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Corporate Responsibility in the Postnational Constellation

-

A Multiple-Case Study

THESE

Présentée à la Faculté des HEC

de l'Université de Lausanne

par

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Pour l'obtention du grade de

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Corporate Responsibility in the Postnational Constellation

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A Multiple-Case Study

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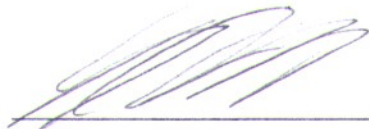mention « Management »

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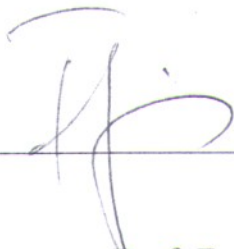mention « Management »

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Ulf Richter

Lausanne, August 26, 2008

"In Africa, they say there are two hungers, the lesser hunger and the greater hunger.

The lesser hunger is for the things that sustain life, the goods, and services, and the money to pay for them, which we all need.

The greater hunger is for the answer to the question 'why', for some understanding of what life is for."

(Handy, 1997)

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ABSTRACT

In my thesis I present the findings of a multiple-case study on the CSR approach of three multinational companies, applying Basu and Palazzo's (2008) CSR-character as a process model of sensemaking, Suchman's (1995) framework on legitimation strategies, and Habermas (1996) concept of deliberative democracy. The theoretical framework is based on the assumption of a postnational constellation (Habermas, 2001) which sends multinational companies onto a process of sensemaking (Weick, 1995) with regards to their responsibilities in a globalizing world. The major reason is that mainstream CSR-concepts are based on the assumption of a liberal market economy embedded in a nation state that do not fit the changing conditions for legitimation of corporate behavior in a globalizing world.

For the purpose of this study, I primarily looked at two research questions: (i) How can the CSR approach of a multinational corporation be systematized empirically? (ii) What is the impact of the changing conditions in the postnational constellation on the CSR approach of the studied multinational corporations? For the analysis, I adopted a holistic approach (Patton, 1980), combining elements of a deductive and inductive theory building methodology (Eisenhardt, 1989b; Eisenhardt & Graebner, 2007; Glaser & Strauss, 1967; Van de Ven, 1992) and rigorous qualitative data analysis. Primary data was collected through 90 semi-structured interviews in two rounds with executives and managers in three multinational companies and their respective stakeholders. Raw data originating from interview tapes, field notes, and contact sheets was processed, stored, and managed using the software program QSR NVIVO 7. In the analysis, I applied qualitative methods to strengthen the interpretative part as well as quantitative methods to identify dominating dimensions and patterns.

I found three different coping behaviors that provide insights into the corporate mindset. The results suggest that multinational corporations increasingly turn towards relational approaches of CSR to achieve moral legitimacy in formalized dialogical exchanges with their stakeholders since legitimacy can no longer be derived only from a national framework. I also looked at the degree to which they have reacted to the postnational constellation by the assumption of former state duties and the underlying reasoning. The findings indicate that CSR approaches become increasingly comprehensive through integrating political strategies that reflect the growing (self-) perception of multinational companies as political actors. Based on the results, I developed a model which relates the different dimensions of corporate responsibility to the discussion on deliberative democracy, global governance and social innovation to provide guidance for multinational companies in a postnational world. With my thesis, I contribute to management research by (i) delivering a comprehensive critique of the mainstream CSR-literature and (ii) filling the gap of thorough qualitative research on CSR in a globalizing world using the CSR-character as an empirical device, and (iii) to organizational studies by further advancing a deliberative view of the firm proposed by Scherer and Palazzo (2008).

Keywords: Corporate Responsibility, Stakeholder Theory, Deliberative Democracy, Legitimation, Global Governance

ACRONYMS

AA	AccountAbility
ACTA	Alien Claims Tort Act
ASEAN	Association of Southeast Asian Nations
BAT	British American Tobacco
BITC	Business in the Community
BLIHR	Business Leaders Initiative on Human Rights
BOP	Bottom of the pyramid
BSR	Business for Social Responsibility
CDP	Carbon Disclosure Project
CEO	Chief executive officer
CO2	Carbon dioxide
CSR	Corporate social responsibility
CSP	Corporate social performance
DJSI STOXX	Dow Jones Sustainability Indexe
ETS	Environmental tobacco smoke
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
ECLT	Elimination of Child Labour in Tobacco Growing
EICC	Electronic Industry Code of Conduct
ERP	European Recycling Platform
ETS	Environmental tobacco smoke
EU	European Union
FDI	Foreign direct investment
FISI	Focused Improvement Supplier Initiative
FCTC	Framework Convention on Tobacco Control
FSC	Forest Stewardship Council
GMO	Genetically modified organism
GRI	Global Reporting Initiative
GTZ	Gesellschaft für Technische Zusammenarbeit
HIV/AIDS	Human immunodeficiency virus/Acquired immune deficiency syndrome
HP	Hewlett Packard
IAEA	International Atomic Energy Agency
ICC	International Chamber of Commerce
ICTs	Information and communication technologies
ILO	International Labour Organization
ISO	International Organization for Standardization
IMF	International Monetary Fund
IT	Information technology
ITGA	International Tobacco Growers Association
IUF	International Union of Food, Agricultural, Hotel, Catering, Tobacco and Allied Workers Associations
MSC	Marine Stewardship Council
MERCOSUR	Mercado Común del Sur/Mercado Comum do Sul
MNC	Multinational corporation
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NEM	Networked and Electronic Media
NESSI	European Technology Platform on Software and Services
NGO	Nongovernmental organization
OECD	Organisation for Economic Co-operation and Development
OTab	Ordinance on tobacco and tobacco products
PPS	Public Place Smoking
RFID	Radio-frequency identification
SAI	Social Accountability International
SRM	Supplier relationship manager
SAC	Stakeholder Advisory Council

TNC	Transnational corporation
TRIPs	Trade Related Intellectual Property Rights Agreement
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
US	United States
WBCSD	World Business Council for Sustainable Development
WEEE	Waste Electrical and Electronic Equipment
WEF	World Economic Forum
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization
WWF	World Wide Fund for Nature

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1 Introduction

The world is accelerating: Almost any graph over the last two centuries on demographic patterns, migration, energy production and resource consumption, economic exchange, data and scientific knowledge creation, but also on global warming and the extinction of species is pointing steeply upwards. The different phenomena are interrelated and reflect two centuries of progress and the rationalization of modern societies which allowed for an unprecedented increase of human activity. Originally, the scientific age and its technological achievements were regarded as bringing about global wealth, prosperity, and social peace. But the acceleration came at the cost of new humanitarian challenges and social struggles that the world is facing today.

One focal point in the debate on the state of the world of today is the role of the multi-national corporation[1] (MNC). The omnipresence of the products and services of MNCs and their sheer size are both a source of inspiration and sorrow. The success of the MNC as an organizational model and its inherent logic of global economic exchange raises disturbing questions on their power, role and impact. Globally, power is shifting from national governments to MNCs which have turned into a major evolutionary force in post-modern societies (Habermas, 2001; Matten, Crane & Chapple, 2003). The socio-political organization of today's world is to a large extent a heritage of the enlightenment and the modernity project. However, the war-torn 20th century has casted many shadows on the innocent belief in progress and the values of modernity inherent in our current systems. With its crucial role in the global transformation processes towards a global economy, the role and impact of MNCs has become a key concern in the normative discussion on freedom, equality, wealth distribution, global justice and democracy. Reasoning on MNCs has thus turned into a major inquiry on what kind of society we want to live in and what economic model will allow humanity to continue its success story over time.

Despite their widely acknowledged importance there is rather little empirical research on the role of MNCs in the socio-political transformation processes. Moving towards a new world order, one perspective of interest is to first understand the self-perception of MNCs, their actual activities and their impact, and what this implies for their role in a global system. This will be the subject of this thesis.

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[1] It is also often called the "transnational" corporation, in particular, in publications of the United Nations. I will remain with the term "multinational" as it is the most frequently used in management literature.

1.1   Overview of Study

In my thesis I present the findings of a multiple-case study on the CSR approach of three multinational companies, applying Basu and Palazzo's (2008) CSR-character as a process model of sensemaking, Suchman's (1995) framework on legitimation strategies, and Habermas (1996) concept of deliberative democracy. The theoretical framework is based on the assumption of a "postnational constellation" (Habermas, 2001) which sends multinational companies onto a process of sensemaking (Weick, 1995) with regards to their responsibilities in a globalizing world. Based on the results, I have developed a model which relates the different dimensions of corporate responsibility to the discussion on deliberative democracy, global governance and social innovation in order to provide guidance for multinational companies in a postnational world. The research project has been realized in three major stages:

First, the research problem and questions, and the purpose of the study were determined. In a next step, the main theoretical concepts were outlined and combined to provide a solid foundation for my thesis. The literature includes approaches in business ethics, management research, philosophy, political theory, sociology, and legal studies. The CSR debate was analyzed with a special focus on liberal thought. Habermas' work on the postnational constellation and deliberative democracy was used to provide a socio-political framework for the analysis. In addition to the theory work, a field study was prepared in order to analyze the current discourse between multinational companies and their stakeholders. Potential interview partners were contacted for the data collection.

Second, extensive field research was conducted by interviewing managers from three multinational companies: British American Tobacco Switzerland, Inc., Nestlé AG and Hewlett Packard, and representatives of their stakeholders groups. The results were transcribed and prepared for qualitative and quantitative analysis. For the empirical analysis, the corporation was defined as a political actor (Matten & Crane, 2005; Scherer & Palazzo, 2008; Young, 2004), suggesting a deliberative view of the firm (Scherer & Palazzo, 2008).

Third, the preparatory theoretical work was applied to the data collected to analyze how the changing environment of the postnational constellation was reflected by the studied cases. The dimensions of the CSR-character provided a thorough starting point to provide common ground for empirical work which is often called for in qualitative research (Eisenhardt & Graebner, 2007; Partington, 2000). In the multiple-case study I focused on three major inquiries: (i) the CSR-character of the studied companies, (ii) indications of shifting para-

digms from an apolitical CSR model based on the liberal paradigm towards a post-liberal model based on the postnational constellation, and (iii) an analysis of the relationships between the different dimensions analyzed. Following the sensemaking approach, the inquiry was enlarged to the question how MNCs might experience, interpret, and react to these challenges. Finally, the results were discussed and embedded into a comprehensive model for CSR in a postnational world.

Figure 1: Framework for Dissertation Project

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┌──────────┐      ┌──────────┐      ┌──────────┐
│ Research │      │ Research │      │ Purpose of│
│ Problem  │      │ Question │      │ Research │
└──────────┘      └──────────┘      └──────────┘
                Analytical Framework

┌──────────┐                        ┌──────────────┐
│  Nation  │                        │ Postnational │
│  State   │                        │ Constellation│
└──────────┘                        └──────────────┘

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│ Liberal ││Apolitical││Sensemaking││ Deliberative ││ Political│
│Democracy││   CSR   ││Model of CSR││  Democracy  ││   CSR   │
└─────────┘└─────────┘└──────────┘└──────────────┘└──────────┘
                     Case Studies

              ┌──────────────────┐
              │       BAT        │
              ├──────────────────┤
              │ Hewlett Packard  │
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│Character ││Paradigms ││ Analysis │
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              Discussion & Conclusion
           ┌──────────────────────┐
           │   Postnational CSR   │
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1.2   Statement of the Research Problem

Management research has for long implicitly assumed that business is taking place in a stable political environment: the nation state system. This does not reflect today's reality. The ongoing global transformation processes have created a postnational constellation in which

power is shifting from nation states to economic actors, in particular, large MNCs (Habermas, 2001). Three major phenomena can be observed: First, today, MNCs represent powerful economic entities that are no longer territory-bound. In the developed world national markets lose their importance and enable MNCs to deliberately withdraw from certain markets when they encounter unfavorable national laws or economic conditions (Beck, 1998). Second, MNCs have turned into political actors that engage in self-regulation, provide infrastructure, education, or healthcare, promote basic political rights such as freedom of speech, association, or the right to property, and even lobby governments for better policies to fight global challenges such as HIV/AIDS (Matten & Crane, 2005; Scherer & Palazzo, 2007; Spar & La Mure, 2003; Young, 2004). In many cases, MNCs have launched initiatives to assume societal responsibility and deal with pressing issues (Argenti, 2004; Berger, Cunningham & Minette, 2004; Spar & La Mure, 2003) or in reaction to accusations such as human rights abuses (Amnesty International, 1997; Human Rights Watch, 1999; Wright, 2008) or environmental crimes (Eweje 2006; Gephart, 1984). Third, on a global level there is neither a global governance system nor a global enforcement agency which regulates MNCs that would provide guidance through institutionalized norms (Rosenau & Czempiel, 1992). On the other hand, the revelation of ethically questionable business practices of companies such as Nike or Shell as well as the collapse of some of the most prominent advocates of shareholder value creation, such as Worldcom, Enron and Parmalat massively destroyed trust in the free markets' ability for self-regulation (Gordon, 2002). The "global governance gap" (Aaronson, 2003) has been partly filled by the emergence of thousands of nongovernmental organizations (NGO) which analyze, criticize, and campaign MNCs to force them to improve their social and environmental performance (Anheier, Glasius & Kaldor, 2001; Carbonnier & Desjonquères, 2002). They have been joined by numerous standard setting organizations that are increasingly issuing CSR-standards, guidelines, code of ethics, principles, standards and other instruments of corporate responsibility as well as monitoring systems that aim to improve the level of corporate accountability (McKague & Cragg, 2003; Ruggie, 2007a). In reaction to the increasing pressure, corporate social responsibility (CSR) has turned into a key issue on the agenda of virtually any MNC.

However, also most CSR-concepts in the business and society literature reflect the myopia of the mainstream management literature in its neglect of the global transformation processes. The academic discussion on CSR has long concentrated on compliance versus integrity approaches (e.g. Paine, 1994; Trevino et al., 1999; Tyler, Dienhart & Thomas, 2008),

missing out socio-political phenomena and the link between values, norms, laws and institutionalization processes (for a discussion see e.g. Segerlund, 2007). The major reason is that mainstream CSR-concepts continue to be based on the assumption of a liberal market economy embedded in a nation state that do not fit the changing conditions for legitimation of corporate behavior in a globalizing world. At the heart of the debate lies the question of the source of legitimacy for corporate actions. Against the background of global transformation processes, corporate legitimacy can no longer be derived from a national framework alone which incorporates national value systems and clearly prescribes "good" or "bad" behavior.

The major research gap being addressed in this study is the lack of empirical research on the role and responsibilities of MNCs in the postnational constellation. Little research has concentrated on what precisely the impact of the global transformation processes on the understanding of responsibilities of MNCs is. The overload of information and the widely differing and often contradicting expectations from diverse societal actors towards MNCs create ambiguity and confusion over the meaning and the operationalization of CSR (Cramer, Heijden & Jonker, 2005). Confronted with the complexity of global transformation processes MNCs thus enter a process of organizational sensemaking (Weick, 1995) in order to give meaning to the phenomena observed and to understand what CSR in a postnational world is supposed to look like.

1.3 Research Focus Question

There are two general research questions, providing the basis for purpose, context and methods that this study addresses:

Research Question 1: How can the CSR approach of a multinational corporation be classified empirically?

Research Question 2: What is the impact of the changing conditions of the postnational constellation on multinational corporations?

Note that these focus questions do not represent testable hypotheses. The purpose of the focus questions was to guide and focus the study with the final goal of generating, rather than testing, theory on how concepts of corporate responsibility are defined and modified in the postnational constellation.

1.4   Relevance and Purpose of Research

According to Maxwell (1998) the overall purpose for doing a study can be distinguished in a research, a practical, and a personal purpose. The purpose of the primary research in my dissertation project was bridging the gap between political theory, organization research and managerial practice. This was achieved by the multidisciplinary approach of this study and its empirical focus which allowed contributing not only to the theoretical debate on CSR, surpassing the usual myopia of a single discipline such as management research, but also provide case study evidence as foundation for future interdisciplinary research. The practical purpose was to allow for a better understanding of the demands of society towards the corporate world by considering the importance of institutional processes and the socio-political framework. Furthermore, with this dissertation I was striving to enhance managerial knowledge by providing concrete linking points for the development of a comprehensive CSR approach in order to cope with the changing conditions of the postnational constellation. The reasoning was that through a solid understanding of the underlying political framework management professionals might better understand their responsibility as important decision makers in today's societies, especially in large MNCs. Finally, as for my personal purpose, I was aiming to provide my own jigsaw piece of knowledge creation to be able to meaningfully contribute to the development of norms, strategies and concepts for a postnational world.

2   The Analytical Framework

The following section gives an overview of the literature reviewed, and provides the basic concepts for the thesis. The description and theoretical explanation of the shift towards a *postnational constellation* as the socio-economic framework provides the background for both the theoretical and the empirical discussion on *corporate responsibility.* First, I outline the dimensions of the dominating approaches towards business in society and their limitations which prevail in both academia and among practitioners. Second, by introducing the characteristics of the global change process that are fundamental to the understanding of corporate responsibility, I aim to emphasize the need for a new paradigm of CSR in both academia and managerial practice, which departs from the conventional framework. Finally, the basic categories for an empirical evaluation of the presence of shifting paradigms are developed, serving as a guide through the qualitative study.

2.1   Business in Society

The prevailing paradigm for business in Western societies is embedded in three major concepts which are so fundamental to modern life that they are seldom questioned or even recognized as concepts as such. The conventional framework is based on a *liberal market economy* in the context of the *nation state*, where the responsibilities of business are assumed to be directed towards a *national society* in the liberal tradition of reasoning on the *role of the firm*. This will be outlined below.

2.1.1   The Nation State

Modern societies are territorial nation states (Beck, Bonss & Lau, 2003: 15) which was one of the major achievements of the Peace of Westphalia in 1648 (Cutler, 2001; Habermas, 2001). With the general acceptance of the rule cuius regio, eius religio, religious freedom was cut among the existing political entities. State power was established in the political centers of the major European countries by binding it to a territory wherein the ruler had the right to choose the religion of the respective state. Thereby, the sovereign nation state was born.

The nation state provided a means to assure the spatial unity of rulers (state) and the members of society by defining the nation state as territorially bound (Zürn, 2000). It provided the fundamental preconditions for the capitalist economic system by establishing an administration based on the rule of law, and guaranteeing a certain degree of individual freedom. The French Revolution gave birth to both the first true nation state and democracy

(Habermas, 1996). The French and the American revolutions then allowed the idea to spread throughout the world, turning the nation state into the dominant form of political organization by providing people with identity. Even though the Westphalian system could not provide peace and stability and experienced frequent wars and major revolutions (Nelson, 2002a), the nation state, nevertheless, became the widest accepted form of societal association.

At the end of the First World War, the nation state became the only legitimate form of state organization, dominating the political organization of people. This was clearly demonstrated by the foundations of the League of Nations at the Paris Peace Conference, which later became the United Nations (UN) (James, 1996). The transformation of the state as central object in international politics created "centralized sites of authority" as well as "centralized sources of legitimacy" (Maragia, 2002). Hence, the nation state turned into the main actor in global politics allowing other institutions to participate only by using its channels alone.[2]

In the following, the nation state is described by its characteristics, functions, its governance model, and the role of law allowing for further analysis of the transformation processes and its implications observed today.

2.1.1.1 Functions of the Nation State

In the modern nation state citizens are set to be free and equal and subject to the reign of a number of social institutions that are established to guarantee social peace (Beck, Bonss & Lau, 2003). According to Habermas (2001: 62-68), the modern state bears four main criteria: i) The state as the main political actor disposes of an *administrative system* as means of governance financed by *taxation*.(ii) The locus of governance is a *sovereign entity* governing a society within a *limited territory*. A society requires a determined number of people to which a rational law applies. A successful system of valid law presupposes a territorial delimitation of the political community within which it is applied to. This combination of valid law and the territory allows for self-consciousness and self-realization of its citizens. The modern state is a legal state where law serves as both an organizational medium for state administration and as protection of its private subjects against the state. (iii) A *collective identity creation* as a nation allows for the *self-determination of a people*. Only the process of social con-

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[2] However, in contrast to the nation states that emerged in the Western hemisphere over 200 hundred years, many states in Asia and Africa and even in Latin America are artificial constructs whose institutions are incomplete and do not have the capacity to deal with social and political struggles (Dombrowski & Mansbach, 1999). Instead, their institutions serve the interests of tribal groups (i.e. Kenya, Nigeria), clans (i.e. Saudi Arabia, Kuwait), and small minorities, often of European descent (i.e. Peru, Nicaragua) (Habermas, 2001).

struction (Berger & Luckmann, 1967) of one united people turns the state into a nation state with a national identity. (iv) The development of a *democratic mode* enables the *legitimation of political authority*. Ideally, democratic will-formation results in a constitutional state guaranteeing the rights of its citizens but also allowing them to *author* new laws.

In order to manifest this, the modern nation state has developed and implemented a number of institutions and policies whose traditional functions are to assure peace internally (police), defend its borders that define its sovereignty over a geographical territory against external enemies (army), provide fair conditions for economic activity for a domestic market economy (macroeconomic policies), raise, collect and redistribute taxes according to the understanding of social and distributive justice of the respective society (administrative state), educate its people (education system), and establish, enforce and secure the effective realization of individual rights (legislation and judicial system).

The worldwide success of the nation state as a model for the organization of people is attributed to the successful performance of these functions. According to Habermas (2001: 62-68), the nation state has been able to provide identity to peoples and thereby gave birth to the welfare-state mass democracies of the Western world. It accomplished to embed citizens into society by providing them with basic human rights and rights for political self participation. Furthermore, the nation state allowed for democratic self-control and self realization of societies by establishing institutions which have become part of the self-conception of people. Over time, these institutions have been able to provide legitimacy to the nation state by creating solidarity through a system of political will-formation that is finally transformed into law. The process of political will-formation and the generation of new law are determined by the governance model of the state outlined in the next paragraph.

2.1.1.2 Liberal Democracy

The governance model of Western postindustrialist societies is traditionally located in the liberal tradition. The liberal model of democracy is based on a secular society of private persons as independent autonomous decision-makers operating in a system of market structured interactions, alongside a reticent public administration (Habermas, 1998; Scherer & Palazzo, 2007, 2008). Friedman argues that "the fundamental threat to freedom is power to coerce", which can be eliminated to a large extent through the market as a "system of checks and balances" (1962: 15). In his opinion, the market eliminates coercive power since "economic strength" is interpreted as "a check to political power rather than a reinforcement"

(1962: 15). As a "legal institutionalization of an economic society" (Habermas, 1998: 248), the function of the state consists primarily of protecting the market economy by defining the "rules of the game" (Friedman, 1962: 15). Classically, liberalists favor a minimal state which is limited to ensuring the rights of its citizens (Fung, 2003). As one of its most prominent representatives, Buchanan (1988) argues for a three-tier model of liberal society concentrating on i) normative individualism, ii) political exchange, and iii) changes in rules to be transformed into law.

In Buchanan's view, the authority of the state is built up by *individuals* who have a general and equal right to vote in periodical elections that legitimize specific legislative, executive, and juridical organs. The private and the public domain are strictly separate while the state acts on behalf of its citizens. In the liberal tradition, citizens are entitled to social, civil, and political rights (Matten & Crane, 2005). Social rights include the freedom to participate in society and access state welfare functions such as education or healthcare. Civil rights concentrate on the free exercise of private interests while enjoying state protection, including the right to property, freedom of speech, and access to markets. Political rights such as the right to vote and to hold office guarantee participation in society in order to allow the individual to assert personal interests (Habermas, 1998). While social and political rights are referred to as positive rights which concentrate on entitlement and inclusion, the emphasis on the liberal model, however, lies on negative rights (Habermas, 1998). According to the liberal view, economic actors should be free of restraints in their economic activities as long as they remain within the given legal boundaries (Friedman, 1970). The freedom of the individual represents the ultimate goal of social arrangements (Friedman, 1962). Based on its normative individualism, the liberal model is clearly interest-driven, applying an instrumentalist perspective towards societal goals: "the 'good society' is that which best furthers the interests of its individual members, as expressed by these members, rather than that society that best furthers some independently defined criterion for the 'good'" (Buchanan, 1988: 139).

Politics is regarded as an *exchange mechanism* in which "individuals seek to accomplish purposes collectively that they cannot accomplish non collectively or privately in any tolerably efficient manner" (Buchanan, 1988: 136). It represents an inclusive system providing peace and stability (Farmanfarmaian, 2004) where the "simple exchange of economic goods merges into the contractarian perspective on politics and political order" (Buchanan, 1988: 136). Politics are thus interpreted as power games, mainly consisting in lobbyism and

bargaining (Scherer & Palazzo, 2007), involving competition and the struggle for positions that grant access to administrative power (Habermas, 1998).

Liberals favor *democracy* as a political exchange mechanism consisting of periodically held free and fair elections in which political subjects have the opportunity to achieve political power. *Changes of rules* are embedded in the democratic process which is understood as a series of compromises that regulate the balance between power and interests. *Fairness* is institutionalized in the rules of these processes and is reflected in the representative composition of parliamentary bodies, basic rights, and separation of power (Buchanan, 1988).

Laws represent manifested truth decided upon by the people. Law must not be a means of public policy but an independent guard for protecting the interests of society's members. It is perceived as the *"rules of the game"*, which "cannot be conceived as a means through which the community is shifted toward that which judges or intellectuals deem to be good" (Buchanan, 1988: 136). Buchanan rejects the idea of a discursive approach to law involving dialogue, compromise, and consensus. Therefore, law cannot be interpreted as interest-driven or interest-dependent."The judiciary must determine whether or not the rules have been violated, whether or not a rule exists, whether or not a rule applies to this or that case. These are truth judgments. It becomes absurd to introduce arguments based on such things as 'compromises among interests' or 'proper representation of interests' in the whole judicial exercise" (Buchanan, 1988: 137). Hence, the judiciary has a conservatory role responsible for guaranteeing order and stability by ensuring rights and duties, not a dynamic oriented to social change: "the courts should protect what is, rather than, try to promote what might be, or try to restore what might have been" (Buchanan, 1988: 139).

This governance model has proven to be very attractive due to its simplicity and clear appeal to individual and economic freedom and has spread around the world. Most Western democratic societies have applied liberal democracy as their governance model with different degrees of variations following national and historical preferences (e.g. the different election systems in the United States or Switzerland versus Germany or France). With the fall of communism, it is commonly presumed that all nations and people may eventually turn into democratic nation states (Farmanfarmaian, 2004). It has also been applied in the so-called developing world where, in some cases (e.g. Argentina and Chile), it has seen its most radical realization.

2.1.1.3 The Firm in the Liberal Tradition

The nature and the purpose of the corporation in society have been theorized for decades due to its fundamental importance for the understanding of today's societies. The philosophy of liberalism provides the predominant analytical foundation for the modeling of economy (Scherer & Palazzo, 2008). With its assumption of a "free private enterprise exchange economy" as the manifestation of "competitive capitalism" (Friedman, 1962: 13, emphasis omitted), liberal thought has had crucial influence on the development of the theory of the firm. Generally speaking, "the modern business firm is an organization for making and implementing decisions within a market economy" (March, 1962: 662) whose primary goal is "to coordinate and motivate people's economic activity" (March quoted in Roberts, 2004: 271). Modern economists have increasingly focused on economy as an independent system in society, thereby creating their own system-inherent language (Habermas, 1984). Liberal thought becomes apparent in the interpretation of the firm as a rational actor following the predominant neoclassical assumptions of the homo economicus as a rational, informed, egocentric, profit-maximizing actor (see critically Gonin, 2008). The universal applicability of the concept is widely taken for granted and seldom questioned. The legitimacy of the firm as organizational form for economic activity is derived from the fact that specialization of production activity has proven to lead to tremendous efficiency gains and wealth creation in modern societies.

The positivist paradigm prevails in social sciences and, in particular, in management research (i.e. Daft & Lewin, 1993; Knights, 1992; Løwendahl & Revang, 1998; Powell, 2002). The imperative of value-free science that has been derived from Greek philosophical thought aims for a separation of cognition from interest. This scientific tradition focuses on liberating science from dogmatism and the irritating influence of the surrounding interests in order to construct a structured reality in a theoretical framework (Habermas, 1968: 148-149). This is reflected in reasoning on the role of the firm. Landreth & Colander (2002) point out that research in economics and management is highly empirical and relies heavily on mathematical modeling. They argue that modern economic thought tends to overemphasize mathematically measurable variables since social factors are difficult to include in scientifically legitimized forms of analysis. They observe that methods in modern economics and econometrics have been largely borrowed from disciplines such as psychology where controlled experiments are the usual way of inquiry, raising serious methodological and normative questions.

Organizational and management research have adopted the positivist paradigm to a great extent in order to legitimize their position as a science. Cognitive models which include personal interpretations and perceptions of the environment to approximate cognitive processes have largely been neglected. Thus, when choosing analytical tools, many scholars follow Reitz who regretted that "given the magnitude of the complexity of modern organization, a cognitive representation of them can only lead to theories that far outstrip our ability to understand, manipulate, or test" (1979: 310).

A number of theories have emerged to explain why firms come into existence and for what purpose. The prevailing view of the firm among economists is derived from c*ontract theory,* also called the transaction cost approach, which is based on Coase's (1937) insight that firms substitute more expensive forms of market transactions. Williamson (1975), supported by Buchanan (1975), interpreted the firm as a set of contractual relationships among various factor input suppliers and the purchasers of the final output who are guided by a governance mechanism in order to achieve economic gains. The contractarian view provides guidance on who the firm answers to and who it does not, emphasizing a legalistic view of the firm. This perspective has found a reasonable echo in economic theory and in management literature.

The most relevant approach to today's understanding of the role of corporations is based on *agency theory* (Eisenhardt, 1989a; Fama & Jensen, 1983; Jensen & Meckling, 1976), also called stockholder theory (Friedman, 1962, 1970). The basic inquiry focuses on who a firm is accountable to and what this implies. The basic argument is that capital is transferred to managers who employ it in order to increase the capital stock and pay a premium back to the providers of the capital. Therefore, managers are agents of the shareholders and are morally obliged to do whatever stockholders vote on and demand of them. The fiduciary obligations require them to employ the capital stock to whichever means desired by those who provide it. The corporation is clearly interpreted as "an instrument of the stockholders who own it" (Friedman, 1962: 135). As early as in the landmark 1919 Dodge v. Ford Michigan State Supreme Court decision, the court argued that "a business organization is organized and carried on primarily for the profit of the stockholders" (quoted in Margolis & Walsh, 2003: 271). The implications of this view for the purpose of the firm is most evident in the widely recognized article by Milton Friedman (1970) in the New York Time Magazine who argued that the only responsibility of business is to make profits. He went on to claim that corporate managers are not to play any direct role in ensuring the social welfare of society since social issues

belong to the responsibility of governments. Already in 1962, Friedman stated very clearly: "there is one and only social responsibility of business – to use its resources and engage in activities designed to increase its profits so as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud" (1962: 133). This contains two very clear normative claims: make as much money as possible and respect the law. It evolved into the paradigm of shareholder value maximization as the only corporate objective (for a brief history see Sundaram & Inkpen, 2004). This view has proven to be very attractive to managers since it facilitates performance analysis and allows for clear guidance with regards to strategy and the management of the firm. In this line of argument, Henderson (2001) argues that the adoption of social responsibilities could undermine the market economy and reduce welfare. In his opinion corporations "sleep with the enemy" (2001: 74) by accepting the views and demands of social groups and endanger their own foundations: the liberal market economy. This perspective implies that, while corporations best maximize social welfare by focusing on profits, social problems should be addressed by governments. If corporations get involved, however, they should warn their constituencies (Margolis & Walsh, 2003).

Contract theory and its derivative, agency theory, concentrate on efficiency, financial performance, and capital accumulation. The famous "competitive advantage" (Porter, 1987) as a major focus of conventional theories of the firm in management and strategy literature may be interpreted as the ultimate synthesis of liberal thought. Freeman (1994) observes that moral questions in business have been almost completely separated from business decisions in business literature. This has disburdened economists and management scholars from considering societal issues and questions on how to legitimize corporate behavior. However, the claim of modern economic thought that the analysis of the role of a firm should be held free of value judgments is in itself a value judgment (Ng, 1972). This observation is underlined by Walsh, Weber, & Margolis (2003) who argue that academic research has pursued society's economic objectives much more than its social ones.[3] Drucker argued that "we […] tend to overemphasize society's interest in the survival of the corporation at the expense of other equally important social interests" (1962: 215). Gordon (2002) observes that by interpreting its long time survival as a process of financial wealth creation, contract theory disregards the question of what wealth really means to the members of any given society and the underlying value sys-

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[3] This observation is based on a survey of empirical research on supply and demand of all empirical research published by the Academy of Management between 1958 and 2000.

tem. He argues further that the efficient market hypothesis, inherent in the contractarian view, is an illusion, best illustrated by the rise and fall of Enron and the Internet bubble. He points out that only the certification of Anderson Consulting provided Enron's dubious financial statements with credibility in the market. In order to cope with the (intended) normative void in the economic and management literature, numerous alternative concepts have emerged whose goal are to fuel moral content into the existing concepts of the theory of the firm, commonly summarized under the umbrella of *corporate social responsibility*.

2.1.2   Corporate Social Responsibility

The scholarly debate on the responsibilities of business in society spans over the last 100 years and has gained substantial momentum in the last three decades. Already in the first half of the 20th century, Berle and Dodd debated whether or not the corporation should be managed exclusively for the benefit of its shareholders (Berle, 1931; 1932; Dodd, 1932). The first comprehensive view on the role of business in society was given by Bowen (1953) who described the social responsibilities of the business man, later taken up by Baumhart (1961). However, in 1958, under the impression of the rise of communism, Levitt (1958) sharply attacked the idea of social responsibilities of corporations. Fifteen years later, Davis (1973) remarked that assuming a certain amount of social responsibilities in most economically developed nations was becoming mainstream corporate behavior. He called the assumption of social responsibility by business "the hallmark of a mature, global civilization" (1973: 321). The debate on the responsibilities of business towards society focuses its critique on the contractarian view and its dominant form of stockholder theory. Stockholder theory has been widely criticized for being too simplistic (e.g. Freeman, 1994; Sethi, 1979) since non-financial performance (e.g. in terms of equality, justice, sustainability, happiness, ecology, etc.) as a desirable alternative is ignored. Today, the role of business in society is a widely discussed topic that receives intensive coverage even in the mainstream media.[4]

The debate can be understood as a rhetorical answer to the predominating liberal thought and the weaknesses of conventional theories of the firm. The discussion is rooted in the deep concern existing in postmodern societies that economic reasoning dominates human and social issues. While observing the increase of corporate power, postmodern societies have witnessed heated discussions on the scope of corporate responsibility, touching the very basic

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[4] For example, "The Economist", one of the flagships of liberal thought, published a 24-pages special report on CSR on January 19th, 2008 discussing the state-of-the-art of "good" business.

foundations of their economic systems. Attempts to reconcile ethics and economics, as in the classic writings of Adam Smith or David Ricardo, can be situated in the tradition of organization theorists that have continuously tried to find solutions for pressing problems in modern societies. Students of business in society have developed various concepts to provide an alternative conception of the corporation in order to overcome the alleged myopia of organizational and management research. Two concepts prevail due to their wide applicability and overarching conceptualization: corporate social responsibility and the stakeholder concept.

Corporate social responsibility (CSR) is an umbrella concept that has been theorized in a number of fields such as economics, management, business ethics, political theory, sociology and even legal philosophy.[5] Attempts to classify the conceptual literature are numerous (i.e. Carroll, 1999; Frederick, 1998; Garriga & Melé, 2004; Jones, 1980; Kakabadse, Rozuel & Lee-Davies, 2005; i.e. Ougaard & Nielsen, 2002; Waddock, 2004; Zenisek, 1979). However, there is no universally accepted definition of the responsibilities of corporations. CSR has also been described as corporate social responsibilities (Clarkson, 1995; Furrer et al., 2007), and corporate societal responsibility (Andriof & McIntosh, 2001a: 15). However, among the variety of concepts, corporate social responsibility is probably the most popular term among scholars and practitioners (Carroll, 1999; Drucker, 1984; Jones, 1980; Matten, Crane & Chapple, 2003; Zenisek, 1979). In general, it is widely interpreted as the responsibilities of corporations to all its constituencies including economic, environmental, social and civil responsibilities (Brummer, 1991; Coppock & Dierkes, 1973; Zadek, 2004). It is also often used interchangeably with social enterprise, corporate citizenship (see below), sustainability, sustainable development, triple bottom line, and corporate ethics, among others (Corporate Social Responsibility Initiative, 2004; for a concept tree see Waddock, 2004). The application of the CSR concept has mainly evolved along the main lines of management functions, issues, geography, industry and company-related case studies, and the legal and standard setting environment.

The *stakeholder concept* concentrates on internal and external relationships of corporations and has been applied enthusiastically in organizational literature (Donaldson & Preston, 1995; Hill & Jones, 1992; Jones, 1995; Mitroff, 1983; Rowley, 1997). It permeates diverse fields such as strategy (Clarkson, 1995; Freeman, 1984; Mitchell, Agle & Wood, 1997), ethics

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[5] The emphasis on "social" is somewhat misleading since it implies that there are corporate activities that are not related to society. While this has been acknowledged in the literature, the term CSR prevails as the most relevant reference point.

(Carroll, 1989; Goodpaster, 1991; Hosseini & Brenner, 1992; Orts & Strudler, 2002; Wicks, Gilbert & Freeman, 1994), economics (Barton, Hill & Sundaram, 1989; Cornell & Shapiro, 1987; Freeman & Evan, 1990), sociology (Moss Kanter & Brinkerhoff, 1981; Useem, 1990), legal studies (Boatright, 1996; Stein, 2001), and political theory (Gilpin, 1996; Julius, 1997; McMahon, 1995; Young, 1991). Scholars have incorporated elements of power, justice, solidarity, legitimacy, urgency and trust into the stakeholder view of the firm, trying to redefine the view of the corporation in a relational manner. Some scholars even argue that stakeholder theory should be considered core to the theory of the firm (Brenner & Cochran, 1991; Donaldson & Preston, 1995; Freeman, 1995; Hill & Jones, 1992; Jones, 1995; Jones & Wicks, 1999) due to its procedural approach.

Two phenomena can be observed that characterize the reasoning in the mainstream CSR-debate: (i) Throughout descriptive, instrumental and normative approaches towards CSR, the liberal model of a market economy is widely, implicitly or explicitly, used as the reference point for analysis, reflecting the "normative conformity with implicit societal expectations and norms as established in the stable order of the industrial society's nation state" (Scherer & Palazzo, 2007: 1108). (ii) The CSR-literature largely orbits the neoclassical theory of the firm and its liberal foundations in its argumentation, adopting the instrumental reasoning predominant in economics and mainstream management research (Scherer & Palazzo, 2008). The following themes stand out: the emphasis on a coherent societal framework, the assumption of an intact rule of law, normative individualism which is translated into the voluntary character of CSR, and the subsequent instrumental approach to CSR in its various interpretations.

2.1.2.1 Rule of Law

The rule of law is a fundamental assumption in the mainstream CSR-literature resulting in the imperative for corporations to obey or comply with the law. It is based on the implicit assumption of a nation state being able to govern economic activities and provide state protection of economic subjects that requires the rule of law and a functioning judiciary. There are two reasons for this argumentation: (i) A legal framework and the subsequent rule of law is a necessary condition for the existence of corporations as a pool of capital. Weak legal systems are a threat to the corporation itself. This has resulted in the unconditional obligation to obey the law that theoretically excludes pragmatic or instrumental consideration. The existence of a functional legal framework as a precondition for capital accumulation and

breeding ground for corporations has therefore been taken for granted in management re-
search (Cragg, 2002) or interpreted as "preventive medicine" (Roberts & Chaset, 1995: 35) to
avoid problems. As a consequence, the corporation has long been seen first and foremost as a
legal artifact (e.g. Cragg, 2002). The normative claim to obey the law as a fundamental condi-
tion of responsible behavior is widely reflected in models of CSR (e.g. Carroll, 1979). (ii) The
procedural nature of law has been ignored in management literature or covered under the um-
brella of lobbyism or public relations. The assumption of a functional but rather static legal
system is expressed in the reference to "current rules and regulations" (Vives, 2004: 45) and
results in the claim that "where law is inadequate or cannot foresee all contingencies, the judi-
cial system routinely steps in to fill the void and to interpret the terms of the original contract"
(Sundaram & Inkpen, 2004: 355). According to this argumentation, stakeholders also have the
possibility to enter into contractarian relationships based on the "backing of the judicial sys-
tem to step in to fill voids in that explicit contract" (Sundaram & Inkpen, 2004: 356). As a
consequence of the rule of law within the liberal model, compliance with the law is regarded
as a sufficient mechanism for guaranteeing responsible behavior of companies among many
economists and management scholars. But also when questioning the assumption that compli-
ance is a sufficient condition for responsible behavior, students of CSR still assume a func-
tioning legal system. For instance, Carroll argues that in the global environment "business is
expected to obey the law because law is every country's codification of acceptable and unac-
ceptable practices" (2004: 117). He remains within the Westphalian paradigm claiming that
"the legal responsibility does exist and is found in developed, developing, and less developed
countries alike" (2004: 117), even though acknowledging that conditions might be different in
Iraq or China.

2.1.2.2 Coherent Societal Framework

Similarly, in the CSR-literature, it is widely assumed that business and its stakeholders
can be embedded within a society or community within the coherent value framework of a
nation state. This mirrors the liberal ideology which presumes a consistent socio-political
framework with a coherent value system that allows the checks and balances to function.
Davis states that "society grants legitimacy and power to business" (1973: 314), which has
been transformed into the "principle of public responsibility" (Preston & Post, 1975; Preston
& Post, 1981). The reference to society or to "society at large" is a constantly reoccurring
theme among scholars as well as practitioners. For example, the World Business Council for
Sustainable Development defines corporate social responsibility as the "commitment of busi-

ness to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life" (WBCSD, 2002: 6). Emphasizing societal expectations, it is expressed in the statement that "business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behavior and outcomes" (Wood, 1991a: 695). This implies that national identity and culture are assumed to be intact, establishing relationships with stakeholders based on (at least partially) shared values and a shared culture. Wood recommends that corporate leaders "return a portion of revenues to the community", as well as "invest the firm's charitable resources in social problems actually related to the firm's primary and secondary involvements with society" (1991a: 710). The underlying assumption is that corporate behaviors should be in "congruence with currently prevailing social norms, values, and performance expectations" (Sethi, 1979: 66, emphasis omitted).

2.1.2.3 Corporate Legitimacy

The claim for compliance with societal expectations is linked to the fundamental inquiry on the legitimacy of corporations in society, which has been defined as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995: 574). The centrality of legitimacy has been acknowledged early on by students of CSR: "The quest for legitimacy by the corporation and doubts by its critics about the legitimacy of some of its actions are at the core of the entire controversy" (Sethi, 1979: 65). In the framework of the liberal market economy embedded in a nation state, corporate activity is a desired behavior that expresses the result of the economic freedom of the individual. The "license to operate" is derived from compliance with the law. Students of CSR have suggested that this view is overly simplistic, and that "business as usual" is not sufficient for a corporation to be perceived as a legitimate actor. Expanding the concept of legitimacy beyond compliance with the law, in the conventional, apolitical approach towards CSR, it is assumed that "corporate legitimacy rests on their [the corporations'] ability to adapt production to life-sustaining social needs and be integrated into society" (Swanson, 1995). In this line of argumentation, economic and legal obligations are necessary but not sufficient conditions of corporate legitimacy (Sethi, 1979), while socially desirable outcomes of corporate activity, in terms of products and services, might legitimize a corporation as a societal actor.

In order to systematize the discussion on legitimacy, Suchman (1995: 574) proposed three generic types of organizational legitimacy: pragmatic, moral, and cognitive legitimacy. According to Suchman, pragmatic legitimacy can manifest as exchange legitimacy (an instrumental exchange of support), influence legitimacy (a power or interest-driven form of support for an organization), and dispositional legitimacy (a form of support of organizations that supposedly act in the common interest). The underlying assumption is that, embedded in a traditional national regulatory framework, a firm is able to control its environment (Basu & Palazzo, 2008; Palazzo & Scherer, 2006). It is mirrored in the predominant approaches in strategy research such as the *resource-based* view (e.g. Bansal, 2005; Barney, 1991; Richard, 2000; Rubin, 1973; Wernerfelt, 1984) or the knowledge based view of the firm (Kogut & Zander, 1992; Spender & Grant, 1996; Weick, 1991; Zander & Kogut, 1995) which derive from the neoclassical theory of the firm. Mastering its environment, the firm represents the locus of control where the firm is capable of turning anything into an "asset", "resource" or "capital" (human, social etc.), as well as a "competitive advantage" or "capabilities" (knowledge, relationships etc.). This corporate behavior is desired based on the liberal reasoning that social welfare is simply maximized when all firms maximize their value while the state remains the rule maker and provider of public goods. Hence, any corporate behavior that follows this maxim while conforming to existing societal norms provides pragmatic legitimacy.

Cognitive legitimacy is provided by a) comprehensibility, institutionalized rules and norms that transform the complex and chaotic nature of modern societies into a understandable environment, and b) taken-for-grantedness, the fact that institutions create models which dissolve dissent and make alternatives unthinkable (Suchman, 1995). It may also be described as "a continuous and often unconscious adaptation process in which the organization reacts to external expectations" (Palazzo & Scherer, 2006: 73). The concept of cognitive legitimacy is rooted in institutional theory which has concentrated for decades on how organizational beliefs, structures and process become institutionalized and change over time (Dacin, Goodstein & Scott, 2002; DiMaggio & Powell, 1983; Hughes, 1936; Thelen, 1999; Zucker, 1987). Scott describes institutions as consisting of "cognitive, normative, and regulative structures and activities that provide stability and meaning to social behavior. Institutions are transported by various carriers - cultures, structures, and routines - and they operate at multiple levels of jurisdiction" (1995: 33). Disregarding actors, the institutional perspective seeks to find generalizable patterns of organizational behavior rooted in the incentive structure of individuals (Thelen, 1999). DiMaggio and Powell (1983: 150-154) distinguished two major institutional

processes: a) imitation and mimesis which represent mechanisms that lead to conformity when alternatives are uncertain, a phenomenon also known as "isomorphism", and b) external mechanisms such as coercion, including political regulation, public protest, political lobbying or direct negations and the normative transmission of social rules and norms by professional codes, formal education, standardized practices or rules of thumb. Isomorphic behavior of corporations that follows taken-for-granted norms results in an "(unconscious) alignment with the set of norms prevalent in their environment" (Gonin, 2008: 37; see also Suchman, 1995). In the liberal model cognitive legitimacy is both provided by the taken-for-grantedness of the corporation as an accepted societal actor as well as by playing by "the rules of the game", meaning compliance with the law. It is mirrored in almost any definition of CSR which cites compliance with the law as imperative for responsible corporate behavior. Both cognitive and pragmatic legitimacy represent the most important sources of legitimacy in the liberal market economy embedded within a nation state (Scherer, Palazzo & Baumann, 2006).

Moral legitimacy results from positive normative evaluations of an organization and its activities (Palazzo & Scherer, 2006; Suchman, 1995). It can be defined discursively as "socially constructed by giving and considering reasons to justify certain actions, practices, or institutions" (Palazzo & Scherer, 2006: 73). The locus of control is thus situated outside of the firm. According to Suchman (1995), it may be consequentialist (based on the evaluation of outputs and consequences), procedural (based on the evaluation of techniques and procedures), structural (based on evaluations of categories and structures), or personal (based on individual charismatic and moral leadership). The increasingly popular practice of interpreting stakeholders as a major source for corporate legitimacy in management theory (Freeman, 1984; Grolin, 1998; Hart, 1995) represents an attempt to integrate the discursive nature of socially constructed norms. It is implied though that there is a coherent framework for this social construction to take place which was traditionally provided by the socio-political environment and the value system of the nation state.

2.1.2.4 Minimalist State in CSR

The liberal assumption of a minimalist state guaranteeing the free exercise of private interests and avoiding government coercion is translated into the voluntary character of CSR in the CSR-debate. This appears to be a compromise between economists and management scholars who reject all non-business related activities or spending, and more progressive scholars in the field. Originally, voluntary CSR was interpreted as philanthropy. Corporate

philanthropy (often also called corporate community involvement), even though having evolved to a more strategic use of the concept (Hess, Rogovsky & Dunfee, 2002; Porter & Kramer, 2002), has been interpreted as the remains of the 19th century robber baron philosophy (see critically Scherer & Palazzo, 2008). The assumption is that corporate leaders have a right to decide how they want to restitute the financial wealth created. Philanthropy is favored over a mechanism of redistribution such as taxation steered by a government. Lately, it has been combined with a second element of liberal thought to create the notion of *strategic* corporate philanthropy. The basic idea is that corporate resources should be increasingly given to causes that are related to the core business in order to enhance reputation and increase the amount of potential customers. This instrumental approach is also recommended by Carroll who claims that "business is expected to be a good corporate citizen through its philanthropy" (2004: 117), partially because the operations of private corporations are assumed to be more efficient (Rondinelli, 2002).

More recently, scholars and governments have pledged for a voluntary adoption of *core business*-related CSR practices. Following this argument, the European Commission described it as a concept "whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (2001: 8). Emphasizing the importance of voluntary corporate action from a strategic perspective, Vives defines "the practices of the corporation that, as part of their corporate strategy, complementary and in support of the main business activities, explicitly seek to avoid damage and promote the well-being of stakeholders […] by complying with current rules and regulations and voluntarily going beyond those requirements" (Vives, 2004: 45). However, if regulation appears to be necessary, voluntary self-regulation should be encouraged since the costs of expanding the apparatus of state control bears the danger of prohibitive, abridged liberties, bureaucratic hypertrophy, and sheer inefficiency (Maitland, 1985). Thus, the individual corporation, and not the state, should be in charge of defining the rules of responsible behavior since the former knows best how to allocate its resources in order to both help society and guarantee the efficiency of its operations. Adhering to the ideal of a minimalist state, corporations are encouraged to take action in order to guarantee a maximum of market freedom and to avoid government interference.

2.1.2.5 Normative Individualism in CSR

The CSR debate relies on a strict separation of the public and private domain derived from the liberal model. The liberal model knows only one political actor: the state. Hence, the individual as well as the corporation, per definitionem, cannot have any political role (Matten & Crane, 2005). The only function of the corporation in society is wealth creation as economists such as Friedman or Jensen argue. The instruments enabling this mechanism include guaranteeing property rights and a functional market economy where competition allows for the efficient allocation of resources and capital. The liberal paradigm of normative individualism manifested in the free exercise of private interests translates into an instrumental approach towards CSR. Interest-driven CSR continues to dominate, which has been labeled "positivist-CSR" (Scherer & Palazzo, 2007: 1096) or a "device in the competitive-advantage toolkit" (Orlitzky, 2000). In this tradition, CSR is defined "as the result of power games between the firm and its stakeholders" (Scherer & Palazzo, 2007: 1103). The instrumentalist conceptualization of CSR is generally predominant in Anglo-Saxon countries and dominates the academic debate on CSR (Aaronson, 2003; Palazzo, 2002). In order to shed light on the complex picture, I concentrate on three concepts of business in society and their implications: CSR as enlightened self-interest, as corporate social performance, and as stakeholder management.

2.1.2.5.1   CSR as Enlightened Self-Interest

CSR seems to have become an economic imperative (Bhattacharya & Sen, 2004). The move from pure opportunism to the metaphor of enlightened self-interest represented a major achievement of the upcoming CSR movement. The idea largely resonated among scholars looking at the discussion on public goods (Keim, 1978), business self-regulation (Maitland, 1985), corporate crimes (Roberts & Chaset, 1995), shareholder value (Fombrum, 1997; Jensen, 2002), and among practitioners looking at the business case of CSR (AccountAbility, 2004; Schäfer, Hauser-Ditz & Preller, 2004; Smith, 2003; The Economist, 2008).[6] The basic idea is to align corporate activities that are related to responsible behavior with value maximization and sustained profits for shareholders as a modern interpretation of CSR or corporate citizenship to get from "feel good" to "real good" as the Economist (2008: 21) puts it. CSR as enlightened self-interest implies that "as responsible corporations, TNCs must give first priority to serving customers and generating fair return for shareholders" (Rondinelli, 2002: 410). This is reflected by Davis in his definition of corporate responsibility as "the firm's considera-

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[6] For instance, in its publication from January 19th, 2008, the Economist dedicates a whole report to CSR as enlightened self-interest.

tion of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm. It is the firm's obligation to evaluate in its decision-making process the effects of its decisions on the external social system in a manner that will accomplish social benefits along with the traditional economic gains which the firm seeks" (1973: 312). Jensen (2002) argued for introducing a sophisticated version of the balanced scorecard as a timely way to operationalize CSR as enlightened self-interest in the corporate context since "the truly responsible business never loses sight of the commercial imperative" (The Economist, 2008: 22).

CSR has been translated into the language of the major theories of the firm in order to explain how CSR can create a competitive advantage. For example, combining the resource-based view with the stakeholder approach, it has been argued that relationships with important stakeholders such as employees, customers, and suppliers represent important resources that may be turned into a competitive advantage (Harrison & St. John, 1996; Hillman & Keim, 2001); an idea which has also been extended to the natural environment as primary driver for developing new capacities (Hart, 1995). Business strategies that aim at improving corporate responsibility such as moral decision making (Petrick & Quinn, 2001), awareness building, deliberation and responsiveness (Litz, 1996), beneficial relationships with primary stakeholders (Harrison & St. John, 1996; Hillman & Keim, 2001), or properly dealing with the challenges imposed by the natural environment such as climate change (Hart, 1995) are interpreted as "dynamic capabilities" (Eisenhardt & Martin, 2000; Teece, Pisano & Shuen, 1997) which might provide a competitive advantage.

CSR as enlightened self-interest today is frequently operationalized as (social) risk management and concern for reputation with regards to operations and stakeholders, in particular consumers (e.g. Alakeson et al., 2003; Bekefi, Jenkins & Kytle, 2006). Risk with regards to CSR is conceptualized as "social risk" (Kytle & Ruggie, 2005). As a consequence, Bekefi, Jenkins & Kytle (2006) argue for a strategic management of social risk, manifested in an integrated management approach with clearly defined roles and responsibilities and focused issue-oriented stakeholder engagement. They claim that "for strategic risks, in contrast with traditional compliance or hazard risks, risk and opportunity are often two sides of the same coin. A strategic risk that is anticipated early and mitigated well can be converted into a new market, a competitive advantage, a stock of goodwill, or a strategic relationship. A quality strategic risk program will therefore adopt a forward-looking perspective geared as much to prevent missed opportunities as to prevent negative earnings surprises" (2006: 11).

A major focus of CSR as enlightened self-interest includes cause related marketing (Murray & Montanari, 1986; Varadarajan & Menon, 1988) and corporate reputation (Fombrun & Shanley, 1990; Fombrun, 1996). Cause-related marketing is supposed to improve corporate reputation by creating the image of an honest, socially responsible company (Varadarajan & Menon, 1988). Building on this idea, Fombrun introduced the term "reputational capital", arguing that "a good reputation enhances profitability because it attracts customers to the company's products, investors to its securities, and employees to its jobs" (1996: 81). It can be estimated by calculating the excess market value of its securities. He further argues that "to focus on a company's reputation is to put the spotlight squarely on the long run; on the ways in which constituents influence its values; on an appraisal of the company not only as an economic engine or money machine but as a social institution" (1996: 58). Reputational capital is based on perceptions and should be increased and protected by building and establishing strong relationships with all its constituents (Fombrun, 1996: 60). In this line of argument, Fombrun et al. suggest a "three-part view of citizenship as: 1) a reflection of shared moral and ethical principles; 2) a vehicle for integrating individuals into communities in which they work; and 3) a form of enlightened self-interest that balances all stakeholders' claims and enhances a company's long-term value" (1997: 32). However, while "doing good' is perceived to be beneficial "if a substantial proportion of a company's potential customers believe that CSR initiatives are made at the expense of investments in the company's core business, then CSR efforts may actually hurt" (Bhattacharya & Sen, 2004: 23).

Acting out of enlightened self-interest focuses on the idea of volunteerism and proactive behavior (Roberts & Chaset, 1995). This includes staying away from crimes and engaging in self-regulation, when necessary, since anti-social behavior alienates social support (Roberts & Chaset, 1995). For example, Kaikati and Kaikati report that "to avoid government regulation, the recording industry is resorting to self-regulation by cracking down on blatant product placement in songs and music videos, just as it odes for sexual content and violence" (2004: 20). The firm should also lobby for state support by working "for public policies representing enlightened self-interest" (Wood, 1991a: 710). Going beyond traditional considerations, the OECD argues for a broader view of enlightened self-interest in weak governance zones: "The business costs of 'government failures' and of associated problems of rights violations (including investors' rights), violence and corruption are large – they include direct costs and missed opportunities. Individual companies and the business sector as a whole might therefore find it in their broad self-interest to help weak governance host societies to get on the path of

institutional reform. However, the roles they can usefully play in this area are not always well defined and there may be risks associated with business engagement in this area" (2005: 14). What the different examples demonstrate is that CSR, as enlightened self-interest, is clearly an extension of classic economic reasoning, transcending the classic boundaries of the firm.

2.1.2.5.2   CSR as Corporate Social Performance

The idea of enlightened self-interest is closely linked to the concept of corporate social performance (CSP) ultimately leading to shareholder value maximization. It represents a shift from an egocentric view to a teleological perspective. From a conceptual point, it is rooted in the first systematic approach to CSR developed by Carroll (1979). His model is based on the argument that "the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time" (1979: 500). He then defined the social responsibilities by sorting them into four categories in the form of a pyramid: two mandatory responsibilities - economic (be profitable), and legal (comply with the law), and two "ought to" responsibilities - ethical (do the right thing) and discretionary (do what is desired by society). In this logic, discretionary responsibilities have the lowest magnitude and economic responsibilities the highest. Carroll then proposed a three dimensional social performance model which would determine the degree of corporate social responsiveness, first introduced by Ackerman and Bauer (1975), by looking at corporate social responsibility and social issues.

Wartick and Cochran (1985) refined the model by further defining economic responsibility, public responsibility, and social responsiveness. Referring to Carroll's model and based on the progress in the field, Wood (1991a) attempted to define the boundaries of responsibility of the firm. She developed a corporate social performance (CSP) model distinguishing between three levels of analysis, institutional, organizational, and individual, which was later refined by Swanson (1995). Wood (1991a: 693) defined corporate social performance as "a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships". In Wood's (1991a) model three principles define the goals of CSP: the institutional principle aims for legitimacy, the organizational principle requires the assumption of public responsibility and the individual principle which calls for managerial discretion. She identifies three processes which might help to achieve these goals: an environmental assessment, stakeholder management, and issue management. It is proposed that outcomes can be

measured in social impacts, programs, and policies, suggesting in turn that this model could be used as an organizing device for research on CSR (Wood, 1991b). Swanson (1995) criticized Wood's model as it does not integrate both the instrumental or economic and the normative or duty-aligned arguments for corporate social performance and neglects other perspectives. Aspiring to reconcile values with practice, a problem theorized by Freeman (1994), she suggested operationalizing CSR by looking at the interrelated processes of (a) economizing, ecologizing, and powerseeking values; (b) ethics as negative and positive duty; and (c) personal values. In her CSP model (CSR2), the institutional and organizational macroprinciples of CSR determine the microprinciple of CSR in terms of executive decision making and personal values (of the executive). The three mechanisms are environmental assessment, stakeholder management, and issues management. The corporate culture (as in managerial and employee decision making, their values, corporate social responsiveness, and social programs and policies) will then determine the social impact with regards to economizing, ecologizing and power seeking. Drawing on Carroll's original model, Schwartz and Carroll (2003) proposed a three-domain model which emphasizes the overlapping dimensions between the economic, the ethical and the legal domain.

All models have one thing in common: they intend to operationalize non-financial concepts in economic terms to test them empirically. They concentrate on terms such as management, impact, assessment, or outcome. The instrumental perspective is based on the utilitarian assumption that economic terms might facilitate the acceptance of social responsibilities in the business world and therefore alter the consciousness of corporate decision makers.

Carroll's suggestion to test CSP models as underlying instruments of performance analysis has received a broad echo (e.g. Aupperle, Carroll & Hatfield, 1985; Clarkson, 1995; e.g. Dentchev, 2004). CSP models have been applied in different forms across disciplines such as operations management (Pedersen, 2005; Pedersen & Andersen, 2006; Vitell & Davis, 1990), production (Klassen & McLaughlin, 1996; Waage, 2007), marketing (Garriga & Melé, 2004; Linton, Liou & Shaw, 2004; Louppe, 2006), human resource policies (Collett, 2007; Harvey, 2006; Trevino et al., 1999; Weaver, Trevino & Cochran, 1999), leadership (Alfonso & Sharma, 2005), corporate governance (Power, 2007), accounting (Ball et al., 2005; Jain et al., 2007), corporate reporting (Golob & Bartlett, 2007), public relations (see critically Clark, 2000), or auditing (Wiele et al., 2001) to explain how to improve corporate performance (Margolis & Walsh, 2003; Walsh, Weber & Margolis, 2003). Margolis and Walsh (2003) counted 127 studies in the period 1972–2002 that investigate the relationship between corpo-

rate social performance and financial performance and competitiveness. Neither a clearly positive nor negative relationship has yet been established between an assumed corporate social responsibility and financial performance (Griffin & Mahon, 1997; Margolis & Walsh, 2003). In their meta-analysis Margolis & Walsh (2003) find methodological and theoretical weaknesses throughout past studies which render the findings, merely a positive link between financial performance and socially responsible obsolete. Their critique focuses on sampling problems, lack of control variables, poor reliability and construct validity, and the missing theoretical causal link between corporate social and financial performance, among others.

CSR has also frequently been linked to performance in instrumental stakeholder theory. Students of this approach argue that ethics is good for business by describing the consequences of activities which stakeholders consider. The instrumental stakeholder ethics approach clearly aims at maximizing shareholder wealth (Quinn & Jones, 1995). This approach includes empirical studies which analyze the relationship between corporate financial performance and stakeholder management ranging from environmental risk management (Bansal & Clelland, 2004), withdrawal from South Africa during the Apartheid regime (Meznar, Nigh & Kwok, 1994), the consequences of illegal corporate activity (Baucus & Baucus, 1997), to the U.K. water industry (Ogden & Watson, 1999).

In the same line of inquiry, Elkington (1998) introduced the triple bottom-line approach to reframe CSR in order to make the concept of corporate social responsibility more understandable for practitioners. The triple bottom-line approach focuses on "people, profits, and planet" representing the social, economic, and environmental dimension of sustainable corporate activities. With regards to economic efficiency, Elkington calls for sustainable profits, the goal of the environmental bottom line is a zero-balance in terms of its environmental impact, also termed "ecoefficiency" (Huppes & Ishikawa, 2005; Montgomery, 1997), and the social dimension focuses on "sustainable peace" (Peck, 1998) by promoting good governance. The concept has been widely adopted and proven to be very influential, particularly in the business community. While it suggests equality between the three objectives, the emphasis lies on the "bottom line", which represents financial performance.

The conceptualization of CSR as stakeholder management represents the operationalization of CSR as a decision making process. The stakeholder literature draws on organizational strategy and ethical theory and has been specifically tailored to fit the business environment, being particularly opposed to stockholder theory (Key, 1999; Marens & Wicks,

1999; Orts & Strudler, 2002). The stakeholder approach to the firm intends to redefine the corporation inter-subjectively as a "system of stakeholder groups, a complex set of relationships between and among interest groups with different rights, objectives, expectations, and responsibilities" (Clarkson, 1995: 106-107). However, the underlying assumption remains that satisfying the interests of all stakeholders appropriately might eventually contribute to maximizing shareholder value by improving corporate performance (see also Ogden & Watson, 1999).

The emphasis on performance in its countless variations lies at the heart of mainstream management research in its search for value maximization. Thus, the concept of corporate social performance represents an enlightened form of value maximization altering the measurement criteria but maintaining the fundamental reasoning.

2.1.3   Business in Society as Apolitical Framework

The analysis of the CSR debate demonstrates that the assumptions of both the nation state model and of liberal democracy are not only framing the neoclassical role of the firm but are also almost completely accepted as common ground for reasoning on CSR. First, the reoccurrence of themes such as "societal expectations" refers to the nation state model as coherent societal framework providing the fundament for pragmatic and cognitive legitimacy. Second, the explicit or implicit assumption that the rule of law is intact and fully functioning, as a key assumption of liberal democracy, demonstrates that the students of CSR remain within the conventional societal model of management scholars and economists. Third, the strict separation of both public and private is maintained which results in an apolitical conceptualization of CSR.

CSR as enlightened self-interest, corporate social performance, and stakeholder management clearly follows a political agenda which defines the corporation as the focal point of any inquiry. This is an important choice which facilitates empirical analysis but bears some potential dangers. Instrumental approaches to CSR follow economic reasoning in the reduction of reality (and the subsequent avoidance of moral questions) to a point where it fits analytical tools disconnecting economic thought from socio-political reality. Scholars appear be eager to produce supportive results of a positive link between social and financial performance, not only making questionable compromises from a methodological perspective but also leaving untapped the broader questions on what companies a *really* doing to tackle the great challenges of the world of today (Margolis & Walsh, 2003). Separating values from facts de-

nies the reality of scientific and academic work in research institutions around the world (very often guided by political agendas) and destroys the very idea of theory to give a model of reality (Habermas, 1968: 149). This limited view of scientific and academic work suggests an objectivism that has to be critically challenged (Habermas, 1968: 166-168). Remaining within these assumptions implies that the corporation remains detached from the socio-economic framework, a view which was largely conceptualized by scholars in the 19th and early 20th century. The CSR debate is thus, ahistoric and acontextual, ignoring not only recent changes in socio-economic conditions but also changes in the academic literature with regards to the concept of the corporation itself. Moreover, by accepting some of the fundamental assumptions of the liberal model such as normative individualism (instrumental approach to CSR), and the minimalist state (voluntary character of CSR), students of CSR also accept the world view and the political agenda of liberal philosophy. This might be deliberate. However, missing out to question the assumptions not only weakens the empirical analysis of corporate behavior and its implications but also threatens theoretical reasoning on the responsibilities of corporations as being biased or even misleading. The relevance of a much deeper analysis will be outlined in the following section. The apolitical framework of CSR may be visualized as below.

Figure 2: Apolitical Framework of CSR
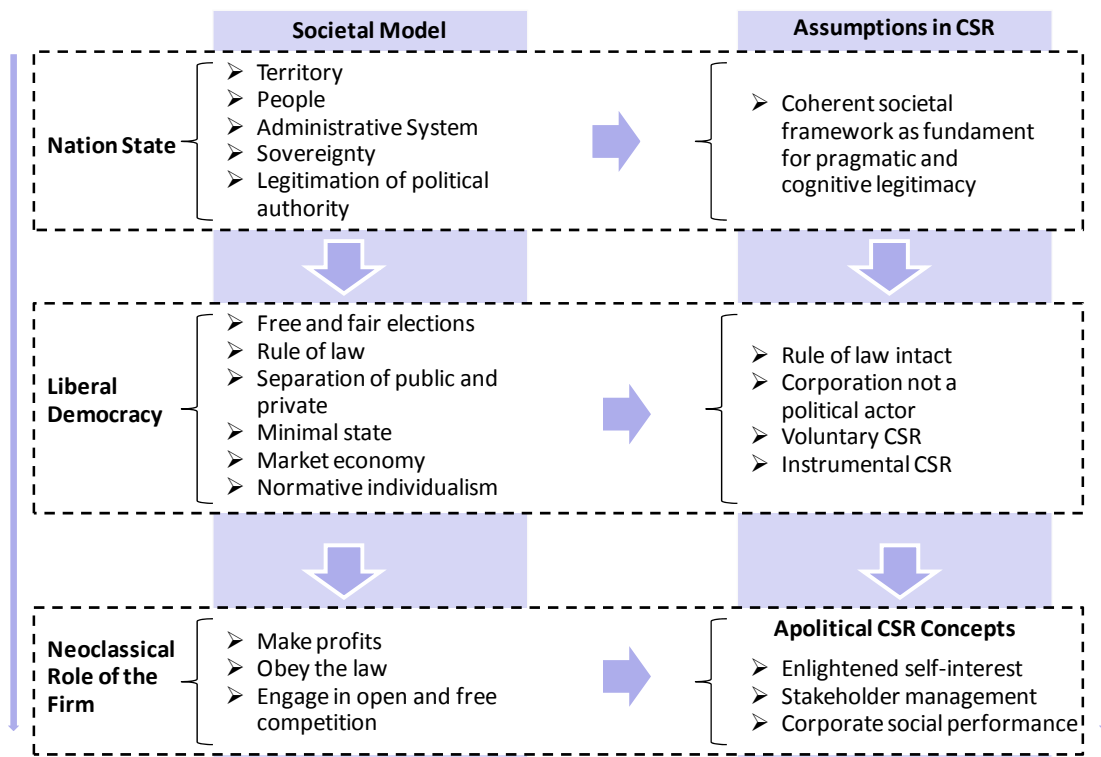
2.2   Shifting Paradigms

2.2.1   The Postnational Constellation

At end of the 20th century the world entered into a radical transformation process challenging the enlightenment project of modernity in almost all areas of social, economic and political life (Habermas, 2001)."Globalization", a term as intuitive as it is ambiguous has become the most popular term for describing the very often contradictory empirical evidence of the various phenomena that can be observed (Schmalz-Bruns, 2001). Forces of globalization are transforming traditional societies into a postnational world characterized by new forms of political organization and the alteration of political actors on a global basis (Cutler, 2001; Habermas, 2001). While the era that preceded the Westphalian Peace was a stateless international system, these new social, political and economic forces are now turning the Westphalian state-centric international order into a new, globally oriented post-Westphalian order: the postnational constellation (Habermas, 2001).

A detailed discussion of globalization and its consequences would go far beyond the scope of this thesis. Therefore, I limit my analysis to the two most relevant major phenomena:

i)   Globalization and its impact on the nation state

ii)   The rise of civil society

Hereafter, I provide the ground for a thorough analysis of the debate on corporate responsibility by analyzing the global transformation processes, and explain why the concept of corporate responsibility remains blurry and highly debated.

2.2.1.1 Globalization and its Impact on the Nation State

Theories of globalization can be traced back to the early and mid 1970s when sociologists began to investigate the nature of the world system (Guillén, 2001; Held et al., 1999). Globalization started out as an internationalization process which intensified over time (Bilkey, 1978; Johanson & Vahlne, 1977; Johanson & Wiedersheim-Paul, 1975). It developed out of the "compromise of embedded liberalism" (Ruggie, 1983) at the end of World War II when state capacity and state responsibility reached its maximum. Since then, it has been attributed to the occurrence of a number of technological, economic, social and political phenomena (Dombrowski & Mansbach, 1999; Gilpin, 1987; Guillén, 2001; Habermas, 2001; Kobrin, 1997; Zürn, 2000):

i)   The liberalization of world trade, the deregulation of national markets, the intensifica-
        tion of foreign investment, the creation of a global financial system, the free cross-
        border movement of goods, services, capital, people, technology, information, and cul-
        ture created worldwide ties, but also heightened international competition between
        economic and political actors with regards to trade, finance, and macroeconomic poli-
        cies, turning the world economy into a global market. In particular, impersonal ser-
        vices such as telecommunications, financial services, management advertising, and
        professional and technical services have become a multinational commodity (Bhag-
        wati, 2004: 6-13; Held et al., 1999: 16; Kobrin, 1997: 147-148; Stiglitz, 2002: 3-23).

ii)   The emergence of new information and communication technologies (ICTs) has
        enormously facilitated global communication and today allows for copying and send-
        ing out information instantaneously to millions of people, ignoring time, culture, lan-
        guage, ethnicity, gender, geography, and social status. ICTs have triggered the emer-
        gence of global networks as a means of organizing economic and social activities
        (Bhagwati, 2004: 12; Habermas, 2001: 65-67).

iii)   The transition of the post-communist countries whose citizens were hungry for West-
        ern products and life styles, led to an enormous global economic integration, deepen-
        ing the international division of labor. In addition, the arising nuclear age, the emanci-
        pation of (former) colonies, and Northeast Asia's rapid economic rise represented a
        major influence on creating a global consciousness as a prerequisite for a global econ-
        omy (Bhagwati, 2004: 39-42; Stiglitz, 2002: 90-98; 133-142).

        What is radically new about globalization? Why is it seen as more than just a bundle
of single phenomena? Scholars and philosophers have found different answers to these ques-
tions: Habermas (2001: 65-66) interprets globalization as "a process" that "characterizes the
increasing scope and intensity of commercial, communicative, and exchange relations beyond
national borders". Similarly, Guillén (2001: 236) defines globalization as a "process leading
to greater interdependence and mutual awareness (reflexivity) among economic, political, and
social units in the world, and among actors in general". Critics of globalization emphasize the
governing neo-liberal ideology rooted in the Washington Consensus, advocating foreign own-
ership, investment, and exchange, privatization and deregulation, reduction of public spending

and a low level of corporate taxation (Johnston & Laxer, 2003). Globalization is feared by its critics as "the determinate, unruly and self-propelled character of world-affairs" (Bauman, 1998: 38).

Beck called the globalization process the "deterritorialization of the social" (Beck, 1998: 12), emphasizing the global scope of social evolutions in today's world. The reorganization of time and space inherent in the globalizing tendencies of modernity, considered by sociologist Anthony Giddens (1991: 21) as the "time-space distanciation", brings about the global spread of the ideas of modernity (Smelser, 2003) while at the same time cultures and their embedded value systems compete in pluralistic societies. Globalization encompasses "globalism", the fact that the world is increasingly understood in global terms (Carrington, 2001), "globality", referring to the global availability and impact of images, information and commodities (Albrow et al., 1997), and "glocalization" which is a neologism emphasizing the twin process of simultaneously shifting economic, institutional, and regulatory activity from the national level towards both supra-national or global scales and downwards to the individual, local, or regional level (Robertson, 1995; Swyngedouw, 2004).

Zürn (2000: 187) argues that while globalization has not yet influenced the 'place-boundedness' of social transactions, there has been rather a "denationalization", indicating a "weakening link between territorial states and their corresponding national societies" (Zürn, 2000: 187). The emerging global political system is characterized by a transition from a primarily state-centric order to an increasingly multi-centric order (Habermas, 2001; Maragia, 2002). This is opposed to the formerly national constellation characterized by a "political community sustained by intensified interactions, which stands in a mutually constitutive relationship to the nation state" (Zürn, 2000: 187).

Summing up, globalization is centered around three particular phenomena: (i) an intensified process of exchange based on the ideology of liberalism, prioritizing the freedom of economic transactions, (ii) a changing institutional environment indicating shifting authorities, and (iii) the development of a global consciousness changing the scope and nature of communities.

While some of the processes leading to a globalizing world have no influence on the Westphalian paradigm or even increase its validity (such as the emergence of nationalism in Eastern Europe after the end of the Cold War), there is, however, a growing consciousness of an arising shift in paradigms (Beck, Bonss & Lau, 2003; Habermas, 2001). State boundaries

that provided the spatial ground for identity, expectations, loyalties and values of people are challenged by the shift of economic and technical elites towards new authorities, ranging from organized religions to MNCs (Dombrowski & Mansbach, 1999). The emergence of global risk scenarios, which are not restricted to the territory of one single state, underline the necessity to overcome the Westphalian paradigm and to replace it by a transnational approach (Habermas, 2001: 70). National policies tied to a defined territory are no longer sufficient to tackle the challenges in a growingly interdependent world.

There are three major prevailing threats: (i) The global resource-based economy is substantially challenged by limited resources. Since the famous Club of Rome report on "*The Limits To Growth*" from 1972 nature has lost its innocence as the "neutral and infinite provider of resources" (Beck, Bonss & Lau, 2003: 7). Despite the prominent discussion on renewable energies, humankind is far from having found solutions to ensure sustainable economic growth. (ii) The nuclear threat to human kind, which became very real with the Chernobyl accident, remains a major challenge to humanity. Not only is the nuclear capacity of states increasing, but also the new threat of nuclear terrorism from organized groups such as Al Qaida has risen. The fear is particularly fueled by the emergence of the global market in small arms and the availability of inexpensive weapons from the former Soviet Union (Clapham, 2006: 13). (iii) Climate change is today widely acknowledged as one the most pressing humanitarian challenges (ACIA, 2004; Bendell, 2004). According to the Intergovernmental Panel on Climate Change (IPCC) climate change will happen and is unequivocal (Reisinger, 2008). Potential impacts include water shortages for over one billion people, the extinction of 10-30% of all species, reduced crop yields at lower altitudes, coastal flooding mainly in Asia and Africa leading to migration and potential wars, substantial health risks from heat, malnutrition, and diarrhea, among others (Reisinger, 2008; Steiner, 2007).

The three scenarios indicate that formerly local or national phenomena have attained a global dimension while the linkages to the global economy have become increasingly obvious. Globalization has affected the existence of nation states in four areas that are crucial for its constitution: Civic solidarity through national identity, sovereign policy making, democratic legitimacy and rule of law. This will be explained below.

2.2.1.1.1   Towards Pluralistic Societies

Due to the forces of globalization, Western societies have entered a phase of "reflexive modernization" (Beck, Bonss & Lau, 2003), characterized by fundamental changes in ethnic,

religious, and cultural composition. They are being transformed into multicultural societies accompanied by a fragmentation of values, loyalties and identities (Dombrowski & Mansbach, 1999; Habermas, 1996). Habermas (2001) argues that pluralization has a major impact on national identity and civic solidarity as the "institutionalized capacity of democratic self-determination" (2001: 71). In modern societies, solidarity is founded on common values as the ultimate base by which people, groups and states make decisions (Nelson, 2002a). As one of the major achievements of the nation state, it allowed the political integration of different groups in society and guaranteed social peace. The pluralization of life forms that results from the structural changes is potentially detrimental to the cohesive strength of national communities, diluting traditional civil solidarity (Habermas, 2001). Three major phenomena reinforce the effects of globalization:

i) Migration: OECD countries are witnessing increasing wanted and unwanted migration from developing countries caused by oppression, civil war, and poverty. This has led to a reconsideration of national identities based on "cognitive dissonances" (Habermas, 2001: 72) caused by inner-societal cultural conflicts, simultaneously leading societal groups (e.g. based on nationality or ethnicity) to claim their right to self-determination.

ii) Individualization: Traditional industrialized societies were characterized by regulated industrial relations, neo-corporative negotiating systems, mass political parties anchored in social classes, reliable social security systems, nuclear families with inherited sexual division of labor, and a standardized career path, which as a whole provided the collective background for solidarity among citizens. The postnational constellation, however, is dominated by individualization deregulated career paths which render the national basis for civic solidarity second nature (Beck, Bonss & Lau, 2003; Habermas, 2001: 74).

iii) Mass culture: The leveling forces of globalization that are manifested in mass consumption, mass communication, mass tourism, and global markets drive world societies towards a mass culture that is deeply influenced by the United States (Habermas, 2001: 74-75). The trend towards a one-world culture that is based on material values, common images and symbols, and consumption carries the danger of the loss of native culture.

Pluralization is both a challenge to the classical nation state and a chance for renewing and enhancing the institutional basis of democracy (Habermas, 2001: 73). While the lack of intersubjectively shared traditions is weakening traditional civil solidarity, it challenges citizens to rethink old paradigms and find new ways of democratic self-determination that allow for integration and solidarity in the postnational constellation.

The weakening identity encountered by states has increased the search for new forms of identity. Discourse has become a major way to construct identities of people, communities, organizations, and states. Loyalty is no longer only derived by nationality but might belong to an intercultural and multiethnic, often internet-based epistemic community as well as by globally operating organizations (Nelson, 2002a). Corporate identities and identity creation in various internet communities indicate that there is a need to replace the weakening national identities. In addition to creating global mainstreams in television, consumer goods, music, books, fashion, even language (English) etc., globalization has also created new forms of differentiation. These new subcultures represent an ongoing construction of new modes of belonging. They do not respect national borders but are based on cross-cultural dynamics that are described by Habermas as the "dialectic between leveling and creative differentiations" (Habermas, 2001: 75).

2.2.1.1.2   Corporate Power and Governance

Globalization is threatening to undermine the economic foundations of modern societies which are traditionally based on national economies largely consisting of private companies (Beck, Bonss & Lau, 2003). In a world where the turnover of the largest MNCs surpasses the BIP of some middle-sized countries (Bartlett, Ghoshal & Birkinshaw, 2003), many governments are struggling to maintain their authority. The UNCTAD estimates that there are about 77,000 MNCs with over 770,000 subsidiaries, employing approximately 62 million workers, exporting goods and services of more than US$ 4 trillion, and generating about US$ 4.5 trillion of value added. Approximately half of the world's largest economic entities are today represented by large MNCs (Higham & Vokey, 2000).[7] Private companies widely drive technological progress (Antonelli, 2006; Izushi & Aoyama, 2006), create markets on a worldwide basis for their products (Chandler, 1962; Cox, 1997; Ghoshal, 1987), and develop

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[7] A comparison of UN statistics and financial data for the year 2006 resulted in 44 multinational companies ranking among the top 100, among them Exxon Mobile was the largest multinational company ranking number 24. However, this comparison of economic wealth and relative size of corporations with nation-states may be misleading in terms of political power (Orts, 2002).

new labor models for their employees (see e.g. Carnoy, Castells & Benner, 1997). Today, they dispose of highly complex global supply chains with production facilities worldwide, often following a network approach functioning with trans-border logic. This has led to two major developments.

2.2.1.1.2.1   Weakening of the Administrative State

At the end of the Second World War, prosperous private companies created tremendous wealth in the industrialized world (Carroll, 1998). In the postwar years, the global economy was largely unregulated, providing the breeding ground for the emergence of large MNCs. Under the conditions of globalization, multinational companies increasingly detach from nation states in their day-to day operations resulting in a decline of national identity (Orts, 2002). The traditional social contract between business and state, constituting of favorable governmental policies in exchange for welfare contributions in terms of employment and tax payments has been called into question (Habermas, 2001). The administrative state as the means of democratic societies to execute the results of their will-formation process has been severely weakened even though traditional functions, such as guaranteeing property rights and fair competition have merely remained intact (Habermas, 2001). What are the challenges nation states are facing today? The following domains stand out:

i)   Threat of capital flight - Deregulation and new information technologies enable MNCs to move capital rapidly to take advantage of local market and labor conditions (Dombrowski & Mansbach, 1999). Accelerated capital mobility along with expanded competition substantially affects the effectiveness of national policies and its effect on labor markets and capital allocation. Monetary and fiscal policy on a national level is losing its effectiveness, illustrated by rising unemployment combined with social marginalization of the poor in many Western societies (Elson & Cagatay, 2000). Moreover, many transactions are no longer geographically place-bound making jurisdictional definitions of markets problematic.

ii)   Thread of fiscal pressure - The administrative state is threatened by the fiscal pressure exerted by the global competition of national tax systems and the existence of "tax havens" around the world (Christensen & Murphy, 2004). In the OECD countries, tax income has continuously decreased since the end of the 1980's due to an increasingly favorable corporate taxation (Habermas, 2001: 68-69). This loss of resources limits the capacity of developing government policies. The services provided by the state such as

the redistribution of income, labor policies, youth policies, healthcare, family and edu-
cational policies, environmental protection and environmental planning, depend on the
ability of the state to maintain its tax base and to finance social policies.

iii)   Increasing loss of control over private financial institutions - World trade has seen a
          shift from trade in tangible goods (commodities and manufactured goods) to trade in
          financial products. The rapid increase of international financial transactions due to the
          liberalization of financial markets and the subsequent emergence of powerful institu-
          tions that act on deregulated global capital markets have shifted state power to finan-
          cial institutions. The introduction of complex financial instruments such as derivatives
          that require a thorough understanding of the mechanisms of capital markets have addi-
          tionally weakened the control function of national financial authorities (Christensen &
          Murphy, 2004).[8]

The shift in power inherent in these developments has led critics to believe that the
world is governed by "multinational liberalism" (Habermas, 2001: 78), turning it into a play-
field of powerful MNCs. The implications for government policies are difficult to evaluate but
they call the legitimacy of national policies based on a limited territory into question. How-
ever, while the governance mechanisms of the Western-like nation state seem to be weakened
by the economic power of large MNCs, a second phenomenon has been observed which might
seem even more puzzling.

2.2.1.1.2.2   Corporations as a Political Actors

MNCs have become powerful actors, in particular in developing countries, assuming a
range of political and economic functions that have traditionally been state duties (Dom-
browski & Mansbach, 1999; Scherer & Palazzo, 2007). There are two reasons: First, many
domains of the public sector around the world have been privatized including telecommunica-
tions, logistics, transport, education, public health and hospital care, welfare and social secu-
rity, prisons, water delivery and purity, food safety systems, sanitation, security forces, and
military training in order to increase private sector participation and to increase efficiency.
This has substantially increased corporate power (Bendell, 2004; International Forum on
Globalization, 2002; Özden, 2006). MNCs now compete with nation states in the domains of

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[8] The recent record loss of 4.9 billion Euro by Société Générale caused by Jerome Kerviel, a 31 year old trader,
   indicates the danger in today's weakly controlled financial systems.

finance and investment even in the public domain due to the privatization of former government enterprises (Addison, 2002; Habermas, 2001). While privatization has been hailed as the solution to inefficient and often corrupt large state enterprises, the experience is mixed as indicated by the privatization of the state-owned oil and gas resources in the former Soviet Union (World Bank, 2003). In New Zealand, for example, a playfield for liberal policies in the 1990's, the train system was nationalized again following its former radical privatization due to serious side effects.

Second, in their attempt to deal with government failures (including the non-existence or the lack of enforcement on the part of governmental policies), multinationals have started to assume basic governmental functions and engage in acts of self-regulation (Eisner, 2004; Maxwell, Lyon & Hackett, 2000; Parker, 2002), political decision making, tax collection, and infrastructural investments in the common good. Some provide healthcare and education like in Sub-Saharan Africa in the fight against HIV/AIDS. Others promote basic political rights such as freedom of speech, association, or the right to property (Smith, 2003; Spar & La Mure, 2003). In some cases, MNCs have launched individual initiatives, for example, in order to apply their expertise for disaster relief or in cases where there is a need for professional support (Argenti, 2004; Berger, Cunningham & Minette, 2004; Spar & La Mure, 2003). This follows the belief that "as the world's population skyrockets and resources grow scarce, the MNC – with its ability to mobilize massive human and capital resources across geopolitical boundaries – may be mankind's best defense against an onslaught of social ills" (Tichy, McGill & Clair, 1997: back page).

Particularly disturbing is the fact that, in addition to (arguably) less critical public domains such as healthcare and education, even war has become big business (International Alert, 2000; Orts, 2002) where companies are actively encouraged to contribute to peace building (Banfield, Haufler & Lilly, 2003). The emergence of private security companies that send mercenaries around the world to protect private sector activities, engage in regional conflicts, or provide security in the rebuilding of countries, is a symbol of globalization which is broadening the understanding of the public domain and threatening the authority of sovereign nation states (Lunde, Taylor & Huser, 2003; Ruggie, 2004; Serewicz, 2002). Private sector collaboration in conflict resolution was originally proposed as an efficient solution to the regionalization of conflicts (Bennett, 2002; Gerson, 2001). However, recent cases in Angola, Sierra Leone and Bosnia suggest close linkages between conflict, finance and private corporations (Addison, Le Billon & Murshed, 2001; Kaldor, 2001; Özden, 2006; Stevens, 2005). The

most prominent case is probably Iraq, which has become a playing field for mercenaries employed by large MNCs, among them the notorious Blackwater Company. The privatization of war indicates a new quality in the (voluntary) transfer of state duties to private companies based on the belief that the efficiency gain achieved through a private operator legitimizes its deployment. The underlying economic, interest-driven logic inherent in the neo-liberal foreign policies of the US government is blurring the concept of the nation state and its well-defined distinction between private and public policy. In the postnational constellation, MNCs have turned into political actors without being properly monitored, controlled, or sanctioned by global policies or governance mechanisms. What a corporation is and should be accountable for has turned into a key concern for anyone trying to understand the changing role of MNCs (see discussion below).

Finally, multinational companies have become key actors in global rule making, not only influencing traditional rule makers on a national level but in certain instances being authors of new global rules and regulations themselves (Bendell, 2004; Ronit & Schneider, 1999), undermining those they perceive as problematic. On a national level, American corporations, for instance, lobby for the restriction of liability for environmental catastrophes, as well as product-related and personal-related issues (Cutler, 2001). At the global level, it has been argued that bilateral and multilateral trade agreements such as the Trade Related Intellectual Property Rights Agreement (TRIPs) or the General Agreement on Trade in Services (GATS) place corporate interests above national governments (International Forum on Globalization, 2002), creating a global free trade that is everything but sustainable (Mayer, 2002).

The notion of the corporation as a political actor is not uncontested. Scherer and Palazzo (2008) remark that there is an interesting overlap between the critics of globalization and economists in their rejection of a political role of the firm. Economists who remain within the neoclassical model of the firm strongly reject the notion of corporations as a political actors for normative reasons, being " fundamentally fearful of concentrated power" (Friedman, 1962: 39). For rather practical reasons, critics of globalization underline corporate power and, thus, strive to limit corporate influence on global rule making and politics. This seems to be naïve for two reasons: (i) Economic thought is based on 19th century assumptions when the nation state model was "state of the art", and (ii) global rule making is already taking place and could be understood as a chance for a paradigm shift.

2.2.1.1.3   Emergence of Non-State Actors

The increasing interconnectedness of economy, culture, and ecology inherent in globalization represents no danger in itself for the functioning of a democratic nation state. In the Westphalian era, the nation state was regarded as a strategically acting entity in an anarchic environment endeavoring to preserve and increase its power (Habermas, 2001: 69-70; Nelson, 2002a).[9] After the Second World War, international and supranational institutions gained an important role in the global development process of rules, norms and national policies, severely impacting the democratic legitimation of nation states.

New political borders emerged through loose international agreements such as G7, G8, trade regimes such as NAFTA, ASEAN or MERCOSUR, international organizations such as the NATO, OECD or the numerous UN institutions, including the WHO or the International Atomic Energy Agency (IAEA), blurring the fundamental distinction between foreign and domestic policy (Habermas, 2001). National economic policies have been often substantially influenced if not dominated by the Bretton Woods institutions (the IMF and the World Bank) which were later completed by the GATT treaty which later became the World Trade Organization (WTO). Apart from their goals to secure world peace, the latter institutions aim at promoting economic development by establishing free trade internationally. Moreover, they allow for domestic intervention to soften the severest side effects of trade liberalization and guarantee domestic stability. However, while officially created out of mutual interests, they are substantially impacted by power interests that do not represent any democratic mechanisms (Dombrowski & Mansbach, 1999). Dominated by the political agenda of the United States, they have promoted liberalization and privatization around the world.

The shrinking importance of national versus international governmental institutions has led to a decrease in the democratic legitimacy of the decisions taken by the respective representatives. There is no zero sum logic between national democratic and international and supranational institutions since the latter face a democratic deficit and do not meet international standards (Zürn, 2000). There is a clear legitimation gap between well-known elected state representatives and faceless bureaucrats taking decisions in the UN institutions or the European Commission. This represents a serious backlash to the basic idea of democracy as the rule of the people. The modern state is thus rather characterized by "democratic authori-

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[9] In international relations theory also exits the idealist view which regards institutions as the principal actor trying to create norms by means of cooperation, and the constructivist perspective concentrating on communities as principal actors which (re)define identities through discourse. However, the emphasis on the state as an independent strategic actor remains.

tarianism" (Beck, 2002: 42) manifested in less democratic power but improved internal control by the deployment of force, law and information technology.

The problem becomes apparent when looking at the rule of law as a major achievement of democratic nation states. The rule of law has been substantially blurred by the emergence of powerful non-state actors requiring new concepts for dealing with obligations and duties in a globalizing world (Clapham, 2006: 1-4). With shifting authorities, citizens are no longer protected by a national legal framework since capacities are shifted to supranational or international governmental institutions (Dombrowski & Mansbach, 1999). The incongruence in the legitimation basis of the decisions taken (the people in the respective state) and its cross-border consequences seriously threaten the concept of sovereignty (Habermas, 2001: 70).

On the other hand, while growing in terms of economic power, MNCs only have limited accountability in law (for a discussion see Clapham, 2006: 195-270; also Zerk, 2006). The problem that nation states are facing with regards to the rule of law and the accountability of MNCs is illustrated by the concept of nationality which is critical for the application of national law. As Zerk (2006) notices, the nationality seems to become increasingly meaningless for MNCs which originate from one state, have their headquarters in another, and have their major market in yet another (and may even be controlled by a faceless group of investors from yet another state). It becomes even more complicated when considering international mergers and acquisitions, or joint ventures of different MNCs.

More recently, a new type of non-state actor has entered the scene and changed the political landscape substantially: the nongovernmental organization as major representative of the rise of civil society.

2.2.1.2 Theorizing Civil Society

In order to grasp the political picture of the late 20th and early 21st century the concept of civil society has been the focus of much scholarly attention. Scholars have described the dimension of political life that does not belong to the state as an intermediary body, pluralistic association and public sphere (Arato & Luhmann, 1994), growing interconnected networks in political, social, and cultural spheres (Held et al., 1999), growing global consciousness (Shaw, 1996), or associational networks and social movements (Habermas, 2006b), involving the active engagement in state, economy, nation, churches, neighborhood, and family (Walzer, 1995a: 25). In its idealized form, Habermas (1996) understands the associations of civil soci-

ety as a means of raising global consciousness, internalizing moral commitments and creating cosmopolitan identities. According to him civil society is the forum in which a general, open-ended discussion about issues, norms, and values is allowed to take place. He argues that "deliberatively filtered political communications are especially dependent […] on a free and open political culture and enlightened political socialization, and above all on the initiatives of opinion-shaping associations" (Habermas, 1998: 252). Underlining the relational character, Walzer (1995a: 7) calls civil society "the space of human association and also the set of relational networks – formed for the sake of family, faith, interest, and ideology".

Habermas (1996) traces the Western concept of civil society back to the 19th century when political debates emerged out of the private salons of the bourgeoisie which led Hegel to describe civil society as "ethical life lost in its extremes" (quoted in Habermas, 2001: 58). At that time the first nongovernmental and non-religious organizations dedicated to humanitarian goals such as the Anti-Slavery Society (founded in 1839) or the Red Cross (founded in 1864) were established, an area which before was mainly a domain of religious organizations (Pinter, 2001). Historically, the concept of civil society also included economy as constituted by private law. Today's understanding of civil society, however, comprises only nongovernmental and non-economic actors. In particular, it includes voluntary associations such as NGOs, social and religious movements, and grass-roots organizations that are responsible for communicating relevant issues to the public (Habermas, 1996: 366-367; Pinter, 2001).

Two phenomena let the notion of civil society re-emerge: the social movements in Central and Eastern Europe, fighting for more rights and democratic self-determination against totalitarian regimes (Walzer, 1995b) and the birth of the anti-globalization movement which was motivated by the fear of "social and environmental degradation" (ATTAC France, 2005; Friends of the Earth, 2005) as a side effect of economic globalization. In particular the latter has been crucial for today's understanding of the concept of civil society. Fearing a loss of democracy by the shift of economic power from the general public to MNCs, civil society actors started campaigning against a trading of the political and environmental standards of one nation against the other. Many early campaigns had been targeting intergovernmental organizations, in particular the IMF and the World Bank, advocating debt relief for developing countries (Bendell, 2004). A milestone for the anti-globalization movement, and arguably its true birth, were the protests at the WTO meetings in Seattle in 1999 when the images of blocked entrances, street fights and destroyed franchises of MNCs such as Nike or Starbucks went around the world. However, as Scammell points out: "The real lesson of Seattle was not

that some 20,000 people gathered to offer motley protests at the commodification of the planet, but how severely it shocked the corporate and political leaders of globalization" which "served as a wake-up call that big business is now in the spotlight and that corporate reputations, carefully nurtured by years of public relations, may be easily undermined" (Scammell, 2000: 354).[10] Debatably, the Zapatista movement turned into a major inspiration for the protest against the neo-liberal tendencies of globalization manifesting increasing corporate power and a Western-oriented notion of economic progress (Bendell, 2004; Johnston & Laxer, 2003). In 2001, the climax of the anti-globalization movement was reached with the violent protest at the Genoa Group of Eight Summit in 2001. Over 200,000 anti-globalists fled the city to protest against the assumed conspiracy of the most powerful Western governments to lay out rules to dominate the world.

Today, civil society actors around the world are merging into a borderless globally oriented civil society as a side-effect of globalization (Keane, 2001; Klotz, 2002), characterized by its discursive, opinion-shaping, cosmopolitan, and relational nature. They deal with a multitude of issues and bring them to the public sphere, vividly mirroring pluralistic societies. Civil society is located at the periphery of the public sphere with the mission to bring new issues to the centre of attention. The public sphere is interpreted as "an arena for the detection, identification, and interpretation of problems affecting society as a whole" (Habermas, 1998: 251). Civil society has only a limited capacity to find solution for pressing problems within its borders and has to interact with other actors in order to enter into a discourse over these issues. Even though civil society might be dormant in normal times, according to Habermas (1996), in times of turmoil it reemerges and commands the direction of society. A blatant example of the political power of civil society are the recent developments in Eastern Europe, where civil society was responsible for the major part of the changes (Glotz, 1995). The increasingly global nature of the movement is mirrored by NGOs at the local, national and international level (Samhat, 1999). They reverberate and amplify environmental and social issues globally, transforming them into problems that have to be dealt with by national political systems. Global normative discourses such as the intensive discussion on the validity, scope, and application of human rights indicate the emergence of a global public sphere, paralleling the famous notion of the "global village" (McLuhan, 1962).

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[10] Sadly, the protest turned into one of the bloodiest protests in Western Europe's recent history whose images are still present. One protester was shot dead and at least two died for related matters to the protests. Over 400 were hospitalized after the protest. The reaction by the police was widely seen as inappropriate but also civil society lost its image of innocence and non-violence.

2.2.1.2.1   Communicative Power of Civil Society

What is the reason for the success of the NGO movement? The participation in the international system is based on two pillars: legitimacy and authority (Maragia, 2002) which are the fundamental components of Weber's definition of power (Weber, 1980: 122). Civil society actors build communicative structures whereby their *authority* is based on dialogue and communicative networks, including marginal groups "bridging the divide between local experience and global process" (Samhat, 1999: 506). It is derived from expertise in the normative domain, in areas that states have neglected or voluntarily retreated from. Civil society actors tend to form epistemic communities, consisting of representatives of major NGOs to tackle pressing global environmental issues. This has improved the quality of the negotiations substantially in comparison to the conventional intergovernmental negotiations while simultaneously guaranteeing a certain relativization of particular interests (Zürn, 2000). This universalistic approach towards global community and politics constitutes the basis for their fascination and success.

Contrary to intergovernmental institutions, NGOs are not international legal persons, and therefore have no international recognition (Maragia, 2002). In the postnational constellation, their legitimacy is derived from representing the unrepresented, giving a voice to the weak and powerless which are neglected by existing governance mechanisms. Samhat (1999) argues that one of the reasons for the global success of NGOs is the reluctance of states to commit to human rights, having exchanged this commitment for economic opportunities. Neither do states want to bear the economic, social and political costs for the intervention in cases such as severe human rights violations in order to respond to the demands of global civil society networks. As a consequence, over time, the global agenda of civil society groups has developed beyond traditional political areas such as balance of power, security, and military issues into social, economic, environmental and religious issues. Civil society actors in OECD countries have formed powerful alliances to sue MNCs for human rights violation and to fight for higher standards in developing countries (Zürn, 2000).

NGOs are attributed certain rights and have been involved in development issues, implying that the basis for legitimacy of civil society actors is changing (Maragia, 2002). The growing presence of NGOS on the international scene as legitimate actors alters the foundations of international politics (Habermas, 1996; Maragia, 2002). Aspiring to transform relevant issues into national and transnational laws by campaigning and dialogue they have turned

into important political actors. This includes areas such as the promulgation and enforcement of international human rights, labor rights, children's rights, environmental law, regulations with regards to gender and racial equality, and sustainable development (Maragia, 2002). The role of NGOs has also evolved with the definition of those rights and laws. The promotion and implementation of those rights is strongly influenced by the discourse over foundational norms and principles of conduct among states that are transformed in international human rights regimes (Samhat, 1999).

Nardin (1995) warns against confusing the idealized version of civil society with its social reality. Habermas (1996: 358) admits that especially the assumption that civil society has the capability to identify and introduce latent problems such as environmental or human rights issues in the public discourse is based on very strong expectations. Thus, civil society networks may not be the solution to the perceived dominance of global markets over citizens (Thaa, 2001: 520), but rather be perceived as a catalyst that will help to enhance the functioning of existing political communities by increasing political freedom, participation, responsibility, and solidarity.[11]

2.2.1.2.2   Holding Corporations Accountable

Today, MNCs and their institutional environment stand in the center of the global spotlight for what has been termed the "corporate hijacking of political power" (Klein, 1999: 340). Not only for anti-globalists but also for many common people the beneficent state and the "once friendly corporation" (Welcomer, Gioia & Kilduff, 2000: 1177) seems to become increasingly threatening. As one of the most important achievements of modernity, large MNCs that heavily influence government bureaucracies have turned into sources of fear of repression, inaccessible to ordinary citizens (Welcomer, Gioia & Kilduff, 2000). However, particularly high branded MNCs are vulnerable in a globalizing world where brands serve as powerful repositories of meaning for the substantiation, creation and reproduction of self and identity (Fournier, 1998). The concern of large corporations for their reputation has increasingly attracted the attention of NGOs and activists (Klein, 1999). Two major phenomena can be observed: (i) MNCs are increasingly accused of the abuse of corporate power and (ii) are called upon to assume responsibility with regards to pressing global problems such as poverty and climate change (Bendell, 2004; Carbonnier & Desjonquères, 2002; Garvey & Newell,

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[11] Moreover, while Western societies are challenged by globalization, the economic developments in emerging economies are about to change the traditional power structures in a dominating Western world. The implications for a global civil society are difficult to predict.

2004). Even a number of business organizations have emerged such as the WBCSD, AccountAbility, Business in the Community (BITC), or Business for Social Responsibility (BSR) which advocate greater responsibility of corporations (Smith, 2003). What has happened?

The discussion centers around the concept of "accountability" which has been defined as "holding those with power to account" whereby it is believed that "this 'civilizing of power' is critical to reconciling conflict and mobilising action, to address global challenges, from climate change to poverty and from HIV/AIDs to the needs of an aging population" (AccountAbility, 2008). The debate on the rise of corporate power in Europe started in the 1950's with the dominance of large American multinationals, while in the United States the public opinion started to shift only in the 1960's as criticism of massive consumerism (Zerk, 2006). In the 1960's - 1970's, capital allocation was discovered as a means of social change by the social reformist movement in the United States (Szejnwald Brown, Jong & Lessidrenska, 2007), which was illustrated by the nascence of the shareholder engagement movement, the beginning of the fight against Apartheid in South Africa, the publication of the first consumer guide in 1973 ("Shopping for the Better World") and the first verifiable code of conduct (the Sullivan Principles). The 1980's saw the nascence of shareholder activism which, while doubted in terms of effectiveness (Frederick P. Zampa; Albert E. McCormick, 1991), helped for awareness building of the importance of non-financial performance and the possibility to give minority interests a voice. In addition, in the 1990's, voluntary codes of conduct, voluntary reporting on social and environmental performance' and partnerships between NGOs and multinational companies emerged as pillars of recognition for the importance of the social environment in which they are embedded. Today, the corporate accountability movement has moved on to target governments and rule making institutions to provide a CSR-framework for corporations in a globalizing world while at the same time creating new legal accountability mechanisms for MNCs using commercial, criminal, tort, case, trade and international law (for a discussion on the history see Bendell, 2004).

MNCs have been confronted with a wide range of mainly social and environmental issues interpreted as "events, developments, and trends that an organization's members collectively recognize as having some consequence to the organization" (Dutton & Dukerich, 1991: 518). Famous consumer boycotts and campaigns on environmental issues include the attempted decommissioning and disposal of the Brent Spar oil platform in the North Sea by Shell (Grolin, 1998), or the campaign against genetically modified crops (e.g. Monsanto) and

genetically modified food (e.g. Nestlé). Further fields of activism include the establishment of regimes regarding the protection of oceans, the ozone layer[12], and Antarctica, and the active monitoring of the enforcement of those regimes (Maragia, 2002). Milestones in the debate on social issues include the breastfeeding campaign by an alliance of NGOs accusing Nestlé of "killing babies" with its breast milk substitutes (Sinha et al., 2000), the sweatshop debate focusing on labor conditions in the toy and garment industries (Smith, 2003), conflicts involving unionization, or the heated debates on intellectual property rights and access to essential drugs between health activists and the pharmaceutical industry ('t Hoen, 2002; Dutfield, 2001; Kapp, 2001; Kumar, 2002; Lipson, 2001; Loff, 2002).

While MNCs were traditionally mainly accused of environmental crimes or infringements of labor rights, civil society actors however, increasingly accuse MNCs of human rights abuse in conflict zones and countries with weak governance structures (Human Rights Watch, 1999, 2003, 2005; Özden, 2006). For instance, companies such as Coca Cola, IBM, General Motors, Fresh Del Monte Produce, The Gap, DynCorp, Union Carbide (a subsidiary of Dow Chemical) and Pfizer have been attacked for human rights violations in developing countries (Aaronson, 2003; Diskin, 2005). Human Rights Watch's statement illustrates this paradigm shift: "We challenge governments and those who hold power to end abusive practices and respect international human rights law" (2003: 3). This is particularly true for the extractive industry due to its large social and environmental finger print (International Alert, 2005; Wise & Shtylla, 2007). The reason is that for resource-based industries "there is no choice where to go, there is [only] a choice whether to do so" (Chandler, 1998: 69) which has often earned them the accusation of complicity (Clapham, 2006: 253-266).

In particular with regards to the complex human rights debate, activist organizations are becoming increasingly sophisticated in finding ways to hold corporations accountable by "creating" new legal instruments. Examples of such are the claims of human rights abuses that have been brought forward in the United States under the Alien Claims Tort Act (ACTA) against the oil companies Chevron Texaco, Exxon Mobil, Occidental, Royal Dutch Shell, Talisman, and Unocal, the mining companies Freeport-McMoran, Newmont, Rio Tinto, and the Southern Peru Copper Corporation (Diskin, 2005). This neglected 19th century act has been

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[12] After having discovered in the 1970's that the amount of ozone in the earth's stratosphere was declining because of its destruction by atomic chlorine and bromine, many NGOs started campaigning the use of its primary source, chlorofluorocarbon (CFC) until it finally entered into legislation in the late 1980's and early 1990's. However, many of these campaigns were single efforts of small groups of NGOs or short-living coalitions on single issues.

turned into an effective threat for corporations even though until today all cases have been set-tled before an effective criminal conviction.

2.2.1.3 Changing Conditions of Legitimation

What is the deeper meaning of the rise of civil society on a global scale for the course of Western societies and one of their major pillars, the MNC? The cross-societal support for NGOs in their fight for global justice illustrates that MNCs have lost public trust in many do-mains that were formerly unquestioned. The shift in public perception represents a fundamen-tal change in reasoning on corporate responsibility. In essence, it is a question of legitimacy and its sources. In the postnational constellation, the MNC does not enjoy its taken-for-grantedness anymore (Palazzo & Scherer, 2006). The simple fulfilling of its business func-tions is widely questioned by the growing application of non-financial criteria for the evalua-tion of its value (e.g. ethical performance along the supply chain). The success of NGO cam-paigns that have broadened the understanding of the responsibilities of corporations demon-strate that the traditional mechanisms such as marketing campaigns or lobbying for corporate interests increasingly fail to provide the corporation with pragmatic legitimacy. Moreover, cognitive legitimacy is eroding as well (Scherer, Palazzo & Baumann, 2006). There are two reasons for this: First, liberal narratives such as the shareholder value ideology have lost sub-stantial credibility. The simplicity of the concept that represents its major beauty is also its major pitfall. Simply complying with the law does by no means represent responsible behav-ior, infamously proven by the fall of Enron. Second, neoclassical narratives such as the maxi-mization of social welfare through the maximization of every single firm's value are not ap-plicable due to the lack of a coherent societal framework in the postnational constellation. Liberal reasoning on legitimacy does not appear to be the only line of argumentation to fail. The simplistic approach of apolitical CSR also seems to be insufficient to explain how to ob-tain legitimacy in the postnational constellation.

The global outreach of corporate activities e.g. with regards to global sourcing, multi-national workforces, or the global selling of products causes un-intended side effects which can no longer be dealt with in the traditional national framework. In a globalizing world, cor-porate activities are politicized. At the same time, without a global legal framework, legiti-macy increasingly has to be achieved discursively, resulting from a process of social construc-tion in which corporate actions are judged by its degree of confirmation with social norms, values and expectations (Palazzo & Scherer, 2006). Legitimacy in the postnational constella-

tion can no longer be derived from a national framework incorporating national value systems and clearly prescribing "good" or "bad" behavior. As a consequence, Palazzo & Scherer (2006) argue that moral legitimacy resulting from processes of deliberation has turned into the major source of legitimacy in the postnational constellation. Moreover, from a theoretical perspective it is doubtful if stakeholders should be integrated into the corporate perspective at all (typically framed as stakeholder management). Without a profound understanding of the broader socio-economic conditions, emerging from a dialogical interplay of corporations and stakeholders, the process of norm construction inherent in the stakeholder perspective will not allow for true moral legitimacy.

The discussion on sources of legitimacy in the postnational constellation is closely linked to the debate on global governance and the role of private actors therein that will be discussed hereafter.

2.2.1.3.1   Global Governance

There is no global governance system, global government or enforcement agency that would define the role of corporations in the postnational constellation (Scherer & Palazzo, 2007). Governance is not synonymous with government as the ruling authority of a political entity. Rosenau & Czempiel define governance as "a system of rule that is dependant on inter-subjective meanings as on formally sanctioned constitutions and charters" (1992: 4) or "order plus intentionality" (1992: 5) that relies on majority approval. The outcomes of (successful) governance are political order and compliance to legal or formally prescribed responsibilities, thereby defining the capacity to regulate. From a functional perspective governance refers to tasks to be performed.

Governance in a nation state relates to activities that are designed to service the functional necessities of a national government, backed by shared national goals or values. According to Rosenau & Czempiel (1992), three conditions for governance change on a global level: (i) There is a lack of an overarching formal authority, (ii) there are no clearly defined policy powers, and (iii) there are no clearly defined global goals and values. Moreover, law as the structural embodiment of the people's will that guides and constitutes the economy and the administration in the nation state (Habermas, 1996) has no global equivalent. Global governance refers thus to "governance without governments" (Rosenau & Czempiel, 1992) that can be defined as "governing, without sovereign authority, relationships that transcend national frontiers" (Finkelstein, 1995: 369). It relates to any purposeful exercise of power that

occurs independently from a national governmental authority in the arena that traditionally is attributed to nation states (e.g. international trade negotiations). Thereby, the debate on global governance overcomes the old nation state-centered view on governance.

The emergence of new political actors has brought about structural changes in world politics (Ronit & Schneider, 1999; Scherer, Palazzo & Baumann, 2006). Multilateral governance involving a multitude of actors mainly manifests in form of global regulatory networks, for example multi-stakeholder initiatives (Benner, Reinicke & Witte, 2005; Calton & Payne, 2003; Picciotto, 2006). Picciotto (2006) argues that the integration of new political actors, in essence, represents a shift away from hierarchy as the mode of governance towards a more network-oriented steering mode. Hereby, control mechanisms and rule system are often based on "a modicum of regularity, a form of recurrent behavior that systematically links the efforts of controllers to the compliance of controlees through either formal or informal channels" (Rosenau, 1995: 181).

In a globalizing world, global governance cannot be any longer a task managed by the state alone (Rosenau, 1995). Private actors such as NGOs but also MNCs have a significant role to play since public policy on a national level can only provide limited guidance for responsible operations of MNCs (Held, 1995; Nelson, 2002b; Scholte, 2005). Reasoning on global governance thus requires taking private actors into account for the design of structures and processes on a global level in order to create a pluralistic governance system (Benner, Reinicke & Witte, 2005). Held (1995) argues that a functioning global governance system requires clearly defined processes for dispute settlement and problem resolution that touch the local, regional, national, and global level. He identifies six objectives of a future, fully developed democratic global governance system: (i) the entrenchment of cosmopolitan democratic law (ii) a global parliament connected to regions, nations and localities, (iii) the separation of political and economic interests (iv), an interconnected global legal system, (v) the establishment of accountability of international transnational economic agencies to regional parliaments, and (vi) the permanent shift or growing proportion of nation state's coercive capability to regional and global institutions (1995: 279).

From a corporate perspective, some argue that corporate strategy has to make the difference for socially and environmentally responsible behavior (Warhurst & Mitchell, 2000) and the design of an appropriate global governance environment (Corporate Social Responsibility Initiative, 2004). However, this has proven to be a difficult task since "what needs to be

done and generally how things 'ought' to be is actually pretty obvious. The problem appears to be translating what we know into practice" (Waddock, 2004: 7). Currently, MNCs pursue two generic strategies: i) resisting any regulatory measures while promoting free markets and ii) active stakeholder consultation to create a self-regulatory framework including voluntary and non-enforceable instruments (Shamir, 2004). The trend, however, goes towards a more holistic approach that has "implications not only for corporate governance, corporate strategy and enterprise risk management, but also for national and global governance" (quoted in Corporate Social Responsibility Initiative, 2004: 4).

The move away from voluntary CSR towards improved corporate accountability in a global governance system represents an attempt of regaining control and redefining the role of the firm in the postnational constellation. As Bendell points out: "What most proponents of voluntary corporate responsibility had failed to realize was that the key issue was corporate power, not just corporate practices" (2004: 31). Therefore, the debate on CSR has, to a large extent, merged into the broader debate on global governance mechanisms and the institutionalization of global norms. Hereby, one of the key aspects represents the exploration of existing, as well as, the development of new regulatory instruments. This will be discussed hereafter.

2.2.1.3.2   Hard Law versus Soft Law

Regulation as a fundamental form of governance has experienced considerable changes due to the impact of globalization. The classic liberal model envisioned national law as the primary form of governance, thereby allowing the communication between public and private actors (Picciotto, 2006). From a global perspective, the landscape of local, national and regional regulations is complex and often contradictory (Benner, Reinicke & Witte, 2005; Picciotto, 2006). Moreover, due to the increasing failure of state-based form of regulating economic activity, civil forms of regulatory activity and self-regulation of economic actors have turned into important forms of governance that complement the traditional regulatory mechanisms (Risse, 2004; Scott, 2001, 2002). Civil regulation hereby refers to innovative, nongovernmental regulative measures including certification bodies, sectoral labeling schemes, factory monitoring, reporting guidelines and codes of conduct driven by civil society actors, standard-setting organizations, and multi-stakeholder initiatives (Abrahams, 2004; Bendell, 2000; Zadek, 2001). Self-regulation, on the other hand, relates to the voluntary retreat by a corporation from engaging in business practices that are perceived as potentially

damaging to society in the absence of effective regulation (Haufler, 2001). Self-regulation is understood as a contribution to sustainable development by "civilizing" corporate activities and allowing a corporation to make responsible "decisions between viable choices" (Zadek, 2001: 9). Civil regulation and self-regulation are perceived as complementing existing governance mechanisms but are believed to be insufficient as global model for corporate regulation and accountability (Garvey & Newell, 2004). In particular, self-regulation is seen as highly critical since regulators (in this case MNCs) "by definition, cannot be directly involved in the activity targeted by regulation" (Cousins, 2006: 29). The crucial question remains how to create an effective regulatory environment that addresses the social and environmental challenges since also binding mechanisms such as trade measures to drive down climate emissions have been of limited impact in the past (Campbell & Sabapathy, 2004)

The discourse on a global regulatory framework for CSR among legal scholars is two-fold. While some call for integrating standards for responsible corporate behavior within national and supranational law (see critically Clapham, 2006) also referred to as hard law, others emphasize the effectiveness of quasi-legal instruments such as international standards, codes of conduct, or guidelines (for an overview see McKague & Cragg, 2003). Since their binding force is limited, they are referred to as soft law. The debate is based on a fundamental problem: the rights attributed to corporations have been defined by national frameworks over time. However, MNCs have not been defined yet, neither by national governments nor by authoritative international institutions (Clapham, 2006: 76-80). In legal theory, legal personality or subjectivity, which defines rights and duties of corporations, might be assigned by a legitimate body such as a government. Clapham (2006: 70-73) notes that some argue that capacity (the ability to do things) implies legal personality reflecting the power that multinational companies have achieved. With regards to the discussion on business and human rights, he argues for the effectiveness principle: "if international law is to be effective in protecting human rights, everyone should be prohibited from assisting governments in violating such principles, or indeed prohibited from violating such principles themselves" (2006: 80). However, he doubts the usefulness of the reference to international law: "trying to squeeze international actors into state-like entities box is, at best, like trying to force a round peg into a square hole, and at worst, means overlooking powerful actors on the international stage" (2006: 80).

Without a global governance system, soft law (often as outcome of civil regulation) is seen as the probably most effective operating system for CSR (so far). A number of guidelines, standards and codes of conduct such as the OECD Guidelines for Multinational Enter-

prises, AccountAbility's AA1000, the GRI's Sustainability Reporting Guidelines, SAI's SA8000, or the ISO 14000 and the ISO 26000 have been created for the purpose of clarifying the duties and rights of MNCs with regards to social and environmental issues. Specialized agencies of the UN as, for instance, the ILO provide standards for areas such as work, employment, social security, social policy and related human rights. Many of these standards have found their way in the codes of conduct of globally operating MNCs. For example, the WHO (2003) has developed a Framework Convention on Tobacco Control (FCTC) which directly targets the tobacco industry. The OECD (2000) developed the Guidelines for Multinational Enterprises which constitute legally non-binding principles and standards for responsible business practices in OECD countries and those who adhere to the declaration. However, they remain recommendations which do not have any binding enforcement mechanism (Clapham, 2006: 201-211). Albeit providing rules on the interstate level, the WTO plays an important role for multinational companies with regards to topics such as intellectual property, investment or competition. Mark Moore from the Hauser Center for Non-Profit Organizations at Harvard University describes these new conditions: "The natural social demand for accountability can be seen as the ability of a firm's stakeholders to press their interests as legal, moral, or prudential claims against private firms. Only some of that demand has been channeled into laws directly regulating firms. The rest lies out there in society waiting to be mobilized through political, legal, and economic actions taken against the firm. This suggests that the new world of corporate social accountability will be an edgier and more uncertain one" (quoted in Corporate Social Responsibility Initiative, 2004: 4).

Nevertheless, the threat of climate change underlines the need for more hard law initiatives since an effective climate regime has to take into account policy planning in the area of traffic, urban planning, agriculture, and foreign trade (Hänggi, 2007). The malfunctioning of the CO^2 emission trading and compensation systems of the European Union (EU), trying to implement the Kyoto Protocol, demonstrates that adherents of liberalism and free markets tend to overlook structural and social constraints (Hänggi, 2007; Ott & Sachs, 2000). This is highlighted by the observation that, in the environmental area, governmental regulation has proven to be much more effective and efficient in achieving non-economic goals such as the reduction of emissions (Lohmann, 2006).

Hard law and soft law mutually influence each other. The discourse on legal regulations for corporations is transcended i) geographically and ii) industry wide, and iii) among sectors by soft law instruments such as codes of conduct and/or international standards and

guidelines. Internal corporate codes of conduct which are usually mandatory for all regions where MNCs are operating (sometimes adapted to local conditions). At the same time, codes of conduct which prove to be working successfully are adopted by other corporations creating new standards within or even across industries. Thus, only the interaction between both hard and soft law allows for a beneficial and efficient operationalization of CSR (Naidu, 2006). Moreover, the global transformation processes have blurred the clear distinction between hard law and soft law that existed before in international law (Picciotto, 2006). Soft law may turn into hard law. One of the most impressive successes was the 1997 Ottawa Treaty which completely bans all anti-personnel landmines. This treaty was primarily achieved by small NGOs and individuals interacting basically through email list serves and fax machines (Nelson, 2002a). They created a convention which was eventually adopted by states, turning the convention into an official, widely accepted legal instrument. Similarly, the global discourse on soft law instruments for CSR creates pressure on national governments to institutionalize the new emerging standards.

In order to understand the processes that may lead to a regulatory framework for CSR as part of a future global governance system one of the key inquiries has to be on clearly identifying the actors and their motivations which will be decisive for its constitution. This is discussed below.

2.2.1.3.3   Institutionalizing CSR

Various societal actors increasingly demand for corporate accountability, and pursue thereby, directly or indirectly, the institutionalization of CSR on a global scale (Corporate Social Responsibility Initiative, 2004). They might be regarded as "institutional entrepreneurs" (DiMaggio, 1988) that represent a manifestation of the changing conditions of legitimation, shifting the major source of legitimacy for corporations from national law to the global discourse on CSR. Thereby, "institutional entrepreneurs serve as agents of legitimacy supporting the creation of institutions that they deem to be appropriate and aligned with their interests" (Dacin, Goodstein & Scott, 2002: 47). They might be interpreted as the pillars of emerging governance structures around MNCs. For the purpose of this study, they have been classified into seven categories.

A number of *civil society actors* try to influence corporate behavior with supposedly appropriate action and thereby set the CSR-agenda of companies. They strive to close the global governance gap by creating new cognitive frameworks for CSR. The most prominent

are activist movements which aim for the institutionalization of CSR and paradigm change (Hond & Bakker, 2007; Hond, Bakker & Haan, 2006). Thereby, civil society actors apply a number of tactics for achieving corporate change. Hond and Bakker (2007) distinguish between tactics for social change that concentrate on material, and those that rely on symbolic interaction with firms by either applying a logic of damage or mutual gain. The normative discourse of NGOs is complemented by the research sector which provides scientific evidence for debated topics. On certain occasions, unions move to the forefront when labor issues are at hand. These institutional entrepreneurs will be referred to as *agenda setting* for the purpose of this study.

Local, national and international *media* play an important role in educating the general public on emerging issues such as environmental problems or human rights violations. They are often involved in the NGO campaigns as observers being the major source of publicity. As critical advocates of the underrepresented, they claim to give the unheard a voice. In particular, the internet has changed civic engagement (Scammell, 2000). The internet provides a powerful tool for resource poor NGOs to reach out and advocate their causes, enhancing the international exchange of ideas between the developing and developed world (Maragia, 2002). It has turned even individuals into powerful voices by setting up popular websites on critical issues, sending out petitions, joining forces, and conducting research on a global basis. Media might thus be regarded as an institutionalizing force exercising cognitive influence on the public (McNair, 1995). These institutional entrepreneurs will be referred to as *opinion shaping* for the purpose of this study.

As a reaction to rising public demands national and supranational *governments* have enacted policies to ensure and trigger responsible practices. They dispose of coercive power, influencing corporate behavior by the means of legislation and governmental action defining the "license to operate". For instance, the British government appointed a minister for corporate social responsibility (UK Government, 2004). The Swiss Human Security Division actively calls for business to get involved in this endeavor (Greminger, 2006). The US Government responded to various accounting scandals of US-companies (including Enron, Tyco International and Worldcom) with the enactment of the Sarbanes-Oxley Act in 2002 introducing serious fines for corporate misbehavior (Murphy, 2002). Taking up the challenge to provide political guidance, the European Commission (2001) issued a widely recognized green paper promoting a European framework for corporate social responsibility. Subsequently, EU-regulations to align national policies with regards to certain CSR-issues have become increas-

ingly important for the legal environment of companies operating in the EU. These institutional forces will be referred to as *law making* for the purpose of this study.

New forms of *discursive arenas* have emerged where actors become involved in accountability and quasi-regulatory functions to develop standards and guidelines for MNCs (Ruggie, 2007a). In the global development process of rules and norms, multi-stakeholder initiatives have gained an important role due to their success in joining stakeholders from diverse areas with a range of interests. They include initiatives such as the UN Global Compact, Global Reporting Initiative (GRI), the Forest Stewardship Council (FSC), the Marine Stewardship Council (MSC) or the Kimberly processes. Even governments have started to initiate multi-stakeholder forums such as the European Multi-Stakeholder Forum on CSR which consists of EU-level representatives of employers' organizations, trade unions and civil society as well as other business organizations. The European Multi-Stakeholder Forum on CSR was set up to understand the differing expectations prevailing in European countries. Its purpose is to promote innovation, transparency and convergence of CSR practices and instruments (European Commission, 2003). The evolution of multi-stakeholder initiatives is particularly interesting since they represent a "corporate move into the political processes of public policy making through the creation of a collaboration with global institutions of political governance" (Scherer & Palazzo, 2007: 1110). These institutional forces will be referred to as *arena setting* for the purpose of this study.

In recent years *ethical investment* has emerged as an alternative to the traditional investment dogma emphasizing a responsible management of the supply chain, ethical practices in business and the appropriate utilization of profits. During the 1980's, in reaction to the triumph of the shareholder value dogma, new types of investment funds emerged which added social and environmental performance to their selection criteria in order to underline the importance of non-financial criteria for the assessment of the value of a company (Szejnwald Brown, Jong & Lessidrenska, 2007). Recently, also large capital owners such as pension funds call for the responsible use of their money. One of the most outstanding initiatives following this trend is the Carbon Disclosure Project (CDP) which was set up to increase the sense of accountability with regard to the threat of climate change (Bendell, 2004). These institutional forces will be referred to as *financing* for the purpose of this study.

Customers and *large suppliers* influence corporate behavior by the exercise of bargaining power in (quasi-) contractual relationships. Among others, they are concerned with

product safety and quality which directly affects financial performance (Berman et al., 1999) or reputational effects for their own image (Fishman, 2006: 261-275) realizing that dubious industry practices cannot effectively be controlled and avoided by the stock market (Bromiley & Marcus, 1989). Thus, they increasingly inquire about the ethical corporate practices of their clients and put pressure on them depending on their bargaining power. These institutional forces will be referred to as *bargaining* for the purpose of this study.

Consumption, from an ethical viewpoint, has become a relevant criterion for consumer choice. Consumer organizations lobby for responsible buying which means that consumers should take into consideration the way those products have been produced, processed and sold. Consumer activism is an increasingly popular form of protest (Klein, Smith & John, 2004; Kozinets & Handelman, 2004) influencing mainstream consumer buying decisions. These institutional forces will be referred to as *consuming* for the purpose of this study.

2.2.2   Political Schools of CSR

The postnational constellation in all its facets calls for new ways to conceptualize the role of the firm. There are two reasons for this. First, the increasing power of MNCs requires a new approach towards the corporation as a political actor (Matten & Crane, 2005; Scherer & Palazzo, 2007). Second, the global debate on corporate responsibility lacks a coherent normative framework that could serve as a guideline and source for legitimation for corporate actions confronted with different value systems in a pluralist world. Rationalization based on empirical-analytical scientific progress causes an orientation problem since the underlying value systems are not chosen in a rational way (Habermas, 1963: 318-319). The weakening of the nation state through the forces of globalization contradict "the idea of conformity to some more or less implicit rules of some more or less contained communities" (Scherer & Palazzo, 2007: 1108). The weak normative agenda of existing organizational theories dealing with these challenges requires a new normative conception of the firm (Margolis & Walsh, 2003; Palazzo & Scherer, 2006). Postmodern analysis appears to be too limited with its focus on manipulations, power games from structures, power abuses, or pressure from institutions (Scherer & Palazzo, 2007). As alternative, a political reading of CSR has thus been suggested

based on Rorty's call for more pragmatic reasoning and democratic practice (Frederick, 2000; Scherer & Palazzo, 2007, 2008).[13]

One potential political reading of CSR represents the universalist concept of corporate citizenship which aims at the conceptualization of corporate rights in a global environment (Clapham, 2006; Crane & Matten, 2005; Matten & Crane, 2005; Moon, Crane & Matten, 2003; van Oosterhout, 2005; Young, 2004; Zerk, 2006). Corporate citizenship can be understood as a political metaphor in business (Matten & Crane, 2005; Moon, Crane & Matten, 2003) and has become increasingly popular in management research (Andriof & McIntosh, 2001b; Carroll, 1998; Crane, Matten & Moon, 2004; Matten & Crane, 2005; McIntosh et al., 1998; Waddock, 2002) and legal studies (Radin, 2003). According to Matten and Crane (2005) corporate citizenship has to include social, ecological and cultural rights as well as accountability mechanisms through democratic processes due to government failure to administer citizenship rights, a lack of provision of these rights and the incapacity to ensure these rights within the nation state setting. They claim that the corporation has become an administrator of rights which should be considered as a provider of social rights, as an enabler of civil rights, and a channel of political rights (Matten & Crane, 2005: 174). In addition, it is argued for more stakeholder rights including active participation in corporate decision making as manifestation of corporate citizenship (Crane, Matten & Moon, 2004), allowing for a "stakeholder democracy" (Bendell, 2005). Stakeholder democracy is interpreted as "an ideal system of governance of a society where all stakeholders in an organisation or activity have the same opportunity to govern that organisation or activity" (Bendell, 2005: 372).

It is of no doubt that the notion of citizenship is particularly helpful to accentuate the political character of many corporate activities. However, "CC in its more meaningful sense is, in fact, just as much the problem itself" (Matten & Crane, 2005: 177) since the concept "clearly carries deeply rooted ethical connotations" that will "tend to obscure rather than clarify our thinking about corporate responsibilities" (Neron & Norman, 2008: 12).[14] Scherer and Palazzo (2007; 2008) argue thus for a much more procedural approach which includes the firm in global governance processes to alter the discussion on corporate responsibility. They

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[13] Political CSR should not be confused with the instrumental perspective on political activities. This school of thought in management argues that a firm's political influence can be increased by lobbying strategies, in particular if a firm should engage directly in lobbying or "outsource" it by employing lobbyists, in order to increase corporate performance. This line of argument remains within the neoclassical paradigm of profit maximization since political activities are interpreted as improving financial performance.

[14] The modern concept of citizenship was developed in medieval times when being member of a city brought about a number of liberties (e.g. with regards to the choice of a profession) as well as duties that served to guarantee political and economic freedom (e.g. military service or maintaining the city walls).

suggest that the global context of incomplete legal and moral regulation requires "new forms of political regulation above and beyond the nation state in order to re-establish the political order and circumscribe economic rationality by new means of democratic institutions and procedures" (2008: 20, emphasis omitted). They propose to integrate Habermas' model of deliberate democracy for a democratic re-integration of the corporation to solve environmental and social challenges of humankind. This will be outlined below.

2.2.2.1 Deliberative View of the Firm

Habermas (1996) proposes a *procedural* model of democracy that bridges the classical liberal and republican models of democracy to overcome the shortcomings of the dominating libertarian approach. The discourse theoretical approach of deliberative democracy is a powerful normative concept which allows integrating various schools of thought through its emphasis on dialogue and participation. It is designed as an answer to the changing conditions of legitimation in the postnational constellation. Its intersubjective character of ethical reasoning provides an alternative to the common reasoning on the role of the corporation "in a monological act on the desk of the theorist" (Scherer & Palazzo, 2008: 30).

Liberalism, in its constitution of society and democracy, does not reflect the rise of global corporate power and the pluralistic societies of today. Democratic processes based on cultural homogeneity can no longer provide the common ground. Moreover, in the liberal framework a corporation cannot be a legitimate political actor since it cannot participate in democratic processes in any meaningful way (Scherer & Palazzo, 2008). The notion of democracy of the liberal model only serves to legitimize the exercise of political power manifested in bargaining processes. A company is not supposed to vote or to be elected for a government position. This also applies to civil society actors, international organizations, and multi-stakeholder initiatives. In the liberal model, globalization is interpreted as a consequence of the freedom that the economic subjects enjoy. Therefore, when assessing globalization and its primary drivers in the form of multinational companies, the analysis is reduced to empirical evaluation without providing normative guidance (Scherer & Palazzo, 2008).

Habermas (1996) suggests to redirect the focus of analysis towards the democratic process. He emphasizes the discursive link between civil society and the state, which represents the basis for the capacity of gaining moral legitimacy (Habermas, 2001: 66). According to Habermas, "deliberation requires the spontaneous and reciprocal exchange of reasons for relevant topics in the light of sufficient information" (2006a: 2). True deliberation implies the

mobilization and pooling of relevant issues and claims, necessary information and appropriate contributions, and their selective evaluation at a level of articulated reasoning in the absence of fraud and violence (Habermas, 2006b). Based on this insight, Zürn (2000) argues that the goal of democracy is to deliver normatively justifiable solutions and not only to establish a legitimate decision-making system disregarding the outcome. He points out the contradiction between what he calls *output legitimacy* and *input legitimacy*. Output legitimacy or system effectiveness refers to the degree of legitimacy of the output of democratic procedures, e.g. as result of elections, while input legitimacy refers to the democratic procedures themselves, asking how well-founded the process is in normative terms. Global democratic procedures inherent in the idea of deliberative politics might as well decrease the system effectiveness of single systems such as the economy. Zürn identifies two fundamental rules for the functioning of democracy: The democratic principle requires that everyone possibly affected by a decision should be given the chance to participate while the deliberative principle establishes that every decision has to be founded in rationality and impartiality. Thus, in the deliberative model, the quality of the outcome depends on the decision making process (Scherer & Palazzo, 2007).

Political deliberation is discursively linked to the validity dimension of law and the legitimation process that transform moral values into formal law (Habermas, 1996: 288). The functioning of deliberative democracy is based on "those conditions of communication under which the political process can be presumed to produce rational results because it operates deliberatively at all levels" (Habermas, 1998: 246). The deliberative perspective with regards to CSR thus considers two dimensions; the ethical discourse determining the normative ground on the one hand, and, on the other hand, economic and political bargaining processes (Scherer & Palazzo, 2007).

From an operational perspective, there is an important change in the understanding of the democratic process. The democratic will-formation of self-interested citizens is no longer the only element of democratic deliberation. Deliberative democracy with regards to CSR works on three levels: (i) The institutionalized deliberation of parliamentary bodies is complemented by (ii) the political work of informal networks of the public sphere manifested as civil society, and (iii) the more or less formalized deliberation in multi-stakeholder initiatives. Discourse is thus understood as the legitimating force for the institutionalized opinion- and will-formation. The procedures embodied in deliberative democracy provide the opportunity to clarify the self-understanding of the actors involved. Transferred to a global level, deliberative processes allow redefining the role of the corporation through communicative processes.

However, traditionally the normative constraints are defined by the constitutive state which represents the "consistent answer to demanding communicative presuppositions" (Habermas, 1998) manifested in the democratic opinion- and will-formation. Globalization requires a different model. MNCs have to be acknowledged as important forces influencing value systems and global norms. They do not only work by their own normative logic (Habermas, 1987) they have also gained the capacity and weight to fundamentally influence norm-building processes in societies.

2.2.2.2 Implications for CSR

Deliberative democracy presents a worthwhile alternative for redefining the role of the firm outside the liberal paradigm. It acknowledges the core actors of democratic will-formation, shifting the discussion from the micro- or meso-level to the macro-level of democratic global rule making. Scherer and Palazzo argue that the emerging global governance institutions indicate that "political solutions for societal challenges are no longer limited to the political system but have become embedded in decentralized processes that include non-state actors such as NGOs and corporations" (2008: 30). The MNC should not be located outside, but seen as an integral part of, changing societal institutions. This may also represent an opportunity for an emancipated corporation to become part of the solution. Political CSR represents thus a move from the "analysis of corporate reaction to stakeholder pressure to an analysis of the corporation's role in the overarching processes of (national and transnational) public will-formation and these processes' contribution" (Scherer & Palazzo, 2007: 1108).

In a deliberate model, a proactive corporation might become an institutional entrepreneur itself (see discussion above) based on its resources and power to allow for change on the global level. This becomes necessary since the sole use of voluntary codes of conduct or industry standards are often misleading in the way they are interpreted by the business community. Sanction mechanisms are indispensable to avoid such codes and voluntary regulations to become paper tigers, a criticism which is often attributed to the UN Global Compact. In the deliberative model, the moral principle is reduced to "do no harm". This is manifested in the human rights discourse, for instance, in particular with regards to corporate activity in conflict zones and conflict prevention (Banfield, Haufler & Lilly, 2003; Lunde, Taylor & Huser, 2003; UN Global Compact, 2005).

Public debate among stakeholders does not automatically help to reduce polarization and promote consensus (Stasavage, 2007). Deliberation only allows for true solutions if par-

ticipants ensure open mindedness, quality and diversity of messages. Multi-stakeholder initiatives which allow for free exchange of information in rather private settings might be the next best solution since they "help encourage individuals with strong views to open themselves up to the possibility of change" (Barabas, 2004: 699). Scherer & Palazzo (2007) suggest that the functioning of the FSC might serve as a model for a process of democratic will-formation that deliberatively embeds political bargaining of corporations, campaigning of civil society and policy making of governments. As such, the FSC represents a form of self-regulation which addresses a major ecological challenge that relies on third-party control and a broad participation of actors. The application of deliberative democracy represents thus a shift towards the "broader analysis of a corporation's connectedness to public discourses and its ongoing cooperation with the broad field of national and transnational organizations and institutions" (2007: 1111).

Scherer & Palazzo (2007) argue that there are a number of advantages of deliberate democracy from the corporate perspective. By participating in processes of deliberation the corporation turns into a political actor that can gain moral legitimacy. The ever growing public demands and societal expectations are channeled, systematized and rationalized in special discourse arenas and this "protects them from being overburdened by political demands" (2007: 1111). Communicative reasoning in discourse arenas allows corporations to overcome the over-simplified NGO version of corporate power abuse. Moreover, it allows corporations not only to defend themselves but also to present solutions and give insights into the highly complex problems involving global supply chains. By combining complementary expertise, they may enter new epistemic communities that allow for fruitful collaborations and more informed and rational results. They might even be capable of bringing new issues to the global public sphere in order to find solutions for collective action with governments, civil society and other actors. From a corporate perspective, this might be interpreted as feedback mechanisms that accelerate organizational learning and help to build trust and legitimacy.

The discursive character inherent in auditing, reporting mechanisms, or stakeholder assessment tools demonstrates that a type of democratic, postnational CSR has already become global reality (see e.g. Gilbert & Rasche, 2007). However, little has been proposed to fundamentally alter the understanding of the firm *per se* in the postnational constellation. The "democratically embedded corporation" (Scherer & Palazzo, 2007) resulting from the delibera-

tive view of the firm, thus represents a model for the 21st century corporation that fits the postnational constellation and has profound implications for global governance.[15]

2.2.3 From an Apolitical towards a Deliberative Framework

The analysis of the postnational constellation suggests that the trend towards plural-istic societies in combination with the ongoing globalization and its consequences do not only challenge the nation state in its traditional overarching role to provide a frame for identifica-tion and self-reference of people but has also fundamental implications for the view of the firm and, subsequently, for CSR. The increase in corporate power and its threat to national governance mechanisms, as well as corporate activities that point towards the notion of corpo-rations as political actors, fundamentally enlarge the concept of the corporation as well as its responsibilities. Moreover, the changing point of reference for MNCs from a national society towards a "global community" (which is a questionable concept in itself) not only alters the scope of responsibilities but also positions the MNC at the heart of the debate on global gov-ernance. This is underlined impressively by successful campaigns of civil society actors that have emerged as a counterbalance to hold corporations accountable and, in cases of perceived state failures, to provide or guarantee rights of citizens as well as to address global challenges. Increasingly, the broadening perception of the responsibilities of corporations are no longer only driven by civil society actors, but by a wide range of institutional entrepreneurs including agenda setting, arena setting, law making, opinion shaping, bargaining, and consuming actors that seek to narrow the global governance gap. In the postnational constellation, the conditions of legitimation for MNCs therefore change towards a more complex fabric in which moral legitimacy, achieved through dialogue and communicative exchange, becomes a major com-ponent. The need for new governance mechanisms is evidenced in the increasing debate among legal scholars on hard law and soft law instruments that might become part of a global regulatory framework to increase corporate accountability. Such a framework could eventu-ally provide cognitive legitimacy for MNCs in the postnational constellation which Suchman (1995) interpreted as the most powerful form of legitimacy.

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[15] Note that a deliberative model of the firm does not have the capacity to solve all problems related to corpora-tions as political actors in the postnational constellation. Democratic processes may have unwanted outcomes as famously proven by the election of Adolf Hitler in the Weimarer Republic of post-WW1 Germany who step by step dissembled democracy with public approval. The deliberative model of the firm can not prescribe good or bad outcomes of discursive processes. Moreover, it would be naïve to ignore the impact of existing power structures that even with perfectly designed institutions for deliberative democracy will not seize to exist. The goal of the deliberative view is thus a modest one: complement the existing views of the firm in order to better understand the firm's role in the postnational constellation.

In the scholarly debate, two major concepts have been proposed to incorporate the challenges of the postnational constellation with regards to the concept of the corporation, representing a shift from an apolitical framework for business in society towards a political reading of the firm. First, the concept of corporate citizenship has been enlarged to a universalistic interpretation that is based on the idea of the corporation as enablers of rights and stakeholder democracy. More recently, the concept of a deliberative reading of the firm has been proposed which explicitly refers to (i) the democratic re-embedding of the corporation through multi-stakeholder dialogues and (ii) the integration in global governance processes as a major challenge, as well as goal under the conditions of the postnational constellation. For the purpose of this study, the deliberative reading of the firm represents the yardstick which shapes all further analysis and theoretical interpretation.

Figure 3: CSR – The Evolution of a Concept
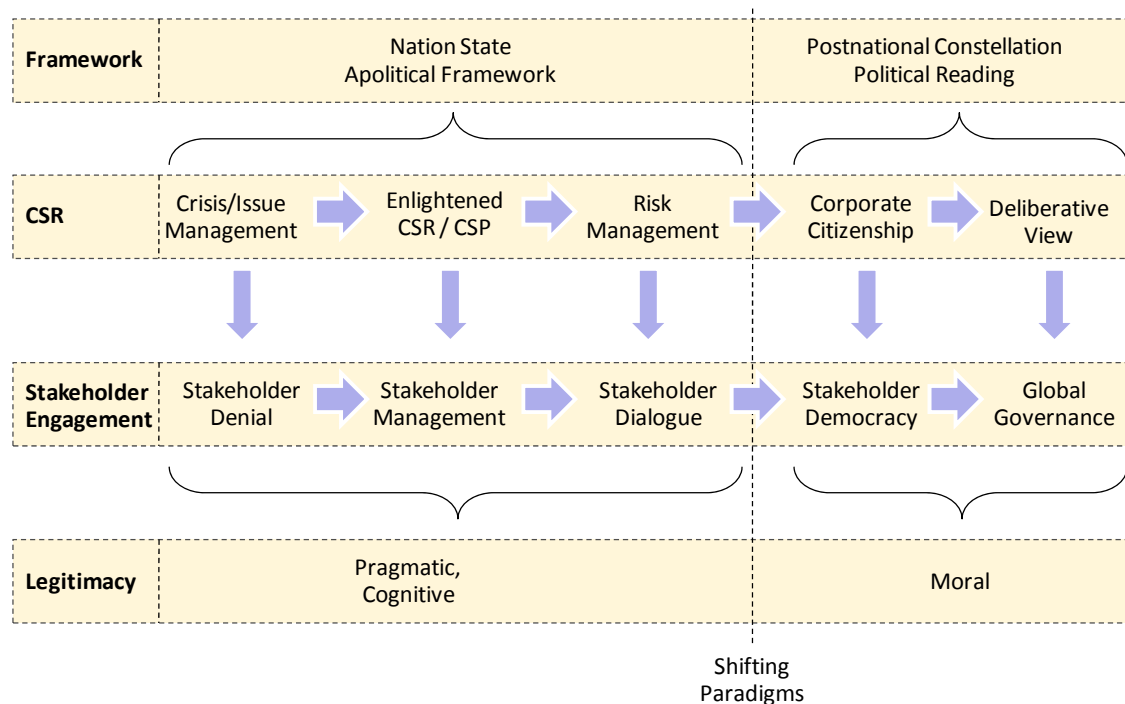
While a deliberative framework for the role of the firm might seem of considerable theoretical value for the analysis of socio-economic phenomena, there are two major empirical questions to estimate its value for the analysis of organizational behavior and managerial practice. First, how does a MNC experience the changes in the postnational constellation where a company "must 'give sense' as well as 'make sense'" (Morsing & Schultz, 2006: 336) and how does it react to it? Second, are the concepts MNCs are working with in their CSR approaches reflecting the changes occurring in the postnational constellation? The process of

consciousness creation of the changing conditions in the postnational constellation is increasingly manifesting in the CSR-literature. The complimentary question arises as to whether this debate only takes place in academic ivory towers or is it present in corporate headquarters as well? In other words, is there a paradigm shift towards an increasing political understanding in the way the CSR policies are designed or do they remain within the nation state model? In order to be able to respond to these questions I will introduce the concept of CSR as a sense-making process to systematize the analysis.

2.3   CSR as Sensemaking

The changing socio-economic conditions in the postnational constellation send firms on a quest for meaning which has been described as a process of organizational sensemaking by Weick (1995). The concept of sensemaking is rooted in cognitive psychology where it is interpreted as an ongoing, omnipresent, broad and all-encompassing, highly individual activity in which people make sense of themselves and their environment. It is linked to terms like reasoning, understanding, feeling, recognition, and significance (Craig-Lees, 2001). Sensemaking theory declares a "primacy of action (and interaction) over reflection, theory and structure" advocating a "dynamic, interactive and retrospective construction of meaning out of past actions and evolving situations" (Nijhof & Jeurissen, 2006: 317). It assumes that social reality is a complex process of questioning, constructing and agreeing on the meaning of events, group processes and its implications which cannot be separated from cognitive structures (Nijhof & Jeurissen, 2006). Weick defines sensemaking as "a process that is 1) grounded in identity construction 2) retrospective, 3) enactive of sensible environments, 4) social, 5) ongoing, 6) focused on and by extracted cues, and 7) driven by plausibility rather than accuracy" (1995: 17).

Every sensemaking process starts with action that "leads to a continual, iteratively developed, shared understanding" (Weick, Sutcliffe & Obstfeld, 2005: 412). In the case of an event, the process of understanding and explaining influences the self-perception of an individual, a group of people, or even an organization. Sensemaking is characterized by a "paradoxical tension between separate interests/identities and the need to explore the problem solving potential of the relational space connecting selves and others" (Calton & Payne, 2003: 8). In order to make sense out of a certain situation, organizations draw words and concepts from existing organizational knowledge engrained in the company's identity. Action is then again based on this ongoing sensemaking process."Word-work is sublime […] because it is generative; it makes meaning that secures our difference, our human difference – the way in which we are like no other life. We die. That may be the meaning of life. But we do language. That may be the measures of our lives" (Nobel prize winner Toni Morrison cited in Weick, 1995: 106). Words are intended to map the territory but might fail if the new situation does not match the existing paradigms. Organizations continuously evolve by interpreting and reflecting on what is happening, thereby reproducing social and organizational structures in its day-to-day operations. Prevailing organizational forms and processes result from successful interpretations of social reality (Nijhof & Jeurissen, 2006).

When looking back at what has happened, it is impacted by the type of reflection that takes place, for instance in which time frame an event is situated. A sensemaking process may be based on existing narratives and may also change them and create new narratives. The lens of sensemaking assumes that due to the crucial importance of action, the organization taking action and its environment mutually influence each other. Meaning is constructed in between. In the organizational sensemaking process, abstract knowledge (e.g. on organizational procedures and structures) is connected through interpretation, experimentation and application to concrete events, as well as to idiosyncratic and personal experiences (Weick, Sutcliffe & Obstfeld, 2005). The sensemaking process is two-sided: An organization might not only focus on certain cues in the sensemaking process due to its organizational lens but is also focused through situational and environmental factors (Weick, Sutcliffe & Obstfeld, 2005) such as the industry it is operating in. In the decision making process sensemaking plays an important role due to limited information that requires decision makers to construct meaning based on assumptions and intuition.

A central element of sensemaking is communication. Meaning emerges in social processes in various forms of communication and processing of information which results in a process of labeling and categorizing (Weick, Sutcliffe & Obstfeld, 2005). Language is heavily implicated in the process of acknowledging a changing reality in the minds of organizational members (Sonenshein, 2006). Communication and the intersubjective process of creating meaning through dialogue may be used to actively shape social reality, that is, to "talk the walk" (Weick, 1995: 183).

CSR as a sensemaking process has been defined as "an interactive social process in which CSR is systematically organized by creating and recreating an internally and externally shared frame of reference in relation to CSR objectives, activities and results" (Nijhof & Jeurissen, 2006: 321). The lens of sensemaking has been applied to analyze organizational sensemaking with regards to multi-stakeholder dialogues (Calton & Payne, 2003), CSR communication (Morsing & Schultz, 2006), the discourse over the establishment of a facility for disposal of hazardous waste (Welcomer, Gioia & Kilduff, 2000), or to the process of issue crafting (Sonenshein, 2006). For instance, Sonenshein (2006) argues that the meaning of social issues is shaped by individuals that intentionally change their private understanding of certain terms in their public use. In this line of argumentation, managers may be interpreted as "sensegivers" (Dunford & Jones, 2000: 1222) through their input into processes, events and their implications. In times of conflict, external stakeholders might radically undermine the

possibilities of communicative rationality when they simply refuse to engage in dialogue (Welcomer, Gioia & Kilduff, 2000). Thus, Margolis and Walsh (2003) proposed to apply a sensemaking approach to analyze how corporations make sense of humanitarian challenges.

One central concern of sensemaking is the reduction of ambiguity (Choo, 1998; Weick, 1995). A major reason for MNCs to enter the process of sensemaking is the difficulty to interpret CSR issues, in particular in situations of crisis. When new issues are discovered different stakeholder claims are likely to create ambiguity since stakeholders do not represent one homogeneous audience but a diverse group with multiple, often contradictory, interests (Mitchell, Agle & Wood, 1997; Ulmer & Sellnow, 2000). The sensemaking process represents a way to reduce ambiguity that causes stress and anxiety by developing a common vocabulary, defining causal relationships, and thereby increasing (perceived) predictability (Choo, 1998; Cohan, 2002).

Based on the language-pragmatic reasoning of organizational sensemaking, Basu & Palazzo (2008) propose the concept of a CSR-character. The CSR-character unfolds into three independent dimensions - cognitive, linguistic, and conative - explaining how a company thinks, talks and behaves based on an existing set of knowledge. Basu & Palazzo (2008) embed some key considerations of the stakeholder approach into the corporate sensemaking process, inversing the question of who is a stakeholder (and what the implications are) to a question of identity and legitimation strategies. In doing so, they intend to integrate the claim of intersubjectivity of the stakeholder approach into their model. The different components of the CSR-character are detailed below.

2.3.1 Cognitive Dimension

Basu & Palazzo (2008) argue that companies are characterized by certain cognitive properties which are responsible for the self-perception (mindset) of an organization, its perception of responsible corporate behavior and the following CSR approach.

2.3.1.1 Identity Orientation

In the CSR-character, *identity orientation* is a cognitive dimension and relates to the mindset of an organization, its perception of responsible corporate behavior and the following relationships to stakeholders. It explains how self-perception leads to action. It is based on the values of an organization and its members whose values in turn rest upon personal education, university and management education. The identity orientation is key to the initial reaction to

an emerging issue and explains the first motivation of an organization to engage in CSR-activities. It cannot be observed directly but has to be deduced by analyzing the organizational language and behavior.

The concept of identity orientation is adopted from Brickson (2005) who suggests that, similar to individuals, organizations may dispose of individualistic, relational, and collectivistic identity orientations. According to Brickson, organizational identity orientation addresses the question "Who are we vis-à-vis our stakeholders?" (2007: 5). Brickson further suggests analyzing identity orientation by a) the organization's locus of organizational self definition, b) the salient organizational traits and characteristics among members, c) the basis for motivation vis-à-vis stakeholders, and d) the self-evaluation frame of reference.

An *individualistic* identity orientation implies that an organization perceives itself as a separate, distinctive entity (Brickson, 2007; Brickson, 2005). Brickson (2007) defines the composition of an individualistic organizational identity orientation as follows: Its locus of self-definition is the individual organization. The salient organizational traits and characteristics are those distinguishing the organization from other entities. The basis for motivation vis-à-vis stakeholders is the organizational self-interest. The self-evaluation frame of reference is the inter-organizational comparison. An individualistic organization deals with stakeholders with an instrumental perspective and reacts with indifference when dealing with what does not appear to be beneficial. It advocates self-regulation of business while calling for little or no governmental regulation. According to Brickson, the relationships with external and internal stakeholders are based on instrumentality and characterized by weak ties. In stakeholder theory, this is reflected by the classic perspective that a stakeholder is considered to be a group without which an organization would cease to exist (Clarkson, 1995; Freeman, 1984).

When having a *relational* orientation, an organization is defined by dyadic connections, i.e. as a partner in a relationship (Brickson, 2005). Brickson (2007) defines composition of a relational organizational identity orientation as follows: Its locus of self-definition is the inter-entity. The salient organizational traits and characteristics are those connecting the organization dyadically to particular others. The basis for motivation vis-à-vis stakeholders is the particular other's benefit. The self-evaluation frame of reference is the comparison to role standards. According to Brickson, the relationships with external and internal stakeholders are based on dyadic concern, cooperation and trust, and characterized by strong dyadic ties. It follows that from a relational identity orientation, organizations understand stakeholders as part-

ners to be dealt with on a one-to-one basis. This implies that corporate responsibility is understood strategically and stakeholders are distinguished in primary (important for corporate performance) and secondary stakeholders (little importance for corporate performance).

In the case of a *collectivistic* orientation, the organization perceives itself as part of a larger collective (Brickson, 2005). Brickson (2007) defines the composition of a collectivistic organizational identity orientation as follows: Its locus of self-definition is the collective. The salient organizational traits and characteristics are those connecting the organization to a larger, more impersonal group. The basis for motivation is the greater collective's welfare. The self-evaluation frame of reference is the inter-group and the intra-group comparison. According to Brickson, the relationships with external and internal stakeholders are based on a common collective agenda and characterized by cliquish ties. It follows that from a collectivistic orientation, an organization understands itself as part of a larger collective such as a group of organizations, a community, and/or a (global) society. This implies taking on responsibilities in those collectives (i.e. construction of infrastructure, protection and enforcement of human rights, promotion of peace and social welfare). Regulatory measures on a global basis might be favored.

Brickson (2005) observes that in reality, one finds rather hybrid forms of organizational identity orientation, particularly when distinguishing external and internal company behavior. Her research confirms the common notion in organizational studies that organizations often dispose of traits of more than one identity orientation.

2.3.1.2 Legitimacy and Legitimation Strategies

A second crucial cognitive dimension suggested by Basu & Palazzo (2008) is *legitimacy*. Suchman (1995) suggested that pragmatic, cognitive and moral legitimacy correspond to a number of legitimation strategies with the objective of gaining, maintaining or repairing legitimacy. Legitimation strategies are influenced by incomplete organizational knowledge that varies depending on the relationship with stakeholders and socio-economic conditions. In order to analyze the sensemaking dimension of legitimacy, I adapted Suchman's (1995) framework, theorizing legitimation strategies with regard to the CSR approach of a company as follows.

When a firm reacts to external demands by trying to influence its constituencies its goal is to gain pragmatic legitimacy. Legitimation strategies that aim for pragmatic legitimacy are "purposive, calculated, and frequently oppositional" (Suchman, 1995: 576). The organiza-

tional push to control the environment in order to achieve better performance might imply actions that strive for improving reputation. However, reputation in this context has to be well distinguished from gaining reputation for exceeding expectations and not just conforming to external demands. This will be described in the paragraph below on legitimation strategies that aim at moral legitimacy. In the liberal framework, a company gains reputation by i) well accomplishing its business functions as an enterprise as the very reason for its existence, and by ii) meeting its fiduciary responsibilities. The business functions include providing products, technology and services to consumers and customers, income to suppliers, employment, pensions, and guaranteeing a minimum standard of working conditions for employees, among others. A firm's fiduciary responsibility may be described as providing growth, short-term profits and long-term shareholder wealth. In order to gain reputation, a firm has to select an environment in which the reputational gain should be achieved. It might thus try to identify and classify primary and secondary stakeholders in order to maximize the reputational gain. It might try to manipulate the chosen environment by advocating its actions and its righteousness. The firm may as well market its responsible behavior to the external environment while at the same advocating internally the business case of responsible corporate behavior. Looking at the business case of CSR, the company might argue that a better reputation as a responsible company improves customer relations and provides a competitive advantage (often criticized as greenwash when advertising environmental policies or blue-wash when referring to the UN Global Compact). Values and norms which define responsible behavior are argued to be based on personal values and the integrity of individuals. In order to maintain pragmatic legitimacy, a company might monitor internal and external risks which pose a threat to its reputation. This includes i) monitoring stakeholders' expectations (i.e. by surveys or press analysis') as in monitoring the supply chain, or the appropriate behavior of its employees, ii) consulting opinion leaders whose voices have a heavy influence on the debate on CSR, and iii) lobby governments in order to pass favorable legislation and assure that the firm does not loose its license to operate in society. For this purpose, a firm might try to manage the risks which could decrease its legitimacy. Therefore it may deal with CSR-considerations in daily operations, try to convince the public in its CSR-publications of compliance with public demands, and cultivate relationships with its most important stakeholders. At the same time, a firm may oppose governmental regulation on responsible behavior, while advocating the model of a liberal market economy with Adam Smith's invisible hand guiding the actions of individual firms to the highest public good. Its communicative interaction with stakeholders may serve as a sounding board to develop better strategies to conform to external demands and/or influence

the public opinion in its favors. The success of these strategies might be measured and evaluated according to economic and legal criteria such as reputational gain and employee motivation (e.g. in a balanced scorecard). A firm may want to repair pragmatic legitimacy when accused of wrongdoing and its reputation is in danger. It may first react by tending to deny evidence and justify their behavior with legal, economic or scientific arguments. It might as well blame individual employees, external authorities, or global competition for the issue at hand. A firm that wants to regain reputation may then decide to advertise (actual or apparent) corporate change or fund supportive NGOs or even found their own corporate front groups. It may create communication tools such as a corporate website dedicated to CSR to provide information on (effective or apparent) corporate CSR activities. However, following this rationale a firm might be opposed to regulation, potentially loosing the locus of control over defining what its responsibility might be.

When a firm tries to conform to models it strives for cognitive legitimacy. Its legitimation strategies are thus based on the implicit assumption that the environment controls the firm (Basu & Palazzo, 2008). Cognitive legitimacy is built on the assumption that "cultural definitions determine how the organization is built, how it is run, and, simultaneously, how it is understood and evaluated" (Suchman, 1995: 576). The institutional perspective explains how the perception of the environment and the impact of resources and structure on commitment lead to action when a firm is looking for social approval (Griffin & Dunn, 2004; Meyer & Rowan, 1977). In the search for legitimacy, a firm might refer to the compliance with national or local laws such as paying taxes. Moreover, by consciously or unconsciously following established CSR-strategies in the industry and by copying worldwide CSR-leaders, a firm might try to benefit from the legitimacy attributed to those it is copying, representing a form of isomorphism. In addition, a firm may select labels for its activities that it is identified with: relevant and recognized CSR-standards, certifications, and financial/sustainability indices. It may proceed by trying to institutionalize cognitive frameworks. Externally, it may adopt CSR standards and integrate them into its business model to increase the predictability of its action. Internally, the firm may formalize and institutionalize structures e.g. create a whistle blowing policy or an ethics council, or establish a code of conduct. Legitimation strategies that aim to maintain cognitive legitimacy refer to i) the monitoring of cognitive frameworks by monitoring cultural beliefs, e.g. by regularly consulting CSR-experts from standard setting organizations, and ii) the promotion of CSR-frameworks. This may be achieved by institutionalizing relationships to standard setting organizations, and promoting CSR-standards, labels and certi-

fications as well as self-regulation (e.g. in advertising, selling practices, product standards, etc.) within or even across industries. Communicative efforts in CSR-publications might aim at convincing the public that a firm conforms to wider cognitive frameworks. The success of these measures might be evaluated according to scientific criteria and recognized standards such as financial/sustainability indices. Legitimation strategies that may *repair cognitive legitimacy* focus on institutionalizing a rational discourse. Therefore, a firm may justify the responsibility of its own behavior based on standard behavior and scientific explanations. In addition, it may fund supportive research to receive recognition from professional institutions.

Firms might enter a normative discourse on social issues when they feel that they are loosing the trust of societal institutions, blurring the clear separation between public and private, which might eventually result in the perceived necessity to reinstitute clear assignment of responsibilities to corporations. By doing so a firm aspires to *gain moral legitimacy*. The legitimation strategies may also be motivated internally (in the firm's own perception) by the will to protect/reconsider the values of important leaders of the firm (past or current) such as a new CEO or the founders, or the concern of employees. In the postnational constellation, legitimation strategies aiming for moral legitimacy might aim at compensating the retreat of governments and institutional failure in different ways: i) a firm may engage in a moral discourse on CSR-activities with stakeholders, and/or ii) assume responsibility with regards to community, consumer, customer, supply chain, etc. if an issue arises; or iii) a firm may want to contribute to development and sustainable business solutions by transferring knowledge, educating population on certain issues, training local managers along the supply chain, give technical assistance, and build infrastructures such as roads, schools, hospitals, wells, etc. The firm may as well develop and donate non-profitable products (i.e. like Merck's drug donation to cure river blindness) or establishing public-private partnerships; lastly iv) a firm may advocate universal normative concepts such as human rights, labor rights, or global environmental standards such as the Kyoto Protocol. In order to operationalize legitimation strategies aiming for moral legitimacy, a firm has to select a normative domain. Therefore, it may try to identify the leading moral voices (e.g. NGOs) that might provide guidance and define relevant communities for CSR-activities. The firm then has to define environmental and social goals, and finally prove the geographic applicability of its strategies. In order to improve its strategies, it might try to persuade and integrate as many stakeholders as possible in the dialogue on CSR. It may also try to convince stakeholders of its successful corporate engagement which holds the risk that it turns into evangelism. In order to demonstrate its advanced understanding, a

firm may engage in the development of local, industry-wide, or global CSR-standards (e.g. within the framework of the FSC).

Legitimation strategies that seek to *maintain moral legitimacy* may include i) monitoring the normative environment and ii) institutionalizing organizational values. The first might include listening to societal demands and consulting experts from civil society, or research and industry associations that are independent of corporate or governmental influence. The process of institutionalization may comprehend a variety of measures including: establishing comprehensive CSR models, integrating them into the corporate culture and core management processes in order to promote integrity, and the engagement in multi-stakeholder dialogues. This may comprise the creation of a CSR business unit and the integration of CSR in strategic planning, policies, processes, procedures, communication, training, performance and impact measurement, reporting, value, mission, and the leadership model. Communication is being balanced, i.e. the public is regularly informed on CSR successes and failures (e.g. in newsletters, CSR-reports). Moral legitimacy might also be sought for when communicative interaction is interpreted as continuous dialogue, where a firm may cultivate relationships with leading moral voices. In addition to the core management functions, legitimation strategies aiming at maintaining moral legitimacy include the improvement of corporate governance, the implementation of a regular stakeholder dialogue and co-branding with NGOs. When aiming for moral legitimacy, success is also evaluated according to moral criteria while at the same time involving independent audit committees.

Legitimation strategies that aim to *repair moral legitimacy* might include i) an open acknowledgment of moral failures and errors of the past and ii) (similar to gaining moral legitimacy) a (re)engagement in stakeholder dialogue in order to improve communication. This may be followed by a revision of corporate practices and CSR-policies and an institutionalization of dialogue with stakeholders.

2.3.2   Conative Dimension

Basu & Palazzo (2008) argue that companies show different behaviors based on existing organizational knowledge which they call the conative dimension of the CSR-character of a company. The conative dimension basically refers to the attitude of a corporation towards the outside world. It consists of the dimension of posture, commitment and consistency. Only the dimension of posture was considered for the purpose of this study.

2.3.2.1 Posture

Different *postures* of corporations, also interpreted dynamically as "the path to corporate responsibility" (Zadek, 2004), have been distinguished in various ways. Sethi (1979) classified companies as reactive, defensive, or responsive. Zadek identified five stages of organizational learning: defensive, compliance, managerial, strategic, and civil. Basu & Palazzo (2008) reduced them to three stages: defensive, tentative, and open. They define posture as "how the response is made, with a view to revealing the organization's character in terms of interacting with others" (2008: no page number). The posture of a company can be analyzed by looking at the organizational behavior when an accusation is raised for the first time and which consequences it has. Does a corporation enter into a process of organizational change and if so, how does a corporation experience and interpret these changes?

Applying a *defensive* strategy, an organization tries to cover up inappropriate practices and/or misleads stakeholders, trying to shift attention from the firm's issues. It is a conscious effort that goes together with secret or hidden actions in order to resist external influence. There is a critical view on the outside world and non-financial stakeholders are ignored. Any type of questioning of corporate actions and active CSR is refused. Information is kept private and disclosure is limited to the legally required minimum. The social and environmental impact of corporate action is communicated in a defensive manner. Civil society is ignored and dialogue denied. An example is the Royal Dutch's handling of the discussion around its responsibility with regards to carbon emissions (Zadek, 2004).

An organization's posture is interpreted as *tentative* when an organization shows both established behavior and new behaviors in dealing with emerging issues. This possibly depends on the existence of appropriate tools and processes. Considerations on corporate responsibility might be integrated into daily decision making, but without integrating them into the business strategy. CSR-activities are selectively chosen (managing by exceptions) in a trial & error process according to estimated reputation gain or risk management as an outcome of activities. CSR-activities are very dependent on leader(s) in an organization.

An *open* posture encompasses a learning approach that attributes long-term strategic importance to CSR. This implies a collaborative approach towards stakeholders in order to institutionalize beliefs and to co-create acceptable norms for behavior through internal and external dialogue. It is a voluntary act that requires openness and honesty regarding organizational issues, listening to stakeholders, understanding their interests and trying to find appro-

priate solutions which match stakeholder expectations. A corporation might establish appropriate systems and CSR-managers to support successful implementation of its CSR approach.

Posture can be best observed in the *event of a crisis*. Social risk may enter the corporate hemisphere from various sources. Kytle & Ruggie (2005) argue that (i) investors concentrate on the board of directors, the CEO and the CFO of a company, (ii) customers might approach the CEO, global and local operations management, and marketing and sales, (iii) employees can influence human resources practices and local operations management, (iv) suppliers may represent a risk for global sourcing practices and the finance department, and finally (v) civil society in general, and NGOs in particular, may directly attack/approach the board of directors, the CEO the CSR department, public relations as well as indirectly approach investors, suppliers, employees or customers. Depending on its identity orientation, the company's posture might lead to different legitimation strategies to manage the social risk.

2.3.3   Linguistic Dimension

Basu & Palazzo (2008) argue that companies apply certain language games when giving justifications of their behavior. They also observe that they show different levels of transparency when communicating with internal and external stakeholders. Only the dimension of justifications was considered for the purpose of this study.

2.3.3.2 Justifications

Justifications refer to the language used by corporations when dealing with issues of corporate responsibility. Corporate language is based on the identity orientation which itself shapes beliefs and behaviors. It can be observed in interviews, official and unofficial corporate documents, websites and other kinds of communication. Semantically, justifications can be distinguished in economic, legalistic, scientific and ethical justifications. When using economic justifications, critical issues are dealt with by using economic arguments. In this line of argument, successful business performance is regarded as a key contribution to society. Profits are claimed to be the only or by far most important purpose of a company. Legalistic justifications imply that critical issues (i.e. human rights violations) are dealt with by using legal arguments for or against assuming corporate responsibility. Complying with the law is regarded as appropriate framework for corporate responsibility. When using scientific justifications critical issues are dealt with by using scientific or technical language. Corporate responsibility is linked to scientific progress and standards are based on it. When using ethical justifications, critical issues are dealt with by using ethical language referring to a broader moral

(i.e. existing normative frameworks as the UN Global Compact). Ethical justifications express the implicit willingness to collaborate with a variety of actors to achieve a broad range of societal goals.

2.3.4   CSR-Character as Empirical Device

Despite the magnitude of global transformation processes, there is little empirical research on the sensemaking processes of MNCs in the postnational constellation (for an interesting exception see Welcomer, Gioia & Kilduff, 2000). To understand a corporations' thinking, language, and behavior in the postnational constellation, I used the CSR-character as an empirical device in a multiple-case study. The dimensions of the CSR-character provide a thorough starting point to provide common ground for empirical work which is often called for in qualitative research (Partington, 2000). My goal for the empirical part of my study was to analyze the applicability of the concept of the CSR-character of a company by looking at its dimensions in real world examples. Furthermore, I tried to capture indications of a paradigm shift from a CSR-model based on liberalism embedded in nation state towards a new model taking into account the current postnational constellation and its implications. Following the sensemaking approach, I enlarged my inquiry to understand how MNCs experience, interpret, and react to these changes. Methodology and findings are presented in chapter three and four.

2.4   Summary of Concepts for Theoretical Framework

The theoretical framework for this study combines the inquiry in the nature of the CSR debate with the perspective of sensemaking to allow for a novel way to analyze corporate behavior. In a first step, the conventional 'business in society'-debate has been analyzed. The analysis suggests that the mainstream CSR literature follows, to a large extent, the political agenda of liberal democracy, presuming a functioning nation state. In other words, CSR is set up in an apolitical framework. Hereby, reasoning on corporate social responsibility is based on the liberal assumptions on the role of the firm, including the rule of law and the existence of a coherent societal framework that provides a source for corporate legitimacy. The two corner pillars of liberal philosophy, normative individualism and the mistrust in concentrated power and state interventionism, are reflected in the framing of CSR as enlightened self-interest, corporate social performance, and the plea for voluntary CSR.

In a second step, it has been argued that the shifting paradigms in the postnational constellation require a rethinking of corporate responsibilities and the role of the firm in a global setting. The (partially) inadequate assumptions of liberal philosophy mislead scholars of CSR

by ignoring globalization and its impact on the nation state. Particular emphasis has been put (i) on the changing environment as industrialized countries move towards pluralistic societies, (ii) increasing corporate power and the inherent challenges for governance and the administrative state, (iii) the gradual transformation of corporations into political actors, and (iv) the emergence of non-state, in particular, civil society, actors which intend to hold corporations accountable for their social and environmental impact. These phenomena indicate that, in the postnational constellation, the conditions of legitimation for corporations are changing with fundamental implications for global governance. Corporate legitimacy is increasingly being achieved discursively, in particular, in multi-stakeholder settings. The global regulatory environment appears to increasingly become a battlefield for actors that pledge for or against the institutionalizing CSR in the form of hard and soft law. Based on these observations, political schools of CSR are proposed as a novel and timely way to address the socio-political challenges of the postnational constellation and to overcome the shortcoming of an apolitical framing of CSR as described in this theoretical framework. Hereby, the deliberative view of the firm and its implications for CSR are emphasized as a promising road towards a global governance system that provides guidance and legitimacy to corporations in a globalizing world.

In a third step, CSR as sensemaking has been introduced to provide a theoretical lens to analyze how MNCs experience the postnational constellation and its implications for the perception of CSR and the role of the firm. The CSR-character is proposed as a device to systematically approach empirical data. Thereby, particular attention has been paid to the two dimensions of the cognitive dimension, identity orientation and legitimacy and legitimation strategies, to posture as a category of the conative dimension, and justifications as a category of the linguistic dimension. They represent the point of departure for the deeper analysis into how ambiguity in the postnational constellation is being perceived and processed and in how far liberal philosophy combined with nation state-thinking persists in the reasoning of MNCs.

3   Methodology

In this chapter the methodological approach of the multiple-case study is outlined. I provide an overview of the approach that has been applied to gain a thorough understanding of the process of organizational sensemaking in a CSR context. The selection of the research objects and sites is detailed, as well as the rational of a preceding pilot study. Data collection, analysis and management and methodological limitations are explained. In a further step, the methods that are used to achieve validity, generalizability and reliability are summarized. Finally, the ethical issues that are involved in carrying out a multiple-case study are described, and measures for a proper conduct are outlined.

3.1   Overview

In this multiple-case study of three multinational companies, a holistic approach was adopted (Patton, 1980), applying elements of deductive and inductive theory building while guaranteeing a systematic data collection, analysis and theory development process (Eisenhardt, 1989b; Eisenhardt & Graebner, 2007; Glaser & Strauss, 1967; Van de Ven, 1992). Case study research "allows an investigation to retain the holistic and meaningful characteristics of real-life events" (Yin, 1989: 14). The advantage of a multiple-case study is that it is built analogous to multiple experiments. It implies that findings will not just be tallied to arrive at general findings but the cross-findings are used to reshape an argument and strengthened by citing relevant literature (Yin, 2004: 86). A multiple-case study increases the probability to identify procedural patterns and commonalities which are replicated throughout the cases but also differences that might be specific to a certain issue or company (Eisenhardt & Graebner, 2007). The cases were situated in their respective geographical, political, social, and economic setting in order to provide rich content (Creswell & Maietta, 2002). The discursive rationality of each company was analyzed through the comprehensive collection of both primary and secondary material.

Qualitative research represents "a deeply interpretive endeavor …[where] analytical processes are at work in every step of the crafting of the document" (Ely et al., 1997: 160). Therefore, no prior hypotheses were constructed as they were generated iteratively throughout the research project. I started out with some research questions that changed during the research process when new data occurred and real-live events changed the course of analysis. This approach was selected assuming that it served the research goals best, while at the same time being consistent with the predominant methodological approaches of similar case studies

in the literature (Dutton & Dukerich, 1991; Isabella, 1990; Sutton & Callahan, 1987). An iterative process of data analysis was chosen to compare themes that emerged from the data with theoretical concepts.

Within-case analyses (Yin, 1989) were conducted by studying the key research issues in detail such as the reaction to crisis in the case of an accusation by the examined companies and the subsequent organizational sensemaking process. This allowed gaining in-depth knowledge of the dimensions of the CSR-character and the inherent relationships.

3.2   Research Objects and Sites

Three major multinational companies were selected as study subjects to assure that they were facing the major challenges described above as postnational constellation. Each MNC elected for this study met six criteria: (1) sales of more than 50 billion $US Dollar and profits of over 2 billion $US Dollar in 2005, (2) employs more than 50,000 people, (3) operating in more than 100 countries, (4) either industry leader or number two in the different sectors it is active in, (5) there had been at least one campaign with regards to corporate responsibility issues running against the company at the starting point of the study, and (6) in business for more than fifty years. I deliberately chose leading multinational companies which represented "extreme cases" (Eisenhardt, 1989b) with regards to their corporate records of responsible behavior in order to extract rich content for theorizing. It was intended to cover a large spectrum of possible ways how to approach CSR and the sensemaking process to be observed in the event of crisis.

(i)   BAT Switzerland is a British tobacco company that was founded in 1902 and which belongs to the fast moving consumer goods sector. At the time of study, it was the number two in terms of total turnover (after Philip Morris) and the number one in sales outside of the United States. For the fiscal year 2005 it reported a revenue of 23.984 billion £, profits of 2.588 billion £, and about 90,000 employees. The company was studied at the national level, looking at its Swiss subsidiary headquartered in Lausanne, Switzerland. At the beginning of the study, its public perception was very bad according to my knowledge and previous desk studies (Palazzo & Richter, 2005).

(ii)   Hewlett Packard (HP) is a US-American electronics company that was founded in 1939 and is part of the information technology sector. At the time of study it was the largest small and medium business IT company with significant market positions such as being number one globally in the inkjet, all-in-one and single-function printers,

mono and color laser printers, large format printing, scanners, print servers and ink and laser supplies, globally in sold units of x86, Windows®, Linux®, UNIX and blade servers, in total disk and storage systems, globally in Pocket PCs, number two globally in notebook PCs, and number one in customer support and customer loyalty for ProLiant servers. For the 2005 fiscal year, it reported a revenue of 86.7 billion US$, profits of 2.398 billion US$, and about 150,000 employees in more than 170 countries. It had an R&D investment of 3.5 billion US$ and produced an average of 11 patents a day worldwide. HP was studied at the European level; its European headquarters are in Geneva, Switzerland. At the beginning of the study, HP's public perception was that of an exemplary corporate citizen according to my knowledge.

(iii)   Nestlé is a Swiss food company that was founded in 1866 and which belongs to the fast moving consumer goods sector. At the time of the study, it was the industry leader in the food sector, and notably in the water business. For the fiscal year 2005, it reported revenues of 91 billion CHF, profits of 7.995 billion CHF, and about 247,000 employees. The company was studied at the global level, looking at its global headquarter in Vevey, Switzerland. At the beginning of the study, its public perception was mixed according to my knowledge. While it was strongly embraced as one of the best companies in the world by those working for the company, it had also been heavily campaigned in the past.

Table 1: Basic Data for Cases

Company	British American Tobacco	Hewlett Packard	Nestlé
Industry	Fast Moving Consumer Goods	Information Technology	Fast Moving Consumer Goods
Founded	1902	1939	1866
Industry significance	No. 2 (total turnover) No. 1 (tobacco sales outside the U.S.)	Industry leader in small and medium business IT	Industry leader in food
Turnover (Worldwide)	23.984 Billion £ (Dec 31, 2005)	86.7 Billion US$ (Oct 31, 2005)	91 Billion CHF (Dec 31, 2005)
Profits (Worldwide)	2.588 Billion £ (Dec 31, 2005)	2.398 Billion US$ (Oct 31, 2005)	7.995 Billion CHF (Dec 31, 2004)
Employees worldwide	90,000 (Dec 31, 2005)	150,000 (Oct 31, 2005)	247,000 (Dec 31, 2004)
Nationality	British	US-American	Swiss
Organizational level studied	National	European	Worldwide
Headquarters (Organizational level studied)	Lausanne, Switzerland (Switzerland)	Geneva, Switzerland (Europe)	Vevey, Switzerland (Global)
Public perception	Very bad	Very good	Mixed

3.3   Sample

Primary data was collected through ninety semi-structured interviews, in two rounds with managers from Nestlé, HP and BAT Switzerland and their respective stakeholders. For the second round interviewees of the first round were re-interviewed. Semi-structured interviews are a typical tool for qualitative, inductive research (Eisenhardt, 1989b; Isabella, 1990; Miles & Huberman, 1984). Schein's research (1992) on the influence of organizational leadership on work cultures guided the decision to collect data from managers who assume the responsibility for the daily operations. Managers were chosen from three different management levels (national, European, global) to track institutional aspects of corporate responsibility. This was based on the insight from institutional theory that suggests that organizational decision making is not done by a single rational individual but rather by a conglomerate of large organizational entities and single actors (Allison & Zelikow, 2004: 17) embedded in institutional settings (DiMaggio & Powell, 1983).

For each company, contact was established with the CSR-manager or the manager of corporate communications. In order to avoid sampling bias, the contact person choose the interview partners while it was emphasized that it was desired to interview managers from a variety of functions that would best represent the company. The final sample included ten senior managers at the global level (five vice presidents and five heads of department); ten senior managers at the European level, (one vice president, six heads of department, and three at management levels); and ten managers at the national level, (seven heads of department and three at management levels). Tenures at the global level varied from 12 to 28 years (average 21.50 years), at the European level from 9 to 25 years (average 17.70 years), and at the national level between 3 months and 16 years (average 7.25 years). The functional areas represented among the corporate managers were general (regional) management, general secretariat, human resources, finance and control, strategy, marketing, production, research and development, technology programs, environmental business management, corporate communications and public affairs, corporate regulatory affairs and corporate governance. At the global level, between fourteen and several hundred people reported to the respective managers (while several managers noticed that indirectly it would probably equate to thousands). At the European level it varied between three and seven hundred people, and at the national level between zero and eighty.

Table 2: Original Sample for the Qualitative Study

All Corporate Interviews	First	Second	Total
BAT Switzerland	10	4	14
Hewlett Packard	10	6	16
Nestlé	10	6	16
Total	**30**	**16**	**46**

Unfortunately, the original sample could not be used entirely for the qualitative analysis. One interviewee refused to be recorded and technical problems were encountered for three other interviews. Therefore the final sample only consisted of a total of 42 interviews, including 27 interviews for the first round and 15 for the second round. The sample was separated into 6 subsets, each referring to the interview round (first or second) and the company, respectively. It resulted in the subset BAT Switzerland/1st round, n=9, BAT Switzerland/2nd round, n=4, Hewlett Packard/1st round, n=10, Hewlett Packard/2nd round, n=5, Nestlé/1st round, n=8, and Nestlé/2nd round, n=6.

Table 3: Final Sample for the Qualitative Study

All Corporate Interviews	1st Round	2nd Round	Total
BAT Switzerland	**9**	**4**	**13**
• Head	6	3	9
• Vice President	0	0	0
• Manager	3	1	4
Hewlett Packard	**10**	**5**	**15**
• Head	6	2	8
• Vice President	1	1	2
• Manager	3	2	5
Nestlé	**8**	**6**	**14**
• Head	6	2	8
• Vice President	1	1	2
• Manager	3	3	6
Total	**27**	**15**	**42**

In order to inform the second round of the study, a variety of stakeholder interviews were conducted. The results were crucial to design the questions for the second round of interviews, in particular with regards to emergent issues of concern with the studied companies. The interviewees were chosen based on the assumption that one has to adopt an emic (insider) and etic (outsider) perspective (Pike, 1967) towards corporate responsibility to understand CSR as a sensemaking process. The stakeholder concept was defined following Freeman as "any group or individual who can affect or is affected by the achievement of the organization's objectives" (1984: 32). The stakeholder sample consisted of eleven stakeholders for

BAT Switzerland, ten HP stakeholders, and twenty-three Nestlé stakeholders, totaling forty-four interviews. Stakeholders included representatives from corporate interest organizations (e.g. lobbyists), government and political parties, institutional investors, financial analysts, research and educational institutions, international organizations, media, NGOs, shareholder activists, and unions (in order of increasing opposition to the studied companies). Initially, stakeholders were grouped as follows: (i) corporate interest organizations, government and government close entities (including representatives of the Swiss government and members of political parties), (iii) international organizations (among others: UN, WHO, OECD officials), (iv) research and educational institutions, (v) civil society organizations (including Greenpeace, Oxfam, a shareholder activist organization and a consumer rights organization) and unions, and (vi) others (such as media representatives, an insurers association, a standard certifying organization and financial analysts).

Table 4: Sample Distribution for Stakeholders

Stakeholder Interviews	Corporate interest organizations	Government and close entities	International organizations	Research and education	Civil society & Unions	Others including media	Total
BAT Switzerland	3	3	0	0	3	2	11
Hewlett Packard	2	1	1	3	2	1	10
Nestlé	4	1	4	3	10	1	23
Total	**9**	**5**	**5**	**6**	**15**	**4**	**44**

Relevant stakeholders were identified by (i) propositions of key informants inside the studied companies, (ii) by propositions of other stakeholders, (iii) by analysis of the stakeholder literature, reports of analysts and research institutes, participants of roundtables, conferences, seminars and workshops on CSR, and by looking at issues related to the studied companies. Contacting stakeholders was a very difficult and time-consuming process. Approximately 250 individuals were contacted via email or by phone. When no contact person was identified, an email was sent to the person responsible for public affairs or the executive director of the organization. If there was no contact provided, the organizations were contacted by phone and asked to suggest the names of potential interviewees. When contacting individuals, I was very often referred to colleagues within or from organizations in a similar domain that could be related to the object of study. Since the topic of corporate responsibility appeared to be a sensitive issue for many organizations, I would often encounter suspicion and mistrust. Many contacts did not consider their organization to be relevant for the case study or they wished not to participate due to time constraints. Approximately half of the requests never received a reply. When "theoretical saturation" (Glaser & Strauss, 1967) was reached,

i.e. when the information given by the stakeholder became repetitive, stakeholders were no longer added as informants to the study.

3.4   Interview Guide

An interview guide with a detailed set of open-end questions was developed prior to the interviews to elicit rich detail and graphic description. The interview guide was based on the methodological procedure developed by Sackmann (1992). She distinguishes four different interconnected types of cultural knowledge that form an organization's "cognitive culture map" based on an organizational-psychological perspective: (i) d*ictionary knowledge* (identifying the problem) represents the step by step acquired terminology of an organization. It describes process knowledge; (ii) d*irectory knowledge* (identifying the causes) comprises knowledge of commonly held practices which refer to cause-and-effect relationships. It represents a form of process knowledge and explains how problems emerge in organizations; (iii) r*ecipe knowledge* (what to do to be successful) is related to (process) knowledge within organizations which aim for development of repair and improvement strategies; and (iv) a*xiomatic knowledge* (why do certain things/events happen repeatedly?) represents the perceived explanations and reasons for the appearance of particular events within an organization. This distinction helped to understand the different types of knowledge provided by the participants of the study. During the data analysis the knowledge gained was merged into the dimensions of the CSR-character, reinterpreting the cognitive culture map as organizational sensemaking.

The interview guide for the first round was translated into three languages, English, German and French, in order to interview participants in their native language. This made it possible to capture perceptions as well as hidden meanings of different concepts which were used when describing corporate responsibility issues. The accuracy was verified by back translation by German, French, and English native speakers. Interviews were held in English, French or German for the interviewee's convenience. Based on the findings of the first round of interviews, the interview guide was refined to conduct a second round of interviews. Three major themes that had come up in the first round of interviews were identified for further investigation: management, CSR-context, and concrete issues. A new set of questions was developed to clarify certain topics and to extend my knowledge in areas that had been little addressed in the first round. The questions were tailored for discussion with both stakeholders and academic experts. Apart from the management-related questions, questions were asked that were specific to the company, industry, geography, and issue. The two interview guides can be found in Appendix A – Interview Guide for 1st and 2nd Round.

3.5   Pilot Study

Prior to the primary data collection, a pilot study was conducted to refine the initial interview guide and the general modus operandi. A pilot study serves to test ideas or methods and to explore the implications (Maxwell, 1998: 78). The pilot study focused on understanding communicative processes in BAT Switzerland's corporate practice. BAT Switzerland undertook an internal dialogue to prepare a comprehensive social reporting process including several stakeholder dialogues and the publication of a final social report. I participated as an independent observer in two internal BAT Switzerland training programs that were scheduled by the CSR manager at the time.[16] The atmosphere was captured within the context by visiting the sites and by applying observational techniques to get a vivid idea of organizational sense-making processes. Before observation and note-taking, the participants and moderators were given some general information about the research and my intention not to participate in the discussions. I did not participate actively in the discussions to avoid biasing the discussion as well as my own impressions. During the meetings, the group was observed from a distance, for example from a corner of the room, or from the non-occupied part of a table in cases of relatively small group meetings. Extensive hand-written field notes were taken and transcribed immediately after the meetings adjourned. In observing the group, the prevailing atmosphere was considered as far as possible, including the combination of noise, gestures and words, which require visual and auditory observation. After the meetings, I had interviews and informal conversations with the participants and the group moderators. Additional conversations during conferences, workshops, and seminars were regarded as "field stimulations" (Salancik, 1979). After the first two meetings, four formal, semi-structured interviews were conducted which allowed me to redesign my interview guide in order to guarantee meaningful questions. I then started the primary data collection while continuing to participate in the social reporting process.

3.6   Data Collection

In the first round thirty semi-structured hour long interviews were conducted with managers from Nestlé, HP and BAT Switzerland, respectively within a time span of seven months.[17] The BAT Switzerland and Nestlé interviews were face to face, whereas phone interviews were chosen for HP due to lack of geographic accessibility of the interviewees that

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[16] The manager in charge of the social reporting process at the time of study later left the company and was replaced by a former assistant to the CSR manager.
[17] The interview collection at a fourth company (Deutsche Post) could not be realized due to an internal restructuring which led to the downsizing (and practically virtual disappearance) of the CSR department.

were dispersed over four European countries (Germany, Switzerland, Denmark, and the UK). I visited the corporate headquarters of Nestlé in Vevey (CH) and BAT Switzerland in Lausanne (CH) over fifteen times to conduct the study. Public and non-public locations where also visited to participate in events, conferences, and seminars organized by the companies in Lausanne (CH), Geneva (CH) and Boston (MA/USA). Data on managers' career histories, training, management, leadership, performance measurement, and reporting with regards to corporate responsibility issues was conducted, as well as on the macroeconomic and institutional environment and organizational values and beliefs of the company. The data collection for the interview data amounted to about a year, beginning in April 2005 and ending in May 2006.

Table 5: Time Line of Data Collection

Interviews	Time Line
1st round of interviews with managers from BAT Switzerland, participation in stakeholder dialogue process as observer	04/2005 – 05/2005
1st round of interviews with managers from Nestlé	06/2005 – 07/2005
1st round of interviews with managers from Hewlett Packard	09/2005 – 11/2005
Interviews with Hewlett Packard stakeholders	12/2005 - 03/2006
Interviews with BAT Switzerland stakeholders	12/2005 - 03/2006
Interviews with Hewlett Packard stakeholders	12/2005 - 03/2006
2nd round of interviews with managers at BAT Switzerland, Hewlett Packard, Nestlé	04/2006 – 05/2006

The personal and the telephone interviews were recorded with a laptop or a dictaphone in digital format. They were then immediately transcribed by professional third parties. The transcribed interviews had a length of eight to sixteen single spaced pages totaling over one thousand pages. During the data collection, theorization was improved by notes on the facts, memos, specific details, and participant information, and ideas generated during periodic debriefing sessions with colleagues and external CSR-experts. Although all interviews followed the same broad structure, questions were handled in a flexible way to maintain the natural character of the conversation and to avoid awkward situations during the interviews. This procedure has been proven to be an appropriate method to clarify meanings and interpretations in the particular frame of reference offered by an interview participant (Isabella, 1990).

Secondary data sources were used to examine the data from the interviews, to provide the necessary background for further analysis, and to identify "narrative truth" (Spence, 1982), i.e. discrepancies between fact and fiction. They were of particular help to identify critical issues during the coding process and for further discursive analysis when writing down the case studies. Written data sources included published and unpublished documents, comprising corporate publications (i.e. annual reports, press releases, websites, internal reports), as well as

publications in the media and nongovernmental organizations, and academic papers. Secondary data sources considered for this study amounted to 651 documents. For BAT Switzerland, 23 company reports and presentations, 67 documents from the corporate website, and 43 documents from independent sources have been considered, totaling 133 documents. For HP, 26 company reports and presentations, 74 documents from the corporate website, and 24 documents from independent sources were looked at, totaling 124 documents. For Nestlé, 192 reports and presentations, 135 documents from the corporate website, 36 case studies found on the corporate website, and 36 documents from independent sources have been considered, totaling 394 documents. All corporate reports, presentations, and case studies are publicly available and were downloaded from the respective company website. Independent sources were gathered through internet and database research and by request from critical stakeholders.

Table 6: Secondary Data Sources

Secondary Data	BAT Switzerland	Hewlett Packard	Nestlé	Total
Company reports and presentations	23	26	192	241
Company website	67	74	135	276
Independent sources	43	24	36	103
Case studies (Website)	0	0	31	31
Total	**133**	**124**	**394**	**651**

3.7   Data Analysis

After completion of the data collection, the interviews were coded applying multiple coding in order to enhance the reliability and validity of the data and to avoid "inventing" theory by misinterpreting the data. Coding has been described as the "the analytic processes through which data are fractured, conceptualized, and integrated to form theory" (Strauss & Corbin, 1998: 3). A hybrid strategy was chosen by complementing categories based on existing concepts in the literature with categories that emerged during the coding process. Four types of coding procedures have been applied.

Open coding has been defined as "the analytic process through which concepts are identified and their properties and dimensions are discovered data" (Strauss & Corbin, 1998: 101). The importance of open coding lies in reducing large amounts of data specification and dimensionalization. I set out with an open and receptive mindset by trying to understand what the interviewees were intending to say which led me to the development of a range of codes and categories with definitions for classifying the knowledge. I went through the data at least four times, coding different themes and applying different techniques such as analyzing word

frequency within cases, subsets of cases, and across cases each time. I started out by systematically and thoroughly analyzing the interviews for themes that would reoccur within a case and at a later stage across cases that would fit my initial categories. According to Strauss and Corbin (1998), categories are understood as concepts that stand for the central ideas of the data or phenomena, whereas the characteristics of a category are called properties. During the coding procedure, one important aspect was the determination of the range of variability, defined as "the degree to which a concept varies dimensionally along its properties, with *variation* being built into the theory by sampling for diversity and ranges of properties" (Strauss & Corbin, 1998: 143). When analyzing the concepts, I paid close attention to narrowing down the properties of evolving concepts while at the same time developing new concepts based on sampled out properties. Finally, a basic set of constructs and categories from the literature was generated expanding them substantially up to a number of over 200 codes.

Axial coding has been described as "the process of reassembling data that were fractured during open coding" (Strauss & Corbin, 1998: 124). Axial coding aims at finding explanations, not for terms, such as conditions, actions/interactions, or consequences. By avoiding the language of cause and effect, axial coding tries to capture the dynamic flow of events and the complex nature of relationships. This type of coding evolves around an axis of analysis by linking categories at the level of properties and dimensions. Dimensions clarify and give specifications for categories, which are further distinguished into subcategories according to different concepts. Combining axial and open coding led to an initial conceptualization (similar items are grouped together according to previously defined properties) to assist the process of theory building. During this process, the dimensions of the CSR-character based on the theoretical work of Basu & Palazzo (2008) were integrated to improve parts of the codes and to develop new concepts. A concept can be interpreted as a "labeled phenomenon" (Strauss & Corbin, 1998: 103), representing an event, object, or action. During axial coding, existing concepts were continuously integrated in order to strengthen the emerging concepts and for redefine existing theory. The number of codes was reduced to a final number of 24 codes within two major categories, following a hierarchical tree structure. A particular important and time consuming part of the process was to give meaning to the theoretical concepts derived from the dimensions to operationalize them for an empirical application. During the coding process, about 900 pieces of data were extracted into a separate spreadsheet and then assigned with themes that summarized the meaning of the excerpts. The themes were classified and attributed to the broad dimensions of the CSR-character. Many initial themes that

were based on intuition and the literature were eliminated and removed from the coding manual during this process since they could not be grounded in evidence. While some dimensions of the CSR-character that had a strong empirical foundation could be easily operationalized and adapted for the coding process, a number of elements that occurred constantly and across cases were excluded from the analysis due to inconsistencies with other parts of the data. For instance, for the purpose of this study Brickson's (2005) category of individualistic identity orientation was modified which she detailed and adapted to the stakeholder approach in Brickson (2007). The four dimensions she proposes were used as indicators for identifying individualistic identity orientation with regards to the stakeholder approach of an organization. An individualistic locus of organizational self-definition might be indicated in the self-consideration as industry leader in CSR, and a number of motives such as "uniqueness", "pride", "bravery", the emphasis on "our point of view", the "need to be understood", organizational values such as "speed", "freedom to act" among others. An individualistic identity orientation was assigned when the motivation for engagement in CSR occurred out of enlightened self-interest. This was reflected, for instance, in statements in which long-term profitability was situated at the center of a company's CSR approach, compliance with the law was interpreted as good business, CSR was understood as a means of shareholder value maximization, or when a corporation was advocating self-regulation of business while lobbying for little or no governmental regulation. Following Brickson (2007), it was furthermore looked at the way relationships with stakeholders were defined. A stakeholder definition was coded as showing an individualistic identity orientation when they were based on instrumentality, i.e. power. This was clearly the case when the primary stakeholders were identified as (or even limited to) shareholders and governments as large customers or due to their power as regulators. A coding example for each case is provided below:

(i)   Example 1: "It is important to consult and to dialogue with our stakeholders, in order to be in line with the expectations of society" (Manager J, BAT Switzerland). The code "relational identity orientation" was assigned to this statement since the search for dialogue is a clear offer to enter into a communicative, dyadic relationship. I also assigned the code "cognitive legitimacy" to the same section because in the case of BAT Switzerland the "dialogue"-theme refers to its broader CSR approach which may be interpreted as isomorphism to regain public legitimacy. Finally, the code "open posture" was assigned to it indicating that BAT Switzerland is relatively open to societal demands to enter public dialogue concerning the tobacco industry as a whole.

(ii)   Example 2: "We don't support corruption and bribery wherever we operate, which sometimes makes business short-term admittedly more difficult" (Manager G, Nestlé). The code "moral legitimacy" was assigned to this statement because of its adherence to a higher moral principle. Moreover, the code "normative discourse – social" was chosen since the interviewee is referring to a discourse on specific social topics.

(iii)   Example 3: "In a market-oriented society the major responsibility of a company is to provide profits to its shareholders. Basic as that" (Manager I, HP). The code "individualistic identity orientation" was assigned to this passage since it is referring to the self-interest of the company in profits. I also added the code "economic justifications" because it was used in reasoning on the responsibilities of a corporation.

Next to the organizational dimensions of the CSR-character an institutional dimension emerged from the data. This dimension of the coding schema was supported by the assumption that in the postnational constellation the process of institutionalization of CSR is becoming increasingly important as described in the theoretical part. The institutional dimension was further separated in the category of institutional entrepreneurs, regulatory discourse and normative discourse. Once theoretical saturation was reached, "the point in category development at which no new properties, dimensions, or relationships emerge during analysis" (Strauss & Corbin, 1998: 143), I moved on to selective coding.

Selective coding is defined as "the process of integrating and refining the theory" (Strauss & Corbin, 1998: 143). It includes a comprehensive microanalysis which aims to identify relationships among categories. As a result of the coding process, I decided to concentrate on the most prevailing dimensions of the CSR-character within my data. The cognitive dimensions of identity orientation and legitimacy, the conative dimension of posture, and the linguistic dimension of justifications were selected for the main analysis. This decision was consistent with the representation of codes within the data. In the second inquiry, it was analyzed how they related to the categories defined as institutional dimensions and how they related among each other.

The final codes can be seen below. The complete coding guide containing the indicators and keywords is provided in the Appendix C – Coding Manual.

Table 7: Final List of Codes

Property	Property Detail
Organizational Dimension	
Cognitive	Identity Orientation
	▪ Individualistic
	▪ Relational
	▪ Collectivistic
	Legitimation Strategies
	▪ Pragmatic
	▪ Cognitive
	▪ Moral
Linguistic	Justification
	▪ Legal
	▪ Economic
	▪ Scientific
	▪ Ethical
Conative	Posture
	▪ Defensive
	▪ Tentative
	▪ Open
Institutional Dimension	
Institutional Entrepreneurs	▪ Agenda Setting
	▪ Arena Setting
	▪ Bargaining
	▪ Consuming
	▪ Financing
	▪ Law Making
	▪ Opinion shaping
Regulatory Discourse	▪ Hard law
	▪ Soft law
Normative Discourse	▪ Environmental
	▪ Social

In a last coding procedure, a set of meta codes was created for further analysis and modeling by applying *pattern coding* procedures. Thereby, every existing coded was combined with any other, creating a total of 237 pattern codes. The results of the pattern coding were described for illustrating CSR in the postnational constellation whereby the resulting codes were used as "conceptual hooks" (Miles & Huberman, 1994: 72).[18]

In addition to that, a word frequency analysis was conducted in order to (i) improve the coding process by getting a feeling for the dominating language used and (ii) facilitate the search for emerging themes. 44,349 words were counted for the interviews with BAT Switzer-

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[18] While looking for effects occurring between the first and the second round of interviews I only used the data from the first set of interviews for further cross-case analysis in order to avoid a bias based on differing (since tailored) interview questions in the more explorative second round. Thus all interference statistics such as ANOVA and χ2 analysis mainly refer to the first round of interviews.

land (among them 39,508 for the 1000 most common words and 21,769 for the 100 most common words), 49,674 words (44,454/24,928) for the interviews with HP and 44,720 words (38,355/21,529) for the interviews with Nestlé. With regards to all documents, 289,405 words were counted for BAT Switzerland (among them 179,868 for the 1000 most common words and 73,129 for the 100 most common words), 527,117 words (335,439/130.915) for HP and 537,526 words (330,629/126,899) for the interviews with Nestlé.[19] The word frequency analysis was further detailed by assigning categories for word types to identify those most relevant to this study. For the word count, all numbers and single letters were eliminated for analysis. It was looked at absolute and relative occurrence of key words to identify key words for further analysis. The identified key words within the interviews and within all documents collected were enlarged into emerging themes. Queries were created which would allow understanding the context in which certain words or themes are used and which was their underlying meaning.

Table 8: Word Frequencies for Case Studies

Data Dimension	BAT Switzerland	Hewlett Packard	Nestlé
Interviews	44,349	49,674	44,720
Interviews, 1000 most common words	39,508	44,454	38,355
Interviews, 100 most common words	21,769	24,928	21,529
All documents	289,405	527,117	537,536
All documents, 1000 most common words	179,868	335,439	330,629
All documents, 100 most common words	73,129	130,915	126,899

Finally, the case studies were written up, outlining the prevailing narrative for each case. The cross-case analysis suggested that certain dimensions of the CSR-character added up to certain organizational types. In two of three cases no indications for any parallel narrative were found while in one case the interpretation of the data appeared to be more complex. Even though a researcher may obtain only a certain, limited type of responses in interviews, the consistency of answers suggested that there was a common ground for an organizational narrative (see also Dunford & Jones, 2000).

The above described process of analysis is consistent with previous studies that involved elements of grounded research (Sutton & Callahan, 1987). What became apparent during the coding process, and as observed before in case study research, was that participants

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[19] The big difference between the number of words with regards to BAT Switzerland entire documentation compared to that of Hewlett Packard and Nestlé can be explained by the fact that only the website of the subsidiary was considered. It is, however, striking that even though BAT Switzerland is a relatively small subsidiary of BAT, the documentation on the website on topics related to CSR is still very comprehensive.

view events differently throughout time (Isabella, 1990), theorized as "shifting cognitions" (Gavetti & Levinthal, 2000). In particular, when following the social reporting process of BAT Switzerland, a learning process among the participants could be observed. Moreover, many managers mentioned that they had not yet been working for the respective company when some of the events occurred that were referred to be important for its perceived corporate responsibility. However, their responses were considered to be relevant since organizations mobilize support for certain realities which become routine, and taken for granted over time (Gephart, 1984), implying that the organizational climate created may prevail to present or was at least still be echoed in the corporate culture at the time.

Table 9: Overview on Terms used for Qualitative Data Analysis

Term	Short Description
Coding	Assigning of properties, dimension, and category to a data piece.
Code	Representation of a piece of data defined by a certain number of properties.
Meta code	Code which is based on a combination of formerly assigned codes.
Pattern code	Code assigned to overlapping codes. Type of meta code.
Theme	Specific reference to a piece of data based on intuition and the literature. To be merged into codes at a later stage.
Node	Collection of references about a specific theme, place, person or other area of interest. To be turned into codes at a later stage.
Key words	Words indicating a certain code.
Dimension	Major element of a hierarchical coding structure based on theoretical framework.
Category	Sub-element of a hierarchical coding structure based on theoretical framework.

The qualitative analysis of the interview data has been supported by descriptive (Crosstabs and ANOVA) and multivariate techniques (correspondence analysis, chi-square) to identify significant effects, dominant dimensions and patterns. For this part of the analysis, I looked primarily at code frequencies for the first round of interviews. It was also looked at word frequencies as a cross-check to verify my analysis of the dominant dimensions (as one of the major inquiries). The analysis of word frequencies referred to the number of words that were assigned for a single code. Those varied tremendously - in particular, when codes assigned referred to rather complex concepts such as legitimacy. Moreover, as could be observed, in particular when explaining phenomena which deferred from the mainstream understanding, more explanation was needed. Another observation was that some interview partner had very clearly defined ideas on the topic of corporate responsibility which result in rather few codes referring to long passages of explanations. Others, however, would switch among concepts frequently.

In a final inquiry, a correspondence analysis was chosen which allows constructing suitable scales for two-way contingency tables. It facilitates identifying trends with the two-

dimensional spatial representation of eigenvalues of crosstabulated, categorical data which is particular useful for large socio-economic data (Bolviken et al., 1982; Gower, 1990; Hill, 1974; Nash, 1979). In this study, the proximity of categories indicates that they have been coded frequently as a pattern suggesting that there are inherent relationships between variables. While pattern coding is the more exact method with regards to the identification and interpretation of concepts the correspondence analysis might be seen as a "qualitative regression tool" (Salgueiro et al., 2008: 16). It has been recently applied in diverse business research fields such as marketing (e.g. Gómez & Benito, 2008; Opoku, Pitt & Abratt, 2007), risk management (Salgueiro et al., 2008), internet banking (Calisir & Gumussoy, 2008), innovation (Tether & Tajar, 2008), stakeholder preferences (Suneetha & Chandrakanth, 2006), and in a meta study on management research (Furrer, Thomas & Goussevskaia, 2008).

3.8   Validity and Reliability

Validity and reliability are key to qualitative research. They refer to different measures of the quality, rigor and wider potential of research, based on methodological and disciplinary conventions (Mason, 1996). *Valid* research is only achieved if the empirical data really relates to the concepts investigated. The technique of *triangulation* was used, converging different sources of data, in order to improve the validity of the constructs. Triangulation represents a „blending and integrating a variety of data and methods " as a means of cross-validation (Jick, 1979: 603) that leads to corroboration (Miles & Huberman, 1994). As described above a wide range of secondary data sources were integrated in order to make sure that the right meaning was attributed to the different, very often ambiguous or contradicting themes in the interview data. For instance, the theme of "stakeholder dialogue" was interpreted differently with regards to the legitimacy it might provide for BAT Switzerland and HP, respectively, due to the different industry context and organizational history. The process of triangulation was informed by comparing the emerging themes and the categories of the CSR-character with conflicting literature. This was an important step within the research process when moving from purely reporting to attributing meaning to the data and give a correct report of the CSR-character as sensemaking process as proposed by Basu and Palazzo (2008). This has helped to improve the generalizability, moving it from being idiosyncratic and particular, to meaningful results that can be applied to different contexts.

Reliability has been insured by multiple coders, consensus validation, analyses and a constant comparative analysis. Multiple coders were used as suggested by the literature (e.g. Isabella, 1990). After my initial coding, six students coded the interviews again using my pre-

defined codes and categories. They were instructed broadly on the coding procedure but not informed about the purpose of the study. Based on this initial process, the codes were further strengthened and developed by collapsing some of the initial ones into broader codes as well as eliminating weaker or redundant ones. The coding schema was also cross-checked continuously with my supervisor to guarantee the appropriateness of the interpretation of difficult concepts. In the second step, doctoral students independently coded some data in order to ensure the accuracy of the categories and their indicators with regards to my data. The coding schema was then discussed which resulted in a revision of some of the definitions and indicators for the chosen categories. Finally, it was checked for inter-coder reliability with the previously trained doctoral student on the rationale of the categories and the coding procedure. For each case, 100 randomly chosen verbatim sections were extracted out of the interview data which were representative for my categories, totaling 300 excerpts. They were entered into an electronic spreadsheet and coded using a binary scheme (1 = code is present/ 0 = code is not present). The second coder was given the same codes and coded them without knowledge of the codes I had assigned. Cohen's kappa for all categories amounted to .804 (total n=7199, 1 degree of freedom) which indicates a high interrater reliability and allows to exclude pure chance agreement (Grayson & Rust, 2001). The individual kappas for every category as well showed a high reliability (>.7) for all dimensions.

Table 10: Individual and Overall Kappas

Dimension	Kappa
Normative Discourse	0.918
Regulatory Discourse	0.776
Institutional Entrepreneurs	0.880
Posture	0.782
Justifications	0.782
Legitimation Strategies	0.770
Identity Orientation	0.720
Overall	**0.804**

The disregard of discrepant data, alternative explanations, and the lack of understanding concerning the phenomena under study is the most dangerous scientific error, derogating theoretical validity (Maxwell, 1996). To avoid this problem, a process of *consensus validation* was applied by cross-checking the interview data with the respective respondent in order to overrule researcher bias. Interview participants were asked to read and validate the analysis of the data they provided. Key informants were used in each data set to monitor that the interpre-

tation of the data remained close to the organizations' reality and to gather additional information throughout the study.

Finally, a c*onstant comparative analysis* (Thorne, 2000) was undertaken, based on the work of Glaser and Strauss (1967). Here, a single piece of data such as an interview, a report, a citation etc. is compared with the rest of the existing material. Ideally, every element of data is compared with any other element in order to find patterns and commonalities which could potentially lead to concept development. This design is particularly useful when fundamental social processes as a basis for human behavior and experiences are assumed. However, researchers "should never presume that they will discover all conditions or that any condition or set of conditions is relevant until proven so by linking up the phenomenon in some explanatory way" (Strauss & Corbin, 1998: 131).

3.9   Data Management

Raw data originating from interview transcriptions and field notes were processed, stored, and managed using QSR NVIVO 7. This program supports coding with qualitative linking, shaping and modeling. The qualitative inquiry thus moves beyond coding and retrieval, supporting fluid interpretation and theory emergence. When reading interviews, codes were added out of the list of codes to passages, sentences, and fragments of a sentence, or even words that equaled the description of the code. I tried to be as exact as possible but at the same time to attribute as many codes as appropriate. Since I was looking for different dimensions of corporate responsibility, there were often passages that related to more than one code. Also, the provided codes are not mutually exclusive; combinations of codes occur. Then all codes were added that seemed appropriate. The power of the program is revealed by its multiple functions to link pieces of data once the emerging themes turn into clearly defined codes. It not only allows for simple coding, but also for the identification of complex relationships by combining nodes. A node is defined as "a collection of references about a specific theme, place, person or other area of interest" which is gathered "by reading through sources, such as interview transcripts, and categorizing information into the relevant nodes" (NVIVO, 2007). NVIVO allows reporting on codes, sources, nodes, relationships, and attributes of the data elements. One of the most powerful tools is the feature that makes it possible to conduct simple as well as sophisticated queries for comparing nodes with sets, cases, or attributes, nodes among each other, and nodes throughout different sets or cases, among other functions. Throughout the research process, about 1000 text queries were created, about 100 coding queries, and about 250 matrix queries to identify patterns and establish relationships within and

across cases. Furthermore, creating relationships led to a variety of graphical representations. It was also conducive to building models based on relationships identified within the data. However, while NVIVO is a powerful analytical tool, it cannot replace the interpretation of relationships and their hidden meanings.

3.10 Ethical Issues

To protect privacy and confidentiality, participants are anonymous; their taped interviews have been kept secure and labeled with a pseudonym. Participants are referred to by pseudonym and direct quotes are attributed to the appropriate pseudonym. Additionally, participants were given an informed consent agreement. The agreement covered the overall purpose of the study, procedures to be used, the voluntary nature of participation, the time and effort involved in participation, the guarantee of anonymity and confidentiality, and any risks and benefits of participation.

3.11 Methodological Limitations

During the interview collection, the following problems were encountered which challenged the quality of the data collected. The corporate language of all companies is English. However, the quality of the responses was often diminished because respondents were not native English speakers and found it difficult to describe concepts, ideas and complex cause-relationships appropriately in English. Sometimes they added expressions from their native language (e.g. German, French) to help out. Two corporate managers did not agree to be recorded in a personal interview for privacy reasons. They claimed they had been poorly informed or simply had not well understood upon agreeing to participate in my study. In those cases detailed notes wee taken which I transcribed and then cross-checked with the participants. Some corporate participants were also very cautious because they were not fully aware of the company policy with respect to particular issues. In a few cases, time constraints did not allow for going through the full questionnaire forcing me to concentrate on the most- relevant questions.

Theorization and analysis, the "interplay between researchers and data" (Strauss & Corbin, 1998: 13), were carried out in the primary data collection during previous studies and by observation of major public events such as the Enron case or the intensive debate on Brent Spar in Europe. Today's society has been preoccupied by corporate responsibility issues for quite some time. In fact, when studying the debate on corporate responsibility, I recalled my own first-hand experience as a child when we were not allowed to buy Nestlé products be-

cause of the infant formula scandal. I started to conjure up the details of this campaign which were part of a long forgotten story. This incident made me realize that there is always a certain amount of bias which is inevitably based on the life-long social construction of our identity. This fundamental and almost universal bias has been acknowledged before (e.g. Isabella, 1990).

A general problem that was encountered is the concern of expert bias. In certain occasions, the views of some participants were too "advanced" or "streamlined" since they were working in the field and did not reflect the general opinion of the company or of the average stakeholder. Originally, the analysis was overly focused on experts. Therefore, I took into consideration people that were less familiar with the state of the art CSR mindset to obtain a more balanced picture. On the other hand, some respondents turned out to have very limited knowledge of the topic even though they had previously mentioned being an expert or at least were very interested in the topic. Similarly, some respondents just gave textbook answers avoiding revealing their own opinion. In the selection process, potential interviewees had to be limited mostly to critical stakeholders or lobbyists due to political reasons. The stakeholders of the supply chain for the selected companies were all afraid of getting into trouble and refused to be interviewed on their respective customer. The same happened when I approached customers of the three studied companies. For the second round, I could not interview all the previous participants because some respondents were not willing to participate in a second interview due to lack of time, some respondents had been transferred to other countries (i.e. Brazil or Japan), and some respondents had been laid off. Interviews were frequently rescheduled due to the fact that some interviewees had other appointments. Sometimes respondents were busy and were not concentrated since they were doing other things while having a phone interview, decreasing the quality of the responses given.

Finally, the different levels of analysis (local, regional and global for BAT Switzerland, HP and Nestlé, respectively) might be seen as a limitation for interpreting the data since this is likely to have an influence on the perception and understanding of CSR-related issues. The limitations have been taken into account for further analysis.

Table 11: Limitations of Data Collection

Issue	1st Round Interviews	2nd Round Interviews
Quality	• Very limited knowledge of the topic even though announced in advance • Respondents give textbook answers • Caution by respondents because of weak knowledge of company policy	• Respondents busy doing other things throughout phone interview decreasing the quality of the responses
Time & Scheduling	• Time constraints did not allow to go through the full questionnaire in every case	• Respondents not willing to participate in a second interview due to lack of time • Frequent rescheduling of interview due to other appointments
Organization & Accuracy	• Respondents did not agree to be recorded for personal interview despite prior confirmation • Non native speaker: concepts not fully understood	• Respondents transferred to subsidiaries in other countries (i.e. Brazil or Japan) • Respondents were laid off
Methodology	• Different levels of analysis • Problem of expert bias –overly "advanced" or "streamlined" views • Selected stakeholders rather limited due to political problems and economic dependencies (e.g. suppliers) • Danger of biased view on the part of the researcher due to prior research	

4   Findings

In this section, the findings of the empirical part of the study are discussed, using different lenses to a) analyze how the CSR-character of the different cases maybe interpreted by the individual companies, b) identify indications within the cases of a paradigm shift towards a broadening conceptualization of CSR in the postnational constellation, and c) point out commonalities across cases that might help understand overarching patterns. As described in the methodology section, a number of different quantitative and qualitative techniques are applied to describe the cases, provide supportive evidence and strengthen the analysis.

4.1   CSR-Character of BAT Switzerland

BAT Switzerland represents an "extreme case" (Eisenhardt, 1989b) since BAT has been deeply involved in what has been called "the dark ages of the tobacco industry" (Palazzo & Richter, 2005). The constant battle in the public opinion of the health impact of tobacco consumption over decades has trained the company to deal with substantial public pressure from governments, public health and civil society organizations. The public pressure continues today. As one interviewee put it: "In today's world we cannot open our newspaper where there is not at least one article about smoking" (Manager F, BAT Switzerland). The opportunity to participate in a number of internal and external events organized by BAT Switzerland, as well as its social reporting process including a stakeholder dialogue, revealed the complexity and paradoxes of CSR when public opinion changes. While interview partners were willing to become an object of this study and open to answer questions during the interview sessions, I also experienced many moments of hesitation and insecurity on how to shape an answer to a particular question. Some critics argue the company has built up enormous expertise in the area of corporate communication and public lobbying which has enabled it to withstand public pressure, regarding its ability to continuously produce outstanding financial results and return on investment. As a result, one might have to be particularly cautious on public statements and corporate language with regards to a tobacco company to distinguish what is being claimed from corporate practice. The particular dynamic of BAT Switzerland's CSR-character is analyzed below.

4.1.1   Identity Orientation

BAT Switzerland reveals a number of different traits with regards to the understanding of CSR that range from an individualistic, over a relational identity orientation, towards an

identity collectivistic orientation. Self-descriptions that point to an individualistic identity orientation include predominantly the themes of leadership and freedom: BAT Switzerland perceives itself as a leader with its CSR efforts, going new ways in order to become a benchmark for responsible behavior. The corporate culture is continuously being described as being open minded and characterized by a high level of trust in the individual and an emphasis on the freedom to act. Quotes for illustrating the themes identified can be found in Appendix D1, Table 25: Traits of Individualistic Identity Orientation in Self-Description at BAT Switzerland.

Definitions of CSR that point to an individualistic identity orientation are dominated by two topics: First, interviewees describe BAT Switzerland continuously as an organization which is trying hard to compensate the mistakes that have been made in the past when talking about tobacco. BAT Switzerland wants to keep its "license to operate" such as its right to advertise or "right to talk to its consumers" (Manager G, BAT Switzerland). The way in which products are marketed is seen as very important with regards to CSR and should be conducted in a conscientious way. The main theme refers to the duty to society at large and the willingness to react to societal expectations. BAT Switzerland wants "to understand what society expects from us" (Manager H, BAT Switzerland) in order to "show ownership of what we are doing" (Manager C, BAT Switzerland). BAT Switzerland also strives for improved corporate governance in order to avoid legal problems out of the concern for the sustainability of its business. Second, BAT Switzerland's self-interest with regard to its involvement in CSR lies in the objective of a sustainable business and the right to reach out to consumers. The long-term goal of the involvement in CSR at BAT Switzerland is to increase shareholder value. The underlying assumption is that "just being responsible…is a cliché" and that "responsibility as such is not an end in itself" (Manager C, BAT Switzerland) but serves to guarantee organizational survival and is thus in the best interest of shareholders. Consequently, BAT Switzerland argues for the integration of CSR into the core of its corporate strategy. The perception as a trustworthy, (financially) sustainable business is seen as stabilizing or even helping to drive the share price. The theme of "delivering shareholder value" appears to be relatively weak for a company listed on the stock exchange. This is understandable though since the Swiss subsidiary of BAT is itself not listed at the stock exchange. The theme is slightly varied by claiming that "without increasing your profits, you cannot have the means to be every day more responsible" (Manager C, BAT Switzerland), putting profits before responsibility.

Quotes for illustrating the themes identified can be found in Appendix D1, Table 26: Traits of Individualistic Identity Orientation at BAT Switzerland.

Stakeholder definitions that reveal traits of an individualistic identity orientation reduce stakeholders to those that "really have a stake" (Manager G, BAT Switzerland), i.e. who have a direct influence on the organization's survival. This includes shareholders, employees, customers, and consumers as ultimate goal of its operations. It is important to note that by most interviewees, shareholders were not mentioned as stakeholders, arguable since BAT Switzerland as a subsidiary is not publicly listed, as mentioned above. Quotes for illustrating the themes identified can be found in Appendix D1, Table 27: Traits of Individualistic Identity Orientation in Stakeholder Definitions at BAT Switzerland

Traits of a relational identity orientation are very present in the responses of the interviewees and an important theme in all of BAT Switzerland's activities. Definitions of CSR that point to a relational identity orientation are dominated by the three topics: First, BAT Switzerland wants to engage with its stakeholders in an appropriate way in order to be able to satisfy stakeholder expectations and thus behave in a responsible way. That includes listening, understanding, dialogue and "delivering on what you were told" (Manager C, BAT Switzerland). In the self-descriptions interviewees emphasize the value of responsiveness and mutual benefit and the character of a "looking for dialogue-company" (Manager F, BAT Switzerland). Second, BAT Switzerland claims to care for internal (employees) as well as for external stakeholders (such as farmers and even their families in the case of developing countries). Third, BAT Switzerland intends to take a position and defend the interests of those stakeholders that have a strong interest in the survival of the business such as business partners and consumers (as well as its own). Quotes for illustrating the themes identified can be found in Appendix D1, Table 28: Traits of Relational Identity Orientation in CSR Definitions at BAT Switzerland.

BAT Switzerland is increasingly focused on its relationships with its stakeholders defining them rather broadly. Stakeholder definitions that indicate a relational identity orientation refer to the mutual influence of the organization's and the stakeholder's behavior. This includes those who are "affected", "impacted", "touched" or "directly or indirectly concerned" by the company, and those who have an "interest" in or an "opinion" on the company. Stakeholders include a broad range of societal actors which have an impact or are impacted by BAT Switzerland, notably including "non-smokers". The reason is that BAT Switzerland be-

lieves in the "value of responsiveness, of honesty, of trustworthiness, of mutual benefit of responsibility towards our product, towards our consumers and towards civil society" (Manager E, BAT Switzerland). Quotes for illustrating the themes identified can be found in Appendix D1, Table 29: Traits of Relational Identity Orientation in Stakeholder Definitions at BAT Switzerland.

The reason for the strong presence of relational themes is that turning towards a more relational identity orientation has been identified as a potential solution to regain public trust. BAT Switzerland believes that it will have no future and lose its "license to operate" (Manager G, BAT Switzerland) if it does not "get to buy-in from the majority of our stakeholders" (Manager G, BAT Switzerland). For a long time the tobacco industry represented a "black box" (Manager F, BAT Switzerland) which was not only obscure and non-transparent but also systematically spoke "the half-truth" (Manager F, BAT Switzerland) or was even lying about the nature of the product it was selling. Scientific evidence was denied and/or distorted through counter-"evidence" (Palazzo & Richter, 2005). This led to a massive loss of trust and eventually to tremendous external pressure to engage in CSR. The changing environment made BAT as a whole realize that it had to change its defensive attitude towards the public and accept the scientific evidence if it wanted to remain a "sustainable business". BAT Switzerland states that today it has "changed 180 degrees" (Manager F, BAT Switzerland) towards a responsible attitude emphasizing the virtue of dialogue and responsiveness. As an interviewee remarks, the reason "why we went relatively quickly for the Swiss environment [towards engaging in CSR] is that it's clear we are operating in a very controversial business" (Manager F, BAT Switzerland).[20] Today, BAT Switzerland welcomes visitors on its website with the message that it wants to provide "all relevant information about us, our business and big issues in an industry that can be seen as controversial. We want to engage in an open dialogue and we welcome your views" (BAT Switzerland, 2007). The stakeholder dialogue at BAT Switzerland that took place during the period of the study appears to have resulted in an alteration of acknowledged stakeholders as the following statement indicates: "I experienced through the corporate responsibility project that I am working on, there might be some guys around that are stakeholders, see themselves as stakeholders and we have to accept them as stakeholders although they don't smoke our cigarettes they don't do business with us or they don't own shares or work for us" (Manager G, BAT Switzerland). Quotes for illustrating the

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[20] Switzerland is generally acknowledged in Europe as a conservative environment where changes occur slowly, and usually considerably later than in more progressive European countries.

themes identified can be found in Appendix D1, Table 30: Change of Identity Orientation at BAT Switzerland.

Even though BAT Switzerland has embraced the stakeholder concept in order to improve its chance for survival, the tobacco industry is facing a fundamental dilemma; the very existence of the tobacco industry continues to be in question due to the lethal and addictive nature of its products. As a tobacco company, BAT Switzerland is facing a situation where "no matter what we could do, we would … [not be perceived responsible], just because the product is controversial" (Manager C, BAT Switzerland). BAT Switzerland has thus acknowledged that it is operating in a controversial business where some stakeholders fight for "a world without tobacco" (Manager G, BAT Switzerland). While a considerable part of its stakeholders refuse to talk to a tobacco company, BAT Switzerland feels the urge to enter into dialogue "to retain its license to operate" (Manager G, BAT Switzerland). Quotes for illustrating the themes identified can be found in Appendix D1, Table 31: Controversy and Refusal at BAT Switzerland.

A number of statements hint to traits of a collectivistic identity orientation including the interpretation of CSR as a "cross-functional, cross-organizational, cross-societal dialogue" (Manager D, BAT Switzerland) and the willingness to give something back to society. Stakeholder definitions that point to a collectivistic identity orientation refer to society at large as the main stakeholder that first and foremost provides the socio-economic framework or economic activity. Interestingly, most statements that indicated a collectivistic identity orientation were retrieved from one single interview with one manager from a developing country. He had served there for a number of years and was well aware of not only the problems MNCs are facing in developing countries but also which responsibilities this potentially implies. In his eyes, a multinational can make a big impact by setting local standards in areas such as environmental protection or fair wages. Quotes for illustrating the themes identified can be found in Appendix D1, Table 32: Traits of Collectivistic Identity Orientation in CSR and Stakeholder Definitions at BAT Switzerland.

In summary, BAT Switzerland appears to be in a transition period from an individualistic to a relational identity orientation. In particular, the statements that indicate a relational identity orientation show a strong consistency. This may either indicate a high level of corporate alignment based on a strong embedment into the corporate culture or reflect a high preference on the corporate agenda aiming for a high level of corporate alignment by frequent

training. Arguably, at BAT Switzerland the adaption of a relational identity orientation is largely based on external pressure. The corporate culture seems to be changing, in particular since most interviewees had not been working at BAT Switzerland for a long time. However, BAT Switzerland continues to face serious challenges for truly becoming a company that cares for its stakeholders mainly because of the nature of its product. This will be discussed below in the discussion of the conative dimensions of its CSR–character.

Table 12: Salient Identity Orientation of BAT Switzerland in CSR and Stakeholder Definitions

Individualistic	Relational	Collectivistic

• Traits of organizational self-definition as individual organization
   o Motive of right to talk
   o Motive of CSR as organizational values
   o Motive of CSR as corporate governance
 • Traits of enlightened self-interest as basis for motivation for CSR
   o Make sustainable profits
   o Keep license to operate
   o Engage in responsible marketing
 • Traits of relationships based on instrumentality
   o Motive of influence on company
   o Shareholder & business partner as primary stakeholder
	• Traits of particular other's benefit as basis for motivation for CSR
	   o Motive of interest in & affected by
	   o Motive of defend business partners
	   o Motive of mutual influence
	   o Satisfy stakeholder expectations
	 • Traits of relationships based on dyadic concern and trust
	   o Stakeholder engagement
	   o Motive of care for stakeholders
	   o Wide range of stakeholders
		• Traits of greater collective's welfare as basis for motivation for CSR
		   o Motive of give back to society
		   o Motive of cross-societal dialogue
		 • Traits of relationships based on collective agenda
		   o Responsibility towards society

4.1.2 Legitimacy and Legitimation Strategies

BAT Switzerland is clearly focused on adapting to societal demands in order to regain public trust due to the dramatically decreasing support in Western societies for the tobacco industry in recent years. Legitimation strategies that aim at pragmatic legitimacy include four themes: First, CSR in the eyes of BAT Switzerland is clearly approached from a risk management perspective. In its concern for its reputation its objective is to change its "perception as just the bad guys" (Manager F, BAT Switzerland). The key consideration is "how is an activity perceived by an environment" (Manager F, BAT Switzerland) since it recognizes that an activity, even though legal, might "potentially harm the reputation of the business" (Manager F, BAT Switzerland). Second, BAT Switzerland claims that it wants to inform the consumer by putting health warnings on its packages "even in countries where it is not set by law" (Manager C, BAT Switzerland). Moreover, it discloses its ingredients on its website in three different languages in order to make consumers "aware that smoking is dangerous and poses certain risks for health" (Manager I, BAT Switzerland). Accepting scientific evidence, the disclosure is even seen as "moral obligation" (Manager I, BAT Switzerland). Third, BAT Switzerland wants to drive the agenda based on the feedback from its stakeholder dialogues

believing that "you have to get a voice, not as a brand but as a company" (Manager G, BAT Switzerland). It learned that part of its stakeholders want it to "play a more active role" (Manager G, BAT Switzerland) by being more visible and more vocal and sharing its view on critical issues as much as possible. Finally, one interviewee emphasized that one of BAT's major contributions to society as a whole are the government revenues it generates. He emphasized that BAT was able to establish credibility in developing countries by properly collecting and remitting taxes on time to the respective governments. Quotes for illustrating the themes identified can be found in Appendix D1, Table 33: Traits of Legitimation Strategies that aim for Pragmatic Legitimacy at BAT Switzerland.

Legitimation strategies that aim at cognitive legitimacy refer to four major themes. First, compliance with the law is imperative for BAT Switzerland since one should "look at tobacco as a sustainable business because it's still a legal product" (Manager G, BAT Switzerland). Moreover, with regards to changing legislations BAT Switzerland claims that it cannot be its primary goal to reduce litigation or to "try to take advantage of weak regulations in country A or country B" (Manager H, BAT Switzerland). Second, with regards to its internal corporate governance BAT Switzerland emphasizes the existence and strict application of its *codes of conduct* and other standards and principles (ranging from good corporate governance, business ethics, and mutual benefits to product stewardship). Their effectiveness is constantly improved by aligning employees through training, information sessions and sharing documents. The goal is "to embed corporate social responsibility in the company" (Manager E, BAT Switzerland). Third, BAT Switzerland argues for a number of self-regulations that are based on BAT's International Marketing Standards which represent a baseline that "raises the bar" and provide norms that are "not negotiable" (Manager C, BAT Switzerland) since "the reputation of BAT is the sum of all the reputations of our subsidiaries" (Manager H, BAT Switzerland). BAT continues to support the enactment of legal restrictions and the adoption of legislated or voluntary standards. "We work at all times within the framework of a country's laws – whatever those laws may be" (comment by BAT Switzerland) since "a global company should not be colonialistic" (Manager C, BAT Switzerland). Fourth, BAT Switzerland has a voluntary agreement with the Swiss National Manufacturers Association. It includes, amongst others, no advertising next to schools, and no selling to minors below age 18. To achieve that it actively informs trade partners of its own standards, and asks the point of sale (trading partners) to collaborate in the prevention of sale to youth by clearly communicating the legal minimum age for the sale of tobacco products. Moreover, at the time of the study, BAT Swit-

zerland was engaged in lobbying the federal government to establish stricter regulation with regards to selling to minors. The goal was a national law in order to stop the sale of tobacco products to minors and to clarify the legal situation throughout Switzerland. To underline its efforts BAT Switzerland seeks to educate its consumers (i.e. smokers) to consider the needs of non-smokers, as well as, how to keep the environment clean of cigarette stubs. Moreover, it wants to educate trade partners to respect its marketing standards.

Finally, BAT Switzerland has been striving to establish a genuine dialogue with the Swiss society through a structured *social reporting process*. Recognizing the societal change in Western countries, BAT started a process of organizational sensemaking in their headquarters which, subsequently, was taken up by the local subsidiaries. BAT initiated a number of stakeholder dialogues around the world in order to embed the principles of CSR within the whole company and its subsidiaries. This process had also reached BAT's Swiss subsidiary at the beginning of the case study in 2005. By then, the Swiss subsidiary entered its first stakeholder dialogue cycle. Accordingly, the interviewees overwhelmingly emphasized the importance of the social reporting process as a major strategy to regain legitimacy in the Swiss society.[21] The interviewees confirmed that by regularly meeting with a panel of stakeholders, BAT Switzerland wanted to listen to stakeholder concerns and expectations in order to improve mutual understanding. The institutionalized exchange of arguments was supposed to help exclude bias as much as possible to let the better argument prevail. In order to meet expectations, BAT Switzerland came back with proposals for action and commitments to be taken. Progress was tracked through regular communication with stakeholders in the form of a newsletter and through the second cycle of social report in 2007/2008.

The major points included a training session, four external stakeholder consultations at different geographic locations and a final public presentation of a social report. The social report process was preceded by a workshop focusing on an internal value discussion in order to understand how BAT Switzerland's employees understood the business principles. The internal dialogue on values took place at BAT Switzerland's headquarters and at a hotel. It included intensive discussions and workshops on how to deal with external stakeholders which were facilitated by an external consulting team. A representative of an internationally renowned social assurance organization was appointed to certify that the process followed the AA1000 standards for stakeholder dialogue. The stakeholder dialogue process with external

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[21] One of the consequences was that BAT Switzerland shows a relatively homogeneous picture with regards to responses of different interviewees and the information available on the local website.

stakeholders took place in conference rooms of hotels in two Swiss cities. Half a year later, the social report was launched in a wine bar in Geneva that was chosen for its interesting smoking policy. The social report commitments were presented during the second round of the stakeholder consultation process. After the final presentation of the results, a social report for 2005/6 was printed and published on the website. BAT Switzerland also produced, amongst others, a number of communication and "educational" materials that were supposed to educate consumers and customers on topics such as public smoking or youth prevention.

The social reporting process of BAT Switzerland may be interpreted as a case of *isomorphism* where it is intended to adopt legitimation strategies that have been proven successful in other industries under attack. However, a number of important stakeholders did not participate in the dialogue sessions throughout the social reporting process despite of being invited. For instance, many critics from activist organizations or the WHO refused to attend the official sessions even though having received an invitation by the independent foundation that was in charge of organizing the dialogue sessions. The reason was that they did not want to be compromised by participating in an event organized by BAT Switzerland even though it was held in neutral places and under the Chatham House rule.[22] Equally, the above mentioned nongovernmental stakeholders were not present. Governmental stakeholders were present at one of the sessions. The statement that "all expectations and comments on behalf of stakeholders were taken into consideration" (BAT Switzerland, 2008d), thus appears to be rather shallow even though the social reporting process was undertaken following international standards. Because of that, BAT Switzerland may be suspected by critics to be a company that "cynically revise[s] even their core mission statements in order to give off a false appearance of conformity to societal ideals" (Suchman, 1995: 588). Quotes for illustrating the themes identified can be found in Appendix D1, Table 34: Traits of Legitimation Strategies that aim for Cognitive Legitimacy at BAT Switzerland.

Legitimation strategies that aim at moral legitimacy are rather underrepresented and mainly refer to BAT's global activities but not to its Swiss subsidiary. Five themes prevail: (i) Interviewees underlined that BAT is committed to taking care of its whole supply chain. This includes the establishment of long term contracts with farmers, guaranteed prices, training and the offering of schooling to mitigate the risk of child labor. They not only want to assume responsibility "for the products we are selling" but also add "value to the society" (Manager F, BAT Switzerland) where they are operating by making sure that "suppliers act in a responsi-

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[22] http://www.chathamhouse.org.uk/about/chathamhouserule/

ble way" (Manager I, BAT Switzerland). However, BAT Switzerland is not directly involved in activities along the supply chain to increase the responsibility of its operations since this is belongs to the responsibilities of the global headquarters in the UK. (ii) At BAT, they believe that "corporate social responsibility (CSR) can help to demonstrate that businesses are sustainable and by being so they can contribute far more over time to governments' and nations' efforts to achieve less poverty, less environmental pollution and a better share of the earth's wealth and resources for everyone" (Payne, 2006: 286-287). As a consequence, BAT seeks partnerships with NGOs to address issues of mutual concern that impact sustainable development since NGOs "bring expert knowledge and skills to bear on issues and generate practical and measurable solutions" (Payne, 2006: 297). It is regarded as a cornerstone of its group-wide strategy. (iii) BATis running a number of environmental initiatives such as reforestation programs which raise the bar of local standards of environmental protection. Payne (2006) provides the example of a 5-year partnership with Earthwatch Europe, Fauna and Flora International, Royal Botanic Gardens, Kew, and the Tropical Biology Association on conservation and protection of biodiversity, including capacity building to better resolve related issues locally. In order to establish credibility, BAT ensured that the key concerns of integrity, accountability and effectiveness were taken care of by its NGO partners. Within this partnership, a number of regional programs were carried out in Africa, the Americas, Asia Pacific, and on a global scale, including policy and action plan development, capacity building of local governments, biodiversity research and species conservation. At the time of the study, BAT Switzerland had just started to consider an environmental program, starting with the redesign of ashtrays. (iv) BAT as a group is committed to respecting human rights wherever it operates. It is particularly proud "to be part of a unique alliance - the Elimination of Child Labour in Tobacco Growing (ECLT) Foundation" (Payne, 2006: 294) founded in 1999, with the International Tobacco Growers Association (ITGA) and the International Union of Food, Agricultural, Hotel, Catering, Tobacco and Allied Workers Associations (IUF). Admitting that "child labour is far from being a simple issue to deal with" (Payne, 2006: 294) BAT identifies poverty, often related to the spread of HIV/AIDS, as a major obstacle to the elimination of child labor in tobacco growing. The work of the foundation focuses on integrating prevention, protection, and rehabilitation of child laborers, and on the improvement of the communities' living conditions and labor standards. BAT also explicitly states that it has pulled out of countries with bad human rights records since it does not support repressive regimes. (v) BAT has been actively participating in alleviating the damage caused by the Tsunami of Dec. 26, 2004, by building houses, helping in distributing goods and making contributions to local govern-

ments. Quotes for illustrating the themes identified can be found in Appendix D1, Table 35: Traits of Legitimation Strategies that aim for Moral Legitimacy at BAT Switzerland.

In summary, salient legitimation strategies in the interviews that aim to gain pragmatic legitimacy include ensuring government revenues, managing reputation, informing consumers, and driving the CSR agenda. Themes that indicate legitimation strategies aiming to maintain or repair pragmatic legitimacy were not found. Salient legitimation strategies that aim at gaining cognitive legitimacy include lobbying for regulation, establishing a code of conduct and business principles, engaging in self-regulation, and educating consumers and trade partners. Themes that refer to legitimation strategies that aim to maintain cognitive legitimacy include compliance with national and local laws and the aligning of employee behavior through training. Legitimation strategies that aim to repair cognitive legitimacy include initiating a social-reporting process, the engagement in self-regulation, and the education of consumers and trade partners. Salient legitimation strategies that aim to gain moral legitimacy include the reference to its commitment to respecting human rights, to set standards in environmental initiatives, and to get involved in disaster relief. No themes for legitimation strategies that aim to maintain or repair moral legitimacy were found.

Table 13: Salient Legitimation Strategies at BAT Switzerland

Pragmatic	Cognitive	Moral

• Gain (fulfill basic societal expectations)
  o Manage reputation
  o Inform consumers
  o Drive agenda
  o Ensure government revenues
• Maintain
  o Not found
• Repair
  o Not found
	• Gain
	  o Lobby for regulation
	  o Establish a code of conduct & business principles
	• Maintain
	  o Aligning through training
	  o Comply with the law
	• Repair
	  o Engage in social reporting process
	  o Engage in self-regulation & Educate consumer and trade partner
		• Gain
		  o Respect human rights
		  o Set standards in environmental initiatives
		  o Disaster relief
		  o Take care of supply chain
		• Maintain
		  o Not found
		• Repair
		  o Not found

4.1.3 Posture as Reaction to Crisis

The prevailing posture of BAT Switzerland in crisis situations has been analyzed by looking at five accusations that the company has been facing in the past which partially continue to be raised today.

(i) How important were the developments such as the class actions in the US for the understanding of corporate responsibility?

(ii) You state on your website that "smoking must remain a choice made by well-informed adults". How do you guarantee that adults are well informed? Is this possible at all?

(iii)   This company has encouraged tobacco farmers to plant trees along with tobacco to avoid deforestation. However, this has been heavily criticized since these consist often of non-native, fast-growing eucalyptus and cypresses which adversely affect biodiversity and can lower the water table. What is your opinion on that accusation?

(iv)   In some developing countries such as Malawi a considerable amount of farm land is used for tobacco growing and tobacco export represents a major pillar of the national economy. How do you see the responsibility of this company towards those countries?

(v)   The debate on passive smoking has caused countries such as Ireland to completely ban smoking in public places. What is your opinion on that? Will this happen in Switzerland too?

During the interviews it became apparent that the most relevant topic to BAT Switzerland at the time of the study was the debate on Public Place Smoking (PPS), also called "second-hand smoking" or "passive smoking". Having become concerned with PPS, Swiss legislators led by the Swiss ministry for public health started a round of consultations in order to come up with stricter legislation that would allow for smoking bans in public locations to protect employee health (Euromonitor, 2008). One interviewee expressed his feelings in very emotional words: "I would say that the health department here really…put the whole issue in the middle of our face" (Manager A, BAT Switzerland). The consultation process (which also includes the debate on higher taxation) was to be finished in late 2007 and 2008 as Euromonitor (2008) reports. So far, only the Swiss cantons of Ticino and Solothurn have introduced smoking bans in public places. Thirteen more cantons are in the process of implementing smoking restrictions. A federal law has been adopted in October 2008.

Some interviewees differed form the official position of BAT Switzerland with regards to a ban of public smoking as a form of prevention. BAT Switzerland is in favor of such a ban as stated on its website: www.bat.ch. Its official position is that adequate areas which are separated and ventilated should be provided for smokers. However, some interviewees argued that (i) the individual freedom of where and when to smoke might be in danger since smoking will be reduced to few places outside the home of an average smoker, (ii) discrimination of smokers through a segregation from non-smokers could not be a solution, (iii) enabling consumers to make a conscious choice should be sufficient for prevention and that (iv) a ban does not prevent smoking. Quotes for illustrating the themes identified can be found in Appendix D1, Table 36: Defensive Posture in Debate on PPS at BAT Switzerland.

Traits of a tentative posture towards a ban of smoking in public places include themes that refer to three topics: First, BAT Switzerland encourages dialogue between smokers and non smokers to find solutions that are convenient to both populations that avoids the segregation of smokers from non-smokers. BAT Switzerland argues for a form of peaceful coexistence. That includes solutions for accommodations in bars, restaurants, clubs, and public places such as airports. The underlying argument is that it is wrong to assume that "because you are a non-smoker, by definition, you disagree to be exposed to other people's smoke" (Manager C, BAT Switzerland). Second, BAT Switzerland is in favor of sensible regulation but in the "least intrusive" way (Manager H, BAT Switzerland). According to one interviewee, this means that legislation should be the least restrictive possible, in particular since "the market will find a solution by its own in the long run" (Manager A, BAT Switzerland). Third, BAT produced "communications" (Manager, BAT Switzerland) whose purpose is to foster dialogue between smokers and non-smokers and raise awareness about mutual respect. It reminds of elementary rules of conduct that smokers should adopt when smoking in public places in the form of a courtesy code. Quotes for illustrating the themes identified can be found in Appendix D1, Table 37: Tentative Posture in Debate on PPS at BAT Switzerland.

Traits of an open posture towards a ban of smoking in public places include themes that refer to two major topics: First, BAT Switzerland favors harmonized regulations for smoking in public place on a national level. This seems to have at least one advantage: strict regulations allow a stable business environment. Stakeholder dialogues and the public debate in general are costly and resource consuming. It is thus open to discuss any kind of regulation. Second, BAT Switzerland is against exposing non-smokers to smoke "without their consent" (Manager C, BAT Switzerland). Quotes for illustrating the themes identified can be found in Appendix D1, Table 38: Open Posture in Debate on PPS at BAT Switzerland.

BAT Switzerland's position on PPS was clearly manifested during the social reporting process. Stakeholder expectations that resulted from the dialogue session were clustered by BAT Switzerland (2008d) into six topics:

Table 14: Extract of Commitments adopted by BAT Switzerland in the 2005/6 Social Report

	Topic	Detail
1.	Public Place Smoking	Our stakeholders asked us to communicate and clarify our position on public place smoking in Switzerland and to develop possible solutions to accommodate non-smokers and smokers in public venues.
2.	Corporate communication	Our stakeholders greatly emphasized the need for more communication on our part, on both topics of public interest (such as public place smoking, marketing restrictions) and on our activities.

3.	Youth Smok-ing Prevention (YSP)	Stakeholders felt that BAT Switzerland had a role to play in retail access and that we should support initiatives to limit access to tobacco products for under-age people. We were asked not to target under-age people in our advertising. It was also brought to our attention that BAT Switzerland should become involved in prevention activities and should fund activities for minors with the aim of preventing under-age smoking.
4.	Working envi-ronment	During the Boncourt dialogue sessions, BAT Switzerland was asked to improve the plan-ning of work shifts in the factory so that employees could participate more actively in community life. Moreover, certain stakeholders asked BAT Switzerland to involve trade unions more pro-actively and create an industry-wide collective agreement.
5.	Supplier Rela-tions	The need for better planning and more information for our local suppliers were high-lighted during the dialogue sessions. Stakeholders wanted to know if BAT Switzerland had plans to delocalize production and if its intention was to continue to work with local suppliers.
6.	Consumer In-formation	Stakeholders asked for more information on our products, both on innovative products but also on the ingredients we use within our products. Stakeholders felt that further informa-tion on our Research & Development was needed, [and] required information about what we were doing in terms of harm reduction.

In its official response to the stakeholder expectations BAT Switzerland has been con-centrating its efforts in the PPS debate by offering a number of improvements. As a solution BAT Switzerland (2008d) proposes on its website to (i) "provide separate smoking and non-smoking areas and ventilation to reduce involuntary exposure to second-hand smoke", (ii) "in-stall air filtration systems which might make a room more comfortable by improving the air quality", (iii) "offer a relatively inexpensive alternative where built-in fresh air ventilation systems are less feasible, perhaps because of the size and complexity of a building", and (iv) "make an effort to influence and encourage hospitality venue owners within our network to be respectful and provide the relevant ventilation and facilities to ensure harmony between the two groups". As mentioned by the interviewees, BAT Switzerland was also working on solu-tions for the other concerns mentioned at the time of the study.

4.1.4 Justifications

The variety of justifications in the case of BAT Switzerland provided a rich picture. The reason is that, as a tobacco company, it is facing the fundamental dilemma of the addic-tive and lethal nature of its product. The tobacco industry has developed its own argumenta-tion to deal with this dilemma. Questioning the assumption that "you produce something which is unhealthy: you are not responsible" as "too easy" it is concluded that this argument fails because "if by definition my product is a harmful one: [then there is] no need for [us] to be responsible" (Manager C, BAT Switzerland). While this logic fails since a normative claim is derived from an empirical argument, it illustrates the dilemma that a tobacco company cannot be perceived as responsible in the classical way. BAT Switzerland thus defines its responsibil-ity procedurally, separating the nature of the product from the way it operates: "The way we

measure responsibility has nothing to do with the nature of the product we are producing" (Manager C, BAT Switzerland). As one interviewee argues there is a belief that by sticking to "more objective criteria in terms of working condition, the way we interact with suppliers, with partners, with authorities and the consumer" BAT Switzerland can be a responsible company since "every single legal business can be responsible" (Manager C, BAT Switzerland). Not to acknowledge this logic "would be extremely dangerous for our society at large" since "without any accountability that would be extremely dangerous and irresponsible" (Manager C, BAT Switzerland), thereby replacing generic responsibility by legal accountability. This purely procedural view is obviously highly problematic. For instance, in the case of the weapon industry one could argue that an "irresponsible product" (since it aims to kill) serves for securing a higher public good: the security of a person, community or country. In the case of tobacco, the highest good to be achieved is personal pleasure and satisfaction, which was also acknowledged by one interviewee: "Calling ourselves responsible when we are still marketing products that are risky to health has a slight contradiction within it. I believe, our efforts should be focused on developing products that are not risky to health. And that is the true essence of responsibility for me because until we can't address that concern, I find it difficult to call us truly responsible whereas ultimately we are marketing products that are risky to health" (Manager B, BAT Switzerland). This quote clearly indicates the dichotomy of the argumentation of a tobacco company faced with the deathly nature of its product. In their eyes, credibility of a tobacco company can thus only be reestablished "by telling the truth, by being honest, by being transparent. These would be the key words. If you have bad news to tell you have to tell the bad news. If you have good news to tell, you have to share them equally. This is the only way to be credible" (Manager C, BAT Switzerland). Generally, it is regretted that most critics, however, only consider the errors of the past while the efforts and the radical turn towards openness and transparency go without notice: "I am challenging here any anti-tobacco activists, who criticize us…and refusing to see the improvement we make is a choice. I do respect that choice. But I mean that other people, over time, will see that we changed and that we are even more open than in the past and even more ready to take into account all the people's and all the stakeholders' expectations" (Manager C, BAT Switzerland). Thus, while tobacco companies are no longer trying to convince society that their product is not problematic, BAT Switzerland today claims that its marketing strategies have no impact on consumption. According to BAT Switzerland, it has solely an influence on brand choice since only "unilateral non-scientific based prevention messages have a real impact on consumption" (Manager C, BAT Switzerland). This is a crucial statement for its policies because it exempts

the company from taking part in the discourse on tobacco consumption which would be damageable for its business. This would allow BAT Switzerland to only concentrate on "business as usual" in terms of better marketing with respect to image, product, taste, or packaging (respecting its marketing codes and self-regulating) in order to take over practicing smokers from its competitors.

The official corporate position (and thus guiding for its strategy and policy development), however, is as follows: "(i) We acknowledge prevention objectives and the consumption decline derives from it. (ii) Advertisement is meant to attract adult smokers from competition. (iii) The decline rate in consumption is not higher in countries were advertisement has been long banned if not the opposite (see e.g. Italy or former USSR). (iv) The way we advertise takes into account prevention objectives and does not target under age people" (comment by BAT Switzerland). BAT Switzerland believes that influencing "non-smokers to start smoking… is just not acceptable" (Manager C, BAT Switzerland). BAT Switzerland's strategy is thus to convert the consumers of competitors' products into consumers of its own. They state (see also above) that "in absolutely no case they want to encourage people to start smoking" (comment by BAT Switzerland).

The question remains how BAT Switzerland's plans to maintain or increase its consumer base to stay profitable. It is hard to see how this argument may not be interpreted as hypocrisy. In addition to that, BAT Switzerland continues the long tradition in the tobacco industry of using euphemisms to describe its practices. The most frequently used in the interviews include the reference to "adult's choice" (addiction as freedom), "talk to the consumer" (marketing, advertisement), "talk to the government" and "drive the agenda" (lobbying), and "defend stakeholders" (protect industry interests).

The way BAT Switzerland positions itself with regards to responsible behavior in an event of crisis can be illustrated with the debate on PPS. The reaction of BAT Switzerland to the debate is clear: "A few countries have adopted strong measures, banning all indoor smoking at work and in public places. We believe these go too far" (BAT, 2008; BAT Switzerland, 2008a). The argumentation is an ethical one: "There are ways to reduce the smoke but not banish smokers – and not leave people who smoke feeling discriminated against." The notion of discrimination is a powerful one which raises associations to gender issues or the struggle of the black minority in the United States. However, it fails since the smokers are not discriminated against in the classical sense of the word. The emotional formulation of "feeling

discriminated" indicates that BAT Switzerland is well aware that this is not a rational argument. Health is not a prejudice but a serious human concern. Thus, the only ground on which this argument of discrimination holds is that there is no scientific evidence that environmental tobacco smoke (ETS) is potentially dangerous for non-smokers.

In its communication, BAT Switzerland is concerned with the well-being of non-smokers: "We know many people don't want to breathe second-hand smoke, dislike the smell of tobacco smoke and avoid smoky places. That's why we support restrictions on smoking in indoor public places including offices, restaurants and bars" (BAT Switzerland, 2008b). These restrictions include initiatives on separate smoking and non-smoking areas and technical solutions such as ventilation and the use of air filtration systems that are supposed to "make a room more comfortable" (BAT Switzerland, 2008b) and be a less expensive alternative to separate smoking areas. There is no word about the scientific debate and the potential health effects. The reason is simple as one interviewee states:

"I would never enter into some kind of scientific argument on whether smoking is harmful for your health or not. If you are smoking, it is potentially harmful, but I think that most or all consumers are aware of that anyway. If you then ask for scientific evidence on passive smoking for example I would never enter that discussion. Because there are some guys that have scientific evidence that it is [confirmatory]…, we have some scientific evidence that it is not [confirmatory]…, but nobody will believe in a tobacco company saying that anyway. So I would simply boil that down to the question, does it bother anybody? If there's a non-smoker in the room and he feels bothered by other people smoking, we have to find a solution for that. Whether it poses a health risk for him or not, or just bothers him, doesn't make a difference to me" (Manager F, BAT Switzerland).

BAT Switzerland (2008c) does enter the scientific debate though. It states on its website that "the World Health Organisation, the United States Surgeon General and other public health bodies have concluded that exposure to ETS, sometimes called 'second-hand smoke', is a cause of various serious diseases, including lung cancer, heart disease and respiratory illnesses in children. It concludes that there is no known safe level of ETS exposure and hence advises that public health policy would be best served by bans on public smoking". On the website, it follows BAT Switzerland's view on scientific evidence in which it questions the relevance of these studies since the majority of the studies find rather weak associations. According to BAT Switzerland, the reason could be that "perhaps… many studies do not reach statistical significance" (BAT Switzerland, 2008c). If it was not such a classical strategy of tobacco companies to disprove scientific evidence (Palazzo & Richter, 2005) one could be inclined to understand their concerns of scientists to discredit their product and its effects. However, in the light of its history of "junk science", one is rather reminded of the climate change debate where lobbyists from energy and emission intensive industries tried to discredit scientific evidence by massively supporting counter-studies to avoid stricter legislation (Ward,

2006). Yet, acknowledging that "studies suggest that ETS can increase risks of respiratory ill-nesses in children and can affect people with pre-existing conditions such as asthma", BAT Switzerland (2008c) officially supports "restrictions on smoking in indoor public places in-cluding offices, restaurants and bars". The lengthy explanation of scientific measures that comes before this statement somewhat suggests that the goal here is to lobby for modest legis-lation as one interviewee confirmed: "The core question is how restrictive of a legislation do you have to apply in order to accommodate both smokers and non-smokers" (Manager H, BAT Switzerland). BAT Switzerland (2008c) concludes to approach regulation in a way that "accommodates the interests of both non-smokers and smokers and limits non-smokers' in-voluntary exposure to ETS". It prefers "practical initiatives such as the creation of smoke-free areas, combined with adequate provision for smokers."

A second, arguably even more fundamental, argument which is closely related to the argument of discrimination is that on individual freedom. In order to uphold the ideal of the freedom of choice, BAT Switzerland argues for allowing adults to make a "conscious choice" for or against smoking. The individual should be able to determine if he or she wants to face the health risks or not. The question on how to deal with the freedom of choice of individuals with regards to tobacco products is a deeply ethical question and may be best answered by looking at the assumptions. Freedom of choice is based on the assumption that actors make rational decisions confronted with the evidence of the lethal and addictive nature of the prod-uct. This is not necessarily the case as the literature on "bounded rationality" suggests (see e.g. Kahneman, 2003; Simon, 1955 ; Simon, 1991). Moreover, as one interviewee argued: "what really concerns me is the freedom question, because what kind of society is that where you cannot smoke any longer, where you cannot drink alcohol any longer, where you cannot eat chocolate any longer?" (Manager G, BAT Switzerland). The question of freedom is also underlined with regards to smoking regulations which are becoming more and more present in the daily life of consumers. Not only is smoking restricted at the work place, and in public places such as the trains or educational institutions, but also increasingly in restaurants, bars and clubs. Consequently, the freedom to smoke is substantially limited. The latter argument against regulation of smoking has also a strong economic component, referring to the decreas-ing time that is available for consumption, potentially driving sales down. However, since it is clearly acknowledged that cigarette consumption has been steadily decreasing in Western Europe for the last 20 years and potentially will continue to do so, the emphasis is on the ap-parently decreasing freedom that consumers of tobacco products enjoy.

4.1.5   Dominating Dimensions

4.1.5.1 Identity Orientation

Traits of an individualistic and a relational identity orientation were found in all 13 interviews of the BAT Switzerland set. Traits of a collectivistic identity orientation were present in 9 interviews, among them 5 in the first round and 4 in the second round of interviews (whereby 1 interviewee showed traits in both interview rounds). 188 words, themes, phrases, or passages were coded as individualistic identity orientation (Total Mean = 14.46; SD = 7.389), among them 108 codes for the first round of interviews (Mean = 12.00; SD = 6.245) and 80 for the second round (Mean = 20.00; SD = 7.439). 313 codes were assigned for a relational identity orientation (Total Mean = 24.08; SD = 9.725), among them 184 for the first round of interviews (Mean = 20.44; SD = 9.221) and 129 for the second round of interviews (Mean = 32.25; SD = 4.787). A collectivistic identity orientation was chosen for 13 codes in the first round of interviews (Mean = 1.44; SD = 2.007) and 5 in the second round (Mean = 1.25; SD = .500), totaling 18 codes (Total Mean = 1.38; SD = 1.660).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
individualistic	1	9	12.00	6.245	2.082
	2	4	20.00	7.439	3.719
	Total	13	14.46	7.389	2.049
relational	1	9	20.44	9.221	3.074
	2	4	32.25	4.787	2.394
	Total	13	24.08	9.725	2.697
collectivistic	1	9	1.44	2.007	.669
	2	4	1.25	.500	.250
	Total	13	1.38	1.660	.460

An ANOVA for the first round revealed that identity orientation code frequency means (and standard deviations) differed significantly for the first round (F = 19.107, p < .05). A Scheffé post hoc test was conducted to avoid spurious correlations. It confirmed that the differences for all pair wise comparisons were highly significant (p < .05). Code frequencies for a relational identity orientation were significantly higher than for an individualistic and a collectivistic one, respectively. Code frequencies for an individualistic identity orientation were significantly higher than for a collectivistic one.

ANOVA

Code Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1631.185	2	815.593	19.107	.000
Within Groups	1024.444	24	42.685		
Total	2655.630	26			

A $\chi 2$ analysis of the difference between individualistic/relational/collectivistic code frequencies for BAT Switzerland for the first round was significant ($\chi 2$ (1, N = 305) = 144.40, p < .05). The null hypothesis of an equal distribution of identity orientations in the first round of interviews was rejected. For further analysis 6 subtests were conducted (Bonferroni correction[23]: α = .05/6 = .008333; $\chi 2$ = 6.9604015). There was also significance found for the difference between individualistic/relational frequencies[24] ($\chi 2$ (1, N = 292) = 19.78, p < .008), the difference between individualistic/collectivistic frequencies ($\chi 2$ (1, N = 121) = 74.59, p < .008), the difference between relational/collectivistic frequencies ($\chi 2$ (1, N = 197) = 148.43, p < .008), the difference between individualistic vs. relational/collectivistic frequencies ($\chi 2$ (1, N = 305) = 25.97, p < .008), the difference between relational vs. individualistic/collectivistic frequencies ($\chi 2$ (1, N = 305) = 13.01, p < .008), and the difference between collectivistic vs. individualistic/relational frequencies ($\chi 2$ (1, N = 305) = 255.22, p < .008). This implies that the dominance of a relational identity orientation was not only significant in comparison with any other but also when comparing them with the two others combined.

Subtest			Code Frequencies			N	$\chi 2$	Critical Value	α	df	Significant
individualistic	<	relational	108	<	184	292	19.78	6.96	0.008	1	yes
individualistic	>	collectivistic	108	>	13	121	74.59	6.96	0.008	1	yes
relational	>	collectivistic	184	>	13	197	148.43	6.96	0.008	1	yes
individualistic	<	rel+col	108	<	197	305	25.97	6.96	0.008	1	yes
relational	>	ind+col	184	>	121	305	13.01	6.96	0.008	1	yes
collectivistic	<	ind+rel	13	<	292	305	255.22	6.96	0.008	1	yes

The coded references for an individualistic identity orientation related to 5902 words (36.47% of total words coded as identity orientation; Total Mean = 454.00; SD = 273.674), among them 3260 in the first round of interviews (20.14%; Mean = 362.22; SD = 248.006) and 2642 words (16.32%; Mean = 660.50; SD = 231.180) in the second round of interviews. 9087 words (56.14%; Total Mean = 699.00; SD = 282.053) were coded as indicating a relational identity orientation, among them 5453 words (33.69%; Mean = 605.89; SD = 290.609) in the first round of interviews and 3634 words (22.45%; Mean = 908.50; SD = 92.067) in the second round. 909 words (5.62%; Mean = 101.00; SD = 179.762) were coded as collectivistic

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[23] The Bonferroni correction is calculated to avoid an α-inflation by adding subtests to the original $\chi 2$ analysis.
[24] If not otherwise explicitly mentioned "frequencies" refer to code frequencies.

identity orientation in the first round of interviews and 287 words (1.77%; Mean = 71.75; SD = 95.605) in the second round, totaling 1196 words (7.39%; Total Mean = 92.00; SD = 155.002).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
individualist	1	9	362.22	248.006	82.669
	2	4	660.50	231.180	115.590
	Total	13	454.00	273.674	75.903
relational	1	9	605.89	290.609	96.870
	2	4	908.50	92.067	46.034
	Total	13	699.00	282.053	78.227
collectivistic	1	9	101.00	179.762	59.921
	2	4	71.75	95.605	47.802
	Total	13	92.00	155.002	42.990

An ANOVA for the first round showed that identity orientation word frequency means (and standard deviations) differed significantly for the first round (F = 9.656, p > .05). A Scheffé post hoc test was conducted to avoid spurious correlations. It revealed that only relational code frequency means where significantly higher than collectivistic ones (p < .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1147569.852	2	573784.926	9.656	.001
Within Groups	1426202.444	24	59425.102		
Total	2573772.296	26			

A χ^2 analysis of the difference between individualistic/relational/collectivistic code frequencies for HP across the first and the second round was not significant (χ^2 (2, N = 566) = .40, p > .05) confirming the null hypothesis of an equal distribution of identity orientations across the two rounds. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ^2 = 6.9604015). There was also no significance found for any of the subtests.

Subtest			Code Frequencies (aggregated)			N	χ^2	Critical Value	α	df	Significant
individualistic	<	relational	176	<	328	504	0.02	6.96	0.008	1	no
individualistic	>	collectivistic	176	>	62	238	0.26	6.96	0.008	1	no
relational	>	collectivistic	328	>	62	390	0.40	6.96	0.008	1	no
individualistic	<	rel+col	176	<	390	566	0.00	6.96	0.008	1	no
relational	>	ind+col	328	>	238	566	0.14	6.96	0.008	1	no
collectivistic	<	ind+rel	62	<	504	566	0.38	6.96	0.008	1	no

The descriptive statistics as well as the χ2 analysis of the first round of both code and word frequencies seem to indicate a dominating relational identity orientation. However, there appears to be a very strong individualistic identity orientation as well. Traits of a collectivistic identity orientation seem to be rather weak. This might be interpreted as a shift towards a more relational identity orientation while the cognitive mind map is still very much character-ized by an individualistic identity orientation. The χ2 analysis of the two rounds confirms that this holds for both the first and the second round of interviews.

4.1.5.2 Legitimacy and Legitimation Strategies

Traits of legitimation strategies relating to pragmatic and cognitive legitimacy were found in all 13 interviews of the BAT Switzerland set. Traits of legitimation strategies relating to moral legitimacy were present in 10 interviews, among them 6 in the first round and 4 in the second round of interviews (whereby 3 interviewees showed traits in both interview rounds). 81 words, themes, phrases, or passages were coded as legitimation strategies aiming for pragmatic legitimacy (Total Mean = 6.23; SD = 4.781), among them 39 codes for the first round of interviews (Mean = 4.33; SD = 2.449) and 42 for the second round (Mean = 10.50; SD = 6.351). 86 codes were assigned for legitimation strategies relating to cognitive legiti-macy (Total Mean = 8.31; SD = 6.408), among them 44 for the first round of interviews (Mean = 5.44; SD = 3.046) and 42 for the second round of interviews (Mean = 14.75; SD = 7.719). Legitimation strategies relating to pragmatic legitimacy were coded in 27 cases in the first round (Mean = 4.31; SD = 3.881) and 29 cases in the second round (Mean = 3.00; SD = 3.279), totaling 56 codes (Total Mean = 7.25; SD = 3.862).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
pragmatic	1	9	4.33	2.449	.816
	2	4	10.50	6.351	3.175
	Total	13	6.23	4.781	1.326
cognitive	1	9	5.44	3.046	1.015
	2	4	14.75	7.719	3.860
	Total	13	8.31	6.408	1.777
moral	1	9	3.00	3.279	1.093
	2	4	7.25	3.862	1.931
	Total	13	4.31	3.881	1.076

An ANOVA for the first round showed that identity orientation code frequency means (and standard deviations) did not differ significantly for the first round (F = 1.554, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	26.963	2	13.481	1.554	.232
Within Groups	208.222	24	8.676		
Total	235.185	26			

A χ2 analysis of the difference between pragmatic/cognitive/moral code frequencies for BAT Switzerland across the first round was significant (χ2 (1, N = 115) = 6.33, p < .05). The null hypothesis of an equal distribution of legitimation strategies in the first round of interviews was rejected. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ2 = 6.9604015). Significance was also found for the difference between pragmatic vs. cognitive/moral frequencies (χ2 (1, N = 115) = 11.90, p < .008), and the difference between moral vs. pragmatic/cognitive frequencies (χ2 (1, N = 115) = 32.36, p < .008). There was no significance found for the difference between pragmatic/cognitive frequencies (χ2 (1, N = 88) = 1.14, p > .008), for the difference between cognitive/moral frequencies (χ2 (1, N = 88) = 6.37, p > .008), the difference between pragmatic/moral frequencies (χ2 (1, N = 66) = 2.18, p > .008), and the difference between cognitive vs. pragmatic/moral frequencies (χ2 (1, N = 115) = 2.51, p > .008). The χ2 analysis for the first round did not result in any clear indication. However, in combination with any of the other two legitimation strategies, legitimation strategies aiming for cognitive legitimacy dominated. The slight dominance of strategies aiming for cognitive legitimacy is supported by the confirmation of the null hypothesis of an equal distribution of legitimation strategies aiming for cognitive legitimacy compared with those aiming for pragmatic and moral legitimacy combined.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
pragmatic	<	cognitive	39	<	49	88	1.14	6.96	0.008	1	no
pragmatic	>	moral	39	>	27	66	2.18	6.96	0.008	1	no
cognitive	>	moral	49	>	27	76	6.37	6.96	0.008	1	no
pragmatic	<	cog+mor	39	<	76	115	11.90	6.96	0.008	1	yes
cognitive	<	pra+mor	49	<	66	115	2.51	6.96	0.008	1	no
moral	<	pra+cog	27	<	88	115	32.36	6.96	0.008	1	yes

The coded references for legitimation strategies aiming for pragmatic legitimacy amounted to 3933 words (36.47% of total words coded as legitimation strategies; Total Mean = 302.54; SD = 211.916), among them 2016 words (22.37%; Mean = 224.00; SD = 145.208) in the first round of interviews and 1917 words (21.27%; Mean = 479.25; SD = 251.525) in the second round of interviews. 3695 words (41.01%; Total Mean = 284.23; SD = 217.489) were coded as indicating a legitimation strategy aiming for cognitive legitimacy, among them

1792 words (19.89%; Mean = 199.11; SD = 135.086) in the first round of interviews and 1903 words (21.12%; Mean = 475.75; SD = 264.389) in the second round. 676 words (7.50%; Total Mean = 75.11; SD = 93.620) were coded as legitimation strategies aiming for moral legitimacy in the first round of interviews and 707 words (7.85%; Mean = 176.75; SD = 97.920) in the second round, totaling 1383 words (15.35%; Total Mean = 106.38; SD = 103.073).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
pragmatic	1	9	224.00	145.208	48.403
	2	4	479.25	251.525	125.763
	Total	13	302.54	211.916	58.775
cognitive	1	9	199.11	135.086	45.029
	2	4	475.75	264.389	132.195
	Total	13	284.23	217.489	60.321
moral	1	9	75.11	93.620	31.207
	2	4	176.75	97.920	48.960
	Total	13	106.38	103.073	28.587

Words coded as relating to legitimation strategies aiming for pragmatic legitimacy were most present, closely followed by those aiming for cognitive legitimacy. An ANOVA for the first round showed that legitimation strategy word frequency means (and standard deviations) differed significantly for the first round (F = 3.571, p < .05). A Scheffé post hoc test indicated however that no difference in pair wise comparisons was significant (p < .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	114490.074	2	57245.037	3.571	.044
Within Groups	384783.778	24	16032.657		
Total	499273.852	26			

A χ^2 analysis of the difference between pragmatic/cognitive/moral code frequencies for BAT Switzerland across the first and the second round was not significant (χ^2 (2, N = 245) = .19, p > .05). For further analysis, 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ^2 = 6.9604015). There was also no significance found for the difference between pragmatic/cognitive frequencies (χ^2 (1, N = 189) = . 14, p > .008), the difference between pragmatic/moral frequencies (χ^2 (1, N = 137) = .00, p > .008), the difference between cognitive/moral frequencies (χ^2 (1, N = 164) = .12, p > .008), the difference between pragmatic vs. cognitive/moral frequencies (χ^2 (1, N = 245) = .07, p > .008), the difference between cognitive vs. pragmatic/moral frequencies (χ^2 (1, N = 245) = .19, p > .008), and the difference

between moral vs. pragmatic/cognitive frequencies ($\chi2$ (1, N = 245) = .05, p > .008). The null hypothesis of an equal distribution of legitimation strategies was confirmed in all cases.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
pragmatic	<	cognitive	81	<	108	189	0.14	6.96	0.008	1	no
pragmatic	>	moral	81	>	56	137	0.00	6.96	0.008	1	no
cognitive	>	moral	108	>	56	164	0.12	6.96	0.008	1	no
pragmatic	<	cog+mor	81	<	164	245	0.07	6.96	0.008	1	no
cognitive	<	pra+mor	108	<	137	245	0.19	6.96	0.008	1	no
moral	<	pra+cog	56	<	189	245	0.05	6.96	0.008	1	no

The descriptive statistics indicate that legitimation strategies aiming for cognitive legitimacy dominate while the $\chi2$ analysis of the first rounds did not provide any clear indications. The descriptive statistics of the word frequencies did not show any clear results either. Traits of a legitimation strategy providing moral legitimacy appear to be rather weak. The $\chi2$ analysis of the different rounds confirms that this holds for both the first and the second round of interviews.

4.1.5.3 Posture

Traits of tentative and open posture were found in all 13 interviews of the BAT Switzerland set. Traits of a defensive posture were present in 12 interviews, among them 8 in the first round and 4 in the second round of interviews (whereby 4 interviewees showed traits in both interview rounds). 68 words, themes, phrases, or passages were coded as defensive posture (Total Mean = 5.23; SD = 3.563), among them 31 codes for the first round of interviews (Mean = 3.44; SD = 2.242) and 37 for the second round (Mean = 9.25; SD = 2.500). 57 codes were assigned for a tentative posture (Total Mean = 6.31; SD = 4.211), among them 25 for the first round of interviews (Mean = 5.22; SD = 2.333) and 32 for the second round of interviews (Mean = 8.75; SD = 6.702). An open posture was chosen for 47 codes in the first round of interviews (Mean = 2.78; SD = .833) and 35 in the second round (Mean = 8.00; SD = 6.377), totaling 82 codes (Total Mean = 4.38; SD = 4.114).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
defensive	1	9	3.44	2.242	.747
	2	4	9.25	2.500	1.250
	Total	13	5.23	3.563	.988
open	1	9	5.22	2.333	.778
	2	4	8.75	6.702	3.351
	Total	13	6.31	4.211	1.168
tentative	1	9	2.78	.833	.278
	2	4	8.00	6.377	3.189
	Total	13	4.38	4.114	1.141

The mean score for an open posture was highest. An ANOVA for the first round showed that posture code frequency means (and standard deviations) differed significantly for the first round (F = 3.861, p < .05). A Scheffé post hoc test revealed that only code frequencies for an open posture were significantly higher than those of a tentative posture (p < .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	28.741	2	14.370	3.861	.035
Within Groups	89.333	24	3.722		
Total	118.074	26			

A $\chi2$ analysis of the difference between defensive/tentative/open code frequencies for BAT Switzerland across the first round was significant ($\chi2$ (1, N = 103) = 7.53, p < .05). The null hypothesis of an equal distribution of postures across the first interview round was rejected. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; $\chi2$ = 6.9604015). There was also significance found for the difference between defensive vs. tentative/open frequencies ($\chi2$ (1, N = 103) = 16.32, p < .008), and the difference between tentative vs. defensive/open frequencies ($\chi2$ (1, N = 103) = 27.27, p < .008). No significance was found for the difference between tentative/open frequencies ($\chi2$ (1, N = 72) = 6.72, p > .008), the difference between defensive/open frequencies ($\chi2$ (1, N = 78) = 3.28, p > .008), for the difference between defensive/tentative frequencies ($\chi2$ (1, N = 56) = .64, p > .008), and the difference between open vs. defensive/tentative frequencies ($\chi2$ (1, N = 103) = .79, p > .008). The $\chi2$ analysis for the first round did not provide any clear indication for a dominating posture. However, the fact that the null hypothesis of an equal distribution of postures was confirmed for the difference between open vs. defensive/tentative frequencies suggests that an open posture is as present as a tentative and a defensive posture combined.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
defensive	<	open	31	<	47	78	3.28	6.96	0.008	1	no
defensive	>	tentative	31	>	25	56	0.64	6.96	0.008	1	no
open	>	tentative	47	>	25	72	6.72	6.96	0.008	1	no
defensive	<	ten+ope	31	<	72	103	16.32	6.96	0.008	1	yes
open	<	def+ten	47	<	56	103	0.79	6.96	0.008	1	no
tentative	<	def+ten	25	<	78	103	27.27	6.96	0.008	1	yes

The coded references for a defensive posture related to 6421 words (33.34% of total words coded as posture; Total Mean = 493.92; SD = 453.037), among them 2135 words (11.09%; Mean = 237.22; SD = 201.526) in the first round of interviews and 4286 words (22.86%; Mean = 1071.50; SD = 264.933) in the second round of interviews. 5384 words (27.96%; Total Mean = 414.15; SD = 437.180) were coded as indicating a tentative posture, among them 1977 words (10.27%; Mean = 219.67; SD = 98.241) in the first round of interviews and 3407 (17.69%; Mean = 851.75; SD = 608.252) in the second round. 3768 words (19.57%; Mean = 418.67; SD = 244.381) were coded as collectivistic posture in the first round of interviews and 3684 (19.13%; Mean = 921.00; SD = 926.569) in the second round, totaling 7452 words (38.70%; Total Mean = 573.23; SD = 559.178).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
defensive	1	9	237.22	201.526	67.175
	2	4	1071.50	264.933	132.467
	Total	13	493.92	453.037	125.650
tentative	1	9	219.67	98.241	32.747
	2	4	851.75	608.252	304.126
	Total	13	414.15	437.180	121.252
open	1	9	418.67	244.381	81.460
	2	4	921.00	926.569	463.285
	Total	13	573.23	559.178	155.088

An ANOVA for the first round showed that posture word frequency means (and standard deviations) did not differ significantly for the first round (F = 2.980, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	218493.852	2	109246.926	2.980	.070
Within Groups	879889.556	24	36662.065		
Total	1098383.407	26			

A χ2 analysis of the difference between defensive/tentative/open code frequencies for BAT Switzerland across the first and the second round was not significant (χ2 (2, N = 207) =

3.14, p > .05). For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ2 = 6.9604015). There was also no significance found for any of the subtests. The null hypothesis of an equal distribution of the population across the different interview rounds was confirmed.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
defensive	<	open	68	<	82	150	2.05	6.96	0.008	1	no
defensive	>	tentative	68	>	57	125	0.04	6.96	0.008	1	no
open	>	tentative	82	>	57	139	2.44	6.96	0.008	1	no
defensive	<	ten+ope	68	<	139	207	.70	6.96	0.008	1	no
open	<	def+ten	82	<	125	207	3.10	6.96	0.008	1	no
tentative	<	def+ten	57	<	150	207	1.09	6.96	0.008	1	no

The descriptive statistics of both code and word frequencies indicate a dominance of an open posture with strong tendencies towards both a tentative and a defensive posture. The χ2 analysis of the first round did not result in any clear indication of a dominating posture. The χ2 analysis of the different rounds confirms that this holds for both the first and the second round of interviews. Interestingly, the variance for both code and word frequencies increased considerably. There are several possible ways to interpret this finding. First, the second round of interview questions was much more explorative and focused on a selection of issues that had been identified in the first round. The former open mindedness with regards to discussing critical issues turned into a more defensive posture in the second round when fundamental issues, which are material to the tobacco industry were discussed. Second, throughout the interview process I became more experienced in guiding the semi-structured interviews in order to clarify issues when they were not well responded to by interviewees as experienced in the first round.

4.1.5.4 Justifications

Traits of ethical, economic, scientific, and legal justifications were found in all 13 interviews of the BAT Switzerland set. 88 words, themes, phrases, or passages were coded as ethical justifications (Total Mean = 6.77; SD = 6.016), among them 32 codes for the first round of interviews (Mean = 3.56; SD = 2.186) and 56 for the second round (Mean = 14.00; SD = 5.598). 253 codes were assigned for economic justifications (Total Mean = 19.46; SD = 12.933), among them 112 for the first round of interviews (Mean = 12.44; SD = 6.540) and 141 for the second round of interviews (Mean = 35.25; SD = 8.655). Scientific justifications were coded in 20 cases in the first round (Mean = 2.22; SD = 1.563) and 11 cases in the second round (Mean = 2.75; SD = 1.258), totaling 31 codes (Total Mean = 2.38; SD = 1.446). Codes relating to legal justifications appeared in 211 cases (Total Mean = 16.31; SD =

11.108), among them 91 in the first round (Mean = 10.11; SD = 3.371) and 120 in the second round of interviews (Mean = 30.25; SD = 9.430).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
ethical	1	9	3.56	2.186	.729
	2	4	14.00	5.598	2.799
	Total	13	6.77	6.016	1.669
economic	1	9	12.44	6.540	2.180
	2	4	35.25	8.655	4.328
	Total	13	19.46	12.933	3.587
scientific	1	9	2.22	1.563	.521
	2	4	2.75	1.258	.629
	Total	13	2.38	1.446	.401
legal	1	9	10.11	3.371	1.124
	2	4	30.25	9.430	4.715
	Total	13	16.31	11.108	3.081

The mean score for economic justifications orientation was highest, closely followed by legal justifications. An ANOVA for the first round showed that justification code frequency means (and standard deviations) differed significantly for the first round (F = 14.469, $p > .05$). A Scheffé post hoc test showed that code frequencies for economic justifications were significantly higher than ethical and scientific justifications. Code frequencies for legal justifications were significantly higher than for economic ones ($p < .05$).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	665.861	3	221.954	14.469	.000
Within Groups	490.889	32	15.340		
Total	1156.750	35			

A $\chi2$ analysis of the difference between ethical/economic/scientific/legal code frequencies for BAT Switzerland across the first and the second round was highly significant ($\chi2$ (1, N = 329) = 94.00, $p < .05$). The null hypothesis of an equal distribution of justifications in the first round of interviews was rejected. For further analysis, 25 subtests were conducted (Bonferroni correction: $\alpha = .05/25 = .002$; $\chi2 = 9.5495357$). The $\chi2$ analysis confirmed the strong presence of economic justifications, e.g. by the fact that when analyzing the difference between economic vs. ethical/scientific/legal the null hypothesis was confirmed. That implies that economic justifications are as much present as all other justifications combined. It also demonstrates that economic justifications are closely followed by legal justifications since

when combining those two types of justifications the null hypothesis of an equal distribution was equally confirmed.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
ethical	<	economic	32	<	112	144	44.44	9.55	.002	1	yes
ethical	>	scientific	32	>	20	52	2.77	9.55	.002	1	no
ethical	<	legal	32	<	91	123	28.30	9.55	.002	1	yes
economic	>	legal	112	>	91	203	2.17	9.55	.002	1	no
economic	>	scientific	112	>	20	132	64.12	9.55	.002	1	yes
scientific	<	legal	20	<	91	111	45.41	9.55	.002	1	yes
ethical	<	eco+sci	32	<	132	164	60.98	9.55	.002	1	yes
ethical	<	eco+leg	32	<	203	235	124.43	9.55	.002	1	yes
ethical	<	sci+leg	32	<	111	143	43.64	9.55	.002	1	yes
economic	>	eth+sci	112	>	52	164	21.95	9.55	.002	1	yes
economic	<	eth+leg	112	<	123	235	0.51	9.55	.002	1	no
economic	>	sci+leg	112	>	111	223	0.00	9.55	.002	1	no
scientific	<	eth+eco	20	<	144	164	93.76	9.55	.002	1	yes
scientific	<	eth+leg	20	<	123	143	74.19	9.55	.002	1	yes
scientific	<	eco+leg	20	<	203	223	150.17	9.55	.002	1	yes
legal	<	eth+eco	91	<	144	235	11.95	9.55	.002	1	yes
legal	>	eth+sci	91	>	52	143	10.64	9.55	.002	1	yes
legal	<	eco+sci	91	<	132	223	7.54	9.55	.002	1	no
eth+eco	>	leg+sci	144	>	111	255	4.27	9.55	.002	1	no
eth+sci	<	leg+eco	52	<	203	255	89.42	9.55	.002	1	yes
eth+leg	<	eco+sci	123	<	132	255	0.32	9.55	.002	1	no
ethical	<	eco+sci+leg	32	<	223	255	143.06	9.55	.002	1	yes
economic	<	eth+sci+leg	112	<	143	255	3.77	9.55	.002	1	no
scientific	<	eth+eco+sci	20	<	235	255	181.27	9.55	.002	1	yes
legal	<	eth+eco+sci	91	<	164	255	20.90	9.55	.002	1	yes

The coded references for ethical justifications amounted to 3087 words (18.79% of total words coded as justifications; Total Mean = 237.46; SD = 219.085), among them 1035 words (6.30%; Mean = 115.00; SD = 74.083) in the first round of interviews and 2052 words (12.49%; Mean = 513.00; SD = 176.463) in the second round of interviews. 7062 words (42.99%; Total Mean = 543.23; SD = 413.736) were coded as indicating economic justifications, among them 2759 words (16.79%; Mean = 306.56; SD = 188.023) in the first round of interviews and 4303 words (26.19%; Mean = 1075.75; SD = 210.448) in the second round. 594 words (3.62%; Mean = 66.00; SD = 71.687) were coded as scientific justifications in the first round of interviews and 266 words (1.62%; Mean = 66.50; SD = 29.693) in the second round, totaling 860 words (5.23%; Total Mean = 66.15; SD = 60.386). Words coded as legal justifications amounted to 5419 words (32.99%; Total Mean = 416.85; SD = 276.450), among them 2398 words (14.60%; Mean = 266.44; SD = 236.022) in the first round of interviews and 3021 words (18.39%; Mean = 755.25; SD = 9.430) in the second round.

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
ethical	1	9	115.00	74.083	24.694
	2	4	513.00	176.463	88.232
	Total	13	237.46	219.085	60.763
economic	1	9	306.56	188.023	62.674

		2	4	1075.75	210.448	105.224
		Total	13	543.23	413.736	114.750
scientific		1	9	66.00	71.687	23.896
		2	4	66.50	29.693	14.846
		Total	13	66.15	60.386	16.748
legal		1	9	266.44	105.073	35.024
		2	4	755.25	236.022	118.011
		Total	13	416.85	276.450	76.673

The mean score for economic justifications orientation was highest, closely followed by legal justifications. An ANOVA for the first round showed that justification word frequency means (and standard deviations) differed significantly for the first round (F = 8.507, p < .05). A Scheffé post hoc test showed significant differences for pair wise comparisons with regards to ethical and economic, economic and scientific, and scientific and legal justifications (p < .05), respectively, paralleling the findings for the code frequencies.

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	363788.556	3	121262.852	8.507	.000
Within Groups	456160.444	32	14255.014		
Total	819949.000	35			

A $\chi 2$ analysis of the difference between ethical/economic/scientific/legal code frequencies for BAT Switzerland across the first and the second round was not significant ($\chi 2$ (3, N = 584) = 7.47, p > .05). The null hypothesis of an equal distribution of justifications across the different interview rounds was confirmed. For further analysis 25 subtests were conducted (Bonferroni correction: α = .05/25 = .002; $\chi 2$ = 9.5495357). No differences remained significant after the Bonferroni correction.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
ethical	<	economic	88	<	253	341	1.67	9.55	.002	1	no
ethical	>	scientific	88	>	31	119	7.38	9.55	.002	1	no
ethical	<	legal	88	<	212	300	1.11	9.55	.002	1	no
economic	>	legal	253	>	212	465	0.08	9.55	.002	1	no
economic	>	scientific	253	>	31	284	4.55	9.55	.002	1	no
scientific	<	legal	31	<	212	243	5.08	9.55	.002	1	no
ethical	<	eco+sci	88	<	284	372	2.79	9.55	.002	1	no
ethical	<	eco+leg	88	<	465	553	1.61	9.55	.002	1	no
ethical	<	sci+leg	88	<	243	331	2.28	9.55	.002	1	no
economic	>	eth+sci	253	>	119	372	0.01	9.55	.002	1	no
economic	<	eth+leg	253	<	300	553	0.60	9.55	.002	1	no
economic	>	sci+leg	253	>	243	496	0.10	9.55	.002	1	no
scientific	<	eth+eco	31	<	341	372	5.73	9.55	.002	1	no
scientific	<	eth+leg	31	<	300	331	6.33	9.55	.002	1	no
scientific	<	eco+leg	31	<	465	496	5.11	9.55	.002	1	no
legal	<	eth+eco	212	<	341	553	0.03	9.55	.002	1	no
legal	>	eth+sci	212	>	119	331	0.02	9.55	.002	1	no
legal	<	eco+sci	212	<	284	496	0.62	9.55	.002	1	no
eth+eco	>	leg+sci	341	>	243	584	0.69	9.55	.002	1	no

eth+sci	<	leg+eco	119	<	465	584	0.00	9.55	.002	1	no
eth+leg	>	eco+sci	300	>	284	584	1.78	9.55	.002	1	no
ethical	<	eco+sci+leg	88	<	496	584	2.25	9.55	.002	1	no
economic	<	eth+sci+leg	253	<	331	584	0.07	9.55	.002	1	no
scientific	<	eth+eco+sci	31	<	553	584	5.79	9.55	.002	1	no
legal	<	eth+eco+sci	212	<	372	584	0.07	9.55	.002	1	no

The descriptive statistics of both code and word frequencies and the χ2 analysis of the first round indicate a dominance of economic justifications. Considering both the mean scores of code and word frequencies, legal justifications seem to be a second line of argument. Traits of ethical justifications and in particular scientific justifications appear to be rather weak. How is this to be interpreted? While the analysis of particular justifications point towards scientific and even fundamental ethical arguments, the general line of argumentation points toward economic and legal justifications. Arguably, the reason is that scientific evidence and the general consensus in Western countries that tobacco consumption should be decreased overwhelmingly speaks against the tobacco industry, and therefore cannot serve as valid and credible justifications. The reiteration of the reference to compliance with the law or a code of conduct (legal) and the concern for reputation in order to make money for shareholders (economic) show a clear pattern: even though to the public this line of argumentation is highly problematic and thus rather avoided, it represents a fundamental component of the cognitive mindset of BAT Switzerland, as one would expect from a profit-oriented corporation.

4.1.6 Patterns

The results of the pattern coding suggest a number of relationships. While some appear to be self-explanatory, others are only to be understood within the context of the case. I briefly discuss the pattern codes which appeared most to provide a vivid picture of the inherent logics of the CSR-character of BAT Switzerland. In order to systemize the patterns occurring, the pattern codes were clustered into five major dimensional pairs.[25]

1. Identity Orientation & Justifications - The most frequent pattern code, an individualistic identity orientation with economic justifications occurred, mirroring the liberal core in the general view of the firm. However, the changing external environment which has pushed BAT Switzerland towards more dialogue is reflected in the (less frequent but still considerably important) occurrence of a relational identity orientation together with economic justifications. A second pattern appears to be both the combination of traits of a relational

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[25] The ordering of the clusters relates to the ranking of pattern code frequencies in the table below. The ranking is based on the first round of interviews in order to allow for comparability across cases. For illustration purposes the frequencies for the second round, as well as the sums are provided.

as well as an individualistic identity orientation with legal justifications, emphasizing the second layer of the general way of framing CSR. Equally, the higher occurrence of a relational identity orientation supports the thesis of a shifting identity orientation.

2. Legitimation Strategies & Justifications - A second important pattern is the occurrence of two almost self-explanatory but nevertheless important pattern codes, that is, the joint occurrence of legitimation strategies aiming for pragmatic legitimacy and economic justifications as well as legitimation strategies aiming for cognitive legitimacy and legal justifications. They represent the classic strategies of corporations to gain, maintain or repair legitimacy in the traditional societal framework. It is important to note that they occur most frequently with regards to the dimension of legitimacy. While BAT Switzerland has clearly changed its posture towards societal issues, its legitimation strategies appear to lag behind. One reason for this result is also that the stakeholder dialogue as well as the social reporting process have been classified as isomorphism, and thus as legitimation strategies aiming for cognitive legitimacy. In its attempt to reposition itself in the Swiss society, the reference to legal concepts is of utmost importance to reestablish a coherent and stable cognitive framework for directing its CSR efforts. This is also confirmed by the occurrence of the pattern code of a legitimation strategy aiming for pragmatic legitimacy and legal justifications which points towards the emphasis of the idea that following the rules is good for business. It is based on its self-interest to keep its license to operate in order to survive with its traditional business model which runs counter to public interest in improved public health.

3. Identity Orientation & Posture - Another important pattern code represents a relational identity orientation combined with an open posture, confirming that BAT Switzerland emphasizes its open attitude in order to regain public trust. However, it is closely followed by the pattern code of a relational identity orientation and defensive posture which suggests that the transformation from a defensive posture towards an open posture continues to be a challenge. This is confirmed by the presence of the pattern code of a relational identity orientation and a tentative posture.

4. Posture & Justifications - When looking at posture and justifications most often an open posture and economic justifications occurred as a pattern, closely followed by its combination with a tentative posture. This might be interpreted as resulting from the ongoing change process in which BAT Switzerland is changing its corporate language towards

concepts which encompass society's expectations of a tobacco company that go beyond its economic functions. This is mirrored also in the frequent occurrence of the pattern codes of an open posture and legal justifications. The perceived need to open up has triggered the wish to reestablish a coherent legal framework which allows BAT Switzerland to once again find solid legal ground for its operations.

5. Identity Orientation & Legitimation Strategies - Finally, the pattern codes of an individualistic as well as a relational identity orientation combined with legitimation strategies aiming for pragmatic legitimacy were very present. This supports the notion that BAT Switzerland's CSR efforts (concentrating on seeking to include stakeholder perspectives) are mainly driven by the desire to be perceived (again) as a regular member of the Swiss society that derives its legitimacy from performing its business functions.

Rank	Pattern Code	BAT Switzerland 1st round	BAT Switzerland 2nd round	BAT Switzerland Sum
1	Individualistic + Economic	27	29	56
2	Cognitive + Legal	20	21	41
3	Relational + Legal	19	21	40
4	Relational + Open	16	16	32
5	Relational + Economic	15	26	41
6	Relational + Defensive	14	11	25
7	Open + Economic	13	7	20
8	Pragmatic + Economic	12	16	28
9	Individualistic + Pragmatic	11	18	29
10	Relational + Pragmatic	11	12	23
11	Relational + Tentative	10	12	22
12	Tentative + Economic	10	15	25
13	Individualistic + Legal	9	8	17
14	Open + Legal	9	14	23
15	Pragmatic + Legal	9	10	19

4.1.7 Correspondence Analysis

In a first inquiry, a correspondence analysis for BAT Switzerland was performed on the contingency table constituted by crossing the coding for identity orientations and justifications since this combination appeared as the most frequent pattern code. The first dimension displays 12.6% of the total inertia[26], the second dimension .9%. Combined, the first two dimensions explain 13.5% of the variance in the data. However, the analysis did not pass the significance level ($\chi2$ (6, N = 83) = 11.099, p > .05). A graphical representation was not performed.

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[26] Inertia represents a measure of the spread of the points. It is calculated as the weighted sum of the $\chi2$ distance between each category and the mean of the category.

In a second inquiry, a correspondence analysis was performed on the contingency table constituted by crossing the coding for legitimation strategies and justifications as the second most frequent pattern code. Here, the first dimension displays 13.2% of the total inertia, the second dimension 7.1%. Combined, the first two dimensions explain 20.3% of the variance in the data ($\chi 2$ (6, N = 70) = 14.223, p < .05).

The graph suggests a number of pairs. Dimension 1 seems to oppose legitimacy and the related type of justifications in a nation state setting versus the postnational constellation. Legitimation strategies aiming for cognitive legitimacy are situated closely to legal justifications (indicating that the rule of law is assumed to be intact) as opposed to legitimation strategies aiming for moral legitimacy which appear closely with ethical justifications as indicator for a postnational reasoning. Legitimation strategies aiming for pragmatic legitimacy that are located close to economic justifications seem not to be clearly linked. Scientific justifications appear not to be related to any particular type of legitimation strategy. Dimension 2 seems to oppose a liberal understanding of CSR as in legitimation strategies aiming for pragmatic legitimacy and economic justifications, with a non-liberal understanding of CSR consisting of legitimation strategies aiming for moral legitimacy and ethical justifications.

Figure 4: Correspondence Analysis of Identity Orientation versus Justifications for BAT Switzerland
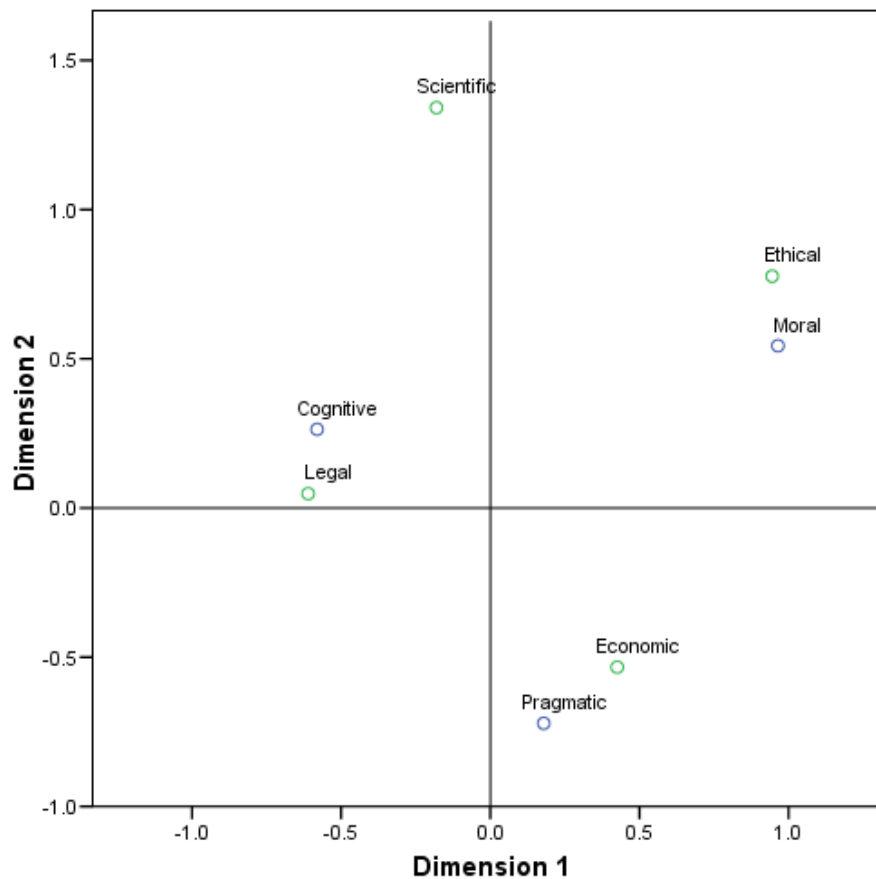
4.1.8   Summary of CSR-Character of BAT Switzerland

The constant pressure that has been built up by anti-tobacco activists, regulators and health organizations has forced the major tobacco companies to develop CSR-strategies which appear to be more sophisticated than those in more "conventional" industries such as the automotive industry. Within BAT Switzerland, there is a strong conviction that the company has become "more coherent and consistent" (Manager C, BAT Switzerland). While not being able to change the fact that tobacco consumption is loosing ground in Western societies, BAT Switzerland tries to be a perfect model for corporate behavior in the way it operates. At the time of study it was in a change process from an individualistic towards a relational identity orientation. However, the refusal of a large part of society to accept a tobacco company in its midst renders this endeavor difficult, and so far incomplete. BAT Switzerland's legitimation strategies appear to be based on its self-interest for survival as a business which is clearly re-flected in the strong presence of strategies aiming for pragmatic legitimacy. However, not

only are the possibilities to achieve pragmatic legitimacy practically reduced to its functions as a cash-cow and employer but also the cognitive legitimacy of the tobacco industry as a whole is under heavy fire. Therefore, BAT Switzerland managers seemed to be eager to adapt to almost any fashion if that would increase the legitimacy of the tobacco business in society. Thus, arguably, the major emphasis of the legitimation strategies of BAT Switzerland is changing towards isomorphic strategies that aim to repair cognitive legitimacy. The posture of BAT Switzerland is dominated by defensive themes when reacting to specific topics while it is also showing a considerable tendency towards an open posture with its emphasis on dialogue. Its view has been changing steadily due to public pressure. BAT Switzerland's general line of argumentation goes along the lines of economic and legal arguments. However, the justifications in the debate on PPS/ETS used are mainly based on scientific and ethical arguments (even though statistically not significant). Overall, BAT Switzerland may be classified as a "legitimacy seeker", characterized mainly by a relational identity orientation, an open/tentative posture, legitimation strategies that might provide pragmatic and/or cognitive legitimacy, and mainly economic and legal justifications.

4.2 CSR-Character of Hewlett Packard

HP represents an "extreme case" (Eisenhardt, 1989b) due to its perception of a particular "good" company that has been trying to incorporate responsible behavior into its corporate philosophy since its very beginning. It appears to have a very strong corporate culture which plays out in the different dimensions of its CSR-character. Due to the variety of themes that emerged, arguably, it showed the most complex picture of an organization dealing with the changing conditions in the postnational constellation.

4.2.1 Identity Orientation

The dominating identity orientation is that of a relational company with strong traits of an individualistic company. The importance of the individualistic identity orientation seems to be increasing. The locus of HP's self-definition tends towards the inter-entity, since it mainly considers itself as a partner in dyadic relationships. The identity of HP is characterized by two major themes that were frequently repeated throughout the interviews.

First, being almost a family-owned business until the early 1990ies HP believes that it has a unique history based on the legacy of the company founders. The values of Bill Hewlett and Dave Packard who, according to one interviewee, believed that individuals are "fundamentally good" (Manager G, HP), are claimed to be deeply engrained in the corporate culture since the foundation of the company in 1939. From the beginning they were "extremely concerned about corporate responsibility and about what we call corporate citizenship" (Manager H, HP) in order to be "socially compliant" (Manager A, HP). This has been manifested in HP's desire from day one to be "a good global and local citizen" and "to do the right thing" which has become known as the "HP way" (Manager A, HP). Bill Hewlett and Dave Packard explicitly outlined their views in the book they wrote in 1957 in which they detail how to manage a big company and define the major pillars of good corporate citizenship. The strong influence of their values on the corporate culture has given the company the character of "almost a family business for many, many years" (Manager F, HP). It has also created a conservative attitude in different areas such as financial reporting.

Second, HP is a company which is proud of its approach towards responsible behavior, understanding itself as a "thought leader and a trend-setter" (Manager C, HP) that goes beyond legal requirements. Claiming that HP has been "in the game for many more years" (Manager D, HP), HP wants to be best practice in CSR since "it is necessary that we eat our own dog food" (Manager B, HP). In general, the "HP-way" incorporates strong traits of dif-

ferent identity orientations which will be outlined below. Quotes for illustrating the themes identified can be found in Appendix D2, Table 39: Salient Traits of Identity Orientation of HP.

Traits of an individualistic identity orientation in the responses of the interviewees are concentrated on two major themes: First, HP appears to combine its desire to be a socially accepted company with a very out-spoken shareholder value mentality, interpreting CSR as an imperative out of enlightened self-interest. The basic idea is that responsible behavior is good for business and allows ensuring long-term profitability by predicting market trends and factoring that into business strategy, and thereby expanding it. Second, HP perceives responsible behavior not only as a driver for profits but also as being mutually beneficial for itself as well as to the community it is operating in and society at large. For HP, CSR as enlightened self-interest then unfolds in all aspects of its operations and its self-understanding. For instance, it tries to create win-win situations when designing products in a recycling-friendly way. From the responsibility to satisfy stakeholders HP derives further responsibilities such as developing future markets or even countries to "to enable them to buy more products" (Manager I, HP). Quotes for illustrating the themes identified can be found in Appendix D2, Table 40: Traits of Individualistic Identity Orientation in CSR Definitions at HP.

A number of stakeholder definitions refer to shareholders as main stakeholders. Certain interviewees hinted that HP's stakeholder approach is clearly strategic and self-interest driven. In order to strengthen its strategy, stakeholders are chosen in areas where HP would like to be present. That might be the case when a stakeholder is perceived as having an influence on the development of the company. Quotes for illustrating the themes identified can be found in Appendix D2, Table 41: Traits of Individualistic Identity Orientation in Stakeholder Definitions at HP.

Traits of a relational identity orientation were very present throughout interviews, particularly in the definitions of CSR and HP's stakeholder approach. HP bases its stakeholder approach on the insight that "we are all interrelated" and therefore "all need each other" (Manager A, HP). Stakeholders are thus defined as those who are "heavily related to your activities" (Manager H, HP), as they have an interest in, are related to, or affect the company. In particular, customers and employees were emphasized as major stakeholders. Interpreting the corporation as "an institution that is there for its customers" (Manager B, HP), for HP "the customer is everything" (Manager A, HP). HP wants "to invent and develop technology solu-

tions that will be bringing a rich experience to our customers using technology for enhancing their life" (Manager G, HP). Similarly, employees are regarded as "the DNA" or "essence" of the company (Manager C, HP). In general, for HP "the way how things are done is…one of the core values" (Manager J, HP). This implies that if something is not achieved by sticking to the rules it "will not have the same value for the company" (Manager J, HP). From this strong relational orientation, a number of responsibilities are derived. Stakeholders should be dealt with in a "dignified way" (Manager F, HP), based on a policy that encourages trust, respect, honesty, fair treatment, teamwork and cooperation as a major pillars. For instance, stakeholders such as suppliers and customers should be informed from early on of HP's plans for product and process changes. Communities should also be involved and treated with respect since it is believed that an open and honest environment will lead to higher achievement. Moreover, the importance of teamwork was emphasized from early on. HP's website cites the company co-founder Dave Packard: "It is necessary that people work together in unison toward common objectives and avoid working at cross purposes at all levels if the ultimate in efficiency and achievement is to be obtained" (Hewlett Packard, 2008c). HP acknowledges though that responsibilities have to be balanced between key stakeholders such as shareholders, employees, customers, governments, and communities. Quotes for illustrating the themes identified can be found in Appendix D2, Table 42: Traits of Relational Identity Orientation in CSR and Stakeholder Definitions at HP.

HP appears to have witnessed a gradual change in its identity orientation since its merger with Compaq in 2001 (Hewlett Packard, 2001). When appointed as CEO in the late 1990ies, Carly Fiorina attempted to re-orient HP with a visionary strategy that aimed to grow HP by developing new markets, merging it with Compaq, and to open up and increase the visibility and public presence of HP. However, her strategy changes were not much appreciated and finally led the families of the founders to sell their shares. As a consequence, Mark Hurd was appointed, once again concentrating on shareholders, customers, and partners in order to "streamline and focus the company" (Manager G, HP). The merger added new, more individualistic values such as speed and agility to the corporate culture which was traditionally characterized by an emphasis on trust, respect, teamwork and integrity (as a value indicating an individualistic identity orientation). Employees that did not adapt to the change in the corporate culture were laid off. Today, it appears that the company has mixed core values with regards to its identity orientation. While the value of integrity, achievement, speed, agility, and innovation rather indicate an individualistic identity orientation, teamwork, passion for

customers, trust, and respect, point towards a relational identity orientation. Quotes for illustrating the themes identified can be found in Appendix D2, Table 43: Shift of Identity Orientation at HP.

Traits of a collectivistic identity orientation relate to two major themes which consistently appeared throughout the interviews: First, HP aims to be a good corporate citizen that is "socially acceptable" (Manager A, HP) and embedded in the societies where it operates. This is derived from the acknowledgment of its size and control over resources that mandates responsible behavior. Part of HP's philosophy is to be a good employer, follow the laws, treat customers well in terms of privacy, assume responsibility towards the community and the environment, and contribute to the overall wealth of society. Employees of HP thus believe that the "good thing in you" has been "totally embedded in the culture" (Manager G, HP) of HP. HP supports its policies with considerable resources to maintain this image towards the inside and the outside as a major source of corporate identity. Second, with regards to its core activity HP has the fundamental desire to develop technology to enhance people's life while it wishes no harm to anyone, following the principle of primum not nocere. This includes the claims that it does not support child labor, wants to avoid polluting the environment, seeks to minimize the energy consumption of its products and the dissipation of greenhouse gases, and is willing to discuss the hazards caused by its own products. In a further step, the activities of a company should be reported not only to shareholders but also to customers, governments and society as a whole due to the large impact of the operations of a company such as HP. Finally, HP recognizes that in many regions of the world governments are retreating or are incapable of handling certain issues alone which require multinational companies to act. Quotes for illustrating the themes identified can be found in Appendix D2, Table 44: Traits of Collectivistic Identity Orientation in CSR and Stakeholder Definitions at HP.

In summary, it becomes evident that the identity orientation of HP is not easily be defined unambiguously. The picture that emerges is that of an organization with a strong relational identity orientation that extends to both an individualistic and a collectivistic identity orientation. The locus of the organizational self-definition as the inter-identity might be derived from its strong emphasis on the corporation as a means to an end for the customer as a major purpose of its existence. However, both individualistic and collectivistic themes play an important role in shaping HP's identity orientation and its subsequent policies and behavioral patterns.

Table 15: Salient Identity Orientation of HP

Individualistic	Relational	Collectivistic

• Traits of organizational self-definition as individual organization
  ○ Motive of pride
• Traits of enlightened self-interest as basis for motivation for CSR
  ○ Profits and shareholder value maximization
  ○ Contribution to long-term profitability
  ○ Mutual benefit
  ○ Stakeholder approach strategic
  ○ CSR as corporate strategy
• Traits of relationships based on instrumentality
  ○ Shareholder as primary stakeholders
	• Traits of particular other's benefit as basis for motivation for CSR
	  ○ Motive of interest in & affected by
	• Traits of relationships based on dyadic concern and trust
	  ○ Motive of trust and respect for stakeholders
	  ○ Motive of teamwork and fair treatment
	  ○ Customers key stakeholders
	  ○ Employees as DNA
		• Traits of greater collective's welfare as basis for motivation for CSR
		  ○ Motive of thought leader in CSR
		  ○ Motive of values of the founder
		  ○ Motive of good corporate citizen
		  ○ Contribute to wealth of society
		  ○ Do not harm & minimize impact
		  ○ Mandate do to size and resources
		  ○ Technology to enhance people's life
		• Traits of relationships based on collective agenda
		  ○ Responsibility towards community
		  ○ Responsibility towards society
		  ○ Joint responsibility because of retreating governments

4.2.2 Legitimacy and Legitimation Strategies

HP applies a number of legitimation strategies aiming at pragmatic legitimacy. First, as one of the most expensive brands of the world, HP strongly depends on its perception as good corporate citizen. Perceived as a competitive advantage, HP is "looking to have a maximum visibility" (Manager J, HP) with its sponsorship efforts or philanthropy projects through periodic communication of its CSR-policies in the press. However, being a strong brand, HP is also aware of its reputational risk since "it takes many, many, many years to build up a strong brand… [but] you can violate, you can destroy that brand very fast" (Manager D, HP). Therefore, HP tries to ensure that it "continuously reflects the right image" (Manager F, HP) towards its environment in general and its customers in particular. This "low-key approach" (Manager A, HP) includes avoiding "saying the wrong things" or not "acting in a way that wouldn't be in line with our corporate image" (Manager F, HP). Second, HP openly admits that it engages in proactive, systematic lobbying for regulation which "develops individual manufacturer's responsibility" (Manager I, HP) in particular with regards to environmental policies. This serves its financial interests because the "advantages of designing your products in the right way are no longer cost advantages for you" if the regulation is too narrow since the technological edge "will be shared with the competition" (Manager I, HP). Thus, it facilitates winning large scale government contracts since the involvement in defining the requirements of corporate responsibility allows setting them at a higher level which competitors might not be able to meet. Third, on certain occasions HP also sees its CSR approach as a strong sales argument. This was particularly clear when it managed to obtain a six billion dollar government contract which represented the biggest government deal ever and that "HP could [only] generate because we were able to satisfy the customer's needs in the social envi-

ronment fund" (Manager C, HP). Responding to customer demands "drives innovation within HP and helps us improve performance or reduce costs in areas ranging from how we design products and manage our supply chain to how we run our operations and build partnerships." (Hewlett Packard, 2008a). Fourth, HP believes that its CSR effort "contributes strongly to employee motivation" since "it makes them proud" (Manager C, HP) to be working for a company that engages in developing social policies in Africa or Eastern Europe. It is also "critical to attracting and retaining top talent in a highly competitive employment environment" (Hewlett Packard, 2008a). Finally, HP expanded its corporate citizenship approach under its former CEO Carly Fiorina into the development of markets in developing counties since they believed "it is a good way for us to develop future markets" instead of just being a "good philanthropist" (Manager C, HP). The idea is to use the engagement by "going into these markets, understanding what's in need and then creating solutions, product solutions, services, [and] specifics for developing markets" (Manager C, HP). Quotes for illustrating the themes identified can be found in Appendix D2, Table 45: Traits of Legitimation Strategies Proving Pragmatic Legitimacy at HP.

A major source of cognitive legitimacy is the concept of being a global citizen or "HP-way", as described above. This concept has been engrained in the corporate culture as many interviewee asserted. It provides a cognitive CSR-framework which unfolds in a number of themes. First, HP strongly believes that it has "to align to the laws in a country" in order "to behave like a good citizen in that country" which is understood as "social responsibility" (Manager D, HP). It is seen as "non-negotiable" or a "must" where HP has "no choice" (Manager J, HP) wherever they operate. The compliance component of its CSR approach has become increasingly prominent through the growth of rules in both the Unites States and the EU. As a strongly rule-based company, HP assumes that rules allow "to work together in an appropriate way" (Manager J, HP). As such, a strong component of its CSR approach is related to internal assessment structures that improve corporate governance and revenue recognition. In the United States, this control–based risk management approach has become legally required with the enactment of Sarbanes-Oxley in order to "create visibility" of risks and "to ensure that they are unlikely to occur" (Manager A, HP). For instance, in the case of fraud, it has to be disclosed to the US government, the FBI and to the investor community. A second important part of its framework of rules represents its standards of business conduct since, although being profit-oriented, HP wants "to make sure that we also live the corporate ethics" (Manager J, HP). In case of conflict "the standards of business conduct and the legal require-

ments always take priority over achieving the business objectives" (Manager J, HP). The corporate guidelines are applied globally in an equal manner in areas such as recycling or diversity. HP has a formal reporting structure in place in case the code of conduct is breached. The information of those guidelines is publicly available on the HP homepage. When the standards of business conduct are breached, this is reported to an ethics committee which then decides if the case may be handled at a regional level or whether it needs to be reported to the worldwide ethics council for further inquiry. In severe cases, it will eventually be reported to the board of directors. As part of its strategy, HP is very focused on training of its corporate ethics, values, governance and CSR policies including regular trainings on its global citizenship concept, standards of personal conduct, environment/health & safety, and diversity. Employees are requested to complete interactive web-based training modules on a yearly basis. The performance in those tests is measured and reported back to the management team. HP also employs tools such as an e-award to encourage responsible behavior and provide internal recognition for outstanding efforts of employees. Third, HP emphasizes the importance of third party involvement. For instance, it works with major certification agencies that certify energy efficient products but also relies "very much on external audit" (Manager G, HP) to attest its responsible management. Finally, HP is constantly ranked as one of the most responsible companies worldwide in sustainability rankings and indices. The search for external recognition and the publication of external acknowledgements may as well be interpreted as a powerful source of cognitive legitimacy. Quotes for illustrating the themes identified can be found in Appendix D2, Table 46: Traits of Legitimation Strategies Proving Cognitive Legitimacy at HP.

In the scope of its global citizenship concept, HP has developed a wide range of legitimation strategies that might provide moral legitimacy. First, HP has a very sophisticated and progressive approach towards its supply chain based on the fundamental belief that suppliers "need to live up to the same ethics, to the same values, to the same standards that we have" (Manager C, HP). Being aware of its huge responsibility not only for its employees but also for its supplier network which is "touching the lives of more than 400,000 workers around the world" (Hewlett Packard, 2008i), it has extended its own industry standards to more than 450 of their 500 top suppliers worldwide. HP has initiated a number of programs since "awareness of social and environmental issues in the electronics industry supply chain is increasing among the public, our customers, NGOs, investors and the media" (Hewlett Packard, 2008k). The goal is to "to achieve long-lasting improvements throughout our supply

chain" (Hewlett Packard, 2008k). Thereby, HP controls if suppliers comply with local laws but also with UN guidelines and its own code of conduct looking at issues such as of human rights abuse. When entering a new market and engaging with new suppliers, they believe that "you need to give this country a chance" (Manager B, HP). In 2006, HP initiated the Focused Improvement Supplier Initiative (FISI) that aims for "clear and measurable benefits for supplier factories, including increased productivity and quality and reduced worker turnover, injuries and illnesses" (Hewlett Packard, 2006b). The initiative is designed to "minimize factory risks, share best practices, access social and environmental responsibility content experts in China, improve the skill sets of key factory managers, and demonstrate progress toward conformance to the Electronic Industry Code of Conduct" (China CSR, 2006). With its collaborative approach, HP educates and trains new suppliers on its standards, gradually imposing stricter requirements, and helps to achieve them within a dedicated timeline, usually two years. The reason is that one "cannot expect that seven thousand companies spread around the world will fulfill all … [of HP's] policies in the same way" (Manager D, HP). If HP becomes aware that a subcontractor does not comply, for instance by using child labor, the supplier will lose the contract or HP tries to "persuade them not to use children" (Manager D, HP). HP is aware that the application of its supplier code of conduct is a long-term effort. Its high standards in managing the supply chain earned HP a place in the top list of the ILO. On March 31, 2008, HP provided a list of its major suppliers representing 95% of HP's global procurement expenditures for materials, manufacturing and assembly of HP's products (Hewlett Packard, 2008h). Publishing the HP suppliers list was a result of the company's clear political agenda focusing on "promoting transparency and progress in raising social and environmental standards in the electronics industry supply chain" (Hewlett Packard, 2008h). HP is very proud of its initiative since they believe they are "the first in our industry to do so" (Hewlett Packard, 2008i).

Second, HP is at the forefront of the international CSR-debate, being engaged in many environmental or social initiatives on a national and supranational level. HP founded an alliance with Braun, Electrolux and Sony Europe, to create the European Recycling Platform (ERP) to design an industry wide process for cost efficient recycling in Europe in reaction to the EU's Waste Electrical and Electronic Equipment (WEEE) directive. Within this framework, HP works with communities, governments, and local recycling companies to develop local recycling standards and to set up local processes to standardize the recycling of electronic equipment. HP debates regularly with NGOs on promoting environmental and social

responsibility in consumer purchase decision, engaging them in strategy development. They also inform consumers "to do what's right for the environment" (Manager J, HP) when using HP's products.

Third, HP is heavily involved in strategic corporate philanthropy and social investment, mainly focusing on communities and educational institutions. Its social investment program encompasses an employee engagement program covering five European countries, a university program, among others. One of HP's major engagements in social investment represents a higher education program where it issues a yearly request for proposals for innovative solutions in the mobile telecommunication sector for the use of HP equipment. The winner is granted with HP equipment amounting to 70 000 US$. At the time of the study, HP was sponsoring 400 education projects throughout Europe. With regards to its employee engagement program, HP has small philanthropic committees which check if the employee proposals meet the corporate guidelines. It is then up to the country manager to decide on the type of contribution. In one country, HP also applies a program called "money match" (Manager B, HP) where HP doubles the amount of money collected by its employees for charity purposes. In the scope of its efforts, HP argues for the engagement to compensate the retreat of governments in many areas. From a business perspective, it looks at "underdeveloped territory" (Manager G, HP) in order to provide services that might help these areas by creating appropriate products or services "that are of value to people and that they can afford" (Manager C, HP). With regards to its philanthropic work, HP created a number of programs between 2000-2005 as part of its "e-inclusion"-initiative. This initiative was "designed to increase access to technology and accelerate economic development in underserved communities around the world" thereby narrowing "the digital divide" (Hewlett Packard, 2008b). In the scope of this program, HP partnered up with the international development community, government and local communities to build up IT-infrastructure and assist individuals and local communities with its technology. For instance, it created an entrepreneurship program called "Microenterprise Acceleration Program" (MAP) to bring "utility to people" (Manager C, HP). The program targets entrepreneurs in developing as well as developed countries such as Germany, Nigeria, France and South Africa. The program provides online training with regards to important areas such as accounting and marketing, helping entrepreneurs "to basically get connected to the rest of the world" (Manager C, HP). Today, the program is managed by the NGO Micro-Enterprise Acceleration Institute (MEA-I) which "helps advance teaching and learning programs through the use of personalized technology and curricula for entrepreneurs

through local business development agencies"; HP is its major sponsor (Hewlett Packard, 2008j). To have a higher impact, HP has long been engaged in the international arenas in a range of partnerships with international organizations and public partners such as in its collaborations with United Nations agencies since it believes that "public [private] partnerships can really move the needle" (Manager C, HP). For instance, Hewlett Packard is collaborating with the UNESCO on a number of initiatives such as the "Piloting Solutions for Alleviating Brain Drain" partnership to fight brain drain in South-Eastern Europe and Africa (UNESCO, 2007). On 19 December 2007, they established a framework for global cooperation between UNESCO and Hewlett Packard for the next five years. As a founding member of the UN Global Compact, HP believes it has "influenced the UN Global Compact quite a bit" (Manager D, HP). HP also considers disaster relief as an important aspect of its philanthropy. This includes policies on how to provide help to victims of earthquakes, tsunamis, and hurricanes. In the case of natural disaster, HP provides financial support, works with relief organizations such as the International Committee of the Red Cross, and encourages its employees to provide help. For instance, on May 10, 2008 the United Nations World Food Programme (WFP) received a $250,000 donation for aid in the disaster relief efforts in Myanmar from the Hewlett-Packard Company Foundation (ad-hoc-news, 2008).

Fourth, HP emphasizes that it lives up to its values. For instance, HP claims that it has a very strict policy with regards to bribery that prescribes how to stay clear of any kind of influence. Under the Apartheid regime, HP disinvested from South Africa because the human rights violations were contrary to its values and codes of conduct. Moreover, it believed that this contributed to help "South Africa in the end to get rid of the apartheid" (Manager B, HP).

Fifth, HP claims that through it operations knowledge and skill transfer are facilitated. HP believes that it helps countries such as India, where approximately 50,000 employees develop new software and technologies for HP, "to really make a big step forward" (Manager J, HP). Therefore, HP makes sure that it spends "the same amount of resources and effort to make sure these people are educated and trained, so they develop further" (Manager J, HP).

Finally, HP regards communication and dialogue as key concerns to get a clear understanding of what is desired and perceived as being important by customers as well as other stakeholders "because expectations change and legal requirements change" (Manager J, HP). Internally, it has an open door policy allowing employees but also customers to address the management levels within HP. In times of external accusations in the past, HP established dia-

logue in order to understand the issues at stake and to "address … fears of miscommunication or misinformation" (Manager C, HP). Quotes for illustrating the themes identified can be found in Appendix D2, Table 47: Traits of Legitimation Strategies Proving Moral Legitimacy at HP.

In summary, salient legitimation strategies in the interviews that aim to gain pragmatic legitimacy include the lobbying for active involvement in the shaping of new regulations that serve to save costs and increase competitiveness, winning government contracts, development of new markets, and employee motivation. Themes that indicate legitimation strategies that aim to maintain pragmatic legitimacy refer to the protection and management of corporate reputation. No themes that indicate legitimation strategies that aim to repair pragmatic legitimacy were identified in the interviews. Salient legitimation strategies that aim to gain cognitive legitimacy include the reference to business principles and standards, the implementation of CSR tools, the improvement of corporate governance, the involvement of third parties in auditing, and external recognition. Themes that refer to legitimation strategies that aim to maintain cognitive legitimacy include the compliance with national and local laws, CSR-training on tools and global citizenship, and the establishment of an ethics committee. Legitimation strategies that aim to repair cognitive legitimacy were not found. Salient legitimation strategies that aim to gain moral legitimacy refer to the establishment of a sophisticated supply chain management, engagement in social investment and strategic philanthropy (which again includes a number of strategies mentioned above), engagement in environmental initiatives and education of consumers on their environmental responsibilities, disaster relief, skill and knowledge transfer, getting involved in CSR arenas and public-private partnerships, and the general statement not to bribe. Themes for legitimation strategies that aim to maintain moral legitimacy referred to the engagement in constant dialogue. Salient legitimation strategies that aim to repair moral legitimacy included divestment from the Apartheid regime in South Africa.

Table 16: Salient Legitimation Strategies of Hewlett Packard

Pragmatic	Cognitive	Moral

• Gain (fulfill basic societal expectations)
  o Communicate CSR engagement
  o Lobby for shape regulation
  o Win government contracts
  o Develop markets
  o Motivate employees
• Maintain
  o Protect & manage reputation
• Repair
  o Communicate CSR engagement
	• Gain
	  o Comply with conduct of conduct
	  o Establish corporate governance
	  o Involve third parties
	  o Establish CSR tools such as e-award
	  o External recognition of CSR-efforts
	• Maintain
	  o Comply with national and local law
	  o Do CSR-training
	  o Establish ethics committee
	• Repair
	  o Not found
		• Gain
		  o Sset standards for the supply chain
		  o Engage in environmental initiatives
		  o Social investment & philanthropy
		  o Disaster relief
		  o Skill & knowledge transfer
		  o Involve in partnerships
		  o Do not bribe
		• Maintain
		  o Engage in constant dialogue
		• Repair
		  o Boycott Apartheid regime

4.2.3   Posture as Reaction to Crisis

The prevailing posture of Hewlett Packard in crisis situations has been analyzed by looking at four debates and concerns that the company has been dealing with in the past and partially continues to be involved in until today.

(i)   How did Hewlett-Packard initially react to the ozone depletion debate? What measures were taken?

(ii)   What is the responsibility of the company regarding the debate on energy consumption of its products, especially regarding the high oil prices?

(iii)   What do you think of the WEEE-directive?

(iv)   What do you think of the E-waste debate and the responsibility of the company regarding its products? Do you think the accusation of NGOs such as Greenpeace that this company is producing too much toxic waste is valid?

The first three questions appeared not to be very critical for HP. The last question however caused a considerable reaction among the interviewees, allowing analyzing the posture of HP in the event of a crisis. HP was high up on the list of targets of NGOs at the time of the study. As the largest consumer IT company at that point, it was buying approximately $53 billion of products and materials, components and manufacturing, transport and other services annually from about 7,000 suppliers globally. Despite working with many communities and local governments to set up local processes in order to comply with the WEEE Directive, HP was targeted in a campaign by the environmental NGO Greenpeace. Greenpeace argued that HP could not be considered a good corporate citizen as announced on their website when at the same time polluting the world with toxic electronic waste. After having discovered toxic chemicals in HP's products, including high levels of brominated flame retardants in its PCs, they approached HP in 2003 at their European headquarters, later the CEO of HP on a trip to China, and finally their global headquarters in California (Greenpeace, 2005b). Since there was no reaction according to Greenpeace, on May 23, 2005, Greenpeace activists demonstrated in front of HP's European headquarters in Geneva. They dumping a truckload of electronic waste calling on HP to stop using toxic chemicals (Greenpeace, 2005a). In addition they intended to draw the attention to computer recycling arguing that HP was not doing enough against illegal exports of e-waste to scrap yards in India and China. They did the same in front of the offices of the IT company Dell.

In reaction, the European managing director of HP met with representatives of Greenpeace. He wanted to initiate dialogue with Greenpeace on how to deal with toxic substances since HP was under the impression that Greenpeace was not well-informed on HP's environmental policies and strategies. Confronted with the accusation, HP did admit that there was a big problem regarding illegal scrap yards in developing countries but that it could not take on responsibility for that. The reason was, it was argued, that many of its products were bought for re-sale and some brokers cannibalize them in order to repair other electronic equipment. The remaining parts would then be shipped and scrapped, mostly in China. If HP would not get its products back on the channels offered in the US, Europe or Asia in order to recycle them it could not assure that no hazard was released to the environment. The situation was complicated by the fact that certain hazardous chemicals were requested by law for fire prevention based on safety regulations in their home countries.

After intensive discussion, Greenpeace finally acknowledged HP's leadership in the treatment of electronic waste. While Greenpeace believes that it was their campaign that made them take the lead, HP managers claim that those policies existed before but were not publicly communicated. According to HP managers, Greenpeace concluded: "If we would have known what you really do we wouldn't have protested in front of your Geneva office" (Manager I, HP). In contrast, on Greenpeace's website the result of the campaign was announced as a big victory against the powerful IT industry (Greenpeace, 2006a). Greenpeace publicly announced that "electronics giant Hewlett Packard has risen to the challenge we set them and committed to a phase out plan for a range of hazardous chemicals in its products. Now we are at the consumer electronics industry's biggest annual event to ask "who's next?" (Greenpeace, 2006c). In addition, on the CeBIT trade show in Hanover, Germany in March 2006, Greenpeace erected a large sculpture made of computer parts to draw attention to the issue. They publicly stated: "Which company, currently ignoring the issue of toxic electronic waste, wants to be the next focus of our campaign? We'll be laying down that gauntlet to the remaining companies while they are busy showing off their latest offerings at the world's largest electronics fair" (Greenpeace, 2006c).

Before the incident at the Geneva headquarters, the substances in the products were kept secret. However, according to HP, substances which were found by Greenpeace in HP's products had already been identified as being dangerous and they had started to pull them out already more than 10 years prior to that. The campaign against HP and its media coverage was thus interpreted by one interview partner as a result of a "misunderstanding" or a poor, "dis-

connected" communication between HP and Greenpeace (Manager B, HP). As a result of this experience, HP intensified its communication with NGOs and is now conducting regular meetings with Greenpeace in order to share HP's environmental approach by updating them regularly on HP's processes, environmental strategy and programs and, if possible, to develop common strategies. At the same time they claim that they continuously explain what they consider HP's own responsibilities should be. HP believes that they now dispose of a close relationship with Greenpeace in several countries. However, the Greenpeace campaign was continued (see Greenpeace, 2006b). HP's posture after some initial defensive and tentative reactions was overall open to enter dialogue with Greenpeace and find joint solutions for the problem of electronic waste, based on its general commitment to assume its product responsibility. Quotes for illustrating the themes identified can be found in Appendix D2, Table 48: Posture in E-Waste-Debate of HP.

4.2.4 Justifications

HP follows three major lines in its justifications. Generally, interviewees frequently referred to compliance with the law as a major concern for its CSR-policies which results in a broad presence of legal justifications. Representing a major pillar of the HP-way themes of compliance were combined in numerous ways to illustrate the righteousness of HP's approach according to existing standards, rules, or legal norms. With reference to the e-waste debate, however, only a number of legal arguments occurred referring to contradicting legislation, and the lack of enforcement of legislation for recycling and proper disposal in developing countries: "Without criticizing any specific country, if the countries would enforce the legislation they have in place, this shouldn't happen" (Manager I, HP). In the event of crisis HP mainly refers to ethical justifications since it admits that there is "a grey area where corporations…abuse their freedom" (Manager J, HP) because of the lack of regulation. When discussing the e-waste debate interviewees would first refer to its self-imposed standards in the areas of recycling, disposal, and elimination of toxic waste but also acknowledge the need for communication and dialogue to create a broader understanding of the issues at stake. In particular, interviewees emphasized the learning process which had been taking place throughout the e-waste debate admitting that relationships with civil society organizations were underestimated: "we didn't prioritize that in the past which has probably been a mistake" (Manager B, HP). The interesting difference in the argumentation of the interviewees was that while lamenting that the accusations were unjustified most did not blame the NGO Greenpeace but referred to their own failure not having communicated HP's environmental policies and

strategies well enough. As a consequence of the accusations, interviewees claimed that they "learned…that we need a stronger relationship" (Manager B, HP) which would mean to update Greenpeace regularly on HP's strategy and programs. Moreover, within its global citizenship concept, as one of the core company objectives, HP expresses a general willingness to address global humanitarian challenges such as the safeguarding of human rights or climate change. HP aims to address the broader issue of the kind of society is desired in its operations, in particular with regards to the environment, for instance, by "trying to minimize the impacts at the same time as we do the planning" (Manager J, HP). HP also believes that other companies should be forced to be involved in CSR initiatives because "at the end of the day, they do it just for the sake of doing it" (Manager B, HP).

HP's justifications show a strong overlap between ethical and legal language. Legal language was continuously combined with the global citizenship concept: "we are doing this conformantly with the legal requirements and in a way that is… good for the environment. (Manager J, HP). With regards to the e-waste debate economic justifications were rather little present, mainly referring to the need for cost efficient processes since in the end, according to HP, it would be the consumer who will have to bear the costs. However, throughout the interviews it became evident that the reputational risk that is associated with being accused of unethical behavior was a major factor of motivation for its quick engagement in dialogue to solve potential issues. Scientific arguments were used rather seldom and mainly referred to an increase of efficiency in technology.

Table 17: Justifications in E-Waste Debate at HP

Argument in E-Waste Debate	Justification
Lack of control	Legal
Lack of enforcement	Legal
Policies already existing	Legal
End-user pays	Economic
Disconnected communication	Ethical
Contradicting legislation	Legal
Dialogue with Greenpeace	Ethical
What society is wanted	Ethical
Assumption of product responsibility	Ethical

4.2.5   Dominating Dimensions

4.2.5.1 Identity Orientation

Traits of an individualistic, relational, and collectivistic identity orientation were found in all 15 interviews of the HP set. 176 words, themes, phrases, or passages were coded as individualistic identity orientation (Total Mean = 11.73; SD = 6.745), among them 110 codes

for the first round of interviews (Mean = 11.00; SD = 5.249) and 66 for the second round (Mean = 13.20; SD = 9.654). 328 codes were assigned for a relational identity orientation (Total Mean = 21.87; SD = 10.309), among them 203 for the first round of interviews (Mean = 20.30; SD = 6.848) and 125 for the second round of interviews (Mean = 25.00; SD = 15.748). A collectivistic identity orientation was chosen for 41 codes in the first round of interviews (Mean = 4.10; SD = 2.846) and 21 in the second round (Mean = 4.20; SD = 2.864), totaling 62 codes (Total Mean = 4.13; SD = 2.748).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
individualistic	1	10	11.00	5.249	1.660
	2	5	13.20	9.654	4.317
	Total	15	11.73	6.745	1.742
relational	1	10	20.30	6.848	2.166
	2	5	25.00	15.748	7.043
	Total	15	21.87	10.309	2.662
collectivistic	1	10	4.10	2.846	.900
	2	5	4.20	2.864	1.281
	Total	15	4.13	2.748	.710

An ANOVA for the first round revealed that identity orientation code frequency means (and standard deviations) differed significantly for the first round (F = 25.049, p < .05). A Scheffé post hoc test showed significant differences for all pair wise comparisons (p < .05). Code frequencies for a relational identity orientation were significantly higher than for an individualistic and a collectivistic one. Code frequencies for an individualistic identity orientation were significantly higher than for a collectivistic one.

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1357.126	2	678.563	25.049	.000
Within Groups	704.322	26	27.089		
Total	2061.448	28			

A χ^2 analysis of the difference between individualistic/relational/collectivistic code frequencies for HP for the first round was highly significant (χ^2 (1, N = 354) = 112.02, p < .05). The null hypothesis of an equal distribution of identity orientations in the first round of interviews was rejected. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ^2 = 6.9604015). There was also significance found for the difference between individualistic/relational frequencies across (χ^2 (1, N = 313) = 27.63, p < .008),

the difference between individualistic/collectivistic frequencies ($\chi 2$ (1, N = 151) = 31.52, p < .008), the difference between relational/collectivistic frequencies ($\chi 2$ (1, N = 244) = 107.56, p < .008), the difference between individualistic vs. relational/collectivistic frequencies ($\chi 2$ (1, N = 354) = 50.72, p < .008), the difference between relational vs. individualistic/collectivistic frequencies across ($\chi 2$ (1, N = 354) = 7.64, p < .008), and the difference between collectivistic vs. individualistic/relational frequencies ($\chi 2$ (1, N = 354) = 255.22, p < .008). The $\chi 2$ analysis implies that the dominance of a relational identity orientation was not only significant in comparison with any other identity orientation but also when comparing them with the two other combined.

Subtest			Code Frequencies			N	$\chi 2$	Critical Value	α	df	Significant
individualistic	<	relational	110	<	203	313	27.63	6.96	0.008	1	yes
individualistic	>	collectivistic	110	>	41	151	31.53	6.96	0.008	1	yes
relational	>	collectivistic	203	>	41	244	107.56	6.96	0.008	1	yes
individualistic	<	rel+col	110	<	244	354	50.72	6.96	0.008	1	yes
relational	>	ind+col	203	>	151	354	7.64	6.96	0.008	1	yes
collectivistic	<	ind+rel	41	<	313	354	208.99	6.96	0.008	1	yes

The coded references for an individualistic identity orientation related to 6617 words (30.09% of total coded words as identity orientation; Total Mean = 441.13; SD = 334.064), among them 3719 words (16.19%; Mean = 371.90; SD = 197.240) in the first round of interviews and 2898 words (13.18%; Mean = 579.60; SD = 516.831) in the second round of interviews. 11252 words (51.16%; Total Mean = 750.13; SD = 439.820) were coded as indicating a relational identity orientation, among them 7724 words (35.12%; Mean = 772.40; SD = 453.136) in the first round of interviews and 3528 (16.04%; Mean = 705.60; SD = 459.705) in the second round. 2170 words (9.87%; Mean = 217.00; SD = 177.341) were coded as collectivistic identity orientation in the first round of interviews and 1954 (8.88%; Mean = 390.80; SD = 341.713) in the second round totaling 4124 words (18.75%; Total Mean = 274.93; SD = 246.520).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
individualistic	1	10	371.90	197.240	62.373
	2	5	579.60	516.831	231.134
	Total	15	441.13	334.064	86.255
relation	1	10	772.40	453.136	143.294
	2	5	705.60	459.705	205.586
	Total	15	750.13	439.820	113.561
collectivistic	1	10	217.00	177.341	56.080
	2	5	390.80	341.713	152.819
	Total	15	274.93	246.520	63.651

An ANOVA for the first round revealed that identity orientation word frequency means (and standard deviations) differed significantly for the first round (F = 8.939, p > .05). A Scheffé post hoc test showed that only word frequencies for a relational identity orientation were significantly higher in both pair wise comparisons (p < .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1642878.067	2	821439.033	8.939	.001
Within Groups	2481175.300	27	91895.381		
Total	4124053.367	29			

A χ2 analysis of the difference between individualistic/relational/collectivistic code frequencies for HP across the first and the second round was not significant (χ2 (2, N = 566) = .40, p > .05). For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ2 = 6.9604015). There was also no significance found for any of the subtests.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
individualistic	<	relational	176	<	328	504	0.02	6.96	0.008	1	no
individualistic	>	collectivistic	176	>	62	238	0.26	6.96	0.008	1	no
relational	>	collectivistic	328	>	62	390	0.40	6.96	0.008	1	no
individualistic	<	rel+col	176	<	390	566	0.00	6.96	0.008	1	no
relational	>	ind+col	328	>	238	566	0.14	6.96	0.008	1	no
collectivistic	<	ind+rel	62	<	504	566	0.38	6.96	0.008	1	no

The descriptive statistics as well as the χ2 analysis of the first round indicate a strong relational identity orientation. Also individualistic elements seem to play a considerable role. Traits of a collectivistic identity orientation appear to be the weakest but nevertheless considerably present. The χ2 analysis for the different interview rounds confirms that this holds for both the first and the second round of interviews.

4.2.5.2 Legitimacy and Legitimation Strategies

Traits of legitimation strategies providing pragmatic and moral legitimacy were found in all 15 interviews of the HP set. Traits of legitimation strategies relating to cognitive legitimacy were present in 14 interviews, among them 10 in the first round and 4 in the second round (whereby 4 interviewees showed traits in both interview rounds). 135 words, themes, phrases, or passages were coded as legitimation strategies aiming for pragmatic legitimacy (Total Mean = 9.00; SD = 6.470), among them 87 codes for the first round of interviews (Mean = 8.70; SD = 6.651) and 48 for the second round (Mean = 9.60; SD = 6.804). 141 codes were assigned for legitimation strategies relating to cognitive legitimacy (Total Mean =

9.40; SD = 9.109), among them 97 for the first round of interviews (Mean = 9.70; SD = 9.310) and 44 for the second round of interviews (Mean = 8.80; SD = 9.731). Legitimation strategies relating to moral legitimacy were coded in 161 cases in the first round (Mean = 16.10; SD = 11.855) and 67 cases in the second round (Mean = 13.40; SD = 13.088), totaling 228 codes (Total Mean = 15.20; SD = 11.876).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
pragmatic	1	10	8.70	6.651	2.103
	2	5	9.60	6.804	3.043
	Total	15	9.00	6.470	1.670
cognitive	1	10	9.70	9.310	2.944
	2	5	8.80	9.731	4.352
	Total	15	9.40	9.109	2.352
moral	1	10	16.10	11.855	3.749
	2	5	13.40	13.088	5.853
	Total	15	15.20	11.876	3.066

An ANOVA for the first round revealed that legitimation strategy code frequency means (and standard deviations) did not differ significantly for the first round (F = 1.782, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	322.400	2	161.200	1.782	.188
Within Groups	2443.100	27	90.485		
Total	2765.500	29			

A $\chi2$ analysis of the difference between pragmatic/cognitive/moral code frequencies for HP across the first round was significant ($\chi2$ (1, N = 345) = 28.03, p < .05). The null hypothesis of an equal distribution of legitimation strategies in the first interview round was rejected. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; $\chi2$ = 6.9604015). There was also significance found for the difference between cognitive/moral frequencies ($\chi2$ (1, N = 258) = 15.88, p < .008), the difference between pragmatic/moral frequencies ($\chi2$ (1, N = 248) = 22.08, p < .008), the difference between pragmatic vs. cognitive/moral frequencies ($\chi2$ (1, N = 345) = 84.76, p < .008), and the difference between cognitive vs. pragmatic/moral frequencies ($\chi2$ (1, N = 345) = 66.09, p < .008). There was no significance found for the difference between pragmatic/cognitive frequencies ($\chi2$ (1,

N = 184) = .54, p > .008), and the difference between moral vs. pragmatic/cognitive frequencies (χ2 (1, N = 345) = 1.53, p > .008). The χ2 analysis supports the claim that legitimation strategies aiming for moral legitimacy were dominant in the first round of interviews. Legitimation strategies aiming for pragmatic and cognitive legitimacy were about equally present as second tendency which was indicated by the confirmation of the null hypothesis of an equal distribution of pragmatic/cognitive frequencies.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
pragmatic	<	cognitive	87	<	97	184	0.54	6.96	0.008	1	no
pragmatic	<	moral	87	<	161	248	22.08	6.96	0.008	1	yes
cognitive	<	moral	97	<	161	258	15.88	6.96	0.008	1	yes
pragmatic	<	cog+mor	87	<	258	345	84.76	6.96	0.008	1	yes
cognitive	<	pra+mor	97	<	248	345	66.09	6.96	0.008	1	yes
moral	<	pra+cog	161	<	184	345	1.53	6.96	0.008	1	no

The coded references for legitimation strategies aiming for pragmatic legitimacy amounted to 8994 words (30.63% of total words coded as legitimation strategies), among them 5465 words (18.61%) in the first round of interviews and 3529 words (12.02%) in the second round of interviews. 8749 words (29.79%) were coded as indicating a legitimation strategy aiming for cognitive legitimacy, among them 6369 words (21.69%) in the first round of interviews and 2380 words (8.10%) in the second round. 9498 words (32.34%) were coded as legitimation strategies aiming for pragmatic legitimacy in the first round of interviews and 5628 words (19.16%) in the second round, totaling 15126 words (51.51%).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
pragmatic	1	10	546.50	535.430	169.318
	2	5	705.80	740.149	331.005
	Total	15	599.60	588.948	152.066
cognitive	1	10	636.90	812.013	256.781
	2	5	476.00	562.916	251.744
	Total	15	583.27	721.510	186.293
moral	1	10	949.80	697.752	220.649
	2	5	1125.60	1455.436	650.891
	Total	15	1008.40	962.063	248.404

An ANOVA for the first round revealed that legitimation strategy word frequency means (and standard deviations) did not differ significantly for the first round (F = .938, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	895764.867	2	447882.433	.938	.404
Within Groups	12896181.000	27	477636.333		
Total	13791945.867	29			

A $\chi 2$ analysis of the difference between pragmatic/cognitive/moral code frequencies for HP across the first and the second round was not significant ($\chi 2$ (2, N = 504) = 1.51, p > .05). For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; $\chi 2$ = 6.9604015). There was also no significance found for any of the subtests.

Subtest			Code Frequencies (aggregated)			N	$\chi 2$	Critical Value	α	df	Significant
pragmatic	<	cognitive	135	<	141	276	0.59	6.96	0.008	1	no
pragmatic	<	moral	135	<	228	363	1.49	6.96	0.008	1	no
cognitive	<	moral	141	<	228	369	0.14	6.96	0.008	1	no
pragmatic	<	cog+mor	135	<	369	504	1.37	6.96	0.008	1	no
cognitive	<	pra+mor	141	<	363	504	0.01	6.96	0.008	1	no
moral	<	pra+cog	228	<	276	504	0.90	6.96	0.008	1	no

The descriptive statistics on code and word frequencies as well as the $\chi 2$ analysis of the first round indicate that legitimation strategies aiming for moral legitimacy dominate. Traits of a legitimation strategy providing cognitive and pragmatic legitimacy appear to be equally present as second tendency. The $\chi 2$ analysis of the different interview rounds confirms that this holds for both the first and the second round of interviews.

4.2.5.3 Posture

Traits of defensive posture were found in 11 interviews of the HP set, among them 7 of the first round and 4 in the second round (whereby 2 interviewees showed traits in both interview rounds). Traits of a tentative posture were present in 12 interviews, among them 10 in the first round and 2 in the second round of interviews (whereby 2 interviewees showed traits in both interview rounds). Traits of an open posture appeared in 13 interviews, among them 9 of the first round and 4 interviews of the second round (whereby 4 interviewees showed traits in both interview rounds). 22 words, themes, phrases, or passages were coded as defensive posture (Total Mean = 1.47; SD = 1.685), among them 12 codes for the first round of interviews (Mean = 1.20; SD = 1.751) and 10 for the second round (Mean = 2.00; SD = 1.581). 33 codes were assigned for a tentative posture (Total Mean = 2.20; SD = 1.897), among them 30 for the first round of interviews (Mean = 3.00; SD = 1.764) and 3 for the second round of interviews (Mean = .60; SD = .894). An open posture was chosen for 44 codes in the first round

of interviews (Mean = 4.40; SD = 3.204) and 37 in the second round (Mean = 7.40; SD = 4.561), totaling 81 codes (Total Mean = 5.40; SD = 3.832).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
defensive	1	10	1.20	1.751	.554
	2	5	2.00	1.581	.707
	Total	15	1.47	1.685	.435
tentative	1	10	3.00	1.764	.558
	2	5	.60	.894	.400
	Total	15	2.20	1.897	.490
open	1	10	4.40	3.204	1.013
	2	5	7.40	4.561	2.040
	Total	15	5.40	3.832	.989

An ANOVA for the first round revealed that posture code frequency means (and standard deviations) differed significantly for the first round (F = 4.695, p < .05). A Scheffé post hoc test however revealed that only the code frequencies for an open posture were significantly higher than those for a defensive posture (p < .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	51.467	2	25.733	4.695	.018
Within Groups	148.000	27	5.481		
Total	199.467	29			

A χ^2 analysis of the difference between defensive/tentative/open code frequencies for HP across the first round was significant (χ^2 (1, N = 86) = 17.95, p < .05, but one category below 5). The null hypothesis of an equal distribution of postures across the first interview round was rejected. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ^2 = 6.9604015). There was also significance found for the difference between tentative vs. defensive/open frequencies (χ^2 (1, N = 86) = 7.86, p < .008), and the difference between defensive/open frequencies (χ^2 (1, N = 56) = 18.29, p < .008), the difference between defensive vs. tentative/open frequencies (χ^2 (1, N = 86) = 44.70, p < .008), and the difference between defensive/tentative frequencies (χ^2 (1, N = 42) = 7.71, p < .008). No significance was found for the difference between tentative/open frequencies (χ^2 (1, N = 74) = 2.65, p > .008), and the difference between open vs. defensive/tentative frequencies (χ^2 (1, N = 86) = .05, p > .008). The χ^2 analysis suggested that HP's posture is dominated by an open

and a tentative posture since both code frequencies were significantly higher than code frequencies of a defensive posture (combined as well as in single comparisons) but did not differ significantly among each other. However, the difficulty in clearly identifying a dominant dimension could have been due to low code frequencies.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
defensive	<	tentative	12	<	30	42	7.71	6.96	0.008	1	yes
defensive	<	open	12	<	44	56	18.29	6.96	0.008	1	yes
tentative	<	open	30	<	44	74	2.65	6.96	0.008	1	no
defensive	<	ten+ope	12	<	74	86	44.70	6.96	0.008	1	yes
tentative	<	def+ten	30	<	56	86	7.86	6.96	0.008	1	yes
open	>	def+ten	44	>	42	86	0.05	6.96	0.008	1	no

The coded references for a defensive posture related to 1971 words (14.21% of total words coded as posture; Mean = 131.40; SD = 140.934), among them 1045 words (7.53%; Mean = 104.50; SD = 97.860) in the first round of interviews and 926 words (6.67%; Mean = 185.20; SD = 206.261) in the second round of interviews. 3176 words (22.89%; Mean = 211.73; SD = 210.952) were coded as indicating a tentative posture, among them 2273 words (19.99%; Mean = 277.30; SD = 222.420) in the first round of interviews and 403 words (2.90%; Mean = 80.60; SD = 110.462) in the second round. 4409 words (31.78%; Mean = 80.60; SD = 3.832) were coded as collectivistic posture in the first round of interviews and 4319 words (31.13%; Mean = 5.40; SD = 3.832) in the second round totaling 8782 words (62.90%; Mean = 5.40; SD = 3.832).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
defensive	1	10	104.50	97.860	30.946
	2	5	185.20	206.261	92.243
	Total	15	131.40	140.934	36.389
tentative	1	10	277.30	222.420	70.335
	2	5	80.60	110.462	49.400
	Total	15	211.73	210.952	54.468
open	1	10	440.90	413.928	130.896
	2	5	863.80	613.579	274.401
	Total	15	581.87	510.189	131.730

An ANOVA for the first round revealed that posture word frequency means (and standard deviations) did not differ significantly for the first round (F = 3.685, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	565965.867	2	282982.933	3.685	.038
Within Groups	2073451.500	27	76794.500		
Total	2639417.367	29			

A χ^2 analysis of the difference between defensive/tentative/open code frequencies for HP across the first and the second round was significant (χ^2 (2, N = 136) = 14.35, p < .05). The null hypothesis of an equal distribution of postures across the different interview rounds was rejected. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ^2 = 6.9604015). Significance was also found for the difference between defensive/tentative frequencies (χ^2 (1, N = 55) = 9.67, p < .008, but one category below 5), the difference between tentative/open frequencies (χ^2 (1, N = 114) = 13.78, p < .008, but one category below 5), and the difference between tentative vs. defensive/open frequencies (χ^2 (1, N = 136) = 14.35, p < .008, but one category below 5). No significance was found for the difference between defensive/open frequencies (χ^2 (1, N = 103) = .00, p > .008, but one category below 5), the difference between open vs. defensive/tentative frequencies (χ^2 (1, N = 136) = 6.85, p > .008), and the difference between defensive vs. tentative/open frequencies (χ^2 (1, N = 136) = .85, p > .008, but one category below 5).

Subtest			Code Frequencies (aggregated)			N	χ^2	Critical Value	α	df	Significant
defensive	<	tentative	22	<	33	55	9.67	6.96	0.008	1	yes
defensive	<	open	22	<	81	103	0.00	6.96	0.008	1	no
tentative	<	open	33	<	81	114	13.78	6.96	0.008	1	yes
defensive	<	ten+ope	22	<	114	136	0.85	6.96	0.008	1	no
tentative	<	def+ten	33	<	103	136	14.35	6.96	0.008	1	yes
open	>	def+ten	81	>	55	136	6.85	6.96	0.008	1	no

The descriptive statistics on code and word frequencies seem to indicate the dominance of an open posture. The χ^2 analysis on code frequencies on the first round of interviews remains ambiguous, indicating both the appearance of a tentative and open posture. However, when combining it with the analysis on word frequencies it might be argued that the tentative posture is the less important tendency. Traits of a defensive posture were rather weak. The χ^2 analysis indicates that there is a significant shift in terms of postures from a tentative towards a more defensive as well as to a more open posture for the first to the second round of interviews. The reason might be that in the more explorative part the interview partners did take a much clearer position when discussing social and environmental issues.

4.2.5.4 Justifications

Traits of ethical and legal justifications were found in all 15 interviews of the HP set. Traits of economic justifications appeared in 12 interviews, among them 8 of the first round and 4 of the second round of interviews (whereby 3 interviewees showed traits in both interview rounds). Scientific justifications were identified in 14 interviews, among them 10 in the first round and 4 in the second round (whereby 4 interviewees showed traits in both interview rounds). 118 words, themes, phrases, or passages were coded as ethical justifications (Total Mean = 7.87; SD = 4.926), among them 60 codes for the first round of interviews (Mean = 6.00; SD = 2.906) and 58 for the second round (Mean = 11.60; SD = 6.309). 50 codes were assigned for economic justifications (Total Mean = 3.33; SD = 2.992), among them 36 codes for the first round of interviews (Mean = 3.60; SD = 3.406) and 14 codes for the second round of interviews (Mean = 2.80; SD = 2.168). Scientific justifications were coded in 41 cases in the first round (Mean = 4.10; SD = 3.178) and 21 cases in the second round (Mean = 4.20; SD = 2.950), totaling 62 codes (Total Mean = 4.13; SD = 2.997). Codes relating to legal justifications appeared in 232 cases (Total Mean = 15.47; SD = 10.439), among them 150 in the first round (Mean = 15.00; SD = 11.055) and 82 in the second round of interviews (Mean = 16.40; SD = 10.237).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
ethical	1	10	6.00	2.906	.919
	2	5	11.60	6.309	2.821
	Total	15	7.87	4.926	1.272
economic	1	10	3.60	3.406	1.077
	2	5	2.80	2.168	.970
	Total	15	3.33	2.992	.773
scientific	1	10	4.10	3.178	1.005
	2	5	4.20	2.950	1.319
	Total	15	4.13	2.997	.774
legal	1	10	15.00	11.055	3.496
	2	5	16.40	10.237	4.578
	Total	15	15.47	10.439	2.695

An ANOVA for the first round revealed that justification code frequency means (and standard deviations) differed significantly for the first round (F = 7.425, p > .05). A Scheffé post hoc test revealed that in pair wise comparisons only the code frequencies for legal justifications were significantly higher than those for ethical, economic and scientific justifications, respectively (p < .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	848.475	3	282.825	7.425	.001
Within Groups	1371.300	36	38.092		
Total	2219.775	39			

A $\chi2$ analysis of the difference between ethical/economic/scientific/legal code frequencies for HP across the first round was highly significant ($\chi2$ (3, N = 287) = 118.25, p < .05). The null hypothesis of an equal distribution of justifications across the first interview rounds was rejected. For further analysis 25 subtests were conducted (Bonferroni correction: α = .05/25 = .002; $\chi2$ = 9.5495357). The $\chi2$ analysis confirmed the dominance of legal justifications. Legal justification code frequencies were significantly higher than any other type of justification in a direct comparison. This finding is further supported by the confirmation of the null hypothesis of an equal distribution of legal versus all other justifications combined. It might also be argued that the confirmation of the null hypothesis for the difference between ethical vs. economic/scientific frequencies indicated that ethical justifications are a second line of argument.

Subtest			Code Frequencies			N	$\chi2$	Critical Value	α	df	Significant
ethical	>	economic	60	>	36	96	6.00	9.55	.002	1	no
ethical	>	scientific	60	>	41	101	3.57	9.55	.002	1	no
ethical	<	legal	60	<	150	210	38.57	9.55	.002	1	yes
economic	<	legal	36	<	150	186	69.87	9.55	.002	1	yes
economic	<	scientific	36	<	41	77	0.32	9.55	.002	1	no
scientific	<	legal	41	<	150	191	62.20	9.55	.002	1	yes
ethical	<	eco+sci	60	<	77	137	2.11	9.55	.002	1	no
ethical	<	eco+leg	60	<	186	246	64.54	9.55	.002	1	yes
ethical	<	sci+leg	60	<	191	251	68.37	9.55	.002	1	yes
economic	<	eth+sci	36	<	101	137	30.84	9.55	.002	1	yes
economic	<	eth+leg	36	<	210	246	123.07	9.55	.002	1	yes
economic	<	sci+leg	36	<	191	227	105.84	9.55	.002	1	yes
scientific	<	eth+eco	41	<	96	137	22.08	9.55	.002	1	yes
scientific	<	eth+leg	41	<	210	251	113.79	9.55	.002	1	yes
scientific	<	eco+leg	41	<	186	227	92.62	9.55	.002	1	yes
legal	>	eth+eco	150	>	96	246	11.85	9.55	.002	1	yes
legal	>	eth+sci	150	>	101	251	9.57	9.55	.002	1	no
legal	>	eco+sci	150	>	77	227	23.48	9.55	.002	1	yes
eth+eco	<	leg+sci	96	<	191	287	31.45	9.55	.002	1	yes
eth+sci	<	leg+eco	101	<	186	287	25.17	9.55	.002	1	yes
eth+leg	>	eco+sci	210	>	77	287	61.63	9.55	.002	1	yes
ethical	<	eco+sci+leg	60	<	227	287	97.17	9.55	.002	1	yes
economic	<	eth+sci+leg	36	<	251	287	161.06	9.55	.002	1	yes
scientific	<	eth+eco+sci	41	<	246	287	146.43	9.55	.002	1	yes
legal	>	eth+eco+sci	150	>	137	287	0.59	9.55	.002	1	no

The coded references for ethical justifications amounted to 5785 words (14.27%; Total Mean = 385.67; SD = 326.317), among them 3245 words in the first round of interviews (11.17%; Mean = 324.50; SD = 321.677) and 2540 words in the second round of interviews

(20.43%; Mean = 508.00; SD = 334.377). 4626 words were coded as indicating economic jus-tifications (25.44%; Total Mean = 308.40; SD = 316.053), among them 2967 words (13.05%; Mean = 296.70; SD = 340.802) in the first round of interviews and 1659 words (7.29%; Mean = 331.80; SD = 295.395) in the second round. 965 words (4.24%; Total Mean = 96.50; SD = 81.149) were coded as scientific justifications in the first round of interviews and 2903 words (12.76%; Mean = 580.60; SD = 619.249) in the second round, totaling 3868 words (20.34%; Total Mean = 257.87; SD = 411.818). Words coded as legal justifications amounted to 8463 words (37.21%; Total Mean = 564.20; SD = 547.122), among them 5612 words (24.68%; Mean = 561.20; SD = 631.396) in the first round of interviews and 2851 words (12.54%; Mean = 570.20; SD = 388.130) in the second round.

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
ethical	1	10	324.50	321.677	101.723
	2	5	508.00	334.377	149.538
	Total	15	385.67	326.317	84.255
economic	1	10	296.70	340.802	107.771
	2	5	331.80	295.395	132.105
	Total	15	308.40	316.053	81.605
scientific	1	10	96.50	81.149	25.662
	2	5	580.60	619.249	276.937
	Total	15	257.87	411.818	106.331
legal	1	10	561.20	631.396	199.665
	2	5	570.20	388.130	173.577
	Total	15	564.20	547.122	141.266

An ANOVA for the first round revealed that justification word frequency means (and standard deviations) did not differ significantly for the first round (F = 2.319, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1086925.275	3	362308.425	2.319	.092
Within Groups	5623810.700	36	156216.964		
Total	6710735.975	39			

A χ^2 analysis of the difference between ethical/economic/scientific/legal code frequen-cies for HP across the first and the second round was significant (χ^2 (3, N = 462) = 9.50, p < .05). The null hypothesis of an equal distribution of justifications across the different inter-view rounds was rejected. For further analysis 25 subtests were conducted (Bonferroni correc-

tion: α = .05/25 = .002; χ2 = 9.5495357). No subtest remained significant after the Bonferroni correction. The null hypothesis of an equal distribution of justifications across the different interview rounds was thus confirmed.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
ethical	>	economic	118	>	50	168	6.42	9.55	.002	1	no
ethical	>	scientific	118	>	62	180	3.85	9.55	.002	1	no
ethical	<	legal	118	<	232	350	6.21	9.55	.002	1	no
economic	<	legal	50	<	232	282	0.99	9.55	.002	1	no
economic	<	scientific	50	<	62	112	0.44	9.55	.002	1	no
scientific	<	legal	62	<	232	294	0.05	9.55	.002	1	no
ethical	>	eco+sci	118	>	112	230	7.65	9.55	.002	1	no
ethical	<	eco+leg	118	<	282	400	8.02	9.55	.002	1	no
ethical	<	sci+leg	118	<	294	412	7.05	9.55	.002	1	no
economic	<	eth+sci	50	<	180	230	4.10	9.55	.002	1	no
economic	<	eth+leg	50	<	350	400	2.66	9.55	.002	1	no
economic	<	sci+leg	50	<	294	344	0.94	9.55	.002	1	no
scientific	<	eth+eco	62	<	168	230	1.52	9.55	.002	1	no
scientific	<	eth+leg	62	<	350	412	0.83	9.55	.002	1	no
scientific	<	eco+leg	62	<	282	344	0.00	9.55	.002	1	no
legal	>	eth+eco	232	>	168	400	2.32	9.55	.002	1	no
legal	>	eth+sci	232	>	180	412	3.11	9.55	.002	1	no
legal	>	eco+sci	232	>	112	344	0.56	9.55	.002	1	no
eth+eco	<	leg+sci	168	<	294	462	2.78	9.55	.002	1	no
eth+sci	<	leg+eco	180	<	282	462	4.53	9.55	.002	1	no
eth+leg	>	eco+sci	350	>	112	462	2.76	9.55	.002	1	no
ethical	<	eco+sci+leg	118	<	344	462	8.56	9.55	.002	1	no
economic	<	eth+sci+leg	50	<	412	462	2.33	9.55	.002	1	no
scientific	<	eth+eco+sci	62	<	400	462	0.49	9.55	.002	1	no
legal	>	eth+eco+sci	232	>	230	462	1.27	9.55	.002	1	no

The descriptive statistics on code and word frequencies and the χ2 analysis indicated that legal justifications dominate HP's discourse on corporate responsibility. A second line of argument seemed to be ethical justifications. Traits of economic and scientific justifications appeared to be rather weak but yet present. In general, the analysis of code and word frequencies indicated a fairly balanced way of justifying corporate behavior. The χ2 analysis comparing the different rounds confirmed that this holds for both the first and the second round of interviews.

4.2.6. Patterns

The pattern coding of the dimensions of HP's CSR-character resulted in a number of strong relationships which mark the CSR-character of HP. They were clustered into six dimensional pairs.[27]

1. Legitimation Strategies & Justifications - A first important cluster of patterns refers to legitimation strategies and justifications. In its efforts to explain its legitimation strategies

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[27] The ordering of the clusters relates to the ranking of pattern code frequencies in the table below. The ranking is based on the first round of interviews in order to allow for comparability across cases. For illustration purposes the frequencies for the second round, as well as the sums are provided.

HP relies on three classical lines of argumentation that appear to be accompanied by a mix of the underlying concepts. First, the pattern code of legitimation strategies aiming for cognitive legitimacy and legal justifications appeared as the second most frequent code underlining the importance of cognitive frameworks such as legal systems or codes of conduct for HP's argumentation and goal-setting. Second, legitimation strategies aiming for moral legitimacy appear to be often combined with ethical justifications, a phenomenon which reflects HP's apparent commitment to find solutions for pressing problems that allow for learning and organizational or even industry change. Its strong inclination to cognitive frameworks also for its advanced CSR approach is mirrored in the pattern code of legitimation strategies aiming for moral legitimacy and legal justifications. Third, as a profit oriented company HP also shows the "classic" pattern of the combination of legitimation strategies aiming for pragmatic legitimacy and economic justifications. Based on its performance orientation, HP relies also on its strong economic contributions to gain pragmatic legitimacy. Interestingly, also the patterns of legitimation strategies aiming for pragmatic and moral legitimacy combined with legal justifications occurred considerably often which reflects HP's belief that working towards or lobbying for well-defined legal frameworks is good for business as well as society.

2. Identity Orientation & Legitimation Strategies – The second most frequent pattern code represented the combination of a relational identity orientation and legitimation strategies aiming for moral legitimacy. This mirrors the strong emphasis of HP to address specific stakeholder needs with its CSR efforts for mutual benefit, going beyond established CSR concepts. Under the umbrella of its global citizenship concept it constantly innovates trying to integrate latest (thought) developments in order to increase the benefits of society as well as its reputation for being a thought leader. This also explains the less frequent but considerable occurrence of a relational as well as an individualistic identity orientation together with legitimation strategies aiming for pragmatic legitimacy, reflecting the reference to the business case of HP's CSR efforts when dealing with stakeholders. A relational identity orientation also frequently occurs with legitimation strategies aiming for cognitive legitimacy which points to HP's joint efforts with different stakeholders to (re)establish cognitive CSR frameworks for its industry as well as for CSR in general. Interestingly, legitimation strategies aiming for moral legitimacy also show a high frequency combined with an individualistic identity orientation and with a collectivistic identity orientation, respectively. This mirrors the wide range of cognitive concepts that are incorpo-

rated in HP's CSR approach, serving different audiences. Different ways to argue and to position its CSR efforts towards shareholders, governments, customers, suppliers or employees result in traits of different types of identity orientations. What it illustrates is that HP is trying to address multiple issues in a complex world under one framework. The strong reoccurrence of strategies aiming for moral legitimacy regardless of the identity orientation might be interpreted as a response to the challenges of the postnational constellation.

3. Posture & Legal Justifications - An open posture occurred frequently together with legal justifications, which (again) mirrors the cognitive approach towards CSR at HP.

4. Identity Orientation & Justifications - The pattern coding suggests that for HP a relational identity orientation is mainly related to legal justifications as well as to ethical justifications. This may be counterintuitive at first sight but can be explained by the way HP has designed its CSR approach. Working with governments or suppliers on policies that provide solutions on issues relating to CSR, it does aim for clear regulatory frameworks but also emphasizes the greater good and the benefit to all those affected. The pattern code of an individualistic identity orientation combined with legal justifications was present as well, confirming HP's preference for cognitive frameworks to CSR as being good for business and the basis for its approach towards shareholder value maximization.

5. Legitimation Strategies & Posture[28] – Finally, with regards to legitimation strategies and posture, the pattern code of legitimation strategies aiming for moral legitimacy and open posture was most present. This may be interpreted as HP's openness to learn from former mistakes with regards to its CSR approach including a wide range of stakeholders in the learning process, which has resulted repeatedly in "best practice" strategies for CSR in the past.

6. Identity Orientation & Posture[29] - The frequent occurrence of the pattern code of a relational identity orientation and an open posture confirms the above mentioned inclination to understand mutual concerns, learn from past mistakes, and look for mutual benefits with stakeholders that characterizes the degree and scope of HP's responsiveness to issues.

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[28] While not in the list of the of the fifteen most present pattern codes the inquiry on legitimation strategies and postures is nevertheless included due to their analytical value and the presence of the first two clusters.

[29] While not in the list of the of the fifteen most present pattern codes the inquiry on identity orientation and posture are nevertheless included due to their analytical value and the over presence of the first two clusters.

Rank	Pattern Code	HP 1st round	HP 2nd round	HP Sum
1	Cognitive + Legal	55	30	85
2	Relational + Moral	51	26	77
3	Moral + Legal	35	15	50
4	Moral + Ethical	29	20	49
5	Relational + Pragmatic	28	17	45
6	Pragmatic + Legal	26	7	33
7	Relational + Legal	25	16	41
8	Individualistic + Moral	24	16	40
9	Collectivistic + Moral	21	12	33
10	Relational + Ethical	20	17	37
11	Pragmatic + Economic	19	7	26
12	Relational + Cognitive	16	13	29
13	Individualistic + Pragmatic	15	11	26
14	Individualistic + Legal	15	7	22
15	Open + Legal	15	14	29
16	Moral + Open	15	18	33
17	Relational + Open	14	19	33

4.2.7   Correspondence Analysis

In a first inquiry, a correspondence analysis was performed for HP on the contingency table constituted by crossing the coding for legitimation strategies and justifications since this combination appeared as the most frequent pattern code. The first dimension displays 10.4% of the total inertia, the second dimension 5.9%. Combined, the two dimensions explain 16.4% of the variance in the data ($\chi2$ (6, N = 220) = 36.018, p < .05).

The graph shows the inverse picture to the correspondence analysis of BAT Switzerland but indicates the same pairs. Dimension 1 suggests that legitimacy and the related type of justifications change from a nation state setting in comparison to a postnational constellation. Legitimation strategies aiming for cognitive legitimacy are situated closely to legal justifications (indicating that the rule of law is assumed to be intact) as opposed to legitimation strategies aiming for moral legitimacy which appear closely with ethical justifications as indicator for a postnational reasoning. However, legitimation strategies aiming for pragmatic legitimacy that are closely situated to economic justifications are located as far away as legitimation strategies aiming for moral legitimacy and ethical justifications. This might indicate that while the conditions in the postnational constellation change, legitimation strategies aiming for pragmatic legitimacy as well as economic justifications remain a major way of reasoning. Scientific justifications seem not to be related to any particular type of legitimation strategy. Dimension 2 seems to differentiate a liberal understanding of CSR as in legitimation strategies aiming for pragmatic legitimacy and economic justifications, with a non-liberal understanding

of CSR consisting of legitimation strategies aiming for moral legitimacy and ethical justifica-
tions.

Figure 5: Correspondence Analysis of Legitimation Strategies versus Justifications for Hewlett Packard
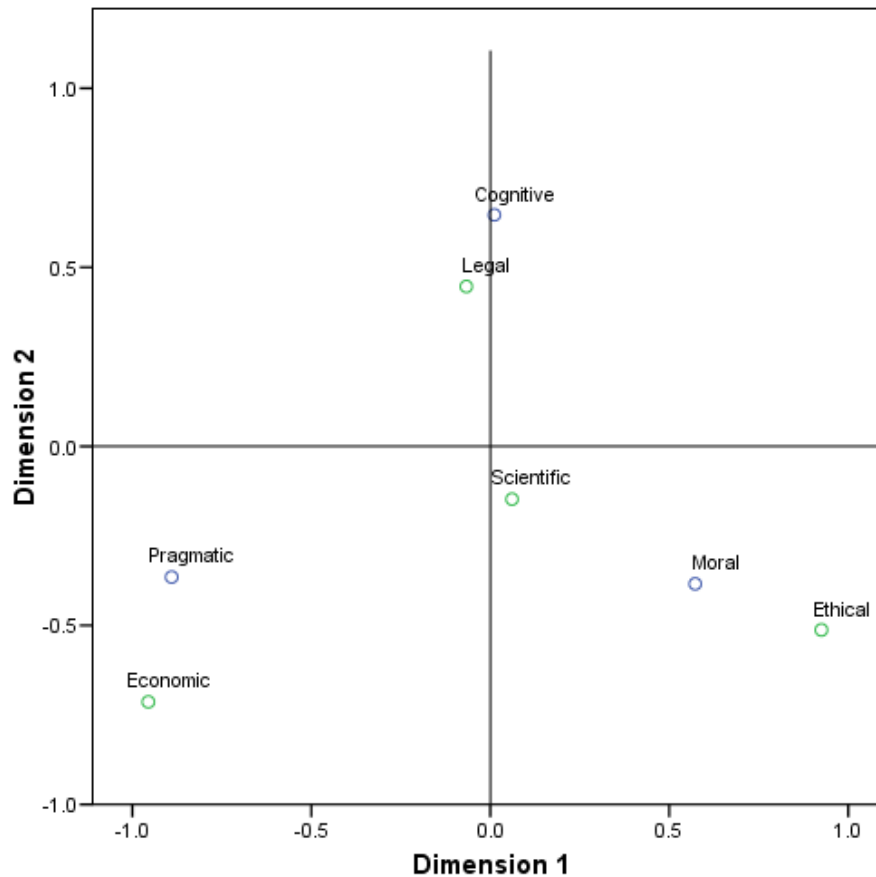
In a second inquiry, a correspondence analysis was performed on the contingency ta-
ble constituted by crossing the coding for identity orientations and legitimation strategies as
the second most frequent pattern code. Here, the first dimension displays 3% of the total iner-
tia, the second dimension .3%. Combined, the first two dimensions explain 3.3% of the vari-
ance in the data. However, the analysis did not pass the significance level ($\chi 2$ (4, N = 174) =
5.850, p > .05). A two-dimensional representation was not performed.

4.2.8 Summary of CSR-Character of Hewlett Packard

HP is a company with a strong culture that is mirrored in many traits of its CSR-
character. The cognitive dimension of HP's CSR-character is predominantly characterized by
a relational identity orientation with strong tendencies towards an individualistic identity ori-
entation and weaker traits towards a collectivistic identity orientation. It appears that the indi-

vidualistic identity orientation has gradually increased over the last decade. HP's legitimation strategies are strongly focused on those legitimation strategies that might provide moral legitimacy. At the same time, both pragmatic as well as cognitive legitimacy might be attributed to a considerable number of strategies present throughout the interviews. In particular, the cognitive framework of the global corporate citizenship or "HP-way" guides the actions of HP. The analysis of the linguistic dimension of HP's CSR-character reveals that the corporate language on CSR in general is dominated by legal justifications. However, justifications in case of crisis are mainly given from an ethical standpoint based on HP's self-perception of being a global citizen. Economic concepts are rather underrepresented which might be seen as unusual for a listed company. The conative dimension of posture of HP's CSR-character is dominated by an open posture suggesting that HP has a positive approach towards learning from the outside world and actively engages in finding solutions for pressing problems. In crisis events in the past HP tended to first take a tentative posture but rapidly changed to an open posture. Overall, HP may be classified as a "win-win advocate", characterized mainly by a relational identity orientation, an open posture, legitimation strategies that might provide moral legitimacy, and legal justifications.

4.3   CSR-Character of Nestlé

Nestlé is a typical MNC which is exemplary for a company operating under the changing conditions of the postnational constellation. It is a fascinating subject for the study of CSR for its claim to be "a company where national origins are of no importance" (Manager D, Nestlé). Nestlé believes to be "by far the most multinational company in the world" where "it's irrelevant to be Swiss" (Manager D, Nestlé). Nevertheless, the corporate culture is based on "values which are inherited from the Swiss, the Helvetic culture" (Manager D, Nestlé) which means that it is "still very much a traditional old-fashioned company adhering to sort of cultural, religious values" (Manager F, Nestlé). Nestlé managers underline the Calvinistic work culture and consider its diversity as a major strength. One of its core beliefs is that "this rich diversity is an invaluable source for our leadership" since "Nestlé operates in many countries and in many cultures throughout the world" (Nestlé, 2005a: 13). However, at Nestlé, they are convinced that the "corporate culture is deeply engrained" and "marks attitudes and behaviors and actions almost instinctively" (Manager B, Nestlé). All interviewees were very cooperative and open to discuss their opinions. Nestlé, in general, is very outspoken in its convictions which are, arguably, an important feature of a strong corporate culture as the basis for long term corporate success. This facilitated the classification with regards to the different dimensions of its CSR-character.

4.3.1   Identity Orientation

Nestlé shows a clear inclination towards an individualistic identity orientation which is mirrored in its motivation to engage in CSR. The locus is the individual organization which is manifested in four major traits: First, Nestlé appears to be a proud company that wants to be "the nice guy" (Manager D, Nestlé). The corporate culture or "attitude and spirit in the company" (Manager D, Nestlé) is believed to be heavily influenced by the first products that Nestlé produced: baby food and infant formula. It is argued that its strong focus on food gives it "a general attitude of responsibility" (Manager B, Nestlé) which has become part of the "genes" of Nestlé (Manager D, Nestlé). It results in the fundamental desire to be part of the "good guys" and "make sure that it is [embedded] in the behavior of people" (Manager J, Nestlé). Second, Nestlé fiercely defends its own "point of view" or "right of an opinion" (Manager D, Nestlé). Third, Nestlé assumes that legitimacy is gained by convincing stakeholder groups of the righteousness of Nestlé's action resulting in its mission to make people "understand, approve, [and] sympathize with the goals of Nestlé" (Manager B, Nestlé). Finally, Nestlé underlines that a company should not impose its standards on individuals but

emphasizes the importance of personal ethics for responsible behavior. Quotes for illustrating the themes identified can be found in Appendix D3, Table 49: Salient Traits of Identity Orientation at Nestlé.

The interviewees emphasized two motives in particular in their interpretation of the purpose of CSR: long-term profit making and complying with the law. Nestlé is a conservative company that "does not favor short-term profit at the expense of successful long-term business development" (Nestlé, 2005a: 13) and "will not act in order to satisfy short-term financial considerations" (Manager B, Nestlé). This also plays into its understanding of CSR. The social value potential is located in the performance of business functions which lead to long-term value for shareholders and, in a broader sense, to wealth creation for society. For Nestlé, CSR is inherent to its business objective which is "to manufacture and market its products in a way that creates value that can be sustained over the long term for shareholders, employees, consumers, business partners and the national economies in which Nestlé operates" (Nestlé, 2005a: 13). Obeying the law is a major pillar to its understanding of CSR since it makes good business sense. The purpose of CSR is framed as guaranteeing the long-term legitimacy seen as long-term profitability of Nestlé's operations by aiming for mutual benefit. CSR is thus a strategic imperative out of enlightened self-interest. Quotes for illustrating the themes identified can be found in Appendix D3, Table 50: Traits of Individualistic Identity Orientation in CSR Definitions at Nestlé.

The stakeholder approach of Nestlé is particularly insightful. Generally speaking, for Nestlé "a stakeholder is someone who receives a benefit or shares a burden as the result of the activities of the company. It encompasses people who feel that they benefit or suffer from actions of the company" (Manager I, Nestlé). The importance of a stakeholder's stake may be evaluated by its investment of money, time, health or trust. Nestlé regards itself as a consumer-driven company with shareholders as the primary stakeholders since they provide the capital that allows Nestlé to operate and satisfy consumers. It "recognizes that its consumers have a sincere and legitimate interest in the behavior, beliefs and actions of the company behind the brands in which they place their trust" (Nestlé, 2005a). The shareholder value ideology represents the foundation for its stakeholder approach: "It's Nestlé, we are consumer-driven, we are quality-minded, we are quality-conscious. We aim, if you will, at respecting as much as possible consumers, consumer desires, and offer them on a consistent regular basis products which are controlled, which are really well in our hands" (Manager D, Nestlé). The underlying logic is that "each day, a billion people need to make a conscious decision to

choose a Nestlé product over one of its competitors'. And if we don't have that billion pur-chasing decisions a day, we will not reach our targets and will therefore not be able to satisfy our shareholders" (Manager B, Nestlé). Thus, "it's in our interest and in the interest of our shareholders not to create a feeling of bad will amongst consumers" (Manager B, Nestlé). A weaker trait represents the concentration on shareholders and employees as primary stake-holder. Quotes for illustrating the themes identified can be found in Appendix D3, Table 51: Traits of Individualistic Identity Orientation in Stakeholder Definitions.

Traits of a relational identity orientation are less present. There are two elements which are prevailing. First, from a relational perspective employees are not only seen as im-portant assets but it is emphasized that Nestlé owes a duty to its employees. They are regarded as crucial stakeholders sometimes even as the most critical stakeholders who contribute their careers, skills, and time to the success of the company. This implies a duty to train employees and aim for the highest level of job satisfaction as a way to take care of them. This relational view is emphasized in the claim that "it's… the energy of the people of the company that pro-duces the money as such" which implies that "above … [the prevailing] moral standards, then you have what you should call the ethical standards which is how you then relate with people" (Manager J, Nestlé). Second, CSR is interpreted as a "building block" for developing long-term relationships with stakeholders that have invested different stakes which will help "to operate in a way that's to their long-term benefit as well as ours" (Manager F, Nestlé). The essence is interpreted as a "balancing of the different interests" or "give and take" where the "simple principles saying 'one must' usually are not applicable" (Manager B, Nestlé). Nestlé has also started to seek a dialogue to build better relationships with civil society organizations but only with "people of good faith where dialogue makes sense" (Manager F, Nestlé). Quotes for illustrating the themes identified can be found in Appendix D3, Table 52: Traits of Rela-tional Identity Orientation in CSR and Stakeholder Definitions at Nestlé

Nestlé acknowledges some collective responsibility due to its economic impact wher-ever it operates. This implies that it is important "not to cause harm and to actually see what your capacity is to do something of benefit to the society in which you are operating" (Man-ager J, Nestlé). Nestlé believes it has a wider responsibility, and in general, wants to be a good citizen by giving something back "where they operate … whether it's the local society or the country or the region" (Manager E, Nestlé). However, this assumption is rather based on in-strumental reasoning since it is believed to be in Nestlé's long-term interest that society bene-fits as well: "We believe that the true test of a business is whether it creates value for society

over the long term" (Peter Brabeck-Letmathe in Nestlé, 2006b). Thus, it is not the corporation that serves the society's interests but the prospering of a society serves the interests of Nestlé's shareholders. In other words Nestlé fuses " the good of the evaluator with the good of society as a whole" (Suchman, 1995: 579).

Nestlé's response in the aftermath of the tsunami disaster in south Asia may be seen as a deviation from its postulated CSR approach. Here, local Nestlé companies provided immediate support to the relevant authorities and relief organizations by supplying food and beverages, logistical means and technical expertise. Following the wave of global solidarity and wanting to be a good corporate citizen, Nestlé undertook a considerable amount of effort to contribute to disaster relief (Nestlé, 2005b). Quotes for illustrating the themes identified can be found in Appendix D3, Table 53: Traits of Collectivistic Identity Orientation in CSR and Stakeholder Definitions at Nestlé.

In summary, the shareholder focus and the emphasis on the consumer clearly indicates its interpretation of CSR as enlightened self-interest of the corporation throughout the organization. The locus of organizational self-definition as the individual organization can be assumed from the prevailing motives of pride, knowledge ("our point of view"), and the claim that others need to understand Nestlé. Relational motives (e.g. the notion of a need to balance stakeholder interests and the particular care for employees), as well as collectivistic considerations (e.g. the need to give back to society and the concern for Nestlé's economic impact) are present but appear to be of second rank to the strong individualistic traits.

Table 18: Salient Identity Orientation of Nestlé

Individualistic	Relational	Collectivistic

• Traits of organizational self-definition as individual organization
  o Motive of pride
  o Motive of our point of view
  o Motive of need to be understood
• Traits of enlightened self-interest as basis for motivation for CSR
  o Shareholder value maximization
  o Compliance with law as good business
  o Contribution to long-term legitimacy
• Traits of relationships based on instrumentality
  o Shareholder as primary stakeholder
  o Consumer as stakeholders
  o Employees as assets
	• Traits of particular other's benefit as basis for motivation for CSR
	  o Motive of investment of money, skills, time, health, trust by stakeholders
	  o Seek dialogue
	• Traits of relationships based on dyadic concern and trust
	  o Balancing the interests of stakeholders
	  o Care for employees
	  o Care for suppliers
		• Traits of greater collective's welfare as basis for motivation for CSR
		  o Motive of create value for society
		  o Do not harm & consider impact
		  o Consideration of global issues
		• Traits of relationships based on collective agenda
		  o Responsibility towards community
		  o Responsibility towards society

4.3.2   Legitimacy and Legitimation Strategies

Nestlé applies a number of strategies in its search for the long-term legitimacy of its operations Legitimation strategies that might provide pragmatic legitimacy were by far most present in the responses of interviewees. Three themes prevailed: First, wealth creation represents the major source of legitimacy in the eyes of interviewees at Nestlé. The private enterprise is regarded as a major source of wealth creation which does not only aim for shareholder value creation but also responds to basic societal demands in the fulfilling of business functions. Examples that were given include financing of pensions, delivering of a steady income to milk producers, delivering high quality products to customers, producing desirable food for consumers, providing employment by setting up factories, training and educating workers among others. Second, in order to improve long-term performance, Nestlé is committed to take care of its supply chain. Nestlé has increasingly focused on its responsibility for the supply chain."Developing a model for corporate responsibility…depends on studying a company's value chain to understand the social and environmental consequences of its activities and the external resources required to perform those activities well" (Nestlé, 2006c: 5). In its sustainability report 2006 the focus lies on three areas: agriculture and sourcing, manufacturing and distribution, and products and consumers. For example, Nestlé helps farmers with training programs to increase productivity, quality, and profitability. Nestlé managers claim to provide stable income by the constant purchase of products independent of Nestlé's actual demand at superior prices. Third, stakeholder dialogues are seen as a sounding board or "early warning system" in order to improve product development and remain aligned with social demands and trends in society. It is interpreted as a crucial component for the corporate strategy development. Quotes for illustrating the themes identified can be found in Appendix D3, Table 54: Traits of Legitimation Strategies Proving Pragmatic Legitimacy at Nestlé.

Traits of legitimation strategies that aim for cognitive legitimacy mainly referred to compliance with the law, Nestlé's business principles, the UN Global Compact, and CSR-tools: (i) Compliance with the law, on a local and national level, is imperative for Nestlé wherever it operates. The reasoning is instrumentalist: "That's an internal decision: saying let's walk the talk, let's stick to the rules. Why? Because it's best for business" (Manager C, Nestlé). (ii) Nestlé is strongly committed to its business principles: "Notwithstanding the fact that you are a very profitable operation and you respect all the laws, you may still, under certain circumstances, behave in a way that is, from a moral point of view, not in line with what we should expect from people… So then you have at a third level: the moral standard that the

company uses, and those standards you will find them in our corporate business principles,…in the HR policies, you find them in all the documents that we issue" (Manager J, Nestlé). These business principles kick in when "internal standards are above and beyond" (Manager C, Nestlé) local standards. When asked what happens with regards to regulation in developing countries with weak governance, Nestlé's approach is to "make sure that whatever rules and regulations exist and are applied, that we would adhere to them and then…insist that we adhere to certain standards that we universally set for a company" (Manager C, Nestlé). However, in case the internal standards are above and beyond the local requirements, Nestlé claims to insist on its own set of standards and business principles as an internal cognitive framework for decision making. Nestlé aims to always abide by the law and pulled out of countries such as Myanmar when governmental human rights abuses became evident. (iii) The UN Global Compact's ten Principles on human rights, labor, the environment and corruption serve as an external cognitive framework. According to Nestlé, they are "specifically incorporated in the Nestlé Corporate Business Principles, and are fundamental to guiding our business actions" (Nestlé, 2005a). Nestlé explicitly refers to its improved performance in the Dow Jones Sustainability World Index and the DJSI STOXX index as CSR frameworks in its business principles. These cognitive frameworks have a clear moral component as, for example, in the case of bribery. This is reflected in its emphasis of "long-term" commitments in all of its business considerations. (iv) Nestlé is involved in a number of voluntary initiatives of self-regulation, e.g. its commitment to the International Chamber of Commerce Code on Environmental Advertising. This represents (partially) a reaction to corporate scandals with regards to corporate governance, as well as to former campaigns that run against it such as in the case of infant formula marketing. Nestlé "generally endorses commitments and recommendations for voluntary self-regulation issued by competent sectoral organizations, provided they have been developed in full consultation with the parties concerned; these include the ICC Business Charter for Sustainable Development (1991), the OECD Guidelines for Multinational Enterprises (1976), and the OECD Principles of Corporate Governance (1999)" (Nestlé, 2003). (v) Nestlé uses CSR tools such as quality insurance processes (which have been interpreted as soft law instruments). Quotes for illustrating the themes identified can be found in Appendix D3, Table 55: Traits of Legitimation Strategies Proving Cognitive Legitimacy at Nestlé.

Nestlé applies a range of legitimation strategies that aim for moral legitimacy that explicitly refer to the areas of government, human rights, labor, environment, consumers and

consumer communication, marketing and advertisement practices, management of the supply chain and ethical sourcing. (i) As a consumer-oriented company, Nestlé understands it as its responsibility to educate the consumer by informing and raising awareness on health issues such as obesity and the nutrition value of products. It also aims to create products for the "bottom of the pyramid" (Nestlé, 2006a). Therefore, Nestlé works with external groups such as associations and engages in public private partnerships. (ii) Nestlé trains authorities on food safety processes and argues that this raises the level of food safety in the respective country. (iii) Nestlé claims that through its operations knowledge and skill transfer is facilitated. (iv) Nestlé does not bribe government officials even if it makes business in developing countries more difficult."We have a very, very important advantage vis-à-vis corporations such as the companies building dams or selling equipment to the state and so on. We sell our products to consumers: a great number of individual decisions, for relatively minor amounts, determine about success or failure. We do not have to convince one minister or one secretary of state" (Manager B, Nestlé). (v) Nestlé aims for ethical sourcing with regard to agriculture. That includes the training of farmers, purchasing practices that allow for stable and above average incomes, and working towards a more sustainable agriculture by the promotion of sustainable growing and production (Nestlé, 2006a). (vi) Nestlé claims that it has been voluntarily minimizing its environmental impact based on its precautionary approach to environmental challenges in areas such as energy and water consumption, waste water generation, air emissions, and transport. For example, as the first company in Europe, Nestlé introduced a new biodegradable alternative to plastic for manufactured food products (Nestlé, 2005a). (vii) Nestlé engages stakeholder dialogues to fight against humanitarian challenges. For instance, it is a founding member of the International Cocoa Initiative, which was set up as "a long-term effort with unions, anti-slavery organisations, and other members of the cocoa supply chain, aimed at eliminating the worst forms of child labour" (Nestlé, 2005a). On certain occasions Nestlé also tries to actively promote the human rights environment. In 2005, Nestlé Nigeria sponsored a new national television series that promotes greater religious and social tolerance and respect for human rights. (viii) Nestlé aims to raise awareness for pressing issues such as access to water. In addition, it supports "the UN goals aimed at poverty reduction – through over 150 projects in 66 countries" (Nestlé, 2005a). (ix) On some occasions, Nestlé has built infrastructure such as roads and schools in the community where it operates in order to improve the living conditions of its suppliers and their families. Quotes for illustrating the themes identified can be found in Appendix D3, Table 56: Traits of Legitimation Strategies Aiming for Moral Legitimacy at Nestlé.

In summary, salient legitimation strategies in the interviews that aim to gain pragmatic legitimacy include the performance of business functions and the assumption of its fiduciary responsibilities. Themes that indicate legitimation strategies that aim to maintain pragmatic legitimacy refer to the engagement with stakeholders as a sounding board. No themes that indicate legitimation strategies that aim to repair pragmatic legitimacy were identified in the interviews. Salient legitimation strategies that aim to gain cognitive legitimacy include the reference to business principles and standards, the implementation of CSR tools and the engagement with the UN Global Compact. Themes that refer to legitimation strategies that aim to maintain cognitive legitimacy include the compliance with national and local laws. Legitimation strategies that aim to repair cognitive legitimacy include the engagement in self-regulation. Salient legitimation strategies that aim to gain moral legitimacy refer to the building of infrastructures, the training of authorities and farmers, knowledge and skill transfer, the imperative not to bribe, the minimization of the environmental impact, source ethically, and raise awareness for pressing issues. Legitimation strategies that aim to maintain moral legitimacy refer to the engagement in the education of consumers on nutrition. Salient legitimation strategies that aim to repair moral legitimacy include the engagement in multi-stakeholder initiatives.

Table 19: Salient Legitimation Strategies of Nestlé

Pragmatic	Cognitive	Moral

• Gain (fulfill basic societal expectations)
  o Perform business functions & take care of supply chain
  o Fiduciary responsibilities
• Maintain
  o Engage with stakeholders as sounding board
• Repair
  o Not found
	• Gain
	  o Establish business principle and follow standards
	  o Implement CSR-tools
	  o Engage in UN Global Compact
	• Maintain
	  o Comply with national and local law
	• Repair
	  o Engage in self-regulation
		• Gain
		  o Provide infrastructure
		  o Train authorities & farmers
		  o Knowledge & skill transfer
		  o Do not bribe
		  o Minimize environmental impact
		  o Raise awareness for pressing issues
		  o Source ethically
		• Maintain
		  o Educate the consumer
		• Repair
		  o Engage in multi-stakeholder initiative

4.3.3 Posture as Reaction to Crisis

The prevailing posture of Nestlé in crisis situations has been analyzed by looking at five accusations that the company has been facing in the past which partially continue to be raised today.

(i) In the infant formula-debate that started in the 1970ies, Nestlé has been (in)famously been accused of "killing babies", causing a PR-disaster for Nestlé. Some activists continue to announce new incidences of Nestlé's perceived wrongdoing.

(ii)   In 2002, Nestlé caused a wave of public outrage when it claimed US$ 6 Million compensation from famine-stricken Ethiopia for the nationalization of its operations back in 1975.

(iii)   Nestlé has been frequently accused of tolerating human rights violations relating to unionization and the killing of a union leader in Columbia.

(iv)   Nestlé is a vivid defender of gene technology while a large part of the European population refuses genetically modified food. This has led to intensive public discussions resulting in an EU directive to label genetically modified food.

(v)   Water is seen as the most important resource of the 21st century. Nestlé is the biggest private owner of sources of sweet water in the world which has recently caused a lot of frictions.

While the first four issues are of minor importance to Nestlé (today) the water debate is high up on the agenda of Nestlé. Nestlé fully acknowledges the importance of water scarcity and access to water as one of the most important issues of the 21st century. This is reflected in the publication of its first separate water report that was presented by the CEO of Nestlé at the headquarters in Vevey, as well as by the CFO in Boston in March 2007. It appeared to be a very emotional topic for both activists and managers. One manager explained: "[Activist] organizations are trying to make a big story out of this and put companies in a bad light and that's happening right now. And that's a big issue". The water debate "has this…emotional potential. They say look at Nestlé, it's appropriating all the water". The reaction to this is rather harsh: "That again, is such a ridiculous, stupid argument…and now of course you're making me emotional, because I happen to know a little more than most ignorant idiots" (Manager C, Nestlé). The debate can be separated into two major lines of arguments: one is referring to the sustainable use of water, i.e. Nestlé's own water consumption, in particular to agriculture; the second is referring to the more fundamental issue of water being private property and the related question of the availability of clean water to people.

The interviewees brought forward the following arguments in defense of Nestlé's position to own sources of sweet water and manufacture bottled water: (i) Nestlé's water consumption is seen as negligible in comparison to the water consumption of agriculture. The availability of water could be increased tremendously by improving the efficiency of agricultural techniques. (ii) Nestlé's water consumption is considered to be negligible in comparison

to the whole of available sweet water. According to one interviewee it amounts to 0.0009 percent or "in other words nothing" (Manager B, Nestlé). (iii) Nestlé believes it provides an important service in those countries where the provision of water by public services fails for political reasons. In those regions Nestlé's product "is a heaven-sent" (Manager B, Nestlé) allowing a better life by protecting from diseases stemming from dirty water. (iv) Nestlé believes that it adds value to water by extracting, bottling, packaging and distributing it which should entitle it to owe sources as a supply for its operations. (v) Nestlé sees itself in competition with other bottled beverages such as soft drinks but not with water from public services. Its main competitors are Pepsi, Coca-Cola, and Danone (Nestlé Waters, 2002). In this area, Nestlé's production is much more efficient than that of its competitors leading to the claim that the bottled water industry is "probably the most environmentally friendly" (Manager B, Nestlé). Quotes for illustrating the themes identified can be found in Appendix D3, Table 57: Defensive Posture on Water Debate at Nestlé.

Nestlé is showing a tentative position when it comes to the issues of access to water. Nestlé is committed to "document/share our water management actions: (i) where we have direct control; (ii) where we use influence to enhance clean water access" in order to "to explore future directions with other stakeholders" and "work with others for positive impact" (Brabeck-Letmathe, 2007: 5). Nestlé is committed to "assure that our activities respect local water resources" (Brabeck-Letmathe, 2007: 5) that is the "sustainable use of water" by "making sure… in the company's own best long-term interest that the sources we are using are replenished and are not overexploited in a sustainable way" (Manager B, Nestlé). Due to the lack of a considerable amount of quotes for illustrating the themes identified, there is no table on a tentative posture of Nestlé in the water debate.

Nestlé has developed a list of five overall commitments referring to water consumption in production, water conservation in agriculture, water discharge, and access to water (Brabeck-Letmathe, 2007: 5). Nestlé is open to reduce its own consumption by reducing the amount of water used per kilogram of food and beverage produced. It is committed to the conservation of water, for example by helping "agricultural suppliers" (Brabeck-Letmathe, 2007: 5) by discharging clean water and feeding it back to farmers. Nestlé does also reach out to teachers to educate them to conserve water. Programs that have a focus on outreach and collaboration have a particular focus on women and children. Moreover, Nestlé wants to inform the public on the areas of water consumption and raise awareness for importance of water conservation, for example, in public forums such as the World Water Forum. The reason is

that "Nestlé needs reliable access to clean water" and thus "has a stake in future of water" which could be seen as "shared value with society" (Brabeck-Letmathe, 2007: 5). Quotes for illustrating the themes identified can be found in Appendix D3, Table 58: Open Posture on Water Debate at Nestlé.

In the presentation of its water report, Nestlé CEO Brabeck-Letmathe (2007) stated a number of areas where Nestlé's presumably creates value for society as well as for Nestlé's shareholders: Waste water treatment, water as a healthy beverage, water education and disaster response, improving community access to clean water, influencing better water management, stakeholder engagement, increased attention to local conditions, and the scaling up of efforts in agriculture. The main advantages for Nestlé are risk and cost reduction, more efficient source management, sales growth, building relationships with potential future consumers, quality supplies from motivated, enabled farmers, knowledge sharing and informing future strategy development of Nestlé.

Nestlé labels its CSR-strategies as "value for society". They can be reduced to four major statements: First, Nestlé claims to have reduced its impact on water availability, waste, and packaging by reduced water consumption and waste water in production, by improving operational water efficiency, by a significant reduction in packaging volume through more local sourcing and sales, and an increased attention to local conditions with regards to water stressed countries. Second, Nestlé believes that it has contributed to skill transfer and knowledge sharing through early consideration of waste water treatment making Nestlé "best in class", by encouraging farmers towards good water management and improved agricultural practices, by its prominent role in the WEF water initiative, and by building a best practice repository. Third, Nestlé believes it has a role to play to sensitize future generations in water stressed countries by educating on water issues and how to access clean water in case of disaster. Finally, Nestlé aims to educate on water's positive role in nutrition by encouraging children to choose water, and inform on the relationship between water as a beverage and the fight against obesity. The achievements that have been made according to CEO Brabeck-Letmathe (2007) are detailed below. Every achievement is clearly classified by how the strategy of "creating shared value" plays out.

Table 20: Shared Value in Water Debate according to Nestlé

Nestlé's Achievements	Value for Nestlé	Value for Society

• Production volume doubled
  o Water consumption down 29%
  o Waste water down 37%
	• risk and cost reduction	• reduced impact on water availability/waste/ packaging

• Improving operational water efficiency
  o Over 200 factories met water efficiency improvement targets in 2006
    ▪ Consistent improvement, measured over time
    ▪ Tried and tested policy/process to improve further
    ▪ ISO 14001 certification worldwide by 2010
	• risk and cost reduction	• reduced impact on water availability/waste/ packaging

• Waste water treatment
  o First objective to minimize waste water
    ▪ First treatment plant 1930
    ▪ First to develop treatment plants, before legislation
	• risk and cost reduction	• best in class waste water treatment facilities
		• skill transfer

• Sourcing water for bottling
  o Verification system to test water sources
    ▪ Ascertains sustainability, compliance, exploitation limits: Defines treatment required
    ▪ Significant reduction in packaging volume
    ▪ 90% bottled water consumed in country of origin
	• risk and cost reduction
	• more efficient source management
		• reduced impact on water availability/waste/ packaging

• Water as a healthy beverage
  o Providing bottled water: safe & healthy
    ▪ Encouraging children to choose water
    ▪ Nestlé Compass: comprehensive consumer information
    ▪ Water and obesity: proven, positive role
	• sales growth category	• water's positive role in nutrition

• Water education and disaster response
  o Project WET: millions of children in 22 countries
    ▪ Water education essential to Indian wells program
    ▪ Major water donor: Katrina, Pakistan, Tsunami
	• building relationship with potential future consumers	• future generations sensitized to water issues, clean water in crises

• Improving community access to clean water
  o Community engagement: 36 water related projects
    ▪ Indian milk district water facilities reach 25,000 children
    ▪ IFRC partnership: water and sanitation focus
	• quality supplies from motivated, enabled farmers	• clean water in water-poor regions

• Influencing better water management
  o Encouraging farmers toward good water management
    ▪ Milk farmers: helping manage effluents
    ▪ Coffee farmers: irrigation and post-harvest treatment techniques save up to 90%
	• quality supplies from motivated, enabled farmers	• knowledge sharing
		• improved agricultural water management practices

• Stakeholder engagement
  o Prominent role in WEF water initiative, debates
    ▪ AccountAbility engaged stakeholders around report
    ▪ World Water Forum, Mexico, 2006
	• knowledge sharing
	• informing future strategy
		• clean water in water-poor regions
		• knowledge sharing

• Increased attention to local conditions
  o 49 factories in 13 of 45 most water-stressed countries
    ▪ Evaluation and focus for future improvement
    ▪ Development of proprietary water stress index
	• risk and cost reduction	• reduced impact on water availability/waste/ packaging

• Scaling up efforts in agriculture
  o Building best practice repository, share in Nestlé and SAI
    ▪ Possible research into drought resistant plants
    ▪ Incorporating water into all agricultural extension
	• informing future strategy
	• quality supplies from motivated farmers
		• clean water in water-poor regions
		• knowledge sharing

The water debate demonstrates two important aspects with regards to posture at Nestlé: First, Nestlé shows an open posture when the issue at stake may be reformulated in economic terms. As the water demonstrates Nestlé has changed its communication strategy. It is now strategically addressing pressing issues by explaining how its CSR strategy of "creating shared value" plays out. Second, Nestlé is vividly opposed to topics which do not enter its logic of "creating shared value". If a topic cannot be framed in an economic logic such as the debate on clean water supply and access, it is perceived as a "political problem" (Manager C, Nestlé). However, out of enlightened self-interest Nestlé has started to develop strategies to deal even with those topics that seem not to create shared value as part of its risk management

strategy. As it becomes apparent, very often a debate can be further distinguished into (i) those sub-issues that a company has not yet addressed but once they become apparent they can be easily integrated into the corporate strategy, and (ii) those issues which represent a fundamental conflict since they are not compatible with the current business model.

4.3.4   Justifications

Nestlé usually justifies its behavior with economic, legal and scientific language. As already mentioned the shareholder logic is deeply engrained in its culture. Very often scientific explanations are used for explaining its behavior based on its technological heritage in the food sector. The justifications used in the argumentation of Nestlé CEO Brabeck-Letmathe of Nestlé's contribution refer mainly to scientific or technological improvements. This leads in certain cases to Nestlé being interpreted as the "the big, money-hungry, cold, rational, profit-making multinational" (Manager B, Nestlé). There are four lines of argumentation: (i) Arguments that refer to the reduced impact on water availability/waste/packaging, best in class waste water treatment facilities, improved agricultural water management practices may be classified as scientific (or technological). (ii) Arguments that refer to skill transfer and knowledge sharing may be classified as scientific or economic. (iii) Arguments that refer to water's positive role in nutrition and clean water in water-poor regions may be classified as scientific and ethical. (iv) Arguments that refer to future generations sensitized to water issues and clean water in crises may be classified as ethical.

Table 21: Justifications in Water Debate of Nestlé

Value for Society	Justification
Reduced impact on water availability/waste/packaging	Scientific (technological)
Best in class waste water treatment facilities	Scientific (technological)
Skill transfer	Scientific, economic
Water's positive role in nutrition	Scientific, ethical
Future generations sensitized to water issues, clean water in crises	Ethical
Clean water in water-poor regions	Scientific, economic
Knowledge sharing	Scientific (educational)
Improved agricultural water management practices	Scientific (technological)

Interviewees repeatedly referred to improved (food) technology as a major contribution of Nestlé in debates on its responsibility. In particular with regards to the debate on the genetically modified food (GMO), many interviewees tended to base ethical arguments on scientific arguments. Nestlé clearly believes that GMOs are a progress for mankind and could bring about many benefits such as improved efficiency in agriculture or health benefits. It acknowledges though that people are afraid of this technology which has led to strict legislation in particular in Europe. While there is no doubt that GMOs are an important technology,

Nestlé neglects that a pure scientific argumentation is not sufficient to lower the fears of people that are overwhelmed by the complexity of today's technology and science in general. The ethical argument that GMOs are "the right thing to do" from a scientific perspective has been identified as the wrong type of argumentation by Nestlé itself. Quotes for illustrating the themes identified can be found in Appendix D3, Table 59: Scientific Justifications in Debate on Genetically Modified Food at Nestlé.

In conclusion, scientific arguments clearly dominate in reaction to crisis. They are usually combined with an ethical argument to strengthen their validity. However, the GMO debate demonstrates, that science does not automatically generate socially desirable outcome even when put in ethical terms (the application of technology for the well-being of human-kind). A true ethical argument which allows for moral legitimacy permits the addressee of the argument to enter into dialogue and discuss the position taken (Palazzo & Scherer, 2006).

4.3.5 Dominant Dimensions

4.3.5.1 Identity Orientation

Traits of an individualistic and a relational identity orientation were found in all 13 interviews of the Nestlé set. Traits of a collectivistic identity orientation were present in 10 interviews, among them 6 in the first round and 4 in the second round (whereby 2 interviewees showed traits in both interview rounds). 203 words, themes, phrases, or passages were coded as individualistic identity orientation (Total Mean = 15.62; SD = 6.104), among them 124 codes for the first round of interviews (Mean = 15.50; SD = 6.803) and 79 for the second round (Mean = 15.80; SD = 5.541). 296 codes were assigned for a relational identity orientation (Total Mean = 22.77; SD = 9.791), among them 197 codes for the first round of interviews (Mean = 24.62; SD = 9.927) and 99 codes for the second round of interviews (Mean = 19.80; SD = 9.859). A collectivistic identity orientation was chosen for 16 codes in the first round of interviews (Mean = 2.00; SD = 2.268) and 14 in the second round (Mean = 2.80; SD = 2.683), totaling 30 codes (Total Mean = 2.31; SD = 2.359).

			Descriptives		
Category	Round	N	Mean	Std. Deviation	Std. Error
individualistic	1	8	15.50	6.803	2.405
	2	5	15.80	5.541	2.478
	Total	13	15.62	6.104	1.693
relational	1	8	24.62	9.927	3.510
	2	5	19.80	9.859	4.409
	Total	13	22.77	9.791	2.715

collectivistic	1	8	2.00	2.268	.802
	2	5	2.80	2.683	1.200
	Total	13	2.31	2.359	.654

An ANOVA for the first round revealed that identity orientation code frequency means (and standard deviations) differed significantly for the first round (F = 20.733, p < .05). A Scheffé post hoc test showed that only code frequencies for a relational identity orientation were significantly higher in both pair wise comparisons (p < .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2073.083	2	1036.542	20.733	.000
Within Groups	1049.875	21	49.994		
Total	3122.958	23			

A χ^2 analysis of the difference between individual/relational/collectivistic code frequencies for Nestlé across the first round was significant (χ^2 (1, N = 337) = 14.64, p < .05). The null hypothesis of an equal distribution of identity orientations in the first interview round was rejected. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ^2 = 6.9604015). There was also significance found for the difference between individualistic/relational frequencies (χ^2 (1, N = 321) = 16.60, p < .008), the difference between individual/collectivistic frequencies (χ^2 (1, N = 140) = 83.31, p < .008), the difference between relational/collectivistic frequencies (χ^2 (1, N = 213) = 153.81, p < .008), the difference between individualistic vs. relational/collectivistic frequencies (χ^2 (1, N = 337) = 23.50, p < .008), the difference between relational vs. individualistic/collectivistic frequencies (χ^2 (1, N = 337) = 9.64, p < .008), and the difference between collectivistic vs. individualistic/relational frequencies (χ^2 (1, N = 337) = 276.04, p < .008). The χ^2 analysis implies that the dominance of a relational identity orientation was not only significant in comparison with any other identity orientation but also when comparing them with the two other combined. It also confirms the strong presence of an individualistic identity orientation as a second line of argument which is indicated by the highly significant difference between individual/collectivistic frequencies.

Subtest			Code Frequencies			N	χ^2	Critical Value	α	df	Significant
individualistic	<	relational	124	<	197	321	16.60	6.96	0.008	1	yes
individualistic	>	collectivistic	124	>	16	140	83.31	6.96	0.008	1	yes
relational	>	collectivistic	197	>	16	213	153.81	6.96	0.008	1	yes
individualistic	<	rel+col	124	<	213	337	23.50	6.96	0.008	1	yes
relational	>	ind+col	197	>	140	337	9.64	6.96	0.008	1	yes
collectivistic	<	ind+rel	16	<	321	337	276.04	6.96	0.008	1	yes

The coded references for an individualistic identity orientation related to 10023 words (50.71% of total words coded as identity orientation; Total Mean = 771.00; SD = 403.198), among them 6512 words (32.59%; Mean = 814.00; SD = 470.921) in the first round of interviews and 3511 words (17.76%; Mean = 702.20; SD = 299.999) in the second round of interviews. 8420 words (42.60%; Total Mean = 647.69; SD = 385.521) were coded as indicating a relational identity orientation, among them 5958 words (30.14%; Mean = 744.75; SD = 427.496) in the first round of interviews and 2462 words (12.46%; Mean = 492.40; SD = 277.625) in the second round. 864 words (4.37%; Total Mean = 101.69; SD = 122.372) were coded as collectivistic identity orientation in the first round of interviews and 458 words (2.32%; Mean = 108.00; SD = 150.704) in the second round totaling 1322 words (6.69%; Mean = 91.60; SD = 70.515).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
individualistic	1	8	814.00	470.921	166.496
	2	5	702.20	299.999	134.164
	Total	13	771.00	403.198	111.827
relational	1	8	744.75	427.496	151.143
	2	5	492.40	277.625	124.158
	Total	13	647.69	385.521	106.924
collectivistic	1	8	108.00	150.704	53.282
	2	5	91.60	70.515	31.535
	Total	13	101.69	122.372	33.940

An ANOVA for the first round revealed that identity orientation word frequency means (and standard deviations) differed significantly for the first round (F = 8.508, p < .05). A Scheffé post hoc test showed that the code frequencies for an individualistic and a relational identity orientation were significantly higher than for a collectivistic one, respectively (p < .05). The difference of code frequencies for an individualistic and a relational identity orientation was insignificant (p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2423152.333	2	1211576.167	8.508	.002
Within Groups	2990621.500	21	142410.548		
Total	5413773.833	23			

A χ2 analysis of the difference between individualistic/relational/collectivistic code frequencies for Nestlé across the first and the second round was not significant ($\chi 2$ (2, N = 529) = 3.04, p > .05). For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ2 = 6.9604015). The null hypothesis of an equal distribution of identity orientations was confirmed in all subtests.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
individualistic	<	relational	203	<	296	499	1.57	6.96	0.008	1	no
individualistic	>	collectivistic	203	>	30	233	0.65	6.96	0.008	1	no
relational	>	collectivistic	296	>	30	326	2.10	6.96	0.008	1	no
individualistic	<	rel+col	203	<	326	529	0.98	6.96	0.008	1	no
relational	>	ind+col	296	>	233	529	2.36	6.96	0.008	1	no
collectivistic	<	ind+rel	30	<	499	529	1.48	6.96	0.008	1	no

The analysis on code frequencies as well as the χ2 analysis for the first interview round seems to indicate a relational identity orientation while the analysis of word frequencies of the related codes indicates a very strong individualistic identity orientation as well. Traits of a collectivistic identity orientation appear to be rather weak. The χ2 analysis comparing the different rounds confirms that this holds for both the first and the second round of interviews.

4.3.5.2 Legitimacy and Legitimation Strategies

Traits of legitimation strategies relating to pragmatic legitimacy were found in all 13 interviews of the Nestlé set. Traits of legitimation strategies relating to cognitive legitimacy were present in 9 interviews, among them 5 in the first round and 4 in the second round (whereby 4 interviewees showed traits in both interview rounds). Traits of legitimation strategies relating to moral legitimacy appeared in 7 interviews in the first round and 5 in the second (whereby 3 interviewees showed traits in both interview rounds). 87 words, themes, phrases, or passages were coded as legitimation strategies aiming for pragmatic legitimacy (Total Mean = 6.69; SD = 5.250), among them 45 codes for the first round of interviews (Mean = 5.62; SD = 4.689) and 42 for the second round (Mean = 8.40; SD = 6.189). 27 codes were assigned for legitimation strategies relating to cognitive legitimacy (Total Mean = 5.00; SD = 3.416), among them 16 for the first round of interviews (Mean = 4.75; SD = 3.808) and 11 for the second round of interviews (Mean = 5.40; SD = 3.050). Legitimation strategies relating to pragmatic legitimacy were coded in 48 cases in the first round (Mean = 6.00; SD = 4.986) and 35 cases in the second round (Mean = 7.40; SD = 5.857), totaling 83 codes (Total Mean = 6.54; SD = 5.142).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
pragmatic	1	8	5.62	4.689	1.658
	2	5	8.40	6.189	2.768
	Total	13	6.69	5.250	1.456
cognitive	1	8	4.75	3.808	1.346
	2	5	5.40	3.050	1.364
	Total	13	5.00	3.416	.947
moral	1	8	6.00	4.986	1.763
	2	5	7.40	5.857	2.619
	Total	13	6.54	5.142	1.426

An ANOVA for the first round showed that legitimation strategy code frequency means (and standard deviations) did not differ significantly for the first round ($F = .161$, $p > .05$).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.583	2	3.292	.161	.852
Within Groups	429.375	21	20.446		
Total	435.958	23			

A χ^2 analysis of the difference between pragmatic/cognitive/moral code frequencies for Nestlé across the first round was not significant (χ^2 (1, N = 131) = 1.21, p > .05). The null hypothesis of an equal distribution of legitimation strategies across the first interview round was confirmed. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ^2 = 6.9604015). There was also no significance found for the difference between pragmatic/cognitive frequencies (χ^2 (1, N = 83) = .59, p > .008), the difference between pragmatic/moral frequencies (χ^2 (1, N = 93) = .10, p > .008), and the difference between cognitive/moral frequencies (χ^2 (1, N = 86) = 1.16, p > .008). However, the difference between pragmatic vs. cognitive/moral frequencies (χ^2 (1, N = 131) = 12.83, p < .008), the difference between cognitive vs. pragmatic/moral frequencies (χ^2 (1, N = 131) = 23.09, p < .008), and the difference between moral vs. pragmatic/cognitive frequencies (χ^2 (1, N = 131) = 9.35, p < .008) were significant. The χ^2 analysis implies that all different legitimation strategies are about equally present since the do not differ significantly in single comparisons, only when combined.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
pragmatic	>	cognitive	45	>	38	83	0.59	6.96	0.008	1	no
pragmatic	<	moral	45	<	48	93	0.10	6.96	0.008	1	no
cognitive	<	moral	38	<	48	86	1.16	6.96	0.008	1	no
pragmatic	<	cog+mor	45	<	86	131	12.83	6.96	0.008	1	yes
cognitive	<	pra+mor	38	<	93	131	23.09	6.96	0.008	1	yes
moral	<	pra+cog	48	<	83	131	9.35	6.96	0.008	1	yes

The coded references for legitimation strategies aiming for pragmatic legitimacy amounted to 7351 words (47.00% of total words coded as legitimation strategies; Total Mean = 565.46; SD = 509.071), among them 3241 words (20.72%; Mean = 405.12; SD = 438.239) in the first round of interviews and 4110 words (26.28%; Mean = 822.00; SD = 554.696) in the second round of interviews. 2987 words (19.10%; Total Mean = 229.77; SD = 225.150) were coded as indicating a legitimation strategy aiming for cognitive legitimacy, among them 1749 words (11.18%; Mean = 218.62; SD = 226.117) in the first round of interviews and 1238 words (7.92%; Mean = 247.60; SD = 248.911) in the second round. 3141 words (20.08%; Mean = 392.62; SD = 292.054) were coded as legitimation strategies aiming for pragmatic legitimacy in the first round of interviews and 2162 words (13.82%; Mean = 432.40; SD = 471.707) in the second round, totaling 5303 words (33.90%; Total Mean = 407.92; SD = 352.605).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
pragmatic	1	8	405.12	438.239	154.941
	2	5	822.00	554.696	248.068
	Total	13	565.46	509.071	141.191
cognitive	1	8	218.62	226.117	79.944
	2	5	247.60	248.911	111.316
	Total	13	229.77	225.150	62.445
moral	1	8	392.62	292.054	103.257
	2	5	432.40	471.707	210.954
	Total	13	407.92	352.605	97.795

An ANOVA for the first round showed that legitimation strategy word frequency means (and standard deviations) did not differ significantly for the first round (F = .794, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	173905.333	2	86952.667	.794	.465
Within Groups	2299342.625	21	109492.506		
Total	2473247.958	23			

A $\chi2$ analysis of the difference between pragmatic/cognitive/moral code frequencies for Nestlé across the first and the second round was not significant ($\chi2$ (2, N = 237) = .76, p > .05). For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; $\chi2$ = 6.9604015). There was also no significance found for any of the subtests. The null hypothesis of an equal distribution of legitimation strategies across the different interview rounds was confirmed.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
pragmatic	>	cognitive	87	>	65	152	0.68	6.96	0.008	1	no
pragmatic	>	moral	87	>	85	172	0.39	6.96	0.008	1	no
cognitive	<	moral	65	<	85	150	0.06	6.96	0.008	1	no
pragmatic	<	cog+mor	87	<	150	237	0.70	6.96	0.008	1	no
cognitive	<	pra+mor	65	<	172	237	0.37	6.96	0.008	1	no
moral	<	pra+cog	85	<	152	237	0.08	6.96	0.008	1	no

The analysis of code frequencies seems to indicate that legitimation strategies aiming for pragmatic as well as moral legitimacy are equally present. Looking at the analysis of the word frequencies it indicates a dominance of legitimation strategies providing pragmatic legitimacy with a tendency towards moral legitimacy. However, the $\chi2$ analysis of the first round of interviews suggests that legitimation do not differ significantly and are therefore equally present. The $\chi2$ analysis comparing the different rounds confirms that this holds for both the first and the second round of interviews.

4.3.5.3 Posture

Traits of defensive posture were found in all 13 interviews of the Nestlé set. Traits of a tentative posture were present in 8 interviews, among them 5 in the first round and 2 in the second round of interviews (whereby 2 interviewees showed traits in both interview rounds). Traits of an open posture appeared in 5 interviews of the first round and 4 interviews of the second round (whereby 2 interviewees showed traits in both interview rounds). 62 words, themes, phrases, or passages were coded as defensive posture (Total Mean = 4.77; SD = 2.713), among them 35 codes for the first round of interviews (Mean = 4.38; SD = 3.378) and 27 for the second round (Mean = 5.40; SD = 1.140). 20 codes were assigned for a tentative posture (Total Mean = 1.54; SD = 1.664), among them 20 for the first round of interviews (Mean = 1.50; SD = 1.512) and 12 for the second round of interviews (Mean = 1.60; SD = 2.074). An open posture was chosen for 21 codes in the first round of interviews (Mean = 2.62; SD = 2.504) and 16 in the second round (Mean = 3.20; SD = 3.114), totaling 37 codes (Total Mean = .85; SD = 2.641).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
defensive	1	8	4.38	3.378	1.194
	2	5	5.40	1.140	.510
	Total	13	4.77	2.713	.752
tentative	1	8	1.50	1.512	.535
	2	5	1.60	2.074	.927
	Total	13	1.54	1.664	.462
open	1	8	2.62	2.504	.885
	2	5	3.20	3.114	1.393
	Total	13	2.85	2.641	.732

An ANOVA for the first round showed that posture code frequency means (and standard deviations) did not differ significantly for the first round (F = 2.523, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	33.583	2	16.792	2.523	.104
Within Groups	139.750	21	6.655		
Total	173.333	23			

A χ^2 analysis of the difference between defensive/tentative/open code frequencies for Nestlé across the first second round was significant (χ^2 (2, N = 68) = 11.85, p < .05). The null hypothesis of an equal distribution of postures across the different interview rounds was rejected. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ^2 = 6.9604015). Significance was also found for the difference between defensive/tentative frequencies (χ^2 (1, N = 47) = 11.26, p < .008), the difference between tentative vs. defensive/open frequencies (χ^2 (1, N = 68) = 28.47, p < .008), and the difference between open vs. defensive/tentative (χ^2 (1, N = 68) = 9.94, p < .008). There was no significance found for the difference between defensive/open frequencies (χ^2 (1, N = 56) = 3.50, p > .008), the difference between tentative/open frequencies (χ^2 (1, N = 33) = 2.45, p > .008), and the difference between defensive vs. tentative/open frequencies (χ^2 (1, N = 68) = .06, p > .008). The χ^2 analysis implies that Nestlé's posture is dominated by a defensive posture since it was about equally present as the other two postures combined (the null hypothesis of an equal distribution was confirmed). However, it is not very strong as an indicator since the null hypothesis was also confirmed for the difference between defensive/open code frequencies. A reason might be the low code frequency. A tentative posture was significantly less present than a defensive one.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
defensive	>	tentative	35	>	12	47	11.26	6.96	0.008	1	yes
defensive	>	open	35	>	21	56	3.50	6.96	0.008	1	no
tentative	<	open	12	<	21	33	2.45	6.96	0.008	1	no
defensive	>	ten+ope	35	>	33	68	0.06	6.96	0.008	1	no
tentative	<	def+ten	12	<	56	68	28.47	6.96	0.008	1	yes
open	<	def+ten	21	<	47	68	9.94	6.96	0.008	1	yes

The coded references for a defensive posture related to 7119 words (52.64% of total coded words as posture; Total Mean = 547.62; SD = 490.660), among them 4079 words (30.16%; Mean = 509.88; SD = 593.872) in the first round of interviews and 3040 words (22.48%; Mean = 608.00; SD = 312.468) in the second round of interviews. 2981 words (22.40%; Total Mean = 229.31; SD = 284.349) were coded as indicating a tentative posture, among them 1749 words (12.93%; Mean = 218.62; SD = 226.117) in the first round of interviews and 1232 words (9.11%; Mean = 246.40; SD = 390.505) in the second round. 2234 words (16.52%; Mean = 279.25; SD = 392.337) were coded as collectivistic posture in the first round of interviews and 1189 (8.79%; Mean = 237.80; SD = 222.268) in the second round, totaling 3423 words (25.31%; Total Mean = 263.31; SD = 326.650).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
defensive	1	8	509.88	593.872	209.966
	2	5	608.00	312.468	139.740
	Total	13	547.62	490.660	136.084
tentative	1	8	218.62	226.117	79.944
	2	5	246.40	390.505	174.639
	Total	13	229.31	284.349	78.864
Open	1	8	279.25	392.337	138.712
	2	5	237.80	222.268	99.401
	Total	13	263.31	326.650	90.596

An ANOVA for the first round showed that posture word frequency means (and standard deviations) did not differ significantly for the first round (F = 1.016, p > .

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	377839.583	2	188919.792	1.016	.379
Within Groups	3904192.250	21	185913.917		
Total	4282031.833	23			

A χ2 analysis of the difference between defensive/tentative/open code frequencies for Nestlé across the first and the second round was not significant (χ2 (2, N = 119) = .08, p >

.05). For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; $\chi2$ = 6.9604015) of which none was significant. The null hypothesis of an equal distribution of postures across the different interview rounds was thus confirmed.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
defensive	>	open	62	>	20	82	0.08	6.96	0.008	1	no
defensive	>	tentative	62	>	37	99	0.00	6.96	0.008	1	no
open	<	tentative	20	<	37	57	0.06	6.96	0.008	1	no
defensive	>	ten+ope	62	>	57	119	0.03	6.96	0.008	1	no
open	<	def+ten	20	<	99	119	0.08	6.96	0.008	1	no
collectivistic	<	def+ten	37	<	82	119	0.00	6.96	0.008	1	no

The analysis of code and word frequencies seems to indicate the dominance of a defensive posture. Both a tentative and an open posture seem to appear considerably whereas an open posture was slightly dominating. The analysis of the $\chi2$ analysis of the first round of interviews gives rather weak indication but does also point towards a defensive posture and an open posture as second tendency. The $\chi2$ analysis comparing the different rounds confirms that this holds true for both the first and the second round of interviews.

4.3.5.4 Justifications

Traits of economic, scientific, and legal justifications were found in all 13 interviews of the Nestlé set. Traits of ethical justifications appeared in 12 interviews, among them 7 of the first round and 5 of the second round of interviews (whereby 4 interviewees showed traits in both interview rounds). 116 words, themes, phrases, or passages were coded as ethical justifications (Total Mean = 8.92; SD = 6.525), among them 47 codes for the first round of interviews (Mean = 5.88; SD = 4.734) and 69 for the second round (Mean = 13.80; SD = 6.340). 289 codes were assigned for economic justifications (Total Mean = 22.23; SD = 7.812), among them 142 for the first round of interviews (Mean = 7.812; SD = 6.251) and 147 for the second round of interviews (Mean = 29.40; SD = 3.209). Scientific justifications were coded in 38 cases in the first round (Mean = 4.75; SD = 3.370) and 38 cases in the second round (Mean = 7.60; SD = 2.510), totaling 76 codes (Total Mean = 5.85; SD = 3.288). Codes relating to legal justifications appeared in 185 cases (Mean = 14.23; SD = 7.096), among them 1113 in the first round (Mean = 14.12; SD = 6.875) and 72 in the second round of interviews (Mean = 14.40; SD = 8.264).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
ethical	1	8	5.88	4.734	1.674
	2	5	13.80	6.340	2.835

	Total	13	8.92	6.525	1.810
economic	1	8	17.75	6.251	2.210
	2	5	29.40	3.209	1.435
	Total	13	22.23	7.812	2.167
scientific	1	8	4.75	3.370	1.191
	2	5	7.60	2.510	1.122
	Total	13	5.85	3.288	.912
legal	1	8	14.12	6.875	2.431
	2	5	14.40	8.264	3.696
	Total	13	14.23	7.096	1.968

An ANOVA for the first round showed that justification code frequency means (and standard deviations) differed significantly for the first round ($F = 10.665$, $p < .05$). A Scheffé post hoc test revealed that in pair wise comparisons code frequencies for both ethical and economic justifications were significantly higher than those for scientific and ethical justifications, respectively ($p < .05$).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	960.750	3	320.250	10.665	.000
Within Groups	840.750	28	30.027		
Total	1801.500	31			

A χ^2 analysis of the difference between ethical/economic/scientific/legal code frequencies for Nestlé across the first round was highly significant (χ^2 (6, N = 340) = 90.42, $p <$ .05). The null hypothesis of an equal distribution of justifications across the different interview rounds was rejected. For further analysis 25 subtests were conducted (Bonferroni correction: $\alpha = .05/25 = .002$; $\chi^2 = 9.5495357$). The χ^2 analysis of the first round allows for a number of conclusions. First the confirmation of the null hypothesis for difference between economic vs. scientific/legal frequencies indicates that economic justifications are the dominant dimension since they do not differ significantly in distribution from all other dimensions combined. Second, since economic and legal justifications frequencies do not differ significantly either, it can be concluded that this is a second dominant way of arguing. Third, ethical and scientific justifications equally play a less important role, indicated by a number of subtests where significance was found.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
ethical	<	economic	47	<	142	189	47.75	9.55	.002	1	yes
ethical	>	scientific	47	>	38	85	0.95	9.55	.002	1	no
ethical	<	legal	47	<	113	160	27.23	9.55	.002	1	yes
economic	>	legal	142	>	113	255	3.30	9.55	.002	1	no
economic	>	scientific	142	>	38	180	60.09	9.55	.002	1	yes
scientific	<	legal	38	<	113	151	37.25	9.55	.002	1	yes
ethical	<	eco+sci	47	<	180	227	77.93	9.55	.002	1	yes
ethical	<	eco+leg	47	<	255	302	143.26	9.55	.002	1	yes
ethical	<	sci+leg	47	<	151	198	54.63	9.55	.002	1	yes
economic	>	eth+sci	142	>	85	227	14.31	9.55	.002	1	yes
economic	<	eth+leg	142	<	160	302	1.07	9.55	.002	1	no
economic	<	sci+leg	142	<	151	293	0.28	9.55	.002	1	no
scientific	<	eth+eco	38	<	189	227	100.44	9.55	.002	1	yes
scientific	<	eth+leg	38	<	160	198	75.17	9.55	.002	1	yes
scientific	<	eco+leg	38	<	255	293	160.71	9.55	.002	1	yes
legal	<	eth+eco	113	<	189	302	19.13	9.55	.002	1	yes
legal	>	eth+sci	113	>	85	198	3.96	9.55	.002	1	no
legal	<	eco+sci	113	<	180	293	15.32	9.55	.002	1	yes
eth+eco	>	leg+sci	189	>	151	340	4.25	9.55	.002	1	no
eth+sci	<	leg+eco	85	<	255	340	85.00	9.55	.002	1	yes
eth+leg	<	eco+sci	160	<	180	340	1.18	9.55	.002	1	no
ethical	<	eco+sci+leg	47	<	293	340	177.99	9.55	.002	1	yes
economic	<	eth+sci+leg	142	<	198	340	9.22	9.55	.002	1	no
scientific	<	eth+eco+sci	38	<	302	340	204.99	9.55	.002	1	yes
legal	<	eth+eco+sci	113	<	227	340	38.22	9.55	.002	1	yes

The coded references for ethical justifications amounted to 4586 words (17.47% of total words coded as justifications; Total Mean = 352.77; SD = 303.905), among them 1474 words (5.63%; Mean = 184.25; SD = 167.525) in the first round of interviews and 3112 words (11.86%; Mean = 622.40; SD = 283.351) in the second round of interviews. 10609 words (20.13%; Total Mean = 816.08; SD = 645.532) were coded as indicating economic justifications, among them 5284 words (20.13%; Mean = 660.50; SD = 691.176) in the first round of interviews and 5325 words (20.29%; Mean = 1065.00; SD = 536.894) in the second round. 2272 words (8.66%; Mean = 284.00; SD = 361.105) were coded as scientific justifications in the first round of interviews and 3258 words (12.41%; Mean = 651.60; SD = 256.670) in the second round, totaling 5530 words (21.07%; Total Mean = 5.85; SD = 3.288). Words coded as legal justifications amounted to 5525 words (21.05%; Total Mean = 425.00; SD = 3.288), among them 2944 words (11.22%; Mean = 368.00; SD = 170.884) in the first round of interviews and 2581 words (9.83%; Mean = 516.20; SD = 309.790) in the second round.

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
ethical	1	8	184.25	167.525	59.229
	2	5	622.40	283.351	126.718
	Total	13	352.77	303.905	84.288
economic	1	8	660.50	691.176	244.368
	2	5	1065.00	536.894	240.106
	Total	13	816.08	645.532	179.038
scientific	1	8	284.00	361.105	127.670

	2	5	651.60	256.670	114.786
	Total	13	425.38	364.243	101.023
legal	1	8	368.00	170.884	60.417
	2	5	516.20	309.790	138.542
	Total	13	425.00	233.786	64.840

An ANOVA for the first round revealed that justification code frequency means (and standard deviations) did not differ significantly for the first round (F = 2.023, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1009785.375	3	336595.125	2.023	.133
Within Groups	4657707.500	28	166346.696		
Total	5667492.875	31			

A χ^2 analysis of the difference between ethical/economic/scientific/legal code frequencies for Nestlé across the first and the second round was significant (χ^2 (6, N = 666) = 13.06, p < .05). The null hypothesis of an equal distribution of justifications across the different interview rounds was rejected. For further analysis 25 subtests were conducted (Bonferroni correction: α = .05/25 = .002; χ^2 = 9.5495357). Significance was found for the difference between ethical/legal frequencies (χ^2 (1, N = 301) = 12.11, p < .002), the difference between ethical vs. scientific/legal frequencies (χ^2 (1, N = 377) = 9.68, p < .002), the difference between legal vs. ethical/economic frequencies (χ^2 (1, N = 590) = 10.56, p < .002), the difference between legal vs. ethical/scientific frequencies (χ^2 (1, N = 377) = 10.68, p < .002), and the difference between legal vs. ethical/economic/scientific frequencies (χ^2 (1, N = 666) = 10.31, p < .002).

Subtest			Code Frequencies (aggregated)			N	χ^2	Critical Value	α	df	Significant
ethical	<	economic	116	<	289	405	2.47	9.55	.002	1	no
ethical	>	scientific	116	>	76	192	1.67	9.55	.002	1	no
ethical	<	legal	116	<	185	301	12.11	9.55	.002	1	yes
economic	>	legal	289	>	185	474	6.48	9.55	.002	1	no
economic	>	scientific	289	>	76	365	0.02	9.55	.002	1	no
scientific	<	legal	76	<	185	261	2.71	9.55	.002	1	no
ethical	<	eco+sci	116	<	365	481	2.73	9.55	.002	1	no
ethical	<	eco+leg	116	<	474	590	6.58	9.55	.002	1	no
ethical	<	sci+leg	116	<	261	377	9.68	9.55	.002	1	yes
economic	>	eth+sci	289	>	192	481	1.10	9.55	.002	1	no
economic	<	eth+leg	289	<	301	590	0.95	9.55	.002	1	no
economic	>	sci+leg	289	>	261	550	4.19	9.55	.002	1	no
scientific	<	eth+eco	76	<	405	481	0.29	9.55	.002	1	no
scientific	<	eth+leg	76	<	301	377	0.24	9.55	.002	1	no
scientific	<	eco+leg	76	<	474	550	0.38	9.55	.002	1	no
legal	<	eth+eco	185	<	405	590	10.56	9.55	.002	1	yes
legal	<	eth+sci	185	<	192	377	10.68	9.55	.002	1	yes
legal	<	eco+sci	185	<	365	550	6.83	9.55	.002	1	no
eth+eco	>	leg+sci	405	>	261	666	7.95	9.55	.002	1	no
eth+sci	<	leg+eco	192	<	474	666	4.96	9.55	.002	1	no

eth+leg	<	eco+sci	301	<	365	666	0.97	9.55	.002	1	no
ethical	<	eco+sci+leg	116	<	550	666	6.24	9.55	.002	1	no
economic	<	eth+sci+leg	289	<	377	666	0.75	9.55	.002	1	no
scientific	<	eth+eco+sci	76	<	590	666	0.04	9.55	.002	1	no
legal	<	eth+eco+sci	185	<	481	666	10.31	9.55	.002	1	yes

The analysis of code and word frequencies seems to indicate the dominance of economic justifications. The analysis of code frequencies suggests that legal justifications are a second line of argument. This is confirmed by the $\chi2$ analysis of the first round of interviews. Traits of ethical justifications are present as well but appear to be the weakest form of justifications. The $\chi2$ analysis of the different rounds of interviews suggests that in the second round of interviews the line of argument shifted a) from legal to more ethical arguments, b) from legal to more economic arguments, and c) from legal to more scientific arguments. In the more exploratory part interviewees seemed to move away from the classical argument of compliance with the law when confronted with humanitarian challenges, presenting instead a richer spectrum of arguments to explain Nestlé's position on the topics concerned.

4.3.6 Patterns

The pattern coding suggests a number of relationships with regards to Nestlé which have been clustered into five dimensional pairs.[30]

1. Identity Orientation & Justifications - As the most frequent pattern code appeared an individualistic identity orientation together with economic justifications. This represents a pattern which can be directly related to the neoclassical view of the firm with its emphasis of the classical business functions and the resulting shareholder value philosophy. As mentioned above, this has been conceptually slightly enlarged by the integration of a stakeholder perspective ("creating shared value"), that is to say a more relational identity orientation as it occurred in the next most frequent code with regards to identity orientation and justifications. In addition, also the patterns of legal justifications combined with an individualistic as well as a relational identity orientation appeared frequently which confirm the importance of a coherent regulatory framework as reference point for Nestlé.

2. Legitimation Strategies & Justifications - The second most frequent pattern code represents the combination of legitimation strategies aiming for pragmatic legitimacy with economic justifications. This prominence of this pattern code underlines the above notion that

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[30] The ordering of the clusters relates to the ranking of pattern code frequencies in the table below. The ranking is based on the first round of interviews in order to allow for comparability across cases. For illustration purposes the frequencies for the second round, as well as the sums are provided.

Nestlé remains within the concepts of liberal thought. This interpretation is supported by the frequent occurrence of the pattern code of legitimation strategies aiming for pragmatic legitimacy and legal justifications that indicates that for Nestlé obeying the law makes good business sense and following the law is supposed to legitimize its operations. Second, also legitimation strategies aiming for cognitive legitimacy in combination with both legal and economic justifications were considerably present. This as well mirrors Nestlé's preference for a regulatory framework within which a corporation is supposed to fulfill its traditional (liberal) business functions and to obey the law to be an accepted member of society. However, a number of patterns codes deviate from this liberal core of ideas of Nestlé's CSR approach. Legitimation strategies aiming for moral legitimacy occurred frequently combined with economic justifications showing that Nestlé's perception of its responsibilities has become more comprehensive. Willing to adapt, Nestlé has now found two ways to make sense out of the challenges of the postnational constellation. On the one hand, it continues to use economic justifications to explain its behavior even when its deviates strongly from its classical business functions (e.g. multi-stakeholder dialogues). On the other hand, Nestlé, trying to be "the good guy", increasingly refers to broader social goals and has opened up to collaborate with stakeholders on pressing social and environmental issues.

3. Identity Orientation & Legitimation Strategies – As described above Nestlé's identity orientation seems to be changing towards a more relational one which is mirrored in the frequent occurrence of the pattern codes of a relational identity orientation combined with legitimation strategies aiming for pragmatic as well as moral legitimacy. A further strong pattern is the combination of an individualistic identity orientation and legitimation strategies aiming for moral legitimacy. This might reflect Nestlé's strong emphasis of its own value system which is rooted in its corporate history and the Swiss society. The pattern code of an individualistic identity orientation and legitimation strategies aiming for pragmatic legitimacy emerged as well as an important pattern, again reflecting Nestlé's strong inclination towards the neoclassical view of the firm. Moreover, the pattern of an individualistic identity orientation combined with legitimation strategies aiming for cognitive legitimacy appeared frequently which indicates Nestlé's preference of well-ordered stable regulatory environment as being best for business.

4. Identity Orientation & Posture - The changing identity orientation of Nestlé is also mirrored in the frequent occurrence of the pattern code of a relational identity orientation and

a defensive posture. It suggests that Nestlé, while remaining defensive in principle, it has acknowledged that out of mutual interest it is beneficial to take into account the stakeholder perspective.

5. Posture & Justifications[31] - With regards to posture and justifications, the patterns codes combining a defensive posture with legal justifications as well as scientific justifications emerged. This might (again) be interpreted as a result of Nestlé's emphasis of liberal thought which implies that a corporation should remain with its operations and activities within the boundaries of its classic business functions and the legal framework.

Rank	Pattern Code	Nestlé 1st round	Nestlé 2nd round	Nestlé Sum
1	Individualistic + Economic	31	31	62
2	Relational + Economic	27	23	50
3	Pragmatic + Economic	22	27	49
4	Relational + Moral	20	11	31
5	Moral + Economic	18	20	38
6	Pragmatic + Legal	17	8	25
7	Individualistic + Moral	17	12	29
8	Individualistic + Pragmatic	17	21	38
9	Cognitive + Legal	16	12	28
10	Relational + Legal	16	10	26
11	Individualistic + Legal	15	15	30
12	Relational + Pragmatic	13	13	26
13	Cognitive + Economic	13	8	21
14	Relational + Defensive	12	5	17
15	Individualistic + Cognitive	11	9	20
…				
19	Defensive + Scientific	8	8	16
…				
21	Defensive + Legal	7	8	15

4.3.7 Correspondence Analysis

In a first inquiry, a correspondence analysis was performed for Nestlé on the contingency table constituted by crossing the coding for identity orientations and justifications since this combination appeared as the most frequent pattern code. The first dimension displays 8.2% of the total inertia, the second dimension 1.7%. Combined, the two dimensions explain 9.9% of the variance in the data. However, the analysis did not pass the significance level ($\chi2$ $(6, N = 115) = 11.366, p > .05$); a two-dimensional representation was not performed.

In a second inquiry, a correspondence analysis was performed on the contingency table constituted by crossing the coding for legitimation strategies and justifications as the second most frequent pattern code. The first dimension displays 12.0% of the total inertia, the second dimension 2.0%. Combined, the two dimensions explain 14.0% of the variance in the data ($\chi2$ $(6, N = 115) = 11.366, p < .05$).

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[31] While not in the list of the of the fifteen most present pattern codes the inquiry on legitimation strategies and postures is nevertheless included due to their analytical value and the over presence of the first two clusters.

Similar to BAT Switzerland and HP, the graph suggests a number of pairs. Dimension 1 seems to oppose pairs of a certain type of legitimacy and justifications, reflecting a nation state setting versus the postnational constellation. Legitimation strategies aiming for cognitive legitimacy, closely situated to legal justifications (indicating that the rule of law is assumed to be intact), as well as legitimation strategies aiming for pragmatic legitimacy that are located close to economic justifications, are opposed to legitimation strategies aiming for moral legitimacy which appear closely with ethical justifications as indicator for a postnational reasoning. Scientific justifications seem not to be related to any particular type of legitimation strategy. Dimension 2 opposes legitimation strategies aiming for pragmatic legitimacy and economic justifications with legitimation strategies aiming for cognitive legitimacy and legal justifications. This might reflect the debate on integrity versus compliance within the CSR literature. Legitimation strategies aiming for moral legitimacy and ethical justifications are to be found in between.

Figure 6: Correspondence Analysis of Legitimation Strategies versus Justifications for Nestlé
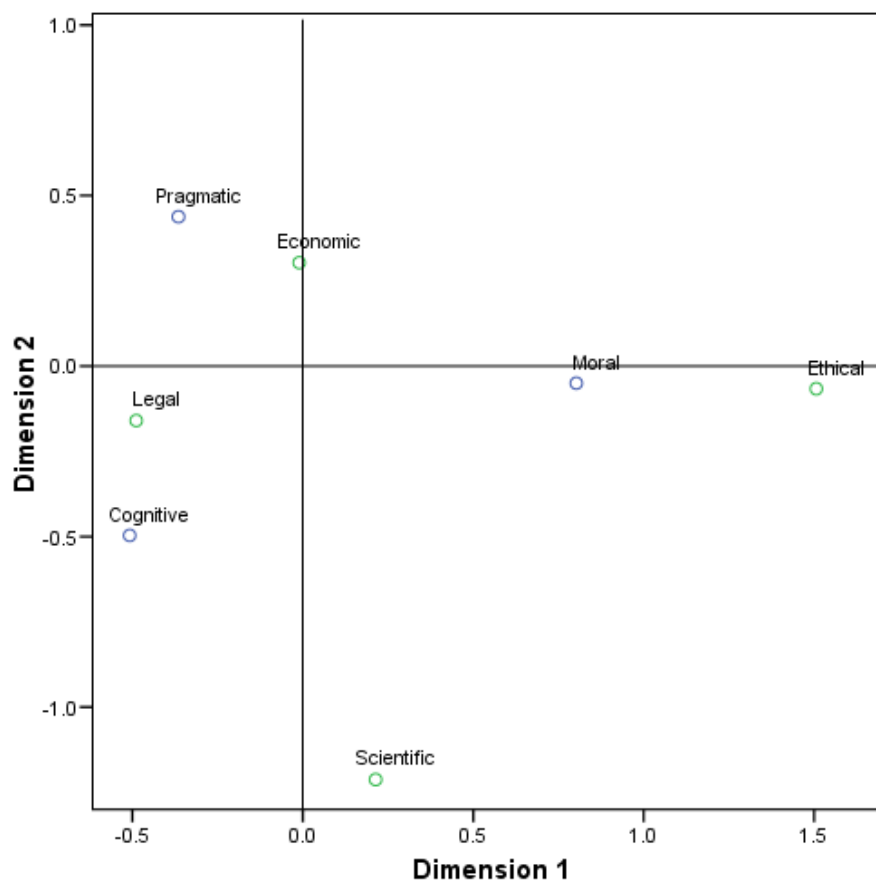
4.3.8   Summary of CSR-Character of Nestlé

To describe Nestlé's sensemaking processes as a whole based on a case study of a number of interviews, website materials and corporate reports might appear a bit presumptuous on first sight. Nevertheless, the richness of the data and the reiterations of certain traits provide a vivid picture of the Nestlé version of CSR that allows classifying its CSR-character to a high degree of certainty. The cognitive dimension of Nestlé's CSR-character is predominantly characterized by an individualistic identity orientation with strong tendencies towards a relational identity orientation. In particular cases such as disaster response, a collectivistic identity orientation appears. Nestlé's legitimation strategies are strongly focuses on those legitimation strategies that might provide pragmatic legitimacy even though there is a strong reference to strategies that might provide moral legitimacy. This could be interpreted as a shift towards a more relational identity orientation while the cognitive mind map is still very much characterized by an individualistic identity orientation. The analysis of the linguistic dimension of Nestlé's CSR-character reveals that the corporate language on CSR in general is dominated by management concepts and therefore very economic. However, justifications in case of crisis are mainly given from a scientific standpoint based on Nestlé's self-perception of a (food) technology company. In addition, justifications are often supported by a general reference to legal concepts. Ethical arguments are rather underrepresented. The conative dimension of posture of Nestlé's CSR-character is dominated by a defensive posture revealing that the old reflexes of denial or justifying are still in place. Due to leanings from the past in events of crisis, increasingly, a tentative or even open posture is taken. Overall, Nestlé's CSR approach maybe seen as the one of a "laggard" which is only slowly opening up in comparison to other world-leading companies facing serious environmental and social challenges.

4.4   Indications for Shifting Paradigms

Following the sensemaking approach, I enlarged my inquiry to the question how MNCs might experience, interpret, and react with their CSR approach to the challenges of the postnational constellation. Three key indicators for BAT Switzerland, HP and Nestlé are analyzed in the following: (i) liberal elements in the CSR approaches of the three companies, (ii) the assumption of the role of a political actor, and (iii) the drivers of change which influence the changes of the CSR approaches.

4.4.1   Liberal Elements in CSR Approach

4.4.1.1 BAT Switzerland

At the time of the study, BAT Switzerland was struggling to clearly position its CSR approach. The instrumentalist perspective as backbone of the liberal paradigm prevails in BAT Switzerland's reasoning on CSR as outlined above. CSR as "license to operate" seems to be primarily understood as a survival strategy as a tobacco company. A possible change in its strategy to consider societal concerns is not considered (even though possible, e.g. illustrated by the change of Preussag, a steel company to TUI, a tourism and logistics company), arguably due to the high profitability of the industry. As a consequence, CSR and the social reporting process appears to be mainly interpreted as an instrument to listen, understand and conform to societal expectations which then might improve financial performance and allow for shareholder value maximization. However, BAT Switzerland's CSR approach deviates in many areas from the classical liberal paradigm. There are a number of reasons for that:

With regards to the liberal assumption of the rule of law two observations can be made. First, for BAT Switzerland law is not a static affair. Law, while being respected, is clearly interpreted procedurally which might be influenced through lobbying practices by the corporation. For instance, lobbying for favorable tax regimes has been a particularly successful strategy by other subsidiaries of BAT when entering Eastern European markets after the break down of the Soviet Union (Gilmore, 2005; Gilmore, Coilin & Townsend, 2007). The law making process is also perceived as being strongly influenced by others, mainly opposing parties such as the Swiss ministry of health. Second, the liberal assumption of the rule of law implying that the legal system steps in when a problem occurs seems to be the reality of tobacco companies which have experienced severe legal pressure in the past. Ironically, it is not an "externality" that the legal system is supposed to fix but it is increasingly called for to de-

cide on the very right of existence of tobacco companies. However, in Switzerland this process is lagging far behind other Western countries.

BAT Switzerland does not argue for a minimalist state. The reason is that a strongly regulated industry provides two key advantages. First, it might prevent potential competitors from entering the market since the entry barriers are considerably higher than in an unregulated market. Second, it provides clarity for strategic planning and for political and legal risk assessment. However, legislation should be kept to an extent that allows BAT Switzerland to remain operational as a business and still "talk to its consumers" (Manager H, BAT Switzerland).

The Westphalian assumption of a coherent societal framework with shared goals that builds the background for liberal philosophy is clearly not a valid assumption for the tobacco industry. BAT's global standards which are adapted locally, as well as the pressure from global activist networks indicate a postnational environment for its operations. In the case of its Swiss subsidiary that means also that it has to run its own social reporting process and stakeholder dialogue to understand the issues, concerns and expectations of the Swiss society and the subsequent implications for upcoming legislation.

Moreover, BAT is facing strong global soft law instruments such as the FCTC which "is now one of the most widely supported treaties in the history of the UN. This is primary prevention at its best" according to Dr Margaret Chan. Director-General, WHO (WHO, 2008). On the other hand, developing countries welcome tobacco companies as reliable source of income of foreign currencies.

As a tobacco company, BAT Switzerland can derive only little legitimacy from its fulfillment of general business functions. This results in its frequent emphasis of its generation of a high tax income for government as a major contribution to society. In the liberal paradigm, a social reporting process for ensuring long-time legitimacy of business is not provisioned.

At the time of study, BAT Switzerland's position towards regulatory measures and a broader political framework for CSR was difficult to grasp since the answers given were highly varying. This supports the above interpretation of the social reporting process as particularly intensive sensemaking process within which the participants were striving to find

common ground. A number of statements indicated a defensive posture towards a political framework, favoring a voluntary approach towards CSR. The reasoning is based on BAT's own painful experience of expensive settlement and increasing regulation in particular with regards to advertising. In the words of one interviewee, a regulation is not needed "because companies in the future that will not act in line with external expectations will not be successful" (Manager G, BAT Switzerland). Using the comparison of the high wages in Switzerland which did emerge while "there is no regulation that forces us to do that" (Manager D, BAT Switzerland) it is implied that responsible behavior will automatically emerge from market mechanisms as a form of best practice. This is assumed to be already happening since "the trend of CSR in the world today is pretty well endorsed by companies and they do what they say" (Manager F, BAT Switzerland). For a global framework the lack of a global authority is mentioned as a major obstacle. While the UN is questioned as appropriate authority the importance of the inclusion of the corporate perspective is emphasized. Tentative statements refer to the necessity that a political framework would have to "add value" or have a "positive impact" (Manager B, BAT Switzerland), for example by providing universal minimum standards. Interviewees proposed that this could be achieved by a mechanism that sanctions false commitment or by providing an industry benchmark for CSR to be controlled by an independent, neutral, and objective party. However, it was mentioned that a disadvantage would lie in the danger that certain companies might try to only go for the minimum standards. Open statements scarcely occurred in the interviews. They were mainly referring to protecting the environment as a global goal and to the UN Global Compact as a first intent to provide a first step towards a political framework for CSR. Quotes for illustrating the themes identified can be found in Appendix D4, Table 60: Posture towards a Political Framework for CSR at BAT Switzerland.

4.4.1.2 Hewlett Packard

HP shows a complex fabric of liberal elements in its CSR approach and non-liberal elements that refer to the postnational constellation, potentially implying that HP is very advanced in its sensemaking process. Interestingly, it has also witnessed a shift towards integrating more liberal elements in its corporate culture with the stronger focus on shareholder value maximization which might, arguably, be interpreted as backlash in the postnational constellation.

In general, the initial interpretation of the HP-way of respect, integrity, and caring for the community already deviates somewhat from the liberal model and its interpretation of the responsibilities of corporations within society. The further development into the global citizenship model still contains a lot of liberal elements but is in itself a cosmopolitan approach that already at a very early point in time broke with the nation state model and liberal democracy as a major reference for HP's reasoning. This is mirrored in the statement that HP wants to "balance…business goals with …impacts on society and the planet" (2008a). The global approach which is spearheaded by HP represents a key component of the way HP's identity is constructed. Mark Hurd, Chairman, CEO and President of HP states on HP's website: "We have now reached a tipping point where global citizenship no longer simply complements business – it is an essential component of it" (2008a). HP thus overcomes the Westphalian assumption of a national societal framework replacing with the assumption of a coherent global framework.

HP claims that its involvement in CSR is driven by it values and goals but is also based on enlightened self-interest: "Being a good global citizen also strengthens our business. It helps differentiate HP from competitors and contributes to our success in anticipating and meeting customer expectations" (2008a). Emphasizing its competitive edge, HP believes that "global citizenship is vital to compete successfully in the world economy" (2008a). In particular, its capacity to implement precautionary rules and standards with regards to emerging legislation and regulations allows HP "to maintain access to markets" (2008a). In HP's (2007: 15) global citizenship report 2007 all core activities within its global citizenship strategy that go beyond traditional business functions are justified by emphasizing the strategic aspect of it, thereby stating the business case.

Table 22: Opportunities through CSR-Activities according to HP

Core Program	Main Opportunity
Public policy	• Contribute to public policy debate, new guidelines and legislation
Ethics and compliance	• Ensure legal/regulatory compliance • Promote transparent and accountable practices • Support brand/reputation
Supply chain responsibility	• Support brand/reputation • Enhance customer and consumer trust and loyalty • Ensure legal/regulatory compliance • Decrease environmental footprint
Products (such as Design for Environment, accessibility)	• Differentiate products • Decrease product environmental footprint • Maintain access to markets • Support brand/reputation • Ensure legal/regulatory compliance

Operations (such as energy use emissions to air, water use, waste and recycling)	• Ensure legal/regulatory compliance • Reduce operating costs • Promote strong community relations
Privacy	• Enhance customer and employee trust and loyalty • Ensure legal/regulatory compliance • Transparent and accountable practices • Support brand/reputation
Employees (such as labor relations, diversity, health and safety)	• Attract/retain best employees • Enhance employee productivity • Support brand/reputation • Ensure legal/regulatory compliance
Social investment	• Promote strong community relations • Support brand/reputation • Play an active role in helping address social problems

The strong reference to compliance with regulation and corporate governance as a major pillar of HP's CSR approach follows the liberal assumption that the legal system steps in when a problem occurs wherever it operates. Observing that governments are increasingly retreating from traditional governmental areas, HP argues for public private partnership which goes against the clear separation of private and public. It also assumes that its responsibility is increasing due the lacking capacity of governments to deal with humanitarian challenges which goes contrary to liberal thought.

HP shows a tentative posture towards a political framework for CSR. In particular, one manager showed a strong inclination to liberal ideas leading him to reject a political framework for CSR. The argument for the strict separation between private and public domain as a classical liberal theme is reflected in the desire to "keep the political influence on the corporate responsibility as small as necessary" (Manager J, HP), assuming that "there is a clear line between politics and business" (Manager J, HP). This again implies that there is a "clear border and it is not our role to go ahead and educate local governments about how they should have to behave" as well as "it's not the job of the local government to tell us how we should run our business" (Manager J, HP). It is thus assumed that when regulation becomes to strict "the markets are suffering" (Manager C, HP). Therefore, it is recommended to "let the market pressures operate" (Manager C, HP) while "corporate responsibilities need to be defined by the corporations" (Manager J, HP) since the way how a corporation practices its responsibilities "shows the soul of the company" (Manager J, HP).

However, some interviewees believed that global markets require new solutions since "it is possible to shop around for corporate responsibility rules" (Manager A, HP). Thus, such a political framework would be wise "if you set it at the right level" (Manager A, HP). Ac-

cording to one interviewee that would make sense since "sometimes it is important … [that employees] can prove they have done the right things" (Manager J, HP). However, numerous regulations do not achieve their higher goal "because you have all of these different interest groups that profit from it in the end" (Manager C, HP).

HP favors regulatory solutions based on its understanding of CSR as enlightened self-interest, in particular, with regards to environmental compliance. The reason is that being able to actively "contributing to setup standards with dedicated organizations" (Manager B, HP) might provide HP with a competitive advantage. Quotes for illustrating the themes identified can be found in Appendix D4, Table 62: Posture towards a Political Framework for CSR at .

4.4.1.3 Nestlé

Nestlé's CSR approach is strongly dominated by liberal philosophy. However, it has started to incorporate new elements that suggest a widening understanding of CSR in the postnational constellation. The instrumentalist perspective clearly prevails in Nestlé's reasoning on CSR as outlined above. CSR as "creating shared value" is primarily understood as enlightened self-interest. This results in the interpretation of CSR as instrument to improve financial performance for shareholder value maximization.

The rule of law is assumed to be intact. The strong references to "obeying the law" and corporate governance as a major pillar of Nestlé's CSR approach follow the liberal assumption that the legal system steps in when a problem occurs wherever it operates.

The Westphalian assumption of a coherent societal framework with shared goals that represents the background for liberal philosophy is very present. The theme of "value to society" appears almost to be a mantra which is reiterated in all recent CSR publications."Society" in this argumentation means 'local societies' which is rooted in its regional strategy and its high capability to adapt to local markets.

Nestlé clearly favors a voluntary approach towards CSR. Nestlé generally prefers legal frameworks "because in that way things are much clearer and they are enforceable" (Manager F, Nestlé) since they facilitate identifying the right behavior. However, for the global environment Nestlé favors a voluntary approach since "legalizing" is seen to be dangerous for moral and ethical standards that a company is submitted to. That would mean to

"destroy, instead of creating" (Manager J, Nestlé) and introduce new elements of protectionism out of fear to compete with companies from developing countries. Being open for voluntary initiatives Nestlé did sign up for the UN Global Compact form early on. Norms that would allow for sanctions such as the UN Norms for Transnational Corporations are rejected as "nonsense" (Manager J, Nestlé) due to their lack of applicability on a practical level. Quotes for illustrating the themes identified can be found in Appendix D4, Table 63: Posture towards a Political Framework for CSR at Nestlé.

4.4.2 Towards a Political Role

4.4.2.1 BAT Switzerland

The tobacco industry is subject to political debate around the world. While for a long time rather denying its role in politics, BAT Switzerland's mother company BAT today openly embraces the role as a political actor. Payne (2006) emphasizes BAT's willingness to compensate for the retreat of governments through partnering with NGOs in developing countries. According to him, at BAT, they "firmly believe that there is a role for multinational companies to play in helping communities and countries to meet their development needs" (2006: 297). This is particularly important because in certain occasions a corporation may have a higher ability to change socio-economic conditions than a government such as it is argued in the case of child labor: "simply legislating to require children to go to school rather than work in tobacco fields may create more problems than it attempts to solve" (2006: 294). However, the aim is not to substitute government but to "where possible, to fill in specific gaps" (2006: 294). Also themes that emerged during the interviews such as the active management of the supply chain, the respect for human rights, or disaster relief point towards a high awareness of BAT as well as BAT Switzerland for the assumption of a global responsibility. Arguably, in the case of BAT, addressing the concerns about the impact of globalization in developing countries (even though desirable) might be interpreted as a major possibility to regain public trust. However, some critics argue that thereby the company might only try to deviate public attention from an even more substantial issue of the tobacco industry – the nature of its product.

BAT as a group is also involved in a second type of political activity – the shaping of public policy through the lobbying of governments. For instance, in an analysis of Uzbekistan, Gilmore, Coilin & Townsend (2007) come to the conclusion that BAT has been able to

shape taxation system substantially through government lobbying that resulted in reducing excise tax on cigarettes by approximately 50%, and disadvantaging competitors' brands (particularly Philip Morris) through the introduction of an excise system. Being situated in a developed country with a mature market, BAT Switzerland started to admittedly adopt a more political approach as a corporation due to the pressure it has received in the past. While in a developing country BAT is faced with "the whole spectrum of corporate social responsibility" ranging from "poverty to […] clean water to child labor" (Manager E, BAT Switzerland), the range of potential issues for its Swiss subsidiary is described as being more limited.

Legislation and government regulation with regards to smoking are growing constantly on a global basis (Datamonitor, 2008). For that reason, one major political activity of BAT Switzerland refers to its goal to actively shape governmental policy to avoid regulation that is seen as unfair in two crucial areas of its operations in Switzerland. It aims to "talk to the government" since "staying quiet is not an alternative" (Manager H, BAT Switzerland). First, BAT Switzerland aims to create an environment which continues to guarantee "the right to talk to our consumers" (Manager H, BAT Switzerland). It is willing though to make certain concessions with regards to age and marketing means. To demonstrate this, it has been actively lobbying for the introduction of minimum legal age of 18 in Switzerland at the federal level in the last years. Second, BAT Switzerland is trying to find solutions with legislators in the debate on PPS that it considers "least intrusive" (Manager H, BAT Switzerland), i.e. solutions that do not alienate smokers. Self-regulation is seen as the other side of the coin. BAT Switzerland was also trying to break the silence of some of its most important stakeholders by creating spheres of political exchange with its stakeholder dialogues sessions. While it might not be regarded as a successful political exchange it has created an increased comprehension for its role of a political actor that is accountable for its actions to a wide range of stakeholders.

4.4.2.2 Hewlett Packard

HP has for long seen itself as a political actor and has always been politically active in areas "that affect the company, its employees, and its operations" (Hewlett Packard, 2008f). Event though in certain occasions interviewees would argue that "a company should stick out of any political debate or discussion because…a company is there for everybody… whatever

political opinion they have or party they do belong to" (Manager B, HP), the official corporate statements point towards a different direction.

Political engagement in terms of lobbying and shaping regulation is a strategic concern for HP which is prominently stated on its website. It interprets the engagement in national and global public policy as a "natural extension of our core values" and considers it "an important, necessary and appropriate part of doing business" (Hewlett Packard, 2008g). HP takes a stand on many issues of public concern, among them anti-counterfeiting, climate change, competitiveness, data privacy, digital rights management, electronics recycling, market access and radio frequency identification. Employees of its US-American branch are encouraged to develop new company positions together with HP's department for government affairs. HP's political goal is "to promote HP as a thought, technology and issue leader, to promote HP as an exemplary global citizen and to promote the HP brand" (Hewlett Packard, 2008f). Transparency is strongly emphasized as a key cornerstone of its political engagement. HP publishes its lobbying policies as well as its corporate contributions and those of its Political Action Committee to political candidates in the United States (Hewlett Packard, 2008g). HP claims that outside the United States it does not make any political contributions.

On the global level, HP supports "comprehensive and progressive bilateral and regional trade agreements worldwide that include deep commitments to liberalization on government procurement, services and standards disciplines" in order to "support and enhance access to key markets" and "remain innovative and competitive" (Hewlett Packard, 2008d). HP is particularly active in the environmental areas since it believes that it has a "shared-producer responsibility in electronic recycling and policies supporting energy efficient technologies" (Hewlett Packard, 2008d).

In Europe, HP political activities concentrate (Hewlett Packard, 2008e) on the three major domains of (i) innovation and competitiveness, (ii) environment and energy, and (iii) external relations. With regards to innovation and competitiveness, HP calls for a reform of the copyright regime of the EU, supports political initiatives that aim to foster technological innovation such as the European Technology Platform on Software and Services (NESSI) and the Networked and Electronic Media (NEM) platform, advocates the benefits of RFID, and calls for the improvement of "eSkills" of European citizens. Concerning environment and energy, HP actively supports the EU directive WEEE as well as ICT solutions such as eGov-

ernment, eLogistics, and eBusiness practices to improve energy efficiency. It argues for the use of labels such as the Energy star to trigger demand for green IT products. Most remarkably, HP publicly states that it is involved in domains of international negotiations and diplomacy. It advocates liberalization with regards to the IT Agreement of the WTO and general trade existing and potential trade "on both sides of the Atlantic" (Hewlett Packard, 2008e).

In addition to its official political activities, HP clearly assumes an increased responsibility in the political arena due to its size, access to and control of resources, and to the retreat and or weakness of governments. It assumes state responsibilities by building IT-infrastructure which is often demanded by governments. Aiming to bridge the digital divide with its "e-inclusion"-initiative HP has states in its global citizenship report from 2006 that by then it had completed most of its projects and handed them over to ownership by communities or regional organizations. It has also been repeatedly involved in providing disaster relief as in the case of Tsunamis or the recent cyclone in Myanmar.

HP regards external standards and regulations, such as the Electronic Industry Code of Conduct (EICC) as an important elements for its global citizenship strategy (Hewlett Packard, 2007). HP is as well an active member of global governance initiatives that cover up for the lack of a global regulatory framework such as the UN Global Compact. Moreover, HP refers to its supply chain management program as a "cohesive global governance structure" (Hewlett Packard, 2006a). HP has created a HP supplier code of conduct and the General Specification for the Environment (GSE) which form part of the supply chain social and environmental responsibility (SER) program. Part of its supply chain framework represents a procurement council and supplier relationship managers (SRMs) and a corporate wide supply chain council which controls the management of the supply chain (Hewlett Packard, 2006a). In particular with regard to its supply chain, HP has been actively participating in multi-stakeholder dialogues that aim for a better understanding of supply chain issues and improving its supply chain policy. Therefore, HP formed a Stakeholder Advisory Council (SAC) in 2007 "to encourage dialogue, solicit feedback and gather suggestions" (Hewlett Packard, 2007: 14). Moreover, the fast reaction in the campaign on E-waste debate demonstrates that HP is an experienced political actor for whom effective communication and dialogue with its stakeholders is one of its key strengths.

4.4.2.3 Nestlé

Nestlé clearly shows the picture of a company that has been pushed into a political role, in particular through activist campaigns without wanting it. Nestlé sees itself not as a political actor in the common sense but rather as a neutral entity in the environments it is operating in. One interview partner acknowledged though that Nestlé has a considerable influence on norm shaping within a country. With regards to human rights in Columbia he explained: "Nestlé is the only company that is allowed to operate in certain sectors of Columbia that are controlled by the Guerillas, because we are viewed as a neutral party. We are not much of a political actor in national politics. I think we influence more what norms are acceptable" (Manager F, Nestlé). Nevertheless, with regard to the legitimation strategies outlined above there are a number of fields which clearly point towards the assumption of political responsibilities. This includes the engaging in the fight against environmental (e.g. climate change) and humanitarian (e.g. child labor) challenges, self-regulation, the building of infrastructure in poor neighborhoods in developing countries (e.g. roads or schools), the support of education on nutrition, the proliferation of human rights, the provision of large-scale disaster relief, and the participation in multi-stakeholder dialogue for development of solutions and norm setting.

Nestlé shows a complicated intertwining between corporate activities that happen out of enlightened self-interest and purely altruistic motives in certain occasions. This is reflected in the different legitimation strategies of Nestlé. The assumption of state responsibilities are both motivated by instrumentalist (e.g. education on nutrition improves brand perception or building roads for agricultural suppliers) and normative reasoning (e.g. disaster relief or fight against child labor). In certain occasions, originally altruistic motives are instrumentalized as it appears to be the case of the altruistic efforts of Nestlé employees to alleviate the tremendous damages caused by the Tsunami of Dec. 26, 2004, that were later used as a marketing instrument.

Sometimes the argument of altruism seems to be overstretched though. The proliferation of human rights might improve the quality of the available workforce through higher capacities of decision-making as argued by one interview partner but it is also a clear political statement for a certain world view. It is not clear how single engagements such as the financing of a TV series in Nigeria should be able to contribute to the goal of "creating shared

value" with the improvement of human rights conditions in Nigeria as the supposed societal benefit. Nestlé's efforts remain rather eclectic.

The active participation in multi-stakeholder dialogues suggests that Nestlé is not only becoming subject of a stricter democratic accountability but that it is also becoming more progressive in its activities to address pressing issues. However, while this is clearly the case for issues that have a high potential to damage its image such as child labor, the case of the water debate is much more complex as shown in the analysis. First of all, Nestlé has become much more proactive in the water debate. Nestlé claims to be happy to engage in dialogue on improving access to clean water and on the dangers of water scarcity in the future but rejects the notion of water as a "human right". In 2006, Nestlé encouraged the World Economic Forum Water Initiative (a multi-stakeholder forum) to discuss the question of water and property rights. Nestlé cites Nancy Birdsall who is the president of the Center for Global Development on its website who argues that "there is a need for governance processes to create policies and accountability to manage water resources" (Nestlé, 2008), underlining the complexity of the debate. Nestlé aims to support the UN Millennium with the World Economic Forum Water Initiative Goals by the "promotion of best practice water use technologies, techniques and strategies", the "participation in multi-stakeholder water resource management strategies within watersheds or regions", and the "participation in broader (national, multinational) water policy and governance dialogues" (Nestlé, 2008). This multi-stakeholder dialogue process (which includes a number of local dialogues such as the World Water Council in cooperation with the Mexican Government) has resulted in the Nestlé water report which is seen as a first step of an on-going engagement by Nestlé to be followed by subsequent actions towards more comprehensible solutions. Thus, the very same motive of enlightened self-interest that has driven Nestlé to develop the strategy of "creating shared value" is now increasingly turning Nestlé into a participant of global governance processes that recognizes a large number of constituencies. Nestlé contributes thus to the process of institutionalization of CSR by creating soft law environments even though it officially favors voluntary initiatives.

4.4.3   Presence of Normative and Regulatory Discourse

In the analysis of discourse on CSR two major dimensions were considered: the normative discourse on environmental and social issues as well as the regulatory discourse on

the preference of soft law or hard law solutions for those issues. These two dimensions have become a battlefield for NGOs, MNCs and governments as two way major alleys of framing CSR in the postnational constellation. The analysis was limited to understanding which issues appear to be most important and which regulatory solutions are favored in order to allow exploring how corporations position themselves with regards to these two major discursive dimensions.

4.4.3.1 BAT Switzerland

4.4.3.1.1   Normative Discourse

Traits of discourse on social issues were found in 12 interviews of the BAT Switzerland set, among them 8 in the first round and 4 in the second round of interviews (whereby 4 interviewees showed traits in both interview rounds). Traits of discourse on environmental issues were present in all 13 interviews of the BAT Switzerland set. 121 words, themes, phrases, or passages were coded as discourse on social issues (Total Mean = 10.08; SD = 7.005), among them 64 codes for the first round of interviews (Mean = 7.11; SD = 4.314), and 67 for the second round (Mean = 16.75; SD = 7.805). 86 codes were assigned for discourse on environmental issues (Total Mean = 6.62; SD = 4.292), among them 48 codes for the first round of interviews (Mean = 5.33; SD = 4.583), and 38 codes for the second round of interviews (Mean = 9.50; SD = 1.291).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
environmental	1	9	5.33	4.583	1.528
	2	4	9.50	1.291	.645
	Total	13	6.62	4.292	1.190
social	1	9	7.11	4.314	1.438
	2	4	16.75	7.805	3.902
	Total	13	10.08	7.005	1.943

An ANOVA for the first round revealed that environmental/social code frequency means (and standard deviations) did not differ significantly for the first round (F = .718, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	14.222	1	14.222	.718	.409
Within Groups	316.889	16	19.806		

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	14.222	1	14.222	.718	.409
Within Groups	316.889	16	19.806		
Total	331.111	17			

A χ2 analysis of the difference between environmental/social code frequencies for BAT Switzerland across the first round was not significant (χ2 (1, N = 112) = 2.29, p > .05). The null hypothesis of an equal distribution of elements of normative discourse across the first round interview rounds was confirmed.

The coded references for normative discourse on environmental issues amounted to 2029 words (34.64% of total words coded as normative discourse; Total Mean = 156.08; SD = 99.544), among them 1177 words (20.09%; Mean = 130.78; SD = 110.447) in the first round of interviews and 2086 words (14.54%; Mean = 213.00; SD = 29.439) in the second round of interviews. 3829 words (65.36%; Mean = 294.54; SD = 249.494) were coded as normative discourse on social issues, among them 1743 words (29.75%; Mean = 193.67; SD = 141.310) in the first round of interviews and 2086 words (35.61%; Mean = 521.50; SD = 310.697) in the second round.

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
environmental	1	9	130.78	110.447	36.816
	2	4	213.00	29.439	14.720
	Total	13	156.08	99.544	27.609
social	1	9	193.67	141.310	47.103
	2	4	521.50	310.697	155.348
	Total	13	294.54	249.494	69.197

An ANOVA for the first round revealed that environmental/social word frequency means (and standard deviations) did not differ significantly for the first round (F = 1.107, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	17797.556	1	17797.556	1.107	.308
Within Groups	257335.556	16	16083.472		
Total	275133.111	17			

A $\chi 2$ analysis of the difference between environmental/social code frequencies for BAT Switzerland across the first and the second round was not significant ($\chi 2$ (1, N = 217) = 1.01, p > .05). The null hypothesis of an equal distribution of elements of normative discourse across the different interview rounds was confirmed. The descriptive statistics on code and word frequencies indicate that discourse on social issues dominates. The $\chi 2$ analysis comparing the different rounds confirms that this holds for both the first and the second round of interviews.

4.4.3.1.2 Regulatory Discourse

Traits of discourse on hard law were found in all 13 interviews of the BAT Switzerland set. Traits of discourse on hard law were present in 12 interviews, among them 8 in the first round and 4 in the second round of interviews (whereby 4 interviewees showed traits in both interview rounds). 139 words, themes, phrases, or passages were coded as hard law (Total Mean = 10.69; SD = 7.158), among them 66 codes for the first round of interviews (Mean = 7.33; SD = 3.500) and 73 codes for the second round (Mean = 18.25; SD = 7.890). 60 codes were assigned for soft law (Total Mean = 4.62; SD = 3.070), among them 30 codes for the first round of interviews (Mean = 3.33; SD = 2.739) and 30 codes for the second round of interviews (Mean = 7.50; SD = 1.291).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
soft law	1	9	3.33	2.739	.913
	2	4	7.50	1.291	.645
	Total	13	4.62	3.070	.851
hard law	1	9	7.33	3.500	1.167
	2	4	18.25	7.890	3.945
	Total	13	10.69	7.158	1.985

The mean score for code frequencies of discourse relating to hard law was higher than for soft law for both the first and the second round. An ANOVA for the first round revealed that hard/soft law code frequency means (and standard deviations) differed significantly for the first round (F = 7.291, p < .05). Post-hoc tests were not performed since there were only two groups.

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	72.000	1	72.000	7.291	.016
Within Groups	158.000	16	9.875		
Total	230.000	17			

A $\chi 2$ analysis of the difference between soft law/hard law code frequencies for BAT Switzerland across the first round was significant ($\chi 2$ (1, N = 96) = 13.50, p < .05), confirming the former comparison.

The coded references for regulatory discourse on soft law amounted to 1989 words (34.82% of total words coded as normative discourse; Mean = 153.00; SD = 126.873), among them 894 words (15.65%; Mean = 99.33; SD = 86.041) in the first round of interviews and 1095 words (19.17%; Mean = 273.75; SD = 128.702) in the second round of interviews. 3723 words (65.18%; Mean = 286.38; SD = 215.835) were coded as regulatory discourse relating to hard law whereas 1573 words were coded for the first round (27.54%; Mean = 174.78; SD = 86.834), and 2150 word for the second round (37.64%, Mean = 537.50; SD = 211.626).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
Soft law	1	9	99.33	86.041	28.680
	2	4	273.75	128.702	64.351
	Total	13	153.00	126.873	35.188
Hard law	1	9	174.78	86.834	28.945
	2	4	537.50	211.626	105.813
	Total	13	286.38	215.835	59.862

An ANOVA for the first round revealed that hard/soft law word frequency means (and standard deviations) did not differ significantly for the first round (F = 3.428, p > .05).

ANOVA

Count	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	25613.389	1	25613.389	3.428	.083
Within Groups	119545.556	16	7471.597		
Total	145158.944	17			

A $\chi 2$ analysis of the difference between soft law/hard law code frequencies for BAT Switzerland across the first and the second round was not significant ($\chi 2$ (1, N = 199) = .11, p

> .05). The null hypothesis of an equal distribution of law/hard law code frequencies among the different interview rounds was confirmed. The descriptive statistics on code and word frequencies as well as the χ2 analysis of the first round indicate that discourse on hard law dominates. The χ2 analysis comparing the different rounds confirms that this holds for both the first and the second round of interviews.

4.4.3.2 Hewlett Packard

4.4.3.2.1 Normative Discourse

Traits of discourse on environmental issues were found in all 15 interviews of the HP set. Traits of a discourse on social issues were present in 14 interviews, among them 9 in the first round and 4 in the second round of interviews (whereby 4 interviewees showed traits in both interview rounds). 202 words, themes, phrases, or passages were coded as discourse on environmental issues (Mean = 13.47; SD = 9.709), among them 99 codes for the first round of interviews (Mean = 9.90; SD = 6.226) and 103 for the second round (Mean = 20.60; SD = 12.137). I assigned 91 codes for as discourse on social issues (Mean = 6.07; SD = 4.682), among them 44 codes for the first round of interviews (Mean = 9.40; SD = 5.595) and 47 codes for the second round of interviews (Mean = 10.69; SD = 7.158).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
environmental	1	10	9.90	6.226	1.969
	2	5	20.60	12.137	5.428
	Total	15	13.47	9.709	2.507
social	1	10	4.40	3.307	1.046
	2	5	9.40	5.595	2.502
	Total	15	6.07	4.682	1.209

The mean scores for code frequencies of discourse relating to environmental issues were higher than for social issues for both the first and the second round. An ANOVA for the first round revealed that environmental/social code frequency means (and standard deviations) differed significantly for the first round (F = 6.087, p > .05). Post-hoc tests were not performed since there were only two groups.

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	151.250	1	151.250	6.087	.024
Within Groups	447.300	18	24.850		
Total	598.550	19			

A χ2 analysis of the difference between environmental/social code frequencies for HP across the first round was significant (χ2 (1, N = 143) = 21.15, p < .05), confirming the former comparison.

The coded references for normative discourse on environmental issues amounted to 7624 words (69.81% of total words coded as normative discourse; Mean = 508.27; SD = 512.241), among them 2940 words (26.92%; Mean = 294.00; SD = 221.794) in the first round of interviews and 4684 words (69.81%; Mean = 936.80; SD = 680.705) in the second round of interviews. 3297 words (30.19%; Mean = 219.80; SD = 186.176) were coded as normative discourse relating to social issues whereas 1671 words were coded for the first interview round (15.30%; Mean = 167.10; SD = 123.360) and 1626 words for the second round (15.30%; Mean = 325.20; SD = 257.383).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
environmental	1	10	294.00	221.794	70.137
	2	5	936.80	680.705	304.420
	Total	15	508.27	512.241	132.260
social	1	10	167.10	123.360	39.010
	2	5	325.20	257.383	115.105
	Total	15	219.80	186.176	48.071

An ANOVA for the first round revealed that environmental/social word frequency means (and standard deviations) did not differ significantly for the first round (F = 2.500, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	80518.050	1	80518.050	2.500	.131
Within Groups	579692.900	18	32205.161		
Total	660210.950	19			

A χ^2 analysis of the difference between environmental/social code frequencies for HP across the first and the second round was not significant (χ^2 (1, N = 293) = .01, p > .05). The null hypothesis of an equal distribution of environmental/social code frequencies among the different interview rounds was confirmed.

The descriptive statistics on code and word frequencies as well as a χ^2 analysis of the first round of interviews indicate that discourse on environmental issues dominate. The χ^2 analysis of the different rounds confirms that this holds for both the first and the second round of interviews.

4.4.3.2.2   Regulatory Discourse

Traits of discourse on soft law and hard law were found in all 15 interviews of the HP set. 135 words, themes, phrases, or passages were coded as soft law (Mean = 9.00; SD = 9.621), among them 100 codes for the first round of interviews (Mean = 10.00; SD = 11.392) and 35 for the second round (Mean = 7.00; SD = 4.950). I assigned 131 codes for hard law (Mean = 8.73; SD = 5.147), among them 87 codes for the first round of interviews (Mean = 8.70; SD = 5.417) and 44 codes for the second round of interviews (Mean = 8.80; SD = 5.167).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
soft law	1	10	10.00	11.392	3.602
	2	5	7.00	4.950	2.214
	Total	15	9.00	9.621	2.484
hard law	1	10	8.70	5.417	1.713
	2	5	8.80	5.167	2.311
	Total	15	8.73	5.147	1.329

An ANOVA for the first round revealed that hard/soft law code frequency means (and standard deviations) did not differ significantly for the first round (F = .106, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.450	1	8.450	.106	.748
Within Groups	1432.100	18	79.561		
Total	1440.550	19			

A χ2 analysis of the difference between soft law/hard law code frequencies for HP across the first round was not significant (χ2 (1, N = 187) = .90, p > .05). The null hypothesis of an equal distribution of codes relating to soft law and hard law was confirmed.

The coded references for regulatory discourse on soft law amounted to 3479 words (47.22% of total words coded as normative discourse; Mean = 8.70; SD = 5.417), among them 2477 words (33.62%; Mean = 8.70; SD = 5.417) in the first round of interviews and 1002 words (13.60%; Mean = 8.70; SD = 5.417) in the second round of interviews. 3889 words were coded as regulatory discourse relating to hard law (52.78%; Mean = 8.70; SD = 5.417), 2656 words in the first round (36.05%; Mean = 8.70; SD = 5.417) and 1233 in the second round (16.73%; Mean = 8.70; SD = 5.417).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
Soft law	1	10	247.70	290.427	91.841
	2	5	200.40	122.645	54.849
	Total	15	231.93	243.010	62.745
Hard law	1	10	265.60	297.718	94.147
	2	5	246.60	131.796	58.941
	Total	15	259.27	249.057	64.306

An ANOVA for the first round revealed that hard/soft law word frequency means (and standard deviations) did not differ significantly for the first round (F = .019, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1602.050	1	1602.050	.019	.893
Within Groups	1556854.500	18	86491.917		
Total	1558456.550	19			

A χ2 analysis of the difference between soft law/hard law code frequencies for HP across the first and the second round was not significant (χ2 (1, N = 266) = 1.87, p > .05). The null hypothesis of an equal distribution of codes relating to soft law and hard law across both rounds was confirmed.

The descriptive statistics on code and word frequencies as well as the χ2 analysis of the first round indicate that discourse on hard law and soft law are about equally present and

do not allow to clearly identify a dominant dimension. The $\chi 2$ analysis of the different rounds confirms that this holds for both the first and the second round of interviews.

4.4.3.3 Nestlé

4.4.3.3.1 Normative Discourse

Traits of discourse on environmental issues were found in all 13 interviews of the Nestlé set. Traits of discourse on social issues were present in 12 interviews, among them 7 in the first round and 5 in the second round of interviews (whereby 4 interviewees showed traits in both interview rounds). 111 words, themes, phrases, or passages were coded as environmental discourse (Mean = 8.54; SD = 5.636), among them 64 codes for the first round of interviews (Mean = 8.00; SD = 6.676) and 47 for the second round (Mean = 9.40; SD = 3.975). I assigned 118 codes for discourse on social issues (Mean = 9.08; SD = 7.697), among them 44 codes for the first round of interviews (Mean = 5.50; SD = 4.629) and 74 codes for the second round of interviews (Mean = 14.80; SD = 8.585).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
environmental	1	8	8.00	6.676	2.360
	2	5	9.40	3.975	1.778
	Total	13	8.54	5.636	1.563
social	1	8	5.50	4.629	1.637
	2	5	14.80	8.585	3.839
	Total	13	9.08	7.697	2.135

An ANOVA for the first round revealed that environmental/social code frequency means (and standard deviations) did not differ significantly for the first round (F = .975, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	33.600	1	33.600	.975	.341
Within Groups	448.000	13	34.462		
Total	481.600	14			

A $\chi 2$ analysis of the difference between environmental/social code frequencies for Nestlé across the first and the second round was not significant ($\chi 2$ (1, N = 108) = 3.70, p >

.05). The null hypothesis of an equal distribution of codes relating to normative discourse was confirmed.

The coded references for normative discourse on environmental issues amounted to 3052 words (41.15% of total words coded as normative discourse; Mean = 234.77; SD = 188.125), among them 1499 words (20.21%; Mean = 187.38; SD = 177.333) in the first round of interviews and 1553 words (20.94%; Mean = 310.60; SD = 198.646) in the second round of interviews. 4365 words were coded as normative discourse relating to social issues (58.85%; Mean = 335.77; SD = 394.478) whereas 1883 words were coded in the first round (25.39%; Mean = 235.38; SD = 309.000) and 2482 in the second round (33.46%; Mean = 496.40; SD = 497.330).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
environmental	1	8	187.38	177.333	62.697
	2	5	310.60	198.646	88.837
	Total	13	234.77	188.125	52.176
social	1	8	235.38	309.000	109.248
	2	5	496.40	497.330	222.413
	Total	13	335.77	394.478	109.409

An ANOVA for the first round revealed that environmental/social word frequency means (and standard deviations) did not differ significantly for the first round ($F = .145$, $p > .05$).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9216.000	1	9216.000	.145	.709
Within Groups	888493.750	14	63463.839		
Total	897709.750	15			

A χ^2 analysis of the difference between environmental/social code frequencies for Nestlé across the first and the second round was significant (χ^2 (1, N = 229) = 9.52, $p < .05$). The null hypothesis of an equal distribution of environmental/social code frequencies among the different interview rounds was rejected.

The descriptive statistics on code and word frequencies indicate that discourse on social issues might dominate. However, a $\chi 2$ analysis of the first round rejected the hypothesis that there is a dominant dimension. The $\chi 2$ analysis on code frequencies across the two rounds suggests there is a significant shift towards discourse on social issues in the more explorative, second round of interviews. This might be due to the specific topics that were discussed since most major issues Nestlé is facing can be situated in the domain of discourse on social issues.

4.4.3.3.2   Regulatory Discourse

Traits of discourse relating to hard law were found in all 13 interviews of the Nestlé set. Traits of discourse relating to soft law were present in 12 interviews, among them 7 in the first round and 5 in the second round of interviews (whereby four interviewees showed traits in both interview rounds). 101 words, themes, phrases, or passages were coded as soft law (Total Mean = 7.77; SD = 5.464), among them 59 codes for the first round of interviews (Mean = 7.38; SD = 7.009) and 42 codes for the second round (Mean = 8.40; SD = 1.673). I assigned 107 codes for hard law (Total Mean = 8.23; SD = 5.480), among them 68 codes for the first round of interviews (Mean = 8.50; SD = 4.342) and 39 codes for the second round of interviews (Mean = 7.80; SD = 7.530).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
soft law	1	8	7.38	7.009	2.478
	2	5	8.40	1.673	.748
	Total	13	7.77	5.464	1.516
hard law	1	8	8.50	4.342	1.535
	2	5	7.80	7.530	3.367
	Total	13	8.23	5.480	1.520

An ANOVA for the first round revealed that hard/soft law code frequency means (and standard deviations) did not differ significantly for the first round (F = .106, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.062	1	5.062	.149	.705
Within Groups	475.875	14	33.991		
Total	480.938	15			

A χ2 analysis of the difference between soft law/hard law code frequencies for Nestlé across the first and the second round was not significant ($\chi2$ (1, N = 127) = .64, p > .05). The null hypothesis of an equal distribution of codes relating to regulatory discourse in the first round of interviews was confirmed.

The coded references for regulatory discourse on soft law amounted to 2583 words (50.17% of total words coded as normative discourse; Mean = 8.23; SD = 5.480), among them 1625 words (31.57%; Mean = 8.23; SD = 5.480) in the first round of interviews and 958 words (18.16%; Mean = 8.23; SD = 5.480) in the second round of interviews. 2565 words (49.83%; Mean = 8.23; SD = 5.480) were coded as regulatory discourse relating to hard law, whereby 1664 words were coded for the first round (32.32%; Mean = 8.23; SD = 5.480) and 901 words for the second round (17.50%; Mean = 8.23; SD = 5.480).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
Soft law	1	8	203.12	181.709	64.244
	2	5	191.60	32.516	14.542
	Total	13	198.69	140.168	38.876
Hard law	1	8	208.00	119.531	42.261
	2	5	180.20	179.097	80.095
	Total	13	197.31	138.653	38.455

An ANOVA for the first round revealed that hard/soft law word frequency means (and standard deviations) did not differ significantly for the first round (F = .004, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	95.063	1	95.063	.004	.950
Within Groups	331140.875	14	23652.920		
Total	331235.938	15			

A χ2 analysis of the difference between soft law/hard law code frequencies for Nestlé across the first and the second round was not significant ($\chi2$ (1, N = 208) = .58, p > .05). The null hypothesis of an equal distribution of codes relation to regulatory discourse in the different rounds of interviews was confirmed.

The descriptive statistics on code and word frequencies as well as the χ2 analysis of the first round of interviews indicate that discourse on hard law and soft law are about equally present. The χ2 analysis of the different interview rounds confirms that this holds for both the first and the second round of interviews.

4.4.4 Drivers of Change

4.4.4.1 BAT Switzerland

BAT Switzerland is pushed by three major institutional drivers: agenda setting groups, in particular the strong anti-tobacco movement, law-making forces, and CSR arenas that have been increasingly creating soft-law instruments to regulate the tobacco industry on a worldwide basis.

BAT Switzerland clearly identifies the anti-tobacco movement which was simply called "the antis" (Manager A, BAT Switzerland), or "the antismoking body" (Manager B, BAT Switzerland), as most important driver for the public perception of multinational companies in general and the tobacco industry in particular. As one interviewee mentions, the increasingly influential anti-tobacco movement "is trying to undermine our reputation and have actually been quite successful in doing that" (Manager C, BAT Switzerland) which has become "more and more a reality for a lot of consumers" (Manager F, BAT Switzerland). BAT Switzerland is aware of the power of anti-tobacco activism for agenda setting where "one person can make far more noise than thousands of us together" (Manager H, BAT Switzerland) since activists are "playing very much in the way of communication on the emotional basis" (Manager A, BAT Switzerland). Moreover, contrary to governments, activists "operate across countries" (Manager A, BAT Switzerland) and get powerful support by the media which increases the outreach of their messages.

BAT Switzerland claims that it has a lot of goals in common with anti-tobacco activists, implying that engagement and dialogue with activist would allow for collaboration since without "there will be no progress" (Manager H, BAT Switzerland). BAT Switzerland believes that "there's a lot more that we can do by talking and partnering" (Manager H, BAT Switzerland). However, the statement, "we try to understand why we have a disagreement" (Manager H, BAT Switzerland), appears to be a bit dubious. It is either meant to camouflage or it indicates that BAT Switzerland has been long spared from the intensive public debates

in countries such the UK or the United States. The influence of civil society organization on the public opinion has been rather "passive knowledge" (Manager A, BAT Switzerland) which only recently impacted the Swiss subsidiary of BAT. The goal of its efforts is to regain credibility since "the way we are described by certain organizations is a bit too emotional, a bit too irrational and sometimes a bit too dramatic" (Manager E, BAT Switzerland).

However, the need for a better understanding might be true in isolated cases and detailed questions such as how to deal with a partial smoking ban at the Airport of Geneva. It would be naïve to believe that after decades of litigation, the tobacco industry is not aware of the fundamental issues that are attributed to its products (see e.g. Palazzo & Richter, 2005). It rather points to another possibility: As a tobacco company, it is of outmost importance to be aware of societal trends and the public opinion on the extreme positions of anti-tobacco activists, in particular with regards to those groups that have an influence on the legislator, to identify possibilities for maneuver. Quotes for illustrating the themes identified can be found in Appendix D5, Table 64: Influence of Civil Society on BAT Switzerland.

Next to public pressure, BAT Switzerland is also facing substantial pressure from legislature which is a common phenomenon for Western Europe and the United States in general. The class actions against tobacco companies in the United States represented a turning point in the history of the industry. While the cases were settled, it subsequently created a wave of legislation in the Western world. As one interviewee remarked, BAT was the first tobacco company who acknowledged the deadliness of tobacco products as a consequence of legal pressure, the resulting financial risk of litigation and the pressure on the share price. In Switzerland it was less the risk of litigation but the health ministry, public health institutions and government in general that was identified as the major driver by interviewees.

At the time of the study, BAT Switzerland was feeling the change in the political climate where legislation is "getting heavier and heavier" (Manager H, BAT Switzerland). Not only concerned with the questions "how many channels, how many accounts, how many outlets are still allowed to sell our products" it also noticed that "the government is implementing a lot of change in the taxation system" (Manager F, BAT Switzerland). Indeed, the Swiss legislators introduced new restrictions in the years 2004-2005. Switzerland witnessed the highest tax increase for cigarettes in its history as well as the introduction of the Ordinance on tobacco and tobacco products (OTab) on October 27, 2004 that defined stricter standards for

manufacturing, marketing and sale of all "tobacco products destined for smoking" (Euro-monitor, 2008). Moreover, the OTab set ceilings for tar, nicotine and carbon monoxide levels per cigarette. Remarkably, the beginning of the first social reporting process (being launched in 2005) preceded the ratification of the new legislation. In addition to the regulatory changes, volume sales of tobacco products declined heavily in 2005 due to a steep increase in prices caused by higher taxes (Euromonitor, 2008). In 2006, the trend of declining volume sales slowed down (but continued on a slower pace) due to a more stable regulatory environment and only moderate (industry driven) price increases. At the end of 2007/2008 the legislative chambers were also about to decide on the Working Law and the Tobacco Products Taxation (Euromonitor, 2008). The Working Law would ban smoking public locations on the basis of employee health protection while the new legislation on taxation would also increase the tax burden of other (non-cigarette) tobacco products. Quotes for illustrating the themes identified can be found in Appendix D5, Table 65: Pressure from Legislators on BAT Switzerland.

The Swiss anti-tobacco movement is mainly led by the WHO. Being bitterly opposed to the tobacco industry "the end target is to have a world without tobacco consumption at all" (Manager G, BAT Switzerland). The FCTC which entered into force on February 27, 2005, has been a major success for the anti-tobacco movement led by the WHO. As of May 16, 2008, 154 parties had signed the convention, among them as latest party Colombia on April 10, 2008 (WHO, 2008). As mentioned above, the FCTC had a major influence on the implementation of stricter Swiss legislation with regards to advertisement and promotion of tobacco products. Quotes for illustrating the themes identified can be found in Appendix D5, Table 66: Pressure from WHO on BAT Switzerland.

4.4.4.2 Hewlett Packard

HP's engagement in CSR is strongly driven by the desire comply or even to be ahead of regulation. The reason is that "the pronounced statements 'we want to be a good citizen'… more and more rules have been created around it" (Manager A, HP), resulting in a more compliance oriented understanding of CSR. As example one interviewee mentioned that an active anti-discrimination policy and the protection of workers' rights have become legal obligations in many countries. This has clearly impacted HP's CSR approach. In particular, the finance or accounting function is heavily influenced by the Sarbanes-Oxley Act which might

be interpreted as "repercussions of false and bad behavior" (Manager C, HP), manifested in the breakdowns of Enron or Worldcom. But also the European laws on competition in the EU have caused HP to put a strong focus on not abusing monopolies and "to give a fair treatment to multiple suppliers" (Manager J, HP). Quotes for illustrating the themes identified can be found in Appendix D5, Table 67: Pressure from Legislators on HP.

HP emphasizes the pressure it receives from customers to "meet their requirements for corporate social responsibility" (Manager C, HP). As mentioned above, government contracts in developing countries are increasingly coupled to a proper approach to CSR, while as one interviewee explained, governments in developing countries primarily ask HP to "set up certain infrastructure" (Manager B, HP). Therefore, HP is eager to "make sure that we can in a formal manner respond to the need or the request of our customer and NGOs" (Manager G, HP). Even influential corporate clients of HP have started to request information on corporate responsibility, among them, for instance, the French Telecom. Quotes for illustrating the themes identified can be found in Appendix D5, Table 68: Influence of Customers on HP.

In a number of occasions interviewees claimed that civil society drives HP more than regulation since its employees want "to do the right thing" (Manager A, HP). Therefore, HP intends to cooperate with NGOS when possible since HP does "not have very tense and difficult relationship with NGOs" (Manager F, HP) as in the case of other multinational companies. Quotes for illustrating the themes identified can be found in Appendix D5, Table 69: Influence of Civil Society on HP.

Finally, HP also pointed towards a future force that might become increasingly important for the implementation and institutionalizing of CSR. There appeared to be a general belief that "it will be much more valued [in financial terms] in the future when a company is really socially responsible or has a strong corporate social responsible philosophy" (Manager B, HP). In particular, SRI funds and big public pension funds might orient their criteria for investment decisions more towards social and environmental indicators. Quotes for illustrating the themes identified can be found in Appendix D5, Table 70: Importance of Investment and Finance Community on HP.

4.4.4.3 Nestlé

Why does Nestlé appear to become more proactive in its approach towards CSR? First, Civil society has become a reasonable external force driving the behavior of Nestlé (di-

rectly as well as indirectly). Nestlé has had a rather troublesome history with regards to civil society which explains its very defensive posture towards the notion of civil society in itself. The concept of civil society groups is basically reduced to vocal activist groups since Nestlé has been, and continues to be, a popular target of campaigns. Activists are seen as ideologically-biased, full of hatred, somewhat fanatic, and persistent who have turned campaigning against Nestlé into a "hobby" (Manager B, Nestlé) that has the potential to cost the company billions.

Activist groups such as WWF or Greenpeace are accused of being unscientific and acting highly irresponsibly since as "single-issue groups" with a narrow focus they are incapable to come up with alternative solutions to global challenges such as climate change. They are seen as "nuisance" or "annoying", basically operating on the "principle of fear" (Manager B, Nestlé). For instance, it is argued that Greenpeace's continuing collection of money for its fight against GMOs is "cynical", "highly unscientific", and "profoundly irresponsible", regarding today's scientific evidence and its acceptance among most legislators around the world (Manager B, Nestlé). NGOs and humanitarian organizations are not seen as being capable to help solving humanitarian challenges. This indicates clearly a defensive attitude towards civil society as a major driver for CSR. Quotes for illustrating the themes identified can be found in Appendix D5, Table 71: Influence of Civil Society – Defensive Posture on Nestlé.

Nevertheless, Nestlé did have to learn its lesson and is thinking much more politically today. Nestlé employees are now made familiar with the changing conditions of public perception and its consequences from early on. Having realized the communicative power of NGOs, Nestlé has turned to a very pragmatic attitude towards civil society organizations. For Nestlé, it has become a question of "how we respond to the change in society and communication" (Manager F, Nestlé). Nestlé has realized that they have to deal with NGOs to avoid reputation damage. However, they do not intend to cooperate with activist organizations that are hostile. Moreover, Nestlé recognizes that accusations are very much altered by the media which "plays a predominant role, because it's through media that the public debate takes shape" (Manager G, Nestlé).

Acknowledging their importance for awareness creation, one manager wonders though if "these groups are making decisions made on good information" (Manager I,

Nestlé). It is based on the fundamental fear that NGOs do ignore evidence that could be provided by the Nestlé who claims that "we like to have the opportunity to share information" (Manager I, Nestlé). Moreover, while "NGOs…have a purpose in society, they have a role to play", NGOS should be accountable and "adhere to certain rules and obligations just as all the others" (Manager C, Nestlé).

However, there is some doubt left at Nestlé that activist organizations really have an influence on Nestlé since it "is of such a size that they are able to ignore a lot of these groups" (Manager E, Nestlé). In addition to that, not only that it appears that they have little influence in Switzerland, the fact that their ideas are assumed to be shared by only tiny minorities could indicate that they are given too much importance. Quotes for illustrating the themes identified can be found in Appendix D5, Table 72: Influence of Civil Society – Tentative Posture on Nestlé.

A second driver for Nestlé's CSR efforts represents the consumer that influences with his consumption patterns corporate behavior. Some interview partners acknowledge though that the consumer is not automatically responding to product offerings that are considered to be more responsible as the example of fair trade coffee implies. While it was comparably successful in the UK at the time the interviews were conducted, it had not yet become a commercial success in France. Quotes for illustrating the themes identified can be found in Appendix D5, Table 73: Influence of Consumers on Nestlé.

Finally, recently also the financial sector is playing an increasing role in fostering responsible behavior for Nestlé as one interview emphasized. Investors seem to increasingly consider long-term sustainability and orient their decision making by looking at social responsibility and sustainability ratings. They call for more transparency and comparability which is interpreted as "powerful spur for action" (Manager B, Nestlé). Quotes for illustrating the themes identified can be found in Appendix D5, Table 74: Importance of Investment and Finance Community on Nestlé.

4.4.4.4 Dominating Dimensions

4.4.4.4.1   BAT Switzerland

Traits relating to law making institutional entrepreneurs were found in all 13 interviews of the BAT Switzerland set. Traits of opinion shaping institutional entrepreneurs were

present in 10 interviews, (among them 6 in the first round and 4 in the second round of interviews, whereby 4 interviewees showed traits in both interview rounds). 4 interviews (3/1/1) did show traits of bargaining, 13 (9/4/4) of agenda setting, 13 (9/4/4) of arena setting, 5 (1/4/0) of financing, and 9 (5/4/2) of consuming institutional entrepreneurs. 71 words, themes, phrases, or passages were coded as law making institutional entrepreneurs (Total Mean = 5.46; SD = 2.904), among them 48 codes for the first round of interviews (Mean = 5.33; SD = 3.082) and 23 codes for the second round (Mean = 5.75; SD = 2.872). 32 codes (12/20) were assigned for opinion shaping institutional entrepreneurs (Total: Mean = 2.46; SD = 2.184; 1st round: Mean = 1.33; SD = 1.118; 2nd round: Mean = 5.00; SD = 1.826), 16 (12/4) codes for bargaining (Total: Mean = 1.23; SD = 2.619; 1st round: Mean = 1.33; SD = 2.958; 2nd round: Mean = 1.00; SD = 2.000), 69 (53/16) codes for agenda setting (Total: Mean = 5.31; SD = 2.750; 1st round: Mean = 5.89; SD = 2.619; 2nd round: Mean = 4.00; SD = 2.944), 106 (59/47) codes for arena setting (Total: Mean = 8.15; SD = 2.750; 1st round: Mean = 6.56; SD = 4.362; 2nd round: Mean = 11.75; SD = 9.106), 12 (1/11) codes for financing (Total: Mean = .92; SD = 1.498; 1st round: Mean = .11; SD = .333; 2nd round: Mean = 2.75; SD = 1.500), and 42 (12/30) codes for consuming forces that drive institutional entrepreneurship (Total: Mean = 3.23; SD = 3.320; 1st round: Mean = 1.33; SD = 1.500; 2nd round: Mean = 7.50; SD = 1.732).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
law making	1	9	5.33	3.082	1.027
	2	4	5.75	2.872	1.436
	Total	13	5.46	2.904	.806
opinion shaping	1	9	1.33	1.118	.373
	2	4	5.00	1.826	.913
	Total	13	2.46	2.184	.606
bargaining	1	9	1.33	2.958	.986
	2	4	1.00	2.000	1.000
	Total	13	1.23	2.619	.726
agenda setting	1	9	5.89	2.619	.873
	2	4	4.00	2.944	1.472
	Total	13	5.31	2.750	.763
arena setting	1	9	6.56	4.362	1.454
	2	4	11.75	9.106	4.553
	Total	13	8.15	6.296	1.746
financing	1	9	.11	.333	.111
	2	4	2.75	1.500	.750
	Total	13	.92	1.498	.415

consuming	1	9	1.33	1.500	.500
	2	4	7.50	1.732	.866
	Total	13	3.23	3.320	.921

An ANOVA for the first round revealed that institutional entrepreneur code frequency means (and standard deviations) differed significantly for the first round ($F = 9.455$, $p > .05$). A Scheffé post hoc test showed that the following code frequencies differed significantly for institutional entrepreneurs in pair wise comparisons: law making > financing, agenda setting > opinion shaping, arena setting > opinion shaping, agenda setting > bargaining, arena setting > bargaining, agenda setting > financing, agenda setting > consuming, arena setting > financing, and arena setting > consuming institutional entrepreneurs ($p < .05$).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	386.984	6	64.497	9.455	.000
Within Groups	382.000	56	6.821		
Total	768.984	62			

A χ^2 analysis of the difference between law making/opinion shaping/bargaining/agenda setting/arena setting/financing/consuming code frequencies for BAT Switzerland for the first round was significant (χ^2 (1, N =197) = 123.76, $p < .05$). The null hypothesis of an equal distribution of institutional entrepreneurs in the first round of interviews was rejected. 23 subtests were conducted for further analysis (Bonferroni correction: $\alpha = .05/23 = .0021739$; $\chi^2 = 9.3965739$). Since code frequencies were rather low, I did not conduct a full χ^2 analysis but concentrated on the crucial actors previously identified. The χ^2 analysis did not indicate one particular type of institutional entrepreneur as being dominating but a number of them combined. This was indicated by the significant higher code frequencies of the combination of arena setting, agenda setting and law making institutional entrepreneurs in comparison to opinion shaping, bargaining, financing and consuming ones. This was reflected in both, the single comparison of those two groups, as well as when compared one by one.

Subtest			Code Frequencies			N	χ^2	Critical Value	α	df	Significant
law making	>	opinion shaping	48	>	12	60	21.60	9.40	.002	1	yes
law making	>	bargaining	48	>	12	60	21.60	9.40	.002	1	yes
law making	<	agenda setting	48	<	53	101	0.25	9.40	.002	1	no
law making	<	arena setting	48	<	59	107	1.13	9.40	.002	1	no
law making	>	financing	48	>	1	49	45.08	9.40	.002	1	yes

law making	>	consuming	48	>	12	60	21.60	9.40	.002	1	yes
opinion shaping	>	financing	12	>	1	13	9.31	9.40	.002	1	no
opinion shaping	<	arena setting	12	<	59	71	31.11	9.40	.002	1	yes
opinion shaping	<	agenda setting	12	<	53	65	25.86	9.40	.002	1	yes
opinion shaping	<	consuming	12	<	12	24	0	9.40	.002	1	no
opinion shaping	<	bargaining	12	<	12	24	0	9.40	.002	1	no
bargaining	<	agenda setting	12	<	53	65	25.86	9.40	.002	1	yes
bargaining	<	arena setting	12	<	59	71	31.11	9.40	.002	1	yes
bargaining	>	financing	12	>	1	13	9.31	9.40	.002	1	no
bargaining	<	consuming	12	<	12	24	0	9.40	.002	1	no
agenda setting	<	arena setting	53	<	59	112	0.32	9.40	.002	1	no
agenda setting	>	financing	53	>	1	54	50.07	9.40	.002	1	yes
agenda setting	>	consuming	53	>	12	65	25.86	9.40	.002	1	yes
arena setting	>	financing	59	>	1	60	56.07	9.40	.002	1	yes
arena setting	>	consuming	59	>	12	71	31.11	9.40	.002	1	yes
financing	<	consuming	1	<	12	13	9.31	9.40	.002	1	no
are+age+law	>	opi+bar+fin+con	160	>	37	197	76.80	9.40	.002	1	yes
are+age	>	opi+bar+fin+con+law	112	>	85	197	3.70	9.40	.002	1	no

The coded references for law making institutional entrepreneurs amounted to 2074 words (20.45% of total words coded as institutional entrepreneurs, Total Mean = 159.54; SD = 100.535), among them 1256 words (12.38%; Mean = 139.56; SD = 83.437) in the first round of interviews and 818 words (8.06%; Mean = 204.50; SD = 134.056) in the second round of interviews. 1124 words were coded as indicating opinion shaping (11.08%; Total Mean = 86.46; SD = 101.042 / 1st round: 28.00 = 2.48%; Mean = 23.479; SD = 23.479; 2nd round: 872 = 8.60%; Mean = 218.00; SD = 77.747), 358 words as bargaining (3.53%; Total Mean = 27.54; SD = 58.149/ 1st round: 274 = 2.70%; Mean = 30.44; SD = 66.178; 2nd round: 84 = .83%; Mean = 21.00; SD = 42.000), 2140 words as agenda setting (21.10%; Total Mean = 164.62; SD = 128.257/ 1st round: 1693 = 16.69%; Mean = 188.11; SD = 143.006; 2nd round: 447 = 4.41%; Mean = 111.75; SD = 76.696), 2613 words as arena setting (25.76%; Total Mean = 144.92; SD = 93.417 / 1st round: 1437 = 14.17%; Mean = 159.67; SD = 100.447; 2nd round: 1176 = 11.59%; Mean = 111.75; SD = 76.696), 638 words as financing (6.29%; Total Mean = 92.85; SD = 178.372 / 1st round: 31 = .31%; Mean = 3.44; SD = 10.333; 2nd round: 607 = 5.98%; Mean = 294.00; SD = 221.478), and 1197 words (11.80%; Total Mean = 92.08; SD = 108.827 / 1st round: 253 = 2.49%; Mean = 28.11; SD = 31.398; 2nd round: 944 = 9.31%; Mean = 236.00; SD = 69.652) as consuming institutional entrepreneurs.

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
law making	1	9	139.56	83.437	27.812
	2	4	204.50	134.056	67.028
	Total	13	159.54	100.535	27.883

opinion shaping	1	9	28.00	23.479	7.826
	2	4	218.00	77.747	38.874
	Total	13	86.46	101.042	28.024
bargaining	1	9	30.44	66.178	22.059
	2	4	21.00	42.000	21.000
	Total	13	27.54	58.149	16.128
agenda setting	1	9	188.11	143.006	47.669
	2	4	111.75	76.696	38.348
	Total	13	164.62	128.257	35.572
arena setting	1	9	159.67	100.447	33.482
	2	4	111.75	76.696	38.348
	Total	13	144.92	93.417	25.909
financing	1	9	3.44	10.333	3.444
	2	4	294.00	221.478	110.739
	Total	13	92.85	178.372	49.471
consuming	1	9	28.11	31.398	10.466
	2	4	236.00	69.652	34.826
	Total	13	92.08	108.827	30.183

An ANOVA for the first round revealed that institutional entrepreneur word frequency means (and standard deviations) differed significantly for the first round ($F = 8.504$, $p > .05$). A Scheffé post hoc test showed that the following word frequencies differed significantly for institutional entrepreneurs in pair wise comparisons: agenda setting > opinion shaping, agenda setting > bargaining, agenda setting > financing, agenda setting > consuming, and arena setting > financing institutional entrepreneurs ($p < .05$).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	317265.270	6	52877.545	8.504	.000
Within Groups	348202.444	56	6217.901		
Total	665467.714	62			

A $\chi2$ analysis of the difference between law making/opinion shaping/bargaining/agenda setting/arena setting/financing/consuming code frequencies for BAT Switzerland across the first and the second round was significant ($\chi2$ (2, N = 348) = 46.79, $p < .05$). 23 subtests were conducted for further analysis (Bonferroni correction: $\alpha = .05/23 = .0021739$; $\chi2 = 9.3965739$). Since code frequencies were rather low, I did not conduct a full $\chi2$ analysis but concentrated on the crucial actors previously identified. No significance was

found for any of the subtests; the null hypothesis of an equal distribution of institutional entrepreneur frequencies across the different interview rounds was confirmed.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
law making	>	opinion shaping	48	>	12	103	1.07	9.40	.002	1	no
law making	>	bargaining	48	>	12	87	0.02	9.40	.002	1	no
law making	<	agenda setting	48	<	53	140	0.20	9.40	.002	1	no
law making	<	arena setting	48	<	59	177	0.60	9.40	.002	1	no
law making	>	financing	48	>	1	83	0.88	9.40	.002	1	no
law making	>	consuming	48	>	12	113	2.81	9.40	.002	1	no
opinion shaping	<	bargaining	12	<	12	48	1.00	9.40	.002	1	no
opinion shaping	<	agenda setting	12	<	53	101	3.59	9.40	.002	1	no
opinion shaping	<	arena setting	12	<	59	138	1.21	9.40	.002	1	no
opinion shaping	>	financing	12	>	1	44	0.69	9.40	.002	1	no
opinion shaping	<	consuming	12	<	12	74	0.25	9.40	.002	1	no
bargaining	<	agenda setting	12	<	53	85	0.00	9.40	.002	1	no
bargaining	<	arena setting	12	<	59	122	0.78	9.40	.002	1	no
bargaining	>	financing	12	>	1	28	2.81	9.40	.002	1	no
bargaining	<	consuming	12	<	12	58	4.37	9.40	.002	1	no
agenda setting	<	arena setting	53	<	59	175	1.77	9.40	.002	1	no
agenda setting	>	financing	53	>	1	81	1.07	9.40	.002	1	no
agenda setting	>	consuming	53	>	12	111	3.93	9.40	.002	1	no
arena setting	>	financing	59	>	1	118	0.48	9.40	.002	1	no
arena setting	>	consuming	59	>	12	148	1.31	9.40	.002	1	no
financing	<	consuming	1	<	12	54	1.24	9.40	.002	1	no
are+age+law	>	opi+bar+fin+con	160	>	37	348	3.09	9.40	.002	1	no
are+age	>	opi+bar+fin+con+law	112	>	85	348	1.69	9.40	.002	1	no

4.4.4.4.2   Hewlett Packard

Traits relating to law making institutional entrepreneurs were found in all 15 interviews of the HP set. Traits of opinion shaping institutional entrepreneurs were present in 9 interviews, (among them 5 in the first round and 4 in the second round of interviews, whereby 2 interviewees showed traits in both interview rounds). 14 interviews (10/4/4) contained traits of bargaining, 14 (10/4/4) of agenda setting, 15 (10/5/5) of arena setting, 8 (4/4/2) of financing, and 9 (5/4/2) of consuming institutional entrepreneurs. 107 words, themes, phrases, or passages were coded as law making institutional entrepreneurs (Total Mean = 7.13; SD = 5.153), among them 75 codes for the first round of interviews (Mean = 7.50; SD = 6.133) and 32 for the second round (Mean = 6.40; SD = 2.702). 24 codes (10/14) were assigned for opinion shaping institutional entrepreneurs (Total: Mean = 1.60; SD = 1.724; 1st round: Mean = 1.00; SD = 1.333; 2nd round: Mean = 2.80; SD = 1.924), 170 (114/56) codes for bargaining (Total: Mean = 11.33; SD = 7.997; 1st round: Mean = 11.40; SD = 7.604; 2nd round: Mean = 11.20; SD = 9.680), 79 (62/17) codes for agenda setting (Total: Mean = 5.27; SD = 3.058; 1st round: Mean = 6.20; SD = 3.048; 2nd round: Mean = 3.40; SD = 2.302), 98 (52/46) codes for arena setting (Total: Mean = 6.53; SD = 4.941; 1st round: Mean = 5.20; SD = 4.077; 2nd round: Mean = 9.20; SD = 5.891), 18 (8/10) codes for financ-

ing (Total: Mean = 1.20; SD = 1.424; 1st round: Mean = .80; SD = 1.317; 2nd round: Mean = 2.00; SD = 1.414), and 43 (15/28) codes for consuming forces that drive institutional entrepreneurship (Total: Mean = 2.87; SD = 3.662; 1st round: Mean = 1.50; SD = 2.068; 2nd round: Mean = 5.60; SD = 4.827).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
law making	1	10	7.50	6.133	1.939
	2	5	6.40	2.702	1.208
	Total	15	7.13	5.153	1.330
opinion shaping	1	10	1.00	1.333	.422
	2	5	2.80	1.924	.860
	Total	15	1.60	1.724	.445
bargaining	1	10	11.40	7.604	2.405
	2	5	11.20	9.680	4.329
	Total	15	11.33	7.997	2.065
agenda setting	1	10	6.20	3.048	.964
	2	5	3.40	2.302	1.030
	Total	15	5.27	3.058	.790
arena setting	1	10	5.20	4.077	1.289
	2	5	9.20	5.891	2.634
	Total	15	6.53	4.941	1.276
financing	1	10	.80	1.317	.416
	2	5	2.00	1.414	.632
	Total	15	1.20	1.424	.368
consuming	1	10	1.50	2.068	.654
	2	5	5.60	4.827	2.159
	Total	15	2.87	3.662	.945

An ANOVA for the first round revealed that institutional entrepreneur code frequency means (and standard deviations) differed significantly for the first round ($F = 8.520$, $p < .05$). A Scheffé post hoc test showed that the following code frequencies differed significantly for institutional entrepreneurs in pair wise comparisons: bargaining > opinion shaping, bargaining > financing, and bargaining > consuming institutional entrepreneurs ($p < .05$).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	943.000	6	157.167	8.520	.000
Within Groups	1162.200	63	18.448		
Total	2105.200	69			

A χ2 analysis of the difference between law making/opinion shap-ing/bargaining/agenda setting/arena setting/financing/consuming code frequencies for HP for the first round was significant (χ2 (1, N =336) = 140.10, p < .05). The null hypothesis of an equal distribution of institutional entrepreneurs in the first round of interviews was rejected. For further analysis 27 subtests were conducted (Bonferroni correction: α = .05/27 = .0018519; χ2 = 9.6908766). Since code frequencies were rather low, I did not conduct a full χ2 analysis but concentrated on the crucial actors previously identified. The χ2 analysis did not indicate one particular group of institutional entrepreneurs as being dominating but a number of them combined. This was indicated by the significant higher code frequencies of the combination of bargaining, arena setting, agenda setting as well as law making institu-tional entrepreneurs compared to opinion shaping, financing and consuming ones. One might claim that bargaining institutional entrepreneurs are dominating since they showed significant higher code frequency in comparison to all others but law making institutional entrepreneurs. This is an interesting possibility to consider, in particular, since the conservative assumptions of the Bonferroni correction render the otherwise significant comparison of bargaining and law making code frequencies insignificant.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
law making	>	opinion shaping	75	>	10	85	49.71	9.69	.002	1	yes
law making	<	bargaining	75	<	114	189	8.05	9.69	.002	1	no
law making	>	agenda setting	75	>	62	137	1.23	9.69	.002	1	no
law making	>	arena setting	75	>	52	127	4.17	9.69	.002	1	no
law making	>	financing	75	>	8	83	54.08	9.69	.002	1	yes
law making	>	consuming	75	>	15	90	40.00	9.69	.002	1	yes
opinion shaping	>	financing	10	>	8	18	0.22	9.69	.002	1	no
opinion shaping	<	arena setting	10	<	52	62	28.45	9.69	.002	1	yes
opinion shaping	<	agenda setting	10	<	62	72	37.56	9.69	.002	1	yes
opinion shaping	<	consuming	10	<	15	25	1.00	9.69	.002	1	no
opinion shaping	<	bargaining	10	<	114	124	87.23	9.69	.002	1	yes
bargaining	>	agenda setting	114	>	62	176	15.36	9.69	.002	1	yes
bargaining	>	arena setting	114	>	52	166	23.16	9.69	.002	1	yes
bargaining	>	financing	114	>	8	122	92.10	9.69	.002	1	yes
bargaining	>	consuming	114	>	15	129	75.98	9.69	.002	1	yes
agenda setting	>	arena setting	62	>	52	114	0.88	9.69	.002	1	no
agenda setting	>	financing	62	>	8	70	41.66	9.69	.002	1	yes
agenda setting	>	consuming	62	>	15	77	28.69	9.69	.002	1	yes
arena setting	>	financing	52	>	8	60	32.27	9.69	.002	1	yes
arena setting	>	consuming	52	>	15	67	20.43	9.69	.002	1	yes
financing	<	consuming	8	<	15	23	2.13	9.69	.002	1	no
are+age+law+bar	>	opi+fin+con	303	>	33	336	216.96	9.69	.002	1	yes
age+law+bar	>	opi+fin+con+are	251	>	85	336	82.01	9.69	.002	1	yes
are+law+bar	>	opi+fin+con+age	241	>	95	336	63.44	9.69	.002	1	yes
law+bar	>	opi+fin+con+are+age	189	>	147	336	5.25	9.69	.002	1	no
bar+age	>	opi+fin+con+are+law	176	>	160	336	0.76	9.69	.002	1	no
bar+are	<	opi+fin+con+age+law	166	<	170	336	0.05	9.69	.002	1	no

The coded references for law making institutional entrepreneurs amounted to 4164 words (23.38% of total words coded as institutional entrepreneurs; Total Mean = 277.60; SD

= 233.671), among them 2858 words (16.05%; Mean = 285.80; SD = 270.464) in the first round of interviews and 1306 words (7.33%; Mean = 261.20; SD = 161.286) in the second round of interviews. 1364 words were coded as indicating opinion shaping (7.66%; Total Mean = 90.93; SD = 134.539 / 1st round: 332 = 1.86%; Mean = 33.20; SD = 47.131; 2nd round: 1032 = 5.79%; Mean = 206.40; SD = 182.637), 4737 words as bargaining (26.59%; Total Mean = 315.80; SD = 223.285 / 1st round: 3139 = 17.62%; Mean = 313.90; SD = 205.614; 2nd round: 1598 = 8.97%; Mean = 319.60; SD = 281.686), 2934 words as agenda setting (16.97%; Total Mean = 201.53; SD = 169.631/ 1st round: 2081 = 12.18%; Mean = 217.00; SD = 159.234; 2nd round: 853=4.79%; Mean = 170.60; SD = 204.615), 2294 words as arena setting (13.35%; Total Mean = 158.53; SD = 113.429 / 1st round: 1253 = 7.51%; Mean = 133.70; SD = 102.219; 2nd round: 1041 = 5.84%; Mean = 208.20; SD = 129.987), 687 words as financing (3.86%; Total Mean = 45.80; SD = 65.486 / 1st round: 235 = 1.32%; Mean = 23.50; SD = 34.187; 2nd round: 452 = 2.54%; Mean = 90.40; SD = 93.007), and 1261 words (8.19%; Total Mean = 97.27; SD = 116.236 / 1st round: 561 = 4.26%; Mean = 75.90; SD = 105.041; 2nd round: 700 = 3.93%; Mean = 140.00; SD = 137.980) as consuming institutional entrepreneurs.

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
law making	1	10	285.80	270.464	85.528
	2	5	261.20	161.286	72.129
	Total	15	277.60	233.671	60.334
opinion shaping	1	10	33.20	47.131	14.904
	2	5	206.40	182.637	81.678
	Total	15	90.93	134.539	34.738
bargaining	1	10	313.90	205.614	65.021
	2	5	319.60	281.686	125.974
	Total	15	315.80	223.285	57.652
agenda setting	1	10	217.00	159.234	50.354
	2	5	170.60	204.615	91.507
	Total	15	201.53	169.631	43.798
arena setting	1	10	133.70	102.219	32.324
	2	5	208.20	129.987	58.132
	Total	15	158.53	113.429	29.287
financing	1	10	23.50	34.187	10.811
	2	5	90.40	93.007	41.594
	Total	15	45.80	65.486	16.908
consuming	1	10	75.90	105.041	33.217
	2	5	140.00	137.980	61.707
	Total	15	97.27	116.236	30.012

An ANOVA for the first round revealed that institutional entrepreneur word frequency means (and standard deviations) differed significantly for the first round (F = 5.989, p < .05). A Scheffé post hoc test showed that the following word frequencies for institutional entrepreneurs differed significantly in pair wise comparisons: law making > opinion shaping, law making > financing, law making > consuming, bargaining > opinion shaping, bargaining > financing institutional entrepreneurs (p < .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	850392.686	6	141732.114	5.989	.000
Within Groups	1490899.600	63	23665.073		
Total	2341292.286	69			

A χ2 analysis of the difference between law making/opinion shaping/bargaining/agenda setting/arena setting/financing/consuming code frequencies for HP across the first and the second round was significant (χ2 (2, N = 539) = 17.49, p < .05). For further analysis 27 subtests were conducted (Bonferroni correction: α = .05/27 = .0018519; χ2 = 9.6908766). Since code frequencies were rather low, I did not conduct a full χ2 analysis but concentrated on the crucial actors previously identified. No significance was found for the subtests; the null hypothesis of an equal distribution of institutional entrepreneur frequencies across the different interview rounds was confirmed.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
law making	>	opinion shaping	75	>	10	85	0.45	9.69	.002	1	no
law making	<	bargaining	75	<	114	277	0.05	9.69	.002	1	no
law making	>	agenda setting	75	>	62	186	0.18	9.69	.002	1	no
law making	>	arena setting	75	>	52	205	1.15	9.69	.002	1	no
law making	>	financing	75	>	8	125	0.22	9.69	.002	1	no
law making	>	consuming	75	>	15	150	1.82	9.69	.002	1	no
opinion shaping	<	bargaining	10	<	114	194	1.86	9.69	.002	1	no
opinion shaping	<	agenda setting	10	<	62	103	2.74	9.69	.002	1	no
opinion shaping	<	arena setting	10	<	52	122	0.40	9.69	.002	1	no
opinion shaping	>	financing	10	>	8	42	0.01	9.69	.002	1	no
opinion shaping	<	consuming	10	<	15	67	0.12	9.69	.002	1	no
bargaining	>	agenda setting	114	>	62	249	0.32	9.69	.002	1	no
bargaining	>	arena setting	114	>	52	268	0.72	9.69	.002	1	no
bargaining	>	financing	114	>	8	188	0.12	9.69	.002	1	no
bargaining	>	consuming	114	>	15	213	1.18	9.69	.002	1	no
agenda setting	>	arena setting	62	>	52	177	2.43	9.69	.002	1	no
agenda setting	>	financing	62	>	8	97	0.44	9.69	.002	1	no
agenda setting	>	consuming	62	>	15	122	2.96	9.69	.002	1	no
arena setting	>	financing	52	>	8	116	0.03	9.69	.002	1	no
arena setting	>	consuming	52	>	15	141	0.63	9.69	.002	1	no
financing	<	consuming	8	<	15	61	0.22	9.69	.002	1	no
are+age+law+bar	>	opi+fin+con	303	>	33	539	1.41	9.69	.002	1	no
age+law+bar	>	opi+fin+con+are	251	>	85	539	3.81	9.69	.002	1	no
are+law+bar	>	opi+fin+con+age	241	>	95	539	0.22	9.69	.002	1	no
law+bar	>	opi+fin+con+are+age	189	>	147	539	1.54	9.69	.002	1	no

| bar+age | > | opi+fin+con+are+law | 176 | > | 160 | 539 | 2.78 | 9.69 | .002 | 1 | no |
| bar+are | < | opi+fin+con+age+law | 166 | < | 170 | 539 | 0.01 | 9.69 | .002 | 1 | no |

4.4.4.4.3   Nestlé

Traits relating for law making institutional entrepreneurs were found in 12 interviews of the Nestlé set (among them 8 in the first round and 4 in the second round of interviews, whereby 4 interviewees showed traits in both interview rounds). 9 interviews (4/5/2) contained traits of opinion shaping, 10 (6/4/3) of bargaining, 13 (8/5/4) of agenda setting, 13 (8/5/4) of arena setting, 8 (3/5/1) of financing, and 12 (7/5/4) of consuming institutional entrepreneurs. 43 words, themes, phrases, or passages were coded as law making institutional entrepreneurs, among them 30 codes for the first round of interviews and 13 for the second round (Total: Mean = 3.31; SD = 1.797; 1st round: Mean = 3.75; SD = 1.669; 2nd round: Mean = 2.60; SD = 1.949). 23 codes (6/17) were assigned for opinion shaping institutional entrepreneurs (Total: Mean = 1.77; SD = 1.641; 1st round: Mean = .75; SD = .886; 2nd round: Mean = 3.40; SD = 1.140), 37 (20/17) codes for bargaining (Total: Mean = 2.85; SD = 2.512; 1st round: Mean = 2.50; SD = 1.927; 2nd round: Mean = 3.40; SD = 3.435), 90 (56/34) codes for agenda setting (Total: Mean = 6.92; SD = 3.121; 1st round: Mean = 7.00; SD = 3.505; 2nd round: Mean = 6.80; SD = 2.775), 176 (117/59) codes for arena setting (Total: Mean = 13.54; SD = 7.677; 1st round: Mean = 14.62; SD = 9.288; 2nd round: Mean = 11.80; SD = 4.438), 26 (11/15) codes for financing (Total: Mean = 2.00; SD = 2.380; 1st round: Mean = 1.38; SD = 2.326; 2nd round: Mean = 3.00; SD = 2.345), and 64 (28/36) codes for consuming forces that drive institutional entrepreneurship (Total: Mean = 4.92; SD = 3.593; 1st round: Mean = 3.50; SD = 3.024; 2nd round: Mean = 7.20; SD = 3.493).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
law making	1	8	3.75	1.669	.590
	2	5	2.60	1.949	.872
	Total	13	3.31	1.797	.499
opinion shaping	1	8	.75	.886	.313
	2	5	3.40	1.140	.510
	Total	13	1.77	1.641	.455
bargaining	1	8	2.50	1.927	.681
	2	5	3.40	3.435	1.536
	Total	13	2.85	2.512	.697
agenda setting	1	8	7.00	3.505	1.239
	2	5	6.80	2.775	1.241

	Total	13	6.92	3.121	.866
arena setting	1	8	14.62	9.288	3.284
	2	5	11.80	4.438	1.985
	Total	13	13.54	7.677	2.129
financing	1	8	1.38	2.326	.822
	2	5	3.00	2.345	1.049
	Total	13	2.00	2.380	.660
consuming	1	8	3.50	3.024	1.069
	2	5	7.20	3.493	1.562
	Total	13	4.92	3.593	.997

An ANOVA for the first round revealed that institutional entrepreneur code frequency means (and standard deviations) differed significantly for the first round (F = 10.666, p < .05). A Scheffé post hoc test showed that the following code frequencies differed significantly for institutional entrepreneurs in pair wise comparisons: arena setting > law making, arena setting > opinion shaping, arena setting > bargaining, arena setting > financing, and arena setting > consuming institutional entrepreneurs (p < .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1100.679	6	183.446	10.666	.000
Within Groups	842.750	49	17.199		
Total	1943.429	55			

A χ2 analysis of the difference between law making/opinion shaping/bargaining/agenda setting/arena setting/financing/consuming code frequencies for Nestlé for the first round was significant (χ2 (1, N =268) = 45.95, p < .05). The null hypothesis of an equal distribution of institutional entrepreneurs in the first round of interviews was rejected. For further analysis 22 subtests were conducted (Bonferroni correction: α = .05/22 = .0022727; χ2 = 9.315102). Since code frequencies were rather low, I did not conduct a full χ2 analysis but concentrated on the crucial actors previously identified. The χ2 analysis did not indicate one particular group of institutional entrepreneurs as being dominating but a number of them combined. This was concluded form the significant higher code frequencies of the combination of arena setting, agenda setting institutional entrepreneurs compared to law mak-

ing, opinion shaping, bargaining, financing and consuming ones. This was also indicated in the individual comparisons of those two groups as well as when compared one by one.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
law making	>	opinion shaping	30	>	6	36	16.00	9.32	.002	1	yes
law making	>	bargaining	30	>	20	50	2.00	9.32	.002	1	no
law making	<	agenda setting	30	<	56	86	7.86	9.32	.002	1	no
law making	<	arena setting	30	<	117	147	51.49	9.32	.002	1	yes
law making	>	financing	30	>	11	41	8.80	9.32	.002	1	no
law making	>	consuming	30	>	28	58	0.07	9.32	.002	1	no
opinion shaping	<	financing	6	<	11	17	1.47	9.32	.002	1	no
opinion shaping	<	arena setting	6	<	117	123	100.17	9.32	.002	1	yes
opinion shaping	<	agenda setting	6	<	56	62	40.32	9.32	.002	1	yes
opinion shaping	<	consuming	6	<	28	34	14.24	9.32	.002	1	yes
opinion shaping	<	bargaining	6	<	20	26	7.54	9.32	.002	1	no
bargaining	<	agenda setting	20	<	56	76	17.05	9.32	.002	1	yes
bargaining	<	arena setting	20	<	117	137	68.68	9.32	.002	1	yes
bargaining	>	financing	20	>	11	31	2.61	9.32	.002	1	no
bargaining	<	consuming	20	<	28	48	1.33	9.32	.002	1	no
agenda setting	<	arena setting	56	<	117	173	21.51	9.32	.002	1	yes
agenda setting	>	financing	56	>	11	67	30.22	9.32	.002	1	yes
agenda setting	>	consuming	56	>	28	84	9.33	9.32	.002	1	yes
arena setting	>	financing	117	>	11	128	87.78	9.32	.002	1	yes
arena setting	>	consuming	117	>	28	145	54.63	9.32	.002	1	yes
financing	<	consuming	11	<	28	39	7.41	9.32	.002	1	no
are+age	>	opi+bar+fin+con+law	173	>	95	268	22.70	9.32	.002	1	yes

The coded references for law making institutional entrepreneurs amounted to 986 words (6.20% of total words coded as institutional entrepreneurs; Total Mean = 159.54; SD = 100.535), among them 707 words (4.44%; Total Mean = 139.56; SD = 83.437) in the first round of interviews and 279 words (1.75%; Mean = 204.50; SD = 134.056) in the second round of interviews. 683 words (4.29%; Total Mean = 86.46; SD = 101.042 / 1st round: 211 = 1.33%; Mean = 28.00; SD = 28.00; 2nd round: 472 = 2.97%; Mean = 218.00; SD = 77.747) were coded as indicating opinion shaping, 2014 words as bargaining (12.66%; Total Mean = 27.54; SD = 58.149 / 1st round: 1040 = 6.54%; Mean = 30.44; SD = 66.178; 2nd round: 9.74 = 6.12%; Mean = 21.00; SD = 42.000), 4825 words as agenda setting (30.33%; Total Mean = 164.62; SD = 128.257 / 1st round: 3302 = 20.76%; Mean = 188.11; SD = 143.006; 2nd round: 1523 = 9.57%; Mean = 111.75; SD = 76.696), 4666 words as arena setting (29.33%; Total Mean = 144.92; SD = 93.417 / 1st round: 3285 = 20.65%; Mean = 159.67; SD = 100.447; 2nd round: 1381 = 8.68%; Mean = 111.75; SD = 76.696), 774 words as financing (774%; Total Mean = 92.85; SD = 178.372/ 1st round: 247 = 1.32%; Mean = 3.44; SD = 10.333; 2nd round: 527 = 3.31%; Mean = 294.00; SD = 221.478), and 1959 words (12.32%; Total Mean = 92.08; SD = 108.827 / 1st round: 899 = 5.65%; Mean = 28.11; SD = 31.398; 2nd round: 1060 = 6.66%; Mean = 236.00; SD = 69.652) as consuming institutional entrepreneurs.

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
law making	1	9	139.56	83.437	27.812
	2	4	204.50	134.056	67.028
	Total	13	159.54	100.535	27.883
opinion shaping	1	9	28.00	23.479	7.826
	2	4	218.00	77.747	38.874
	Total	13	86.46	101.042	28.024
bargaining	1	9	30.44	66.178	22.059
	2	4	21.00	42.000	21.000
	Total	13	27.54	58.149	16.128
agenda setting	1	9	188.11	143.006	47.669
	2	4	111.75	76.696	38.348
	Total	13	164.62	128.257	35.572
arena setting	1	9	159.67	100.447	33.482
	2	4	111.75	76.696	38.348
	Total	13	144.92	93.417	25.909
financing	1	9	3.44	10.333	3.444
	2	4	294.00	221.478	110.739
	Total	13	92.85	178.372	49.471
consuming	1	9	28.11	31.398	10.466
	2	4	236.00	69.652	34.826
	Total	13	92.08	108.827	30.183

An ANOVA for the first round revealed that institutional entrepreneur word frequency means (and standard deviations) did not differ significantly for the first round ($F = 3.805$, $p > .05$).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1346638.964	6	224439.827	3.805	.003
Within Groups	2890493.875	49	58989.671		
Total	4237132.839	55			

A $\chi2$ analysis of the difference between law making/opinion shaping/bargaining/agenda setting/arena setting/financing/consuming code frequencies for Nestlé across the first and the second round was significant ($\chi2$ (2, N = 459) = 13.00, p < .05). For further analysis 27 subtests were conducted (Bonferroni correction: $\alpha = .05/27 = .0018519$; $\chi2 = 9.6908766$). Since code frequencies were rather low, I did not conduct a full $\chi2$ analysis but concentrated on the crucial actors previously identified. There was no significance found

in any of the subtest confirming the null hypothesis of an equal distribution of institutional entrepreneurs across the two interview rounds.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
law making	>	opinion shaping	30	>	6	66	1.83	9.69	.002	1	no
law making	>	bargaining	30	>	20	80	0.36	9.69	.002	1	no
law making	<	agenda setting	30	<	56	133	0.17	9.69	.002	1	no
law making	<	arena setting	30	<	117	219	0.04	9.69	.002	1	no
law making	>	financing	30	>	11	69	0.77	9.69	.002	1	no
law making	>	consuming	30	>	28	107	1.92	9.69	.002	1	no
opinion shaping	<	bargaining	6	<	20	60	1.58	9.69	.002	1	no
opinion shaping	<	agenda setting	6	<	56	113	3.47	9.69	.002	1	no
opinion shaping	<	arena setting	6	<	117	199	4.75	9.69	.002	1	no
opinion shaping	<	financing	6	<	11	49	0.49	9.69	.002	1	no
opinion shaping	<	consuming	6	<	28	87	0.99	9.69	.002	1	no
bargaining	<	agenda setting	20	<	56	127	0.21	9.69	.002	1	no
bargaining	<	arena setting	20	<	117	213	0.61	9.69	.002	1	no
bargaining	>	financing	20	>	11	63	0.18	9.69	.002	1	no
bargaining	<	consuming	20	<	28	101	0.33	9.69	.002	1	no
agenda setting	<	arena setting	56	<	117	266	0.11	9.69	.002	1	no
agenda setting	>	financing	56	>	11	116	0.31	9.69	.002	1	no
agenda setting	>	consuming	56	>	28	154	0.97	9.69	.002	1	no
arena setting	>	financing	117	>	11	202	0.27	9.69	.002	1	no
arena setting	>	consuming	117	>	28	240	1.07	9.69	.002	1	no
financing	<	consuming	11	<	28	90	0.01	9.69	.002	1	no
are+age+law+bar	>	opi+fin+con	223	>	45	459	2.18	9.69	.002	1	no
age+law+bar	<	opi+fin+con+are	106	<	162	459	0.46	9.69	.002	1	no
are+law+bar	>	opi+fin+con+age	167	>	101	459	2.06	9.69	.002	1	no
law+bar	<	opi+fin+con+are+age	50	<	218	459	0.23	9.69	.002	1	no
bar+age	<	opi+fin+con+are+law	76	<	192	459	0.05	9.69	.002	1	no
bar+are	>	opi+fin+con+age+law	137	>	131	459	1.28	9.69	.002	1	no

4.4.5   Correspondence Analysis – Institutionalization of CSR

4.4.5.1 BAT Switzerland

A correspondence analysis for BAT Switzerland was performed on the contingency table constituted by crossing the coding for institutional entrepreneurs, normative and regulatory discourse.[32] The first dimension displays 23.7% of the total inertia, the second dimension 4.4%, and the third dimension 2.6%. Combined, the three dimensions explain 30.7% of the variance in the data. However, the analysis did not pass the significance level ($\chi2$ (18, N = 87) = 26.697, p > .05). A graphical representation was not performed.

4.4.5.2 Hewlett Packard

A correspondence analysis was performed for HP on the contingency table constituted by crossing the coding for institutional entrepreneurs, normative and regulatory discourse.[33] The first dimension displays 15.1% of the total inertia, the second dimension 10.7%, and the

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[32] For analytical reasons the analysis of regulatory and normative discourse had to be combined.
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third dimension .6%. Combined, the three dimensions explain 26.4% of the variance in the data ($\chi2$ (18, N = 176) = 46.468, p < .05).

Dimension 1 seems to oppose regulatory discourse on soft law and hard law. Soft law seems to be closer related to discourse on social issues while the discourse on environmental issues seems not to be associated. On the other hand, dimension 2 appears to oppose different types of institutional entrepreneurs. Normative discourses on social and environmental issues do not seem to be clearly opposed but rather being related to certain categories. Clusters that can be identified include the joint occurrence of (i) hard law and law making institutional entrepreneurs, and (ii) soft law discourse, discourse on social issues, and arena setting institutional entrepreneurs. Financing as well as opinion shaping institutional entrepreneurs seem to represent outliers.

Figure 7: Correspondence Analysis of Institutional Entrepreneurs, Normative and Regulatory Discourse for Hewlett Packard
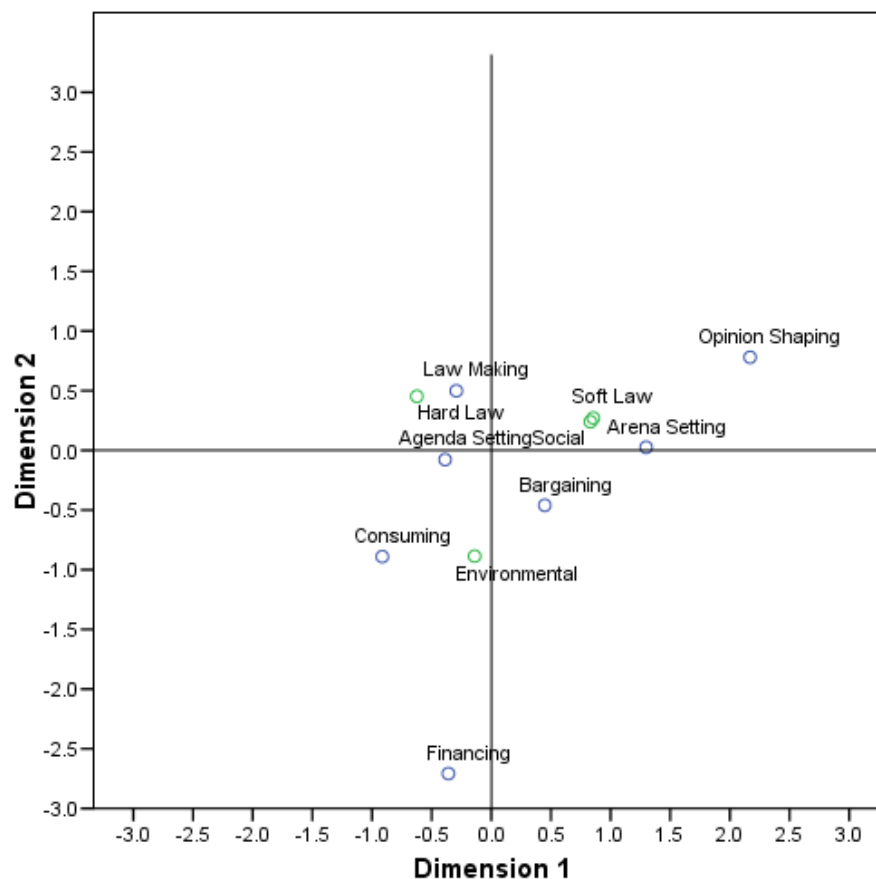
4.4.5.3 Nestlé

A correspondence analysis was performed for Nestlé on the contingency table consti-
tuted by crossing the coding for institutional entrepreneurs, normative and regulatory dis-
course.[34] The first dimension displays 21.9% of the total inertia, the second dimension 8.5%,
and the third dimension 2.2%. Combined, the three dimensions explain 32.7% of the variance
in the data ($\chi2$ (18, N = 95) = 31.040, p < .05).

Dimension 1 and dimension 2 seem to diametrically oppose hard law and soft law
discourse as well as discourse on social and environmental issues. Clusters that can be identi-
fied include the joint occurrence of (i) hard law discourse and law making institutional entre-
preneurs, and (ii) soft law discourse, and consuming and arena setting institutional entrepre-
neurs. Even though not clearly recognizable as clusters, two more observations can be made:
First, financing institutional entrepreneurs appear to be most closely related to discourse on
environmental issues. Second, discourse on social issues is most closely located to agenda
setting and arena setting institutional entrepreneurs. Bargaining as well as opinion shaping
institutional entrepreneurs seem to represent outliers.

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[34] For analytical reasons the analysis of regulatory and normative discourse had to be combined.

Figure 8: Correspondence Analysis of Institutional Entrepreneurs, Normative and Regulatory Discourse for Nestlé
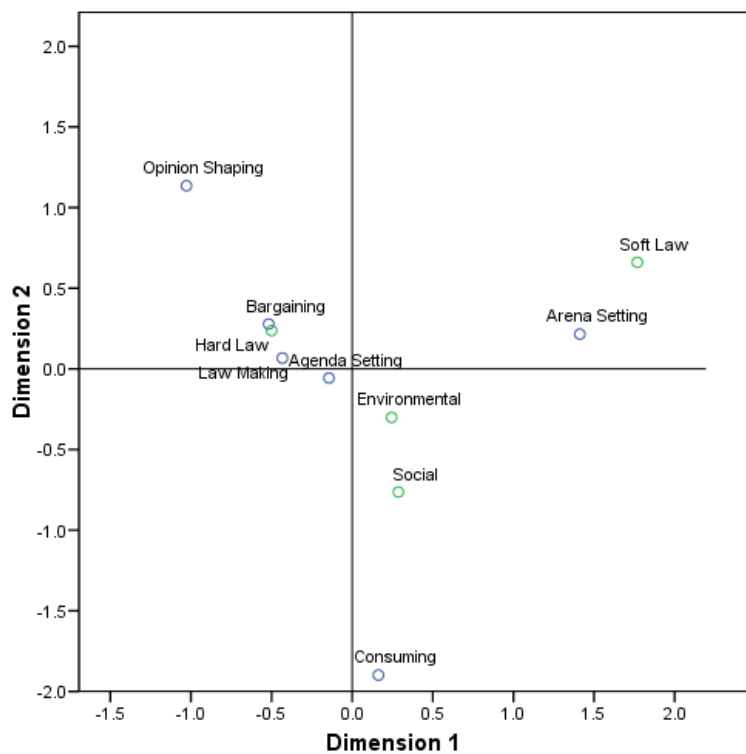
4.4.6   Summary of Shifting Paradigms

What is the story these three cases tell about CSR in the postnational constellation? A shift in paradigms is not much reflected in the way Nestlé defines CSR but in the way it operationalizes the concept. Nestlé is strongly favoring a voluntary CSR approach of enlightened self-interest, following the shareholder value philosophy. Nevertheless, it has started to assume governmental functions and engages in global governance processes. The broadening scope of Nestlé's interpretation of what it regards as its responsibility clearly reflects its changing understanding even though it still uses the traditional instrumentalist language. What has altered this understanding? It would be flawed to say Nestlé is mainly driven by civil society in its CSR strategy. It is rather indirectly driven through civil society's influence on consumer's perception of Nestlé by, for example, media campaigns. In addition, civil society is apparently also changing the attitude of the finance community towards Nestlé. While officially rejecting a political role, its clear stand to fight against humanitarian challenges (e.g. Nestlé's clear commitment to the reduction of water consumption), as well as the assumption of state responsibilities (e.g. building of infrastructure and the engagement in global

governance processes), indicate that Nestlé is moving towards a more political role in the global arena.

BAT Switzerland seems to be far more advanced on this road. While CSR as enlightened self-interest is as present as a motive for its actions as in the case of Nestlé (even though with a completely different stimulus) already the voluntary nature of CSR is much less emphasized. Its approach is strongly driven by the external environment (e.g. anti-tobacco activists) and agenda setting organizations (e.g. WHO) as well as by legislators which had long been lagging behind the public opinion. Global activist networks and constantly changing legal environments have turned BAT Switzerland into a political actor which openly admits that is has to strengthen its political profile. This demonstrates that for BAT Switzerland, legitimacy can no longer be derived from its business functions or from a coherent cognitive framework.

HP, similar to the two former cases, positions its global citizenship strategy as enlightened self-interest. However, HP approaches the question if CSR should be voluntary or mandatory rather case based. Its CSR policies are strongly driven by external and internal considerations. While large customers (e.g. governments) and legislators have a strong impact on its internal sensemaking process with regards to its corporate responsibilities, it is also influenced by more general societal trend indicated by agenda setting and arena setting actors. In comparison to the two other cases HP disposes of the most progressive approach towards a political role, advocating the assumption of state functions and the fight against environmental challenges. The reason is that HP attributes a positive effect in terms of reputation, business development, and risk management to its political activities. HP has also chosen a strategic engagement in public policy, implying a global cognitive framework for its operations and a procedural approach towards law. Moreover, the weak rule of law in certain environments HP is operating in has triggered its positive approach with regards to multi-stakeholder dialogue and self-regulation. Thereby, HP recognizes as well that legitimacy in the postnational is not derived from business functions alone. The figure below summarizes the findings for shifting paradigms.

Figure 9: Shifting Paradigms in CSR Concepts

Changing Understanding

- Global framework
- Strategic engagement in public policy
- Procedural nature of law
- Fight against environmental challenges
- Multi-stakeholder dialogue
- Self regulation
- Assumption of state functions

Political CSR

Hewlett Packard

Pushed by

- No coherent societal framework
- Procedural nature of law
- Legitimacy not derived from business functions
- Non-minimalist state

Apolitical CSR

- Nature of CSR case based
- Legitimacy not derived from business functions alone

BAT Switzerland

Pushed by

- Fight against environmental challenges
- Multi-stakeholder dialogue
- Self-regulation
- Proliferation of human rights
- Assumption of state functions

- Shareholder value philosophy
- CSR as enlightened self interest/win-win situation
- Voluntary nature of CSR

Nestle

Pushed by

- Bargaining
- Law making
- Agenda setting
- Arena setting

Liberal Assumptions

- Coherent societal framework
- Rule of Law
- Legitimacy derived from business functions

- Agenda setting
- Opinion shaping
- Consuming
- Financing

- Agenda setting
- Arena setting
- Law making

Nation state model   Postnational constellation

Time

4.5   Cross-Case Analysis

In the cross-case analysis I concentrated on better understanding which phenomena are case-specific and which ones might point towards overarching patterns as part of CSR in the postnational constellation. The inquiry aims to merge the findings of the within-case studies into a broader picture by identifying differences and commonalities across cases. Contrary to the individual analyses, this section focuses largely on quantitative analysis and pattern coding. A comparison between the dimensions of the CSR-character and those referring to a paradigm shift in the postnational constellation is conducted using pattern coding and a related correspondence analysis in order to alter the comprehension of the interrelationships.

4.5.1   Identity Orientation

Traits of an individualistic and a relational identity orientation were found in all 41 interviews of the first and second round. Traits of a collectivistic identity orientation were present in 34 interviews, among them 21 in the first round and 13 in the second round (whereby 8 interviewees showed traits in both interview rounds). 567 words, themes, phrases, or passages were coded as individualistic identity orientation (Total Mean = 13.83; SD = 6.804), among them 342 codes for the first round of interviews (Mean = 12.67; SD = 6.139) and 225 for the second round (Mean = 16.07; SD = 7.671). 937 codes were assigned for a relational identity orientation (Total Mean = 22.85; SD = 9.756), among them 584 codes for the first round of interviews (Mean = 2.68; SD = 8.536) and 353 codes for the second round of interviews (Mean = 25.21; SD = 11.749). A collectivistic identity orientation was chosen for 110 codes in the first round of interviews (Mean = 2.68; SD = 2.554) and 14 codes in the second round (Mean = 2.59; SD = 2.620), totaling 30 codes (Total Mean = 2.86; SD = 2.507).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
individualistic	1	27	12.67	6.139	1.182
	2	14	16.07	7.671	2.050
	Total	41	13.83	6.804	1.063
relational	1	27	21.63	8.536	1.643
	2	14	25.21	11.749	3.140
	Total	41	22.85	9.756	1.524
collectivistic	1	27	2.59	2.620	.504
	2	14	2.86	2.507	.670
	Total	41	2.68	2.554	.399

An ANOVA for the first round revealed that identity orientation code frequency means (and standard deviations) differed significantly for the first round (F = 60.817, p < .05). A Scheffé post hoc test showed that in pair wise comparisons code frequencies for a relational identity orientation were significantly higher than for an individualistic and a collectivistic one, respectively (p > .05). Code frequencies for an individualistic identity orientation were significantly higher than for a collectivistic one.

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4821.784	2	2410.892	60.817	.000
Within Groups	3052.403	77	39.642		
Total	7874.188	79			

A χ2 analysis of the difference between individual/relational/collectivistic code frequencies across cases across the first round was highly significant (χ2 (1, N = 996) = 398.34, p < .05). The null hypothesis of an equal distribution of identity orientations in the first interview round was rejected. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ2 = 6.9604015). There was also significance found for the difference between individualistic/relational frequencies (χ2 (1, N = 926) = 63.24, p < .008), the difference between individual/collectivistic frequencies (χ2 (1, N = 412) = 179.57, p < .008), the difference between relational/collectivistic frequencies (χ2 (1, N = 654) = 493.97, p < .008), the difference between individualistic vs. relational/collectivistic frequencies (χ2 (1, N = 996) = 97.73, p < .008), the difference between relational vs. individualistic/collectivistic frequencies (χ2 (1, N = 996) = 29.70, p < .008), and the difference between collectivistic vs. individualistic/relational frequencies (χ2 (1, N = 996) = 735.68, p < .008). The χ2 analysis suggested that a relational identity orientation was not only significantly more present in comparison with any other identity orientation but also when comparing it with the two other combined. It also confirmed the strong presence of an individualistic identity orientation as a second line of argument which was indicated by the highly significant difference between individual/collectivistic frequencies.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
individualistic	<	relational	342	<	584	926	63.24	6.96	0.008	1	yes
individualistic	>	collectivistic	342	>	70	412	179.57	6.96	0.008	1	yes
relational	>	collectivistic	584	>	70	654	403.97	6.96	0.008	1	yes
individualistic	<	rel+col	342	<	654	996	97.73	6.96	0.008	1	yes
relational	>	ind+col	584	>	412	996	29.70	6.96	0.008	1	yes
collectivistic	<	ind+rel	70	<	926	996	735.68	6.96	0.008	1	yes

A $\chi 2$ analysis of the differences between individualistic/relational/collectivistic code frequencies for all three cases across the first and the second round was not significant ($\chi 2$ (2, N = 1614) = .79, p > .05). For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; $\chi 2$ = 6.9604015). No subtest turned out to be significant.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
individualistic	<	relational	567	<	937	1,504	0.60	6.96	0.008	1	no
individualistic	>	collectivistic	567	>	110	677	0.43	6.96	0.008	1	no
relational	>	collectivistic	937	>	110	1,047	0.07	6.96	0.008	1	no
individualistic	<	rel+col	567	<	1,047	1,614	0.72	6.96	0.008	1	no
relational	>	ind+col	937	>	677	1,614	0.36	6.96	0.008	1	no
collectivistic	<	ind+rel	110	<	1,504	1,614	0.19	6.96	0.008	1	no

A $\chi 2$ analysis of the difference between individualistic/relational/collectivistic code frequencies across cases for the first round of interviews was significant ($\chi 2$ (4, N = 996) = 18.30, p < .05). The null hypothesis of an equal distribution of identity orientations across cases in the first interview round was rejected. For further analysis 18 subtests were conducted (Bonferroni correction: α = .05/18 = .0027778; $\chi 2 \geq$ 8.9479721). The $\chi 2$ analysis suggested that HP shows significantly more collectivistic traits than BAT Switzerland compared to traits of both an individualistic and a relational identity orientation. Differences between an individualistic and a relational identity appear to be insignificant. Comparing BAT Switzerland and Nestlé in detail there was no significance for any of the subtests. The null hypothesis of an equal distribution of identity orientations was thus confirmed. The $\chi 2$ analysis also suggested that HP shows significantly more traits of a collectivistic identity orientation than Nestlé as well as BAT Switzerland, compared to both individualistic and relational identity traits. Differences between an individualistic and a relational identity appear to be insignificant. On the other side, Nestlé shows a significantly higher individualistic identity orientation than HP. The $\chi 2$ analysis comparing the different rounds confirms that this holds for both the first and the second round of interviews.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
BAT Switzerland vs. Hewlett Packard											
individualistic	<	relational	218	<	387	605	0.22	8.95	.003	1	no
individualistic	>	collectivistic	218	>	54	272	11.37	8.95	.003	1	yes
relational	>	collectivistic	387	>	54	441	10.56	8.95	.003	1	yes
individualistic	<	rel+col	218	<	441	659	1.39	8.95	.003	1	no
relational	>	ind+col	387	>	272	659	0.60	8.95	.003	1	no
collectivistic	<	ind+rel	54	<	605	659	11.67	8.95	.003	1	yes
BAT Switzerland vs. Nestlé											
individualistic	<	relational	232	<	381	613	0.27	8.95	.003	1	no
individualistic	>	collectivistic	232	>	29	261	0.40	8.95	.003	1	no
relational	>	collectivistic	381	>	29	410	2.02	8.95	.003	1	no
individualistic	<	rel+col	232	<	410	642	0.52	8.95	.003	1	no
relational	>	ind+col	381	>	261	642	0.62	8.95	.003	1	no
collectivistic	<	ind+rel	29	<	261	290	0.03	8.95	.003	1	no

Nestlé vs. Hewlett Packard											
individualistic	<	relational	234	<	400	634	1.14	8.95	.003	1	no
individualistic	>	collectivistic	234	>	57	291	17.99	8.95	.003	1	yes
relational	>	collectivistic	400	>	57	457	23.12	8.95	.003	1	yes
individualistic	<	rel+col	234	<	457	691	9.34	8.95	.003	1	yes
relational	>	ind+col	400	>	291	691	6.89	8.95	.003	1	no
collectivistic	<	ind+rel	57	<	634	691	17.51	8.95	.003	1	yes

4.5.2   Legitimacy and Legitimation Strategies

Traits of legitimation strategies relating to pragmatic legitimacy were found in all 41 interviews of the first and second round of interviews. Traits of legitimation strategies relating to cognitive legitimacy were present in 39 interviews, among them 26 in the first round and 13 in the second round (whereby 12 interviewees showed traits in both interview rounds). Traits of legitimation strategies relating to moral legitimacy appeared in 37 interviews, among them 23 in the first round and 14 in the second (whereby 11 interviewees showed traits in both interview rounds). 303 words, themes, phrases, or passages were coded as legitimation strategies aiming for pragmatic legitimacy (Total Mean = 7.39; SD = 5.599), among them 171 codes for the first round of interviews (Mean = 6.33; SD = 5.174) and 132 codes for the second round (Mean = 9.43; SD = 6.009). 314 codes were assigned for legitimation strategies relating to cognitive legitimacy (Total Mean = 7.66; SD = 6.959), among them 184 codes for the first round of interviews (Mean = 6.81; SD = 5.174) and 130 codes for the second round of interviews (Mean = 9.43; SD = 6.009). Legitimation strategies relating to moral legitimacy were coded in 236 cases in the first round (Mean = 8.74; SD = 9.654) and 133 cases in the second round (Mean = 9.50; SD = 8.707), totaling 369 codes (Total Mean = 9.00; SD = 9.239).

Descriptives					
Category	Round	N	Mean	Std. Deviation	Std. Error
pragmatic	1	27	6.33	5.174	.996
	2	14	9.43	6.009	1.606
	Total	41	7.39	5.599	.874
cognitive	1	27	6.81	6.475	1.246
	2	14	9.29	7.800	2.085
	Total	41	7.66	6.959	1.087
moral	1	27	8.74	9.654	1.858
	2	14	9.50	8.707	2.327
	Total	41	9.00	9.239	1.443

An ANOVA for the first round showed that legitimation strategy code frequency means (and standard deviations) did not differ significantly for the first round (F = .812, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	87.630	2	43.815	.812	.448
Within Groups	4209.259	78	53.965		
Total	4296.889	80			

A χ2 analysis of the difference between pragmatic/cognitive/moral code frequencies across cases across the first round was significant (χ2 (1, N = 591) = 12.01, p < .05). The null hypothesis of an equal distribution of legitimation strategies across the first interview round was rejected. For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ2 = 6.9604015). There was also significance found the difference between pragmatic/moral frequencies (χ2 (1, N = 407) = 10.38, p < .008), between pragmatic vs. cognitive/moral frequencies (χ2 (1, N = 591) = 104.91, p < .008), the difference between cognitive vs. pragmatic/moral frequencies (χ2 (1, N = 591) = 84.14, p < .008), and the difference between moral vs. pragmatic/cognitive frequencies (χ2 (1, N = 591) = 23.96, p < .008). The χ2 analysis demonstrated that legitimation strategies aiming at pragmatic and cognitive legitimacy did not differ significantly. However, the fact that code frequencies for legitimation strategies aiming at moral legitimacy were significantly more present than those aiming for pragmatic legitimacy allows to conclude that it is the (even though) weak dominating dimension present in the interviews.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
pragmatic	<	cognitive	171	<	184	355	0.48	6.96	0.008	1	no
pragmatic	<	moral	171	<	236	407	10.38	6.96	0.008	1	yes
cognitive	<	moral	184	<	236	420	6.44	6.96	0.008	1	no
pragmatic	<	cog+mor	171	<	420	591	104.91	6.96	0.008	1	yes
cognitive	<	pra+mor	184	<	407	591	84.14	6.96	0.008	1	yes
moral	<	pra+cog	236	<	355	591	23.96	6.96	0.008	1	yes

A χ2 analysis of the difference between pragmatic/cognitive/moral code frequencies for all three cases across the first and the second round was not significant (χ2 (2, N = 986) = 4.26, p > .05). For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; χ2 = 6.9604015). No significance for differences in code frequencies was found in any of the subtests. The null hypothesis of an equal distribution of legitimation strategies across the different interview rounds was confirmed in all cases.

Subtest			Code Frequencies (aggregated)			N	χ^2	Critical Value	α	df	Significant
pragmatic	<	cognitive	303	<	314	617	0.30	6.96	0.008	1	no
pragmatic	<	moral	303	<	369	672	3.94	6.96	0.008	1	no
cognitive	<	moral	314	<	369	683	2.06	6.96	0.008	1	no
pragmatic	<	cog+mor	303	<	683	986	2.24	6.96	0.008	1	no
cognitive	<	pra+mor	314	<	672	986	0.34	6.96	0.008	1	no
moral	<	pra+cog	369	<	617	986	3.96	6.96	0.008	1	no

A χ^2 analysis of the difference between pragmatic/cognitive/moral code frequencies across cases for the first round of interviews was significant (χ^2 (4, N = 591) = 22.09, p < .05). The null hypothesis of an equal distribution of legitimation strategies across cases in the first interview round was rejected. For further analysis 18 subtests were conducted (Bonferroni correction: α = .05/18 = .0027778; $\chi^2 \geq 8.9479721$). Comparing BAT Switzerland and HP in detail, the null hypothesis of an equal distribution of legitimation strategies across the two different cases was rejected. This indicates that HP tends significantly more to the usage of legitimation strategies aiming for moral legitimacy than BAT Switzerland, both in comparisons to legitimation strategies aiming for cognitive and pragmatic legitimacy. No significance was found when comparing BAT Switzerland as well as HP and Nestlé in detail. The null hypothesis of an equal distribution of legitimation strategies for both comparisons was confirmed. The χ^2 analysis comparing the different rounds confirms that this holds for both the first and the second round of interviews.

Subtest			Code Frequencies			N	χ^2	Critical Value	α	df	Significant
BAT Switzerland vs. Hewlett Packard											
pragmatic	<	cognitive	126	<	146	272	0.21	8.95	.003	1	no
pragmatic	<	moral	126	<	188	314	12.51	8.95	.003	1	yes
cognitive	<	moral	146	<	188	334	17.24	8.95	.003	1	yes
pragmatic	<	cog+mor	126	<	334	460	3.28	8.95	.003	1	no
cognitive	<	pra+mor	146	<	314	460	8.36	8.95	.003	1	no
moral	<	pra+cog	188	<	272	460	19.19	8.95	.003	1	yes
BAT Switzerland vs. Nestlé											
pragmatic	<	cognitive	84	<	87	171	1.67	8.95	.003	1	no
pragmatic	>	moral	84	>	75	159	1.77	8.95	.003	1	no
cognitive	>	moral	87	>	75	162	6.68	8.95	.003	1	no
pragmatic	<	cog+mor	84	<	162	246	0.01	8.95	.003	1	no
cognitive	<	pra+mor	87	<	159	246	4.96	8.95	.003	1	no
moral	<	pra+cog	75	<	159	234	0.65	8.95	.003	1	no
Nestlé vs. Hewlett Packard											
pragmatic	<	cognitive	132	<	135	267	1.10	8.95	.003	1	no
pragmatic	<	moral	132	<	209	341	5.05	8.95	.003	1	no
cognitive	<	moral	135	<	209	344	1.17	8.95	.003	1	no
pragmatic	<	cog+mor	132	<	344	476	3.95	8.95	.003	1	no
cognitive	<	pra+mor	135	<	341	476	0.04	8.95	.003	1	no
moral	<	pra+cog	209	<	267	476	3.87	8.95	.003	1	no

4.5.3   Posture

Traits of a defensive posture were found in 36 interviews of the first and second round, among them 23 of the first round and 13 in the second round (whereby 10 interviewees

showed traits in both interview rounds). Traits of a tentative posture were present in 33 inter-views, among them 24 in the first round and 9 in the second round of interviews (whereby 8 interviewees showed traits in both interview rounds). Traits of an open posture appeared in 23 interviews of the first round and 12 interviews of the second round (whereby 10 interviewees showed traits in both interview rounds), totaling 35 interviews. 152 words, themes, phrases, or passages were coded as defensive posture (Total Mean = 3.71; SD = 3.164), among them 78 codes for the first round of interviews (Mean = 2.89; SD = 2.750) and 74 codes for the second round (Mean = 5.29; SD = 3.407). 110 codes were assigned for a tentative posture (Total Mean = 2.68; SD = 2.936), among them 67 codes for the first round of interviews (Mean = 2.48; SD = 1.528) and 43 codes for the second round of interviews (Mean = 3.07; SD = 4.649). An open posture was chosen for 112 codes in the first round of interviews (Mean = 4.15; SD = 2.838) and 88 in the second round (Mean = 6.29; SD = 5.075), totaling 200 codes (Total Mean = 4.88; SD = 3.829).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
defensive	1	27	2.89	2.750	.529
	2	14	5.29	3.407	.910
	Total	41	3.71	3.164	.494
tentative	1	27	2.48	1.528	.294
	2	14	3.07	4.649	1.242
	Total	41	2.68	2.936	.459
open	1	27	4.15	2.838	.546
	2	14	6.29	5.075	1.356
	Total	41	4.88	3.829	.598

An ANOVA for the first round showed that posture code frequency means (and stan-dard deviations) did not differ significantly for the first round (F = 3.406, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	40.765	2	20.383	3.406	.038
Within Groups	466.815	78	5.985		
Total	507.580	80			

A $\chi 2$ analysis of the difference between defensive/tentative/open code frequencies across the first round was significant ($\chi 2$ (1, N = 257) = 17.95, p < .05). The null hypothesis of an equal distribution of postures across the first interview round was rejected. For further

analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; $\chi2$ = 6.9604015). Significance was also found for the difference between tentative/open frequencies ($\chi2$ (1, N = 179) = 11.31, p < .008), the difference between defensive vs. tentative/open frequencies ($\chi2$ (1, N = 257) = 36.69, p < .008), and the difference between tentative vs. defensive/open frequencies ($\chi2$ (1, N = 257) = 58.87, p < .008). The $\chi2$ analysis suggested that throughout the interviews an open posture dominated since the respective code frequencies are significantly higher than for a defensive and a tentative posture. The confirmation of the null hypothesis of an equal distribution when comparing an open posture with a defensive and a tentative posture combined indicated that an open posture was about as present as the other two together.

Subtest			Code Frequencies			N	$\chi2$	Critical Value	α	df	Significant
defensive	>	tentative	78	>	67	145	0.83	6.96	0.008	1	no
defensive	<	open	78	<	112	190	6.08	6.96	0.008	1	no
tentative	<	open	67	<	112	179	11.31	6.96	0.008	1	yes
defensive	<	ten+ope	78	<	179	257	39.69	6.96	0.008	1	yes
tentative	<	def+ope	67	<	190	257	58.87	6.96	0.008	1	yes
open	<	def+ten	112	<	145	257	4.24	6.96	0.008	1	no

A $\chi2$ analysis of the difference between defensive/tentative/open code frequencies for all three cases across the first and the second round was not significant ($\chi2$ (2, N = 462) = 2.40, p < .05). For further analysis 6 subtests were conducted (Bonferroni correction: α = .05/6 = .008333; $\chi2$ = 6.9604015). There was also no significance found for any of the subtests. The null hypothesis of an equal distribution of postures across cases was thus confirmed.

Subtest			Code Frequencies (aggregated)			N	$\chi2$	Critical Value	α	df	Significant
defensive	>	tentative	152	>	110	262	2.38	6.96	0.008	1	no
defensive	<	open	152	<	200	352	0.76	6.96	0.008	1	no
tentative	<	open	110	<	200	310	0.70	6.96	0.008	1	no
defensive	<	ten+ope	152	<	310	462	1.71	6.96	0.008	1	no
tentative	<	def+ten	110	<	352	462	1.63	6.96	0.008	1	no
open	<	def+ten	200	<	262	462	0.02	6.96	0.008	1	no

A $\chi2$ analysis of the difference between defensive/tentative/open code frequencies across cases for the first round of interviews was significant ($\chi2$ (4, N = 257) = 25.91, p < .05). For further analysis 18 subtests were conducted (Bonferroni correction: α = .05/18 = .0027778; $\chi2 \geq$ 8.9479721). The null hypothesis of an equal distribution of postures across cases in the first interview round was rejected. No significance was found for any of the subtests when comparing BAT Switzerland with HP and Nestlé in detail, respectively. The null hypothesis of an equal distribution of postures for the two cases was confirmed. Comparing HP and Nestlé in detail, the null hypothesis of an equal distribution of postures across the two

cases was rejected. The χ^2 analysis across cases for the first round of interviews suggested that Nestlé takes a much more defensive posture than HP in comparison to both a tentative or an open posture as confirmed by all three subtests. The χ^2 analysis comparing the different rounds confirms that this holds for both the first and the second round of interviews.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
BAT Switzerland vs. Hewlett Packard											
defensive	<	tentative	43	<	55	98	6.99	8.95	.003	1	no
defensive	<	open	43	<	91	134	5.02	8.95	.003	1	no
tentative	<	open	55	<	91	146	0.53	8.95	.003	1	no
defensive	<	ten+ope	43	<	146	189	6.95	8.95	.003	1	no
tentative	<	def+ope	55	<	134	189	2.56	8.95	.003	1	no
open	<	def+ten	91	<	98	189	0.57	8.95	.003	1	no
BAT Switzerland vs. Nestlé											
defensive	>	tentative	66	>	37	103	4.05	8.95	.003	1	no
defensive	<	open	66	<	68	134	6.75	8.95	.003	1	no
tentative	<	open	37	<	68	105	0.03	8.95	.003	1	no
defensive	<	ten+ope	66	<	105	171	7.90	8.95	.003	1	no
tentative	<	def+ope	37	<	134	171	1.06	8.95	.003	1	no
open	<	def+ten	68	<	103	171	3.72	8.95	.003	1	no
Nestlé vs. Hewlett Packard											
defensive	>	tentative	47	>	42	89	18.75	8.95	.003	1	yes
defensive	<	open	47	<	65	112	19.39	8.95	.003	1	yes
tentative	<	open	42	<	65	107	0.17	8.95	.003	1	no
defensive	<	ten+ope	47	<	107	154	25.21	8.95	.003	1	yes
tentative	<	def+ope	42	<	112	154	5.69	8.95	.003	1	no
open	<	def+ten	65	<	89	154	6.40	8.95	.003	1	no

4.5.4 Justifications

Traits of legal justifications were found in all 41 interviews. Traits of ethical justifications appeared in 40 interviews (among them 26 of the first round and 14 of the second round of interviews, whereby 13 interviewees showed traits in both interview rounds), traits of economic justifications in 38 interviews (25/13/11), and traits of scientific justifications in 40 interviews (27/13/12). 322 words, themes, phrases, or passages were coded as ethical justifications (Total Mean = 7.85; SD = 7.85), among them 139 codes for the first round of interviews (Mean = 5.15; SD = 3.427) and 183 codes for the second round (Mean = 13.07; SD = 5.757). 592 codes were assigned for economic justifications (Total Mean = 14.44; SD = 12.075), among them 290 codes for the first round of interviews (Mean = 10.74; SD = 7.964) and 302 codes for the second round of interviews (Mean = 21.57; SD = 15.446). Scientific justifications were coded in 99 cases in the first round (Mean = 3.67; SD = 2.909) and 70 cases in the second round (Mean = 5.00; SD = 3.063), totaling 169 codes (Total Mean = 4.12; SD = 2.993). Codes relating to legal justifications appeared in 629 cases (Total Mean = 15.34; SD = 9.538), among them 354 codes in the first round (Mean = 13.11; SD = 7.958) and 275 codes in the second round of interviews (Mean = 19.64; SD = 11.091).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
ethical	1	27	5.15	3.427	.660
	2	14	13.07	5.757	1.539
	Total	41	7.85	5.734	.895
economic	1	27	10.74	7.964	1.533
	2	14	21.57	15.446	4.128
	Total	41	14.44	12.075	1.886
scientific	1	27	3.67	2.909	.560
	2	14	5.00	3.063	.819
	Total	41	4.12	2.993	.467
legal	1	27	13.11	7.958	1.532
	2	14	19.64	11.091	2.964
	Total	41	15.34	9.538	1.490

An ANOVA for the first round showed that justification code frequency means (and standard deviations) differed significantly for the first round (F = 14.803, p < .05). A Scheffé post hoc test revealed that in pair wise comparisons code frequencies for economic and legal justifications were significantly higher than for scientific and ethical justifications, respectively (p < .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1631.741	3	543.914	14.803	.000
Within Groups	3821.259	104	36.743		
Total	5453.000	107			

A χ^2 analysis of the difference between ethical/economic/scientific/legal code frequencies for Nestlé across the first round was highly significant (χ^2 (6, N = 882) = 199.80, p < .05). The null hypothesis of an equal distribution of justifications across the different interview rounds was rejected. For further analysis 25 subtests were conducted (Bonferroni correction: α = .05/25 = .002; χ^2 = 9.5495357). The χ^2 analysis of the first round allowed a number of conclusions. First, legal justifications are significantly more present than any other type of justifications, thus being the major type of justification across cases. Second, economic justifications seemed to be the second most important way of arguing which was confirmed by the significantly higher presence of economic justifications compared to ethical as well as scientific justifications. Third, scientific justification seem to be the least present as indicated by the highly significant subtest for the comparison between scientific justifications and all other types of justifications combined (as compared to the same comparison to any other similar

comparison). However, when comparing the distribution of ethical and scientific justifications the null hypothesis of an equal distribution was confirmed, indicating that the difference was not significant enough to clearly determine the least present type of justifications.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
ethical	<	economic	139	<	290	429	53.15	9.55	.002	1	yes
ethical	>	scientific	139	>	99	238	6.72	9.55	.002	1	no
ethical	<	legal	139	<	354	493	93.76	9.55	.002	1	yes
economic	<	legal	290	<	354	644	6.36	9.55	.002	1	no
economic	>	scientific	290	>	99	389	93.78	9.55	.002	1	yes
scientific	<	legal	99	<	354	453	143.54	9.55	.002	1	yes
ethical	<	eco+sci	139	<	389	528	118.37	9.55	.002	1	yes
ethical	<	eco+leg	139	<	644	783	325.70	9.55	.002	1	yes
ethical	<	sci+leg	139	<	453	592	166.55	9.55	.002	1	yes
economic	>	eth+sci	290	>	238	528	5.12	9.55	.002	1	no
economic	<	eth+leg	290	<	493	783	52.63	9.55	.002	1	yes
economic	<	sci+leg	290	<	453	743	35.76	9.55	.002	1	yes
scientific	<	eth+eco	99	<	429	528	206.25	9.55	.002	1	yes
scientific	<	eth+leg	99	<	493	592	262.22	9.55	.002	1	yes
scientific	<	eco+leg	99	<	644	743	399.76	9.55	.002	1	yes
legal	<	eth+eco	354	<	429	783	7.18	9.55	.002	1	no
legal	>	eth+sci	354	>	238	592	22.73	9.55	.002	1	yes
legal	<	eco+sci	354	<	389	743	1.65	9.55	.002	1	no
eth+eco	<	leg+sci	429	<	453	882	0.65	9.55	.002	1	no
eth+sci	<	leg+eco	238	<	644	882	186.89	9.55	.002	1	yes
eth+leg	>	eco+sci	493	>	389	882	12.26	9.55	.002	1	yes
ethical	<	eco+sci+leg	139	<	743	882	413.62	9.55	.002	1	yes
economic	<	eth+sci+leg	290	<	592	882	103.41	9.55	.002	1	yes
scientific	<	eth+eco+sci	99	<	783	882	530.45	9.55	.002	1	yes
legal	<	eth+eco+sci	354	<	528	882	34.33	9.55	.002	1	yes

A χ2 analysis of the differences between ethical/economic/scientific/legal code frequencies for all three cases across the first and the second round was significant ($\chi2$ (6, N = 1712) = 19.59, p < .05). The null hypothesis of an equal distribution of justifications across the different interview rounds was rejected. For further analysis 25 subtests were conducted (Bonferroni correction: α = .05/25 = .002; χ2 = 9.5495357). According to the χ2 analysis, in the explorative part of the second round, ethical justifications increased significantly in comparison to legal as well as scientific justifications. Further subtests looking at different combinations indicated that, to a certain extent, this was also the case for the comparison with ethical justifications.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
ethical	<	economic	322	<	592	914	2.84	9.55	.002	1	no
ethical	>	scientific	322	>	169	491	10.54	9.55	.002	1	yes
ethical	<	legal	322	<	629	951	14.67	9.55	.002	1	yes
economic	<	legal	592	<	629	1,221	6.51	9.55	.002	1	no
economic	>	scientific	592	>	169	761	4.84	9.55	.002	1	no
scientific	<	legal	169	<	629	798	0.29	9.55	.002	1	no
ethical	<	eco+sci	322	<	761	1,083	5.72	9.55	.002	1	no
ethical	<	eco+leg	322	<	1,221	1,543	9.35	9.55	.002	1	no
ethical	<	sci+leg	322	<	798	1,120	17.03	9.55	.002	1	yes
economic	>	eth+sci	592	>	491	1,083	0.03	9.55	.002	1	no
economic	<	eth+leg	592	<	951	1,543	1.19	9.55	.002	1	no
economic	<	sci+leg	592	<	798	1,390	8.27	9.55	.002	1	no
scientific	<	eth+eco	169	<	914	1,083	7.74	9.55	.002	1	no
scientific	<	eth+leg	169	<	951	1,120	2.62	9.55	.002	1	no

scientific	<	eco+leg	169	<	1,221	1,390	2.03	9.55	.002	1	no
legal	<	eth+eco	629	<	914	1,543	13.01	9.55	.002	1	yes
legal	>	eth+sci	629	>	491	1,120	6.75	9.55	.002	1	no
legal	<	eco+sci	629	<	761	1,390	3.69	9.55	.002	1	no
eth+eco	>	leg+sci	914	>	798	1,712	16.48	9.55	.002	1	yes
eth+sci	<	leg+eco	491	<	1,221	1,712	2.56	9.55	.002	1	no
eth+leg	>	eco+sci	951	>	761	1,712	0.09	9.55	.002	1	no
ethical	<	eco+sci+leg	322	<	1,390	1,712	11.07	9.55	.002	1	yes
economic	<	eth+sci+leg	592	<	1,120	1,712	2.32	9.55	.002	1	no
scientific	<	eth+eco+sci	169	<	1,543	1,712	3.74	9.55	.002	1	no
legal	<	eth+eco+sci	629	<	1,083	1,712	9.02	9.55	.002	1	no

A χ^2 analysis of the difference between ethical/economic/scientific/legal code frequencies across cases for the first round of interviews was significant (χ^2 (6, N = 882) = 59.21, p < .05). The null hypothesis of an equal distribution of justifications across cases in the first interview round was rejected. For further analysis 75 subtests were conducted (α = .05/75 = 0.00066667; $\chi^2 \geq 11.579952$). No significance was found comparing BAT Switzerland and HP in detail, suggesting that there was no significant difference in the use of justifications between the two cases. Comparing BAT Switzerland and Nestlé, the χ^2 analysis indicated that BAT Switzerland's justifications were significantly more based on economic justifications in comparison to ethical, scientific of legal justifications than Nestlé. This was underlined by all further tests. There was no clear indication for an additional difference in the use of justifications when comparing Nestlé with BAT Switzerland. Looking at Nestlé and HP, the χ^2 analysis suggested that Nestlé used significantly less economic justifications in comparison to ethical or scientific justifications than HP. HP, on the other hand, relied significantly more on legal justifications in comparison to economic justifications than Nestlé. That implies that the traditional way of justifications in economic or legal terms was much more present with regards to HP than for Nestlé. This was confirmed through the different significant subtests which all involve economic justifications. Interestingly, there was no significant difference in the use of ethical, scientific, or legal justifications when compared among each other, neither in single comparisons nor combined.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
			BAT Switzerland vs. Hewlett Packard								
ethical	<	economic	92	<	266	358	1.52	11.58	.001	1	no
ethical	>	scientific	92	>	69	161	0.61	11.58	.001	1	no
ethical	<	legal	92	<	253	345	0.04	11.58	.001	1	no
economic	>	legal	266	>	253	519	2.05	11.58	.001	1	no
economic	>	scientific	266	>	69	335	3.95	11.58	.001	1	no
scientific	<	legal	69	<	253	322	1.17	11.58	.001	1	no
ethical	<	eco+sci	92	<	335	427	0.65	11.58	.001	1	no
ethical	<	eco+leg	92	<	519	611	0.62	11.58	.001	1	no
ethical	<	sci+leg	92	<	322	414	0.00	11.58	.001	1	no
economic	>	eth+sci	266	>	161	427	4.08	11.58	.001	1	no
economic	<	eth+leg	266	<	345	611	2.64	11.58	.001	1	no
economic	<	sci+leg	266	<	322	588	3.61	11.58	.001	1	no
scientific	<	eth+eco	69	<	358	427	3.09	11.58	.001	1	no
scientific	<	eth+leg	69	<	345	414	1.13	11.58	.001	1	no

scientific	<	eco+leg	69	<	519	588	2.65	11.58	.001	1	no
legal	<	eth+eco	253	<	358	611	1.13	11.58	.001	1	no
legal	>	eth+sci	253	>	161	414	0.59	11.58	.001	1	no
legal	<	eco+sci	253	<	335	588	0.72	11.58	.001	1	no
eth+eco	>	leg+sci	358	>	322	680	2.39	11.58	.001	1	no
eth+sci	<	leg+eco	161	<	519	680	2.44	11.58	.001	1	no
eth+leg	>	eco+sci	345	>	335	680	1.02	11.58	.001	1	no
ethical	<	eco+sci+leg	92	<	588	680	0.34	11.58	.001	1	no
economic	<	eth+sci+leg	266	<	414	680	3.95	11.58	.001	1	no
scientific	<	eth+eco+leg	69	<	611	680	2.38	11.58	.001	1	no
legal	<	eth+eco+sci	253	<	427	680	0.40	11.58	.001	1	no

Subtest			**Code Frequencies (aggregated)**			**N**	**χ2**	**Critical Value**	**α**	**df**	**Significant**
				BAT Switzerland vs. Nestlé							
ethical	<	economic	79	<	136	215	39.56	11.58	.001	1	yes
ethical	>	scientific	79	>	50	129	0.00	11.58	.001	1	no
ethical	<	legal	79	<	192	271	1.07	11.58	.001	1	no
economic	<	legal	136	<	192	328	41.25	11.58	.001	1	yes
economic	>	scientific	136	>	50	186	31.83	11.58	.001	1	yes
scientific	<	legal	50	<	192	242	0.87	11.58	.001	1	no
ethical	<	eco+sci	79	<	186	265	21.81	11.58	.001	1	yes
ethical	<	eco+leg	79	<	328	407	11.93	11.58	.001	1	yes
ethical	<	sci+leg	92	<	242	334	3.35	11.58	.001	1	no
economic	>	eth+sci	136	>	129	265	49.61	11.58	.001	1	yes
economic	<	eth+leg	136	<	271	407	50.71	11.58	.001	1	yes
economic	<	sci+leg	136	<	242	378	47.91	11.58	.001	1	yes
scientific	<	eth+eco	50	<	215	265	12.52	11.58	.001	1	yes
scientific	<	eth+leg	50	<	271	321	0.50	11.58	.001	1	no
scientific	<	eco+leg	50	<	328	378	8.59	11.58	.001	1	no
legal	<	eth+eco	192	<	215	407	15.94	11.58	.001	1	yes
legal	>	eth+sci	192	>	129	321	1.57	11.58	.001	1	no
legal	>	eco+sci	192	>	186	378	21.70	11.58	.001	1	yes
eth+eco	<	leg+sci	215	<	242	457	20.57	11.58	.001	1	yes
eth+sci	<	leg+eco	129	<	328	457	17.48	11.58	.001	1	yes
eth+leg	>	eco+sci	271	>	186	457	29.26	11.58	.001	1	yes
ethical	<	eco+sci+leg	79	<	378	457	9.06	11.58	.001	1	no
economic	<	eth+sci+leg	136	<	321	457	55.36	11.58	.001	1	yes
scientific	<	eth+eco+leg	50	<	407	457	5.68	11.58	.001	1	no
legal	<	eth+eco+sci	192	<	265	457	9.48	11.58	.001	1	no

Subtest			**Code Frequencies (aggregated)**			**N**	**χ2**	**Critical Value**	**α**	**df**	**Significant**
				Nestlé vs. Hewlett Packard							
ethical	<	economic	107	<	178	285	33.11	11.58	.001	1	yes
ethical	>	scientific	107	>	79	186	0.66	11.58	.001	1	no
ethical	<	legal	107	<	263	370	0.97	11.58	.001	1	no
economic	<	legal	178	<	263	441	32.46	11.58	.001	1	yes
economic	>	scientific	178	>	79	257	19.78	11.58	.001	1	yes
scientific	<	legal	79	<	263	342	0.00	11.58	.001	1	no
ethical	<	eco+sci	107	<	257	364	19.78	11.58	.001	1	yes
ethical	<	eco+leg	107	<	441	548	9.71	11.58	.001	1	no
ethical	<	sci+leg	107	<	342	449	1.08	11.58	.001	1	no
economic	<	eth+sci	178	<	186	364	35.35	11.58	.001	1	yes
economic	<	eth+leg	178	<	370	548	39.24	11.58	.001	1	yes
economic	<	sci+leg	178	<	342	520	34.47	11.58	.001	1	yes
scientific	<	eth+eco	79	<	285	364	5.26	11.58	.001	1	no
scientific	<	eth+leg	79	<	370	449	0.11	11.58	.001	1	no
scientific	<	eco+leg	79	<	441	520	2.97	11.58	.001	1	no
legal	<	eth+eco	263	<	285	548	11.56	11.58	.001	1	no
legal	>	eth+sci	263	>	186	449	0.41	11.58	.001	1	no
legal	>	eco+sci	263	>	257	520	18.79	11.58	.001	1	yes
eth+eco	<	leg+sci	285	<	342	627	12.77	11.58	.001	1	yes
eth+sci	<	leg+eco	186	<	519	705	21.08	11.58	.001	1	yes
eth+leg	>	eco+sci	370	>	257	627	25.04	11.58	.001	1	yes
ethical	<	eco+sci+leg	107	<	520	627	8.10	11.58	.001	1	no
economic	<	eth+sci+leg	178	<	449	627	39.95	11.58	.001	1	yes
scientific	<	eth+eco+leg	79	<	548	627	1.37	11.58	.001	1	no
legal	<	eth+eco+sci	263	<	364	627	7.94	11.58	.001	1	no

4.5.5   Normative Discourse

Traits of discourse on environmental issues were found in all 41 interviews of the first round. Traits of discourse on social issues were present in 38 interviews, among them 24 in the first round and 14 in the second round of interviews (whereby 12 interviewees showed traits in both interview rounds). 399 words, themes, phrases, or passages were coded as environmental discourse (Total Mean = 9.73; SD = 7.543), among them 211 codes for the first round of interviews (Mean = 7.81; SD = 5.975) and 188 codes for the second round (Mean = 13.43; SD = 6.577). 340 codes were assigned as social discourse (Total Mean = 8.29; SD = 7.697), among them 152 codes for the first round of interviews (Mean = 5.63; SD = 4.078) and 188 codes for the second round of interviews (Mean = 13.43; SD = 7.532).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
environmental	1	27	7.81	5.975	1.150
	2	14	13.43	9.019	2.410
	Total	41	9.73	7.543	1.178
social	1	27	5.63	4.078	.785
	2	14	13.43	7.532	2.013
	Total	41	8.29	6.577	1.027

An ANOVA for the first round revealed that environmental/social code frequency means (and standard deviations) did not differ significantly for the first round (F = 2.464, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	64.463	1	64.463	2.464	.123
Within Groups	1360.370	52	26.161		
Total	1424.833	53			

A χ^2 analysis of the difference between environmental/social code frequencies for the first round was significant (χ^2 (1, N = 363) = 9.59, p < .05). The null hypothesis of an equal distribution of codes relating to normative discourse was rejected. This indicates that the explorative character of the second round triggered a more balanced set of answers.

A χ^2 analysis of the difference between environmental/social code frequencies for all three cases across the first and the second round was significant (χ^2 (1, N = 739) = 4.91, p <

.05). A χ2 analysis of the difference between environmental/social code frequencies across cases for the first round of interviews was significant (χ2 (2, N = 363) = 18.03, p < .05). The null hypothesis of an equal distribution of elements of normative discourse across cases in the first interview round was rejected. For further analysis 3 subtests were conducted (α = .05/3 = .01667; χ2 ≥ 5.7311394). Comparing the cases in detail, significance was found for the difference between environmental/social code frequencies for BAT Switzerland and HP (χ2 (1, N = 255) = 17.89, p < .017), and the difference between environmental/social code frequencies for BAT Switzerland and Nestlé (χ2 (1, N = 220) = 10.22, p <. 017).

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
BAT Switzerland vs. Hewlett Packard											
environmental	>	social	147	>	108	255	17.89	5.73	0.017	1	yes
BAT Switzerland vs. Nestlé											
environmental	>	social	112	>	108	220	10.22	5.73	0.017	1	yes
Nestlé vs. Hewlett Packard											
environmental	>	social	163	>	88	251	2.52	5.73	0.017	1	no

The χ2 analysis suggests that BAT Switzerland is significantly more involved in discourse on social issues than HP and Nestlé. This is not a surprising result since the issues BAT Switzerland is facing center around the nature of its product and the impact on society. There are few topics which relate BAT Switzerland to the environmental discourse.

4.5.6   Regulatory Discourse

Traits of discourse relating to hard law were found in all 41 interviews of the first round. Traits of discourse relating to soft law were present in 39 interviews, among them 25 in the first round and 14 in the second round of interviews (whereby 13 interviewees showed traits in both interview rounds). 296 words, themes, phrases, or passages were coded as soft law (Total Mean = 7.22; SD = 6.905), among them 189 codes for the first round of interviews (Mean = 7.00; SD = 8.283) and 107 codes for the second round (Mean = 8.283; SD = 3.028). 377 codes were assigned for hard law (Total Mean = 9.20; SD = 5.896), among them 221 codes for the first round of interviews (Mean = 8.19; SD = 4.403) and 156 codes for the second round of interviews (Mean = 11.14; SD = 7.873).

Descriptives					
Category	Round	N	Mean	Std. Deviation	Std. Error
soft law	1	27	7.00	8.283	1.594
	2	14	7.64	3.028	.809
	Total	41	7.22	6.905	1.078

hard law	1	27	8.19	4.403	.847
	2	14	11.14	7.873	2.104
	Total	41	9.20	5.896	.921

An ANOVA for the first round revealed that soft law/hard law code frequency means (and standard deviations) did not differ significantly for the first round (F = .431, p > .05).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	18.963	1	18.963	.431	.514
Within Groups	2288.074	52	44.001		
Total	2307.037	53			

A χ2 analysis of the difference between soft law/hard law code frequencies across the first and the second round was not significant (χ2 (1, N = 410) = 2.50, p > .05). The null hypothesis of an equal distribution of codes relating to regulatory discourse in the first round of interviews was confirmed.

A χ2 analysis of the difference between soft law/hard law code frequencies for all three cases across the first and the second round was not significant (χ2 (1, N = 673) = 1.91, p > .05). A χ2 analysis of the difference between soft law/hard law code frequencies across cases for the first round of interviews was significant (χ2 (2, N = 350) = 7.34, p < .05). The null hypothesis of an equal distribution of elements of regulatory discourse across cases in the first interview round was rejected. For further analysis 3 subtests were conducted (α = .05/4 = .01667; χ2 ≥ 5.7311394). Comparing the cases in detail, significance was found for the difference between soft law/hard law code frequencies for BAT Switzerland and Nestlé (χ2 (1, N = 223) = 6.37, p < .017).

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
BAT Switzerland vs. Hewlett Packard											
soft law	<	hard law	89	<	134	223	5.27	5.73	0.017	1	no
BAT Switzerland vs. Nestlé											
soft law	<	hard law	91	<	132	223	6.37	5.73	0.017	1	yes
Nestlé vs. Hewlett Packard											
soft law	<	hard law	120	<	134	254	0.95	5.73	0.017	1	no

The χ2 analysis indicates that BAT Switzerland is significantly more inclined to hard law solutions to CSR issues than Nestlé which might be explained as a result of institutional constraints and its desire to be embedded again into a valid cognitive framework anchored in a legal system.

4.5.7   Institutional Entrepreneurs

Traits relating to arena setting institutional entrepreneurs were found in all 41 interviews of the first round. Traits of opinion shaping institutional entrepreneurs were present in 28 interviews, (among them 15 in the first round and 13 in the second round of interviews, whereby 8 interviewees showed traits in both interview rounds). 40 interviews (27/13/13) did show traits of law making, 28 (19/9/8) of bargaining, 40 (27/13/12) of agenda setting, 21 (8/13/3) of financing, and 30 (17/13/8) of consuming institutional entrepreneurs. 221 words, themes, phrases, or passages were coded as law making institutional entrepreneurs (Total Mean = 5.39; SD = 3.917), among them 153 codes for the first round of interviews (Mean = 5.67; SD = 4.377) and 68 codes for the second round (Mean = 4.86; SD = 2.905). 79 codes (28/51) were assigned for opinion shaping institutional entrepreneurs (Total: Mean = 1.93; SD = 1.849; 1st round: Mean = 1.04; SD = 1.126; 2nd round: Mean = 3.64; SD = 1.781), 223 (146/77) codes for bargaining (Total: Mean = 5.44; SD = 6.878; 1st round: Mean = 5.41; SD = 6.772; 2nd round: Mean = 5.50; SD = 7.335), 238 (171/67) codes for agenda setting (Total: Mean = 5.80; SD = 3.010; 1st round: Mean = 6.33; SD = 2.974; 2nd round: Mean = 4.79; SD = 2.914), 380 (228/152) codes for arena setting (Total: Mean = 9.27; SD = 6.874; 1st round: Mean = 8.44; SD = 7.202; 2nd round: Mean = 10.86; SD = 6.125), 56 (20/36) codes for financing (Total: Mean = 1.37; SD = 1.813; 1st round: Mean = .74; SD = 1.534; 2nd round: Mean = 2.57; SD = 1.742), and 149 (55/94) codes for consuming forces that drive institutional entrepreneurship (Total: Mean = 3.63; SD = 3.562; 1st round: Mean = 2.04; SD = 2.361; 2nd round: Mean = 6.71; SD = 3.518).

Descriptives

Category	Round	N	Mean	Std. Deviation	Std. Error
law making	1	27	5.67	4.377	.842
	2	14	4.86	2.905	.776
	Total	41	5.39	3.917	.612
opinion shaping	1	27	1.04	1.126	.217
	2	14	3.64	1.781	.476
	Total	41	1.93	1.849	.289
bargaining	1	27	5.41	6.772	1.303
	2	14	5.50	7.335	1.960
	Total	41	5.44	6.878	1.074
agenda setting	1	27	6.33	2.974	.572
	2	14	4.79	2.914	.779
	Total	41	5.80	3.010	.470
arena setting	1	27	8.44	7.202	1.386
	2	14	10.86	6.125	1.637
	Total	41	9.27	6.874	1.074

financing	1	27	.74	1.534	.295
	2	14	2.57	1.742	.465
	Total	41	1.37	1.813	.283
consuming	1	27	2.04	2.361	.454
	2	14	6.71	3.518	.940
	Total	41	3.63	3.562	.556

An ANOVA for the first round revealed that institutional entrepreneur code frequency means (and standard deviations) differed significantly for the first round ($F = 12.364$, $p < .05$). A Scheffé post hoc test showed that the following code frequencies for institutional entrepreneurs differed significantly in pair wise comparisons: law making > opinion shaping, law making > financing, bargaining > opinion shaping, agenda setting > opinion shaping, arena setting > opinion shaping, bargaining > financing, agenda setting > financing, agenda setting > consuming, arena setting > financing, and arena setting > consuming institutional entrepreneurs ($p < .05$).

ANOVA

Count	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1433.011	6	238.835	12.364	.000
Within Groups	3496.239	181	19.316		
Total	4929.250	187			

A $\chi 2$ analysis of the difference between law making/opinion shaping/bargaining/ agenda setting/arena setting/financing/consuming code frequencies for all cases for the first round was significant ($\chi 2$ (1, $N = 801$) $= 314.76$, $p < .05$). The null hypothesis of an equal distribution of institutional entrepreneurs in the first round of interviews was rejected. For further analysis 21 subtests were conducted (Bonferroni correction: $\alpha = .05/21 = .002381$; $\chi 2 = 9.2298955$). Since code frequencies were rather low, I did not conduct a full $\chi 2$ analysis but concentrated on the crucial actors previously identified. The $\chi 2$ analysis of the first round of interviews did not allow identifying any particular type of institutional entrepreneur as being dominating but a number of them combined. Code frequencies for arena setting forces were significantly higher than any of the other codes, respectively, except when compared with agenda setting of institutional entrepreneurs (which combined make up for about half of the codes). In the latter case, the null hypothesis of an equal distribution of the code frequencies of the two types of institutional entrepreneurs was confirmed. Agenda setting forces thus seemed to be the second most important type of institutional entrepreneur. In addition to that,

also bargaining and law making forces appeared to be an important driver of change in CSR, indicated by their significant higher occurrence in comparison with opinion shaping, financing, and consuming institutional entrepreneurs. Moreover, the findings were supported by the confirmation of the null hypothesis of an equal distribution of the code frequencies when compared with agenda setting ones. Opinion shaping, financing, and consuming institutional entrepreneurs seemed to be of less importance.

Subtest			Code Frequencies			N	χ2	Critical Value	α	df	Significant
law making	>	opinion shaping	153	>	28	181	86.33	9.23	.002	1	yes
law making	>	bargaining	153	>	146	299	0.16	9.23	.002	1	no
law making	<	agenda setting	153	<	171	324	1.00	9.23	.002	1	no
law making	<	arena setting	153	<	228	381	14.76	9.23	.002	1	yes
law making	>	financing	153	>	20	173	102.25	9.23	.002	1	yes
law making	>	consuming	153	>	55	208	46.17	9.23	.002	1	yes
opinion shaping	>	financing	28	>	20	48	1.33	9.23	.002	1	no
opinion shaping	<	arena setting	28	<	228	256	156.25	9.23	.002	1	yes
opinion shaping	<	agenda setting	28	<	171	199	102.76	9.23	.002	1	yes
opinion shaping	<	consuming	28	<	55	83	8.78	9.23	.002	1	no
opinion shaping	<	bargaining	28	<	146	174	80.02	9.23	.002	1	yes
bargaining	<	agenda setting	146	<	171	317	1.97	9.23	.002	1	no
bargaining	<	arena setting	146	<	228	374	17.98	9.23	.002	1	yes
bargaining	>	financing	146	>	20	166	95.64	9.23	.002	1	yes
bargaining	>	consuming	146	>	55	201	41.20	9.23	.002	1	yes
agenda setting	<	arena setting	171	<	228	399	8.14	9.23	.002	1	no
agenda setting	>	financing	171	>	20	191	119.38	9.23	.002	1	yes
agenda setting	>	consuming	171	>	55	226	59.54	9.23	.002	1	yes
arena setting	>	financing	228	>	20	248	174.45	9.23	.002	1	yes
arena setting	>	consuming	228	>	55	283	105.76	9.23	.002	1	yes
financing	<	consuming	20	<	55	75	16.33	9.23	.002	1	yes

A χ2 analysis of the difference between law making/opinion shaping/bargaining/agenda setting/arena setting/financing/consuming code frequencies across cases for the first round of interviews was significant (χ2 (2, N =1346) = 90.76, p < .05). For further analysis 21 subtests were conducted (Bonferroni correction: α = .05/21 = .002381; χ2 = 9.2298955). No significance was found for any of the subtests.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
law making	>	opinion shaping	153	>	28	300	2.90	9.23	.002	1	no
law making	>	bargaining	153	>	146	444	0.12	9.23	.002	1	no
law making	<	agenda setting	153	<	171	459	0.06	9.23	.002	1	no
law making	<	arena setting	153	<	228	601	1.19	9.23	.002	1	no
law making	>	financing	153	>	20	277	1.62	9.23	.002	1	no
law making	>	consuming	153	>	55	370	6.66	9.23	.002	1	no
opinion shaping	<	bargaining	28	<	146	302	6.74	9.23	.002	1	no
opinion shaping	<	agenda setting	28	<	171	317	9.40	9.23	.002	1	no
opinion shaping	<	arena setting	28	<	228	459	5.85	9.23	.002	1	no
opinion shaping	>	financing	28	>	20	135	0.00	9.23	.002	1	no
opinion shaping	<	consuming	28	<	55	228	0.02	9.23	.002	1	no
bargaining	<	agenda setting	146	<	171	461	0.35	9.23	.002	1	no
bargaining	<	arena setting	146	<	228	603	0.43	9.23	.002	1	no
bargaining	>	financing	146	>	20	279	1.34	9.23	.002	1	no
bargaining	>	consuming	146	>	55	372	5.40	9.23	.002	1	no
agenda setting	<	arena setting	171	<	228	618	1.96	9.23	.002	1	no
agenda setting	>	financing	171	>	20	294	1.74	9.23	.002	1	no
agenda setting	>	consuming	171	>	55	387	7.37	9.23	.002	1	no
arena setting	>	financing	228	>	20	436	0.65	9.23	.002	1	no
arena setting	>	consuming	228	>	55	529	3.00	9.23	.002	1	no

financing	<	consuming	20	<	55	205	0.01	9.23	.002	1	no

A $\chi2$ analysis of the difference between law making/opinion shaping/bargaining/agenda setting/arena setting/financing/consuming code frequencies across cases for the first round of interviews was significant ($\chi2$ (2, N = 801) = 157.03, p < .05). The null hypothesis of an equal distribution of institutional entrepreneurs across cases in the first interview round was rejected. For further analysis 63 subtests were conducted (Bonferroni correction: α = .05/63 = .0007937; $\chi2 \geq 11.256023$).

The $\chi2$ analysis comparing BAT Switzerland and HP suggested that bargaining institutional entrepreneurs are significantly more important for HP than for BAT Switzerland. This is indicated by the significance of all comparisons of bargaining forces with any of the other, except for the comparison with financing institutional entrepreneurs. The latter result may be explained, however, by the low frequency of the category of financing institutional entrepreneurs. BAT Switzerland, on the other hand, seems to be influenced by a wider range of institutional entrepreneurs when compared with HP.

The $\chi2$ analysis comparing BAT Switzerland and Nestlé suggested that arena setting institutional entrepreneurs are significantly more important for Nestlé than for BAT Switzerland when compared to law making ones. This reflects that BAT Switzerland is much more concerned about (and affected by) regulatory measures than Nestlé. Nestlé, on the other hand, is driven by its involvement in international arenas of CSR-discourse and financial concerns. However, the latter result is rather weak since the category of financing institutionally entrepreneurs was virtually not present for BAT Switzerland (only one code), resulting in low frequencies in the comparison.

Comparing HP and Nestlé in detail, the $\chi2$ analysis suggested that HP is significantly more driven by law making institutional entrepreneurs than by consuming ones than Nestlé. The reason might be HP's preference for a stable regulatory environment as basis for doing business while Nestlé is much more consumer oriented due to the nature of its products. On the other hand, HP frequently claims that large customers, in particular governments have a high influence on its CSR-efforts. This is reflected in the significantly higher appearance of bargaining vs. agenda setting, arena setting, financing, and consuming code frequencies, respectively, when comparing the two companies. Finally, somewhat similar to the comparison with BAT Switzerland, arenas setting institutional entrepreneurs appear to be significantly

more important drivers for Nestlé than for HP when compared to the influence of agenda setting ones.

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
			BAT Switzerland vs. Hewlett Packard								
law making	>	opinion shaping	123	>	22	145	1.85	11.26	.001	1	no
law making	<	bargaining	123	<	126	249	29.62	11.26	.001	1	yes
law making	>	agenda setting	123	>	115	238	1.21	11.26	.001	1	no
law making	>	arena setting	123	>	111	234	4.69	11.26	.001	1	no
law making	>	financing	123	>	9	132	2.80	11.26	.001	1	no
law making	>	consuming	123	>	27	150	0.27	11.26	.001	1	no
opinion shaping	<	bargaining	22	<	126	148	27.94	11.26	.001	1	yes
opinion shaping	<	agenda setting	22	<	115	137	0.53	11.26	.001	1	no
opinion shaping	<	arena setting	22	<	111	133	0.01	11.26	.001	1	no
opinion shaping	>	financing	22	>	9	31	4.95	11.26	.001	1	no
opinion shaping	<	consuming	22	<	27	49	0.49	11.26	.001	1	no
bargaining	>	agenda setting	126	>	115	241	40.81	11.26	.001	1	yes
bargaining	>	arena setting	126	>	111	237	53.53	11.26	.001	1	yes
bargaining	>	financing	126	>	9	135	0.02	11.26	.001	1	no
bargaining	>	consuming	126	>	27	153	20.50	11.26	.001	1	yes
agenda setting	>	arena setting	115	>	111	226	1.13	11.26	.001	1	no
agenda setting	>	financing	115	>	9	124	4.15	11.26	.001	1	no
agenda setting	>	consuming	115	>	27	142	0.02	11.26	.001	1	no
arena setting	>	financing	111	>	9	120	5.89	11.26	.001	1	no
arena setting	>	consuming	111	>	27	138	0.66	11.26	.001	1	no
financing	<	consuming	9	<	27	36	3.25	11.26	.001	1	no

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
			BAT Switzerland vs. Nestlé								
law making	>	opinion shaping	78	>	18	96	0.16	11.26	.001	1	no
law making	>	bargaining	78	>	32	110	5.29	11.26	.001	1	no
law making	<	agenda setting	78	<	109	187	3.05	11.26	.001	1	no
law making	<	arena setting	78	<	176	254	17.40	11.26	.001	1	yes
law making	>	financing	78	>	12	90	11.87	11.26	.001	1	yes
law making	>	consuming	78	>	40	118	10.52	11.26	.001	1	no
opinion shaping	<	bargaining	18	<	32	50	3.93	11.26	.001	1	no
opinion shaping	<	agenda setting	18	<	109	127	2.01	11.26	.001	1	no
opinion shaping	<	arena setting	18	<	176	194	7.73	11.26	.001	1	no
opinion shaping	>	financing	18	>	12	30	9.98	11.26	.001	1	no
opinion shaping	<	consuming	18	<	40	58	6.88	11.26	.001	1	no
bargaining	<	agenda setting	32	<	109	141	1.23	11.26	.001	1	no
bargaining	<	arena setting	32	<	176	208	0.19	11.26	.001	1	no
bargaining	>	financing	32	>	12	44	3.57	11.26	.001	1	no
bargaining	<	consuming	32	<	40	72	0.45	11.26	.001	1	no
agenda setting	<	arena setting	109	<	176	285	6.43	11.26	.001	1	no
agenda setting	>	financing	109	>	12	121	7.10	11.26	.001	1	no
agenda setting	>	consuming	109	>	40	149	4.13	11.26	.001	1	no
arena setting	>	financing	176	>	12	188	3.28	11.26	.001	1	no
arena setting	>	consuming	176	>	40	216	0.18	11.26	.001	1	no

Subtest			Code Frequencies (aggregated)			N	χ2	Critical Value	α	df	Significant
			Nestlé vs. Hewlett Packard								
law making	>	opinion shaping	105	>	16	121	0.53	11.26	.001	1	no
law making	<	bargaining	105	<	134	239	6.63	11.26	.001	1	no
law making	<	agenda setting	105	<	118	223	8.36	11.26	.001	1	no
law making	<	arena setting	123	<	169	292	2.15	11.26	.001	1	no
law making	>	financing	105	>	19	124	6.25	11.26	.001	1	no
law making	>	consuming	105	>	43	148	17.10	11.26	.001	1	yes
opinion shaping	<	bargaining	16	<	134	150	5.08	11.26	.001	1	no
opinion shaping	<	agenda setting	16	<	169	185	6.60	11.26	.001	1	no
opinion shaping	<	arena setting	16	<	108	124	7.69	11.26	.001	1	no
opinion shaping	<	financing	16	<	19	35	1.45	11.26	.001	1	no
opinion shaping	<	consuming	16	<	43	59	3.64	11.26	.001	1	no
bargaining	>	agenda setting	134	>	118	252	31.53	11.26	.001	1	yes
bargaining	<	arena setting	134	<	169	303	88.98	11.26	.001	1	yes

bargaining	>	financing	134	>	19	153	19.02	11.26	.001	1	yes
bargaining	>	consuming	134	>	43	177	41.49	11.26	.001	1	yes
agenda setting	<	arena setting	118	<	169	287	13.76	11.26	.001	1	yes
agenda setting	>	financing	118	>	19	137	0.71	11.26	.001	1	no
agenda setting	>	consuming	118	>	43	161	3.94	11.26	.001	1	no
arena setting	>	financing	169	>	19	188	1.01	11.26	.001	1	no
arena setting	>	consuming	169	>	43	212	0.27	11.26	.001	1	no
financing	<	consuming	19	<	56	75	0.35	11.26	.001	1	no

4.5.8 Patterns

In a final inquiry I looked at the overall patterns that were indicated by the cross-case pattern coding. It was further distinguished between pattern codes that related to a) the dimensions of the CSR-character only, b) the dimensions the dimensions of the institutionalization of CSR, and c) the two former combined. Results and brief interpretation are briefly presented below.

4.5.8.1 CSR-Character

The results of the cross-case pattern coding suggest a number of relationships that re-occur throughout the three cases when looking at the concept of a CSR-character. While most of these relationships have been discussed before when looking at the single cases, the emphasis here lies on identifying generalizable patterns. In order to systemize the patterns occurring, they were clustered into four dimensional pairs.[35]

1. Legitimation Strategies & Justifications – The most frequent pattern code across cases represents the combination of legitimation strategies aiming for cognitive legitimacy and legal justifications which appears to be a common pattern across cases. It mirrors the general importance of cognitive frameworks (e.g. legal systems and soft law instruments as a weaker form of a cognitive framing of CSR) as source of legitimacy as well as a base of argumentation and justification of corporate behavior. As next most frequent pattern codes, legitimation strategies aiming for pragmatic legitimacy and economic as well as legal justifications, respectively, relate to both the traditional way how to gain legitimacy as well as the push towards new frameworks (e.g. lobbying) that allows remaining within the traditional (liberal) paradigm. The first two represent the classic strategies of corporations to gain, maintain or repair legitimacy in the traditional societal framework as discussed in the case of BAT Switzerland. Finally, mirroring the changing conditions of legitimation in the postnational constellation, legitimation strategies aiming for moral legitimacy occur

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[35] The ordering of the clusters relates to the ranking of pattern code frequencies in the table below. The ranking is based on the first round of interviews in order to allow for comparability across cases. For illustration purposes the frequencies for the second round, as well as the sums are provided.

frequently with legal as well as economic and ethical justifications. The variety of combinations clearly hints towards the lack of guidance through a governance framework which would prescribe what CSR is and which action that would imply. Without it, corporations draw from different belief systems in their organizational sensemaking process when justifying corporate behavior, depending on their own situation, the targeted audience and external circumstances.

2. Identity Orientation & Legitimation Strategies – Contrary to the pattern coding of legitimation strategies and justifications which resulted in the strong occurrence of patterns rooted in liberal thought, in particular, the (arguably) changing identity orientation of corporations seems to come about with new ways how to legitimize corporate behavior. The strong occurrence of a relational identity orientation and legitimation strategies aiming for moral legitimacy is a clear indicator for the desire to be perceived as more than the "money-hungry machine" that follows the paradigm of shareholder value maximization. That this is not the only reason, of course, is shown by the frequent pattern code of a relational identity orientation and legitimation strategies aiming for pragmatic legitimacy which hints towards the economic incentive behind this rational. Finally, the more "traditional" pattern that one would expect based on liberal assumptions on the role of corporations are reflected in the frequent occurrence of an individualistic identity orientation and legitimation strategies aiming for moral and pragmatic legitimacy. Here, it is argued that self-interested behavior of corporations (arguably) based on a strong own value system will not only allow business to fulfill its business functions but also allow it to benefit society as a whole.

3. Identity Orientation & Justifications – A third prominent cluster represent the pattern codes on identity orientation combined with justifications. With regard to that perspective an individualistic identity orientation and economic justifications occurred as the most frequent pattern code which, as described above, mirrors the liberal core of mainstream CSR. Also its conceptual enlargement, that is, the reference to compliance reflected in an individualistic identity orientation together with legal justifications occurs considerably frequently. As a second major pattern a relational identity orientation appears combined with legal as well as economic justifications. Thus, even though the major way to justify corporate behavior and position the corporation is maintained, the pattern coding suggests

that the identity orientation of corporations is not well explained based on liberal assumptions.

4. Identity Orientation & Posture - Finally, one major finding that clearly hints towards changing paradigms in the postnational constellation is the pattern code of a relational identity orientation combined with an open posture that emerged as most prominent combination of identity orientation and posture. This pattern is an indicator that corporations are turning towards other societal actor in order to actively deliberate on social and environmental issues that are associated with them in order to find appropriate solutions.

Rank	Pattern Code	Sum 1st round	Sum 2nd round	Sum
1	Cognitive + Legal	91	63	154
2	Relational + Moral	80	43	123
3	Individualistic + Economic	68	64	132
4	Relational + Legal	60	47	107
5	Pragmatic + Economic	53	50	103
6	Relational + Economic	52	55	107
7	Pragmatic + Legal	52	25	77
8	Relational + Pragmatic	52	42	94
9	Moral + Legal	47	27	74
10	Individualistic + Moral	45	30	75
11	Moral + Ethical	44	40	84
12	Individualistic + Pragmatic	43	50	93
13	Individualistic + Legal	39	30	69
14	Relational + Open	37	41	78
15	Moral + Economic	34	31	65

4.5.8.2 Institutionalization of CSR

Looking at the process of institutionalization of CSR in the postnational constellation a number of strong relationships emerge from the pattern coding. Three major clusters, referring to the same number of dimensional pairs, can be identified.[36]

1. Institutional Entrepreneurs & Regulatory Discourse – As the most preeminent and almost self-explanatory pattern of law making institutional entrepreneurs and the regulatory discourse on hard law emerged. It clearly points out the importance of legal measures for the implementation of CSR-policies as well as the desire of more legal clarity and guidance in certain cases, as described above. On the other hand, agenda setting institutional entrepreneurs aim for more hard law instruments to increase corporate accountability which is well reflected by the occurrence of the related pattern code as second most. On first sight

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[36] The ordering of the clusters relates to the ranking of pattern code frequencies in the table below. The ranking is based on the first round of interviews in order to allow for comparability across cases. For illustration purposes the frequencies for the second round, as well as the sums are provided.

maybe surprising, the third most frequent pattern code was law making institutional entrepreneurs combined with regulatory discourse on soft law instruments. This might be explained by the fact that governments get involved in the creation of soft law instruments for CSR when involved in multi-stakeholder initiatives.

2. Institutional Entrepreneurs & Normative Discourse – When looking at which type of institutional entrepreneur occurred with (which type of) normative discourse, a vivid picture emerged on which issues are mainly pushed by whom. First, agenda setting institutional entrepreneurs and social issues represent the most present pattern code clearly mirroring the strong interaction on social issues of civil society organizations with corporations. Second, law making institutional entrepreneurs appeared considerably frequently combined with normative discourse on both social as well as environmental issues. This demonstrates the (perceived) increased interest of governments to incorporate environmental policies that are linked to (private) corporate activities. Third, also arena setting institutional entrepreneurs occurred frequently jointly with normative discourse on social and environmental issues, respectively. The interviewees clearly acknowledged that in many areas of both social and environmental concern, CSR arenas represent an important factor for the global debate on the responsibilities of MNCs and corporate accountability. Finally, the pattern codes of bargaining institutional entrepreneurs combined with environmental issues as well as social issues emerged as an important theme in this perspective. This reflects in particular HP's concern with the expectations of corporate and governmental clients. Interestingly, the pattern coding suggests that contrary to social issues, environmental issues (in the perception of the interviewees) are pushed rather by arena setting, law making and bargaining institutional entrepreneurs but are less associated with agenda setting ones.

3. Regulatory Discourse & Normative Discourse – As final perspective, the pattern coding on regulatory and normative discourse combined indicates in which direction the global debate on CSR is driving from the perspective of the interviewees. While the patterns codes of environmental issues and hard law and social issues combined with hard as well as soft law occurred among the first fifteen pattern codes, the pattern code of normative discourse on environmental issues combined with soft law was missing. This might indicate the more mature state of normative discourse on environmental issues which is re-

flected in a higher degree of debate on legal measure to improve environmental performance.

Rank	Pattern Code	Sum 1st round	Sum 2nd round	Sum
1	Law Making + Hard Law	72	30	102
2	Agenda Setting + Hard Law	40	4	44
3	Agenda Setting + Social	23	13	36
4	Law Making + Social	21	10	31
5	Law Making + Environmental	20	6	26
6	Arena Setting + Soft Law	19	9	28
7	Agenda Setting + Environmental	19	13	32
8	Arena Setting + Social	17	18	35
9	Bargaining + Environmental	17	15	32
10	Arena Setting + Environmental	15	15	30
11	Environmental + Hard Law	14	13	27
12	Law Making + Soft Law	14	6	20
13	Social + Hard Law	13	15	28
14	Social + Soft Law	12	9	21
15	Bargaining + Social	11	7	18

4.5.8.3 CSR-Character & Institutionalization of CSR

The pattern coding of how the CSR-character relates to the process on institutionalization of CSR suggests some major trends that might be of interested for future inquiries in the nature of CSR in the postnational constellation. Seven dimensional pairs that emerged from the interview data are discussed below.[37]

1. Justifications & Regulatory Discourse – As most preeminent codes emerged the combination of legal justifications and regulatory discourse on hard and soft law (while hard law represented more than the double). This phenomenon is almost self-explanatory since legal justifications are usually given with reference to some regulatory framework. It does demonstrate though that the regulatory component of the CSR debate generally is of high importance for the framing of CSR in the perception of the interviewees.

2. Legitimation Strategies & Regulatory Discourse – As next most present pattern code legitimation strategies aiming for cognitive legitimacy and regulatory discourse on soft law emerged. It reflects the often reoccurring reference to soft law instruments such as codes of conducts. The existence of code of conducts themselves is an indicator for changing paradigms (including the above described erosion of cognitive legitimacy for corpora-

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[37] The ordering of the clusters relates to the ranking of pattern code frequencies in the table below. The ranking is based on the first round of interviews in order to allow for comparability across cases. For illustration purposes the frequencies for the second round, as well as the sums are provided.

tions). Its conceptual enlargement to supply chains does represent a major indicator for the transition to a postnational understanding of CSR. A second phenomenon is indicated by the frequent occurrence of legitimation strategies aiming for pragmatic legitimacy and hard law. It mirrors a) the classic argumentation based on the assumption on an existing national regulatory framework, and b) in its "postnational" form the desire to reestablish regulatory frameworks to allow for pragmatic legitimacy to be attributed to the performance of traditional business functions.

3. Justifications & Institutional Entrepreneurs – Often legal justifications and law making institutional entrepreneurs occurred jointly, indicating that authority that is attributed to governments as the classic source of legitimacy for corporate behavior. It follows the liberal assumption of the rule of the law within a coherent national framework. Interestingly, as a second important pattern legal justifications combined with agenda setting institutional entrepreneurs emerged. Arguably, it refers to the fact that civil society organizations and activists very often campaign against legal activities of corporations for normative reasons. It might thus be regarded as a clear indicator for the postnational constellation.

4. Justifications & Normative Discourse – Only one pattern code with regards to justifications and normative discourse occurred: the combination of social issue and ethical justifications. This implies that when explaining their position or actions with regards to social issues interviewees would frequently refer to broader societal frameworks or value systems. While intuitively not surprising it yet represents another finding that implies that CSR-activities are not based on liberal assumptions alone (and thus the "business case" for it).

5. Identity Orientation & Institutional Entrepreneurs – The way how the dimension of identity orientation and institutional entrepreneurs are combined is a particularly strong indicator for the postnational constellation and its implications. The frequent pattern code of a relational identity orientation combined with bargaining, arena setting, agenda setting, and law making institutional entrepreneurs, respectively, demonstrates that the studied companies react with a reorientation of their CSR efforts in order better take into account external demands of influential stakeholders. However, another frequent pattern code, that is, the combination of an individualistic identity orientation and arena setting institutional en-

trepreneurs, suggests that certain activities are based on a strong self-interest in order to be a co-designer of the CSR of the future.

6. Identity Orientations & Normative Discourse - The pattern coding resulted only in one single code relating an identity orientation to the normative discourse on CSR issues among the first fifteen. The frequent occurrence of a relational identity orientation and environmental issues indicates that in its concern for stakeholders and their issues it was most often referred to environmental topics.

7. Legitimation Strategies & Normative Discourse – A final important perspective refers to legitimation strategies and normative discourse. Here, the pattern of legitimation strategies aiming for moral legitimacy occurred frequently combined with both environmental and social issues, respectively. While in itself not a spectacular finding, its prominence (arguably) confirms that in the postnational constellation the quest for legitimacy is mainly a quest for moral legitimacy which might be achieved discursively.

Rank	Pattern Code	Sum 1st round	Sum 2nd round	Sum
1	Legal + Hard Law	207	134	341
2	Legal + Soft Law	91	57	148
3	Cognitive + Soft Law	85	43	128
4	Legal + Law Making	73	26	99
5	Ethical + Social	66	102	168
6	Relational + Bargaining	59	17	76
7	Relational + Environmental	53	27	80
8	Relational + Arena Setting	52	37	89
9	Individualistic + Arena Setting	50	32	82
10	Relational + Agenda Setting	47	18	65
11	Legal + Agenda Setting	46	9	55
12	Relational + Law Making	46	13	59
13	Pragmatic + Hard Law	44	23	67
14	Moral + Environmental	39	39	78
15	Moral + Social	36	39	75

4.5.9 Correspondence Analysis

4.5.9.1 CSR-Character

In a first inquiry, a correspondence analysis across cases was performed on the contingency table constituted by crossing the coding for legitimation strategies and justifications since this combination appeared as the most frequent pattern code. The first dimension displays 9.6% of the total inertia; the second dimension still displays 5.3%. Combined, the first two dimensions explain 14.9% of the variance in the data ($\chi2$ (1, N = 307) = 60.434, p < .05).

Analogous to the single case analysis, the graph suggests a number of pairs, being most similar to the Nestlé case in its graphical representation. Dimension 1 seems to oppose legitimacy/justifications pairs, mirroring a nation state setting versus the postnational constellation. Similar to Nestlé, legitimation strategies aiming for cognitive legitimacy are closely situated to legal justifications while legitimation strategies aiming for pragmatic legitimacy appear close to economic justifications. Both pairs seem to be opposed to legitimation strategies aiming for moral legitimacy which occur closely with ethical justifications as indicator for a postnational reasoning. Scientific justifications seem not to be related to any particular type of legitimation strategy. Dimension 2 appears to oppose legitimation strategies aiming for pragmatic legitimacy and economic justifications with legitimation strategies aiming for cognitive legitimacy and legal justifications. Once again, as in the case of Nestlé, this might reflect the debate on integrity versus compliance within the CSR literature. Legitimation strategies aiming for moral legitimacy and ethical justifications are to be found in between since they represent a third way of reasoning.

Figure 10: Correspondence Analysis of Legitimation Strategies and Justifications across Cases
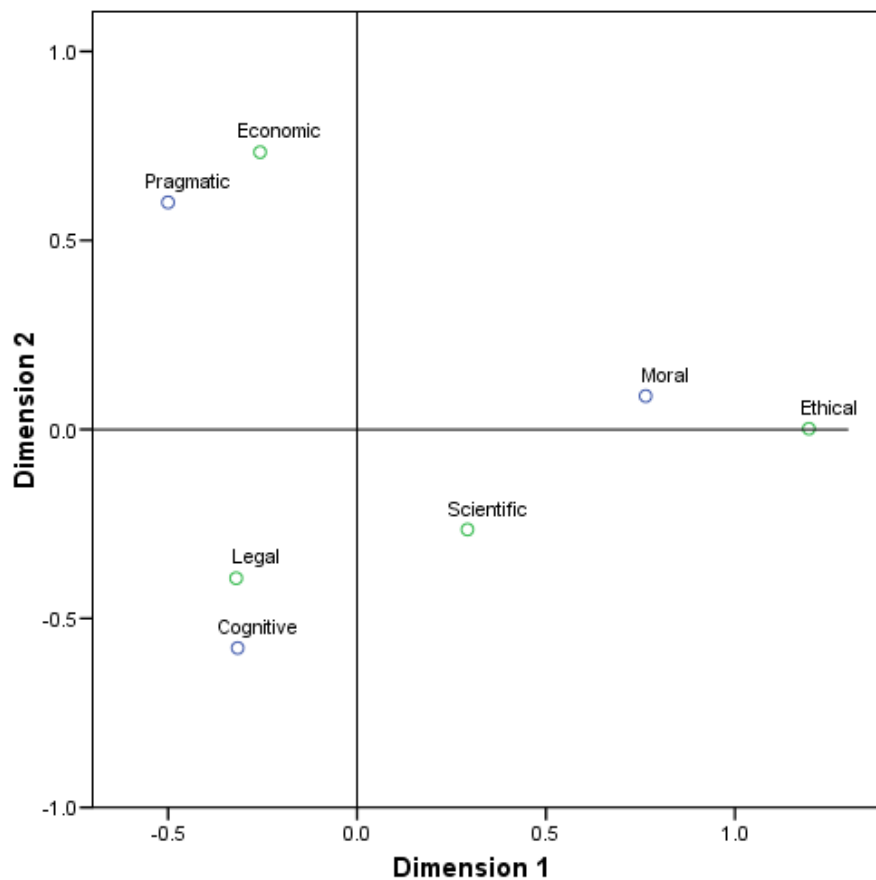
In a second inquiry, a correspondence analysis across cases was performed on the contingency table constituted by crossing the coding for identity orientations and legitimation strategies as the second most frequent pattern code. The first dimension displays 3.3% of the total inertia; the second dimension displays .3%. Combined, the two dimensions explain 3.6% of the variance in the data ($\chi2$ (4, N = 320) = 60.434, p < .05).

Dimension 1 seems to oppose identity orientations in relation to different types of legitimacy. The graph suggests that the liberal core of CSR, manifested in an individualistic identity orientation closely situated to legitimation strategies aiming for both pragmatic and cognitive legitimacy, is opposed to traits of a postnational understanding of CSR which is reflected here in a relational or collectivistic identity orientation. The latter ones appear to be closely related to legitimation strategies aiming for moral legitimacy. Similar to the former analysis, Dimension 2 seems to oppose legitimation strategies aiming for pragmatic legitimacy with legitimation strategies aiming for cognitive legitimacy. This reflects the erosion of cognitive legitimacy in the postnational constellation while moral legitimacy has gained importance and pragmatic legitimacy seems to remain intact.

Figure 11: Correspondence Analysis of Identity Orientation and Legitimation Strategies across Cases
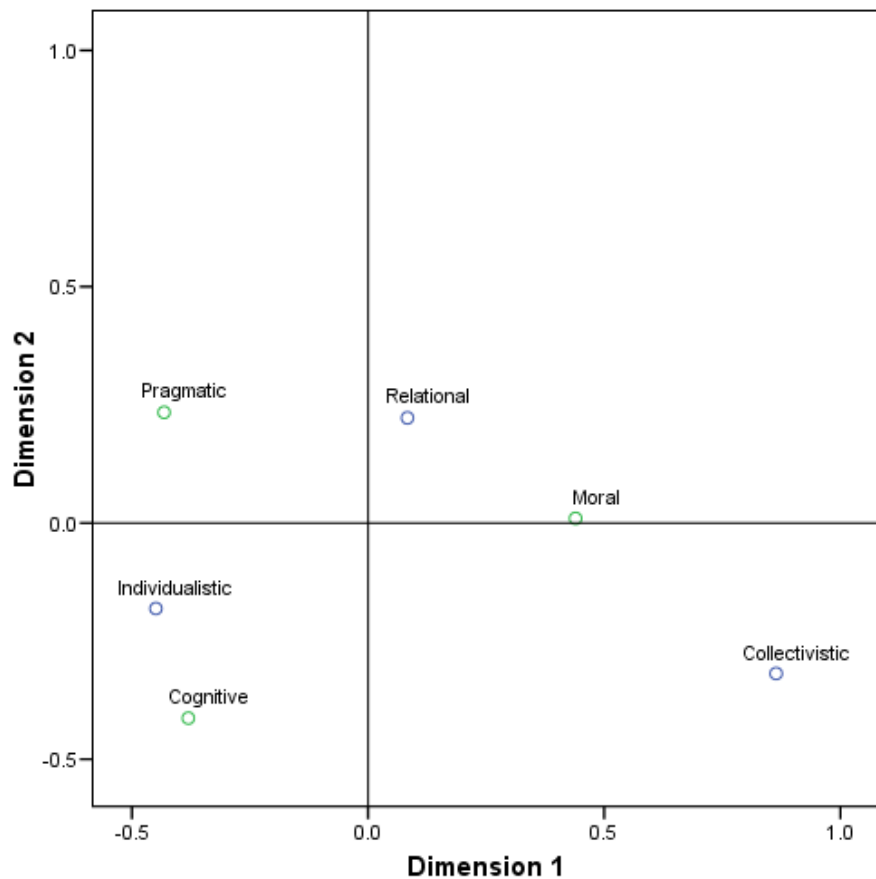
In a third inquiry, a correspondence analysis across cases was performed on the contingency table constituted by crossing the coding for identity orientations and justifications as third most frequent pattern code. The first dimension displays 7.8% of the total inertia; the second dimension still displays 2.4%. Combined, the first two dimensions explain 10.2% of the variance in the data (χ^2 (1, N = 307) = 31.396, p < .05).

The graph suggests a number of pairs. An individualistic identity orientation is closely located to economic justifications. Similar to the two former analyses, Dimension 1 suggests that an individualistic identity is opposed to a collectivistic one, generally mirroring Brickson's (2005) findings. Dimension 2 seems to oppose justifications that presuppose a coherent regulatory (legal justifications) or cognitive (scientific justifications) framework with those that reflect the postnational constellation (ethical justifications). Interestingly, economic justifications are located between the two poles which might indicate that this way of reasoning is consistent with both assumptions of a socio-political framework. As in all former analyses' scientific justifications appear to be an outlier.

Figure 12: Correspondence Analysis of Identity Orientation and Justifications across Cases
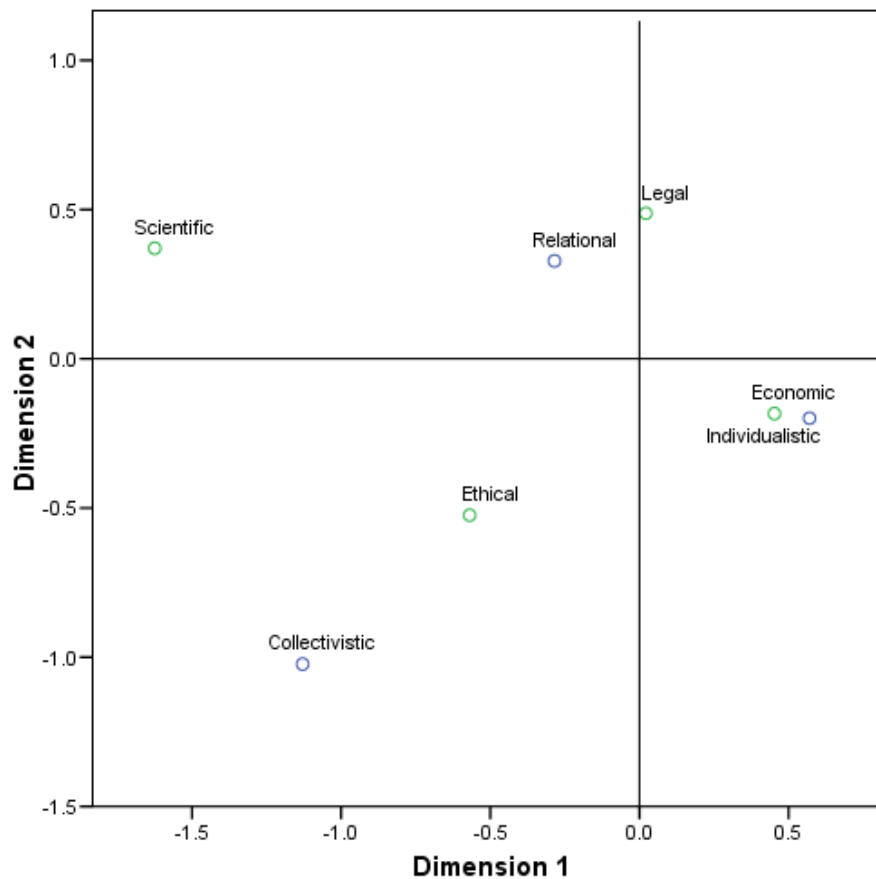
Finally, a correspondence analysis across cases was performed on the contingency table constituted by crossing the coding for identity orientations, legitimation strategies, posture and justifications. The first dimension displays 5.4% of the total inertia; the second dimension displays 2.7%. Combined, the two dimensions explain 8.1% of the variance in the data (χ^2 (18, N = 777) = 63.280, p < .05).

Again, Dimension 1 suggests that an individualistic identity is opposed to a collectivistic one, and that it is related to a certain type of legitimation strategies and justifications. Three clusters can be identified: (i) An individualistic identity orientation appears with legitimation strategies aiming for both pragmatic and cognitive legitimacy and economic justifications, (ii) a relational identity orientation seems to be combined with legal justifications, and (iii) a collectivistic identity orientation, arguably, appears closest with legitimation strategies aiming for moral legitimacy and ethical justifications. An interesting finding is, however, that the different postures seem not be related to any particular identity orientation but as a whole appear with a relational identity orientation. That is not surprising since a posture is taken

when interacting with others, in particular when being accused of wrongdoing. Their close-ness to legal justifications indicates that in general that is the main reference point for reason-ing. Dimension 2 seems to oppose different cognitive frameworks which manifest in different types of justifications. Here scientific and legal justifications are opposed to ethical and eco-nomic justifications. While the first two refer to typical cognitive frameworks in a nation state setting, ethical justifications indicate a postnational setting. Economic justifications are an ambiguous indicator since their meaning is changing from a nation state setting where they refer to the classical, neo-liberal role of the firm towards postnational reasoning on the forces of globalization. In general, scientific justifications remain an outlier.

Figure 13: Correspondence Analysis of Identity Orientation, Legitimation Strategies, Posture and Justifi-cations across Cases
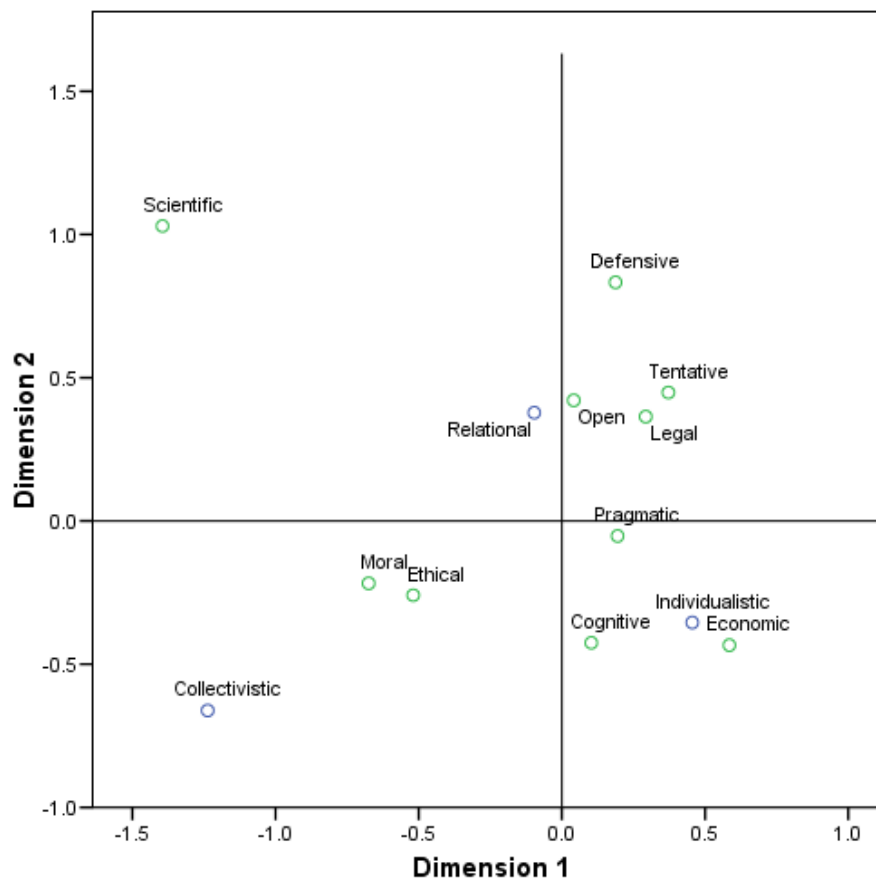
4.5.9.2 Institutionalization of CSR

A correspondence analysis across cases was performed on the contingency table con-stituted by crossing the coding for institutional entrepreneurs, regulatory and normative dis-course. The first dimension displays 12.4% of the total inertia, the second dimension 3.8%,

and the third dimension 1.5%. Combined, the three dimensions explain 17.8% of the variance in the data. The analysis was highly significant ($\chi2$ (18, N = 358) = 63.555, p < .05).

Summary

Dimension	Singular Value	Inertia	Chi Square	Sig.
1	.352	.124		
2	.196	.038		
3	.124	.015		
Total		.178	63.555	.000(a)

a 18 degrees of freedom

Dimension 1 seems to oppose the regulatory discourse on hard law versus soft law while Dimension 2 suggests that the different discourses on social and environmental issues are opposed to each other. The graph also suggests a number of clusters: (i) Law making and agenda setting institutional entrepreneurs occur closely with hard law discourse, (ii) discourse on environmental issues, arguably, seems to be closely located to consuming, bargaining, and financing institutional entrepreneurs, and (iii) soft law discourse is located closely to arena setting institutional entrepreneurs. Discourse on social issues cannot be clearly attributed to a cluster. Opinion shaping institutional entrepreneurs seem to represent an outlier.

Figure 14: Correspondence Analysis of Institutional Entrepreneurs, Regulatory and Normative Discourse across Cases
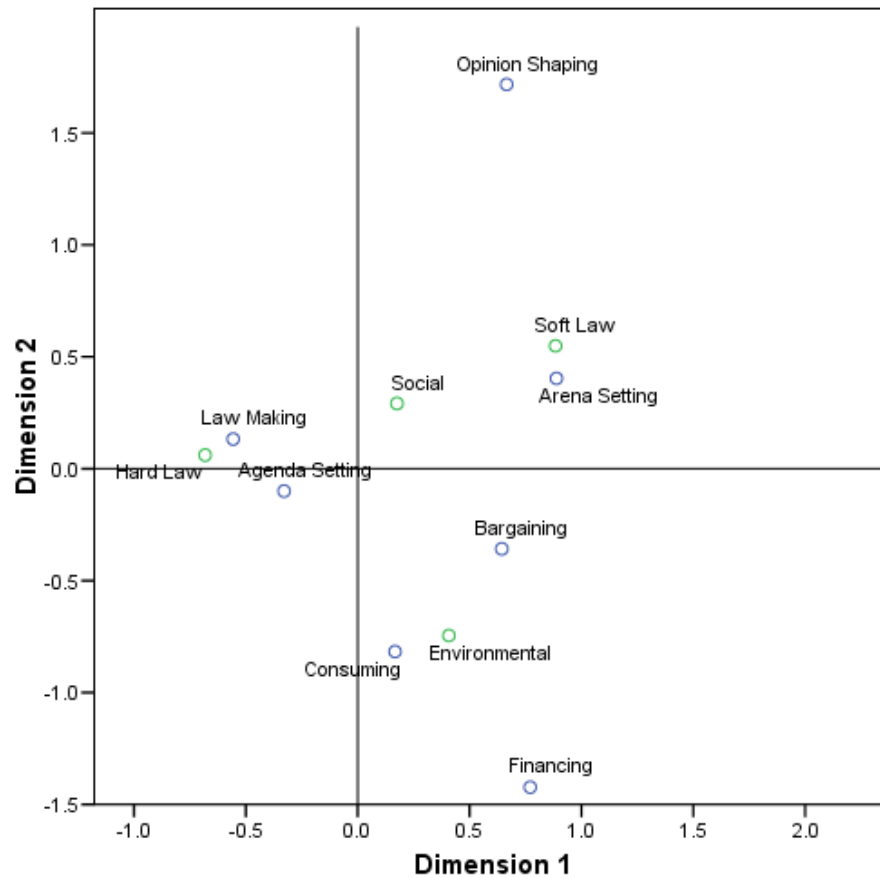
4.5.9.3 CSR-Character & Institutionalization of CSR

In a first inquiry, a correspondence analysis was performed across cases on the contingency table constituted by crossing the coding for justifications and regulatory and normative discourse since the (first) combination appeared as the most frequent pattern code.[38] The first dimension displays 34.5% of the total inertia, the second dimension 8.4%, and the third for 0.0%. Combined, the three dimensions explain 43% of the variance in the data ($\chi 2$ (9, N = 567) = 243.706, p < .05).

Dimension 1 seems to oppose regulatory and normative discourse while Dimension 2 appears to oppose discourse on environmental and social issues. The graph also suggests a number of clusters: (i) Not surprisingly, legal justifications appear closely with discourse on hard law and soft law, (ii) discourse on environmental issues is located closely to economic and scientific justifications, indicating the scientific approach as well as the economic logic

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[38] For analytical reasons the analysis of regulatory and normative discourse had to be combined.

behind the engagement, and (iii) ethical justifications and discourse on social issues. The latter demonstrates that the discourse on social issues refers to open frameworks that allow for deliberation.

Figure 15: Correspondence Analysis of Justifications, Regulatory and Normative Discourse across Cases
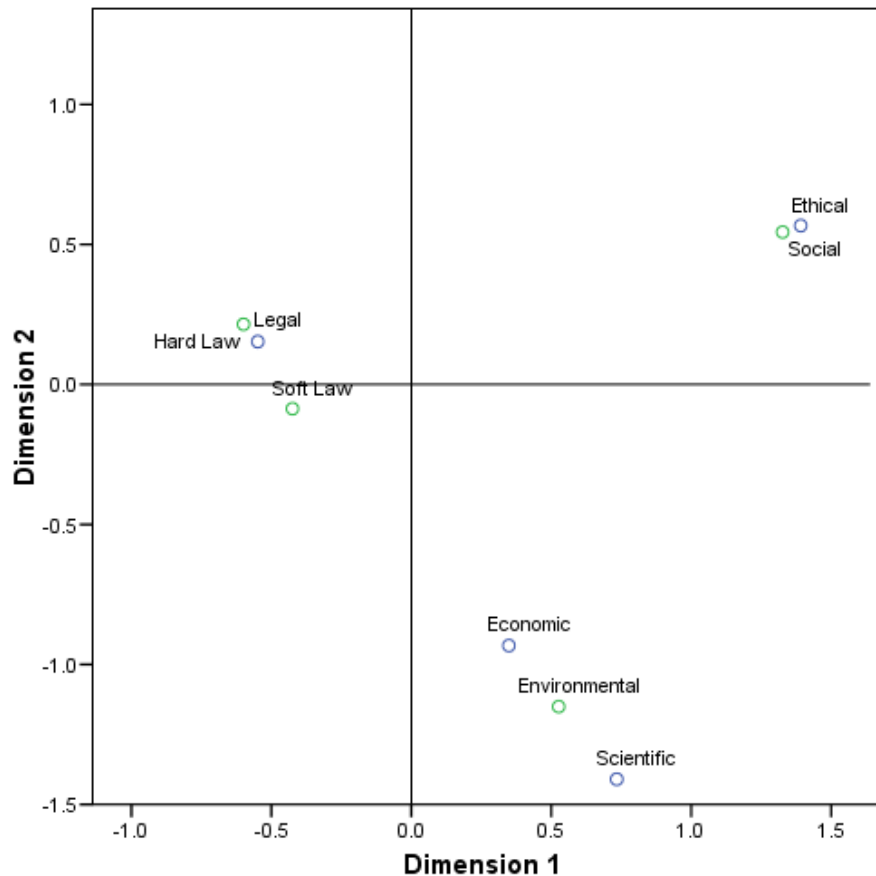
Second, a correspondence analysis was performed across cases on the contingency table constituted by crossing the coding for legitimation strategies and regulatory and normative discourse since the combination appeared as the second most frequent pattern code.[39] The first dimension displays 17.8% of the total inertia, the second dimension 6.1%. Combined, the three dimensions explain 23.9% of the variance in the data ($\chi2$ (6, N = 365) = 87.366, p < .05).

Dimension 1, arguably, appears to oppose normative and regulatory discourse, as well as, legitimation strategies aiming for pragmatic and moral legitimacy versus legitimation strategies aiming for cognitive legitimacy. Dimension 2 seems to oppose the liberal assump-

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[39] For analytical reasons the analysis of regulatory and normative discourse had to be combined.

tion for the role of the firm, indicated by legitimation strategies aiming for pragmatic legiti-macy, versus the deliberative view of the firm in the postnational constellation, reflected in legitimation strategies aiming for moral legitimacy. The graph also suggests three clearly identifiable clusters: (i) legitimation strategies aiming for pragmatic legitimacy appear closely with regulatory discourse on hard law, (ii) legitimation strategies aiming for cognitive legiti-macy are closely situated to regulatory discourse on soft law, and (iii) legitimation strategies aiming for moral legitimacy and normative discourse on both social and environmental issues.

Figure 16: Correspondence Analysis of Legitimation Strategies, Regulatory and Normative Discourse across Cases
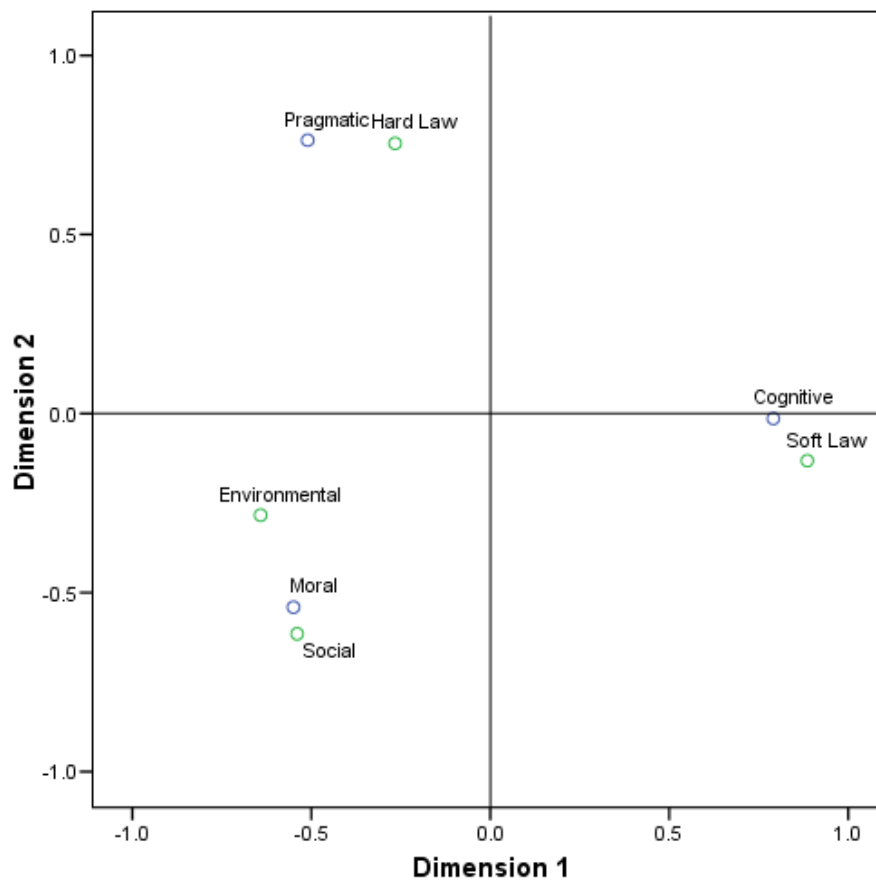
Third, a correspondence analysis was performed across cases on the contingency table constituted by crossing the coding for justifications and institutional entrepreneurs as third most frequent pattern code. The first dimension displays 18.9% of the total inertia, the second dimension 2.3%, and the third dimension for 0.1%. Combined, the three dimensions explain 21.3% of the variance in the data ($\chi 2$ (18, N = 339) = 72.077, p < .05).

Dimension 1 appears to oppose law making, opinion shaping and agenda setting institutional entrepreneurs versus consuming, financing, arena setting, and bargaining institutional entrepreneurs. The latter allows for an interesting interpretation: The graphs hints towards the appearance of new institutional entrepreneurs that have altered the directions from which pressure on MNCs is coming from. While traditionally the discussion on responsible behavior was dominated by NGOs, media, and in certain occasions state authorities, today the field has become much more complex with the entrance of large public pension funds or multi-stakeholder initiatives that try to influence corporate behavior. Dimension 2 seems to oppose legal and economic justifications versus ethical and scientific justifications. While the first two indicate the traditional way of reasoning within a coherent societal framework, the latter represent two different strategies of argumentation that are applied when this cognitive framework is eroding. The graphs also suggests a number of clusters: (i) opinion shaping, law making and agenda setting institutional entrepreneurs occur closely with legal justifications, (ii) financing institutional and, arguably, consuming entrepreneurs are closely situated to economic justification, and (iii) arena setting and bargaining institutional entrepreneurs, arguably, are closely located to ethical and scientific justifications (while these have the lowest association from a spatial point of view).

Figure 17: Correspondence Analysis of Justifications and Institutional Entrepreneurs across Cases
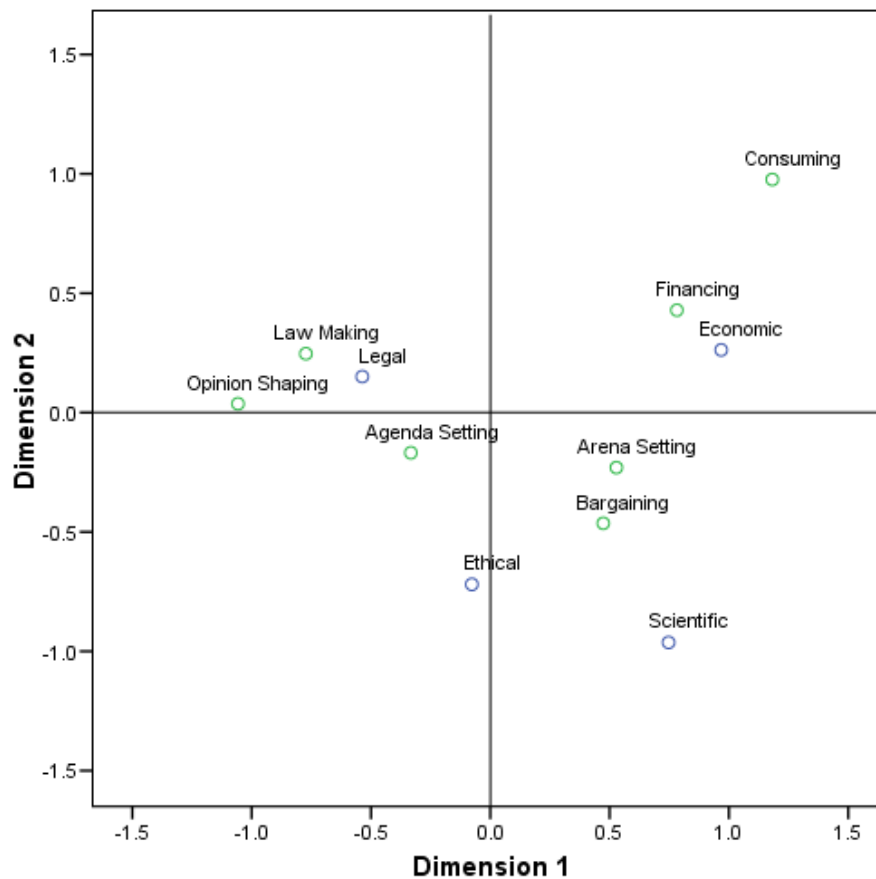
Finally, a correspondence analysis across cases was performed on the contingency table constituted by crossing the coding for identity orientations, legitimation strategies, postures, justifications, institutional entrepreneurs, and types of normative and regulatory discourse. The first dimension displays 15.2% and the second dimension 8.1% of the total inertia. Combined, the ten dimensions explain 39.0% of the variance in the data ($\chi 2$ (120, N = 2545) = 991.936, p < .05).

Summary				
Dimension	Singular Value	Inertia	Chi Square	Sig.
1	.390	.152		
2	.284	.081		
3	.255	.065		
4	.249	.062		
5	.111	.012		
6	.097	.009		
7	.073	.005		
8	.045	.002		
9	.025	.001		
10	.015	.000		
Total		.390	991.936	.000(a)

a 120 degrees of freedom

Dimension 1 appears to oppose regulatory discourse (hard law and soft law) and normative discourse (on social and environmental issues). This observation suggests that during the interviews these two lines of inquiry were rather differentiated by the interviewees and not conceptually mixed. Dimension 2 seems to be more difficult to interpret. On might argue that it opposes institutional entrepreneurs and legitimation strategies, as well as, to a certain extent, normative discourse. This might indicate that the companies under study confront institutional entrepreneurs differently when engaging in normative discourse on pressing issues.

Generally, four clusters of joint occurrences may be identified: (i) an individualistic, relational or collectivistic identity orientation, economic and scientific justifications, arena setting and bargaining institutional entrepreneurs, (ii) legitimation strategies aiming for cognitive legitimacy, legal justifications, hard law and soft law discourse, (iii) legitimation strategies aiming for pragmatic legitimacy, tentative or open posture, opinion shaping, agenda setting, and law making institutional entrepreneurs, and (iv) ethical justifications and discourse on social issues.

The first cluster suggests that for the companies under study justifications towards arena setting and bargaining institutional entrepreneurs are based on all three different traits of identity orientation. In particular economic and scientific justifications seem to be related to them. Moreover, the proximity suggests that these traits appear most frequent when interacting with those actors in particular. The second cluster clearly refers to the loss of cognitive legitimacy of MNCs which find themselves caught between the reflex to use traditional arguments as in legal justifications and the need for new cognitive frameworks, forcing them to engage in the discourse on hard law and soft law solutions. The third cluster illustrates that pragmatic legitimacy is at stake for the companies under study when interacting with opinion shaping, agenda setting, and law making institutional entrepreneurs. However, it appears that with regards to those actors, overall, they show a tentative or open posture. The fourth cluster (which is actually a pair) underlines that there is a general tendency to use ethical justifications when it comes to discourse on social issues.

Figure 18: Correspondence Analysis of Identity Orientations, Legitimation Strategies, Postures, Justifications, Institutional Entrepreneurs, and Normative and Regulatory Discourse across Cases
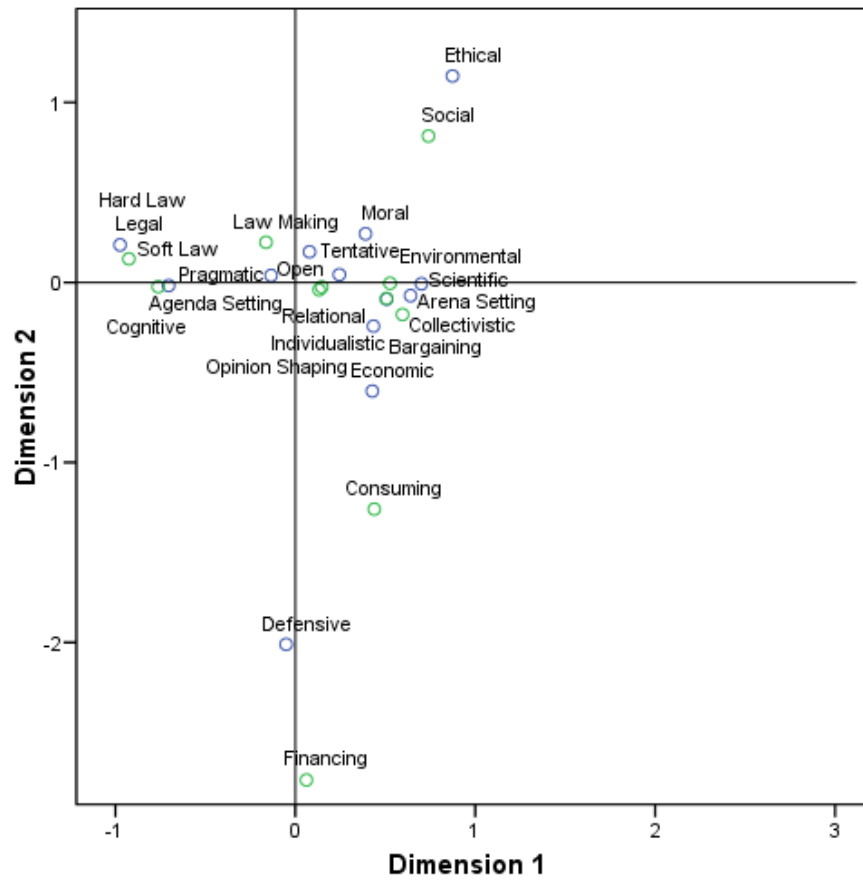
Zooming in by taking out the outliers of a defensive posture and financing institutional entrepreneurs the graph becomes much easier to interpret.

Figure 19: Correspondence Analysis of Identity Orientations, Legitimation Strategies, Postures, Justifications, Institutional Entrepreneurs, and Normative and Regulatory Discourse across Cases – Zoomed In
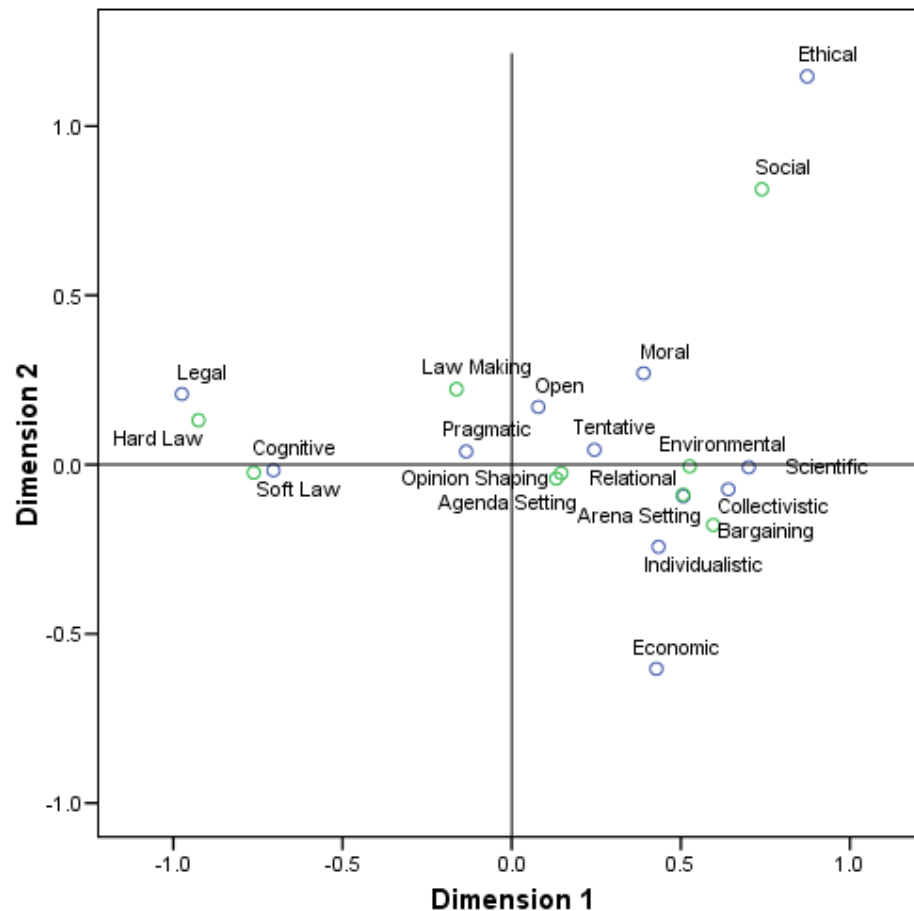
4.5.10 Summary of Cross-Case Analysis

The cross-case analysis of the four dimensions of the CSR-character allowed for the following conclusions: (i) There was an overall dominance of a relational identity orientation. HP showed significantly more traits of a collectivistic identity orientation than Nestlé and BAT Switzerland, respectively. Nestlé showed a significantly higher individualistic identity orientation than HP. There were no significant differences between BAT Switzerland and Nestlé. (ii) Legitimation strategies aiming for pragmatic legitimacy represented the (weak) dominating dimension present in the interviews. HP tended significantly more to legitimation strategies aiming for moral legitimacy than BAT Switzerland. No significant differences were found when comparing Nestlé with BAT Switzerland and HP, respectively. (iii) An open posture dominated throughout the interviews. It appeared that Nestlé took a much more defensive posture than HP. No significant differences were found comparing BAT Switzerland with HP and Nestlé, respectively. (iv) Legal justifications represented the major type of justification

across cases, followed by economic justifications. BAT Switzerland's and HP's justifications were significantly more based on economic justifications (as well as legal justifications for HP) than Nestlé's justifications.

Looking at the indications for shifting paradigms the following was found: (v) Discourse relating to environmental issues was significantly more present than discourse relating to social issues. BAT Switzerland appeared to be significantly more involved in discourse on social issues than HP and Nestlé, respectively. (vi) No significant difference was found between soft law/hard law code frequencies across cases. However, BAT Switzerland appeared to be significantly more inclined to hard law solutions to CSR issues than Nestlé. No significant differences were found for the other two comparisons. (vii) No particular group of institutional entrepreneurs was identified as being dominating overall but a number of them combined: arena setting, agenda setting forces, bargaining and law making ones. In detail, HP seemed to be significantly more driven by bargaining institutional entrepreneurs than Nestlé and BAT Switzerland, respectively. Arena setting institutional entrepreneurs appeared to be significantly more important drivers for Nestlé than for HP and BAT Switzerland. HP was significantly more driven by law making institutional entrepreneurs than Nestlé. In general, BAT Switzerland seemed to be driven by a wider range of institutional entrepreneurs.

Among a wide range of possible CSR-characters (as the combination of the different dimensions studied), I identified three types in the empirical analysis which I labeled the win-win advocate (HP), the laggard (Nestlé) and the legitimacy seeker (BAT Switzerland). (i) The win-win advocate is characterized by a relational identity orientation with strong tendencies towards an individualistic identity orientation, legitimation strategies that might provide moral legitimacy, legal justifications (as well as ethical), and an open posture. (ii) The laggard is characterized by an individualistic identity orientation, only marginally showing traits of a relational or collectivistic identity orientation, legitimation strategies that might provide pragmatic legitimacy, economic justifications (under certain circumstances also scientific as well legal justifications), and a defensive posture. (iii) The legitimacy seeker, as classified in this study, mainly shows traits of a relational identity orientation, legitimation strategies that aim for pragmatic and/or cognitive legitimacy, an open/tentative posture, and mainly economic and legal justifications.

Relating the theoretical discussion and the qualitative analysis above, it becomes apparent that a number of assumptions on CSR shape the dimensions of the CSR-character.

They might be interpreted as side effects of the inherent tensions that characterize the transition from CSR based on liberal thought towards a postnational understanding of CSR. The findings suggest that the dimensions of the CSR-character may be classified into three major layers: a) the liberal core of an apolitical CSR, b) a transitional form of CSR, and c) elements of an emerging postnational CSR.

The *liberal core of an apolitical CSR* is based on a liberal mindset as described in 2.1.3 and may manifests as an individualistic identity orientation, legitimation strategies aiming for pragmatic legitimacy, a defensive posture, and economic justifications. Traits of this layer where found consistently throughout all cases. None of the studied company departs from the profit-making motive completely when positioning its CSR-efforts. In contrary, HP, for instance, strongly emphasizes the business case for CSR, as outlined above. Elements of the liberal core of an apolitical CSR appeared particularly strong in the analysis of the CSR-character of Nestlé.

The CSR-character might represent a form of *transitional* CSR encompassing elements that are based on both a liberal and a deliberative mindset, as described in 2.1.3 and 2.2.2.1 and 2.2.3, respectively. Arguably, this layer is characterized by a relational identity orientation, legitimation strategies that might provide cognitive legitimacy, and a tentative posture. At this stage, justifications are drawn from a wide spectrum ranging from economic to legal and scientific justifications. These changes mirror the loss of cognitive legitimacy of corporations in the postnational constellation which force them to enter into dialogical exchange for developing new cognitive frameworks for the reasoning on the role and purpose of corporations. However, in their search for legitimacy, they struggle with different cognitive frameworks such as national regulatory frameworks and the emerging global governance mechanisms. The complex weaving of different versions of CSR depending on which framework for reasoning is applied (liberal vs. postnational) might result in a "cognitive dissonance" (see chapter 2.2.1.1.1) for the external as well as the internal perception of the CSR efforts of a corporation. Elements of transitional CSR considerably appeared both in the analysis of the CSR-character of BAT Switzerland and Nestlé.

Elements of a *postnational CSR* are based on a deliberative view of the firm as described in 2.2.2.1 and 2.2.3. This layer might be reflected in a collectivistic identity orientation, legitimation strategies aiming for moral legitimacy, ethical justifications, and an open posture. In certain cases, these elements represent a blending of corporate strategies into pub-

lic policies that strive for providing public goods and create greater social welfare. Elements of a postnational CSR appeared particularly strong in the analysis of the CSR-character of HP.

Similar to Brickson's (2005) findings, the results of this study suggest that the dimensions studied as CSR-character manifest as hybrids in MNCs. It not only confirms her findings but also suggests that the systemic change processes constituting the postnational constellation conceptually enlarge the understanding of CSR. This might lead to an increase of hybrids within the dimensions as well as to a higher number of combinations across the dimensions studied.

5   Discussion and Interpretation

In times when world-wide meetings of business leaders such as the World Economic Forum (WEF) have developed into training arenas for political leadership it is of no doubt that the concern for humanitarian challenges has reached the corporate headquarters of today's (and maybe tomorrow's) top companies. The theoretical analysis suggests though that the postnational constellation requires a radically new conceptualization of CSR and the role of the firm. At the same time, as the findings of the multiple-case study indicate, CSR concepts are being adapted to the postnational constellation but remain fragmented and rather eclectic. The analysis and discussion of the different layers of the CSR-Characters illustrates the struggles of MNCs with the conceptual flaws of mainstream CSR-concepts. This is also underlined by the fact that the CSR-characters of the different companies studied manifest as hybrids. Many legitimation strategies might rather be interpreted as coping behavior than as forward-looking attempts of value creation.

To provide a yardstick for MNCs, three key components are proposed for systematically integrating the elements identified in the empirical analysis into a model of CSR in the postnational constellation: the deliberative view as a political reading of the firm, social connections as foundation for the understanding of responsibility, and social innovation and social value creation as goal. First, the deliberative view of the firm proposed by Scherer and Palazzo (2008) hints towards the necessity to include governance issues as well as the more fundamental concerns of societal models that should emerge from democratic processes, notably, discourse arenas for deliberation. A better integration of social innovation and social entrepreneurship is proposed as a second element to provide a counterpart to the input-oriented perspective of deliberative democracy. Finally, conceptual help is derived from Young's (2005) social connection model which could be regarded as another attempt to capture the essence of postnational CSR. This represents thus a general move from a descriptive to a normative perspective on CSR in a globalizing world. At this point, I only intend to sketch potential ways to approach this subject since a comprehensive elaboration would go beyond the scope of this thesis. I start out by describing some of the major remaining question marks and then move on to the three elements proposed for a comprehensive model of CSR in the postnational constellation.

5.1   Tension Points and Remaining Question Marks

There are four major tension points inherent in the conceptual shift described as the three layers of the CSR-character above. They remain question marks that have to be addressed by any attempt to develop a model for CSR in the postnational constellation. They are briefly discussed to illuminate the existing difficulties.

5.1.1   The Business Case for CSR

The theoretical and empirical analysis indicates that there appears to be a need in certain cases to emphasize the business case for CSR, e.g. in order to legitimatize responsible behavior in the eyes of investors. But as already argued by Margolis & Walsh (2003) the empirical evidence is far from being clearly supportive for this claim. It rather seems to be a struggle on language in the marketplace of ideas which has been eventually won by CSR-advocates. It confirms that much of the debate on CSR is dominated by language games as part of the bigger battle on concepts and language in management and economics (Ferraro & Pfeffer, 2005). In fact, for example in the United States the legal basis for a pure shareholder value orientation is not very strong (Reinhardt, Stavins & Vietor, 2008). Nevertheless, the neo-classical view of the firm replaced (as in the case of HP) the image of the firm as a community or even a family for its employees (Ferraro & Pfeffer, 2005). Recently though, companies such as Nestlé have slowly started to buy into the language of CSR, merging it with its traditional logic. The doubt remains: is the search for a business case the right inquiry in the first place? The ethical character of CSR is being endangered through integrating calculus and strategic thinking since it runs against the very nature of ethical behavior as a means in itself (Jones, 2003). The emphasis of a win-win situation suggests that there is an automatism that aligns corporate interests with benefits for society (the famous enlightened self-interest). This is not necessarily the case. A good CSR strategy of a mining company that deals with environmental and community issues might not necessarily benefit both the environment and the community long-term when the government decides to retreat since from the government's perspective this is considered to be more cost-efficient (Perla, 2006). Once the mining operation stops for not being profitable enough any longer, the infrastructure and benefits being provided by the company might simply disappear, thereby destroying local structures. On the other hand, there is also some credit to be given to Milton Friedman (1970) who claimed that the business of business is business, even though even his work shows some inconsistencies (Jones, 2007). When corporations spend money on social issues such as building schools one might wonder if there are not better qualified actors for that (e.g. NGOs or dedicated interna-

tional organizations), and if the problem could not be better addressed in a larger context such as public private partnerships (as proposed by Rochlin, Zadek & Forstater, 2008). However, there is no doubt that the operationalization of CSR concepts for corporations often proves to be very difficult, be it for the lack of local expertise to be built on or for the lack of reliable partners that could be involved.

5.1.2 Stakeholder Dialogue and Isomorphism

The value of dialogue and rational discourse for awareness building and the creation of common meaning as a prerequisite for cooperation (or at least coexistence) can not be over-emphasized. However, there is a fine but important difference between dialogue seeking (such as BAT Switzerland) versus truly dialoguing (as it appears to be the case with HP). Dialogue seeking behavior has been identified as a strong form of isomorphism behavior which does not appear to achieve its goals. What this study confirms is that true dialogue may not be possible through isomorphic behavior but only by innovative, forward-looking approaches that are rooted in the commitment to long-term change. The different ways how the companies under study are able to integrate civil society actors and other institutionalizing entrepreneurs in their corporate discourse on CSR sharply contrasts the actual legitimacy they appear to have at the current state. The analysis of the legitimacy dimension of the CSR-character is of outmost importance to understand large societal trends and implications for strategic decision making even though legitimacy is a very complex construct that is difficult to capture empirically. This is particularly true when corporate activity touches political domains as in the case of public health (BAT Switzerland), environmental pollution (HP), or nutrition (Nestlé). The discussion on legitimacy in this study confirms that institutional aspects are important mediators for the question if corporate behavior is perceived as responsible in a chosen framework or not (for a discussion see Campbell, 2007). It becomes clear that none of the companies under study could completely rely on the traditional (and continued postulation of) taken-for-grantedness of the corporation in society. Would that have been the case, only what was defined as the liberal core of CSR could have been identified as elements of the CSR-character.

5.1.3 CSR in Relation to the Value Chain

One important element of the changing cognitive framework for CSR represents the discussion on the degree of integration of the whole corporate value chain into the CSR perspective. Analyzing the position of a corporation within a particular value chain allows looking "downstream" towards the customers or consumer or "upstream" towards the supply chain

(see e.g. Midttun et al., 2007). The first perspective concentrates on the areas of communication, CSR reporting, and marketing (including labeling and certification of products) in order to provide consumer guides and influence purchasing behavior (see e.g. the discussion on the influence of retail chains and supermarkets in Fliess et al., 2007). The second perspective has become a much more contested area which appears to be going through major conceptual changes as the recent developments at major companies such as HP indicate. Traditionally, supply chain performance was measured in terms of quality of service or product, cost and time efficiency while supply chain management considered issues such as competiveness of suppliers, complexity of supply chain, or geographical proximity (see e.g. Chow et al., 2008). In the postnational constellation the way supply chain management is conceptualized and evaluated is changing. The integration of social and environmental criteria as well as the procedural aspect of stakeholder dialogues in times of crisis has substantially enlarged supply chain management and performance measurement from a conceptual point of view. It follows the basic idea of "do not harm" on a global basis. As a result, supplier codes of conduct are spreading (see e.g. Keating et al., 2008; Yu, 2008). However, as Yu (2008) shows, they do not necessarily result in improved labor conditions. She suggests that one of the reasons is that the implementation costs are distributed unequally among the key players in global supply chains and mainly remain with the suppliers in developing countries.

The discussion on standards for supply chain management demonstrates that the weakening cognitive frameworks forces multinational companies to pursue legitimation strategies to achieve new forms of legitimacy. This includes not only the training of their own workforce but also the training of legally independent suppliers around the world. Thereby, the debate increasingly gains a spatial dimension, mirroring the diminishing importance of geographical distance in a globalizing world. Moreover, the call for a total surveillance of the supply chains through MNCs which has been raised by some civil society actors follows the observation of borderless economic transactions by attaching responsibilities to all different tiers of the supply chain.[40] The question of how a new cognitive framework for supply chain management will look like has not yet been decided. Nevertheless, at this stage, global supply chains have become a major question of moral legitimacy for MNCs. Their supply chains are increasingly discussed in national and international discourses, involving governments, NGOs, and research institutions. It appears though that we are just experiencing the beginning

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[40] A comprehensive collection of reports, accusations as well as corporate responses can be found at http://www.business-humanrights.org/.

of a long and intense discussion of what is technically feasible, socially desirable, and economically sensemaking.

5.1.4   Accountability versus Voluntary CSR

The rise of the concept of accountability has heavily influenced corporate language and institutional design in the recent past (Ferraro & Pfeffer, 2005; Shapiro, 2006). At present, most accountability mechanisms that aim to foster responsible behavior are voluntary in nature (e.g. GRI, AA1000, SA8000). However, voluntary accountability mechanisms are, arguably, only a second best solution due to the difficulties to create a global regulatory system for MNCs (e.g. for an overview of the ongoing debate on a business and human rights framework see Business & Human Rights Resource Centre, 2008). Concept-wise, the call for more business accountability is clearly opposed to the liberal call for a minimalist state characterized by as little as possible interference in the economic activity of its private actors. Already, the concept of "voluntary" is not very clearly defined when used in conjunction with CSR. Borck, Coglianese, & Nash (2008a) remark that for instance, in the United States voluntary environmental initiatives might mean private sector programs to improve environmental performance in an area that is not addressed by regulation at all, or non-mandatory, government-sponsored initiatives to improve compliance with existing regulations. From a policy making perspective voluntary CSR can not be regarded as a sufficient solution for the challenges of the postnational constellation, as the rise of the soft law/hard law debate impressively demonstrates. Already, Gebhard (1984) argued that the leveling of serious issues by large organizations is sought for and therefore occurs regularly. Some students of CSR even claim that NGOs alone have failed to substantively reform corporate practices by advocating CSR (Blowfield, 2004). This claim seems to be confirmed by a number of recent corruption scandals in major German companies, among them such illustrious examples as Siemens which previously had been mentioned as an example for the integration of CSR in the corporate governance structure (Nelson, 2002b). On the other hand, the findings on HP support the argument that "environmental regulation is one of the most important factors affecting a firm's decision making process" (Henriques & Sadorsky, 1996: 381). In the case of BAT Switzerland, the anti-tobacco movement has been quite successful to put the control of the tobacco industry to a new level; however, in Switzerland it seems to have lost momentum. Arguably, the Swiss culture, emphasizing consensus, neutrality, and decency might have slowed down the process towards a more regulated environment.

5.2   CSR in a Postnational World

5.2.1   The Case for Global Governance

The interdependent nature of almost all phenomena of human reality requires a fresh perspective and much more "thinking out of the box" to develop a post-UN vision as an answer to the governance crisis we are facing today (Zadek, 2008). Scholars of philosophy and political science have produced an extensive body of literature in order to provide solutions that might dilute or even avoid conflicts that arise out of the tensions caused by the changing socio-economic reality and the move towards a postnational world (see for example Dirlik, 2003; Held et al., 1999; Jayasuriya, 2001; Leader, 2001; Lehmannová, 2003; Lipschutz, 1999; Schwartzman, 1998). More democracy on a global scale is seen as one of the most promising ways to go in a time when the world is witnessing the emergence of the first fragile structures of a global governance system to provide more business accountability (Ruggie et al., 2004). However, these governance structures still remain in an embryonic state which might easily be terminated by abortion. Global repercussions due to protectionist tendencies, geopolitical power games or contractions in terms of crisis (such as the recent food and subprime crisis) endanger these first steps towards a world society. Moreover, governments as well as financial actors that are looking for more accountability represent sources of convergence for CSR in order to increase accountability on a global level but appear to be little sophisticated in their actions and tools at hand (Ruggie et al., 2004). Conversely, the ongoing discussions are part of a process of consciousness creation and might be an opportunity to create a more stable world system that is prepared to tackle the major challenges that humanity is facing today.

What is the role of business and why is it important to understand the sensemaking process in this context? The shifting view of the role of the firm reflected in its sensemaking process is emphasized through two major findings: a) a strong relational identity orientation, and b) the strong appearance of legitimation strategies that aim for moral legitimacy. Both diverge strongly from the liberal paradigm that situates a corporation within a market economy of a nation state that governs and regulates its economic actors. In particular, HP's strong commitment to corporate citizenship deserves attention as the cornerstone of its strategic CSR framework and identity definition. As Ruggie et al. state, citizens should be "agents with a degree of active control over rulers and policies" (2004: 9, emphasis omitted). Their impact on government should be regularized, unavoidable, ongoing, and significant. However, one has to be cautious: "Between corporations and citizens, there is a deeply disturbing asymme-

try of capacities for impact" (2004: 9). Large corporations have developed institutional structures that allow for regular political involvement. In the case of HP, they publicly describe their lobbying structures while in the case of most large corporations they are hidden in the corporate structures. On the other hand, regular citizens, even if interested in certain issues, have little time to engage in political discourse (in their role as citizens). However, the global debate on the role of corporation may not have reached the maturity yet to think about a truly appropriate concept of corporate citizenship as often suggested in the literature. Without a global governance system that defines and protects rights and duties, any citizenship concept remains a weak promise for a better future. This is particularly true since the postulation of a global "corporate citizenship" leaves out the question of legitimate political processes and governance structures, enabling democratic process of control and rule setting to take place. Moreover, the combination of unelected but powerful corporate leaders, the diminishing influence of political leaders, as well as the low degree (or total lack) of control of many developing countries over MNCs represent a huge legitimacy problem (Ruggie et al., 2004). The "civil corporation" as described by Zadek (2001) thus might be one which is willing to contribute to the development of inclusive global democratic structures that will first of all allow to have a meaningful discussion on a "corporate citizenship" as well as "the potential role of the corporation in making the global system more effective at pursuing multilateral objectives" (Ruggie et al., 2004: 11).

5.2.1.1 Structural Injustice and Social Connections

Global rule making faces the inherent conflict between economic and political globalization (Cousins, 2006; Ruggie et al., 2004). The logic of global markets based on a property model that has primarily created wealth and power concentration is opposed to the logic of governance which is oriented toward democracy, equality, global justice and the inclusion of those neglected by global markets (Ruggie et al., 2004). Young (2005) proposes a social connection model to conceptually integrate the concern with structural injustice, the systemic failure of the property model, and the resulting imbalance of power inherent in global capitalism. It represents an alternative to the dominating liability model for conceptualizing CSR in management literature, as for example suggested by Sethi: "corporate behavior in response to market forces or legal constraints is defined as social obligation" (1979: 66). According to Young, "structural injustice exists when social processes put large categories of persons under a systematic threat of domination or deprivation of the means to develop and exercise their capacities, at the same time as they enable others to dominate or have a wide range of oppor-

tunities for developing and exercising capacities" (2005: 12). The model is based on the observation that, ontologically and morally, social connections between people precede political organization such as states and the responsibilities that are attributed to being a member of those entities. Thus, in case of structural social injustice "a liability model is not sufficient for assigning responsibility" (Young, 2005: 16).

Young identifies five main features which have to constitute a conceptual model for responsibility: it should not be isolating, consider judging background conditions, be more forward looking than backward looking, emphasize shared responsibility, and allow discharging responsibility only through collective action. In detail, this implies the following: (i) Young claims that isolating agents (e.g. MNCs) might be useful for being able to bring forward lawsuits (based on criminal and tort law) but that this disregards underlying social structures these actors are embedded in, and should thus be avoided. (ii) Naturally, one assumes background conditions that are external and cannot be changed. This might be misleading; background conditions should not be accepted but be critically evaluated when they seem to bring about harm. The reason is that "most of us contribute to a greater or lesser degree to the production and reproduction of structural injustice precisely because we follow the accepted and expected rules and conventions of the communities and institutions in which we act" (Young, 2005: 18). (iii) Young recommends putting the main emphasis on identifying weak points in the institutional system in order to deter others from irresponsible behavior in the future rather than looking at past irresponsible corporate behavior. Thereby, she underlines the importance of the temporality of assigning responsibilities as being fundamental when conceptualizing corporate responsibility in relation to structural injustice. (iv) All participants in processes that contribute to structural injustice by creating or perpetuating social, economic and political structures share the responsibility for it. According to Young this includes the (personal) responsibility for, as well as the risk of, harmful outcomes. (v) Young argues that an actor involved in a process that creates or perpetuates structural injustice may only be discharged from it through collective action in order to change existing institutions and processes. The reason could be that the outcome of the existing ones such as laws, regulations, norms etc. might be seen as 'unjust' institutional outcomes. Moreover, "in the context of a systemic challenge, collective investment and collaborative implementation can be some of the most effective ways of achieving an organization's own, individual goals" (Kramer, Jenkins & Katz, 2007: 24).

One major feature of Young's social connection model is that the parameters of reasoning focus on the agent's (e.g. the MNC's) position within social structures. They are based on the observation that "individual people occupy varying positions in the social space" which are further defined by "connections among the positions and their relationships, and the way the attributes of positions internally constitute one another through those relationships" (Young, 2005: 10). In a social connection model for CSR the responsibility of an actor can thus be described along the parameters of (i) power (to influence process outcome, as well as amount of opportunities and capacities, and access to resources), (ii) privilege (the position in global structures), (iii) interest (the degree of interest in structure transformation), and (iv) collective ability (the capacity for actions that lead to structural change). For instance, corporations active in the ICT sector supposedly have "enormous potential to leverage their collaborative capabilities – using them in other contexts, with other types of collaborators – to expand economic opportunity more widely in developing countries" (Kramer, Jenkins & Katz, 2007: 24). The responsibility for structural injustice described by Young (2005) represents thus ultimately a political responsibility. By redefining the scope of responsibilities, the social connection model complements the procedural view of CSR.

5.2.1.2 Global Governance Institutions

The postnational constellation requires a re-thinking of the criteria for global governance and its emerging institutions in order to decrease structural injustice and increase individual actors' responsibility: "The great challenge for our descendants will not be to come to terms with a wholly new historical situation, but to find themselves continuously taxed by the pains of ambiguity, ambivalence, uncertainty, and the struggles to adapt to all of these by fashioning new structural and cultural syntheses" (Smelser, 2003: 108). The social connection model represents a call for new global governance institutions that allow for "governance without governments" (Rosenau & Czempiel, 1992) as described above. Ruggie (2007b) emphasizes three important concerns of the current debate on global governance. First, he argues that any way to advance the global governance debate requires strengthening the existing capacity of states instead of undermining it. Second, referring to Young's insight of structural injustice, he supports her call for collective action, drawing the attention to soft law solutions combining voluntary and mandatory elements. Third, borrowing from Amartya Sen, Ruggie argues that "any successful regime needs to motivate, activate and benefit from all of the moral, social, and economic rationales that can affect the behavior of corporations" (2007b:

21). For MNCs he thus calls for a move beyond compliance and towards becoming an active member in global governance institutions.

What could be the road ahead? A first step would be to further concentrate on the design of appropriate multi-stakeholder initiatives involving MNCs, industry associations, market intermediaries, universities, governments, and civil society in order to build up new, and increase existing, institutional capacity for global accountability of corporations (Kramer, Jenkins & Katz, 2007; Rochlin, Zadek & Forstater, 2008). One focus could be the active design of soft law instruments for (i) shaping regulatory and policy frameworks for business norms on social and environmental issues, (ii) better including the poor into the global value chain and (iii) allowing for new business models to emerge. For instance, one social issue could be safeguarding local and regional intellectual property which was a major concern of Oxfam's 2007 campaign against Starbucks (Perera, 2007). CSR initiatives are also recommended to complement existing or future governmental regulation (Reinhardt, Stavins & Vietor, 2008; Rochlin, Zadek & Forstater, 2008). Indeed, CSR tools (in particular soft law instruments) become increasingly popular also as instruments of public policy and have spread around the world (Bertelsmann Stiftung & GTZ, 2007; Sinclair, 2007). However, despite of the growing global consensus on the necessity for the creation and application of CSR standards as soft law instruments they cannot be the only outcome of multi-stakeholder initiatives but are, arguably, rather a necessary first step towards a systematic regulatory framework based on democratic rules (Rasche & Esser, 2006).

For MNCs as well as for governments there are at least two important questions to be considered: first, how to classify and select between existing standards and initiatives, and second, how to reach acceptable outcomes that contribute to an improved global governance (for a discussion see e.g. Cousins, 2006; also Rasche & Esser, 2006). In order to systematize the debate, a number of frameworks for accountability standards and initiatives have been proposed (e.g. Gatewood & Carroll, 1991; see also Rasche & Esser, 2006). In a particularly comprehensive attempt, the Bertelsmann Stiftung and the GTZ (2007: 206-213) systematized instruments that relate to CSR issues in order to develop recommendations for public policy. They differentiate between first, second, and third generation CSR instruments by looking at the three dimensions of CSR content, CSR context, and CSR maturity which are currently in use throughout Africa, Asia, the Americas, and Europe.[41] Rochlin, Zadek & Forstater (2008)

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[41] In their analysis, they looked at Brazil, China, Egypt, France, Germany, India, Mozambique, Poland, South Africa, Sweden, United Kingdom, USA and Vietnam.

provide a matrix for analysis of governance performance of multi-stakeholder initiatives that concentrates on identifying accountability gaps, aligning strategy, taking action, and reviewing & evolving. The matrix represents an interesting attempt to combine public policy interests and corporate strategy in order to give both governments and corporations clear incentives to collaborate on issues of public concern. The call for increased accountability might thus be regarded as a critical contingency that forces MNCs to become "intuitive politicians" (Ferraro & Pfeffer, 2005: 17).

A key concern for the future design (and success) of multi-stakeholder initiatives will be to ensure the discursive quality of decision making processes as a key concern of accountability mechanisms to improve governance and collaboration (Rochlin, Zadek & Forstater, 2008). Risse (2004) remarks that the global governance debate has largely focused on the appearance of new political actors and rather neglected the emergence and properties of non-hierarchical steering modes. He emphasizes the importance of soft steering consisting of arguing and persuasion (as opposed to bargaining). This might enable the inclusion of stakeholder voices in a Habermasian sense in order to utilize deliberation as a problem-solving capacity. His major concern is thus to transform existing and future institutions from pure bargaining places to arenas for political deliberation to improve the legitimacy of the political decision making process and to achieve collective goals in a postnational world. Adding to the debate, Cousins (2006) discusses the feasibility of spreading existing market-driven multi-stakeholder initiatives as alternative to state-based regulation. He studied the system of forest certification of the FSC as potential model for other industries (e.g. agriculture or fishery). He concludes that purely market-driven multi-stakeholder initiatives cannot be a policy alternative in the long run due to the scope and scale of global markets, their complex logic of supply and demand, and the inherent information asymmetry between global markets and local markets.

Cousins' (2006) analysis clearly chows that one has to be cautious with regards to multi-stakeholder initiatives. Without doubt, multi-stakeholder initiatives involving MNCs have the potential to become both agents of change, shaping global governance structures, as much as they will be subject to change in character and potency themselves as institutions (Dacin, Goodstein & Scott, 2002). Moreover, one should not be naïve; institutional efficiency is constrained by cultural framework, schemes and organizational routines (Campbell, 1998) which is illustrated by the continuous failure of the UN-system, for example with regards to the Rwanda genocide. The design of functioning global governance institutions will be one of

the most challenging tasks for political actors and scholars for the 21st century, paralleling the design of the Bretton Woods system after the Second World War.

5.2.1.3 Performance Indicators

An important outcome of deliberation processes on global governance mechanisms have to be mutually agreed performance indicators (for an example see Ruggie & Nelson, 2008). They are of crucial importance for highlighting, monitoring and pointing out opportunities for improvement. One of the first (to a certain extent) globally accepted performance indicator as outcome of global governance mechanisms represent the reporting standards of the GRI (2006). The value, effectiveness, and impact of the emerging global governance tools, as well as those measuring social and environmental impact, has proven to be difficult to measure due to poor existing data, leading to the lack of aggregation and interferential quality (Borck, Coglianese & Nash, 2008a2008b). For instance, Hiscox, Schwartz & Toffel (2008) assessed SA 8000 and concluded that there is a clear need for data that allows for examination over time, comparing adopters to non-adopters, and incorporate strategies to overcome selection bias. Indicator development is of particular interest to corporations with regards to risk management. Wright (2008) describes multiple dangers when corporations take a too narrow look on the impact of their operations, in particular when looking only at their direct actions and disregarding indirect consequences. For instance, when potentially getting involved (voluntarily or involuntarily) in already existing social struggles, the potential of further backlash and recurrence of complaints is high. Managing the risks involved is of utmost importance in difficult surroundings, in particular in an environment where risk management and corporate governance become increasingly interdependent (Power, 2007). While this is a widely accepted view, indicators for social risks have been scarcely integrated into the debate on CSR. Indicator development also has to take into account the impact of large firms in host countries to be aware of potential drawbacks of corporate activities. The findings of a study by Prakash & Potoski (2007) suggest that for host economies, what matters is not how much foreign direct investment (FDI) they receive but from where since home countries tend to exercise "soft power" via FDI. On the other hand, they claim that FDI has the potential to replicate a home country's particular capitalist system in a host economy which might lead to an investing up, i.e., an improvement of the host countries economic conditions. This is noteworthy, as Shemberg (2008) observes, since in a number of cases investors uses stabilization clauses in their contracts as a tool to manage risks from changes in laws that concern environmental and social issues. This might mean that they effectively lower a host state's willingness to imple-

ment stricter laws, e.g. with regards to human rights obligations. While the discussion on the role of FDI is rather recent, it illustrates the need for collaborative approaches to solving pressing issues that value inclusiveness, overcome the pure bargaining logic, and move towards a more deliberative approach. Thought-leading MNCs are asked to get involved in the deliberate process of building up the structures of the future governance system in their own interest. Not only can they possibly regain public trust but also become a major pillar of future governance structures by helping to conceptualize a true corporate citizenship concept that is led by global collective goals.

5.2.3 The Case for Social Innovation

Many political-philosophical inquiries on the role of MNCs in the postnational constellation and their subsequent rights and duties are deeply rooted in the humanistic discourse on social evolution, the heritage of enlightenment and the modernity project which created the nation state system. As a response to Scherer and Palazzo's (2007) call to politicize and democratize the corporation, Edward & Willmott suggest that "it is necessary simultaneously to challenge and rebuild - that is, more fully democratize - political and economic systems" (2008: 776). This assumption has prompted the claim that, in fact, "we need less CSR and more corporate social innovation" (Alakeson et al., 2003: 80). Social evolution and social innovation represent thus the undercurrent of the discussion on the responsibilities of MNCs and their role in a world society. The CSR discussion of today is to a large extent a system question that parallels the evolution of the welfare state in Europe (Albareda, Lozano & Ysa, 2007) which was an essential achievement to establish social peace after the second world war. It is of little doubt that enlightened self-interest in risk or reputation management will most likely not be sufficient to tackle global problems and can only be a step towards a truly democratic embedding of the corporation. MNCs find themselves in a unique position to combine regional strategies for global leadership. They have proven to be able to respond to social needs in the past with innovations such as dynamic management to allow for flexible working hours (Pot & Vaas, 2008). Successful innovation is primarily a question of social adaption (Cavalli, 2007; Kramer, Jenkins & Katz, 2007) which, arguably, represents the more important element of the innovation process (Pot & Vaas, 2008). Today, social innovation is confronted with the "dialectic between the local forces of a national culture and the global forces of a dominant economic logic" (Molz & Ratiu, 2008: 783). Past failures in the area of poverty alleviation as well as environmental protection indicate that it is of critical importance

to take into account the complex interweaving of social fabric, governance structures, and economic and technological constraints for the application of knowledge for the greater good.

A number of suggestions have been brought forward to trigger social innovation by MNCs themselves in a postnational world. For instance, Kramer, Jenkins & Katz (2007) suggest that a proper framework for corporations of the ICT sector may enable knowledge and skill transfer, improve job search and business efficiency, and increase disposable income as well as potential market size. Looking at the food and beverage sector, Pfitzer & Krishnaswamy (2007) propose to concentrate on securing existing supply chains, supporting the development of alternative products with innovative food content for local markets, the promotion of sustainable agricultural practices, and the development of local markets. However, from a corporate perspective, the lack of training on how to move beyond the liberal framework towards a model that overcomes the old model of a corporation embedded in a national economy represents a major challenge (Molz & Ratiu, 2008). Because of that, Ruggie (in Ruggie et al., 2004) recommends corporate leaders to listen to NGOs to benefit from their particular expertise and integrate it into corporate strategies. A detailed discussion on the corporate contribution to social innovation would go far beyond the scope of this study; I will thus concentrate on two major propositions that have been recently discussed in the literature: "bottom of the pyramid" strategies and social entrepreneurship.

5.2.3.1 Strategies for the Bottom of the Pyramid

Arguably, structural injustice is reflected if not manifested and cemented in persisting poverty. Developing countries very often represent the "end" of the supply chain bearing the major part of structural injustice inherent in global economic structures. There has been much debate since the seminal article by Prahalad & Hammond (2002) on the "bottom of the pyramid" (BOP): an estimated four billion people that live in poverty in developing countries. Even more shockingly, well over a billion people live with less than 1$ per capita a day (Bartlett et al., 2002). The magnitude of the problem should be an imperative for action on global governance to bring prosperity to the poor and eradicate poverty. Prahalad & Hammond (2002) call for a paradigm shift arguing that the large mass of poor people in the world in fact represents a huge untouched economic potential. However, as recent case studies show, profits and social goals might be difficult to combine in practice (Kuriyan, Ray & Toyama, 2008). While corporate leaders today defend their CSR efforts widely at international conferences around the world, little genuine innovation has originated from the business side. MNCs value

global mindsets as indicated in the empirical study but do not seem to apply global thinking any further than to a few (nevertheless important) areas such as global value chains and the diversity of their workforce. This is regrettable. The realms of BOP strategies represent a "blue ocean" (Kim & Mauborgne, 2005) which could be seen as uncontested market space that to a large extent has yet to be discovered.

The discussion on capacity building parallels the debate on BOP strategies. However, it departs from the economic perspective to create markets and exploit opportunities and rather emphasizes the necessity to change the socio-political circumstances of the people concerned to guarantee sustainable change. Taking the corporate perspective, Ruggie defines social capacity building as "a combination of traditional philanthropy and strategic thinking by a company, wherein the company leverages its core competencies in order to promote longer-term market opportunities for itself and helps create public value at the same time" (2004: 13). However, he admits that "if they are to be sustainable and contribute to overall objectives, much more work is needed" (2004: 14). In particular, few organizations or individuals are trained and competent on CSR concerns that go beyond marketing or risk management, and are able to think across boundaries (Nelson, 2002b). This is very much reflected in what has been framed as the liberal core of CSR in this study. The conflicts and struggles of the different competing logics manifest in the dimensional hybrids of the CSR-characters of the studied MNCs.

A much further reaching avenue is provided by the concept of "capabilities" by Sen (1999) who emphasized the necessity to guarantee not only individual rights but also empower individuals to understand their rights and be able to exercise them. He claims that the development of rights and duties must be a crucial goal of any (norm) development process, and thus should be an imperative for global governance mechanisms. According to Sen (1999: 246) rights have the following value: 1) their intrinsic importance, 2) their consequential importance role in providing political incentives for economic security, and 3) their constructive role in the genesis of values and priorities. Processes of deliberation might ensure that the process of rights definition includes the weakest members of society and that the outcome is applicable to all. A deeper inquiry into the possibilities of capacity building by MNCs through the focus on capabilities and the development of rights might be a fruitful road to create true social innovation and diminish structural injustice in the long run.

5.2.3.2 Social Entrepreneurship

Social entrepreneurship has become a buzzword but continues to be a rather poorly researched sub domain of entrepreneurship research. Entrepreneurship has been generally defined as "the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited" (Shane & Venkataraman, 2000: 218, emphasis omitted). Fostering social entrepreneurship might be yet another way to mitigate structural injustice in a future global world order. Social entrepreneurs that changed established industry logics include public figure such as Nobel peace price winner Muhammad Yunus who turned microfinance into a legitimate and widely copied business model around the world but also rather unknown entrepreneurs such as Veronica Khosa who created a new model for treating impoverished South African HIV/AIDS patients and creating economic opportunity (her work is extensively described in Bornstein, 2004: 183-199). While the first entrepreneur created a business with a social mission, the second represents a fascinating example of excellence in the non-profit sector. Different from a successful business entrepreneur who is capable of creating a prospering, profitable business, a successful social entrepreneur is able to change social dynamics and catalyze social transformation (Alvord, Brown & Letts, 2002). Social entrepreneurs do not focus on profits but aim for creatively "bridging profit and service" (Dorado, 2006) by discovering, evaluating and exploiting opportunities in the social fabric. Social entrepreneurs, and their corporate equivalent, social enterprises (or "double bottom line organizations"), focus on social value creation whereas financial viability ideally is regarded as conditio sine qua non (Mair & Martí, 2006). Social entrepreneurship is not to be mistaken with CSR (Dorado, 2006). Applied CSR in its pure form is neither mission-based nor aiming for social innovation. Why does social entrepreneurship and its value for social innovation then merit more attention? As Bornstein writes: "Not only have business entrepreneurs been thoroughly studied, but their talents have been nurtured by value systems, government policies, and a wide array of institutional supports" (2004: 90). Social entrepreneurs with their skills and knowledge could provide the essential link between capacity building and BOP strategies for MNCs that would allow them to turn claims into reality.

5.2.3 A Model for Postnational CSR

What does a political view of the firm imply for the role of a MNC in a postnational setting? In how far is it helpful to conceptualize CSR as sensemaking? Young's (2005) social connection model represents the pivotal point that allows to connect the different concepts that have been discussed and analyzed in this thesis and merge them into a model for CSR in a

postnational world. It not only provides the philosophical ground for justifying a supply chain responsibility but it also creates the link between the discussion on global governance, social innovation and CSR in the postnational constellation. The hybrid CSR-characters of the studied corporations indicate that conflicting worldviews and ideologies are very much present in large-scale organizations. Moreover, they show that much more sensemaking is needed in times of massive global transformations. Therefore, sensemaking and a concept for postnational CSR have to be mutually supportive. The deliberative perspective on the role of the firm suggests that MNCs should be an integral part of emerging global governance structures and leverage its capacities to develop stable political environments that follow globally agreed rules. Single efforts may have little impact on poverty reduction and democratization. They can only be truly successful if they are merged, aggregated and leveraged (Ruggie et al., 2004). The potential of deliberative democracy in a connected world lies in its moderate claim and its procedural approach to social change that allows reducing ambiguity and clarifying an individual actor's responsibility. Following Young's (2005) assumption of a socially connected world it clearly points towards the duties that global value chains bring about for MNCs. On the other hand, an active approach towards global governance mechanisms might not only re-embed corporations democratically and thus provide moral legitimacy but also legitimize the actors involved by providing them with governance rights.

In a postnational model of CSR the MNC is confronted with three major conditions that have to be dealt with: social and environmental challenges, structural injustice and the lack of global governance. As proposed here, a comprehensive CSR-approach that reacts to these challenges could concentrate on three major tiers. First, social innovation becomes a major concern which is manifested in BOP strategies, the support of social entrepreneurs and social business models due to its privileged position in global value chains, and capacity building initiatives. Second, CSR in a social connection model incorporates, of course, the classic elements of the satisfactory fulfillment of the corporate functions (e.g. to provide profits and be financially sustainable), compliance, as well as socially and environmentally responsible operations, and supply chain management. A third major pillar represents the involvement in global governance processes derived from the deliberative view of the firm. Thereby a MNC might be able to contribute to the easing of some of the tension points discussed above and thereby gaining moral legitimacy in discursive processes. In particular, a MNC should consider the engagement in multi-stakeholder initiatives, the support or co-development of soft law and hard law instruments, as well as the lobbying for engagement in collective action. The

three tiers are interrelated and translate into the different roles of the firm as a socio-political, economic-political and a pure political actor. A CSR-character that reflects these elements may be interpreted as a postnational CSR-character. This model is displayed in Figure 20.

Figure 20: Model for CSR in the Postnational Constellation
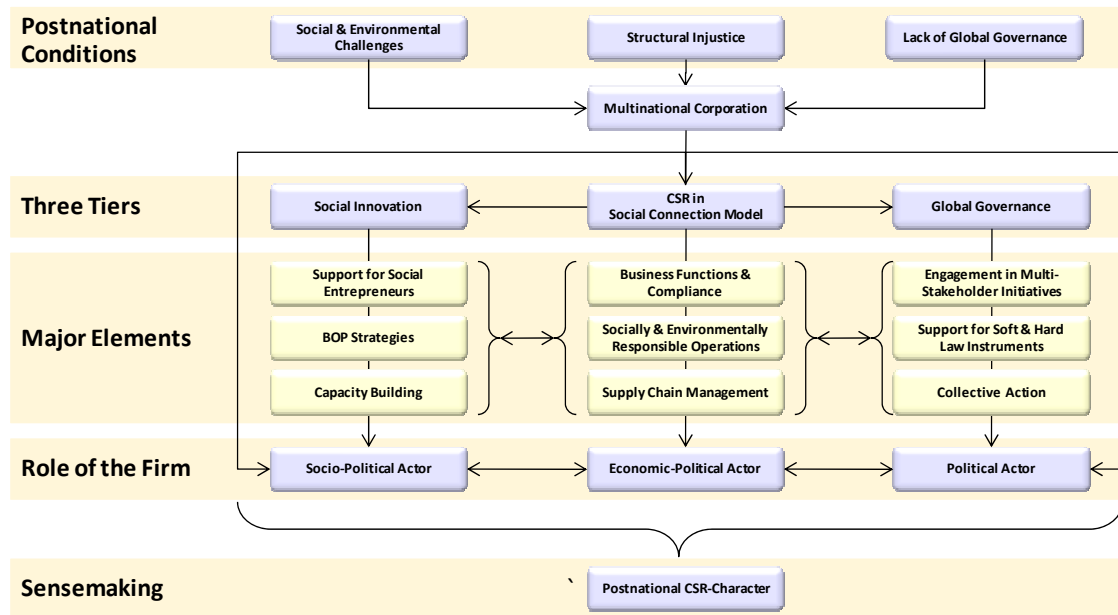
6   Conclusion

The world of today is facing major global humanitarian challenges with the threat of climate change, the recent food crisis which might be seen as the latest sign of persisting poverty in large parts of the world, unresolved energy questions, as well as the remaining threat of a nuclear burnout. But, "big ideas come from tackling big problems" (Stewart, 2008: 12, emphasis omitted). These challenges do not allow for simple solutions and cannot be handled by a single set of actors alone. In a globalizing world they require innovative approaches that include a wide range of actors spanning from business over to governments, international organizations and civil society. The purpose of this study on CSR in the postnational constellation was to shed light on a number of areas that have been identified as crucial for conceptualizing the 21st century corporation as one of the key actors in a globalizing world. There are three major domains that this study was able to inform through its multidisciplinary approach. First, it contributed to organizational research by applying the model of the CSR-character in an empirical study, in particular, to the literature on sensemaking. Thereby, the model was further developed into a device to analyze how the CSR efforts of MNCs can be situated in a transforming world. Second, the study benefited management research by integrating political thought and advancing the deliberative view of the firm as well as delivering a comprehensive critique of the mainstream CSR-literature. Furthermore, the ground for further qualitative and quantitative analysis was prepared with the rich description and analysis of the (often contradictive) complexity of the CSR efforts of MNCs. Finally, the study contributed to political theory by providing substance to the partly rather vague concepts that describe the global transformation process. The integration of the characteristics of the global transformation processes and the consideration of the normative claims of deliberative democracy represented the cornerstones of the analysis.

6.1   Implications for future research

Overcoming the nation state thinking inherent in the liberal paradigm has to be an imperative for any future inquiry on the responsibilities of corporations in a postnational world. From a humanistic perspective academic and corporate knowledge leaders have a role to play that goes beyond their traditional role in order to create awareness, propose solutions, and help empowering agents of change by providing them with the knowledge and tools to change their environment. The discussion also demonstrates that it is imperative to integrate a normative as well as an institutional perspective to complement traditional management concepts

(Oliver, 1997) to be able to elaborate on the deeper meaning of the global transformation processes. Future research may concentrate on the following topics:

A first inquiry might be direct towards empirically identifying additional CSR-characters through further case studies. An interesting perspective might be provided by a historical analysis of the trends with regards to different dimensions of the CSR-character in order to analyze which relationships are reinforced and which ones are weakened over time. The qualitative part of the study indicated that substantial changes can occur with regards to the identity orientation of a corporation when going through events of crisis. This appears also to be the case with regards to the dimensions of legitimation strategies, posture and justifications. The inquiry could be combined with an in depth analysis of the institutional entrepreneurs as drivers for these developments which might eventually allow for conclusions on policy making. One might also look explicitly at external "shocks" such as the attack on the twin towers in New York on September 11, 2001, the Tsunami in Southeast Asia on December 26, 2005, or Alan Gore's movie on climate change "An Inconvenient Truth" to explain if changes (if any) occur rather gradually or erratically. Another option would be to study the additional three sub-dimensions of the CSR-character proposed by Basu & Palazzo (2008). Applying the same methodology, this would allow for further elaborating on the sensemaking process of MNCs in the postnational constellation and strengthen the rigor of the CSR-character concept. It would also allow for conceptually enlarging the empirically identified CSR-characters of the win-win advocate, the laggard and the legitimacy seeker.

A large scale cross-country survey to identify elements of the liberal core of apolitical CSR and postnational CSR based on a deliberative mindset might allow for quantifying the dominance of dimensions throughout industries and reveal national specificities. For instance, is the dominance of a relational identity orientation an isolated finding or a generally reoccurring theme? Do legal justifications represent the major type of justifications across industries and countries? This might also provide insights on the question if the paradigm shift described here is a phenomenon which is limited to certain types of companies, industries or regions. In addition, it would allow for better analyzing the effect of a number of important influence factors such as geography, localization of headquarters, corporate history, regulatory environment, corporate culture, nationality of respondents, seniority of respondents, educational background, among others.

The much researched question of the value and the price of CSR might be informed by analyzing which sub-dimensions are value or cost drivers. This might not only allow for a better evaluation of CSR and integration of non-financial criteria into mathematical modeling for risk management, performance evaluation and accounting but also allow for conclusions on policy making in order to change incentive systems. Moreover, the inquiry could be enlarged by looking at the quantifiable influence of institutional entrepreneurs.

It would be interesting to extend the analysis of the CSR-character to small and medium sized enterprises to better understand how the dimensions may be defined in this environment and what the implications are. A number of interesting questions could be asked, in particular with regard to the dimension of identity orientation and legitimacy and legitimation strategies since they are generally not the target of civil society organization and mostly privately owned. This is particularly important for countries such as Germany, which have a large sector of medium sized enterprises, in order to understand how an economy as a whole reacts to the challenges of the postnational constellation as opposed to single corporations. A further area for future research might also be to depart from the rather Western-focused view as the mainstream perspective in management research and switch to an African, Asian, or Latin American perspective, e.g. in order to understand which legitimation strategies are applied by firms from emerging and less developed economies where the normative context might be different.

A future analysis of the CSR-character could be coupled with the wider analysis on global governance to understand a) what kinds of mechanisms are needed for a proliferation of responsible practices and global democracy and b) how that relates to the corporate mindset. With regards to global governance future research may also concentrate on the questions which influence the organizational sensemaking process has on stakeholders, to which extent they are included and how it can be better institutionalized. Thereby, it is assumed that institutionalization is an important component to foster sustainable solutions and to allow for a constant normative discourse in any given society. An evolutionary perspective on the postnational constellation could provide insights on institutional and norm development, as well as the competition of ideas and concepts on a global basis. In particular, the observation of the development of discourse on social and environmental issues and the soft law/hard law debate might provide valuable insights. The need for a link between qualitative data and quantitative analysis is fundamental to illustrate the relationship between materiality and social and environmental concerns. The inquiry could be supported by the perspective of system dynamics

(pioneered by Forrester, 1958; Forrester, 1961) to identify feedback loops by inquiring on the development of the different elements of the liberal core of apolitical CSR and deliberative CSR. This might eventually allow integrating the process of sensemaking and diffusion of ideas for scenario development.

APPENDICES

Appendix A – Interview Guide for 1ˢᵗ and 2ⁿᵈ Round

Table 23: Interview Guide 1ˢᵗ Round

Type of Knowledge	Illustrative Questions
General questions	▪ How long have you been working at this company? ▪ How long have you been a manager at this company? ▪ What other management experience do you have outside of this company? ▪ How many people report to you? How many of them are managers as well? ▪ What kinds of training regarding values and responsible behavior have you had at this company? ▪ What do you think are the core values of this company? ▪ What is your personal interest in the topic of corporate responsibility?
Dictionary knowledge (what is the problem)	▪ How would you describe the responsibility of a company in general? ▪ Do you think this is a responsible company? Why do you think so (or not)? ▪ What does corporate responsibility mean for you as a manager in the context of your daily job? Can you give me an example? ▪ In the past, when the company was accused of not meeting its corporate responsibility, how was it dealt with by the management? Can you walk me through what happened? Can you give me some concrete examples? ▪ How did the idea of corporate responsibility change over time? ▪ What is your definition of a stakeholder? ▪ Who do you consider the important stakeholders of the company? In general, and in this company? ▪ Can you tell me about a time when stakeholders weren't treated by the company as they ought to be? What happened?
Directory knowledge (what causes the problem)	▪ What has been the main driver for the initial engagement in corporate responsibility issues in this company? ▪ What was the major external factor that was responsible for this shift in behavior? ▪ When and how did you learn about the topic of corporate responsibility and how to approach it as a manager? ▪ How do you, as a manager, report on corporate responsibility issues? How is it reported to you? Do you take the perspective of a manager or of the company? ▪ What kinds of methods (e.g., processes, tools, or systems) do you as a manager use for measuring performance with regards to corporate responsibility? ▪ How systematically do you use them? ▪ What happens if an employee shows immoral or illegal behavior that causes problems for the organization? Do you have a whistle-blowing policy? ▪ Is the employee rewarded for responsible behavior that goes beyond the required fulfillment of daily tasks? If so, how? ▪ What role does communication and dialogue play for corporate responsibility and what form should it take ideally? ▪ How important are civil society groups and their activities for the perception of companies? Can you give me some examples?
Recipe knowledge (what to do to be successful)	▪ What is your ideal conception of corporate responsibility and how should it be integrated into the managerial process? ▪ If I were a new manager, what advice would you give me about managing responsibility issues at this company? ▪ Can you give me an example of a leader who leads corporate responsibility efforts? ▪ If it were up to you to create a stakeholder management system, what would you want to be sure was included? ▪ In your opinion, how should stakeholders be treated? ▪ How important is leadership for the responsible behavior of a company and what form should it ideally take? ▪ What differentiates your company from other companies in your industry regarding corporate responsibility issues? ▪ Should there be a political framework for corporate responsibility that sets standards

Type of Question	Illustrative Questions
	and establishes a sanction mechanism? Why or why not? ▪ What are the future trends in corporate accountability, corporate reporting, and social accounting? What do you think should change and will change?
Axiomatic knowledge (why do certain things/events happen repeatedly?)	▪ When the company received criticism regarding its corporate activities in the past, were any aspects of the management of stakeholders handled differently as a result? What do you think is the reason? ▪ Why do you think the management of stakeholders did or did not work as you think it should in the past?

Table 24: Interview Guide 2nd Round

Type of Question	Illustrative Questions
Management-related questions	▪ What is the purpose, goal of corporate responsibility at this company – as you see it? Responsible to whom? ▪ What are the internal and external strategies for achieving this (broadly)? Can you give me an example(s) of an activity that manifested corporate responsibility? ▪ Can you give me an example of a leader who leads corporate responsibility efforts? ▪ To what extent is your CSR-policy driven by the global headquarters? ▪ How is corporate responsibility related to the management of stakeholders? ▪ Who should not be considered a stakeholder? ▪ How can shareholder interest be combined with the interests of other stakeholders? ▪ What opportunities and challenges do your stakeholders present to your firm? ▪ What strategies or actions does the company take to best deal with stakeholder challenges and opportunities? What is provisioned for the future? ▪ What is the step by step process when a new issue has been discovered? ▪ What resources are needed to deal with corporate responsibility issues? ▪ Should a company rather use a series of issue specific standards (e.g. on human rights, labor, environment) or a comprehensive framework for overall corporate responsibility performance? Explain. ▪ How can you be sure that the standards used measuring performance with regards to corporate responsibility capture the issues that are material to the company, and to its stakeholders? ▪ How can a company ensure that its performance standards are applicable throughout its entire global operations and supply chain? ▪ How can a company communicate its performance internally and externally in an effective way? ▪ Do you think responsibility can be learned or trained in a corporate context? Can you give me an example? ▪ How can you differentiate between legally correct and morally appropriate behavior in real business situations?
CSR context-related questions	▪ Do you think the responsibility of a company changes in a developing country context? If so, how? ▪ How does your company deal with different perceptions and expectations of corporate responsibility in different countries? ▪ What is the relationship between the discussion on human rights and the debate on corporate responsibility? ▪ Should a multinational company contribute to the promotion of democratic values? If so, how? ▪ If a global political framework for corporate responsibility was to be developed, who should set the standards and how should they be developed? ▪ What influence do the media play on the perception of corporate responsibility? Which media are most important? What is your impression of your company's representation in the media? ▪ What is the role of consumers and consumption as drivers of corporate responsibility at your company? ▪ Which is the moral responsibility of your company regarding its power to influence

	consumer behavior?
	▪ What do you think about the statement of Nobel Prize winner Milton Friedman: the only social responsibility of business is to increase its profits?
	▪ How do financial markets influence the behavior of companies and your company in particular?
	▪ Do you think that responsible behavior is really rewarded by financial markets?
Issue-related questions	**BAT**
	▪ How important were the developments such as the class actions in the US for the understanding of the corporate responsibility of the tobacco industry in Europe, and in particular in Switzerland?
	▪ The debate on passive smoking has caused countries such as Ireland to completely ban smoking in public places. What is your opinion on that? Will this happen in Switzerland too?
	▪ In some developing countries such as Malawi, a considerable amount of farmland is used for growing tobacco and tobacco export represents a major pillar of the national economy. How do you see the responsibility of BAT towards those countries?
	▪ BAT has encouraged tobacco farmers to plant trees along with tobacco to avoid deforestation. However, this has been heavily criticized since these consist often of non-native, fast-growing eucalyptus and cypresses which adversely affect biodiversity and can lower the water table. What is your opinion on that accusation?
	▪ What is the environmental dimension of BAT's corporate responsibility in the Swiss context?
	▪ You state on your website that "smoking must remain a choice made by well-informed adults". How can you guarantee that adults are well informed? Is this possible?
	Hewlett Packard
	▪ What do you think of the E-waste debate and the responsibility of Hewlett Packard regarding its products? Do you think the accusations of NGOs such as Greenpeace that Hewlett Packard is producing too much toxic waste are valid?
	▪ Why do you think you are attacked?
	▪ What do you think of the WEEE-directive?
	▪ How did Hewlett-Packard initially react on the ozone depletion debate? What measures were taken?
	▪ What is the responsibility of Hewlett-Packard regarding the debate on energy consumption of its products, especially regarding the high oil prices?
	▪ How important were the developments in the US, concerning issues such as those which led to the Sarbanes-Oxley Act, for the understanding of corporate responsibility in Europe?
	Nestlé
	▪ A large part of the European population refuses genetically modified food while Nestlé is a vivid defender of gene technology. What is your opinion on that?
	▪ How does it influence the perception of Nestlé's corporate responsibility?
	▪ Water is seen as the most important resource of the 21st century. How do you see the corporate responsibility of Nestlé regarding its operations and the water scarcity in many parts of the world? In 2002, Nestlé caused a wave of public outrage when it claimed US$ 6 Million compensation from Ethiopia for the nationalization of its operations back in 1975. Can you briefly describe what happened?
	▪ How do you explain the prolonged nature of the on-going infant formula-debate?
	▪ Nestlé has been frequently accused of tolerating human rights violations in Columbia. How valid are those accusations according to you?

Appendix B – Consent Form

Researcher: Ulf Richter
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Thank you for agreeing to participate in this study. This form outlines the purpose of the study and provides a description of your involvement and rights as a participant.

The purpose of the study is to gain insight into the topic of corporate responsibility.

The methods to be used to collect information for this study are explained below in the methodology part. You are encouraged to ask any questions at any time about the nature of the study and the methods that I will employ. Your suggestions and concerns are valuable to me; please contact me at any time at the address/phone number listed above or my advisor at HEC Lausanne, Prof. Guido Palazzo (++41 (0)21 692 3373) in case of any concerns. The researcher will follow the guidelines of the American Psychological Association on the rights of human subjects in research written down in their Ethical Principles of Psychologists and Code of Conduct (available at: http://www.apa.org/ethics/code2002.html#2_01).

I guarantee that the following conditions will be met:

You will be interviewed on the subject for about 40 min, and the interview will be audio-taped. You may also be asked to participate in a follow-up interview that will also be audio-taped and will last for about another 40 min. Participation in the follow-up interview will be voluntary. You may be asked to review the transcripts of my interviews for correctness and completeness and also may be asked to review the researcher's preliminary analysis and conclusions.

Your real name will not be used at any point of information collection, or in the written case report; instead, you and any other person and place names involved in your case will be given pseudonyms that will be used in all verbal and written records and reports. Direct quotes will be attributed to the pseudonym in the final product.

If you grant permission for audio taping, no audio tapes will be used for any purpose other than to do this study, and will not be played for any reason other than to do this study. There is no risk associated with these activities. If you become uncomfortable during the interviews, you may request that the tape-recorder be turned off for all or part of the interviews. At your discretion, the tapes will either be destroyed or returned to you after the finishing of the study.

Your participation in this research is voluntary; you have the right to withdraw at any point of the study, for any reason, and without any prejudice, and the information collected and records and reports written will be turned over to you.

You will be provided with a copy of the transcription and may suggest changes, if necessary.
The findings of the study will be analyzed and reported, and your participation will not be identified. Information that you provide will be kept confidential to the extent allowed by law and not reported to others in a way that personally identifies you. You will receive a copy of the final case report before it is handed in, so that you have the opportunity to suggest changes to the researcher, if necessary.

You will receive a copy of the report that will be disclosed to my contact person within the organization.

Do you grant permission to be quoted directly?

Yes _____ No _____

Do you grant permission to be audiotaped?

Yes _____ No _____

I agree to the terms

Respondent _____ Date _____

I agree to the terms:

Researcher_____ Date_____

Appendix C – Coding Manual

List of Codes – CSR as Organizational Sensemaking

Property	Property Detail	Description	Indicators
Organizational Dimension		The organizational dimension describes the CSR-character of an organization. The CSR-character disposes of cognitive, linguistic and conative proper-ties.	
Cognitive (how an or-ganization thinks) **Conative** (how organizations tend to behave based on its knowledge)	**Identity Orienta-tion**	The identity dimension relates to the self-perception (mindset) of an organization, its percep-tion of responsible corporate behavior and the following relationships to stakeholders. It is based on the values of an organization and its members whose values in turn rest upon personal education, university and management education. It explains the first motivation of an organization to engage in CSR-activities. It cannot be observed directly but has to be deduced by analyzing the or-ganizational language and behavior. The identity orienta-tion is key to the initial reaction to an emerging issue.	Interview questions: CSR • How would you describe the responsibility of a company in general? • What is your ideal conception of corporate responsibility and how should it be integrated into the managerial process? • What is the purpose or goal of corporate responsibility at this com-pany – as you see it? • Which role does communication and dialogue play for corporate responsibility? Which form should it take ideally? • Do you think this is a responsible company? Why do you think so (or not)? Scope of CSR • What do you think about the statement of Nobel Prize winner Milton Friedman: the only social responsibility of business is to increase its profits? • Which is the moral responsibility of this company regarding its power to influence consumer's behavior? • How important is leadership for the responsible behavior of a com-pany and which form should it take ideally? • Do you think the responsibility of a company changes in a developing country context? If so, how? • Do you think this company can trigger development with its presence and its products in those countries? • Should a multinational company contribute to the promotion of de-mocratic values? If so, how? • What is the relationship between the discussion on human rights and the debate on corporate responsibility? • Should there be a political framework for corporate responsibility that sets standards and establishes a sanction mechanism? Why or why not? • If there was to be developed a global political framework for corpo-rate responsibility, who should set the standards and how should they be developed? Stakeholder • What is your definition of a stakeholder? • Who should not be considered a stakeholder? • Who do you consider the important stakeholders of the company? In general, and in this company? • How is corporate responsibility related to the management of stake-holders? • How do you think stakeholders should be treated? • What opportunities and challenges do your stakeholders present to your company? Values • What do you think are the real core values of this company? Triangulation: Comparison interview questions and corporate language on website with third party material.

Individualistic	From an individualistic orienta-tion follows that organizations perceive themselves as indi-vidualistic entities. This implies that corporate responsibility is understood instrumentally resulting in indifference when dealing with what does not appear to be beneficial.	• Locus of organizational self-definition: Individual organization
		  o Considers its CSR approach as superior, concluding that future learning is of minor importance
		  o Considers its value system as unique
		• Basis for motivation for CSR: enlightened self-interest
		  o Long-term profitability at center of CSR approach
		    ▪ CSR as shareholder value maximization
		    ▪ CSR as enlightened self interest
		    ▪ CSR as license to operate
		  o Compliance with law as good business
		  o Contribution to long-term legitimacy
		  o Advocates self-regulation of business while lobbying for little or no governmental regulation
		• Relationships based on instrumentality, i.e. power
		  o Consideration of primary stakeholders
		    ▪ Duty to shareholders
		• Social value potentiality of CSR
		  o Externally
		    ▪ Wealth generation
		    ▪ Innovation and progress
		    ▪ Low prices to meet the commonly held needs of end consum-ers
		    ▪ Philanthropy as financial contribution for social cause
		  o Internally
		    ▪ Ability to meet the need for interorganizational understanding and care
		    ▪ Ability to meet the need for personal esteem
		    ▪ Generates the virtues of being "brave"
		    ▪ Increased individual initiative, ambition, efficiency, adapta-bility and innovation

Relational	From a relational orientation follows that organizations understand stakeholders as partner who they deal with on one-to-one basis. Relationships are based on dyadic concern and trust.	• Locus of organizational self-definition: Inter-entity
		  o Considers itself as partner in dyadic relationships
		• Basis for motivation for CSR: particular other's benefit
		  o Stakeholders dialogue at center of CSR approach
		    ▪ CSR as way to meet stakeholder expectations
		    ▪ CSR as care for internal stakeholders (e.g. employees)
		    ▪ CSR as care for external stakeholders
		  o Case-based approach to regulatory solutions
		• Relationships based on dyadic concern and trust and characterized by strong dyadic ties
		  o Consideration of primary and secondary stakeholders
		    ▪ Duty to employees/employees as primary stakeholders
		    ▪ Duty to consumers
		    ▪ Duty to government
		    ▪ Duty to suppliers
		    ▪ Duty to customers/trade partners
		    ▪ Duty to specific NGOs
		• Social value potentiality of CSR
		  o Externally
		    ▪ Creating shared valued by balancing of interests
		    ▪ Tailored care to meet the particular needs of direct customers
		    ▪ Nurturing relationships providing personalization, understand-ing, and empathy
		  o Internally
		    ▪ Ability to meet the need for interorganizational understanding and care
		    ▪ Generates the virtues of being "caring"
		    ▪ Increased self-acceptance, resilience, dignity, helping, and in-terpersonal learning/innovation
		    ▪ Ability to provide job satisfaction

Collectivistic	From a collectivistic orientation follows that an organization understand itself as part of a larger collective (community, society, global citizen) with a common collective agenda. This implies the assumption of re-sponsibilities in those collec-tives.	• Locus of organizational self-definition: Collective
		  o Considers itself as part of group of organizations, community, society
		• Basis for motivation for CSR: greater collective's welfare
		  o Broader normative concept at center of CSR approach
		    ▪ CSR as social investment or strategic philanthropy that fol-lows broader agenda
		    ▪ Humanitarian challenges such as climate change and human rights key areas of CSR
		    ▪ Assumption of responsibility for supply chain
		  o Favoring a comprehensive global governance framework
		  o Involvement in global governance processes in critical areas
		  o Self-regulation where governments fail
		• Relationships based on a common collective agenda and characterized by cliquish ties
		  o Consideration as stakeholder of anybody directly or indirectly af-fected
		    ▪ Duty to the collective
		    ▪ Duty to community
		    ▪ Duty to civil society organizations

		o Membership in global governance initiatives such as multi-stakeholder dialogues
		• Social value potentiality of CSR
		  o Externally
		    ▪ Social capital and a spirit of citizenship
		    ▪ Develop global rules and sanction mechanisms
		    ▪ Advance causes, social change
		    ▪ Embed company in broader collective
		  o Internally
		    ▪ Generates the virtues of being "just" or "doing good"
		    ▪ Increased common meaning, organizational coordination, team work, and solidarity

Legitimacy & Legitimation Strategies	Refers to organizational strategies which aim to gain, maintain or repair corporate legitimacy regarding prevailing societal norms. It is based on incomplete organizational knowledge that varies depending on the relationship with stakeholders and socioeconomic conditions.	Interview questions: Strategies of CSR • What are the internal and external strategies for achieving corporate responsibility? Can you give me an example(s) of an activity that showed corporate responsibility? • What differentiates your company from other companies in your industry regarding corporate responsibility issues? • How can a company communicate its performance with respect to corporate responsibility internally and externally in an effective way? Scope of CSR • How does this company deal with different perceptions and expectations of corporate responsibility in different countries? Stakeholders • What strategies or actions does the company take to best deal with stakeholder challenges and opportunities? • How can shareholder interest be combined with the interests of other stakeholders? Triangulation: Comparison interview questions and corporate language on website with third party material.
Pragmatic	Pragmatic strategies to gain legitimacy aim at conforming to the demands of society towards corporations through desirable, appropriate organizational actions and outcomes. It includes strategies which are perceived to improve performance in business functions, and fulfill a company's fiduciary. In addition to that an organization might try to select and manipulate its environment. Pragmatic strategies for maintaining legitimacy aim at risk management in terms of perceiving change and protect accomplishments. Pragmatic strategies for repairing legitimacy are directed at denial and the creation of monitors.	Fulfill basic societal expectations ▪ Business functions (Provide desirable products, technology and services to consumers and customers, employment, employee and supplier training, good working conditions and pensions, income to suppliers) ▪ Fiduciary responsibilities (Provide short-term profits, long-term profitability & shareholder wealth, growth) Select environment ▪ Identify and classify primary and secondary stakeholders Manipulate environment ▪ Advocate business case of CSR (e.g. improved customer relations, gain competitive advantage by CSR-efforts) ▪ Market responsible behavior (greenwash, blue-wash) Monitor risks ▪ Monitor stakeholders' expectations, supply chain, and appropriate behavior of employees ▪ Consult opinion leaders ▪ Government lobbying Manage risks and reputation ▪ Deal with CSR considerations in daily operations ▪ Convince public in CSR-publications of compliance with public demands ▪ Cultivate relationships with most important stakeholders ▪ Communicative interaction serves as sounding board ▪ Evaluate success according to economic and legal criteria such as reputational gain and employee motivation (e.g. in balanced score-card) Deny ▪ Denial of evidence ▪ Justify behavior with legal or economic arguments ▪ Blame individual employees, external authorities, or global competition

			<u>Regain reputation</u> ▪ React to critique with PR-efforts or marketing campaign ▪ Advertise (actual or apparent) corporate change ▪ Fund supportive civil society organizations ▪ Create communication tools such as corporate website to provide information on (effective or apparent) corporate CSR activities
	Cognitive	Cognitive strategies for gaining legitimacy are based upon conforming to symbols, models, and modes of thinking with regards to responsibility. Cognitive legitimacy may also be derived from isomorphism. Cognitive legitimacy may be maintained by the regular consultation of CSR-experts from standards-setting organizations and research institutions and the training on CSR/Business Ethics. Strategies to repair cognitive legitimacy include scientific justifications and the funding of supportive research.	<u>Select labels</u> ▪ Identify relevant and recognized CSR-standards, certifications, and financial/ sustainability indices <u>Institutionalize cognitive frameworks</u> ▪ Legal responsibility (Comply with the law and pay taxes) ▪ Adopt widely accepted CSR standards and integrate them into business model (e.g. to increase predictability) ▪ Formalize internal structures (e.g. create whistle blowing policy, ethics council, code of conduct) <u>Isomorphism</u> ▪ Follow established CSR-strategies in the industry and of world-wide CSR-leaders <u>Monitor cognitive frameworks</u> ▪ Monitor cultural beliefs ▪ Consult regularly CSR-experts from standard setting organizations <u>Promote CSR-frameworks</u> ▪ Cultivate relationships to standard setting organizations ▪ Convince public in CSR-publications of conforming with wider frameworks ▪ Evaluate success according to standards and scientific criteria ▪ Promote CSR-standards, certifications, financial/ sustainability indices, or self-regulation (e.g. in advertising, selling practices, product standards, etc.) <u>Rationalize</u> ▪ Justify responsibility of own behavior based on standards behavior and scientific explanations ▪ Fund supportive research ▪ Self-regulation (i.e. in advertising, selling practices, product standards, etc.)
	Moral	Moral strategies to gain legitimacy aim to conform to ideals inherent in such as normative concepts as a global corporate citizenship. A company tries to maintain moral legitimacy by monitoring the normative environment and by institutionalize organizational values. It tries to repair moral legitimacy by regretting and improving communication.	<u>Assume state functions/Compensate retreat of government</u> ▪ Engage in systematic and ad hoc moral discourse on CSR-activities with stakeholders ▪ Operationalize moral concepts such as global citizenship ▪ Assume responsibility (community, consumer, customer, supply chain, etc.) ▪ Promote peace and social welfare ▪ Active anti-corruption/bribery policy ▪ Contribute to development and sustainable business solutions (transfer knowledge by educating population and training local managers along the supply chain, give technical assistance, build infrastructure (roads, schools, hospitals, wells, etc.), donate non-profitable technologies, establish public-private partnerships) ▪ Engage for universal normative concepts (protection and enforcement of human rights, labor rights, environmental standards) <u>Select normative domain</u> ▪Identify leading moral voices ▪Define relevant communities for CSR-activities, environmental and social goals, geographic applicability <u>Persuade</u> ▪ Integrate stakeholders in dialogue on CSR ▪ Convince stakeholders of successful corporate engagement (evangelism) • Develop local, industry-wide, or global CSR-standards (e.g. FSC) <u>Monitor normative environment</u> ▪ Listen to societal demands ▪ Consult experts from civil society, research and industry associations ▪ Be the first to apply new standards or make new moves <u>Institutionalize organizational values</u> ▪ Establish comprehensive CSR models and integrate them in corporate culture and core management processes (create CSR business unit, integrate in strategic planning, policies, processes, procedures, com-

			munication, training, performance and impact measurement, reporting, leadership model, promote integrity, protect/reconsider the values of the founders, improve corporate governance, implement stakeholder management, establish Co-branding with NGOs), engage regularly in multi-stakeholder dialogues ▪ Inform public regularly on CSR-successes and failures (e.g. in newsletters, CSR-reports) ▪ Cultivate relationships to leading moral voices ▪ Communicative interaction is interpreted as continuous dialogue ▪ Evaluate success according to non-financial criteria ▪ Involve independent audit committees Regret ▪ Revise corporate practices and admit errors of the past ▪ Communicate about problems and challenges, admit failures of CSR-policies Improve communication ▪ Institutionalize dialogue with stakeholders ▪ Reconfigure CSR-policies
	Posture	The posture in corporate actions show the degree and scope of responsiveness to issues emerging from civil society and the understanding of responsibility regarding societal norms. The different types of posture can be distinguished in defensive, tentative and open.	Interview questions: Crisis ● In the past, when the company was accused of not meeting its corporate responsibility, how was it dealt with by the management? Can you walk me through what happened? Can you give me some concrete examples? ● Can you tell me about a time when stakeholder weren't treated by the company as they ought to be? What happened? Issues - Nestlé ● A large part of the European population refuses genetically modified food while this company is a vivid defender of gene technology. What is your opinion on that? ● Water is seen as the most important resource of the 21st century. How do you see the corporate responsibility of this company regarding its operations and the water scarcity in many parts of the world? ● In 2002 this company caused a wave of public outrage when it claimed US$ 6 Million compensation from Ethiopia for the nationalization of its operations back in 1975. Can you describe me briefly what happened? ● The infant formula-debate is still going on and activists do not stop announcing new incidences of this company's wrongdoing. How do you explain that the debate still continues? ● This company has been frequently accused to tolerate human rights violations in Columbia. How valid are those accusations according to you? Issues - BAT ● You state on your website that "smoking must remain a choice made by well-informed adults". How do you want guarantee that adults are well informed? Is this possible at all? ● This company has encouraged tobacco farmers to plant trees along with tobacco to avoid deforestation. However, this has been heavily criticized since these consist often of non-native, fast-growing eucalyptus and cypresses which adversely affect biodiversity and can lower the water table. What is your opinion on that accusation? ● In some developing countries, such as Malawi, a considerable amount of farm land is used for tobacco growing; tobacco export represents a major pillar of the national economy. How do you see the responsibility of this company towards those countries? ● The debate on passive smoking has caused countries such as Ireland to completely ban smoking in public places. What is your opinion on that? Will this happen in Switzerland too? Issues - Hewlett-Packard ● What do you think of the WEEE-directive? ● What do you think of the E-waste debate and the responsibility of the company regarding its products? Do you think the accusation of NGOs such as Greenpeace that this company is producing too much toxic waste is valid? ● What is the responsibility of the company regarding the debate on energy consumption of its products, especially regarding the high oil prices?

			Triangulation: Comparison interview questions and corporate language on website with third party material.
	▪ Defensive	The organization tries to cover up inappropriate practices and/or misleads stakeholders through defensive or offensive strategies, trying to shift attention from the firm's issues. It might be a conscious effort that goes together with secret or hidden actions in order to resist external influence.	▪ Societal debates on social and environmental issues are looked upon defensive attitude ▪ Stakeholders which are not perceived as critical for the financial performance are ignored. ▪ Questioning of corporate actions and active CSR is refused. ▪ Information might be kept private and disclosure limited to the legally required minimum. Alternatively, publication/communication of irrelevant or even misleading information as defense strategy ▪ The social and environmental impact of corporate action is communicated in a defensive manner. ▪ Civil society is ignored, refused or attacked, and dialogue denied or purely symbolic. ▪ External feedback or alternative forms of input is not accepted or ignored, own decision are assumed to be always right ▪ Former failure in reaction to critiques/accusations does not lead to change in behavior ▪ Belief that better explanation of perceived facts might lead to silencing of critique
	▪ Tentative	An organization shows both established behavior and new behaviors when dealing with emerging issues depending on the existence of appropriate tools and processes.	▪ Considerations on corporate responsibility are integrated into daily decision making but without integrating them into the business strategy ▪ Combining defensive behavior with new patterns ▪ If new challenges come up, appropriate tools are missing, not well understood, or not applied correctly ▪ High uncertainty in reaction to critique, lack of clarity ▪ CSR-activities are selectively chosen (managing by exceptions) in a trial & error process according to estimated reputation gain or risk management as an outcome of activities. ▪ CSR-activities are very dependent on leader(s) in an organization. ▪ Might give the impression of window-dressing
	▪ Open	An open posture encompasses a learning approach aiming for change that attributes long-term strategic importance to CSR.	▪ Oriented towards learning ▪ Collaborative approach towards stakeholders in order to institutionalize beliefs and to co-create acceptable norm of behaviors through internal and external dialogue. ▪ It is a voluntary act that requires openness and honesty regarding organizational issues, listening to stakeholders, understanding their interests and trying to find appropriate solutions which match stakeholder expectations. ▪ It establishes appropriate systems and CSR-managers to support successful implementation of its CSR approach. ▪ The organization is willing to listen and respond to alternative perspectives ▪ The organization is ready to share not simply the solutions but its perception of the issue with others, debate and discuss the nature of transformation, both internal and external that might be necessary to bring about real change.
Linguistic	**Justification**	The linguistic dimension of justification consists of or is related to the corporate language when communicating with internal and external stakeholders about issues that relate to corporate responsibility.	Triangulation: Comparison interview questions and corporate language on website with third party material.
	▪ Legal	Critical issues are dealt with by using legal arguments for or against assuming corporate responsibility.	• Rules define ethics. • Compliance (e.g. with law or code of conduct) as key concern. • An organization uses officially-permitted arguments in support of its actions • Using constructs such as obligations, rights, compliance, sanction, penalty, code of conduct, confidentiality, settlement
	▪ Economic	Critical issues are dealt with by using economic argument for or against assuming corporate responsibility.	• Economic contributions define ethics. • Business performance is regarded as key contribution to society. • Profits are claimed to be the only or by far most important purpose of a company. • An organization might highlighting tangible contributions such as jobs created, taxes paid, charities supported • Contribution to the common good lay in increasing material wealth or consumption
	▪ Scientific	Critical issues are dealt with by using scientific or technical language for or against assuming corporate responsibility.	• Science and technological progress defines ethics. • Reference to scientific discovery and statistics. • Reference to process tools and expertise. • Emphasis of expertise and measurement of impact • Reference to neutral experts or independent scientific studies
	▪ Ethical	Critical issues are dealt with by using ethical language for or against assuming corporate	• Broader moral framework defines ethics (e.g. "cosmopolitan" or "higher order interests"). • Willingness to collaborate with a variety of actors to achieve a broad

		responsibility.	• Open argumentation that allows for change of opinion • Willingness to help achieving universal goals such as improving human rights or eradicating HIV/AIDS
Institutional Dimension		The institutional dimension of CSR concerns the way organizational behavior is influenced by institutional actors and processes.	
Institutional Entrepreneurs		Institutional entrepreneurs are agents of institutional change that can be distinguished in agenda setting, arena setting, law making, and economic power exercising, and financing with regards to CSR. They are involved in regulatory and normative discourses which are based on issues i.e. situations, events or important questions which are related to corporate activities and have become visible, are disputed, and must be settled. In certain cases the issue is caused by some previous phenomenon	Interview Questions: • What has been the main driver for the initial engagement in corporate responsibility issues in this company? • Which has been the major external factor that was responsible for this shift in behavior? • How important are civil society groups and their activities for the perception of companies? Can you give me some examples? • How did the idea of corporate responsibility change over time? Do you think the discussion has increased and if so, why? • How important were the developments in the US such as Sarbanes-Oxley Act for the understanding of corporate responsibility in Europe? • Which role do the media play for the perception of corporate responsibility? • How would you describe the role of consumers and consumption as drivers of corporate responsibility at the company? • Which importance do financial markets have for the behavior of companies and this company in particular? • Do you think that responsible behavior is really rewarded by financial markets? Triangulation: Comparison interview questions and corporate language on website with third party material.

	▪ Agenda Setting	Refers to parties which try to influence corporate behavior by supposedly appropriate action and thereby set the CSR agenda of companies. Motivated by weak or a lack of governance they set the agenda with their normative discourses on issues emerging from the liveworld of the people. The discourse is complemented by the research sector which provides scientific evidence for debated topics. They are supported by the local, national and international media which informs the general public on emerging issues such as environmental problems or human rights violations. In certain occasions unions move to the forefront when labor issues are concerned.	• Type of actors
			 o Non governmental organizations
			  ▪ Environmental groups
			  ▪ Human rights groups
			  ▪ Social and political activists
			  ▪ Pressure groups
			  ▪ Community groups
			  ▪ Consumer groups
			 o Unions
			 o Philanthropic organizations/foundations
			 o Universities
			 o Research institutes
			 o Think tanks
			• Actions
			 o Pressure by local communities
			 o Boycott, buycott
			 o Campaign
			 o Sustainable consumption
			 o Resistance
			 o Shareholder activism
			• Key themes
			 o NGOs as healthy pressure
			 o Increasing awareness & conflict-oriented
			 o Scandals
			 o Communicative power
			 o Issue-logic
			 o Manipulation of facts and audiences
			 o Lack of accountability
			 o Lack of democratic legitimation

	▪ Opinion Shaping	Refers to parties that continuously use tools of mass communication to educate the general public on emerging issues such as environmental problems or human rights violations.	• Type of actor
			 o Classic media
			  ▪ Local
			  ▪ National
			  ▪ International
			 o Bloggers/Internet users
			• Key themes
			 o Pressure on corporate reputation through media
			 o Representation in the media

	▪ Arena Setting	Refers to parties which aim to develop new frameworks and governance structures for CSR creating a new regulatory environment. They develop standards or models for responsible behavior that represent a form	• Type of actors
			 o Business & industry associations/ initiatives
			  ▪ International (e.g. BLIHR Initiative)
			  ▪ National (e.g. Association of Chartered Certified Accountants)
			  ▪ Sectoral organizations
			 o Standard setting organizations (e.g. AccountAbility, GRI, SAI)

		of soft law.	○ Multi-stakeholder dialogue/ initiatives(e.g. FSC, MSC, EU Round Table on CSR, UN Global Compact) ○ Public-private partnerships ○ Intergovernmental organizations (e.g. UN agencies, ILO, WHO, OECD) ○ NGOs as part of broader arena setting CSR initiatives - Key themes ○ Involvement in promotion of standards ○ Company as neutral party that influences local norms
	▪ Law Making	Refers to parties that have coercive power, influencing corporate behavior by the means of legislation and governmental action defining the "license to operate". They include local, national, and supranational governments.	- Type of actor ○ National governments and sub-agencies ○ Supranational governments and sub-agencies (e.g. EU) ○ Local governments (e.g. State of California) - Key themes ○ Legal pressure ○ Self-regulation as result of threat of regulation (e.g. Sarbanes-Oxley)
	▪ Bargaining	Refers to parties which influence corporate behavior by the exercise of bargaining power in (quasi-) contractual relationships. They can be distinguished in customers, and suppliers. Similarly, customers and large suppliers enquire increasingly about ethical corporate practices of their clients.	- Type of actor ○ Customers ○ Suppliers - Key themes ○ Pressure from costumers ○ Pressure from suppliers
	▪ Consuming	Refers to ethical consumers that influence with their buying decisions corporate behavior.	- Type of actor ○ Ethical consumers - Key themes ○ Pressure from consumer
	▪ Financing	Refers to parties that impact corporate behavior by emphasizing ethical criteria in their performance analysis of a investment decisions in a corporation, thereby influencing the cost of capital. There are a wide range of actors which are commonly referred to as the financial community.	- Type of actor ○ Financial sector/community as a whole ○ Ethical investors/SRI funds ○ Stock exchange ○ Insurance ○ Financial analysts ○ Wealth managers for institutional investors ○ Institutional investors ○ Banks ○ Provider of rankings and indices - Key Themes ○ Ethical investment ○ Appropriate utilization of profits ○ Sustainable growth ○ Risk analysis ○ Long term vs. short term value ○ Listing at NYSE ○ Investor expectations
Regulatory Discourse		Refers to the regulatory discourses which the driving actors of the CSR-agenda are involved in. The regulatory discourse on corporate responsibility is twofold. First there is a discussion on integrating standards for responsible corporate behavior into national and supranational law, also called hard law. Second a serious of quasi-legal instruments such as international standards, codes of conduct, or guidelines has emerged. Since their binding force is limited they are referred to as soft law.	Interview Questions: What are the future trends in corporate accountability, corporate reporting, and social accounting? What do you think should change and will change? Triangulation: Comparison interview questions and corporate language on website with third party material.
	Hard Law	Hard Law can be distinguished in international, national, supranational, and regional law. National policies traditionally provide the legal framework for corporate responsibility where it was understood as complying with the law. EU-regulations have become increasingly important for the legal environment of companies operation in the EU. In its attempt to align national policies it has issued a number of directives and regu-	- Type ○ Laws & legislation ○ Duties & obligations ○ Regulation ○ Litigation ○ Lawsuits, fines and non-monetary sanctions due to non-compliance with regards to ▪ Provision and use of products and services ▪ Anti-competitive behavior ▪ Anti-trust ▪ Monopoly practices and their outcomes ▪ Environmental laws and regulations ▪ Social issues - Level

		lations. Recently, also local regulations such as those enacted by the State of California on emission reduction have gained importance. In addition to that lawsuits, fines and non-monetary sanctions due to non-compliance play an important role in the legal discourse on CSR.	o Local o National o Supranational ▪ EU-legislation o International o Transnational

	Soft Law	Soft law represents quasi-legal instruments such as international standards, codes of conduct, or guidelines whose binding force is limited.	• Type
			  o Standards
			  o Norms
			  o Conventions
			  o Rules
			  o Principles
			  o Guidelines
			  o Code of conducts
			  o Recommendations
			  o Certifications
			  o Awards
			  o Rankings & Indexes
			• Areas
			  o Learning
			  o Accounting
			  o Auditing
			  o Process
			  o Reporting
			  o Assurance
			  o Investment screening
			• Level
			  o Local
			  o National
			  o International
			  o Regional
			  o Global

Normative Discourse		Refers to normative discourses on pressing issues which emerge from civil society which then enter broader discourses when brought to a wider public. This is merely driven by agenda setting actors.	Interview questions. _Crisis_ • In the past, when the company was accused of not meeting its corporate responsibility, how was it dealt with by the management? Can you walk me through what happened? Can you give me some concrete examples? • Can you tell me about a time when stakeholder weren't treated by the company as they ought to be? What happened? Triangulation: Comparison interview questions and corporate language on website with third party material.

	▪ Environmental	Refers to normative discourse on environmental issues.	• Materials
			  o Weight
			  o Volume
			  o Recycling
			• Energy
			  o Direct consumption
			  o Indirect consumption
			  o Energy saved
			• Water
			  o Withdrawal
			  o Sources affected
			  o Water recycled or reused
			• Biodiversity
			  o Location/size of land owned
			  o Impact of activities
			  o Habitats protected
			  o Strategies, actions planned
			  o Species affected
			  o desertification
			• Emissions, Effluents, and Waste Products and Services
			  o Climate change
			  o Greenhouse emissions
			  o Ozone depletion
			  o Air emissions
			  o Water discharge
			  o Significant spills
			  o Weight of hazardous waste
			  o Toxic materials
			  o pollution

			- Transport - Mitigation of impact - Packaging - Goods and materials used for operations - Impact of transporting products
	▪ Social	Refers to normative discourses on social issues.	- Labor Practices & Decent Work - Market Presence - Wage policy - Labor/Management Relations - unionization - Occupational Health and Safety - Diversity and Equal Opportunity (gender, ethnicity, age, disability or religion) - Human security policies - Human Rights - Investment and Procurement Practices - Non-Discrimination - Freedom of Association and Collective Bargaining - Child Labor and Forced Labor - Security Practices - Indigenous Rights - Society - Community - Corruption - Public Policy - Lobbyism - Subsidies - Genetics - Sustainability/Corporate role in poverty reduction and economic development - Influence of technology - Profit appropriation and distribution - Profit attribution - Property rights & access to key resources - Product Responsibility & Supply Chain - Customer Health and Safety - Products and Service Labeling - Marketing and Communications - Customer Privacy - fair trade - Supply chain management - Legal Compliance

Appendix D – Tables for Case Studies

Appendix D1 – CSR-Character of BAT Switzerland

Table 25: Traits of Individualistic Identity Orientation in Self-Description at BAT Switzerland

Traits of Individualistic Identity Orientation in Self-Description			
Theme: leader	**Theme: going new ways**	**Theme: open minded**	**Theme: freedom and trust in individual**
"I think we are far more responsible than others. I think if you look at our industry we have already taken the lead in responsibility." (Manager B, BAT Switzerland)	"We are one of the first company in Switzerland who has started the whole social reporting. We are going new ways." (Manager F, BAT Switzerland)	"[One of] the core values I experience here is open mindedness." (Manager A, BAT Switzerland)	"Freedom to act [as core value]." (Manager D, BAT Switzerland)
"We have driven the voluntary marketing code the companies have signed up to." (Manager B, BAT Switzerland)	"We are taking a road which is so far, unknown." (Manager F, BAT Switzerland)		"We are placing a lot of trust into the individuals." (Manager F, BAT Switzerland)
"I am quite convinced that we can become a benchmark in terms of responsible behavior within the Swiss environment." (Manager F, BAT Switzerland)			

Table 26: Traits of Individualistic Identity Orientation at BAT Switzerland

Traits of Individualistic Identity Orientation				
Theme: license to operate	**Theme: CSR as corporate strategy**	**Theme: sustainable business**	**Theme: shareholder value**	**Theme: responsible marketing**
"We are selling tobacco. Tobacco is under pressure, so we have to talk to our external stakeholders and try to retain the license we are seeking for in order to do that business for the next 10 or 20 years. So whatever we are discussing within BAT Switzerland, it's the first step. If we do not get that right, then everything else, growing brands, selling more cigarettes, setting the right prices for our brands and all that, is only second priority." (Manager G, BAT Switzerland)	"Corporate social responsibility should be part of any company strategy, should be part of the global picture, where you have productivity, where you have to grow your market share, where you have to have talented people working for you. And all that should be done in a responsible way." (Manager C, BAT Switzerland)	"When I joined in 2001 the share was slightly below 6 pounds and now it's 14 pounds plus. In between we joined the Dow Jones sustainability index. And we are seen as a sustainable business, even though, again, the product is seen as controversial. So yes, there is a benefit in being responsible and communicating that we are responsible." (Manager C, BAT Switzerland)	"In order to grow shareholder value, which I believe all companies are looking at there will be a realization that the only way you can do that is to do that within a framework where shareholders trust you. And the shareholder can only trust you if you behave in a way that is ethical and responsible." (Manager H, BAT Switzerland)	"[CSR is about] how we sell our products. Because that's also very important, that we sell and promote our products in a responsible way." (Manager I, BAT Switzerland)
"We try to get across that we, as a company, have a proactive agenda, i.e. we are happy to give up certain ways of communication, of selling our product that might enable us to get a long-term franchise on us doing our business." (Manager G, BAT Switzerland)	"[CSR is] not something that is treated separately from the business, we always talk about brand strategies, trade strategies, but we talk about CORA strategies as well, because this is the long term license that we need to have in order to operate in tobacco." (Manager C, BAT Switzerland)	"It's very easy for a company to increase profit short-term. If it is not in line with society's expectation it would only be short-term. So this is also why, from a purely economic situation, responsibility has a role to play." (Manager H, BAT Switzerland)	"In the company we have a responsibility to give our shareholder what they are looking for." (Manager D, BAT Switzerland)	"We have acknowledged that we have to get a responsible way of marketing our products." (Manager G, BAT Switzerland)
"We have to talk to our external stakeholders and try to retain the license we are seeking for in order to do that business for the next 10 or 20 years." (Manager G,	"What makes us different is that responsibility is at the core of our business strategy" (Manager H, BAT Switzerland)	"If we want to have a sustainable business over the years we have to behave responsibly and in a transparent way, so that it's going to guarantee the sustainability of	"When I come to work I have to make sure that I deliver shareholder value, deliver more market and look after the people." (Manager D, BAT Switzerland)	

BAT Switzerland)		"our business." (Manager I, BAT Switzerland)		
"Our stance is always the same. We want to retain the right to talk to our consumers and responsibly market our product in a different environment." (Manager G, BAT Switzerland)	"The driver [towards more CSR] was part of our strategy. I guess they knew that the environment was changing [and] the public opinion was changing." (Manager I, BAT Switzerland)	"The purpose of any company is to make [sustainable] profit." (Manager C, BAT Switzerland)	"We have to give money to …shareholders." (Manager H, BAT Switzerland)	
"[We are] fighting to retain the right to talk to our consumers, acknowledging that we are selling a potentially harmful product." (Manager G, BAT Switzerland)	"[When financial markets] look at a tobacco company they should be rather critical on how long we still enjoy our license to operate. And if you then convince them that BAT is... enjoying a competitive advantage…in terms of an index that is understood by financial markets, I am pretty sure that they acknowledge that." (Manager G, BAT Switzerland)	"I believe that today and even more tomorrow, you will not be able to make sustainable profit without being responsible." (Manager C, BAT Switzerland)		
"It's [CSR] the basis of us doing business in future... the right to retain the license to operate." (Manager G, BAT Switzerland)	"Whenever we are looking at growth, opportunity or productivity elements, productivity gain elements, we look at whether they are in contradiction with the third element of our strategy which is the responsibility." (Manager H, BAT Switzerland)	"If your aim is to be a sustainable business, you have to be responsible." (Manager C, BAT Switzerland)		
"We want to stay in business, we want to retain the right to talk to our consumers." (Manager G, BAT Switzerland)	"We want to achieve growth but in a responsible way. Productivity but in a responsible way. So right of from the strategy, setting in any initiative, all three elements have to be at balance." (Manager, BAT Switzerland)	"Responsibility creates sustainability." (Manager H, BAT Switzerland)		
"Creating an environment where we are still allowed to talk to our consumers, which we define as 18 and older." (Manager G, BAT Switzerland)	"If any company within any kind of industry wants to be a sustainable company it has to integrate the social responsibility culture, actions and plans in their strategy with the same weight as productivity, growth, shareholder value." (Manager H, BAT Switzerland)	"If a company behaves in a…Western ethic manner, it has more sustainable outlook in terms of growth." (Manager H, BAT Switzerland)		
"We want to retain the right to communicate at POS level, but we are ready to give up, for example: postering" (Manager G, BAT Switzerland)	"The first time I really saw the concept, those three words CSR into action was when I joined BAT. It's really part of our strategy. In another company, It wouldn't be as much part and integrated into their strategy." (Manager I, BAT Switzerland)	"[A company] has to increase its profits in a sustainable way and the sustainable aspect is where the responsibility kicks in." (Manager H, BAT Switzerland)		
Theme: values and corporate governance				
"[CSR] is a set of values				

that guides the company and its governance: the way it behaves itself in the business." (Manager I, BAT Switzerland)				

Table 27: Traits of Individualistic Identity Orientation in Stakeholder Definitions at BAT Switzerland

Traits of Individualistic Identity Orientation in Stakeholder Definitions				
Theme: influence on license to operate	**Theme: have a stake**	**Theme: shareholder as primary stakeholder**	**Theme: consumer as goal**	**Theme: business partner as primary stakeholders**
"Any person who has a direct or indirect influence on the company." (Manager I, BAT Switzerland)	"I would like to define it to the guys who really have a stake in the business." (Manager G, BAT Switzerland)	"The most important [stakeholder] are definitely the shareholders." (Manager D, BAT Switzerland)	"Consumers are the ultimate goal of everything that we are doing." (Manager G, BAT Switzerland)	"It's the shareholders, the employees, it's the customers." (Manager G, BAT Switzerland)
"So anybody who has an impact due to the organizations activities is a stakeholder." (Manager D, BAT Switzerland)	"It is basically everybody who is somehow attached to the company. Whether it is money or whether it is products." (Manager A, BAT Switzerland)			"In this company the important stakeholder for me is the consumer on one hand, and the shareholder on the other." (Manager A, BAT Switzerland)
"There are our competitors who are also stakeholders because they have a huge impact on our way." (Manager E, BAT Switzerland)				"Key stakeholders are our customer and consumers." (Manager D, BAT Switzerland)
"[A stakeholder] could be the media because they have a direct or indirect influence on our license to operate because they have a direct impact on our reputation." (Manager I, BAT Switzerland)				"The consumers, once they consume our product, they obviously represent a key part of our stakeholders." (Manager H, BAT Switzerland)

Table 28: Traits of Relational Identity Orientation in CSR Definitions at BAT Switzerland

Traits of Relational Identity Orientation in CSR Definitions			
Theme: seeking dialogue and stakeholder engagement	**Theme: satisfy stakeholder expectations**	**Theme: care for internal stakeholders**	**Theme: care for external stakeholders**
"We are seeking whatever possibility to talk, to broaden the arena where we can get a say on whatever is linked to our business. We try to get across that we acknowledge the potential risks of our product." (Manager G, BAT Switzerland)	"As a business we have responsibility towards our stakeholders and it is important for us to engage in a dialogue to understand what is the society at large expecting from a company like ours and to try to respond to it in the most appropriate way." (Manager H, BAT Switzerland)	"Make sure that…you understand the responsibility of your team and the people working for you…understand their personal needs and external needs outside the company, whether there is anything that we can do to make their work life easy here in the company and ensure that we look after their issues." (Manager D, BAT Switzerland)	"We did retrench people from the factories to reduce any poor productivity. We were very generous from a [name of developing country] point of view; ensure that people had living after that, keeping in contact with them." (Manager D, BAT Switzerland)
"The tobacco industry is so under the spot light, it's completely the opposite which means a full transparency in terms of what is in the cigarettes, seeking for communication with all the different stakeholders." (Manager F, BAT Switzerland)	"It's the ability to operate in a given environment by matching as much as possible stakeholder expectation, responding to them and taking into account the public or civil society at large." (Manager C, BAT Switzerland)	"Employees…have to be satisfied and happy to work for our company." (Manager H, BAT Switzerland)	"Looking after the farmers, the farmer families, looking at minors working in the farms, not allowing that, protecting farmers from using pesticides, the communities we work in, employees." (Manager D, BAT Switzerland)
"Those people who criticize us…they should enter into a debate with us and rather than just criticizing, offering or proposing alternatives. We might consider that. Criticizing is okay. But if it is not followed up by a real debate and joint action,	"We really put our stakeholders and the dialogue with our stakeholders at the center of our CSR approach, because our social report is really the main part of our CSR approach." (Manager I, BAT Switzerland)	"[A] wide range of action…came concerns from the church of [name of city] that had concerns that people working in the factory could go to church and we tried to address that, that our employees could also have an active life in the parish of	"[CSR] as having a good, having a fair relationship with the suppliers." (Manager H, BAT Switzerland)

it's pure criticism." (Manager C, BAT Switzerland)		[name of city]." (Manager H, BAT Switzerland)	
"If you want to be responsible you got to listen first. Again, you can never be sure that what you had in mind or what you believe it is a social, corporate social activity or socially responsible behavior would be perceived as such by your stakeholders." (Manager C, BAT Switzerland)	"The first aim of corporate social responsibility for this company...is to, no matter what the product you produce, you should behave in a responsible way towards every single stakeholder." (Manager C, BAT Switzerland)	"[We have to] ensure that our employees are protected and that they are working in a proper environment. We have clear security rules and guidelines if an accident was to occur." (Manager D, BAT Switzerland)	"[We have] a rule, let's call it: to defend our consumers, defend our partners in terms of tobacco issues. So it's not our responsibility for our own but within a part of our stakeholders." (Manager F, BAT Switzerland)
"It's much more listen first what is going on in the external world and then based on this we try to respond and to explain and to have a dialogue." (Manager E, BAT Switzerland)	"It is important to consult and to dialogue with our stakeholders, in order to be in line with the expectations of society." (Manager I, BAT Switzerland)		
"[When a new issue arises] we try to connect to all the external stakeholders that we want to talk to in order to get our word on what's discussed." (Manager G, BAT Switzerland)	"By listening to the wider range of stakeholders we have, listening to their expectations, it's our duty to try to meet some of these expectations." (Manager C, BAT Switzerland)		
"There is no corporate social responsibility without dialogue." (Manager C, BAT Switzerland)	"Listening to them, and a process in place that enables an organization to listen to the stakeholders whoever they are." (Manager H, BAT Switzerland)		
"We try to get into contact, try to get some time where we then can share our information, our views on certain issues, with those external stakeholders and in the end be part of their discussion." (Manager G, BAT Switzerland)	"Once you listen, you have to respond, and there should be a loop in place where you listen and you come back with answers towards these groups of stakeholders." (Manager H, BAT Switzerland)		
"The only thing we can offer is dialogue, to people who disagree with us. That way we understand their expectations and we can try to reach an agreement on how to work together to meet their expectations." (Manager C, BAT Switzerland)	"It is essential to listen to our stakeholders' expectations and to respond to our stakeholders and integrate their expectations to our company plan and company activities." (Manager I, BAT Switzerland)		
"[CSR is] more an engagement process that is followed by action." (Manager H, BAT Switzerland)	"[CSR is] the result of what civil society expects from an international company such as BAT." (Manager E, BAT Switzerland)		
"[CSR is about] the way we engage with our stakeholders." (Manager I, BAT Switzerland)	"We think it is important to consult and to dialogue with our stakeholders, in order to be in line with the expectations of society." (Manager I, BAT Switzerland)		
"For a business like cigarettes, I think it's a very transparent company, very open company, looking for dialogue-company." (Manager F, BAT Switzerland)	"We have acknowledged that as a company, as a tobacco company, we cannot have a future, if we don't get to buy-in of the majority of our stakeholders." (Manager G, BAT Switzerland)		
"What I know from my competitors is that they are less engaged in dialogue initiatives." (Manager E, BAT Switzerland)	"Dialogue should help to understand or to make sure that we take into account our people, you, plus the external stakeholders' view and then respond to that." (Manager C, BAT Switzerland)		
	"We have to understand what society expects from us, so that we can react towards it." (Manager H, BAT Switzerland)		

Table 29: Traits of Relational Identity Orientation in Stakeholder Definitions at BAT Switzerland

Traits of Relational Identity Orientation in Stakeholder Definitions			
Theme: mutual influence	**Theme: interest in & opinion on**	**Theme: impacted by**	**Theme: broad range of stakeholders**
"Every person, organization, body, or authority that directly or indirectly impacts on or is impacted by a company or industry." (Manager C, BAT Switzerland)	"Anybody who has an interest in this business." (Manager A, BAT Switzerland)	"So as a whole it is everybody that is touched or impacted directly or indirectly by our business." (Manager H, BAT Switzerland)	"Not only suppliers and consumers but also government, labor organization and media." (Manager F, BAT Switzerland)
"A stakeholder is a person who has a direct or indirect impact on the company or on who the company has a direct or indirect impact." (Manager E, BAT Switzerland)	"All those …that have an opinion about what a responsible company in the tobacco business should be doing or not." (Manager G, BAT Switzerland)	"Anybody that is affected by the business we operate. Directly or indirectly." (Manager H, BAT Switzerland)	"Employees, consumers, suppliers, business partners, government, external partners […], trade partners as well as event organizers, all these cultural movements, and especially governments." (Manager F, BAT Switzerland)
	"Everybody that has a say, that has a certain opinion on what we are doing, is an external stakeholder to us." (Manager F, BAT Switzerland)	"[The] responsibility to stakeholders, that's both internal, for the employees, external with our consumers, with our trade partners, with governments, with actual smokers and non-smokers, because they're also impacted by the smoke." (Manager H, BAT Switzerland)	"The consumers, employees, shareholders, governments, potentially environmental groups if you produce pollution." (Manager H, BAT Switzerland)
	"The stakeholder out there is not only the antis, or the press…but basically the stakeholder out there is everybody who has whatever reason and interest in this business whether it is for or against the business." (Manager A, BAT Switzerland)	"Non-consumers that are faced with the effects of your consumers …are also part of the stakeholders." (Manager H, BAT Switzerland)	"You will have all the bars, cafes and restaurants. They have consumers coming in their place that are smokers and consumers that are non-smokers. We have bar staff or restaurant staff that is exposed whether they smoke or not to cigarette smoke." (Manager H, BAT Switzerland)
		"Then you have the employees that work for you. If you decide to delocalize, that will have an impact on them." (Manager H, BAT Switzerland)	"Shareholders, employees, governments, third parties, suppliers effectively and governments." (Manager H, BAT Switzerland)
		"If you do have a company that sells cigarettes, you have obviously the farmers that grow your tobacco, so they are impacted by the decision whether you want it to source it from Switzerland or Brazil, they are impacted by that." (Manager H, BAT Switzerland)	"Employees first. An important stakeholder. Then you have of course the consumers, trade partners, regulators be it on federal or cantonal level. We have then all the economic associations who are stakeholders because they are part of the Swiss economy. Finally the media who is an important influencer" (Manager E, BAT Switzerland)
		"You have all of the agencies as suppliers. All of them are impacted by your decisions." (Manager H, BAT Switzerland)	"First employees, authorities, general public, regulators and media." (Manager C, BAT Switzerland)
		"You have the governments obviously; their revenue can be heavily impacted depending on what we decide." (Manager H, BAT Switzerland)	"Everything that has to do with trade partners, with public health organizations, with trade unions, [and] with our partners in brand marketing." (Manager G, BAT Switzerland)
		"Also health institutions because it's an unhealthy product. Say if you do move to potentially healthier products, they are heavily impacted with that." (Manager H, BAT Switzerland)	"You have the consumer at the end, the way you engage with him and with the product you offer to him." (Manager H, BAT Switzerland)
		"My definition of a stakeholder is: people who are directly or indirectly concerned or touched via our business." (Manager F, BAT Switzerland)	"You have the non-smokers that live with smokers for instance." (Manager H, BAT Switzerland)

Table 30: Change of Identity Orientation at BAT Switzerland

Change of Identity Orientation at BAT Switzerland			
Theme: lying and not transparent	**Theme: external pressure**	**Theme: changing environment**	**Theme: organizational change**
"The real reason [for the bad reputation of the tobacco industry] is that we have really not been transparent and open...In the past the tobacco manufacturers never accepted, didn't want to say that tobacco was harmful. They lied and that's really what public opinion doesn't like." (Manager I, BAT Switzerland)	"There were times when people were outside [name of subsidiary], I couldn't go out from the office because they were demonstrating with coffins…You have nothing to do with it but they come and say "you killed my father and this is his coffin". There is nobody in the coffin and they come and shout 'you are killing'." (Manager D, BAT Switzerland)	"There was a growing recognition that we can't just burry our heads in the sand. […] so against that background, it became apparent that we had to move in the same direction and drive a responsibility strategy what we are currently doing." (Manager B, BAT Switzerland)	"The response that, I believe, BAT gave to these is a complete change in its organization, in its way of working whereas probably from the beginning of this century we are completely committed to listen to the outside world and to our employees." (Manager E, BAT Switzerland)
"You could even accuse the whole industry of speaking the half truth, not communicating everything they knew at that moment in time." (Manager F, BAT Switzerland)	"They've sent letters to my wife 'why do you want your husband to work for tobacco?', 'there, he is killing people,' 'why don't you stop?'. Or they sent letters to […] directors […] it's all psychology because the wife is worried and the children are worried." (Manager D, BAT Switzerland)	"The evolution of society at large, showing more and more concern regarding our industry, our company and the openness, the willingness of all the managers on the highest level that if we want to be sustainable we have no choice." (Manager C, BAT Switzerland)	"It's not anymore a strategy where we decide and say what we decided to do – it's much more listen first to what is going on in the external world and then, based on this we try to respond, to explain and to have a dialogue." (Manager E, BAT Switzerland)
"It's even …[less] acceptable for the public opinion for a company that sells a product that harms people… [not to be] transparent and honest about the effect of the product it sells." (Manager I, BAT Switzerland)	"The whole environment pushed us to become more proactive in the dialogue rather than to defend positions that we had so far." (Manager F, BAT Switzerland)	"Typically a company could outsource production from country A to country B where the law is totally different, they might not have the same restrictions in terms of child labor or things like that." (Manager H, BAT Switzerland)	"It began about five years ago with certain general managers standing up and telling [the truth about the health effects of tobacco consumption] for example during a meeting with all the guys working for BAT in Russia. The general managers stood up and said tobacco poses risks to your health. We should not deny that." (Manager G, BAT Switzerland)
"Before I was an employee of the tobacco industry, I think…the whole tobacco industry was very… [much a] black box and not transparent at all." (Manager F, BAT Switzerland)	"[The first engagement in CSR] was an internal recognition of external pressure." (Manager B, BAT Switzerland)	"The whole pressure on our industry and our business heavily increased… [in] the last couple of years." (Manager F, BAT Switzerland)	"The whole behavior…changed 180 degrees. So I think that the most obvious example of changing in terms of responsible behavior." (Manager F, BAT Switzerland)
"When you look back at the 70s where tobacco companies were accused of not telling the truth, the picture where you see the big CEOs holding their hands up saying: Trust us, we are the tobacco industry." (Manager I, BAT Switzerland)		"There was the need to respond differently to the pressure from outside because the old business model wasn't possible anymore; we had to change." (Manager E, BAT Switzerland)	"There has been recognition that with that controversy it's important to balance the controversy with a very rigid and forceful responsible approach." (Manager B, BAT Switzerland)
			"When we are looking at their behavior in the 70s or the 80s compared to today, there was an extreme change of mindset and responsible behavior." (Manager F, BAT Switzerland)
			"We had to realize ourselves as more and more scientific evidence was appearing that this was not just a justifiable position anymore." (Manager H, BAT Switzerland)
			"They have realized since then that because we are in a controversial industry, we had to behave in a responsible way." (Manager I, BAT Switzerland)

Table 31: Controversy and Refusal at BAT Switzerland

Controversy and Refusal at BAT Switzerland	
Theme: conflict and controversy	**Theme: refuse to talk**
"We sit then in the middle and say okay, we acknowledge the risks that we are posing to health, this is why we want to have a responsible way of marketing our products, but we still want to have a way for marketing our products. […] And that's where the conflict automatically arises." (Manager G, BAT Switzerland)	"Until today it's first of all, can a tobacco company have a reasonable stance on corporate social responsibility? This is where we are questioned. We think we have. But, as I mentioned before, some of our external stakeholders even refuse to talk to us. This we have to tackle." (Manager G, BAT Switzerland)
"Since our shareholders are interested in growing... the value of the company, which is based on tobacco, there will always be a conflict." (Manager G, BAT Switzerland)	"One of our main concerns today [is] that part of the Swiss population - it's also true for other countries – refuses to speak with us." (Manager E, BAT Switzerland)
"There's obviously a conflict. Because some of the extreme external stakeholders want us to stop business. A world without tobacco." (Manager G, BAT Switzerland)	"We don't sit at the table and discuss the pros and the cons and have a balanced view of all that." (Manager H, BAT Switzerland)
"We are perceived as a controversial industry." (Manager I, BAT Switzerland)	"Yes, we did [dialogue session in subsidiary]. But none of the anti-tobacco people were there." (Manager D, BAT Switzerland)
"We are in a controversial industry." (Manager B, BAT Switzerland)	

Table 32: Traits of Collectivistic Identity Orientation in CSR and Stakeholder Definitions at BAT Switzerland

Traits of Collectivistic Identity Orientation in CSR and Stakeholder Definitions				
Theme: duty to society at large	**Theme: give back to society**	**Theme: be a good citizen**	**Theme: cross-societal dialogue**	**Theme: Take care of supply chain**
"One [stakeholder] is the environment that we are working in. Second is the society at large because we do make profits from the society and it's the people who make the products, consume the products and come to shops and buy it." (Manager D, BAT Switzerland)	"I don't believe in just giving out and spend company money as gifts to people in the society. But if it gives something back to society there is a need in the society, companies make good profits and investing them into the society doesn't harm companies." (Manager D, BAT Switzerland)	"There is a vision point where we have to define where we want to go as a human being and a citizen of this world, what is the impact of this visions in terms of responsibility." (Manager E, BAT Switzerland)	"For me it [CSR] should be a given part of any society because I come from Asia... In my blood what I have is a more cross-functional, a cross-organizational, cross-societal dialogue with each and every person the company operates with." (Manager D, BAT Switzerland)	"A company should be responsible not only for the final product they are selling to the consumer but already starting having a part of responsibility regarding their suppliers…especially when we are talking about child labor, fair trade,… ecological aspects, [and] social engagement within the area the company is operating in." (Manager F, BAT Switzerland)
"Due to the nature of the product we sell it is a duty towards society and our stakeholders to do our business in a responsible way." (Manager I, BAT Switzerland)	"I would look at it [CSR] regularly as a top team what we can do to society and the environmental impact." (Manager D, BAT Switzerland)	"You have the governments and the unions and it's about being a good citizen towards them." (Manager H, BAT Switzerland)		
"Anybody, who has an impact from the organization. So it captures everybody, because any company that makes any product has an environment that picks on the public at large, so people working with companies." (Manager D, BAT Switzerland)	"Some think that …if companies create employment, they create salary and … they contribute to society as a whole... to me it's not the only goal of a company. It should go further... and create other benefits for a society in which they operate. Because by operating in a community... typically they alter the environment." (Manager I, BAT Switzerland)	"A mayor corporate is as much part of society as it is a university, or a village or a town, or a large group of people." (Manager B, BAT Switzerland)		
"Our employees, the general environment we are in, that means the public at large, at least the communities we are operating in." (Manager D, BAT Switzerland)	"[Companies] should contribute in another way, because they create profit and the profit should get back to the community in a different way." (Manager I, BAT Switzerland)			
"We have an overall responsibility towards the consumers and the	"BAT globally says that by their business principles we should contrib-			

society at large." (Manager D, BAT Switzerland)	ute to the community where we operate and not only by just increasing the profit." (Manager I, BAT Switzerland)		
"We are...to show ownership of what we are doing and how to take into account civil society at large." (Manager C, BAT Switzerland)			
"Stakeholder management shouldn't be confined to just consumers or suppliers or whatever. That ultimately the stakeholders in a business are almost everybody." (Manager B, BAT Switzerland)			

Table 33: Traits of Legitimation Strategies that aim for Pragmatic Legitimacy at BAT Switzerland

Traits of Legitimation Strategies that aim for Pragmatic Legitimacy			
Theme: Managing reputation	**Theme: inform the consumer**	**Theme: drive agenda**	**Theme: ensure government revenues**
"It's even more important that we start to look for dialogue with our different stakeholders to check out where are nevertheless, in which area is a common understanding. What can we do to change our perception as just the bad guys which is a little bit the case. So there is no way out to avoid the direction of dialogue." (Manager F, BAT Switzerland)	"We have disclosed our ingredients on our website in three different languages, making our website more user-friendly, so that they understand the risks and what's linked to cigarettes and to smoking…it's the moral obligation." (Manager I, BAT Switzerland)	"We have acknowledged that we have to raise our voice. This was one of the feedbacks that we got through that corporate social report which we started in autumn last year, where many of our stakeholders said, 'I might not agree with what you are saying on tobacco, but I would like to know more about your strategy and your personal position on this one'." (Manager G, BAT Switzerland)	"Giving the example of [name of developing country], we were responsible for 10% of government revenues…so we had a very close dialogue with the government in improving the revenues. There were times when they didn't listen to us and they went on other people's advice, lost revenue and we established our credibility by showing them, they can turn around." (Manager D, BAT Switzerland)
"What we are trying to do is really to have a sustainable growth over time and that sustainability is achieved through our responsible behavior globally. Litigation is a part of that, but it is actually [only] a tiny part of it and I don't think that reputation will give us any benefit in terms of litigation." (Manager H, BAT Switzerland)	"We have a moral duty to inform our consumers, so that they are aware that smoking is dangerous and poses certain risks for health." (Manager I, BAT Switzerland)	"If you then want to drive a BAT corporate social responsibility agenda, you have to get a voice, not as a brand but as a company. Once you have that, you then have to define a set of criteria on what is our influence for example on public place smoking." (Manager G, BAT Switzerland)	"[We] make sure that all the things are collected properly and remitted on time and on the due date to the governments." (Manager D, BAT Switzerland)
"The biggest discussion is about…how is an activity perceived by an environment?" (Manager F, BAT Switzerland)	"Our moral responsibility is to inform them and inform them about the risks of smoking." (Manager I, BAT Switzerland)	"We have acknowledged that BAT as a company has to get a greater share of voice". (Manager G, BAT Switzerland)	
"Even [when] activities are from times to times legal, it could potentially harm the reputation of the business… [if] external stakeholders consider that is not the way tobacco industry should behave." (Manager F, BAT Switzerland)	"We can assume that people are informed and we keep informing them. That's why we keep putting health warnings and that's also why… we have decided not to produce pack covers to hide the health warnings." (Manager I, BAT Switzerland)	"We have tried over time to have a bigger voice in the industry, because we do have a lot of positions towards smoking-related issues and we try to share them as much as we can." (Manager G, BAT Switzerland)	
"Can that activity that we are applying on a specific brand or different brands have an impact on reputation?" (Manager F, BAT Switzerland)	"We think it is important that consumers are informed of the risk of smoking." (Manager I, BAT Switzerland)	"As you started to have an acceleration of legislation we have started to be more vocal towards external stakeholders." (Manager H, BAT Switzerland)	
	"We don't have to put a health warning on our ads [but] we put a health warning on the ads, really stating that smoking poses a risk to health and that it's dangerous." (Manager I, BAT	"We have to change our way of reacting to more proactively driving the agenda." (Manager G, BAT Switzerland)	

Switzerland)		
	"We have health warnings on our products, so everybody who's buying a pack and consuming it has no chance to ever avoid that message." (Manager G, BAT Switzerland)	"Staying quiet is not an alternative. Raising your voice, making best use of all the access you have to your external stakeholders is the only thing we can do." (Manager G, BAT Switzerland)	
	"For adults we believe that prevention should clearly inform them about the risk related to smoking, based on scientific evidence. And we do that. All our packs are bearing health warnings. Even in countries where it is not set by law we have health warnings, voluntary." (Manager C, BAT Switzerland)	"[Our stakeholders] want us to play a more active role. This we have acknowledged…we want to stay in more contact with external stakeholders on whatever front, regulators, media and whatever in order to be more visible." (Manager G, BAT Switzerland)	
		"We want to have access to the major players, in order to get our message across." (Manager G, BAT Switzerland)	
		"We have to drive the agenda." (Manager G, BAT Switzerland)	

Table 34: Traits of Legitimation Strategies that aim for Cognitive Legitimacy at BAT Switzerland

Traits of Legitimation Strategies that aim for Cognitive Legitimacy				
Theme: comply with the law	**Theme: Aligning through training**	**Theme: code of conduct & business principles**	**Theme: self-regulation**	**Theme: social reporting process**
"The basic responsibility lies in obeying the law. That may vary from country to country and that you might like or not like but if you are operating in that country you have to obey the law." (Manager G, BAT Switzerland)	"The first thing we have to do is to share with our people what the company means by social responsibility, to have every single individual in the company aligned behind what the company believes it is responsible to do or not to do. So internally you've got trainings, information sessions, sharing documents, aligning people." (Manager C, BAT Switzerland)	"We do have a corporate conduct, standard of business conduct in the company, for BAT as a global company. We all have to commit and sign to it. It's not [only] signing the document, it's going through an understanding, making sure that you live those things….It's there in the BAT culture so it's a given that we have to maintain the standards." (Manager D, BAT Switzerland)	"An example of a concrete activity is…youth prevention for example, where we have a national program in place. Not just a BAT initiative, but it's an initiative of... an initiative that comes from the whole Swiss cigarette industry, where we put in place programs for retail access... to prevent retail access and sales to people who are under age." (Manager I, BAT Switzerland)	"[The social reporting process] is constructed as a dialogue, a very disciplined dialogue…it is involving a lot of people. It is involving different people in the organization." (Manager A, BAT Switzerland)
"Of course we comply with every single law everywhere we operate. This is for us, so to speak, a no-brainer. We have to comply with every single law and we will not compromise on that." (Manager C, BAT Switzerland)	"CSR should be a permanent idea, a permanent framework of every decision that is taken in this company. It should be so and, I believe, in many ways it is already so. It's a framework." (Manager E, BAT Switzerland)	"From as long as I remember … we have always had codes of ethics, codes of conduct that we were respecting, so we were already acting in a responsible way." (Manager I, BAT Switzerland)	"For example, in December, [we were] putting off stickers that we were doing in the past, where we were saying "not sell below sixteen" which was a voluntary restriction as well and most of our trade partners bought into that." (Manager G, BAT Switzerland)	"[For the] social reporting process…we ask our stakeholders for their views on how they see we run our business and what opportunities there are for us to improve the way we operate. And we then respond to our stakeholders and give them a series of action points, we follow up against and track up progress to be a more socially responsible company." (Manager B, BAT Switzerland)
"Then you have the whole area of corporate values which defines the way we operate. No bribery, abide by the law." (Manager H, BAT Switzerland)	"It's part of the day to day thinking process, part of the day to day management process." (Manager E, BAT Switzerland)	"There is a code which is called the standards of business conduct which we have to sign every year at the beginning of the year. It's our legal manager who is in charge of collecting all the sig-	"We invest our own field force, where we have printed those stickers on our cost for example, in order to refurbish, redecorate the point of sales, taking off the sixteen stuff and putting	"Something more than 20 markets, have gone through the whole process and issue a corporate social responsibility report and all that and... the headquarters is definitely encouraging every

		natures. It defines exactly what you are supposed to do and how you are supposed to behave, what you are not supposed to do: things such as not accepting gifts, no bribing, basic stuff like that." (Manager I, BAT Switzerland)	on 18." (Manager G, BAT Switzerland)	end market to do so." (Manager G, BAT Switzerland)
"Responsibility doesn't as a primary goal [have]… reducing litigation. I think it is more about a set of behavior and the acknowledgment that we are a global company and that we have to have global standards." (Manager H, BAT Switzerland)		"BAT has a certain kind of conduct and every employee within BAT has to sign to those terms of conduct and then it will definitely not take advantage of something that is legally possible but morally not right." (Manager G, BAT Switzerland)	"We try to educate wherever possible, trade partners at point of sale level or consumers if we are talking to them, that we are only concentrating our business to adults, i.e. 18 and older." (Manager G, BAT Switzerland)	"The social report is a key cornerstone, because it's a tool that enables us to engage in a dialogue…We have to understand what society expects from us, so that we can react towards it." (Manager H, BAT Switzerland)
		"In the end it comes down [to]… employees signing our terms of conduct, where you make sure that everybody adheres to that…in whatever respect of business he is in charge of." (Manager G, BAT Switzerland)	"There's marketing standards that BAT has signed together with our major competitors as well, where we have imposed ourselves voluntary restrictions on everything that we are doing." (Manager G, BAT Switzerland)	"[In the social reporting process] we have first listened to…a panel of stakeholders from various horizons and then came back with proposals on our side, debated them and now we're starting to implement them." (Manager H, BAT Switzerland)
		"We do get employees to sign some clear set of guidelines on business conduct that is employment conduct." (Manager D, BAT Switzerland)	"I can try to convince all our customers not to sell to minors. But since they are business-driven and since they want to take advantage of those two years, 16 until 18, they are still selling cigarettes under 18. We are happy to give up that part of our business." (Manager G, BAT Switzerland)	"We initiated [a social reporting process] at a group level in 2005 in Switzerland, where we go and meet with stakeholders to understand their expectations, to try to meet those expectations as much as we can, and we believe that this is responsible behavior." (Manager C, BAT Switzerland)
		"BAT has had a standards of business conduct for a long time." (Manager I, BAT Switzerland)	"[The] Canton de Vaud has imposed a selling ban on people below 18, as of 1st of Jan. And this is according to our marketing standards anyways, so my job is for example to convince some other trade partners as well to go for sales only for 18 and older." (Manager G, BAT Switzerland)	"Now that we understand their expectations, we had another session of dialogue with them, where we presented our commitments, based on their expectations and those stakeholders, in a way, validated our commitments." (Manager C, BAT Switzerland)
		"What we do have in place also with regards to internal…is something called business principles. And apart of those business principles we also have something which is called standards of business conduct which is very much on an individual level which every employee has to sign on an annual basis." (Manager A, BAT Switzerland)	"In [name of city] there is a school and pretty close to this school there is a kiosk where we had some permanent branding on one of our brands. And whatever way you were looking out of that school you had to look at that POS and the poster or the signs we had for one of our brands. We took that off." (Manager G, BAT Switzerland)	"These sessions [in name of city] are more information sessions, because we have decided to keep our stakeholders informed about what we do and what we have done. So it's more a session to present to them our social report…because the social report is built on their expectations and on our answers." (Manager I, BAT Switzerland)
		"We have codes of conducts and business	"BAT will always comply to legal restrictions in	"We started a process and we are not going to

		standards that we apply to all of the markets, that all of the senior managers have signed and that we stick to." (Manager H, BAT Switzerland)	whatever end market. But we then have our internal positions, our marketing standards, which are tougher in most countries than whatever the law is asking for." (Manager G, BAT Switzerland)	stop that process of meeting with our stakeholders, so we are going to keep meeting with them in 2007 for new dialogue sessions, where they will be able to tell us what they expect from BAT." (Manager I, BAT Switzerland)
		"[When a new issue arises] we link that to our marketing standards, how would we, as a BAT company respond to that question, based on our marketing standards." (Manager G, BAT Switzerland)	"Also youth advertisements in the media we have pulled back before they were banned or even current details which we have pulled out where they are still allowed by the law." (Manager H, BAT Switzerland)	"It's through dialogue with all stakeholders, without any biased idea, any segregation, that we want to enter into a genuine dialogue with all our stakeholders to understand what their expectations are and to try to meet those expectations." (Manager C, BAT Switzerland)
		"We have a corporate social responsible steering committee which looks at our activities and varies that they are social responsible. For example our environmental health and safety practices, our employment practices, our general behavior in terms of how we market our cigarettes, our products." (Manager B, BAT Switzerland)	"We are still talking to the authorities that this should not be treated on a cantonal level, but it should be treated on a national level, so that we get that 18 threshold for example all over Switzerland." (Manager G, BAT Switzerland)	"Social reporting is a very powerful tool. It was following a very strict and clear process. It forces us to identify who our stakeholders are, to offer them the opportunity to talk to us, to say what they expect from us, what their questions are, and then for us to respond to those. So I think it's a very, very good tool." (Manager C, BAT Switzerland)
		"We have a set of [employment] principles how we should behave in the organization. We are actually trying to embed that in the organization now." (Manager D, BAT Switzerland)	"Things we will and will not do because we do not believe they are fitting the criteria of marketing an interest product in an ethical way, so targeting youths for instance is something that we will not do." (Manager H, BAT Switzerland)	"By listening to expectations of our stakeholders, we better understand what they want us to provide them with…So the first pillar of responsibility for me is dialogue and understanding and listening. Second is then delivering based on what you were told." (Manager C, BAT Switzerland)
		"We have a certain number of guideline and framework and policies and things like this but it's much more reflection that every body needs to have about what he is doing, how is doing that, only in line with the responsibility of the company." (Manager E, BAT Switzerland)	"We have set ourselves criterions of defining what is the minimum age of smokers we would contact, and that is 18. Swiss law says 16, so we have set ourselves targets above that." (Manager H, BAT Switzerland)	"We are going ahead with the stakeholder dialogue which is different from what we have done in the past. We are talking to our key stakeholders. We are trying to understand what they are. Big step in the Swiss culture and the Swiss organization to go in that direction." (Manager D, BAT Switzerland)
		"All the basics and the standards come from the centre. Just for one reason: it's not that we can allow ourselves to be that responsible in Switzerland and only half of that responsible in other... in any other given country. So we just comply with the set of standards which are group-wide	"There are very strict rules in what we call our marketing standards, which is basically the way we see is a responsible way of communicating a product in the interest of health." (Manager H, BAT Switzerland)	"In the end it's a democratic exercise. We have to put our arguments on the table, other people will put their counter arguments on the table and then the sovereign, i.e. the people have to make up their mind how they want to shape their society, how they want to shape that question

		"adopted." (Manager C, BAT Switzerland)		within their society and then obviously BAT will always adhere to any legal restriction that is imposed on us. But we want to be part of that discussion." (Manager G, BAT Switzerland)
		"With its employees, it has employment principles for a long time." (Manager I, BAT Switzerland)	"We have come off TV globally, billboard are no at a certain size, we don't advertise near schools. All of these things are voluntarily." (Manager B, BAT Switzerland)	"Dialogue should help to understand or to make sure that we take into account our people, you, plus the external stakeholders view and then respond to that." (Manager C, BAT Switzerland)
		"We understand that we need to have a set of conducts that meets social expectation in the way we operate." (Manager H, BAT Switzerland)	"We try to convince our stakeholders to adhere to that [self-regulation]." (Manager G, BAT Switzerland)	
		"Our marketing code has been a voluntary international marketing code." (Manager B, BAT Switzerland)		
		"There's marketing standards that BAT has signed together with our major competitors…" (Manager G, BAT Switzerland)		
Theme: lobby for regulation	**Theme: Educate consumer and trade partner**	**Theme: global standards**	**Theme: local adoption**	
"We have been pushing the government in Switzerland, but also globally, to adopt legislation to enforce that no sales will be applied to minors." (Manager H, BAT Switzerland)	"We are spending a lot of money for talking to our consumers. And then you have to make best use to educate our consumers." (Manager G, BAT Switzerland)	"We have global standards and these are not negotiable." (Manager C, BAT Switzerland)	"A global company should not be colonialistic company." (Manager C, BAT Switzerland)	
"We have engaged the government, the health ministry and so forth, [for is] to push laws at a federal level, to prohibit sales to minors i.e. below 18." (Manager H, BAT Switzerland)	"We are thinking about how to educate our consumers not to litter the places they are still allowed to smoke at." (Manager G, BAT Switzerland)	"As a European going to China? … If I would be working in China, I would adapt the codes that have been developed by BAT globally." (Manager I, BAT Switzerland)	"It's always a matter of balance between things and judging a behavior without taking into account the local habits." (Manager C, BAT Switzerland)	
"We want to convince local regulators for example that they buy into our way of marketing tobacco products in a responsible way." (Manager G, BAT Switzerland)	"Once…smoking bans similar to Ireland [were discussed], the reaction we had is that, Heureka, owners then put some... heating mushrooms outside of their premises and then smokers were standing outside." (Manager G, BAT Switzerland)	"What is seen as acceptable in Switzerland is by no means acceptable in other countries and the other way around, too. There are things [though] that might be non-negotiable." (Manager C, BAT Switzerland)	"It takes into account the local habits. Providing again, that they don't go against our minimum set of standards." (Manager C, BAT Switzerland)	
"For me the only way that you can enforce it [selling to minors below 18] is to have a law that stops the retailer of selling to minors." (Manager H, BAT Switzerland)	"We try to educate wherever possible, trade partners at point of sale level or consumers if we are talking to them, that we are only concentrating our business to adults, i.e. 18 and older." (Manager G, BAT Switzerland)	"I have worked in developing markets and we apply the same principles, because at the end of the day we are a global company and the reputation of BAT is the sum of all the reputations of our subsidiaries globally." (Manager H, BAT	"The basics should always be the same…social responsibility should be applicable at any country, be it developing countries or not. The only thing that's really going to be different is going to be the problems that they have	

		Switzerland)	to tackle." (Manager I, BAT Switzerland)	
	"Making smokers aware that passive smoking can be an annoyance for non-smokers." (Manager H, BAT Switzerland)	"Setting some minimum standards group-wide is important." (Manager C, BAT Switzerland)		

Table 35: Traits of Legitimation Strategies that aim for Moral Legitimacy at BAT Switzerland

Traits of Legitimation Strategies that aim for Moral Legitimacy			
Theme: Take care of supply chain	Theme: respect human rights	Theme: set standards in environmental initiatives	Theme: disaster relief
"It starts with: where do we buy the tobacco? Under what other conditions these people have to work? Do we deal with stuff in terms of fair trade? What do we add as added value to the society of market place in the region we are operating? I think it's all the areas where the business has a link with the society to take over a part of responsibility and act really in the best matter." (Manager F, BAT Switzerland)	"It's important that we have to ensure that we are not supporting regimes or practices where underage employment takes place." (Manager B, BAT Switzerland)	"We have to apply global rules of conduct and then understand…the [negative] impact that it has…and then engaging with governments to raise the bar, either in terms of control of the laws that are in place, or in order to raise the standards of the law." (Manager H, BAT Switzerland)	"If there was a flood in [name of developing country] and we were the first to go and distribute things or give contributions to the government." (Manager D, BAT Switzerland)
"BAT is helping a lot of tobacco farmers to grow tobacco…They have a leaf program to help tobacco farmers to get out the most of it. And I think it's typically our responsibility to help farmers to get better knowledge about tobacco growing and to get the best price out of it." (Manager I, BAT Switzerland)	"We have pulled out of countries such as Myanmar…which don't have good records on human rights." (Manager B, BAT Switzerland)	"We set in [name of developing country] the standards of environmental protection." (Manager D, BAT Switzerland)	"Take the tsunami; we were there in a flash, right? Helping selected communities but depending on government priorities, building houses, we are there in the front of it. In the past any natural disaster in the country or anything, we were there." (Manager D, BAT Switzerland)
"We have long-term contracts with farmers, where we guarantee prices, where we make sure that child labor is not happening." (Manager G, BAT Switzerland)	"BAT is one of the founders of the foundation called 'eliminating child labor in tobacco'." (Manager C, BAT Switzerland)	"Our idea was to work with a company called Ecobox. And they produce ashtrays. And we wanted to develop a program, one of our CSR programs, directed at environment." (Manager I, BAT Switzerland)	
"We have looked at farmers, pricing, looking at farmers basically." (Manager D, BAT Switzerland)		"We are running programs on reforestation." (Manager G, BAT Switzerland)	
"[CSR] contains really the whole aspect of the company. If you think about supply chain… it's like a global approach, it's not just you, it's not just your world." (Manager I, BAT Switzerland)			
"If a farmer makes his kids work on the plant, we cannot forbid that. We can only convince him and we are offering… school systems and all that support in order to mitigate that risk." (Manager G, BAT Switzerland)			
"In general we are offering long term contracts with guaranteed prices to farmers which reduce their financial risk." (Manager G, BAT Switzerland)			
"In an ideal world a company is taking responsibility not only for the products we are selling… but much more about the whole… supply chain." (Man-			

ager F, BAT Switzerland)			
"Towards suppliers, [we try]…to give them more visibility, because that was one of the concerns that they have, that we can give them more visibility on order patterns that we would have in the future and so forth." (Manager H, BAT Switzerland)			
"We have to make sure that our suppliers act in a responsible way." (Manager I, BAT Switzerland)			

Table 36: Defensive Posture in Debate on PPS at BAT Switzerland

Defensive Posture in Debate on ETS			
Theme: freedom in danger	**Theme: discrimination**	**Theme: conscious choice**	**Theme: ban does not prevent smoking**
"The experience we have from Ireland, Italy, whatever, suggests that during the first months consumption drops, but then consumption goes up again. It doesn't recover the whole volume lost, but the volume lost in total is not that big. We are more concerned about the freedom that our consumers can still enjoy." (Manager G, BAT Switzerland)	"We say 18 should be a minimum. Now for adults, what is prevention? Is it…showing smokers as bad people, ugly people? This is discrimination, this is not prevention". (Manager C, BAT Switzerland)	"On our advertisements, everywhere, we put health warnings. So that kind of prevention. We believe that helping adults to make a conscious choice about smoking, it's also one of our roles, so to speak." (Manager C, BAT Switzerland)	"When you go to a pub, all the smokers are outside and the hot place is outside. If you want to meet people, if a young guy, you want to meet a young lady or the other way around, if you want to socialize, you are outside. And some people started smoking, just because of that. So the total ban, again, prohibition, it never helps prevention." (Manager C, BAT Switzerland)
"If you then think about somebody who is not allowed to smoke... in trains, for example, whilst he's going to work. He's not allowed to smoke at work places. He's not allowed to smoke in restaurants, a bar or a discotheque when he goes out in the evening. Time that he is able to consume our products is restricted, which faces a volume issue for us, but it is about freedom as well." (Manager G, BAT Switzerland)	"Segregation is never a solution." (Manager C, BAT Switzerland)	"We mean that at least people under 18 shouldn't smoke, because it's harmful, we all know that. And just because, when you have to make a choice to consume or not a harmful product, you better be quite mature, to be able to make a conscious choice." (Manager C, BAT Switzerland)	"More people smoke than before. Because it became a trendy behavior. You know what they have [as] fashion in Ireland now? It's called the 'smirt'. Which means smoking and flirting… you put [both] together and get 'smirt'." (Manager C, BAT Switzerland)
"What do our consumers still have as time slots available in order to consume our products. And this is what we are more concerned." (Manager G, BAT Switzerland)			

Table 37: Tentative Posture in Debate on PPS at BAT Switzerland

Tentative Posture in Debate on ETS		
Theme: coexistence	**Theme: least intrusive way**	**Theme: awareness creation**
"'Without their consent' is the very tiny difference between those who are advocating a total ban and ourselves. Because those who advocate a total ban just say, because you are a non-smoker, by definition, you disagree to be exposed to other people's smoke. Everybody, this is not the case. Now we believe that smokers and non-smokers not only can but also should coexist." (Manager C, BAT Switzerland)	"It has to be addressed and in Switzerland it will…be addressed. Now the core question is how restrictive of a legislation do you have to apply in order to accommodate both smokers and non-smokers. I believe that there is a less intrusive way of solving that than passing a total ban." (Manager H, BAT Switzerland)	"We have down there some communications to smokers and non-smokers to sensibilize them to the fact…that their smoke could create some problems for non-smokers. So there's a wide range of issues that we try to address." (Manager H, BAT Switzerland)
"We believe that coexistence is possible." (Manager C, BAT Switzerland)	"The one thing that has to be considered is the least intrusive effective solution to solve the problem." (Manager H, BAT Switzerland)	
"Because of the culture of consensus that exists in Switzerland. And that's what hap-	"We need legislation on that front. And the legislation for me has to look at addressing	

pened in Ticino. In Ticino the laws allow local establishments and local venues to have separate areas where people can smoke, if there is properly ventilated and if it's a segregated area." (Manager I, BAT Switzerland)	the issue, but in the least intrusive possible way." (Manager H, BAT Switzerland)	
"It is actually quite simple, it is giving the opportunity for consumers of those bars or restaurants or clubs…to choose between a smoking and a non-smoking environment." (Manager H, BAT Switzerland)		
"There is numbers of solutions, there is places in bars and I think it is called fumare and non fumare, which has two segregated rooms and you can either enter in a smoking environment or non-smoking environment. And it is up to you to choose which one you want. For me what is important is that the consumer understands right up front in which environment he enters and that he has a choice." (Manager H, BAT Switzerland)		
"There should be rooms to let people smoke in some, but I also think that non-smokers have the right not to be exposed to public place smoking... and there should be areas where people can smoke, however they should be separated. I don't think that smoking should be totally banned in public venues." (Manager I, BAT Switzerland)		
"We as a company have to find solutions on how to accommodate smokers and non-smokers in restaurants." (Manager G, BAT Switzerland)		
"I don't think it was a very good idea [interdiction of smoking in trains]. I think that yes, the number of…smoking wagons should have been reduced, but they should have let the opportunity of maybe one wagon at the end of the train, so that at least there would have been one wagon where smoking would have been allowed." (Manager I, BAT Switzerland)		
"It started happening in Switzerland in Canton Ticino, where there is a partial ban, actually the media just said smoking in public places was prohibited or banned in Ticino. It is wrong. In cafés, restaurants and bars you can have separated ventilated areas." (Manager I, BAT Switzerland)		
"We saw what happened in Ticino. And I am not sure it's going to be a total ban as it is in Ireland. I think the Swiss culture and values will allow places to smoke, such as…give the choice to a private club to allow smoking in there, in so called public venues." (Manager I, BAT Switzerland)		
"So the culture of consensus will have an impact on that issue about passive smoking. I'm sure there will be regulations in that area and that will take place in Switzerland. Because we are seeing it happen. And several cantons have already either project law in place or... I mean, it's getting there, but it's never going to be as tough as in Ireland." (Manager I, BAT Switzerland)		
"If you can secure for example smoking lounges at Geneva airport, this is already a success to us, because there might be some extreme solutions to forbid smoking in the whole airport. And if you then can make sure that at certain gates there is a certain square meter dedicated to smokers where they can still enjoy our products, this is already a measure of success for us." (Manager G, BAT Switzerland)		

Table 38: Open Posture in Debate on PPS at BAT Switzerland

Open Posture in Debate on ETS		
Theme: need for (some)regulation	**Theme: open to discuss**	**Theme: no exposure without consent**
"There should be a regulation and that public place smoking should be regulated." (Manager I, BAT Switzerland)	"We are happy to have whatever question debated, on public place smoking, on marketing restrictions or whatsoever." (Manager G, BAT Switzerland)	"No non-smoker should be exposed to other people's smoke without their consent." (Manager C, BAT Switzerland)
"We do want regulation… [but] the market will find a solution by its own in the long run. We need to have a law that stipulates what is acceptable and what is not." (Manager H, BAT Switzerland)		
"I don't think that it should be local initiatives, such as [in] Ticino … it should be harmonized solutions, a harmonized regulation." (Manager I, BAT Switzerland)		
"If you want to have ventilation or segregated areas in your bar or restaurant, it needs a significant investment. And if you don't want to have a law that backs up your investment, then you will not invest and therefore the status quo, the current situation, will remain." (Manager H, BAT Switzerland)		

Appendix D2 - CSR-character of Hewlett Packard

Table 39: Salient Traits of Identity Orientation of HP

Salient Traits of Identity Orientation of HP				
Theme: the HP way	**Theme: values of the founder**	**Theme: thought leader**	**Theme: pride**	**Theme: do the right thing**
"When Mr. Hewlett and Mr. Packard started the company, they had this HP way and then they had this being a good global and local citizen as part of the HP way. I think they recognized that [CSR is good for business] when they set that up." (Manager J, HP)	"The legacy of this company's behavior, the strong following of the internal values and it was a company that was almost a family business for many, many years." (Manager F, HP)	"In the last the last five years… we were a thought leader and a trend-setter and everybody else was trying to copy what we were doing." (Manager C, HP)	"We're pretty proud of the fact that we do do that, as it was set up by the founders. That we do look at being a good citizen, both in the micro-sense of the person, the individual and with society, as well as in the macro-sense of doing the right thing in many areas." (Manager A, HP)	"We feel we want to do the right thing." (Manager A, HP)
"Way back, when Mr. Hewlett and Mr. Packard started the company, they had ….being a good global and local citizen as part of the HP way." (Manager A, HP)	"HP was led by a two very sound people, Hewlett and Packard. And for many years the company was driven on what you would call family values versus corporate values." (Manager F, HP)	"The values of HP often preceded the legal requirements. The history of HP is such that HP often set the leading tone for corporations in areas such as CSR, diversity and so forth." (Manager F, HP)	"It is a pleasure… [to be] contributing to a companies goal, [by] doing good to the society, to many stakeholders and being perceived as a better company than others." (Manager B, HP)	"Obviously there's a cost to anything, but we feel we want to do the right thing, because we feel it's important that if we sell something, people will continue to buy it for all the right reasons." (Manager A, HP)
"The founders have been extremely concerned about corporate responsibility and about what we call corporate citizenship. Which means, be a good citizen in the places where we operate, having a fair treatment of people. It has been quoted in many publications: it's the HP way." (Manager H, HP)	"When HP started to be very active with respect to corporate responsibility, it was not long ago after the company was founded. And as I remember the company was founded in '37 or something, 1937. So HP has been very vocal about this." (Manager D, HP)	"The big difference between HP and some other companies is clearly that we have been in the [CSR] game for many more years" (Manager D, HP)	"This is the way HP is doing that, and I think that is the best way to do it." (Manager J, HP)	"And it might sound a little bit blurry, but it's true, we do actually want to do the right thing within the framework of a company." (Manager A, HP)
"This concept of the HP way of doing things, which in fact, which was a policy up until very recently, around trust, doing the right thing, being a good global citizen, a good local citizen, these were all embedded right from the beginning." (Manager A, HP)	"The founders Packard and Hewlett they were absolutely outstanding guys. I have been meeting them personally and so on. They were absolutely fantastic people. They were believing that individuals like you and me, we are fundamentally good." (Manager G, HP)	"There is this famous regulation called WEEE, waste of electronic and electrical equipment, that came in place last year and HP has pretty much recycling processes in place for many years already." (Manager B, HP)	"The history of HP is unique." (Manager F, HP)	"We need to make a good balance between the business and doing the right thing for the people and for the environment." Manager J, HP
"It's always been embedded in the HP way of working, which was set up by the founders, way back when HP was first created. So, I think there's always been a desire and a structure and a policy around being socially compliant." (Manager A, HP)	"It is really the original company philosophy of HP, where this engagement comes from and that has been set with the foundation of the company in 1939 and really, some very early engagement by Bill Hewlett and Dave Packard." (Manager B, HP)	"We started or we developed and built and sold a green workstation in the early 90s. Not a big success at that time. Even when we even lowered the cost to be just equal to the normal workstation, nobody did buy it. We tried to educate, but HP alone couldn't change it." (Manager I, HP)		
"We're pretty proud of the fact that…we do look at being a good citizen, both in the micro-sense of the person, the individual and with society, as well as in the macro-	"It's always been embedded in the HP way of working, which was set up by the founders, way back when HP was first created. So, I think there's always been a	"We have been establishing a recycling supply chain in corporation with Philips and Nokia and other for technical products on a European basis. And this has been		

sense of doing the right thing in many areas, with customers, suppliers, community, even down to diversity, which is a major item in HP, looking at the diversity of employees." (Manager A, HP)	desire and a structure and a policy around doing… being socially… compliant etc., obviously rules and laws come in and force you into perhaps… slightly deeper areas." (Manager A, HP)	the plan nearly independent of the external market." (Manager G, HP)		
"HP has always since the foundation of the company in 1939, has always been related to social responsibility, local responsibility. Good citizenship has been high on the agenda of HP." (Manager D, HP)	"[The first engagement in CSR] was definitely a reflection of the personal values of Bill and Dave." (Manager F, HP)	"HP is one of the first companies in the world that took up a policy around social responsibility." (Manager D, HP)		
"There is a magazine out there, around corporate responsibility and we were number two in the world around it or something like that… and that comes up in my opinion from the original base of when the company was started in this HP way." (Manager A, HP)	"Dave Hewlett and Bill Packard… from the first day that they started operations, they returned something to their community, were they operated, that was just something that was in their DNA and therefore it is so strong and HP and it still lives very strongly in this company." (Manager C, HP)	"A lot of the rules came up with the European Union rules, but we strengthened them when the European Union rules came up and we expanded it on a wider basis." (Manager A, HP)		
"In '57 the two founders, Hewlett and Packard, wrote a book about how you manage a big company, what you can sell, what kind of responsibility you have towards a society, towards your employees and also the responsibility towards the company, how do you protect the brand of a company?" (Manager D, HP)		"We have programs in place in correspondence with EU regulations…most of these programs are now in correspondence with EU regulations, even if HP has been dealing with his programs much earlier before the EU came up with this regulation." (Manager B, HP)		
		"Sarbanes-Oxley is bringing a lot of documentation and a lot of proof to the things we have already done before." (Manager J, HP)		
		"We would like to belong to the leading companies here in our industry [in CSR] and really kind of being perceived from our customers and employees as such." (Manager B, HP)		
		"HP was for example engaging in diversity before it became a legal requirement to register numbers, to turn in numbers of diversity." (Manager F, HP)		

Table 40: Traits of Individualistic Identity Orientation in CSR Definitions at HP

Traits of Individualistic Identity Orientation in CSR Definitions			
Theme: shareholder value & profits	**Theme: long-term profitability**	**Theme: mutual benefit**	**Theme: CSR as corporate strategy**
"In a market-oriented society the major responsibility of a company is to provide profits to its shareholders. Basic as that." (Manager I, HP)	"Companies that are able to compete in the market place and still fulfill a triple bottom line, will stand much longer in the future." (Manager D, HP)	"Driving for profits, driving for growth, driving for creation of wealth has a good social benefit and also has a good community benefit." (Manager A, HP)	"HP has social responsibility as one of the seven corporate objectives, which is part of, is as important to the company as profitability, customer loyalty, customer sale section market leadership." (Manager C, HP)
"In principle, I think in our current society, a company has a main objective and responsibility to provide profits to its shareholders. Out of that a lot of other responsibilities are deriving. Among of them is corporate and social responsibility. But the company itself doesn't have corporate and social responsibility. It's a secondary which comes out of the profit." (Manager I, HP)	"In order to…be long term successful in the market you have to satisfy other stakeholders [than shareholder] also. Other stakeholders like your customers of course, right? Without any good customer and good customer relation you will not make any profits … [as well as] other stakeholders like your employees … and then the society you work in." (Manager I, HP)	"There's an advantage to actually both to the customer and to the corporate image to a large extent, to be seen to be doing this job well … we want to recycle the plastic, we want to make sure some of the chemicals that are embedded in the chips etc. are properly disposed of." (Manager A, HP)	"There's seen to be more and more social responsibility on the part of the consumer, then you got to factoring that in to your environment [which] also helps in expanding your business as well." (Manager A, HP)
"One of our main purposes for existing is around our stock owners who have given us money and invested in the company, so that we can sell products and give them a return and grow their investment." (Manager A, HP)	"An organization that is strong with corporate values and corporate responsibility is better suited for long-term profitability." (Manager J, HP)	"When we design products we always try and design products to use as little energy as possible. Because that's not only good for the economy, but that's also what our customers are looking for." (Manager A, HP)	"We see value in HP of doing a lot of the internal corporate responsibility as well as the society-related corporate responsibility." (Manager A, HP)
"There is a long fluid of thing you can just base on the very pure word profit." (Manager I, HP)		"To a large extent … doing good corporate things, actually helps drive good business." (Manager A, HP)	"Social responsibility can be a competitive advantage, if we communicate it effectively….So we design products around that to a large extent." (Manager A, HP)
"If I combine a profitable enterprise with responsible behavior, I believe then you have the highest value in the stock market." (Manager J, HP)		"Being a profitable organization is the base of showing corporate responsibility and also showing corporate citizenship." (Manager J, HP)	"[CSR] is to design the products in a recycling-friendly way, so they can be easier recycled and therefore recycled at lower cost." (Manager I, HP)
		"[Out of the responsibility to satisfy stakeholders] a lot of other responsibilities are deriving of, for example, to ensure that future markets are developed. And therefore we have a responsibility to develop new markets, develop countries to enable them to buy more products." (Manager I, HP)	"[CSR] is similar to every marketing strategy. You need to look forward and try to predict what the topics are in the future. Then select those that will affect you or your company." (Manager I, HP)
		"We have some dedicated customer wins as well, winning situations, where we know and can proof as well, that we won or got this deal only because we had a good environmental program and a solid environmental program and a good kind of convincing corporate social responsibility program in place." (Manager B, HP)	"Treating your employees properly is good business. Employees are a major asset to the company; you need to be able to do that." (Manager A, HP)
			"[Corporate values] can be treated as a competitive advantage." (Manager A, HP)
			"Ignoring corporate responsibility...is bad business practice." (Manager A, HP)

Table 41: Traits of Individualistic Identity Orientation in Stakeholder Definitions at HP

Traits of Individualistic Identity Orientation in Stakeholder Definitions		
Theme: shareholder as primary stakeholder	There: influence on	Theme: strategic stakeholder approach
"The most important stakeholders are the shareholders." (Manager J, HP)	"[A] stakeholder is…a party that has an interest, influence on the company." (Manager G, HP)	"Within our corporate social responsibility strategy, we have stakeholders in all crucial areas, where we would like to kind of be present first of all and strengthen our strategy." (Manager J, HP)
"So number one: it's definitely our shareholders. Number two: it's our customers. And number three: it's employees." (Manager I, HP)	"Stakeholders are people who have an interest in my company and can influence my company." (Manager G, HP)	
"A stakeholder or shareholder are people who own parts of the company and therefore have given their money to the company to use it towards the company objectives and towards the guidance the company has." (Manager A, HP)		
"I see the shareholders as the main stakeholders. In addition I see employees and to a certain degree customers and suppliers as stakeholders." (Manager J, HP)		
"The important stakeholders are the shareholders and the employees. And then it's the society around HP." (Manager D, HP)		

Table 42: Traits of Relational Identity Orientation in CSR and Stakeholder Definitions at HP

Traits of Relational Identity Orientation in CSR and Stakeholder Definitions				
Theme: interest in, influenced by & related to	Theme: trust & respect	Theme: fairness & teamwork	Theme: focus on customer	Theme: balance responsibilities
"For any functions stakeholders are internal, external people which are actually heavily related to your activities. Either because they receive a direct contribution from your organization or they are participating to your project." (Manager A, HP)	"We have special communications with our different suppliers, depending on the strategic relationship we have with them, informing them about our plans, about new products, about production places, about changing the processes, so involving them as early as possible; to make sure we have a trustful and honest relationship" (Manager J, HP)	"Achievement is important but if I don't achieve this within the rules for an open, honest and team-oriented environment, then it will not have the same value for the company." (Manager J, HP)	"If we focus on the customer, which is a very big thing at HP, then by definition if they have certain beliefs and responsibilities that they want to maintain, then we need to focus on those as well, if we aren't already doing it as part of the global citizenship." (Manager A, HP)	"Important stakeholders [are] of course the employees, that make up the essence of the company in the heart and the DNA of the company and then of course the shareholders, who have in interest in the well being of the company." (Manager C, HP)
"We are all interrelated; we all need each other and the way to grow properly as a company to grow and to provide returns to the owners, the shareholders etc. is also by how you deal with all your interrelated parties, with the suppliers, the employees, etc." (Manager A, HP)	"You treat customers in an honest way, dignified way. And then when you engage in community you do it with the same background: trust, respect, honesty. And you do engage in certain community activities." (Manager F, HP)	"The way how things are done is taken into account and is one of the core values that we are having as HP." (Manager J, HP)	"The company is there for a purpose and the purpose is to deal with the customers and employees." (Manager A, HP)	"The company has a responsibility towards its shareholders towards its owners, towards its employees and also towards the communities – social responsibilities. Every good company has to balance these responsibilities." (Manager J, HP)
"Stakeholder can be anybody that the company touches, it can be an employee, it can be customer, a partner, it can be a shareholder, it can be the media that we deal with, that has some interest, so it is all touch points, internally and externally." (Manager G,	"The words trustful, honest and reliable and accountable I would have for all stakeholders and this requires a very open policy and a very honest policy and this is what HP is implementing." (Manager J, HP)	"We achieve our goals through teamwork." (Manager B, HP)	"The customer is everything …and at the end of the day, if he insists on certain things and we are not already doing them, it's something that would put a lot of pressure on HP to do it." (Manager A, HP)	"Our stakeholders are shareholders… our employees …our customers … our governments, or our board, the finance board." (Manager E, HP)

HP)				
"[A] stakeholder…is a person, a body, a company, a government that would be influenced by the actions of a company or has some interests in the actions of a company." (Manager D, HP)	"[HP] shows respect for the individual, drives teamwork and responsibility, focusing on values like honesty, openness and cooperation." (Manager J, HP)	"Suppliers… we treat them fairly, we treat them with our goals in mind." (Manager A, HP)	"First of all, a company is pretty much an institution that is there for its customers. The customers need to be treated in a fair way and they need to have…similar or the same rights." (Manager B, HP)	"[A stakeholder] can go from shareholders to… our partners that we are working with, and obviously employees." (Manager G, HP)
"[A stakeholder] could be anybody who you need to answer to in a company. So our stakeholders are shareholders, are our employees, are our customers, are our governments, or our board, the finance board." (Manager A, HP)	"We treat our employees with trust and that we want to serve our customers." (Manager A, HP)		"[The company] can only work if we treat our customers well …customers and partners are also absolutely fundamental stakeholders." (Manager C, HP)	"People or organizations or communities that have an interaction…with the company." (Manager A, HP)
"A stakeholder is somebody who has interest… [in] HP. In that case it would be employees, shareholders, customers and community." (Manager F, HP)	"Trust, respect, honesty... valuing one another and people." (Manager E, HP)		"We want is to invent and develop technology solutions that will be bringing a rich experience to our customers using technology for enhancing their life." (Manager G, HP)	"We rely very, very much on the employee in fact." (Manager G, HP)
"[A stakeholder] is a party that has interest in the development of the company and the fulfillment of its mission." (Manager A, HP)	"Core values which drive this company…are trust respect, ethics, a strong sense of ethics." (Manager F, HP)		"The real core values of HP are … passion around the customer and I think you will see that also when you talk to customers, they really like HP, as opposed to some of our competitors, which they don't like as much." (Manager F, HP)	
			"We want to sell. We're here for a purpose, to provide products that our customers want to use and to provide technology development that we also encourage customers to use for their benefit." (Manager A, HP)	

Table 43: Shift of Identity Orientation at HP

Shift of Identity Orientation at HP			
Theme: Carly Fiorina versus Mark Hurd	**Theme: merger**	**Theme: mixed core values**	**Theme: shift towards shareholder**
"Carly would do it in a more visionary way and Mark Hurd is doing it in a more pragmatic way, but they are both, from a value side, they were both supporting the same corporate values." (Manager J, HP)	"[The merger] shook up the culture a little bit. It added other values and behaviors. Some of them for the better." (Manager F, HP)	"[The core values are] uncompromising integrity, teamwork, trust, respect, achievement, contribution, passion for customers, speed, agility, engagement by employees, innovation." (Manager F, HP)	"The balance [of the importance of stakeholders] has maybe changed a bit; we used to take it with employees, but…now it's definitely shareholders." (Manager E, HP)
"Those people that did not abide to those values, those that blatantly violated were let go very quickly. And the others adapted and conformed to the values." (Manager F, HP)	"We have since the merger seen people get fired because of non-ethical behavior. That has never happened in the history of HP before the merger." (Manager F, HP)	"[HP] is a very approachable, a very open company, a very engaged company. I think the core values are really down to integrity and treating people with respect and putting customer passion first." (Manager F, HP)	
"When Carly Fiorina came in the late 90ies… [the corporate culture] changed somewhat. And then we all know the history of the families selling their		"Integrity is probably the strongest value that this company has. Teamwork, integrity, trust, respect." (Manager F, HP)	

shares." (Manager F, HP)			
"If you look into what Carly Fiorina said and what Mark Hurd is saying, from inside the company, they are saying the same words, but they are implementing it differently." (Manager J, HP)			
"Our new CEO is in fact trying to absolutely streamline and focus the company." (Manager G, HP)			
"[The merger] added some new aspects to it which were great. Speed, agility, some, a little sharper edge." (Manager F, HP)			
"What has changed is more how is the company represented through the outside world." (Manager J, HP)			
"Mark Hurd…is saying it is not my role to go ahead and be that much out with the press, my role is to go and manage the company, being sure we achieve our objectives, making sure we do this in alignment with the corporate responsibilities, we do this understanding what do we owe to our shareholders, what do we owe to our customers, what do we owe to our partners." (Manager J, HP)			

Table 44: Traits of Collectivistic Identity Orientation in CSR and Stakeholder Definitions at HP

Traits of Collectivistic Identity Orientation in CSR and Stakeholder Definitions			
Theme: be a good corporate citizen	**Theme: responsibility towards community**	**Theme: contribute to societal wealth**	**Theme: do not harm**
"HP spent a lot of money… in order to make sure that we are a decent corporate citizen." (Manager D, HP)	"The company has various types of responsibilities: towards its employees, towards its shareholders, towards the customers, and I would say it has a responsibility towards the community it operates in." (Manager F, HP)	"The good thing in you, which is to play honest, and to make sure that you are giving back what you are receiving … for 50 years… it has been… totally embedded in the culture." (Manager G, HP)	"You don't want to live in a society where you have waste lying around all over or a highly polluted society." (Manager D, HP)
"The company is a very responsible citizen and that is reflected in the way we designed for environment…how we treat our customers in terms of privacy and how we engage in philanthropy as well as corporate social responsibility in general." (Manager C, HP)	"A company has a huge responsibility in several areas [such as]… being an employer, in every country and area the company is present …towards the community in which the company is acting, [and]… towards the environment." (Manager B, HP)	The two founders already from day one, by themselves, they said, the charter of HP is not only to make money, the charter is to create value in the society. That has been a fundamental thing." (Manager D, HP)	"You as a grown up citizen, you don't want to live in an environment [which is]… highly polluted." (Manager D, HP)
"HP has, for a long, long time, ever since its creation, had a policy that we want to be socially acceptable, want to be good citizens, wherever we are." (Manager A, HP)	"The world is changing, technology is changing. That's important, too. And I think the social responsibility still needs to be there from a philanthropy or a local community perspective." (Manager E, HP)	"We contribute to the economic growth and the social wealth of those [developing] countries." (Manager A, HP)	"If you are in a country in South America or Africa, where …you say: but we are used to use children workers in countries in South America or in Africa, HP will never sentence it, never. Then this company will not be subcontracted to us." (Manager D, HP)
"[HP] is having a strong global citizenship, following the laws in all the different countries, contributing to the social community, making sure we are providing what we call the best environment to work with." (Manager J, HP)		"I can even use company funds in order to help the company be a socially responsible citizen by furthering social interest that prospect in different countries." (Manager C, HP)	"HP has a huge responsibility to participate and constantly find a way to minimize the energy they use, not only the inner use, but certainly also the dissipation of greenhouse gases." (Manager D, HP)

"Corporate citizenship…is supporting communities, being a good citizen and this is part of the corporate guidelines of the behavior of the corporation to the outside world." (Manager J, HP)		"I would say the important stakeholders are the shareholders and the employees. And then it's the society around HP." (Manager D, HP)	"All companies have a moral responsibility, to talk about the hazards that they will see if they don't do the best thing." (Manager D, HP)
"It's always been our policy to be good citizens, wherever we are." (Manager A, HP)			"For recycling, for elimination of toxic material … [we ensure] that we minimize the risk that products have to the best of our knowledge at the time that we create them." (Manager J, HP)
"First of all…you have to behave as good citizens, but having said that, you have to deal with profit and hence you can invest, so you can get more people to work and you get a more willful society." (Manager D, HP)			
"The purpose [of CSR] is to ensure that all the employees understand where the company is going and conform from their behavior with, like, corporate ethics and the corporate guidelines." (Manager J, HP)			
"The purpose [of CSR] is to make sure that the people inside the company make business that is aligned with what is good citizenship in the different countries." (Manager D, HP)			
Theme: increasing & joint responsibility	**Theme: report to society**	**Theme: technology to enhance people's life**	**Theme: mandate due to size**
"It is more looked upon to companies now, to take on the responsibility that was more or less owned by the government before and as the government does less and less for its citizens, the governments are looking for private companies, to look for private public partnerships so together they can sort of tackle some of these issues, so absolutely it is changing and the responsibilities of the companies is going up." (Manager C, HP)	"You have the society as a very big stakeholder group, or the government and also the employees. So you will need to make some kind of reporting also for social responsibility, that you don't dump waste and you treat your people in the right way and so on." (Manager D, HP)	"Making sure that technology is used to enhance the life of the people." (Manager G, HP)	"We are an international company, if you take the top 100 economies in the world; you will find more than 50 of them are companies, not countries. So I think you have a responsibility, but you also have a mandate because you have a lot of resources." (Manager D, HP)
"We have a joint responsibility to our neighbors, whether I look towards the east or whether I look in the south towards Africa." (Manager C, HP)			
"The issues are too big for governments alone to handle." (Manager C, HP)			
"Companies have a responsibility because the governments obviously are retreating more and more." (Manager C, HP)			

Table 45: Traits of Legitimation Strategies Proving Pragmatic Legitimacy at HP

Traits of Legitimation Strategies Proving Pragmatic Legitimacy		
Theme: protect & manage reputation	**Theme: communicate CSR engagement**	**Theme: lobby for shape regulation**
"We always have to insure that we do not step in the road, play to say the wrong things, act in a way that wouldn't be in the line with our corporate image." (Manager F, HP)	"We do have communication of the effects of corporate responsibilities, like global citizenship, like sponsorships that we are having, like the philanthropy projects that we do. We make sure that they get covered in the press." (Manager J, HP)	"We recognized that it {recycling guidelines] will come in Europe first, so we developed a lobbying plan here on helping the governments to understand that certain structures are required to make the manufacturers responsible for take back and then

		developed implementation plans." (Manager I, HP)
"Because of this customer engagement, it is important that we continuously reflect the right image outside of HP." (Manager F, HP)	"HP does it is more of a low-key approach, looking at our overall framework and periodically being made public and specific communications with the external world on certain specific areas." (Manager A, HP)	"Lobby for structures which develop individual manufacturer's responsibility, because otherwise all your advantages of designing your products in the right way are no cost advantages for you anymore, because then they will be shared with the competition." (Manager I, HP)
"Corporate responsibility, I look a lot on protecting the HP brand. So for me it's a lot about brand protection." (Manager D, HP)		"[We are] taking part proactively in environmental discussions, with governments …rather than fighting against the lobbying bodies so to speak." (Manager E, HP)
"People should understand it takes many, many, many years to build up a strong brand and you can violate, you can destroy that brand very fast." (Manager D, HP)		"We pretty much were shaping the directive as a company so our lobbying team has been heavily involved in this regulation." (Manager B, HP)
"I communicate constantly and say we want to grow, we want to fulfill our business, we want to develop our company here, but we would never do it at the expense of the HP brand." (Manager D, HP)		
"We will only go there and invest there if the conditions are in a way that fits to our overall company culture. So otherwise, as I said, we would risk to lose our reputation." (Manager B, HP)		
"One of the most important things to protect when you talk about a company like HP it's the brand name HP, you don't want to violate HP's brand name because you have misbehaved one way or the other or if you have people in the company that have misbehaved." (Manager D, HP)		
"We are looking to have a maximum visibility." (Manager J, HP)		
Theme: win government contracts	**Theme: motivate employees**	**Theme: develop markets**
"The biggest government deal we have ever had, could only be had, because we meet their requirements for corporate social responsibility in the environmental area as well as the social investments area." (Manager C, HP)	"[CSR] contributes strongly to employee motivation." (Manager C, HP)	"Under Carly Fiorina, we have also taken the concept [of CSR] a lot further, in order to, say, it is a good way for us to develop future markets." (Manager C, HP)
"Last year we had six billion dollars worth of business that we could only generate because we were able to satisfy the customer's needs in the social environment fund." (Manager C, HP)	"Every time I have gone out to talk to our employees about what it is that we do in Africa, in some of the development markets and even in the developed markets, around social responsibility, what we do about the brain drain in Eastern Europe … it makes them proud." (Manager C, HP)	"It would have been great in 10 years from now, how much influence we would have had, not just by giving away and then being a good philanthropist, but by using our engagement, going into these markets, understanding what's in need and then creating solutions, product solutions, services, specifics for developing markets." (Manager C, HP)

Table 46: Traits of Legitimation Strategies Proving Cognitive Legitimacy at HP

Traits of Legitimation Strategies Proving Cognitive Legitimacy			
Theme: comply with the law	**Theme: standard of business conduct**	**Theme: CSR as corporate governance**	**Theme: CSR training**
"We need to align to the laws in a country; we need to behave like a good citizen in that country. That's what they believe and call social responsibility. And there is a social dimension and environment dimension on top of the financial dimension." (Manager D, HP)	"Profit is important, but we need to make sure that we also live the corporate ethics and the corporate responsibility and we balance in cases the profit, the need for profit with the need to be conformant with the standards of business conduct." (Manager J, HP)	"The company has put together a compliance function…to analyze control structures within the finance function, within [the] selling function, as it relates to revenue recognition and how we recognize revenue in the company. So we document those processes, we analyze the controls underlying them and then we assess the controls by testing if the financial controls are working." (Manager A, HP)	"HP is conducting regular trainings about Standards of Business Conduct, Global Citizenship, Standards of Personal Conduct, Environment/Health & Safety, Diversity and other relevant topics. These are trainings that HP requires you to go through in a 12-24 month period, so you have to repeat these trainings regularly." (Manager J, HP)
"We always comply… we must comply with the law wherever we are." (Manager A, HP)	"We have a whole standard of business conduct" (Manager E, HP)	"We have this corporate governance since the company exists. This was initiated by the	"Formal training comes in the way the way of e-training where people have to take standards of

		founders as they were convinced that: we need to have rules that are valid for everybody that enable us to work together in an appropriate way." (Manager J, HP)	business conduct training through an e-course… in the past we were actually handed out written copies of the standards of business conduct which we were excepted to have read and be familiar with at a high level." (Manager F, HP)
"The legally correct is a requirement, so this is a must, where there is no choice." (Manager J, HP)	"We have the same common guidelines, the same sense of business conduct and the same corporate guidelines in all the countries. There is no difference in the corporate guidelines." (Manager J, HP)	"When there is a fraud taking place with a government organization, this requires disclosure to both the US government, this requires disclosure requirements to the FBI as well as it is requiring disclosure requirements if it is material enough to the investor community, again." (Manager A, HP)	"HP is very focused on training about values as well as ethics and governance, so if you are an employee at HP it is mandatory to take standards of business conduct training every year." (Manager C, HP)
"We must comply with the local laws; we want to be a socially good company as well." (Manager A, HP)	"There's a number of other areas, where we interact pretty well, where we have rules…on how we approach things…for example, we do have policies around recycling." (Manager A, HP)	"We see value in HP of doing a lot of the internal corporate responsibility as well as the society-related corporate responsibility, internal by meaning internal structures to ensure the controls are there as well as the external and how we deal with products." (Manager A, HP)	"We are required to do annual training in a couple of areas around values and responsibility. We have what we call a standard of business conduct training, which every employee is required to do every year. And it's measured and reported back to the management team on who has done it, who hasn't done it." (Manager A, HP)
"here are laws in each country and you're also obliged to comply with the laws in those countries" (Manager A, HP)	"We have a committee of the board of directors which is involved there as well and they get to see all the standards of business conduct issues and report on those and report to the board of directors on the action taken on those." (Manager A, HP)	"We obviously have formal structures around the way we do assessments with Sarbanes-Oxley as well, which are reported up through both the finance function, reported up into the audit committee and then obviously from that into the board of directors, etc. where there are significant issues." (Manager A, HP)	"There's training every year, basically around values and at least every once a year there is training on what we call standards of business conduct." (Manager A, HP)
"We are having a good balance between looking into protecting our environment and following our environmental policies and making sure we are not overreacting and we are supporting the laws." (Manager J, HP)	"We have… an internet site where we can find in very much detail the information about ethics standards, business conduct and so forth." (Manager F, HP)	"[Corporate governance] is not just a risk analysis of the finances, but also an overall kind of enterprise risk view of where we are and what are the major elements that are likely to impact your financials and then deal with what controls should be in place to deal with those, to a) create visibility of them and to ensure b) that they are unlikely to occur, because the controls are in place to prevent them from happening." (Manager A, HP)	"Doing the right thing from a moral perspective is where we apply our sense of business conduct, where we train our people and we also evaluate our people." (Manager J, HP)
"The legal situation and the mandatory parts of terms business conduct, they are non-negotiable." (Manager J, HP)	"HP is looking very carefully that there is a balance between achieving the business objective and conforming with the standards of business conduct. It's very clear that the standards of business conduct and the legal requirements always take priority over achieving the business objectives." (Manager J, HP)	"We do triple line reporting to show how much energy are we wasting, quote and quote, through our manufacturing, through our employees traveling and so forth, how can we drive materials innovation with less hazardous materials, how can we really put environment into the design, what do we do in terms of the supply chain to keep up the high standards that we have for our own employees, that the supply chain all of that is discovered in that global citizenship report." (Manager C, HP)	"We have an interactive e-training course that all our employees are required to take." (Manager F, HP)
"The legally correct is a requirement, so this is a must, where there is no choice."	"We also evaluate our people… that they act conformant with our…standards of business	"Compliance sets the structure and the framework around analyzing the risk of not meeting	

(Manager J, HP)	conduct, what is our…corporate responsibility" (Manager J, HP)	certain moral responsibilities that we have." (Manager A, HP)	
"We try to comply as much as possible and go beyond local laws where it is feasible." (Manager F, HP)		"We have a full reporting structure where senior management becomes aware of what is reported." (Manager A, HP)	
Theme: third party involvement	**Theme: ethics committee**	**Theme: encouragement through e-award**	**Theme: external recognition**
"We work with institutions that certify companies on energy – there are official certifications or criteria that need to be met when a product can be certified to be an energy efficient product. So we work all with these major certifications agencies." (Manager B, HP)	"We have an ethics committee at HP that looks at any of these cases. First of all, if an employee shows immoral or illegal behavior, we have the responsibility to make sure that this stops, that the employee is aware of it and that it gets taken to the next higher level management. The management then decides, well, this is something that can be handled at regional level or whether it needs to be treated to the world wide ethics council. And if it is of serious nature, it certainly will get to the ethics council." (Manager C, HP)	"We do have a system internally that is called e-bonus. When I see certain activities, like we had an employee last year that, she is an assistant to the channels manager and she brought a lot of NGOs to HP in Geneva and get all of the employees to participate in a joint breakfast, where those topics of social responsibility were discussed and it was an fantastic forum, where we also thought that a lot more of our employees had awareness and had also engagement into some of these issues. And so I gave her an e-award for that and she would get like a few thousand dollars for that, which she in turn took to donate to another good cause, which is typical for her." (Manager C, HP)	"We have just received, I think, in the US, a price for being one of the companies that's having the highest recycling rate of electronic parts and components." (Manager J, HP)
"We have both auditors involved in that, when it comes to the financial side, as well as management doing attestation around that side of corporate responsibility." (Manager A, HP)		"HP is surely encouraging people to take the social responsibility inside and outside the company. It is not just supporting them but also to make sure, it's seen internally. By showing it internally it's also encouraging others to step up to the same responsibility." (Manager J, HP)	"It was a UK company that is running and index on how companies are ranked in terms of corporate responsibility… we were very pleased with the result." (Manager G, HP)
"We rely very much on external audit." (Manager G, HP)			

Table 47: Traits of Legitimation Strategies Proving Moral Legitimacy at HP

Traits of Legitimation Strategies Proving Moral Legitimacy				
Theme: Manage supply chain	**Theme: engage in environmental initiatives & education of consumer**	**Theme: social investment & philanthropy**	**Theme: compensate retreat of government & development**	**Theme: skill & knowledge transfer**
"If you go to a country that is not that developed or advanced yet, you need to give this country a chance, or this supplier or whoever you are involved with, let him know, educate them on the standards you have and you are expecting from them and collaborate in a way and help them to achieve this standard as well in a dedicated timeline." (Manager B, HP)	"We were creating an alliance together with other major electronic companies; it's called the ERP, the European Recycling Platform…to work on cost efficient recycling processes all over Europe." (Manager B, HP)	"We have an employee engagement program in place at the moment in five countries in Europe." (Manager B, HP)	"HP is understanding… how can you provide services that actually help these markets and in many ways not going into these markets with the old general product line and trying to sell that, but to sell specific services that are of value to people and that they can afford." (Manager C, HP)	"When we look into India…we have probably 50,000 people working in India and these people are mainly in developing new technologies, software development, process engineering. And I think also for the country it's a great opportunity because they have talented people and the people who go through the education of the development, of course, are starting new businesses and I think it's helping those countries to really make a big step forward." (Manager J, HP)
"We have electronic industry standards or a code of conduct for	"All that includes conversation with local recycling companies	"There are small philanthropic committees that look at employees' pro-	"Government is going back and back and back and they cutting this	"The people do get quite a good education and in these countries, as we are

suppliers in place that has been initiated by HP in more than 450 of our 500 suppliers or top suppliers worldwide - they do already consider, or they work with the same standards we have. Some others need to get there, and we are helping educating them, we are helping them to get there." (Manager B, HP)	about processes, about costs, so that you pretty much have a standard in place to recycle the product, and there are processes place, that are pretty similar to other companies of the industry as well." (Manager B, HP)	posals, they look if these proposals meet our philanthropy guidelines and then it's up to the country responsible to decide what employees will get, in equipment, if it's a PC, a printer, to give to the local school or to the community." (Manager B, HP)	service and that service…one of the things we did last year was to create this Micro Enterprise Acceleration Program, whereby we would go into countries like Germany or Nigeria or France or South Africa, so developing and developed countries to say, here is the program that will enable people who are willing to take the chance to become an entrepreneur to get started. Here is an online program, the can do their accounting, their marketing…it was not manually based, but IT based, everything totally connected." (Manager C, HP)	looking into treating the people in the same way as in all the other countries, we're being fair and respect the employees. They are like fixed employees, so they are not on, let's say, contracts that would make it easy for us to go and change it. But we are honoring the people and we are making sure we spend the same amount of resources and effort to make sure these people are educated and trained, so they develop further." (Manager J, HP)
"You can only be a responsible company if all of your 150.000 employees, plus all of your contractors, plus all of your supply chain lives up to these standards, so managing that is always, going forward, but I think it has the right value and the right ethics, the right standards, the right programs, right trainings and place and we do the best in order to manage through it." (Manager C, HP)	"We work with many communities and local governments to set up local processes that everybody can go to some place to recycle the equipment." (Manager B, HP)	"One major program is a university higher education program where we, on a yearly basis, invite universities to send us their proposals … [on] innovative solution ideas, and pretty much project descriptions how they are going to use the HP equipment. They are granted with an HP equipment in worth of 70 000 $ for mobile solution purposes or mobile communication purposes." (Manager B, HP)	"Underdeveloped territory is an encounter in terms of social investment, in terms of education and so on. I absolutely need to respect that in everything I do: to make sure that we are working with the correct type of NGO, the correct type of even customers, …the environment is protected, not only in the sense of waste record but globally making sure that we bring benefit for the 'communité' and the local society." (Manager G, HP)	
"We have management systems there, when it comes to supply chain, because they need to live up to the same ethics, to the same values, to the same standards that we have." (Manager C, HP)	"I have various debates with environmental agencies and…, NGOs about how could we promote the environmental and social responsibility in the purchase decision of consumers." (Manager I, HP)	"Externally, we have more than 400 education projects all over Europe HP is sponsoring." (Manager B, HP)	"We sell our services as a utility to people for what they need and what they can pay for help them then to basically get connected to the rest of the world and that is what people appreciate." (Manager C, HP)	
"We buy for about 52 or 53 billion dollars a year from our seven thousand subvendors. And we do a lot to enforce the subvendors so that they don't violate laws and they don't violate social responsibilities that we have defined." (Manager D, HP)	"We have regular meetings going on and we are pretty much discussing as well some of our strategies with Greenpeace, we involve them pretty early in some of our strategies and share our approach with them and have an extra debate with them on a regular basis, that is very interesting." (Manager B, HP)	"In one country it's a money match where HP asks the employees to support a local charity activity and collect money for this charity activity and if the employees get back to HP and say: okay, we have collected that and that much money, then HP doubles the amount." (Manager B, HP)	"Through global citizenship projects HP is supporting, countries in Africa, building up IT-infrastructure." (Manager J, HP)	
"We test our subcontractors, if they fulfill, you can say, the country laws, if they fulfill the UN guidelines; they fulfill the guidelines we set up. And if they don't	"This European recycling platform ERP has been initiated by HP as a result of the WEEE regulation to come up with an industry wide process for electronic	"In Idaho there was engagement with the local schools, with the local police force; HP played an educational role model in certain areas." (Manager F, HP)		

we obviously sit down with them and start to train them and say "we think you need to do this and this and this". (Manager D, HP)	recycling. An industry wide process that is cost efficient." (Manager B, HP)			
"If we have companies, if we have subcontractors, where we become aware that they use children as workers then we obviously fire them immediately. Or better, persuade them not to use children." (Manager D, HP)	"We are giving advice how people should recycle systems and make it as easy as possible for those people to return those products. So it should be easier for those people to return a printer cartridge to HP than potentially dump it in a non-conformant way. And this is what we can do and how we can influence consumers to do the right for the environment." (Manager J, HP)			
"We cannot expect that seven thousand companies spread around the world will fulfill all our policies in the same way. But we can start to do some training and development." (Manager D, HP)	"[Last year] we offered our commercial customers a recycling service free of charge in all EU countries where these regulations need to be met. And this is a service we offer our customers from now on and we have announced that." (Manager B, HP)			
"[The standards of business conduct] are obviously conformant with the legal situation, but they go much further, for example, treating suppliers and treating customers with respect is nothing that you can require by law, but we require our people to treat it this way." (Manager J, HP)	"In the European Union actually you are required to have these policies. But also in the US and in other areas, in Asia etc. we apply these types of policy as well and we provide recycling on our PCs, our printers and our ink. So it's quite a facility to our customers etc." (Manager A, HP)			
"We buy for around 52 billion dollars a year components, from many, many, many, many subcontractors, I think we have around 7 000 subcontracts and we have a supplier code of conduct which I think will help and will gradually impose a lot of stricter requirements to the suppliers that will help, but it's a long run." (Manager D, HP)				
"HP does not want to engage with some contractors that violates the normal human rights. There has been a lot of discussions that in some countries you use children labor, you don't live up to the normal working standards, you don't protect the - it's not safe to work, it's unhealthy and so on. HP does not want to find themselves				

with a subcontractor that violates the minimum human rights." (Manager D, HP)				
"HP has taken many initiatives to improve workers relationship, respecting workers' rights and so on." (Manager J, HP)				
"If you talk to ILO they are ranking companies and they have lists of good companies and bad companies which have to make progress. HP is on the top list of ILO but they are looking absolutely at the way you are dealing with your suppliers." (Manager G, HP)				
"It's extremely important to make sure that anywhere in the world…suppliers are not using human resources or natural resources in a bad way." (Manager G, HP)				
Theme: engagement in CSR arenas & partnerships	**Theme: engage in constant dialogue**	**Theme: disaster relief**	**Theme: boycott of Apartheid**	**Theme: no bribery**
"HP is one of the companies that are in the committee of the United Nations: And I think they have influenced the UN Global Compact quite a bit. So HP is one of the first companies in the world that took up a policy around social responsibility." (Manager D, HP)	"Communication and dialogue are key because expectations change and legal requirements change. The way how customers or other stakeholders see this changing, what they regard as important can only be understood by dialogue." (Manager J, HP)	"You could say these days corporate responsibility might be around natural disasters for example….do we have good policies around earthquakes, or even Tsunamis" (Manager E, HP)	"South Africa was not famous for actually respecting human rights and HP was actually moving out of South Africa, because we could not have our corporate guidelines, our standards conform with having a subsidiary in South Africa." (Manager J, HP)	"In some countries, deals are made by paying people under the table or inviting people too and paying gifts. HP has had for many years very strict policies around that. Not to deal under the table. They do not buy customers and we are not allowed to receive gifts over a value of I believe 200 $ despite of intrinsic values and [there are] guidelines how to stay clear of any type of influence." (Manager F, HP)
"HP has been one of the companies that are represented in the United Nations committees." (Manager D, HP)	"Internally it is very important within HP is that we have an open door policy. That makes it very easy very open for a customer or for a partner to address the management levels within HP." (Manager J, HP)	"HP does support organizations such as the Red Cross under specific circumstances and is encouraging its employees to do this – like when the Tsunami happened about a year ago or when the hurricane hit New Orleans." (Manager J, HP)	"We said we will leave the profit in the country, but we take our own subsidiary out, because we feel it's… we cannot align having an own subsidiary and treating the people in accordance with our corporate guidelines, in a fair manner." (Manager J, HP)	
"The projects differ widely, some are university programs, some are in joint efforts with the UNESCO and other partners and it just differs from project to project." (Manager C, HP)	"When we received criticism…we established the dialogue, we tried to look at these things and accommodate as best and also address some of the fears of miscommunication or misinformation." (Manager C, HP)	"HP is providing relief to the victims of the hurricane, making sure we are taking the social responsibility as key." (Manager J, HP)	"If I look into Africa, at South Africa, what has happened a couple a years ago, I believe it has been absolutely the right decision for international companies to leave the country. Because that helps South Africa in the end to get rid of the apartheid." (Manager B, HP)	
"Public partnerships can really move the needle." (Manager C, HP)				

Table 48: Posture in E-Waste-Debate of HP

Defensive		
Theme: lack of control & enforcement	**Theme: disagree with approach**	**Theme: policies already existing**
"As long as the product's on our hands, we are taking that on. Second, all those accusations about the hazardous waste is, if you are taking a yogurt cup and burn that in an uncontrolled environment, it will leave hazardous substances. The same will happen to a computer." (Manager I, HP)	"Three or four month ago Greenpeace has been dumping a number of computers in front of the HP office in Holland. And just because we are – and I think they did the same in front of Dell – it's because we are the number one and two biggest computer seller. And they wanted to draw the attention on computer recycling". (Manager G, HP)	"We recently had Greenpeace complaining that our products are not properly dealt with, we are not socially aware of how our products are being dealt with and how they are being disposed of properly etc. etc. And we have always, even before that pressure came one, we have always had those policies out there." (Manager A, HP)
"Where we have an issue is when customers are disposing those products or not giving those products not to HP but to third parties who then sells them into developing countries, where they are not disposed in an environmental sound way." (Manager I, HP)	"I certainly do not agree with that approach because there is much better ways in making progress in that direction than doing that. But anyway, this is the way they operate, so, because their approach is absolutely to attract public, large public recognition and so on. I don't want to comment too much." (Manager G, HP)	
"Look to all those photos from China, these are products which still carry the inventory labels of European, American, whatever companies." (Manager I, HP)	"As to their methods or how they specifically point out companies, I think it's potentially too broad-brushed and too unspecific, if you want to call it that." (Manager A, HP)	
"The usual way how they go there is that they are sold in Europe for example as products for re-sale and there are brokers who are, taking five of them, cannibalize them and using the parts to repair others. So five are re-used, but the other five are scrapped, mostly in China. So this is an area where, with all the respect, we cannot take the responsibility on." (Manager I, HP)	"Concentrate on something where you can make a change. Sometimes we get attacked, because the supplier to supplier to supplier to supplier had an issue, was just the way some forest was cut in Finland and therefore it is bald, you have to have a cause and effect chain and I think we can work together with them, they have a lot of good causes as well, they can also contribute very strongly to what we are doing, but they are very influential and the most influential ones are Greenpeace and KFOR, Greenpeace, or Friends of the Earth for example." (Manager C, HP)	
"If we are getting our products back, through the channels we are offering in the US, in Europe, but also in Asia, we can assure that no hazard is released to the environment." (Manager I, HP)	"Now they are really sometimes looking for things that they are attacking which are already in the regulation cycle and sometimes they are embarrassing themselves, but still they create a whole lot of coverage. One thing they did last year was in the Netherlands, was so far-fetched that even the press said: get a grip!" (Manager C, HP)	
"Without criticizing any specific country, if the country would enforce the legislation they have in place, this shouldn't happen." (Manager I, HP)	"There's a tendency because of their nature to… [say] you're all the same and how you treat this." (Manager A, HP)	
Tentative		
Theme: end-user pays	**Theme: contradicting legislation**	**Theme: disconnected communication & lack of information**
"HP applies to the WEEE regulation which …costs quite a bit…because everyone is forced to do it, it will be the end-user that will have to pay at the end of the day." (Manager D, HP)	"We are requested and we are forced by other institutions to use certain chemicals and plastics to prevent fire. Other institutions like, fire safety regulations. And these substances then …the plastics with flame retardants, if they are burnt in a non-controlled environment, they release even more hazardous substances." (Manager I, HP)	"I guess they [Greenpeace] just haven't been publicly aware. And I read something recently that as the pressure, for example, that Greenpeace put on the company, both in Palo Alto – and I think there was something in Geneva … I think that we had a couple of comments from Greenpeace that we've actually got a policy, that if applied properly by our customers etc. that we would be able to socially effectively dispose of these products properly." (Manager A, HP)
		"So everything that has been in the medias about these protestations and manifestations against HP has been based on a, I would said, disconnected communication between HP and Greenpeace." (Manager B, HP)
		"During CeBIT, Greenpeace has acknowledged HP's leadership in electronic waste and they perceive us now as a clear leader, as being advanced in our processes and programs we have in place to come up with sustainable products etc." (Manager B, HP)

| | | "I think some of it [the accusations] was lack of information and lack of publicly showing our policy and how we deal with these things." (Manager A, HP) |
| | | "Third parties … lobbying parties etc. they don't always have good information necessarily." (Manager A, HP) |

Open		
Theme: dialogue with Greenpeace	**Theme scientific progress**	**Theme: what society is wanted**
"We have regular meetings going on and we are pretty much discussing as well some of our strategies with Greenpeace, we involve them pretty early in some of our strategies and share our approach with them and have an extra debate with them on a regular basis, that is very interesting." (Manager B, HP)	"Especially computers which are ten years old, where substances have been used, which we don't use any longer, because we found out that they may be hazardous. And all the science in the years helped us to understand that. So this is definitely an element." (Manager I, HP)	"Do you want to live in a society where you don't have electronic waste lying all over or do you want to have a clean society? It costs something." (Manager D, HP)
"What we learned out of that is pretty much that we need a stronger relationship with Greenpeace, that we need to update them regularly on our strategy and programs. We didn't prioritize that in the past what has been probably a mistake, but now we have a close relationship to Greenpeace, we have a close contact in several countries." (Manager B, HP)	"HP has been making a lot of development during many, many years in order to limit the waste and also the toxins in plastics and so on. So it was easier for us to get rid of the waste." (Manager D, HP)	"In all countries people could see with the ever increasing purchase of electronic equipment; we will have a waste problem. How do we solve that in the best way?" (Manager D, HP)
"We didn't prioritize that in the past what has been probably a mistake, but now we have a close relationship to Greenpeace, we have a close contact in several countries." (Manager B, HP)		
"Lately we had [a] Greenpeace demonstration here at the Geneva headquarter and knowing that the European managing director initiated contact and discussion and dialogue with Greenpeace." (Manager F, HP)		
"So that has been an expert debate – just for your background information – which substances are toxic and which ones not. There are different expert understandings and Greenpeace finally bought in the HP approach." (Manager B, HP)		
Theme: assumption of product responsibility		
"We take back products at the end of its life. We take the full responsibility for what happens during those cycles." (Manager I, HP)		
"We take the responsibility for our products." (Manager I, HP)		

Appendix D3 - CSR-Character of Nestlé

Table 49: Salient Traits of Identity Orientation at Nestlé

Salient Traits of Identity Orientation of Nestlé			
Theme: pride	**Theme: our point of view**	**Theme: need to be understood**	**Theme: importance of personal ethics**
"Every activity of Nestlé shows corporate responsibility. Every single one of them." (Manager B, Nestlé)	"We have a right of an opinion. And our opinion… and we are defending this opinion in international forums and international debates." (Manager D, Nestlé)	"To ensure the success of our operations, we need to make sure that people understand, approve, [and] sympathize with the goals of Nestlé. If we manage to do that, then the company is certain to have…legitimacy in the eyes of the consumers, of all the other groups that are in contact with the company." (Manager B, Nestlé)	"Organizations do not behave, only people behave. And if you replace the ethics by corporate standards, that means that you, as a company, take care of the ethics of persons, which is not only a supreme insult, but is a mistake, a tactical and strategic mistake." (Manager J, Nestlé)
"Nestlé, in doing surveys around the world, there is no company that matches Nestlé in terms of public perception in terms of being socially responsible." (Manager F, Nestlé)	"As I said, we have an opinion. This opinion is not made, just like that. We have formed our opinion." (Manager D, Nestlé)	"This is a company that has a long-term vision and that believes that its activities, its presence, the effects of its actions need to be understood." (Manager B, Nestlé)	"We, as companies, should never express ourselves on the ethics of a person, because we don't know the ethics. We can only rule the deontology and say, if you don't respect those rules you will have problems with this company." (Manager J, Nestlé)
"We work so much on our system of values, on being the nice guy. Being Swiss, you know. Swiss are giving lessons to the world." (Manager D, Nestlé)	"It's our point of view…we defend this point of view, which is not always…politically correct…in some countries, but we defend this point of view." (Manager D, Nestlé)	"[As] a company in the consumer goods sector… we will not be able to deliver that value, unless we have a broad range of social groups that are basically in broad agreement with what Nestlé is all about." (Manager B, Nestlé)	
"We are universal, we are in virtually every country around the world, many others are not." (Manager B, Nestlé)	"[We are] sometimes opinionated about a few things, because we've got our opinion." (Manager D, Nestlé)		
"We have developed a unique system of values and attitudes." (Manager B, Nestlé)	"Sometimes people think we are not fair but we can't do what everyone thinks is fair." (Manager I, Nestlé)		
"We are growing, the others are shrinking." (Manager B, Nestlé)	"We have a right of an opinion." (Manager D, Nestlé)		
"That was a brave and honest thing to do." (Manager E, Nestlé)	"We state our position, you know what I mean? And if it's not always politically correct, so be it." (Manager D, Nestlé)		
"We are clearly number one and intend to remain that way." (Manager B, Nestlé)	"What you believe is appropriate and is the right thing to do. You have to be ready to look at it very openly, you have to be ready to change it and you have to be ready to enforce and sanction if, if not appropriate." (Manager D, Nestlé)		
"I think there is a genuine desire to achieve that, to be known as a company that has respect for individuals, respect for the countries in which it operates, the governments, the nationals of that country. I think one of our core values is good quality in everything we do." (Manager E, Nestlé)	"We try to understand their point of view and communicate, develop our own position and see if there are ways to commonly address issues." (Manager F, Nestlé)		
"We haven't had a scandal, the others did. We have a clear record of corporate governance. We stand out because the company is well managed and in control." (Manager I, Nestlé)	"[CSR communication means] getting the point of view across to the audience in order to close the gap between perception and reality." (Manager B, Nestlé)		

"We have been ranked among the best employers in the world and we are market share leaders in many segments on a global basis." (Manager I, Nestlé)				
"The internal part is the one I am proud of, because we have people who want to get to certain directions, by reading the signs on the wall or talking with people or whatever, in a believe, or whatever you want to call that, on the basis what that happens and then we get this going." (Manager A, Nestlé)				

Table 50: Traits of Individualistic Identity Orientation in CSR Definitions at Nestlé

Traits of Individualistic Identity Orientation in CSR Definitions				
Theme: long-term profits	**Theme: shareholder value**	**Theme: mutual benefit**	**Theme: long-term legitimacy**	**Theme: compliance good for business**
"A company has, first of all, an economical responsibility, economical in the wide sense of the word. And that economical responsibility is the first and prime responsibility of a company. A company is there to produce wealth, and to produce wealth it has to produce profit, and with that profit it can reinvest in developing itself and so forth." (Manager J, Nestlé)	"Most of all, delivering shareholder value is the most important act of corporate social responsibility." (Manager B, Nestlé)	"We have a responsibility to the different parts of society, to operate in a way that's to their long-term benefit as well as ours." (Manager F, Nestlé)	"[CSR] is to ensure the long-term viability of the company. And in order to do that, certainly the company has to act in a responsible way, which is responsible not just to the own employees, but to society at large, including environmental sustainability in order to work in a way that is sustainable in the long-term without harming any of the stakeholders." (Manager G, Nestlé)	"That's an internal decision saying let's walk the talk, let's stick to the rules. Why? Because it's best for business." (Manager C, Nestlé)
"Basically you need to be an efficient and try to be a profitable company so that you achieve the objectives that you were set up to achieve. That's the purpose of existence." (Manager E, Nestlé)	"Our goal is to be able to do business and to successfully do business, to make money, sell products, make money for our shareholders." (Manager C, Nestlé)	"We believe that in order to serve our shareholders, we have to be also serving society where we operate. We make this very clear." (Manager F, Nestlé)	"The purpose of corporate social responsibility is to contribute to the long-term legitimacy of the operations of Nestlé." (Manager B, Nestlé)	
"We are not a philanthropic organization, that's a given. So for us we will do it [CSR] within business rules." (Manager D, Nestlé)	"First responsibility is to its shareholders who entrusted their money to the company." (Manager F, Nestlé)	"[CSR] is bringing value to society at the same time that you bring value to your shareholders." (Manager F, Nestlé)	"Long-term profitability can only be sustained, if it is done…in harmony with the society and also with the environment around." (Manager G, Nestlé)	
"The company of course is responsible to its shareholders to generate a profit." (Manager C, Nestlé)		"Business should be good for the country as well as good for the company." (Manager F, Nestlé)		
"We certainly are very much against short-term profit maximization. That would be to the detriment of the long-term business success. But in the end businesses have to make a profit, that's…that's their very basis of existence." (Manager G, Nestlé)		"Corporate social responsibility is built into our basic strategy that we believe, in order to create a long-term value for our shareholders; we have to be creating a long-term value for the societies where we operate." (Manager F, Nestlé)		

"This [make profits] is clearly the basic social responsibility. Any company should take a hard look at its way of operating and ask itself: Can I do that in the long term?" (Manager B, Nestlé)	"The major question that we ask people to ask themselves is 'Is what I'm doing good for the company long-term?' And, two, 'Is it good for society long-term?'" (Manager F, Nestlé)

Table 51: Traits of Individualistic Identity Orientation in Stakeholder Definitions at Nestlé

Traits of Individualistic Identity Orientation in Stakeholder Definitions	
Theme: shareholder as primary stakeholder	**Theme: duty to shareholder and employees**
"The goal of a company is to meet the objectives of shareholders and the expectations of stakeholders. It primarily has to meet the objectives of shareholders since they provide the capital." (Manager I, Nestlé)	"So it would be shareholders because they committed their money to it, it would be employees because they committed their careers to it." (Manager E, Nestlé)
"First responsibility is to its shareholders who entrusted their money to the company. Second of all to its consumers to provide products and services that are good for them." (Manager F, Nestlé)	"I think the key stakeholders would be the shareholders and the employees." (Manager E, Nestlé)
"As I indicated, one, shareholders [as most important stakeholder]. They invested their live savings with us. Two, the consumer, because without the consumer we don't have a business. We are providing a service to the consumer and three, employees, because they invested their careers with us." (Manager F, Nestlé)	
"First of all to the people directly holding some stake in it. So it would be shareholders." (Manager E, Nestlé)	
"[A corporation] primarily has to meet the objectives of shareholders since they provide the capital." (Manager I, Nestlé)	

Table 52: Traits of Relational Identity Orientation in CSR and Stakeholder Definitions at Nestlé

Traits of Relational Identity Orientation in CSR and Stakeholder Definitions				
Theme: care for employees	**Theme: balancing of interests**	**Theme: care for suppliers**	**Theme: seeking dialogue**	**Theme: investment of money, time, health, trust**
"It's in the first instance the people of the company. Because the investment of the people in the company is much higher than [for] a shareholder." (Manager J, Nestlé)	"It's a balancing act and a company that thinks long-term, knows full well, that it will not be able to deliver wealth to the people who are entitled to it, which is the shareholders, if they don't treat their employees correctly, if they don't get a creative relationship with their suppliers, if they are not perceived as responsible entities by their environment, including by the public authorities." (Manager B, Nestlé)	"[A] important stakeholders for us is the whole supply industry, where we work very closely together with our suppliers and even helping them to become more competitive and to become more environmentally sustainable in their own operations, which in turn makes them better suppliers for us in the future." (Manager G, Nestlé)	"With NGOs, we seek out dialogue. Peter Brabeck has met personally the head of virtually every major NGO or humanitarian organization in the world." (Manager F, Nestlé)	"The shareholders invest their money, employees invest their time, consumers invest... entrust their health to us, our customers have invested the trust that they have with their consumers in terms of the things they buy from us." (Manager F, Nestlé)
"You owe a duty towards your employees. So the people joining the company, bringing their skills, when they leave, leave either with a similar or greater level of skills than they came." (Manager E, Nestlé)	"Corporate social responsibility is a basic building block of creating the relationships with our suppliers, with our employees, with our customers." (Manager F, Nestlé)			"Our suppliers such as farmers or packaging companies, they have invested their time to develop products to sell to us. So it is the range of entities that have a stake in our success or who invested in that." (Manager F, Nestlé)
"First of all you've got the responsibility on the internal side… [towards] you employees, which is about having the appropriate and the right behavior." (Manager D, Nestlé)	"[A core value is] developing long-term relations with people, both employees and suppliers and customers." (Manager F, Nestlé)			

"You owe a duty to those employees also to run the company in such a way as to maximize their abilities and give them the highest level of job satisfaction." (Manager D, Nestlé)	"You will not be able to deliver shareholder value if you have demotivated staff, if all your suppliers are angry, if all the authorities are angry and if your consumers think you are producing junk. Your dream of delivering... shareholder value in those circumstances, it's nil." (Manager B, Nestlé)		
"I think, in general I would say, is being able to sustain a certain amount of people for their living plus making on top of that a profit today." (Manager A, Nestlé)			

Table 53: Traits of Collectivistic Identity Orientation in CSR and Stakeholder Definitions at Nestlé

Traits of Collectivistic Identity Orientation in CSR and Stakeholder Definitions			
Theme: do not harm	Theme: value for society	Theme: impact on community	Theme: considering global issues
"If you are something the size of Nestlé, then what Nestlé does is going to have very often a high economic impact on the country in which it operates. I think you must take... you take account of that and behave in such a way that it is not to cause harm and to actually see what your capacity is to do something of benefit to the society in which you are operating." (Manager E, Nestlé)	"We try to bring value to each part of society that the company contacts with. Whether it's farmers or suppliers or creating food safety standards that were higher than before. Bringing up the skill level of employees and bringing to market products which have really nutritional values." (Manager F, Nestlé)	"Nestlé in Vevey, a large part of that town is...influenced certainly by the sheer presence and existence of this company in this town. So you have, between the two communities Vevey and Montreux something like 50.000 people, you have a few thousand people around here all together, may two or even another bit more in this area working directly for the company, so you can imagine, that with all the families and the indirect sort of fall-outs of all that, there is quite a bit of importance to the environment from the company towards the environment, but also from the environment towards the company." (Manager A, Nestlé)	"We believe that... [working on environmental issues] is in the kind of... global, universal, everybody's long-term interest. So as a citizen that is the right move to do." (Manager D, Nestlé)
"To the environment, we have a responsibility, to not do harm to the environment and where possible to enhance the environment." (Manager F, Nestlé)	"We believe that we can bring something to the community, by applying our knowledge and our attention to this question [the scarcity of water] which in some countries is becoming critical." (Manager D, Nestlé)		
"We've been working... for many years to minimize the environmental impact of our operations." (Manager G, Nestlé)			
"One side is following your business principles and basically doing no harm." (Manager F, Nestlé)			
"We estimate that about 2 billion people buy Nestlé food and are affected by it. The society as a whole is affected by Nestlé and the way it behaves." (Manager F, Nestlé)			

Table 54: Traits of Legitimation Strategies Proving Pragmatic Legitimacy at Nestlé

Traits of Legitimation Strategies Proving Pragmatic Legitimacy			
Theme: business functions	**Theme: take care of supply chain**	**Theme: pay taxes**	**Theme: stakeholder engagement as sounding board**
"The only organization of any type that produces wealth in our society is the corporation. And the wealth creation is vital in order to take care of a great number of very important tasks, such as financing old age pensions for a great number of people." (Manager B, Nestlé)	"If you think of our value chain, we basically acquire raw materials. And so much of the strategy in raw material acquisition is to help the farmers to produce better quality and more valuable… raw materials, that is milk, coffee etc. So we get greater access to high-quality… agricultural products and they make more money." (Manager F, Nestlé)	"We pay taxes….in some cases we are the only company in a country that pays taxes." (Manager B, Nestlé)	"The overall role and purpose… of stakeholder dialogues, [is] to sense very early on certain society trends, in order then to develop our products in the end and the way we operate, that [it] is in line with significant consumer expectations." (Manager G, Nestlé)
"Trying to honestly and straightforwardly come up with products that people want and need. And by making a profit, by paying decent salaries to their staff, by keeping the shareholders happy by pleasing them with a fair dividend. That's what contributes to the legitimacy of a company." (Manager B, Nestlé)	"We [do] not just buy the milk and squeeze the lowest price out of them we can get. For decades we had training programs to train them on how to… feed their cattle better, how to breed better cattle. Buy milk from them, basically, whether we need it or not over the entire year, to provide them a stable source of income. And then the given prices that are generally superior to what they otherwise get." (Manager F, Nestlé)		"We have been sitting together with Greenpeace even one year before they even launched their first public campaign against GMO, where we tried first of all to understand where they were coming from, what their concerns were and we entered into a dialogue with them, but at one point in time just had to conclude that, on this specific issue, that our positions were too different for having a fruitful and ongoing dialogue, so…we agreed to disagree [on this topic], basically." (Manager G, Nestlé)
"We have a focus on products with high nutritional benefit and that benefits first… the customer, in terms of their nutritional needs and benefits us in terms of having more value in a product." (Manager F, Nestlé)	"We have been operating in developing, emerging countries for many years and have not just exported our products from here, but have … contributed to local economic development, through, for example, giving technical assistance to develop milk collection in rural areas, where, many years ago, there was no milk sourcing and now it's a major source of income." (Manager G, Nestlé)		"[Stakeholder dialogue helps] to understand the motivations behind and to see where there is some common ground to be gained." (Manager G, Nestlé)
"In setting up factories, one, we make long-term commitments to the creation of facilities and then the training and education of our workers, which improves their skills and earning ability and gives us the educated, skilled labor force that we need." (Manager F, Nestlé)	"We have buying principles in terms of what do we expect from our suppliers and those relate to quality, so that improves the level of quality of products or of raw materials being sold to companies, because if they have to meet our standards, then they are going to raise their standards generally." (Manager F, Nestlé)		"Stakeholder dialogue is one aspect of doing business, so we are constantly in dialogue with all kinds of stakeholders. That is one important input in the development of the different strategies for our company." (Manager G, Nestlé)
"Producing food products that people need, is an act that is responsible." (Manager B, Nestlé)			"Stakeholder dialogue [serves]…to create ideas for product development." (Manager G, Nestlé)
"Delivering a steady income to milk producers the world over, that is a responsible action." (Manager B, Nestlé)			"[Stakeholder dialogue as] early warning. You have to be aware what is out there, so you can tell management hey, wait a minute, this is hot, this is critical." (Manager B, Nestlé)

Table 55: Traits of Legitimation Strategies Proving Cognitive Legitimacy at Nestlé

Traits of Legitimation Strategies Proving Cognitive Legitimacy				
Theme: comply with the law	Theme: follow business principles	Theme: self-regulation	Theme: engage in UN Global Compact	Theme: implement tools
"It's to ensure that we do our business and do it well and that we can perform our business and perform it well, within the context and the frame of the rules and laws that govern in each and every market." (Manager C, Nestlé)	"Our corporate business principles are an overarching framework, but they are also very specific concerning some specific items, which are then further detailed in more specific policy. So we do have an overarching framework and we have on the specific items then more detailed guidance." (Manager G, Nestlé)	"We made this commitment with international organizations, the World Health Organization, some of United Nations, some of child funds…we agreed on a code of conduct." (Manager D, Nestlé)	"We supported very early on the Global Compact, because it emphasized the three primary areas of corporate responsibility." (Manager F, Nestlé)	"We have tools such as for infant food marketing, a quality insurance process, much like any ISO process for ensuring quality, that our managers are fulfilling the requirements in following our business principles." (Manager F, Nestlé)
"The first and foremost things are always the local rules and regulations and the laws, that's clear." (Manager C, Nestlé)	"We have rules in this company that define the deontology of this company." (Manager J, Nestlé)	"[Nestlé was] instrumental in getting this code [on infant formula] passed by the WHO." (Manager B, Nestlé)	"We are members of the Global Compact; we are engaged in the discussion about human rights in that context." (Manager F, Nestlé)	
"[In developing countries] our company would make sure that whatever rules and regulations exist and are applied, that we would adhere to them and then they would insist that we adhere to certain standards that we universally set for a company." (Manager C, Nestlé)	"For us local laws and regulations are the basis for doing business, but over and above that we've got the Nestlé corporate business principles that lay down a number of specific behaviors that are expected from Nestlé managers and employees, independently of wherever they operate and one of them." (Manager G, Nestlé)	"When we had reports from India and Pakistan of breeches of the code on infant formula I was asked about that because it was part of my training as an employment lawyer. And so what we could do with regard to employees who would breech that code." (Manager E, Nestlé)		
"A company is responsible to its shareholders and to society in general to respect the laws in all of the countries where the company is practicing its skills and executing its mission." (Manager C, Nestlé)	"The things that get into more softer areas that are quantifiable, you have principles and you use those as criteria to judge whether we are doing the right thing or not." (Manager F, Nestlé)	"The Sarbanes-Oxley Act was a response to a certain situation. Then people implemented a lot of self-regulation." (Manager I, Nestlé)		
"We say that very clearly that we abide with the laws that are applicable in all the countries where we operate. That is our responsibility to make sure that our legal responsibility are met." (Manager J, Nestlé)	"If someone tried to force us to produce in prisons, or if the situation in the country made it impossible to respect our own principles, we would clearly not invest." (Manager B, Nestlé)			
"The legal terms are the ones that clearly tell you what you can and what you cannot do. And they set the limits within which you can operate." (Manager C, Nestlé)	"Our CEO Peter Brabeck is very insistent that people know the corporate business principles and is frustrated if they don't." (Manager F, Nestlé)			
"When it comes to what we market and sell to the consumers, we comply with the law." (Manager D, Nestlé)	"We have decided on our own business principles, which go beyond some of the legal requirements." (Manager F, Nestlé)			
"It's a position. We comply with the law." (Manager D, Nestlé)				

"We are a company that respects local law." (Manager B, Nestlé)			
"[CSR] is to ensure that we do our business and do it well and that we can perform our business and perform it well, within the context and the frame of the rules and laws that govern in each and every market." (Manager C, Nestlé)			

Table 56: Traits of Legitimation Strategies Aiming for Moral Legitimacy at Nestlé

Traits of Legitimation Strategies Aiming for Moral Legitimacy				
Theme: no bribery	**Theme: minimize environmental impact**	**Theme: educate the consumer**	**Theme: knowledge & skill transfer**	**Theme: raise awareness for pressing issues**
"We don't support corruption and bribery wherever we operate, which sometimes makes business short-term admittedly more difficult." (Manager G, Nestlé)	"In the area of waste water treatment…we have been one of the pioneering companies, first of all in Switzerland, but then also in developing countries, wherever we build factories, to also build waste water facilities long before that would have been required by local legislation." (Manager G, Nestlé)	"Working with the consumer, informing, educating is very important." (Manager C, Nestlé)	"In Pakistan or in India, China, [or] several countries in Latin America… [we are] not just for selling products, but for establishing an industrial presence and we've also invested a lot in training local population and upgrading the knowledge of local population to such a degree where in fact people from, for example, Brazil are now senior managers in Western European countries." (Manager G, Nestlé)	"It is part of our responsibility as being very much involved in this activity, this business, to raise the question of access to water for everybody on the globe." (Manager D, Nestlé)
"We had some clear examples where we simply refused to bribe local authorities, which resulted in clear delays, for example, of receiving building permits for factories and alike." (Manager G, Nestlé)	"We have worked intensively on environmental issues… Nobody has asked us to do that." (Manager D, Nestlé)	"We worked with the associations, with all the associations which are around that theme... [to] try to find a way on what do we do collectively between us and them: how do you market your products, how do you educate consumers." (Manager D, Nestlé)		
"In operating in countries that are incredibly corrupt, throughout Africa, Latin America and Asia, Nestlé sticks out as the honest company that does things the right way." (Manager F, Nestlé)	"So we have already taken into consideration minimization of our industrial impacts, despite the fact that that would not have been required at that time." (Manager G, Nestlé)			
"We have a zero corruption, zero bribe policy." (Manager F, Nestlé)				
"In Nestlé's case, we don't bribe ministers." (Manager B, Nestlé)				
Theme: provide infrastructure	**Theme: multi-stakeholder initiative**	**Theme: train authorities**	**Theme: train farmers**	
"[In Europe] Nestlé would not contribute to, for example, helping schools, to dig deep wells in local communities, whereas for example in India, we have a program where we realized	"We have a very fruitful dialogue [on] the phase-out of HCFCs as refrigerants, where we absolutely share with them the ultimate goal that this class of product should be phased out, because	"Food safety is the corner stone of a food business. You can't have food that kills people or makes them sick or you throw your business away virtually. So we have very systematic	"In terms of providing value to society at the same time we are providing value to our shareholders we have about 900 agricultural extension workers who's sole job is to help farmers	

that [in] the schools around the factories where we operate, children have very limited access to clean water. And so we have established a program there for several hundred schools… we have financed wells, so these schools would have access to local water. So, where local infrastructure does not exist in developing countries, we have a stronger role to play in order to provide some of this infrastructure." (Manager G, Nestlé)	they are contributing to global warming. And we even put jointly, with lobby groups like Greenpeace, pressure on our supply industry to develop alternatives for refrigeration that are both environmentally sound and also safe to use." (Manager G, Nestlé)	food safety processes that then we take and we teach to national food safety authorities. We help get the food safety authorities trained so that the level of food safety in the country is raised and when there's a problem then there are processes to deal with food safety issues." (Manager F, Nestlé)	improve their crops, improve the income they receive from their crops and to treat the environment better." (Manager F, Nestlé)	
"In some of these milk districts…we even contributed to building roads, simply for making it possible…that it is possible for the milk to be transported to our factories. Of course these roads are not only then being utilized for transporting milk, but contribute to an improvement of the local infrastructure also for other businesses." (Manager G, Nestlé)	"We're dealing with the issue of child labor in cocoa farms in West Africa and we… don't have much to do with those farms. It's down the chain. So how do you work to improve labor conditions when you have no direct contacts? We address that through the creation of a multi-stakeholder foundation that's aimed at improving labor conditions for children in those areas." (Manager F, Nestlé)			

Table 57: Defensive Posture on Water Debate at Nestlé

Defensive Posture on Water Debate		
Theme: water consumption of agriculture	**Theme: availability of water**	**Theme: political problem**
"You need a huge amount of water to make a ton of wheat. You need a huge amount of water to make a ton of nutritional biomass, it's enormous. You need infinitely more than industry uses for industrial processes. It's much more, because there is evaporation etc. There are better ways of doing it, where you simply apply a drop of water to where the plant is, right at the base of the roots. So there are improvements, so still it's huge." (Manager C, Nestlé)	"We are rarely the owner of the source. What we do have sometimes is a concession to use the water...it amounts to 0.0009 percent of the available sweet water. In other words nothing. And whether we sell it or not sell it won't make a bit of a difference in the availability of high-quality water." (Manager B, Nestlé)	"For the family in Karachi, who does not want the children to suffer from diarrhea for months on end the availability of Nestlé's pure life is a heaven-sent, They lead a better life thanks to us. True it is only a tiny little minority that can afford it. Nevertheless, it's a few thousand people. It's a few thousand children, who don't have diarrhea. I for one would think that's a positive." (Manager B, Nestlé)
"[For] every field, if we grow wheat, if we grow any plant substance to nourish humans, we need about a thousand to ten thousand times more than what we would need to quench the thirst of all of humanity." (Manager C, Nestlé)		"Many of these countries can't do what of course we are accepting as normal in our countries, that we have a clean water supply, a well-managed water supply. This is a societal responsibility, not a business responsibility." (Manager C, Nestlé)
"The volumes we are talking about that are used in bottled water; they are ridiculously minimal compared to the huge amounts that are being pumped for agriculture." (Manager C, Nestlé)		"The fact that apparently industry is capable of managing water…and that countries aren't, is more an indication that we have a huge political problem than an economical problem." (Manager C, Nestlé)
Theme: in competition with other drinks	**Theme: adding value to water**	
"We are providing bottled water and there we see ourselves much more in competition to other drinks [than with public services], like soft drinks, that utilize two to three liters… two to three times more water in fact, to bottle one liter of final drink product than the bottled water industry does. So we believe there in fact the bottled water is probably the most environmentally friendly… as well as healthy alternative to	"Water is a natural resource, I agree. Now, natural resource doesn't mean that they are here for free to everybody. Because after all the same debate would be that we own coffee or corn or god knows what. Okay, you grow coffee or you grow corn, you don't necessarily grow water. But water, you have to treat the water, you have to… package the water, distribute the water, so we are adding value to the whole process. So I certainly do	

| all the other drinks that are currently on the market." (Manager G, Nestlé) | not accept the point of view that we should not own some of the water supply here and there. There is no reason why. It's a resource. Now tell me, why do some people own the oil, okay? It comes from the ground, it's natural, it should be free and open to everybody." (Manager D, Nestlé) |

Table 58: Open Posture on Water Debate at Nestlé

Open Posture on Water Debate		
Theme: water conversation	**Theme: reduce water consumption**	**Theme: inform**
"With agriculture we have some instances where now we are now taking the discharge water and feeding it back to farmers for their use. But we are also committed to discharging clean water back into the environment, to reducing water usage and to working together with other organizations that are committed to water conservation." (Manager F, Nestlé)	"In the operations of our own facilities, of our food production and our beverage production, we continue to reduce water consumption and be very careful about protecting the environment." (Manager F, Nestlé)	"We're also speaking up on the water issue, trying to make people more conscious of this, agriculture is the biggest use of water, about 70 % and until we solve the agricultural use of water, it's going to be difficult to make further progress in water conservation." (Manager F, Nestlé)
"We support an organization in about 20 countries called WET, water education for teachers that teaches hundreds of thousands of children how to conserve water and how to best use water. We are increasing our help…in this area." (Manager F, Nestlé)	"We are very conscious of the water issue. We have reduced our usage of water in the last…five years, by 40 % for the same amount of food produce. And we will continue to look for ways to save water." (Manager F, Nestlé)	"We just had the World Water Forum, we are the only food and beverage company that communicated and who had an exhibit." (Manager F, Nestlé)

Table 59: Scientific Justifications in Debate on Genetically Modified Food at Nestlé

Scientific Justifications in Debate on Genetically Modified Food			
Theme: increase efficiency	**Theme: people ignorant of science**	**Theme: wrong argumentation**	**Theme: science secures right thing to do**
"Nestlé, not only us, a lot of governments, a lot of other companies, believe that GMOs can be a progress. That they would be a way to increase the efficiency of agriculture, that they would be a way to decrease the use of fertilizer, water, whatever and then, it will then increase the availability of food and of affordable food for a larger… chunk of the population." (Manager D, Nestlé)	"When somebody comes and comes up with genetically modified organisms, of course there the person then assumes a certain form of genetic modification, so-called genetical engineering, where you take DNA; you take segments of DNA, you introduce it in other DNA molecules. I mean it's just that people are ignorant, they are afraid of this technology, they are concerned that it could adulterate, damage or endanger the food they have." (Manager C, Nestlé)	"We didn't listen well enough to, or didn't see the writings on the wall. We always argued from a scientific perspective, from a technical perspective and actually we should have argued from a human perspective." (Manager A, Nestlé)	"So they simply say the technology per se, we don't know anything or much about it, but we want our food to be the way it was before. So this could have a negative effect on the company, it may have a negative effect temporarily, but I think our position of being coherent, logical and supporting the application of science for the well-being of mankind, in this case food, that that in the long run will be the better position to maintain." (Manager C, Nestlé)
			"We got some scientists, we got some agricultural engineers. We worked on it and we… how can I say… have secured the conviction that this was the right thing to do." (Manager D, Nestlé)
			"From a very scientifical and technological driven point of view, the company felt that it had to be at the forefront of the development of genetically modified organisms, even if we didn't have a direct sort of doing in this." (Manager A, Nestlé)

Appendix D4 – Indications for Shifting Paradigms

Table 60: Posture towards a Political Framework for CSR at BAT Switzerland

Posture towards a Political Framework for CSR at BAT Switzerland		
Defensive	**Tentative**	**Open**
Theme: CSR voluntary	**Theme: if it adds value**	**Theme: protect the environment/human rights**
"I am concerned with some environmental issues in some countries where I think regulation could happen, forcing certain companies to pay more attention to their impact on the environment. So I am not against regulation in any cases, I don't think they are necessary for us in Switzerland. They may be needed in some other countries." (Manager E, BAT Switzerland)	"If it adds value that is where my question is. I mean one thing is doing a process, publishing a report, and in the end of the day nobody reads it. So that's something that I would not like to see with regards to a global framework. Because then that global framework would be nut for anybody." (Manager A, BAT Switzerland)	"There are certain key areas such as the environment, such as treatment of people, human rights. I think those two really stand out for me. Protecting the environment and protecting people. I think those areas need a lot of work done in corporates generally." (Manager B, BAT Switzerland)
"I don't believe it would bring much. Personally, I am not for regulation. I believe the trend of CSR in the world today is pretty well endorsed by companies and they do what they say." (Manager E, BAT Switzerland)	"If it is a standard like ISO NORM or whatever that has a positive impact with regards to the stakeholders, I definitely think it is a good idea." (Manager A, BAT Switzerland)	
"I don't think there is a need for governmental regulation because companies in the future that will not act in line with external expectations will not be successful." (Manager F, BAT Switzerland)	"If we even go that far to allow that body to take sanctions, for example, somebody has committed himself to do something within the next 24 month and he has not done it then he should get a warning or fine in order to stick to the words that he has put out and that he has profited from during the last 24 month. That might be interesting." (Manager G, BAT Switzerland)	
"To use a comparison: we do not have minimum wages by law in Switzerland. Some people complain about that. It happens to be that we have the second highest wages in the World per hour, just behind Germany. And there is no regulation that forces us to do that." (Manager C, BAT Switzerland)	"The benefit of a harmonized kind of regulation would be that at least everyone would benchmarked against a common standard. The downside of a common standard is that some companies, industries might just decide to go for the minimum." (Manager E, BAT Switzerland)	
"The debate is either within the industry or with other stakeholders, being the professionals from the bars and restaurants, to help them find solutions or to discuss problems or other involved parties." (Manager H, BAT Switzerland)	"Might be helpful but if you look at accounting standards for example, it's easier to compare between different countries because one company has balance sheet in Germany, another a balance sheet in the US, you can compare it because they use the same rules to draw up the balance sheet." (Manager G, BAT Switzerland)	
"I am rather confident we can go further without regulation." (Manager E, BAT Switzerland)		
"It can be quite a philosophical debate but I am not so much in favor of governmental regulations where they are not needed." (Manager F, BAT Switzerland)		
Theme: lack of global authority	**Theme: universal minimum standards**	**Theme: UN Global Compact**
"If it's a global one [framework], it should be driven by some kind of global authority, but I don't see any yet." (Manager G, BAT Switzerland)	"In any case I think it would be utopia. But will that be relevant or not. Yes, I think minimum standards should be given." (Manager H, BAT Switzerland)	"It's good [that there is] the UN [Global] Compact initiative, it gives a framework for us that everyone can use. I am pretty much in favor of this." (Manager E, BAT Switzerland)
"I don't know whether the UN is really best-placed to drive that issue. If it is, it should at least cover two sides, not only the health side (WHO) but the business side as well." (Manager G, BAT Switzerland)	"If it was to be required, it should be applied to public authorities and [other] organizations. It shouldn't be up to the parliament to say: this is what the private companies have to do but not the authorities. It should be applied to everyone." (Manager E, BAT Switzerland)	
Theme: government not capable	**Theme: objective and neutral**	
"I don't think that government can take over with regulations the responsibility for a company." (Manager F, BAT Switzerland)	"It would have to be objective and neutral in order to be credible. And to me, even though NGOs are getting political … [they	

	are] credible and neutral." (Manager I, BAT Switzerland)	
	"It couldn't be a government; it could not be a public institution… I think it should be an NGO." (Manager I, BAT Switzerland)	
Theme: Preferring more dialogue	**Theme: law defines ethics**	
"I would like the businesses to understand more what the societies need through various dialogues with the people and politicians and then to focus business driven rather then get people involved." (Manager D, BAT Switzerland)	"To a certain degree yes [in favor of a political framework]. Well, that's effectively what you call the law. Because the law defines the ethics." (Manager H, BAT Switzerland)	

Table 61: Opportunities through CSR-Activities according to HP

Core Program	Main Opportunity
Public policy	• Contribute to public policy debate, new guidelines and legislation
Ethics and compliance	• Ensure legal/regulatory compliance • Promote transparent and accountable practices • Support brand/reputation
Supply chain responsibility	• Support brand/reputation • Enhance customer and consumer trust and loyalty • Ensure legal/regulatory compliance • Decrease environmental footprint
Products (such as Design for Environment, accessibility)	• Differentiate products • Decrease product environmental footprint • Maintain access to markets • Support brand/reputation • Ensure legal/regulatory compliance
Operations (such as energy use emissions to air, water use, waste and recycling)	• Ensure legal/regulatory compliance • Reduce operating costs • Promote strong community relations
Privacy	• Enhance customer and employee trust and loyalty • Ensure legal/regulatory compliance • Transparent and accountable practices • Support brand/reputation
Employees (such as labor relations, diversity, health and safety)	• Attract/retain best employees • Enhance employee productivity • Support brand/reputation • Ensure legal/regulatory compliance
Social investment	• Promote strong community relations • Support brand/reputation • Play an active role in helping address social problems

Table 62: Posture towards a Political Framework for CSR at HP

Posture towards a Political Framework for CSR at Hewlett Packard		
Defensive	**Tentative**	**Open**
Theme: CSR voluntary	**Theme: current frameworks not efficient**	**Theme: contribute to standards**
"It is so totally far-fetched and it is so anti-competitive and it makes the market very difficult, because it gets into a price range where people can't afford it. So, in the end the consumer, the person, the buyer, the markets are suffering, because these things can't really, the markets don't develop, people don't buy. If you can make it in a way, that this is not negative and you don't have tons of people benefiting from it, that should, fine, if not, then just leave it and let the market pressures operate." (Manager C, HP)	"The markets these days, both for products, for capital, for information… [are] almost global. And so the transfer of activity from one country to another is relatively easy. Not just in terms of production activity or people, but also legal structures etc. If there was a desire to do something bad to the world, it is possible to shop around for corporate responsibility rules. And I think it's wise, if you set it at the right level… and that's a difficult question, because different parts of society have different ideas of what the right level of responsibility is." (Manager A, HP)	"We are interested in contributing to setup standards with dedicated organizations, with the EU, work under regulations that …are important here for the different market situations and the customers and ourselves at the company. We are interested…[in] actively contributing to these regulations and we are collaborating in many ways with NGOs, with institutions to have the regulations in place that support our company purpose, including corporate or global citizenship." (Manager B, HP)
"What happens … is, that through these regulations, some levy groups, somebody benefits, the customer pays and again it comes back to what I said earlier: the levies, the copyright levies, if you buy a printer in	"What is possible from the political side is, if there is a grey area where corporations are using their freedom, or I would say would abuse their freedom, then it is needed that the laws, like for example Sarbanes-Oxley	

Germany or in Spain or whatever, UK almost, right now you pay twice as much and it could go up to three times as much … the prices this product should cost you, because you are paying levies to organizations, that absolutely have nothing to do with this product." (Manager C, HP)	are introduced, saying it is not good enough that people believe they have done the right thing, sometimes it is important they can prove they have done the right things." (Manager J, HP)	
"I don't think that is something that you can enforce by law necessarily, I do think that this can be done through dialogue and quote and quote pressures that you are getting from the market, like I have said earlier on, the figure of 6 Billion [people] is rising and rising and rising and it will get bigger and bigger all the time." (Manager C, HP)	"We deal with political frameworks on many, many, many different fronts, and what we see, in many ways and one of their examples is copyright levies, is that … you have some sort of a high level goal and you don't reach it, because you have all of these different interest groups that profit from it in the end." (Manager C, HP)	
"It's the responsibility of the corporations and it shows their leadership if they take the action to define the corporate responsibilities." (Manager J, HP)		
"I would keep the political influence on the corporate responsibility as small as necessary." (Manager J, HP)		
"It is clear that the corporate responsibilities need to be defined by the corporations." (Manager J, HP)		
"The corporations must show their own leadership and they must create an environment that is representing them as a company and shows the soul of the company. You cannot define the soul from the outside." (Manager J, HP)		
"The market in a way regulates itself, based on what we need. We are so overregulated in Europe, that if we have one more set of regulations, I think at the end of the day you kill competition." (Manager C, HP)		

Table 63: Posture towards a Political Framework for CSR at Nestlé

Posture towards a Political Framework for CSR at Nestlé		
Defensive	**Tentative**	**Open**
Theme: CSR voluntary	Theme: norms for transnational corporations	Theme: market too much power
"We don't think it's practical to have a corporate social responsibility framework that fits all companies in all places. But what we do think is important is that each company defines for itself what its business principles are." (Manager F, Nestlé)	"The sub commission of the Human Rights issued a document, two years ago, on the fact that corporations should enforce human rights… The commission has obviously rejected that report and the United Nations as such have said very clearly that this is not the competence of a sub commission of human rights." (Manager J, Nestlé)	"I wish that would be, because if you leave this too much to the powers of the market it is taking to long, will eventually converge to a certain solution." (Manager A, Nestlé)
"I think that the Global Compact has certainly laid out some basic principles, for what companies voluntarily agreed to submit themselves to. But given the wide variety of industries, the different things they are dealing with and the different structures of the industries, I don't think it's possible to come up with a global set of standards." (Manager F, Nestlé)	"We have operations, a very important company in Dallas, Texas, Fort Worth. So if one of our American managers would express himself in favor of the death penalty, which is applicable in that state, according to this report of the sub commission, the company at a world-wide level could be held responsible for that man having said that. This is obviously nonsense. So this is one of the typical examples where people rights, rules and regulations, and when you see how it can be applied, it can't be applied. It's impossible to do that." (Manager J, Nestlé)	
"You will destroy, instead of creating, because people will say, ok if it is like that we will do that and nothing more." (Manager J, Nestlé)		
"No, I think it's the biggest mistake [a politi-		

cal framework]. Why? Because you legalize and you take away the moral standards and the ethical standards." (Manager J, Nestlé)		
"I don't think that by... by trying to control everything we will improve society. We should agree on a common set of principles under which we are willing to operate and then try to be as free as we possibly can." (Manager C, Nestlé)		
"[CSR] should best be left to individual companies, how they define social responsibility within their specific context of their industry and their business." (Manager G, Nestlé)		
"As we see social responsibility as part of a company's strategy, it should be left to companies to define that." (Manager G, Nestlé)		
"We don't believe that's a topic that's well-suited for some kind of international standard as we have in the environmental management with the ISO 14000 standard, which is a much more technical issue. So, individualized approach basically." (Manager G, Nestlé)		
"Whenever I hear global standards, I generally see a very strong protectionist element there, mainly in Europe and in the US, who are very much afraid of competition coming from the developing world. Because that's basically what global standards mean." (Manager B, Nestlé)		

Appendix D5 - Drivers of Change

Table 64: Influence of Civil Society on BAT Switzerland

Influence of Civil Society		
Theme: vocal & influential	**Theme: pushing in defensive position**	**Theme: commonalities**
"You have…this one guy in Geneva that is promoting effectively a ban on smoking, that's his end game. And you will have multiple articles positive articles in the Newspaper on his opinion. And if the industry tries to respond to that you probably will never see an article or if you see an article it will not be positively put in the paper." (Manager H, BAT Switzerland)	"The whole anti-smoking organizations are becoming stronger and stronger. So you are pushed in a very defensive position." (Manager F, BAT Switzerland)	"Even with the anti-smoking people, I think we have a lot of communalities. We have differences, but we have a lot of communalities. And I think it's about talking and it's about engaging, and where we have a common view that we work together to try to solve it, and when we have a disagreement, then we try to understand why we have a disagreement." (Manager H, BAT Switzerland)
"Very important… [NGOs for the perception of BAT Switzerland] I see them playing very much in the way of communication on the emotional basis. There is a clear response to that one. And, last but not least, they also operate across countries. A government doesn't operate across countries." (Manager A, BAT Switzerland)	"Look what is happening in our business. We have very strong anti-people that are trying to undermine our reputation and actually quite succeeded in doing that." (Manager C, BAT Switzerland)	"There's a lot more that we can do by talking and partnering, than to fight each other … [otherwise] there will be no progress. Or little progress." (Manager H, BAT Switzerland)
"If you look at small NGOs, for instance, sometimes [they are] very small, sometimes only one person and quite interestingly they are far more vocal than the whole industry together. So you have thousands of people working for tobacco in Switzerland but one person can make far more noise than thousands of us together." (Manager H, BAT Switzerland)	"How do we address that concern? How do we answer the questions?...just by being ourselves…we will build enough credibility to show that the way we are described by certain organizations is a bit too emotional, a bit too irrational and sometimes a bit too dramatic." (Manager E, BAT Switzerland)	
"Generally worldwide…it was pushed by the NGOs and the external bodies on all multinationals and big corporations." (Manager D, BAT Switzerland)	"We have to take into account the expectation now. I believe that it's up to us first to try to reverse the trend." (Manager E, BAT Switzerland)	
"The stakeholders dialogue process that is basically what I learnt one year ago. And before that it was more, let's put it this way, sort of passive knowledge." (Manager A, BAT Switzerland)	"If you benchmark that against anti-tobacco activists, of course you will never please them. They will never say you evolved, that's for sure." (Manager C, BAT Switzerland)	
"What they [NGOs] are communicating became more and more a reality for a lot of consumers, external environment. So it's clear their behavior and their activities influenced also our position that we have to become more proactive in this whole matter." (Manager F, BAT Switzerland)	"I am challenging here any anti-tobacco activists, who criticize us of targeting underage people through our advertisement or communication. I challenge them to provide me with an advertisement they see as controversial." (Manager C, BAT Switzerland)	
"Whenever there is a strong public statement by a socially recognized body then its ban is an impact on our business." (Manager B, BAT Switzerland)	"We didn't always take position regarding the accusations. We didn't actively look for dialogue with them and also probably kept our point of view." (Manager F, BAT Switzerland)	
"Social pressure [as reason for change in behavior]." (Manager F, BAT Switzerland)		
"It's been bodies like Ash for example, the antismoking body." (Manager B, BAT Switzerland)		
"They have a lot of influence on...I wouldn't say behavior but on our perceived image within the society." (Manager F, BAT Switzerland)		
"[Civil society] Extremely important." (Manager B, BAT Switzerland)		

Table 65: Pressure from Legislators on BAT Switzerland

Pressure from Legislators		
Theme: under legal pressure	**Theme: regulators working on health**	**Theme: class actions**
"It's marketing restrictions, can we still communicate in that or that way to our consumers. It is the question how many channels, how many accounts, how many outlets are still allowed to sell our products, which then obviously links to our day-to-day business as well." (Manager G, BAT Switzerland)	"What kind of escalated here is also the clear position of the health department which has an impact on all the areas. It not only has an impact on passive smoking, or public smoking ban or whatever, but it definitely also has an impact on the exercise on all the areas. And that is something which is very new, let's put it this way." (Manager A, BAT Switzerland)	"The …class action raised some awareness about how to behave. But if you look at the class actions… the impact of the class action might have been the pressure on the share value or the value of the share." (Manager C, BAT Switzerland)
"If it is passive smoking, if it is concerning advertising or smoking bans or whatsoever, there is a lot of changing in the taxing system regarding the government behavior." (Manager F, BAT Switzerland)	"If you have regulators that believe that the way you are conducting your business is totally irresponsible, they will pass regulation that will impact on your business." (Manager C, BAT Switzerland)	"BAT was the first company to publicly acknowledge that our products pose health risks….and it was obviously triggered by most of those class action suits putting financial risks to the companies exposed to them." (Manager G, BAT Switzerland)
"In Switzerland or in Western Europe in general we are under quite a pressure, because of the restrictions on public place smoking for example." (Manager G, BAT Switzerland)	"[The driver for CSR] tends to be medical ministries of…or the health ministries of governments." (Manager B, BAT Switzerland)	"Where it started was in the US, the class actions. Even though to my knowledge, no one ever won a class action so far in the US." (Manager C, BAT Switzerland)
"[The initial engagement in CSR] is also based on the increased level of regulations and […] and public smoking ban, all the basic things we have right now in the middle of our face." (Manager A, BAT Switzerland)	"[The driver for CSR] is the health department." (Manager A, BAT Switzerland)	"[If] there is a new class action in the US, of course analysts, market analysts will say, okay, there is a potential risk on their profit or their annual turnover, if they loose the case. That would be a pressure." (Manager E, BAT Switzerland)
"The department of trade and industry in the UK carried out an investigation six years or so ago. There were allegations that we were actively supporting the smuggling of our products from one country to another in order to avoid excise and make higher profits…we took a very sensible decision as a consequence that we would identify those distributors that were not complying with our regulations and in other words would not selling products in markets for which they were not intended and we would fire distributors. And we sent them. We lost a lot as a consequence. We terminated the arrangements because we felt we weren't behaving responsibly." (Manager B, BAT Switzerland)	"In Eastern Europe, or if you then go to even less developed countries, we are driving more the agenda on this one, because it's more pressing to us, whereas health regulators are still working on some other issues for example." (Manager G, BAT Switzerland)	"Litigation was always an issue for tobacco and how it accelerated over time. I don't think the responsibility aspect is necessarily linked to the class action. It has put us on the spot light, that's for sure." (Manager H, BAT Switzerland)
"At some point in time you have to make up your mind whether you still want to fight that on a legal basis and how good your chances are on that, or whether you take a more proactive stance and simply acknowledge that it is a fact and how to cope with that fact." (Manager G, BAT Switzerland)	"It's the legislation [of the health ministry] that has pointed us to be more active toward that issue." (Manager H, BAT Switzerland)	
"I mean regulation has…, this is a typical industry that has heavy regulation and they're getting heavier and heavier." (Manager H, BAT Switzerland)	"Outside the US it was the process of regulators to impose more restrictions on our product." (Manager C, BAT Switzerland)	
"We are faced with a lot of initiatives on whatever reason it's pricing, i.e. tariffs and all that on our products." (Manager G, BAT Switzerland)		

Table 66: Pressure from WHO on BAT Switzerland

Pressure from WHO	
Theme: extinguish tobacco industry	**Theme: FCTC**
"In Switzerland it is mostly driven by the WHO where they have put an agenda in place. As far as I understand it the end target is to have a world without tobacco consumption at all." (Manager G, BAT Switzerland)	"But also the whole strategy of the World Health Organization, and also this framework convention with regards to tobacco, this FCTC I think it is called, where there is a clear plan." (Manager A, BAT Switzerland)

"When we did our corporate social responsibility efforts, the social report and all that, in autumn last years, we invited the guys, but none of them [WHO] ever showed up." (Manager G, BAT Switzerland)	"The framework of the tobacco convention…definitely has a strong influence on the industry, and it also definitely has a strong influence on local governments….I think it is one of the most powerful strategies really to limit the rights of the tobacco industry." (Manager A, BAT Switzerland)
"If you are WHO for example and then you say I will never enter a discussion with BAT, that's where I am struggling." (Manager G, BAT Switzerland)	

Table 67: Pressure from Legislators on HP

Pressure from Legislators			
Theme: regulation important	**Theme: rules increasing**	**Theme: Sarbanes-Oxley**	**Theme: EU legislation**
"Government [is the major force for responsible behavior] because they have regulations." (Manager G, HP)	"In the last years legislation has become very important." (Manager J, HP)	"Cases like Enron have really skyrocketed… [the discussion on CSR] and people are now seeing repercussions of false and bad behavior, where as before a lot of it was probably possibly accepted as long as nobody found out and I think now the standards are much stricter. With Sarbanes-Oxley and so forth." (Manager C, HP)	"When we come to behavior in the market like monopoly rules and competitive behavior, the European Community is more advanced and the European laws are stricter. So in Europe we have a strong focus on that part." (Manager J, HP)
"The pressures, the market regulates itself, and sometimes you do things, because let's say, regulation says, you have to do that and that by 2010." (Manager C, HP)	"Starting in the United States it has become important to taken an active role to avoid harassment in the company and ensure that everybody is treated the same, independent of your gender, the color of your skin or your religion. Nowadays in many countries it has become a legal obligation to make sure that workers are protected." (Manager J, HP)	"What Sarbanes-Oxley brings is that I can prove that behavior. So if there is a conflict, I can prove what I have done, I can prove, if you look at HP, that people have participated in trainings, people have been educated, the various topics, legal topics, ethical topics have been discussed, in team meetings, so this is documented, that the people have confirmed that they have seen this and they have heard that and they went through this." (Manager J, HP)	"When we look to the European community the competitive laws that we have do not allow to abuse monopolies. They do not allow that you agree on prices with other competitors or they require that you have to give a fair treatment to multiple suppliers. It is therefore important that employees get educated about these legal requirements." (Manager J, HP)
	"The pronounced statements 'we want to be a good citizen'… more and more rules have been created around it." (Manager A, HP)	"If you're in finance or accounting, I think you would be saying it would be the fiduciary responsibility …government's responsibilities, Sarbanes-Oxley that would be driving it." (Manager E, HP)	
	"It's becoming more and more rule-based." (Manager A, HP)		

Table 68: Influence of Customers on HP

Influence of Customers		
Theme: government	**Theme: corporate accounts**	**Theme: governments, customer, NGOs**
"There is pressure from the customers, when you want to engage with governments." (Manager C, HP)	"If you ask me which ones are pressing the most, it is the government and increasingly some corporate accounts and I know there were, I think French Telecom… of those accounts that have been pressuring us for this information and without, which again we wouldn't have gotten the deal." (Manager C, HP)	"It is also company driven internally but there is also the need to make sure that we can in a formal manner respond to the need or the request of our customer and … and governments." (Manager G, HP)
"More and more customers ask HP and say: okay, if there should be a collaboration with HP, they wanted to know about programs, our CSR programs in the environmental or social investment." (Manager B, HP)	"More request from the public customers and even the large commercial companies to make sure that they were dealing with a companies respecting numbers of parameter regarding social responsibility." (Manager G, HP)	
"In some tenders they ask for corporate social responsibility reports." (Manager C, HP)		

"What are their [governments] issues? To set up certain infrastructure first of all." (Manager B, HP)

Table 69: Influence of Civil Society on HP

Influence of Civil Society	
Theme: driven more by civil society	**Theme: cooperate when possible**
"Civil society drives us more than regulation." (Manager A, HP)	"When it comes to HP we do cooperate with these groups [NGOs] when possible." (Manager F, HP)
"I would say overall the main driver is civil society, because we want to do the right thing." (Manager A, HP)	"HP, they do not have very tense and difficult relationship with NGOs." (Manager F, HP)
"NGOs and governments [are the most important drivers of CSR]. I mentioned Greenpeace; they are one of them for example." (Manager G, HP)	

Table 70: Importance of Investment and Finance Community on HP

Importance of Investment and Finance Community		
Theme: SRI funds	**Theme: responsibility will be issue of the future**	**Theme: own responsible shares**
"You see some of the pressures from the SRI funds and more and more companies want to be listed in, want to point out what it is that they are doing." (Manager C, HP)	"Some real issues that have taken place in the financial markets, will drive some of that [the CSR debate]." (Manager A, HP)	"The shareholders are not just looking to maximize the profit, but people want to own shares of companies that also take their corporate responsibility seriously." (Manager J, HP)
"There is some first good developments in place and I really believe as well on the corporate social responsible driven funds, so that is as well from a market perspective and from a shareholder perspective, that it will be much more valued in the future, when a company is really socially responsible or has a strong corporate social responsible philosophy, that this will be honored in company value and in market value." (Manager B, HP)	"If you look at the return on investments or the share prices in return during the last 20 years, I don't think you find any correlation between social responsibility and not, I don't think so, I think in the future it's another ball game. I don't think you can attract the right people, I don't think it will be healthy to invest in companies that highly pollute the environment." (Manager D, HP)	
"I can see the big pension funds are deliberately saying: we don't want to invest in companies that are not strong on corporate social responsibility, which means Pinelli, they pollute all, they don't operate the rules in the country, they use children labor and so on." (Manager D, HP)	"I think that all stakeholders of a society, the HP employees and NGOs and so on, I think you are getting back to, if the survey is right, people in the future don't want to invest, at least long term in companies that don't have a good image. Then I think there is a 1:1 correlation between the interests. It's clear if for the next 30 years you can invest in companies that pollute extremely much, no one care about them, then this does not hold. But I don't think so. (Manager D, HP)	
Theme: stock price as representation of responsibility		
"Stock price being…one part a representation of the business performance with respect to revenue growth and profit growth, but also seeing the stock price as how is the company seen, how attractive is it for the shareholders or for the stock market to own this respective share." (Manager J, HP)		

Table 71: Influence of Civil Society – Defensive Posture on Nestlé

Influence of Civil Society – Defensive Posture		
Theme: nuisance effect	**Theme: obvious target**	**Theme: refusing civil society**
"They take a flash light, and they want you to cure this, and the other one wants you to cure that, they have no vue d'ensemble. That is their problem. So they are a little bit fanatic, most of the time, in the defense of their case, which I can understand because each of these cases, taken separately, makes a lot of sense. But if then you ask a company to focus on all this, it is just materially not doable." (Manager J, Nestlé)	"We're the biggest food company. We are the most visible, most logical target. And this will never change. If I were one of these radicals, I would not pick a little, not too big company here. I mean, what would you gain? First of all you would not make the headlines, you would have no impact. So you do this rationally and intelligently and you choose the biggest possible target." (Manager C, Nestlé)	"I hate the word civil society. Because we are the civil society. I am the civil society. Nestlé is a civil society. It's been a term that's been created and abused to describe a pretty narrow phenomenon. Civil society basically means noisy, small groups often active in altruistic causes that arrogate themselves a moral right to tell the rest of the world what it should be doing and what not. And in that sense…the word civil society is

		"a word that I absolutely refuse." (Manager B, Nestlé)
"Greenpeace clearly [with regards to GMOs] had a nuisance effect that costs billions. It was not to the advantage of the consumer, nor of the scientific community, nor of the companies involved in it, nor of the third world. That's bullshit, but there they are." (Manager B, Nestlé)	"Just because we are so big and so powerful…there's this potential for abuse, for evil, for negative behavior and actions, hence you've got to be very critical of such organizations and this is what they express and so they're always going to be targeting Nestlé." (Manager C, Nestlé)	"So we are in a world, today, where there has been a shift from the fact that politics or countries have not been able to solve certain problems, and now we take, we take it for granted that NGO and humanitarian organizations can solve the problems of the world. They can obviously not, but this is the world that we are in." (Manager J, Nestlé)
"They make a big story about something that perhaps, in individual cases, there was an abuse, there were mistakes that were made." (Manager C, Nestlé)	"They…say we have our favorite target, let's make a big story, let's use the media, let's exploit this, let's make a lot of noise. And in that they sometimes are quite successful." (Manager C, Nestlé)	
"Corporate social responsibility has become the hobby of a large number of activists who see corporate social responsibility as the means to force companies to act in what they conceive to be right." (Manager B, Nestlé)	"Nestlé is still the most boycotted company in the UK and in Italy." (Manager G, Nestlé)	
"You have this activist group, recruited internationally amongst students, more or less professional aid organizations with a strong bias, ideological bias." (Manager B, Nestlé)		
"They have clearly a significant nuisance value… They might even get, at some places... they might even have some success in getting legislation through." (Manager B, Nestlé)		
"This concern on their part, in some cases, this really basic hatred of an organization such as ours will continue." (Manager C, Nestlé)		
"I am watching these groups very carefully. I have no respect, no admiration for them. But I am realistic enough to accept that, yes, they can be annoying." (Manager B, Nestlé)		
"We had probably for the last 30 years at our general shareholder meeting every year representatives of Baby Milk Action, which is a small but vocal lobby organization." (Manager G, Nestlé)		

Table 72: Influence of Civil Society – Tentative Posture on Nestlé

Influence of Civil Society – Tentative Posture		
Theme: changing environment	**Theme: think politically**	**Theme: doubting importance**
"[The success of NGOs is] a reflection of the current environment we are living in and the environment information society we are living in…NGOs they take on a dimension because of the flow of information, the availability of information." (Manager C, Nestlé)	"[The infant formula debate] was an unnecessary and quite bit of fight, but it certainly made the company realize that there were dimensions of its activities and so on that needed to be taken into account and that you had to argue and think politically, otherwise you would end up in trouble." (Manager B, Nestlé)	"Nestlé is of such a size that they are able to ignore a lot of these groups. So I don't feel that they have as much power as they would on smaller organizations." (Manager E, Nestlé)
"[NGOs] are pretty important now… because exactly of their power to inform, to rally, mobilize, to communicate and sometimes perhaps communicate with a bias. So, they do definitely have a role to play, a more significant role than years ago." (Manager C, Nestlé)	"The company realized that it could not go on the way it had been going on, simply by pleading innocence and so on, [so] that it took the necessary steps, in order to proactively and aggressively seek to reverse public opinion." (Manager B, Nestlé)	"I think because our management base is here and because Switzerland doesn't have quite so strong a culture of these social small groups shouting and being listened to and of large organizations changing in response." (Manager E, Nestlé)
"Greenpeace 50 years ago perhaps could have had exactly the same set of objectives…but they would not have had the ability to strap themselves against a building, across the bow of a whaler, all of this simply has to do with, to an extent, sensationalism. It's immediately made visible and it does have a big impact." (Manager C, Nestlé)	"We made it our policy not to try and convince the activists, because we knew we wouldn't succeed, but to go after the well-meaning people who for absolutely respectable reasons were scandalized or shocked by the fact that, if somebody tells you this is an organization that kills babies by millions, just to make money, that is something that a decent human being is shocked about." (Man-	"[NGOs are more successful] partly because there is more legislation in the UK that these groups can hang on to. There is a lot of European Union legislation which gives extra force to these small organizations and that doesn't apply in Switzerland." (Manager E, Nestlé)

	ager B, Nestlé)	
"Can you imagine if you go back 200 years and a little NGO would have tried to do something and by the time the information would have reached some of the readers…the issue would have been long gone. And today of course you can do that instantaneously and that gives this whole area … communication such an increased significance. So it's not basically the way we behave and act, it's more how we respond to the change in society and communication." (Manager C, Nestlé)	"If you have a legal issue where you have right on your side that's fine. But if that gets into public domain will people look at Nestlé and think "they are bullying because this is a trivial matter, why do they attack the small person?" Or will it look as though we were motivated by malice?" (Manager E, Nestlé)	"The world is a marketplace not only for products, but also for ideas. The fact that most of these ideas by NGOs are shared by tiny minorities perhaps also indicates that, overall they are not, perhaps, not all that important." (Manager B, Nestlé)
"We have to be far more alert, far more aware, far more positioned to work in this environment. And I think this is where frequently companies... they don't fail, but they underestimate this." (Manager C, Nestlé)	"You need to look at the decisions you make, whether they could be misinterpreted, whether by other people within the company or outside the company. It's just thinking through the full effect, not just the commercial effect of what you do." (Manager E, Nestlé)	
"Let us assume that you are a foreman in the factory of Osorno [in Chile], and you have one of your workers that does something wrong and you are a rather choleric person and you hit him in the face. 20 years ago or 30 years ago, there was a problem for Osorno. It would not even have gone up to Santiago. But now it happens that at the moment that you hit that person, someone took a photograph of you and it comes in the newspapers here, the stock prices will drop. So you, as a person, in Chile, in Osorno, in your job, you have to realize that you…[have to be] socially responsible" (Manager J, Nestlé)	"They do have an impact since they increase the awareness of issues. But we like to have the opportunity to share information. The issue is if these groups are making decisions made on good information?" (Manager I, Nestlé)	

Table 73: Influence of Consumers on Nestlé

Influence of Consumers		
Theme: consumers as drivers	**Theme: changing perceptions**	**Theme: respect the consumer**
"Take this fair trade coffee which we have launched in the UK…I think 30 % is fair trade in the meantime. So very clearly consumers have been driving that particular segment in that particular country." (Manager G, Nestlé)	"Today, I think, we want to be very proactive, we want to communicate, we want to raise the public's understanding. Not because we've changed in the way we work, but there is a clearly different perception, the consumers… expect a certain level of what you could call transparency. They want to be informed. It's not that you behaved differently in the past, but people want to be proactively addressed." (Manager C, Nestlé)	"Years ago I remember we had some culinary products. They were beef-based but there were some kind of touch of pork meat into it, but it was part of the taste it provided flavor. The question was how big of a statement we will make of those little bit of pork meat. Why? Because for Muslims and Jews it's of the highest importance. And for us there was not even a hesitation. It's not only to comply with the legal things, what's illegal, at least you put somewhere pork meat. But we said explicitly on the pack: contains also pork fat. That's it. That's clear respect of the consumers… it was honest to consumers… [to provide the] chance to read the ingredients list." (Manager D, Nestlé)
"[In] France…the consumer does not show a comparable interest on those [fair trade] issues, which is also then reflected by the product offerings." (Manager G, Nestlé)	"People are more sensitive to what companies do with the products, for the people, for us it's good. Because we try to, al least we try to behave much better than our competitors. So this is for us a positive evolution." (Manager J, Nestlé)	"Making it clear doesn't mean that you make it negative, because what's wrong for me might be right for you as a consumer." (Manager D, Nestlé)
	"The consuming public is more interested in the company behind the brands, then ever. So it's become a growing topic of discussion." (Manager F, Nestlé)	
"In the end it's the consumer who chooses to buy or not to buy a product." (Manager G, Nestlé)	"There is a far more explicit need to communicate and to share and to actively, proactively communicate and share with the public." (Manager C, Nestlé)	

"In the end it's the consumers, through their consumption pattern and purchasing decisions that are influencing the behavior of companies." (Manager G, Nestlé)	"The consumer is interested in a more total picture of an organization, of a company that he or she wants to work with, that he or she wants to consume products of." (Manager C, Nestlé)

Table 74: Importance of Investment and Finance Community on Nestlé

Importance of Investment and Finance Community		
Theme: investor community	**Theme: sustainability ratings**	**Theme: spur of action**
"There's certainly a growing importance, because most of the investment decisions today are no longer made exclusively based on the financial parameters, but increasingly these longer-term social and sustainability issues are being… are being considered by these agencies." (Manager G, Nestlé)	"We have seen over the last few years a growing interest by investors' representatives in the area of corporate social responsibility, which is expressed through really the spreading of all kinds of social responsibility or sustainability ratings." (Manager G, Nestlé)	"One of the key elements of the financial markets is the fact that they do create transparency, they make things comparable and that clearly has had a beneficial effect on companies. Transparency and comparability are a powerful spur for action." (Manager B, Nestlé)
"Probably 80 % of the investors look predominantly at the financial issues, probably 20 % already actively consider the more social sustainability dimension." (Manager G, Nestlé)	"There have been various reports in the past. Some have shown that companies with a higher rating or ranking in sustainability efforts are long-term more successful." (Manager G, Nestlé)	
"The investment community [plays a predominant role] because they work for more specialized audiences and their work is actually not being very much seen in the public, probably also because media don't take a big interest in it." (Manager G, Nestlé)	"We are in constant contact with…rating agencies… that ask us questions about various activities. And we are in a dialogue with them to basically explain what we are doing." (Manager G, Nestlé)	(Zerk, 2006)

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