed at satisfying external demands for talk and decisions at the international level rather than being implemented at the national and local level where the actual actions could be performed. Many international, rather than national, organizations such as the UN Global Compact,

Global Reporting Initiative, ISO, CSR Europe, and the European Commission are working with CSR. Thus, CSR mainly seem to serve the function of an international legitimization of the corporation. To draw an interesting parallel, in Sweden the governmental body most concerned with CSR is the Ministry for Foreign Affairs,[39] which is further proof of our theory that CSR is an international demand.

Discrepancy between Talk and Action

In essence, there seem to be a discrepancy between the talk and decisions at the international headquarters and the action at national corporation levels. In a world dominated by MNCs, global headquarters are becoming political and executing "global management". Unfortunately, if international headquarter decisions regarding CSR and partnerships do not reach its national business entities, they are most likely just talk and decision but no real action. Headquarters seem to live in their own world, with their own media connections and information channels. The production and distribution of information within the MNCs has become centralized. Thereby, the international headquarters communicate CSR information and strategies but this is not seen, or even heard of, at the local level.

When institutionally demanded rules, such as CSR, conflict with the corporations need for growth and profit, it often results in the fact that formal organizations are loosely coupled – a gap between formal structures and ongoing activities that leads to problems of inconsistency. Many corporations talk about CSR, but when you scratch on the surface there is often not much left other than unimplemented policies.

6.2.2 CSR as Isomorphism

Even though approximately 40 percent of the 203 largest corporations in Sweden to some degree have recognized CSR related issues, they do not seem to be driving the CSR development by themselves or for the sake of good social actions. Our impression is that, both when it comes to CSR and Partnerships, most of the corporations are responding to perceived external pressures. This impression is strengthened since CSR work within the corporations, such as Partnerships, appear to be a fairly isolated issue, far from being widely acknowledged among employees.

Except for the overarching aim of corporations to be profitable, research has identified other important drivers for the development and spreading of rationalized and standardized rules and norms – isomorphism. There are mainly three drivers for isomorphism; scientific and professional knowledge, state action and, imitation of other organizations or corporations (DiMaggio & Powell 1983). Below, these drivers of isomorphism are investigated further.

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[39] See for example *"What do we know about Corporate Social Responsibility – a sampling of Swedish research in the field."* Workshop in Stockholm November 2005 held by the Swedish Partnership for Global Responsibility.

Scientific Research and Professional Knowledge

Just as consultants for a long time have been hired to meet the external demand of efficiency, it can be noted that today there is a demand for ethical consulting to meet external demands for a more ethical and CSR aware business field. Traditional consultants function as a way to handle demands from shareholders, while ethical consultants work out ways to satisfy all stakeholders.

Henning (2005) has studied researchers and their role as consultants in spreading the development and the use of models explaining regional development in Sweden. He explains how researchers together with consultants have been working on the borderline between the public and private sector. They frequently release publications with interesting catchy titles, which present different and always successful problem solving models. These models are often vague, ambiguous and with large room for personal interpretations. Since this portrait of research seems to be applicable also in our findings, we have interpreted the results using the research by Henning (2005) as a starting point. Who are these researchers, what are they researching, and why? Does it have anything to do with reality?

An example is Tommy Borglund, a previous PhD student and teacher of CSR and business ethics at SSE, who recently was recruited as a senior consultant of CSR issues by the consultancy firm Halvarsson & Halvarsson.[40] Furthermore, there are researchers, e.g. Egels-Zandén & Wahlqvist (2006), who investigate *"post-partnerships"*, which are open exclusively to corporations. Even though our investigation showed that rather few corporations in Sweden have partnerships, the next step of CSR development, post-partnerships, is already being discussed.

Our analysis is that this kind of ethical consulting is carried out by a traditional form of consultants, but also by scientists working at research centers and academic institutions. An example of this is the Copenhagen Center, which has produced several partnership reports containing very positive and sometimes overgenerous statements regarding partnerships and their potential benefits, e.g. Nelson & Zadek (2000) and Kjaer et al (2001). Other Swedish examples are the SuRe, Management for Sustainability, and CBiS. Some of these centers are among the prime promoters of CSR and partnerships, not least as a way for corporations to make larger profits. Within these research centers a partial merging of the research role with the consultancy role seem to have taken place (Furusten 1999; Henning 2005).

To conclude, researchers, especially within the economic field, have in some cases transformed themselves into consultants that standardize and spread the use of CSR models into the business sphere. However, just because there is a lot of production of research on a topic, this apparently does not mean that corporations work with it in practice. Researchers and consultants are living on the border between science and consultancy; (Henning 2005). The truth seems to be that many

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[40] "H&H satsar på CSR genom rekrytering av Tommy Borglund" www.halvarsson.se/nyhet____1467.aspx

researchers and consultants are reproducing the trend themselves, they are both "*spreading the gospel*" since they live from distributing and selling their knowledge about it.

Governmental Actions

The absence of a global government does not mean that there is no global culture, *"the world institutional order is a set of taken for granted rules and conventions that constitute the institutional environment for international discourse and international development"* (Meyer 1987 p 39). When it comes to promoting CSR, as mentioned before, there are some international organizations, primarily the UN, promoting CSR and different kinds of partnerships. There are also several UN initiatives on the subject of CSR, for example the Global Compact and the Global Reporting Initiative. Other international organizations, such as the OECD, the EU, and ISO are promoting CSR through the creation of standards, as well as the demand for and distribution of written CSR reports.

This picture explains to us why the corporations involved in CSR mostly seem to be the ones with a large international presence. This is also suggested in some of the studied articles, e.g. Spar & La Mure (2003). There are also some recent initiatives taken by the Swedish government, such as the introduction of the Swedish Partnership for Global Responsibility in March 2002,[41] or a workshop on CSR held by the Ministry of Foreign Affairs in 2005.[42] However, it does not appear as if the Swedish government has been promoting the CSR field for any longer period of time. This could explain the low level of uniformity in corporations in Sweden and has further reinforced our acquired understanding of CSR as a question handled at corporation's international headquarters, with little anchorage in every day local decision making.

Insecurity Based Imitation

Corporations often glance at competitors in order to not lose the battle for customers and thereby fall out of business. This constant insecurity creates a strong need for imitation. The fact that many of the more international corporations, and MNCs only had a CSR department located at the international headquarters, while a Swedish manager managing local CSR issues was widely lacking, is interesting when interpreted using the concept of imitation theories.

It appear as if neither the Swedish consumers nor the stakeholders are the primary goal, since the Swedish branches and personnel are not significantly involved and CSR is not even communicated that strongly in Sweden when compared with the US (Bhattacharya & Sen 2004). Rather, the aim seems to be international NGOs, the UN, international organizations, and international media.

As mentioned before, CSR has historically to a large extent been an American phenomenon. The Swedish corporations' CSR actions could thereby be understood as insecurity based imitation of their American competitors due to peer pressure. Moreover, when one corporation initiates CSR activities, others with perhaps a more local presence follow. As exemplified earlier, one of the initial

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[41] Swedish Partnership for Global Responsibility translated to Swedish is Globalt Ansvar.

[42] "What do we know about Corporate Social Responsibility – a sampling of Swedish research in the field."

CSR actions normally is benchmarking against competitors. That competitor pressure is important has been further supported by our quantitative results. We believe that what we have observed here is an imitation phenomenon. Swedish corporations imitate CSR, but this imitation is primarily initiated at an international level.

A parallel can be drawn to a Mexican research project carried out by one of the authors (Paul et al 2006), where the conclusion was that the exception from the rule among Mexican corporations were those with an international presence. These corporations actually labeled their work to be CSR, which indicated that even though the actual work did not differ much, the labeling and target group were different. They had learned to imitate their competitors on the international arena. Also the Guatemalan corporations claim to have performed socially responsible actions during quite a long period of time, but have reframed it to CSR rather recently as a consequence of pressure from international stakeholders (Mossberg 2006).

6.3 SUMMARY

Earlier academic research, conferences of different kinds, media coverage, and our own initial research had given us the impression that CSR and partnerships were a well integrated part of corporate Sweden. However, we soon reached findings that made us question this view.

In this chapter, we have understood that CSR as a concept is not, at least not yet, widely known within the largest 203 Swedish corporations. Furthermore, it seems to be quite far from universally embraced in the reality of Swedish top management. On the contrary, the development of CSR for the most part appears to be present only at a theoretical level and limited to a small part of the business community. The academic discussion seems to have overrated the real impact of CSR as a phenomenon, at least in Sweden. Rather than being a question of how or to what extent to embrace CSR and partnerships, it is still a question of what CSR is and whether to consider it at all.

Due to these results, we gradually started to change our view on Swedish CSR, and our findings pointed us in a new direction. Two classifications developed, one based on the evaluation and impressions of our phone calls, and the other based on a review of the corporations' homepages. From this classification, we could draw the conclusion that 61 percent of large corporations in Sweden are engaged in neither CSR nor partnerships. We also made the observation that environmental work was integrated to a very high degree, in between 66 and 81 percent of the corporations.

We have also found an inconsistency between Swedish corporations' CSR talk and action. Their homepages contain nice "window dressing" but it appears that very little action-oriented CSR is to be found. In essence, large Swedish corporation are being hypocritical about their CSR work. In addition, the observed level of hypocrisy was interesting, as we propose to have identified hypocrisy between the national and the international corporate levels. CSR is mainly done for legitimatization reasons on the international level, which results in a rather strong decoupling when it comes to actions at the local level.

The setbacks made us analyze our survey results, impression notes, feedback, and classifications with the help of institutional theory. Institutional theory states that all companies need legitimacy in order to survive and that this legitimacy is based on the acceptance a corporation obtains from its external environment. It is rather apparent that CSR and partnerships are actions intended to respond to pressure from stakeholders in the surrounding social environment.

Furthermore, we have in suggested that the corporations themselves are not the primary promoters of CSR. The driving forces found are instead isomorphic and based on scientific research, state actions, and insecurity based imitation. There are researchers and academics who promote CSR as a miracle cure for corporations to achieve high and sustainable profits. This has, in a way, transformed researchers into consultants "spreading the gospel of CSR" to corporations. They make a living from promoting and spreading CSR, and are therefore both consciously and unconsciously reproducing much of the trend themselves.

However, the researchers do not seem to be alone in the promotion of CSR, there also seems to be external pressure from international organization to promote CSR. The UN and the EU are also pushing the development. This trend has begun rather recently in the Swedish government, which could be a reason why there is lower CSR adherence and uniformity among Swedish corporations.

Finally, fierce competition between corporations leads to insecurity and boosts the need for imitation. The Swedish corporations' CSR actions could thereby be understood as insecurity based imitation, primarily of other international competitors. Moreover, when one corporation initiates CSR activities, others with perhaps a more local presence follow. That competitor pressure is important has been further supported by our quantitative results. Corporations in Sweden imitate CSR, but this imitation is primarily initiated at an international level.

From the perspective of the corporations, CSR seems to be an external pressure, which they for legitimacy purposes to some degree follow. However, since CSR is partly costly and somewhat difficult to evaluate the effect of, there is an incentive to talk rather than to act, which probably explains for the observed hypocrisy. This is not to say that large corporations in Sweden do not become engaged in community or socially responsible activities. In the aftermath of the Tsunami disaster, the Swedish business community donated large sums to an aim, which did not generate any substantial benefits. That is, however, an example of philanthropy rather than CSR but it still exemplifies that far from all corporations have a pure profit focus in every action they pursue.

To conclude, as a result of all organizations need for legitimacy, survival and success they are driven to incorporate rationalized concepts that are institutionalized in society. Issues of safety, quality, and environment have step by step been incorporated into corporations' agendas, as well as institutionalized in laws, union ideologies, and public opinion. Due to pressure from competitors, research, governments, and NGOs, new domains of activity such as CSR will possibly, through acts of imitation, become codified, incorporated concepts.

7 CONCLUSION

In this chapter, we present the answers to our research question and the conclusions that can be drawn from our study. In addition, we present some further implications reflecting our current view on this topic.

7.1 THE EXTENT OF STRATEGIC PARTNERSHIPS AND CSR

Among academic researchers, consultancies, NGOs, governments, media, and corporations it is suggested that CSR is a well established phenomenon, on the increase in the world. In Sweden a majority of people supports this development; it is regarded as inevitable in the global world that corporations are pressured to act more ethically and sustainable. There are some who criticize CSR and some who are skeptical towards its benefits to corporations, profits, and the society, but even so, most of them acknowledge the concepts growth of importance. Regardless of view, supportive or critical, the majority agree that CSR is a phenomenon to which corporations must relate.

Our investigation suggests that the CSR development in Sweden has not come that far. According to our observations, 34 to 42 percent of large Swedish corporation are to some extent involved in CSR. These numbers can also be compared with the homepage assessment, where 40 percent proved to present CSR on their homepage. A CSR engagement on roughly 40 percent[43] maybe appears to be a rather satisfactory result. However, when investigated further, these results could be questioned. Our phone calls assessment rather pointed toward a 25 percent involvement. When we searched for managers responsible of CSR, we observed little recognition of the concept, and there was little evidence of concrete CSR actions as a consequence. This indicates that the concept of CSR has not yet gained a broad impact in Sweden.

When it comes to partnerships between corporations in Swedish and NGOs, there are numerous examples of corporations that are engaged. Depending on the interpretation, 13 to 38 percent of the survey respondents say they have partnerships. However, when the partnership concept was assessed more deeply through personal phone calls and homepage screening, we came to the conclusion that very few, approximately 5 to 9 percent of the corporations, were engaged in partnerships that could be labeled as strategic. A majority of the 13 to 38 percent seem to be non-strategic and it can be questioned how strategic Corporations in Sweden actually work with NGOs and whether or not partnerships could actually be seen as a focused way of conducting CSR. It appears that some of the critics were right, that CSR to a large extent is cosmetic, and a phenomenon of corporate "green and blue washing".

To conclude, we now know that approximately 40 percent of the 203 largest corporations in Sweden to some extent work with CSR, even if there are still much to be done when it comes to concrete

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[43] A rough generalization of the fact that 42 % of the managers tried to answer, 34 % answered completely. Also, the homepage review resulted in 40 percent CSR engagement.

CSR work. At the same time, it seems like at least some corporations have realized that a partnership with institutional stakeholders could be more beneficial than a conflicting relationship.

7.2 THE REASONS

The quantitative and the qualitative parts of the thesis should not be seen as contradictory, but rather as complementary points of view. The results from both our analyses show three reasons that can explain corporations' decision to involve in CSR and partnerships; competitive pressure, managerial opinion, and external influence. We also find evidence from both analyses that rejects the hypotheses that indicated that NGO pressure and CSR would result in partnerships.

7.2.1 Significant Reasons

Competitive pressure makes corporations insecure and that creates the need for imitation. When one corporation initiates CSR activities, others follow, as earlier exemplified, one of the initial CSR actions normally is benchmarking against competitors. The variable "Competitor" and the term "Insecure based imitation" can both be interpreted in a similar way. The quantitative analysis clearly indicated that competitive pressure motivates others to follow a similar approach. We have also argued that the actions of partnerships and CSR could be understood as insecurity based imitation of competitors. What competitors do is clearly a significant reason in explaining whether or not a competitor engages in Partnerships and CSR.

Our obtained results indicate that managerial opinion, e.g. the manager's personal values and perceptions, is a considerable reason in explaining the propensity of corporations to interact with NGOs. It also plausible, that drivers of isomorphism influence managers to become initiators of partnerships since the manager is personally affected by pressure from media, science, consultants and the public to get engaged. Competitive pressure, can explain why corporations follow other corporations. However, somewhere, somehow, someone has to start a new movement. In this thesis, we have argued that the personal opinions and values of managers can influence both the shape and the propensity of corporate involvement in partnerships and CSR. In those cases, CSR can provide the manager with a tool of legitimization to use when handling moral, personnel, investors and media questionings. Evenly important, it also offers an explanation to how the trend of CSR and partnerships commences within an industry.

Corporations apparently have to work within an institutional setting, which is made up by both national and international governmental bodies and scientific knowledge. If corporations are pressured by external pressure, in order to keep legit they are forced to show some action, especially if they are further pressured by scientists, consultants, and media. Since it first and most is aimed to satisfy the stakeholders, rather than leading to any concrete results, this possibly results is talk about CSR, but it is doubtful to what extent it actually results in partnerships.
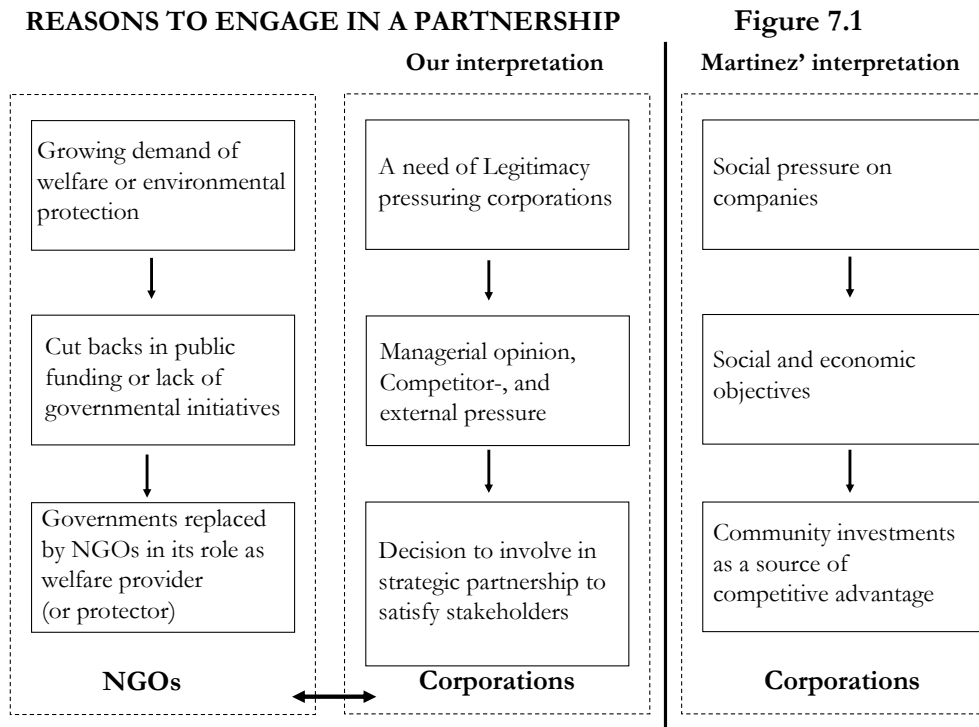
7.2.2 Insignificant Reasons

There are examples where an NGO campaign has resulted in cooperation with corporations. Nevertheless, we find no significant connection in our study. Even though there are rational reasons to engage in partnerships as a way to mitigate NGO pressure, conflicts, and campaigns, it rather seems to repel corporations from collaborating with NGOs. A plausible explanation is that campaigns against corporations lower the level of trust among managers, which decreases the probability of developing a partnership between the corporation and a NGO.

CSR engagement does not appear to be a significant reason in explaining the propensity of corporations to cooperate with NGOs. Initially we considered this due to the positive bias of the survey, but after a more thorough investigation, we also believe that there are contradictory forces. Since a long time, corporations have been engaged with environmental issues, social issues, and in partnerships. Rather than being a top down process, where CSR is transformed into action, it is also a bottom up process, where existing actions are relabeled as CSR.

7.2.3 Reasons to Engage

In order to illustrate which reasons we consider as most relevant, for explaining the decision of corporations in Sweden, to engage in partnerships, we place the above presented reasons in the light of the earlier presented figure 1.2 "Reasons of the Approaching of Companies and Nonprofits". In the middle column, "Our interpretation", the reasons to engage in partnerships that we have identified can be seen. When comparing Martinez' (2003) and our findings, some remarks could be made, see figure 7.1 below, "Reasons to engage in a Partnership".

REASONS TO ENGAGE IN A PARTNERSHIP   **Figure 7.1**

Our interpretation   Martinez' interpretation

Growing demand of welfare or environmental protection	A need of Legitimacy pressuring corporations	Social pressure on companies
Cut backs in public funding or lack of governmental initiatives	Managerial opinion, Competitor-, and external pressure	Social and economic objectives
Governments replaced by NGOs in its role as welfare provider (or protector)	Decision to involve in strategic partnership to satisfy stakeholders	Community investments as a source of competitive advantage
NGOs	**Corporations**	**Corporations**

Even though the starting points are rather similar, our identified reasons are somewhat different. Martinez' claims that it is "Social and economic objectives" that can explain corporations' decision to partner with NGOs. To begin with, we consider it possible to treat "Social pressure on corporations" as equivalent with "Legitimacy need". However, where Martinez talks in rather general terms and stresses the "Social and economic objectives", we consider more subjective reasons, "Competitor and external pressure" as well as "Managerial opinion". Furthermore, according to Martinez, "Community investment is a source of competitive advantage". On the other hand, we see partnership benefits more as a way to "satisfy stakeholders".

In conclusion, there are mainly three reasons that can explain the existence of CSR and Partnerships; competitive pressure, managerial opinion, and external influence. These three reasons are interconnected. As an example, managers and their corporation search for legitimacy and the managers' opinions are affected by perceived competitor pressure, and it is plausible that drivers of isomorphism further influence managers to become initiators of partnerships. Furthermore, even if CSR in itself does not result in action, but rather talk, it can create an atmosphere, which provides personally engaged managers an arena to work with partnerships.

7.3 FURTHER IMPLICATIONS

During the writing of this thesis, we have processed and analyzed far more material and impressions than what is finally being presented. Along this journey, some thoughts have arisen, that we would like to present below.

7.3.1 An International Umbrella

That CSR is embraced to receive legitimacy is not unexpected; the opposite would rather have been more surprising. What is interesting though is that many of our observations and conclusions pointed in the same direction, emphasizing different aspects of legitimacy. The actors capable of conferring legitimacy are to a large extent international. They are "global governments" such as the EU and the UN, or international NGOs, such as the Red Cross Federation or Greenpeace, which implies that CSR foremost is an international phenomenon. From the perspective of the corporation, a natural consequence is that in order to satisfy those stakeholders, CSR is communicated to an international audience. The corporations' CSR actions therefore follow worldwide norms and standards made by influential organizations. Furthermore, MNCs in Sweden perform imitation of other MNCs due to peer pressure and insecure based imitation. Hence, the arena of CSR is first and foremost an international one.

However, the process does not seem to be a linear connection, starting at corporate headquarters, and then in a top down manner, result in partnerships with NGOs. Rather, many corporations have locally already had partnerships during a longer period of time. The difference is that it now, at the global level, is acknowledged and thereby is being transformed into a form of CSR. We believe that local, and hence rather non-strategic partnership projects, are found to exist within the corporation and are then later labeled CSR by the international headquarters. In conclusion, social actions that

are already being carried out are now increasingly conducted under a common label – the international umbrella label called CSR.

7.3.2 Common with Local Adaptation

As an international label in our global world, CSR has reached a wide audience. Corporations are pressured to adhere to the CSR paradigm, in developing countries as well as in industrialized ones, and the noted CSR trend is therefore likely to continue. Still, CSR as a concept needs to be adapted to local conditions before it can be manifested in concrete action, and it is interesting to study what this localized CSR looks like.

Even if we have not been able to prove it, it is plausible that localized CSR in Sweden would result in CSR actions and partnerships that have an environmental focus. This is likely, since the Swedish people are to a great extent concerned about nature; and future problems of climate changes are currently put high on the Swedish media agenda. As an indication of this, since a decade ago the Green party holds a rather strong position in the parliament. Moreover, Sweden has a strong social safety net, the labor unions are traditionally powerful, and labor laws obligate corporations to take a relatively large social responsibility for their employees. The Swedish welfare state could to some extent limited the potential of CSR action within the social sector. Thereby, the local adaptation of CSR in Sweden probably has resulted in a focus more on environmental issues, than on social ones. It is thus logical that a skewing towards environmental CSR is found when we investigate using the national perspective.

7.3.3 Confusion of the Concept

Another remark is, that most of the academic articles which we have studied, perceive corporations as acting autonomously and rationally. An indication of this is that a substantial part of the CSR debate has been focusing on whether CSR is profitable or not. CSR actions, just like other actions that supposedly result in increased intangible benefits, are very difficult to measure. It is our view, that this one sided discussion could mislead rather than help since the profit focus misses the point, what CSR really is about. To be economically and legally responsible can never be neglected, but the question is in what way the corporation can comply with those two demands, and still be a good citizen. The CSR discussion should rather be about which role a corporation can, could, and should play in improving society.

7.3.4 Breaking down the Resistance

As we have presented it, a lot of CSR work gives the impression of being mostly cosmetic, different forms of green and blue wash. Thus, corporations in Sweden talk about CSR, but decouple and neither change nor act, and then they are hypocritical about it too. An argument might be that corporations would have more time and money to act ethically, if researchers, consultants, NGOs, media, governments, the EU, and the UN halted with all their demands of socially responsible

action. If those external stakeholders did not try to pressure the corporations to talk CSR maybe the corporations would not have to decouple, and as a consequence would have more time to truly act.

We do not agree with the above argumentation. Even though there is little evidence that CSR actually results in concrete actions, there are still positive effects of CSR as a concept. Increased discussions of the moral and societal role of corporations and increased focus on CSR issues is encouraging, as they highlight already existing projects that actually can lead to yet other actions by insecure and competitor imitating corporations. Even if CSR actions are more smoke than fire, they will most possibly be seen by competing corporations that will feel pressured to improve their own CSR work since they are likely to interpret the smoke as fire.

We believe that all this CSR talk, forced or not, eventually break down the resistance among corporations against taking environmental and social responsibility. And, it is indeed a matter of breaking down the resistance. Historically, corporations have not taken much responsibility at all, for employees, neither for security, nor for environmental pollution. However, over time, they have changed. Hence, insecure competitors will interpret the smoke as CSR actions, and perceive their competitors as ahead, feeling pressured, which will lead to ripple effects and imitation.

7.3.5 Focus on an Important Dialogue

In this thesis we have, at least partly, both in Sweden and on a more general note, painted a fairly critical view of the CSR phenomenon. Disappointed as we are with the extent of CSR and partnerships in Sweden today, especially with strategic partnerships, we are still positive towards the concept and what it can bring; both to the corporations and to its stakeholders. On the other hand, we have gained an increased understanding for existing criticism too. This is not and should not be seen as a statement on whether or not corporations should be engaged in society with the aim of contributing socially and environmentally. What we do believe is that benefits, which are not easily quantifiable often are underestimated, might result in under-investment in issues that could yield benefit to both society and corporations. This could partly be the result of an emphasis on the balance sheet, and direct profit, which can be noticed among both advocates as well as critics.

We are both convinced that corporations have considerable societal obligations, and that there are many possibilities to "do good, by doing well". It is always valid to at least consider project with positive side effect to society, at least as any other business project. It is evident, that CSR has a potential of contributing to a better society in the way that it puts more focus on those questions. CSR is hence a good tool for discussing the future role of corporations.

Just as we as individuals do not always live up to our own moral standards, so does corporations fail time after time, but should this be an argument for not trying? This is to say that ethics, CSR and partnerships are still valid subject of discussion even though the practical implications are sometimes limited. There is a risk however that the focus on corporations as profit maximizing entities could result in a backlash. Just as a personal moral shortcoming might lead to a feeling that nothing matters, so could a too negative response to CSR efforts.

Even if business people of today appear to be skeptical towards the CSR phenomenon, the same has been true historically regarding labor rights, environmental issues and human rights. Seen in the perspective of the historical development of corporations and their assuming of responsibility, it is still our firm belief that CSR and partnerships are phenomena that will continue to grow in Swedish corporations.

The strength of CSR is that it places focus on the issues covered by the expression. Rather than just appearing as isolated action of some corporations, CSR offers a vehicle of communication for moral and ethical issues and puts single action in a wider perspective. The danger then is what happens when others follow, or appear to follow. What then is the real impact of CSR, and what it potentially could be? It is always a question open to debate whether or not CSR talk has any real effect or if it is just decoupling. Nevertheless, we believe that the world is a better place with CSR, than it would be without it.

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Corporate Register: www.corporateregister.com

Corporation (definition): www.investorwords.com/1140/corporation.html

CSR Europe: www.csreurope.org

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European Commission's new communication on CSR: "Implementing the Partnership for Growth and Jobs: Making Europe a pole of excellence on CSR." (22 March 2006): http://ec.europa.eu/enterprise/csr/policy.htm

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Halvarsson & Halvarsson: "H&H satsar på CSR genom rekrytering av Tommy Borglund" www.halvarsson.se/nyhet____1467.aspx

International Business Leaders Forum: www.iblf.org

International Labor Organization: www.ilo.org

Multinational Corporation (definition): http://en.wikipedia.org/wiki/Multinational_corporation

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Svenska Naturskyddsföreningen: www.snf.se

UN Global Compact: www.unglobalcompact.org

World Business Council for Sustainable Development: www.wbcsd.ch

8.2 APPENDICES

8.2.1 Appendix 1 – Company List

ABB Sverige AB

AerotechTelub AB

AGA AB

Ahlsell AB

Akzo Nobel Surface Chemistry AB

Alfa Laval Corporate AB

ALSTOM Power Sweden AB

American Express AB

Apoteket AB (publ)

Arla Foods AB (publ)

Arrow Nordic Components AB

AssiDomän Cartonboard AB

AstraZeneca AB

Atea Sverige AB

Atlas Copco AB

Autoliv Sverige AB

AxCom AB

Bahco Group AB

Beijer Byggmaterial AB

BergendahlsGruppen AB

Bilia Personbilar AB

Billerud AB (publ)

Biltema

BMW Sverige AB

Boliden Mineral AB

Bombardier Transportation Sweden AB

Borealis AB

Bröderna Edstrand AB

BT Products AB

BTI Nordic AB

Busslink i Sverige AB

Carlsberg Sverige AB

CellMark AB

Clas Ohlson AB

Coca-Cola Drycker Sverige AB

Connex Sverige AB

ConocoPhillips Nordic AB

Coop Norden Sverige AB

Dahl Sverige AB

DaimlerChrysler Sverige AB

Danisco Sugar AB

DeLaval International AB

DFDS Transport AB

DHL Express (Sweden) AB

Dow Sverige AB

Duni AB

Eka Chemicals AB

Ekman & Co AB

Electrolux, AB

Elektrokoppar, AB

Elektroskandia AB

Elgiganten AB

Elof Hansson AB

Eltel Networks Infranet AB

Eniro Sverige AB

Eon AB (Sydkraft AB)

ESAB AB

Findus Sverige AB

Flextronics International Sweden AB

Ford Motor Company AB

Forex AB

Forsmarks Kraftgrupp AB

Fortum AB

Fritidsresor AB

Fundia Special Bar AB

FöreningsSparbanken AB

Gambro Lundia AB

GE Capital/Moneybank

GE Health Care

General Motors Norden AB

Green Cargo AB

Göteborg Energi AB

H & M Hennes & Mauritz AB

Handelsbanken AB

Hemköpskedjan AB

Hewlett-Packard, Sverige, AB

Holmen AB

Höganäs AB

IBM Svenska AB

ICA Sverige AB

IKEA AB

Ingram Micro AB

Interpares, AB

Investor AB

ISS Facility Services AB

ITT Flygt AB

JM AB

JYSK AB

K.W. Bruun Autoimport AB / Peugeot

Kalmar Industries Sverige AB

Kappa Kraftliner AB

KappAhl AB

Karlshamns AB

Kemira Kemi AB

Korsnäs AB

Kraft Foods Sverige AB

Kronans Droghandel AB

Kuoni Scandinavia AB

Land Systems Hägglunds AB

Lear Corporation Sweden AB

Lindex, AB

Luossavaara-Kiirunavaara AB-LKAB

Meritor HVS AB

Michelin Nordic AB

M-real Sverige AB

MyTravel Northern Europe AB

Mölnlycke Health Care Group AB

NCC AB

Nokia Svenska AB

Nolato AB

Nordea AB

Norsk Hydro Olje AB

Nynäs Petroleum, AB

OK-Q8 AB

Onninen AB

ONOFF Sverige AB

Orkla Svenska AB (Procordia)

Outokumpu Stainless AB

Ovako Steel AB

Panasonic Nordic AB

Peab Sverige AB

Pfizer AB

Philips AB

Plusenergi AB

Posten Sverige AB

Praktikertjänst AB

Preem Petroleum AB

Pågen AB

Rexam AB

Ringhals AB

SAAB AB (Flyg)

SAAB Automobile AB

Saba Frukt & Grönt AB

Samhall AB

Samsung Electronics Nordic AB

Sandvik AB

Santech Micro Group Sweden AB

Sapa Profiler AB

SAS Scandinavian Airlines Sverige AB

SCA

Scandic Hotels AB

Scania CV AB

Schenker AB

Scribona Nordic AB

Seco Tools AB

Securitas Bevakning AB

Servera R&S AB

Setra Group AB

Siba AB

Siemens AB

SJ AB

Skanska Sverige AB

SKF AB

Sodexho AB

Solectron Sweden AB

Sony Ericsson Mobile Communications AB

Spendrups Bryggeriaktiebolag

SSAB

St. Jude Medical AB

Stadium Sweden AB

Stena Line Scandinavia AB

Stena Metall AB

Storstockholms Lokaltrafik, AB

Sveaskog Förvaltnings AB

Swebus AB

Swedish Match North Europe AB

Svenska Bostäder, AB

Svenska Mc Donalds AB

Svenska Shell, AB

Svenska Statoil AB

Svenska Volkswagen AB

SBAB (publ)

Sveriges Television AB

Sydved AB

Systembolaget AB

Södersjukhuset AB

Södra AB

Tamro AB

Tarkett AB

TD Tech Data AB

Tele2 Sverige AB

Telefonaktiebolaget L M Ericsson

TelgeKraft AB

TeliaSonera AB

Tetra Pak, AB

Tibnor AB

Ticket Resebyråer AB

TNT Freight Management (Wilson Logistics
Sweden AB)

Toyota Sweden Holding AB

Trav och Galopp, AB

TV4 AB

Unilever Bestfoods AB

V&S Vin & Sprit AB (publ)

Walleniusrederierna AB

Vasakronan AB

Vattenfall AB

WEDA Skog AB

Vodafone Sverige AB

Volvo (Lastvagnar), AB

Västtrafik Göteborgsområdet AB

YIT Sverige AB

Åhléns AB

Ö o B Överskottsbolaget AB

Öhrlings PricewaterhouseCoopers AB

8.2.2 Appendix 2 – Survey Questionnaire

Part A: Personal and Company background
I. Regarding your company
1. In what city is your company's global headquarter located?

2. What percentage of your company's sales is derived from foreign sales?

3. How would you rank your organization's financial performance (as measured by profitability) in relation to your major competitors?

4. How would you rank your organization's social performance in relation to your major competitors?

5. Does your firm face significant regulations (environmental, health, labour, financial) in its home country market?

6. Does your firm face significant regulations (environmental, health, labour, financial) in foreign markets?

7. Which of the following departments have the most influence regarding your organization's strategic decision making? (rank from 1-7 with 1 being the most influential)
Public Relation-Public Affairs-Communication / Sales-Marketing / Finance/HR / Production-Operation /Corporate Social/Environmental Responsibility / Logistics-Transport-Distribution

8. Which of the following departments have, in your opinion, the most human resources in your organization? (rank from 1-7 with 1 having the most)
Public Relation-Public Affairs-Communication / Sales-Marketing / Finance/HR / Production-Operation /Corporate Social/Environmental Responsibility / Logistics-Transport-Distribution

9. Which of the following departments have, in your opinion, the most financial resources in your organization? (rank from 1-7 with 1 having the most)
Public Relation-Public Affairs-Communication / Sales-Marketing / Finance/HR / Production-Operation /Corporate Social/Environmental Responsibility / Logistics-Transport-Distribution

10. In your firm, what percentage of top managers are male managers?
                0-20% / 21-40% / 41-60% / 61-80% / 81-100%

II. Regarding yourself
11. What is your current age?

12. What is your gender?   Male/Female

13. What is your professional training (e.g. lawyer, accountant, engineer)?

14. What is your nationality?

15. Where you hired locally? Yes/No

16. Do you work in the: Global headquarters / Subsidiary / Operating company / Other, please specify

17. What is your job title (choose the one that most closely fits)?
VP/Director of Corporate Social Responsibility   Controller
VP/Director of Sustainability Affairs   VP/Director of Finance
VP/Director of Environmental Affairs   VP/Director of Marketing
Chief Executive Officer/Managing Director   VP/Director of Corporate Affairs

Chief Financial Officer   VP/Director of Public Affairs
Chief Operating Officer   VP/Director of Community Affairs
Other (please specify)

18. How long have you been in your current job? years =
19. How long have you worked for your present employer? years =

III. Regarding your entire working career
20. About how many different jobs have you had with this employer?

21. How many years have you been working full-time in the labour market?

22. How many years have you have you worked full-time in this industry?

23. In how many different industries have you worked full-time during your career?

24. What are the other industries in which you have worked full-time during your career?

25. Before becoming a CSR manager, were you previously responsible for environmental responsibility in your organization?   Yes/No   Not applicable =

26. Before becoming a CSR-manager, what was your previous position (please specify)?

27. Have you ever worked for a governmental agency?   Yes/No

28. Have you ever worked for a not-for-profit nongovernmental organization?   Yes/No

29. Outside of work, are you currently active in any NGO?   Yes/No

IV. Regarding your educational background
30. How many years of post-high school education do you have (Swedish: eftergymnasiala studier)?

31. Please check all the post-high school degrees you have and list your major areas of study and the names of the degree-granting institutions: Major area of study, Name of school/university
Type of Degree
AS/AA (2 årig yrkesutbildning)   Ph.D. (Doktorsexamen)
/MA/MCom/MBA (Magisterexamen)   Additional degrees

V. Regarding your organization's management of social responsibility (Or public/community affairs)
32. Does your firm have a formal process (a committee or work group) for addressing community relations?

33. Does your firm have a formal process (a committee or work group) for addressing public affairs?

34. Does your firm have a formal process (a committee or work group) for addressing social responsibility?

35. Do you chair a committee or work group on community relations?

36. Do you chair a committee or work group on public affairs?

37. Do you chair a committee or work group on corporate social responsibility?

38. To whom in your firm do you report to (please specify)?

39. Does your firm have a written code of conduct regulating your firms' operations?

40. Does your firm have a written code of conduct regulating your suppliers' operations?

41. Has your firm signed international framework agreements or global agreements with unions (Swedish=globala fackliga kollektivavtal) for your firms' operations?   No/Yes

42. Has your firm signed international framework agreements or global agreements with unions (Swedish=globala fackliga kollektivavtal) for your suppliers' operations?   No/Yes

43. Before there was a CSR-department, where were these issues mainly handled?
Public Relation-Public Affairs-Communication / Sales-Marketing / Finance / HR / Production-Operation / Logistics-Transport-Distribution / Don't know / Not applicable

44. What percentage of the CSR-department's employees are male employees?
0-20% / 21-40% / 41-60% / 61-80% / 81-100%

45. In comparison to others departments of your firm, what is the gender mix of the Corporate Social/Environmental Responsibility department?   More female employees   More male employees

VI. Regarding corporate governance, ownership, and current relationships with NGOs
46. Is your firm publicly traded?   No/Yes

47. Which of the following stakeholders would you say are most important to your firm
(Rank from 1-4 with 1 being the least important)
Government / Employees / Shareholders / Communities

48. Approximately what percentage of your firm's shares is controlled by large block (such as institutional) shareholders?   0-20% / 21-40% / 41-60% / 61-80% / 81-100% n/a

49. Approximately what percentage of your firm's shares is controlled by large pension funds?
0-20% / 21-40% / 41-60% / 61-80% / 81-100% n/a

50. What would be the most important reasons for your firm for forming partnerships with NGOs?
(Rank from 1-6 with 1 being the most important) Brand building / Risk avoidance / Addition of new perspectives / Addition of new knowledge /Addition of new contacts

51. What characteristics would you consider to be the most important when collaborating with NGOs regarding partnerships? (Rank from 1-10 with 1 being the most important)
Well known brand =   High degree of international presence=
Large organizational size =   High degree of local presence =
Low overhead (administrative) cost = Ability to offer knowledge exchange =
Ability to offer new perspectives =   Ability to influence the organization's operation =
Ability to offer valuable contacts = Other

52. Does your firm have active relationships with NGOs? No/Yes (if no, skip to next section)

53. About how many ongoing relationships does your firm have with NGOs?
(Could be several relationships with one NGO)

54. About how many NGOs (total) does your firm have relationships with?

55. What percentage of the NGOs that your firm have relationships with are primarily
(Total should equal 100%):   % Local NGOs / % National NGOs / % International NGOs

56. Of those NGOs with which you have active relationships, what percentage are primarily (total should equal 100%): % NGOs involved in environmental protection/conservation =
  % NGOs involved in hunger/poverty relief =
  % NGOs involved in labor or human rights =
  % NGOs involved in education, training, etc. =
  % Other, (please specify)

Part B: Perception, Experience, and Satisfaction with NGOs

Section I. The following section asks about you and your organization's perceptions and experience with NGOs. Please check the box showing how much you agree with each statement. Strongly disagree/Disagree/Neutral/Agree/Strongly agree/Not applicable

1. I have frequent interactions with NGOs.

2. In general, NGOs have a positive influence on society.

3. My firm has been the target of NGO negative campaigns (boycotts, protests, etc.)

4. My firm has developed close working relationships with a number of NGOs.

5. NGOs that lobby and advocate for changes in legislation and regulation are not interested in improving society.

6. When companies provide support to NGOs, those NGOs typically reciprocate.

7. My firm has difficulty developing close working relationships with NGOs.

8. The organizational culture of corporations and NGOs is so different that collaboration is difficult.

9. NGOs provide valuable resources to their corporate partners.

10. NGOs get more out of collaboration with corporations than vice versa.

11. Members of the top management of my company have frequent contact with NGOs.

12. I trust NGOs to honour and live up to what they say.

13. My company takes seriously our commitment to social responsibility.

14. The company Board supports active engagement with NGOs.

15. I am hesitant to reveal proprietary information to NGOs.

16. My firm has had good relationships with a variety of NGOs.

17. NGOs can't be trusted.

18. When my corporation has partnered with NGOs, we have clearly benefited from those relationships.

19. My firm has been subject to criticisms by NGOs.

20. When companies provide support to NGOs, those NGOs do not typically reciprocate.

21. I am generally open to working with NGOs on projects of mutual benefit.

22. I would be more likely to work with an NGO on a specific service project than on a media or lobbying campaign.

23. In my industry, NGOs and firms do not get along.

24. Labour and human rights NGOs have little to offer corporations.

25. My company is more interested in engaging with environmental NGOs than other types of NGOs.

26. I am eager to show NGOs how my company can support their goals and objectives.

27. It is not important for our NGO partners to work on issues related to our company's industry or business.

28. My company is interested in forming long-term relationships with NGOs.

29. I am open to having NGOs use our brand, logo or other identifying information in their publicity.

30. My company works with NGOs on short, specific activities.

31. An important factor in my company's willingness to work with a particular NGO is its brand and reputation.

32. My company prefers to work with a range of different NGOs on various projects as opposed to working with one or two NGOs on a few projects.

33. In my industry, it is common for companies to have frequent and active engagements with NGOs.

34. We look for partnerships with NGOs that reinforce our core mission and corporate purpose.

35. My company's experiences with NGOs have been mixed.

36. I have found collaboration with NGOs to be personally rewarding.

37. Working with NGOs is more trouble than it is worth.

38. My colleagues have reported difficulties in their relationships with NGOs.

39. My company has been subject to legal suits by NGOs.

40. My company has worked well with NGOs.

41. My company has been subject to protests by NGOs.

42. My company has never been subject to boycotts initiated by NGOs.

43. NGOs have been the primary initiators of interactions with my company.

44. My company has always had to follow-up with NGOs in our interactions.

45. I have never had a positive experience with NGOs' leaders.

46. NGOs are generally reliable partners.

8.2.3 Appendix 3 – Introduction Letter

Survey of Company Perspectives toward Not-for-Profit Nongovernmental Organizations (NGOs)

Dear XXX,

As we have previously informed you, the School of Business, Economics and Commercial Law at Göteborg University and Chalmers University of Technology are undertaking research into **corporate social/environmental responsibility** and collaborations among corporations and not-for profit nongovernmental organizations (NGOs). The research will be conducted via a web-based survey of **senior corporate managers** like yourself to gather baseline data on corporate social responsibility and corporate relationships with NGOs. This study will be part of a **large international cross-national project** in Sweden, the United States, New Zealand, the Netherlands, the U.K. and several other European countries. Your participation in the survey is vital for the results of both the Swedish and international part of the project.

The web-survey will take about **20 minutes** to complete and is a strictly confidential. Under no circumstances will your individual responses be made available to anyone in your organization, nor will the name of your organization be revealed in any way. Please try to answer the questions as honestly and as candidly as possible. A report providing aggregate statistics will be mailed to you upon completion of the study.

In advance, we thank you for your participation in this study. It is through your participation the School of Business, Economics and Law and Chalmers can be a part of this international research project.

Niklas Egels Zandén
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If you have any questions, please contact the Swedish research coordinators,
Amelie Mossberg: Amelie.Mossberg@hhs.se or
Mattias Frithiof: 070-742 23 32

8.2.4 Appendix 4 – Component Variance Distribution

The distribution of variance in the factor analysis when done factor by factor is as follows.

		Manager		CSR 1	CSR 2	CSR 3	NGO	Profit	Competitor	
Component	1	49,46%	65,54%	41,39%	53,74%	76,18%	75,28%	56,18%	41,87%	62,68%
percentage	2	18,42%	17,09%	21,94%	29,97%	23,82%	17,63%	25,80%	33,30%	37,32%
of variance	3	13,40%	10,82%	17,26%	16,29%	-	3,87%	18,02%	24,83%	-
	4	7,32%	6,56%	10,18%	-	-	3,22%			
	5	7,14%	-	9,24%	-	-				
	6	4,27%	-							