Copenhagen Business School
HANDELSHØJSKOLEN

All Animals are Equal, but...: How Managers in Multinational Corporations perceive Stakeholders and Societal Responsibilities

Esben Rahbek Pedersen

CSR & Business in Society

CBS Working Paper Series

Published by

CBS Center for Corporate Social Responsibility
Porcelænshaven 18B
DK - 2000 Frederiksberg

ISBN 978-87-92114-22-8

WORKING PAPER NO. 05-2009

All Animals are Equal, but…: How Managers in Multinational Corporations perceive Stakeholders and Societal Responsibilities

– *DRAFT: Not to be quoted, referred to or otherwise used without the author's permission* –

© Esben Rahbek Gjerdrum Pedersen (erp.ikl@cbs.dk)
Copenhagen Business School Center for Corporate Social Responsibility
Department of Intercultural Communication and Management (ICM)
Copenhagen Business School
Porcelaenshaven 18
DK-2000 Frederiksberg
Denmark
Tel: 0045 38 15 27 41

Abstract

The stakeholder approach has become a popular perspective in mainstream management and corporate social responsibility (CSR) literature. However, it remains an open question how real-life managers actually view their stakeholders and what rationales are used for making judgments about their relative importance. This article will try to answer these questions by examining who managers in multinational corporations (MNCs) consider as their stakeholders and how they value them. It is concluded that managers still tend to hold a rather narrow (managerial) view of the firm and primarily give priority to stakeholder groups which are directly involved in the core transformation system. The conclusions are derived from interviews and surveys of in total 662 managers in four MNCs. The data is collected as part of RESPONSE: a large EU- and corporate-funded initiative on corporate social responsibility (CSR).

Key words: Stakeholders, Stakeholder management, corporate social responsibility, managerial perceptions, RESPONSE.

CSR: Redefining the Mindset of Managers?

Much has been said about CSR in recent years. The academic literature on the topic has been steadily increasing (de Bakker *et al.*, 2005) and the business press is also fast taking up the concept of CSR (Buhr & Grafström, 2007). The renewed interest in social and environmental issues is also apparent in business community where more and more firms are adopting the CSR discourse.

Today, more than four out of five (87 per cent) CEOs claim that their organisation are managing values, ethics and codes and conduct (PwC, 2003) and almost two out of three (64 per cent) of the world's largest corporations report on CSR issues (KPMG, 2005).

However, even though the concept of CSR has become adopted by the business community there is still a long way to go before CSR becomes integrated in the firms' day-to-day business activities. For instance, evidence indicates that only few firms (10 percent) have integrated CSR in the corporate strategy and the mainstream operations (Mirvis & Googins, 2004; Lacy & Salazar, 2006). One reason may be that some firms mainly consider CSR as a public relations exercise. For instance, it has been argued that Phillip Morris spent more money in 2001 on communicating its social initiatives than on the social activities themselves (Morsing, 2003; Smith, 2003). Another explanation may be that firms find it difficult to 'walk the talk' when it comes to implementing CSR (Grayson & Hodgson, 2005). The difficulties in getting a precise fix on the core of CSR as well as the plethora of CSR standards, systems, schemes and codes make it hard to know exactly how to manage CSR.

The reason for the problems in mainstreaming CSR may also be rooted in management. The fundamental question is to what extent the much talk of CSR has actually been successful in changing the mindset of managers? After all, the business literature is rich on examples of how managers seems to be rather unwilling to deviate from the beaten path and tend to meet new situations with well-established solutions that have proven to be successful in the past (Miller, 1993; Lumpkin & Dees, 2006; Gilbert, 2005; Hambrick & Mason, 1984). If managers continue to hold rather traditional views of the firm any attempts to mainstream CSR are likely to fail. Managers are important change agents in the organisations and their commitment is a widely acknowledged as a precondition for the successful implementation of CSR initiatives (Waddock *et al.*, 2002; Werre, 2003; Jenkins, 2006; Weaver *et al.*, 1999; Mamic, 2005).

The objective of this paper is to examine to what extent managers in MNCs share the broad view of CSR and stakeholders that can be found in the literature (see next sections). More specifically, based on comprehensive analysis of four MNCs the paper will analyse how managers perceive the importance of different stakeholder groups and the arguments which are used for explaining these views. However, before entering the analysis the paper will provide a short introduction of what is seen as one of the dominant theoretical perspectives of CSR: - the stakeholder approach.

The Stakeholder Approach to CSR

The theoretical foundation of CSR is as diverse as the concept itself. CSR has always been characterised by a great deal of eclecticism and attracted scholars from a wide range of academic disciplines (see Garriga & Melé (2004) for an excellent overview). However, some models are more popular than others; not least the stakeholder approach which have become one of the most important perspectives on CSR (McWilliams & Siegel, 2001; Jenkins, 2006; Pedersen, 2006). Actually, it has been said that it is among the scholars and practitioners within the field of CSR and business ethics that the idea of stakeholders has been met with the most sympathy (Freeman, 2004; Wicks *et al.*, 1994; McVea & Freeman, 2005). This is somehow paradoxical insofar as the stakeholder literature has always expressed strong reservations about CSR. For instance, Freeman & Liedtka (1991) characterise CSR as a failure, a barrier for meaningful conversation, and a dangerous idea. In consequence, CSR is useless and should be abandoned immediately (ibid.). Less harsh in their criticism is Freeman (2004) and Freeman & Velamuri (2006) who nonetheless claim that CSR has outlived its usefulness mainly because the concept separates social, economic, environmental, political etc. and focuses exclusively on corporations.

Leaving these controversies aside, what does a stakeholder approach to CSR mean then? Firstly, it means accepting that firms have relationships with a wide range of stakeholders (employees, suppliers, customers, local communities, etc.). A stakeholder approach to CSR sees business as embedded in society and the firm as a network of stakeholder relationships (cf. Shephard *et al.*, 1997; McVea & Freeman, 2005; Wicks *et al.*, 1994). Secondly, a stakeholder approach to CSR means that that firm's responsibilities toward society stretch beyond shareholders (cf. Rowley & Berman, 2000; Ohmae, 1991). For instance, according to Freeman *et al.* (2004, p. 365):

> *"Stakeholder theory claims that whatever the ultimate aim of the corporation or other form of business activity, managers and entrepreneurs must take into account the legitimate interests of those groups and individuals who can affect (or be affected by) their activities (…)".*

The stakeholder approach to CSR thereby differs from the shareholder-oriented perspective which considers it as problematic to jump from the observation that firms have stakeholders to the conclusion that the firm should also be accountable to these parties (Bergkamp, 2002). According to this view firms should instead focus solely on creating wealth for shareholders instead of trying to meet the diffuse expectations of a vast number of stakeholders. The stakeholder approach to CSR is also broader than what can be labelled the 'managerial view' in which the firm is seen as made up primarily by the owners, suppliers, customers, employees and managers (Freeman, 1984). In today's business environment, firms have responsibilities towards a wider range of stakeholders, such as governments, consumer advocates, local community organisations, media, and public authorities. The stakeholder approach to CSR thereby expands the responsibilities of business by promoting a more inclusive and boundaryless notion of the firm.

Thirdly, a stakeholder approach to CSR also means interacting with stakeholders. It is difficult to take into account the voices of the stakeholders if you do not listen to what they have to say**.** However, stakeholder interaction is not only a one-sided affair where the firm passively adapts to the various stakeholder expectations and claims. On the contrary, a stakeholder approach to CSR also means that stakeholders are someone the firm is negotiating with and otherwise try to influence in order to attain corporate goals. In summary, maintaining and developing good stakeholder relationships is at the core of the stakeholder approach to CSR; something which may also explain the popularity of terms like "partnerships", "stakeholder dialogue", and other collaborative efforts (Waddock & Smith, 2000; Harrison & St. John, 1996; Googins & Rochlin, 2000; Pedersen, 2006)[1]. The firm - and capitalism more generally – is seen as a system of cooperation where people work together to create value for each other (Freeman & Velamuri, 2006; Freeman *et al.*, 2004; McVea & Freeman, 2005; Shephard *et al.*, 1997).

Selecting In and Selecting Out Stakeholders

A stakeholder approach to CSR means that firms should try to integrate the values and viewpoints of both shareholders and other stakeholders in firm decision-making processes and behaviour. However, defining exactly who should be granted stakeholder status remains a delicate question. Over the years, numerous attempts have therefore been made to separate the important stakeholders from the less important ones (Clarkson, 1995; Mitchell *et al.*, 1997; Vos, 2003; Carroll & Buchholtz, 1999; Phillips *et al.*, 2003; Wheeler & Sillanpää, 1997; Mitchell *et al*., 1997; Harrison & St. John, 1996; Kochan & Rubinstein 2000; Savage *et al.* 1991; WBCSD, 2002). By organising the plural and simplifying the diverse, these stakeholder models helps making CSR operable, but the root problem is perhaps that these classifications are generic whereas the

[1] Empirically, a SAM Sustainable Asset Management 2004 survey reported that 45 percent of 554 firms had ongoing long–term partnerships and stakeholder engagement teams (WEF, 2005).

organisations' stakeholder relationships are firm specific (cf. Calton & Payne, 2003). Of course there will be some stakeholders that are relevant to practically all firms, including customers, investors, suppliers, distributors, and employees, but between and even within these generic groups multiple and not necessarily compatible interests can be found (Crane & Livesey, 2003; Harrison & Freeman, 1999; Post *et al.*, 2002).

Moreover, separating the critical stakeholders from the trivial ones is ultimately an exercise of power and given the voluntary nature of CSR, the inclusion and exclusion of stakeholders is to a large extent controlled by the firm. However, there may be a difference between the stakeholders who a firm has an interest in interacting with, and the stakeholders who have an interest in or a moral right to be heard (Jackson & Carter, 2000). Obviously, it puts some limitations on the democratic potentials of stakeholder theory and CSR respectively (Pedersen, 2006). Moreover, from a more practical perspective there is a risk that the firm consciously or unconsciously will tend to interact with groups and individuals with non-adversarial interests while ignoring alternative and potentially valuable voices (Banerjee, 2001).

To sum up, the CSR literature today is very much inspired by the stakeholder approach even though it is still debated how the firm develops common criteria for selecting in and selecting out stakeholders and makes trade-offs between conflicting stakeholder interests. However, that does not change the fact that firm managers have to deal with these issues in everyday decision making processes. As noted by Post *et al.* (2002, p. 30):

> *"(…) trade-offs among stakeholder interests vary from case to case; there is no universal way to generate a single-valued "corporate performance" function. Hence, identifying critical stakeholders and properly evaluating their concerns are always part of managers' role, whether or not they officially accept the stakeholder management approach".*

The empirical question is whether managers today have developed a broader perspective of the firm's responsibilities or if they hold fairly narrow view of stakeholders and CSR? A discrepancy between the dominant managerial perceptions of the firm-stakeholder relationships and those put forward in the literature may help to explain the current gap between CSR rhetoric and CSR practice. Or put differently, if the managerial perceptions conflict with the basic premises of the stakeholder approach to CSR, there is little reason to believe that CSR in the near future will move from being a peripheral add-on to become integrated in all core business functions; something which has been a key CSR objective for quite some time (Cowe, 2004; Dickson, 2004; Tantram, 2004; Warhurst, 2005; Waddock & Graves, 1997; Environics, 1999; Bonfiglioli & Lacy, 2004). Ultimately, knowing how managers think of the firm-stakeholder relationships may say something about the hopes and expectations that can reasonably be put into the CSR concept.

Managers on Stakeholders: The RESPONSE Project

The paper is an output of RESPONSE: a three-year EU- and corporate-funded initiative on corporate social responsibility (CSR). One of the central objectives of the project was to examine whether managers and stakeholders shared the same understanding of the firm's societal responsibilities and identify possible causes of perceptual misalignment. The RESPONSE project was led by a consortium of European Business Schools and had participation of 19 MNCs headquartered in Europe and North America. The overall findings from the project are documented in a report to the European Commission (RESPONSE, 2007).

This paper is based on part of the comprehensive data material collected in relation to the RESPONSE project. More specifically, the paper focuses on four firms operating in four different industries (Chemicals, Mechanics, Pharma, and Mining) and headquartered in four different countries. All firms can be said to be at the high end of the CSR scale, meaning that are ranked high by social rating agencies and/or have received external recognition of their CSR work. As a point of departure, the managers can therefore be expected to express fairly advanced views of CSR and stakeholder relationships. The analysis is based on data from 662 managers in the four MNCs who either participated in interviews (49 interviewees) or a web-based survey (613 respondents). Table 1 shows the number of interviewees and survey respondents in the four MNCs. The interviews and surveys were carried out in 2004-2007.

Firm Information			
	No. of manager interviewees	*Number of respondents (Response rate %)*	***Total:***
Firm A	12	151 (77.4)	**163**
Firm B	15	199 (28.4)	**214**
Firm C	13	114 (25.1)	**127**
Firm D	9	149 (43.4)	**158**
Total:	**49**	**613**	**662**

Table 1: Number of participants in the interviews/surveys.

The survey and interview data supplement each other in the attempt to get an understanding of how managers in MNCs view the business-stakeholder relationships. With regards to the former, the quantitative data from the survey provide a broad overview of dominant management perspectives on stakeholder importance and impact. In addition, an open question in the survey on how managers perceive its business unit's responsibilities toward society enables a more qualitative analysis of various business-stakeholder issues. With regards to the latter, the qualitative data from the interviews enable a 'thicker' analysis of the rationales for selecting in and selecting out stakeholders. In other words, both the survey and the interviews reveal information on *who* the firm sees as stakeholders and *how* these stakeholders matter.

Which Stakeholders Matter to Managers?

Conceptually, a distinction can be drawn between inner-circle (primary) stakeholders, without whom the firm would cease to exist, and outer-circle stakeholders (secondary), who are influential but not essential for the survival of the firm (Clarkson, 1995). The empirical findings from the survey indicate that real-life managers also make such distinctions when assessing to what extent they are aware and knowledgeable of different stakeholder groups (see Table 2). Employees and customers consistently get high scores whereas local communities, social pressure groups, and media consistently get low scores when it comes to perceived influence (question 1), management understanding (question 2) and the intensity of information gathering (question 3). Moreover, even though the four firms differ in size, structure, and industry there seems to be some consensus on "who really counts" (cf. Mitchell *et al.*, 1997). An exception is government that is perceived especially by Firm C as a key stakeholder. A plausible explanation is perhaps that Firm C is a pharmaceutical company where the government plays an important role both as customer and regulator.

Managerial Perceptions of Stakeholders										
QUESTION 1: To what extent do the following stakeholders influence/affect your business unit? (1 = Nor at all, 5 = Very much)										
	Firm 1		Firm 2		Firm 3		Firm 4		Total	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev
Employees	4,21	0,91	4,11	0,93	4,02	0,96	3,81	0,85	4,04	0,92
Shareholders	3,86	1,29	3,59	1,11	3,51	1,26	3,92	0,97	3,72	1,16
Direct customers	4,23	0,89	4,49	0,79	4,26	0,90	4,05	1,06	4,28	0,92
Consumers	3,32	1,16	3,19	1,20	3,93	1,07	2,90	1,12	3,28	1,19
Suppliers	3,45	1,01	3,22	1,11	3,37	1,03	3,14	0,97	3,28	1,04
Government	3,19	1,02	3,91	1,04	4,38	0,84	3,72	0,91	3,77	1,04
The local communities	2,91	1,05	2,80	1,06	2,97	1,14	3,36	1,09	3,00	1,10
Social pressure groups	2,33	1,25	2,52	1,04	2,86	1,24	2,91	1,12	2,63	1,17
Media	2,57	1,10	2,89	1,13	3,24	1,14	2,95	1,08	2,89	1,13
QUESTION 2: To what extent do you think your business unit understands the needs of the following stakeholders? (1= Not at all, 5= Totally)										
	Firm 1		Firm 2		Firm 3		Firm 4		Total	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev
Employees	4,12	0,73	3,74	0,82	3,80	0,88	3,70	0,77	3,84	0,82
Shareholders	4,18	1,00	4,07	0,93	4,03	1,02	4,27	0,82	4,14	0,94
Direct customers	4,16	0,74	4,23	0,76	4,17	0,84	3,85	0,95	4,11	0,83
Consumers	3,54	0,93	3,30	1,10	4,03	0,86	3,07	1,22	3,44	1,10
Suppliers	3,49	0,87	3,44	0,99	3,55	0,97	3,21	0,94	3,42	0,95
Government	3,41	0,97	3,88	1,01	4,12	0,96	3,80	1,04	3,79	1,02
The local communities	3,40	0,99	3,14	0,94	3,39	1,14	3,42	1,05	3,32	1,02
Social pressure groups	2,98	1,35	2,87	1,07	3,18	1,28	3,03	1,21	2,99	1,22
Media	3,27	1,37	3,12	1,08	3,59	1,08	3,27	1,12	3,28	1,18
QUESTION 3: How often does the management of the business unit collect information on the following stakeholders? (1 = Not at all, 5 = Very frequently)										
	Firm 1		Firm 2		Firm 3		Firm 4		Total	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev
Employees	3,93	0,96	3,41	0,96	3,65	1,01	3,68	0,85	3,65	0,96
Shareholders	3,93	1,38	3,52	1,60	4,02	1,77	3,80	1,41	3,78	1,55
Direct customers	3,99	1,01	4,01	1,06	4,09	1,23	4,01	1,25	4,02	1,13
Consumers	3,20	1,39	2,89	1,35	3,87	1,36	2,99	1,70	3,17	1,50
Suppliers	3,47	1,15	3,25	1,30	3,85	1,52	3,29	1,39	3,43	1,35
Government	3,14	1,47	3,39	1,31	4,21	1,31	3,76	1,47	3,57	1,44
Local communities	3,10	1,42	2,83	1,29	3,50	1,70	3,44	1,48	3,18	1,47
Social pressure groups	2,89	1,83	2,53	1,46	3,56	1,85	3,26	1,72	2,99	1,73
Media	3,14	1,76	2,83	1,48	3,64	1,57	3,32	1,63	3,18	1,63

Table 2: Managerial Perceptions of the Firms' Stakeholders

The same picture can be derived from the management interviews in the four firms. Table 3 provides a few examples on how the interviewed managers in the four firms prioritise the role of various stakeholder groups. For instance, customers get mentioned by practically all managers in the four MNCs. One manager explains that he thinks that customers are the most important stakeholder because they ultimately determine whether a company is a success or a failure. If you put an overpriced or poor quality product on the market, the customers will react by not buying it, which will directly have negative impacts on the firm performance. Or as another manager phrases it:

> *"The most relevant ones are customers (…). Customers make pay days possible (…). We don't have customers, we don't get paid, we don't have work (…). So I always wanted people who work for me to focus on their customers".*

Most managers do not mention customers without also mentioning employees. One manager explains the importance of employees by emphasising the possible consequences that might occur as a result of employee dissatisfaction, which can lead to strikes that pretty much would put the business on hold. Another argues that he does not see the employees as the most firm's most important asset; they are the firm. Moreover, he believes that CSR begins with treating the employees well. Only when you are able to do that is it relevant to move to broader and more sophisticated CSR initiatives. Lastly, both potential employees and existing employees are perceived as important. As mentioned by a manager:

> *"Maybe I am biased because I am involved in so much hiring, so I think that it is the people we hire, it is the talents, because I really believe that it is true that if we are successful in business it is because of the people we have here".*

Managers also consider shareholders as important and in general they do not seem to be under the illusion that shareholders are interested in social and environmental issues. One manager argues that only two or three shareholders have ever brought up the subject of CSR. Another says that the investment community is 95 per cent about financials and perhaps 5 per cent about CSR. A third manager describes the relationship to the shareholders as follows:

> *"Let me put them in line, I think the number one is the shareholders (…). Certainly the shareholders because this is where it all starts. These are the people who are funding and are willing to buy the stock (…). And people doing this, it is a business, you need the share return. You need to give back to these people a certain return".*

At the other end of the scale the managers do not believe that social pressure groups/NGOs matter much to business. Actually, the interviews reveal a general lack of awareness when it comes to this stakeholder group. In some cases, they are only mentioned because the interviewers ask them explicitly about the role of NGOs. NGO activities do not seem to be something that occupies much time and attention of top management perhaps because the company-NGO relationships take place locally in networks. However, some managers acknowledge that NGOs have influence and credibility in society which implies that firms need to pay attention to them. As noted by a manager:

> *"I know we are looking at (...) how we can do more with NGOs because they do have more and more influence, especially in the days of the internet where communication spreads much quicker and they have a lot more credibility even though it may not be factual (...), but they do have credibility and so we need to have more communications with them".*

In summary, the confusion in parts of the CSR literature regarding the stakeholder prioritisation cannot be found here (Freeman & McVea, 2006). Managers still perceive traditional stakeholder groups like customers and employees as essential whereas for instance local communities and social pressure groups play a more peripheral role. However, even though managers in the study tend to adopt a rather narrow stakeholder view of the firm it still remains relevant to discuss if a broader and more inclusive perspective may hold potentials for both business and society. Firstly, including a broader set of stakeholders may inspire product and process innovation as well as helping the firm to identify new market opportunities. Secondly, stakeholders are not free-floating actors operating outside the social context but are affected by the norms, values and beliefs of the other stakeholders in their environment (cf. Granowetter, 1985). Therefore, ignoring outer-circle stakeholders may damage the relationships with the inner-circle stakeholders. We will return to this discussion later in the article.

Interviewees about Stakeholder Prioritisation

- *"There are lots of stakeholders but I would put employees first. I would put communities second. I would probably put shareholders third. I think you've got then suppliers - an important part of that community - and obviously customers (...). They're all part of the chain and to try to describe different weights to them is difficult I think. As I said I would pick employees as probably the number one but all of these others have got an effect or an influence or a particular set of desires that we have to tune ourselves to meet".*
- *"Shareholders, I have to say, are first. Employees are second. Customers obviously, I am having difficulty ranking them beyond first and second, but the other important stakeholders are obviously customers and local communities. I only see them as equivalent, and not very far behind, it is not that one is way ahead of the others. I do feel that the shareholders are first, that is why we are in business".*
- *"I would say that of course you know I think our customers are very key to us in many markets*

and I'd say that our employees are and the communities. I would say more localised where we are you know in terms of the local governments of those communities and of course, the shareholders of the company. I would say that the first one would be the shareholders (...). I would say second is the employees, third the communities and fourth the customers". • *"(…) I have the main responsibilities up to the shareholders. Quite natural. Then the next important line that is down to us, my employees (…). That is the vertical ones. Then we have the horizontal one and then I would put the customers. Whatever it means, all partners and users and decision makers and then whatever. And then to the other side that is the local society. So these four directions and then you can split it into deeper levels how much you like".* • *First and foremost we have our customers. They are probably the most important ones (…). So, we have our customer side and of course also our supplier side. Then for me employees are also stakeholders. And by employees I also mean the management team. You could say that the top management (…) perhaps represent a separate stakeholder (…), Moreover, the political environment would also be a stakeholder (...). And then you can go even further; partners, (…) universities and so on also have an influence. And so do the networks with other companies. And then things start to become peripheral"* (Our translation).

Table 3: Interviewees about stakeholder prioritisation

How does Stakeholders matter to Managers?

One is that some stakeholders matter more than others. Another is how they matter and the rationales for ascribing special importance to some stakeholder groups. For instance, even though managers both consider employees and customers as key stakeholders, it does not necessarily follow that they consider them as key stakeholders for the same reasons. In other words, the reasoning for considering someone a key stakeholder may differ depending on whether we are talking about employees, investors, suppliers, customers or NGOs.

At the overall level, managers often define societal responsibilities in relation to product provision, the primary transformation system (inputs, processes, outputs), and the related impacts on customers, communities, the environment etc. For instance, product provision is among the most popular alternatives when the managers participating in the survey were asked to select the statements that best reflect their view of business in society (See Figure 1). The responsibility of business in society is very much about the activities, stakeholders, and impacts that are related to providing the products and services that the customers need. For instance, a manager argue that the societal responsibilities is about filling a need in the value chain which should be done by generating wealth for all stakeholders involved (stockholders, employees, communities). Another manager highlights the importance of 'getting it right' in the sense that social, environmental, and economic issues needs to be taken into account when transforming raw materials into a end product:

"So getting it right – it is about attention to detail to everything and the analogy I use to the people (…) is that we start off with raw materials and we put it through a conversion process and eventually (…) it comes out the other end and then if we have made it correctly and delivered it on time, we earn the right to ask our customers for some money. But we do not put the raw material through the process once and then go back and put it through at its lowest cost and then go back and do it safely and go back and do it in an environmentally responsible manner and then do it with a sustainability index rating or anything else. We have to be very holistic in the way we manage taking a raw material to an end product that is of value to the community".

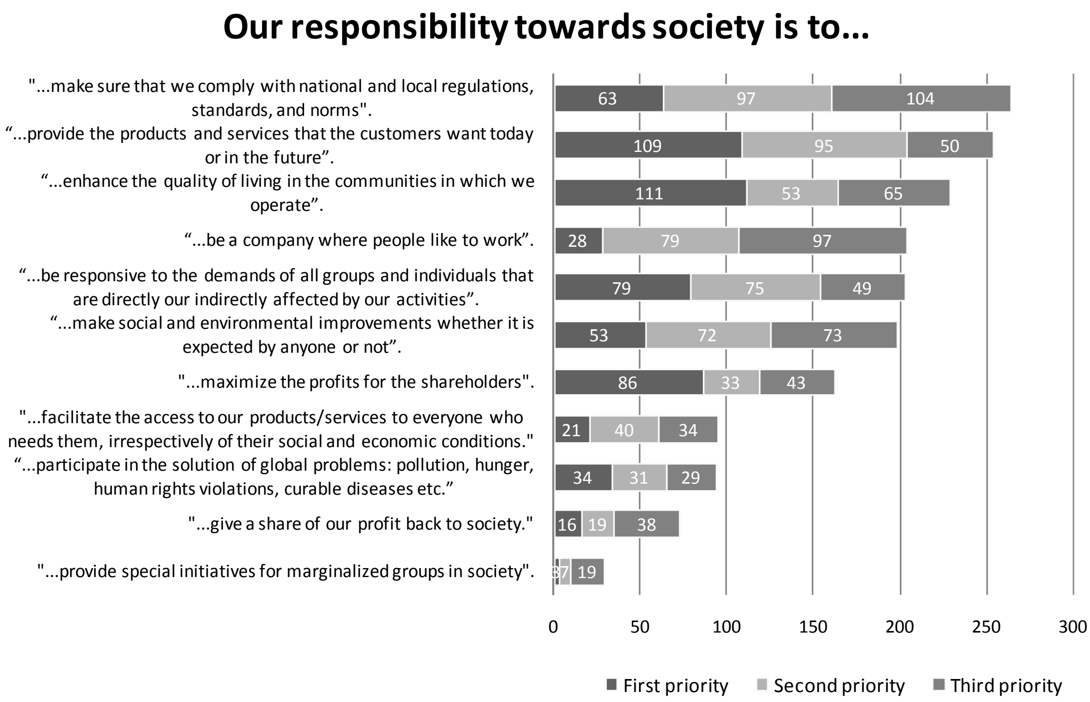

Figure 1: Managerial Perceptions of the Responsibilities of Business Toward Society

The focus on product provision is closely related to the managers' strong customer focus. The responsibilities of business to this stakeholder group are primarily related to market exchange and the product characteristics. In general, managers make numerous references to the necessity of providing customers with high quality, efficacious, effective, and efficient products. However, the societal responsibilities toward the customers can also be interpreted as rather narrow in the sense that managers often do not express customer concerns that exceed the market transactions**.** Focus is on providing the goods and services that the customer wants; both when it comes to price, quality, delivery time, social and environmental impact etc. One manager describes the responsibilities towards customers as follows:

> *"Firstly, to be fair. To be able to meet their expectations for cost and quality and delivery and all of the things that go with that. To give them the confidence to know that the product that they're receiving has been produced by (...) a process that is environmentally benign as it can be to make a product in that form. And to work with them to look for better opportunities. Not just to have a transactional interface but to have an understanding that we're in this joint process of taking a finite set of raw materials through to an end product application so it allows all of us to make the best use of that raw material"*

Where responsibilities toward the customers are mostly confined to product provision, broader issues come into play when managers are asked to describe their responsibilities towards employees. Employees are in general seen as more than just "resources" and the responsibilities toward this stakeholder group moves well beyond job creation. Responsibilities like health and safety, career development, job enrichment, training and education, work/life balance, diversity management etc. are also part of the managers' vocabulary when they describe the responsibilities toward the employees. For instance, a manager makes the following comment about the responsibilities toward the employees:

> *"The primary one is making sure they are safe. We have EHS first: environment, health, and safety. We ensure they get home safely every night, giving them living wages, treating them with respect, making sure they have an opportunity, if they are talented, to advance".*

However, managers are of course not blind to the instrumental benefits from treating employees well. Failure to recruit and retain talent is something that damages the competitive position as well as the reputation and image of the firm. One manager lists the following disadvantages stemming from irresponsible HR practices:

> *"(...) if you don't treat (...) people in a good way, or fair way, you know, in a transparent way, two things happen. One: they might start leaving you. Two: they may stay working with you but they end up not performing because they don't like you. And three: they'll tell everyone about you (...). And then that gives you a bad reputation".*

The managerial perceptions of the local communities and society at large are often formulated in rather abstract terms. In general, however, it is both possible to identify narrow responsibilities, which are linked to the transformation system, and broad responsibilities, that cover general concerns for the wellbeing and development of society. With regards to the former, responsibilities towards the communities/society often relate to the impacts of the core business activities. The economic activities can be seen as something that in itself benefits society (product provision, job creation, tax revenues) although managers seem to be aware of the negative externalities, not least when it comes to the environmental footprint. With regards to the latter, some managers also address responsibilities towards communities that does not relate directly to the core business activities. For instance, references to community work, donations, education programmes, philanthropy etc. are common and some managers go even further by expressing responsibilities of a much broader nature. For instance, a manager participating in the survey describes the societal responsibilities as follows:

> *"To contribute to make the society harmonious. To improve the living quality of people in my country. To increase people's education level in my country".*

As noted in the previous section, managers in general did not pay much attention to NGOs even though some of them acknowledge that they are influential in shaping the public debate. The limited role of NGOs may be caused by the fact that they have a somewhat ambiguous status and are not directly involved in the transformation system. They are often perceived as a different type of organisation that are detached from the business world. As noted by a manager: *"Business, (…) they're your crowd, right? NGOs, they're not your crowd"*. NGOs are instead seen as representatives for a certain set of values which can 1) be in line with the business activities and thus become a source of inspiration and collaboration, or 2) be in conflict with the business activities and thus constitute a risk factor. Managers also make a distinction between NGOs that are willing to talk, listen, and cooperate, and NGOs that are just making noise and are unwilling to have a dialogue. Not surprisingly, the latter group is perceived negatively by the managers. One manager argues that NGOs tend to generalise and simplify things, another believes that some NGOs do not want to cooperate with business because it is part of their identity to believe that companies are evil, and yet another is of the opinion that they basically run a (not always responsible) business:

> *"They operate a business. They need their stumps. If they do not have their stumps, they do not get the membership. If they do not get their membership, they do not get their income and no doubt they cannot survive. So, they do not also have to speak the truth. We always have to tell the truth. So it is a game. They have a value in society. Sometimes they take it too far because they want to maintain their business".*

The role of the shareholders is somewhat mixed. Just like customers, managers tend to hold a rather instrumental perspective on shareholders who are mainly perceived in relation to their input (capital) and expectations to output (dividends, share price). As noted by a manager: *"Shareholders you need them because otherwise you cannot run your organisation (...). So you need the money. You need the funds".* The managers in general talk about shareholders as rational actors who want the highest possible return on their investment. Only few managers view shareholders as having needs or interests beyond that of profit. Therefore, one of the managers actually considers it a societal responsibility to: *"Reminding shareholders that shareholder value is only one part of the coin".* However, the responsibilities for shareholders do not necessarily means ignoring CSR. For instance, some managers view CSR as a risk management instrument to avoid bad episodes that damages shareholder value. Another manager argues the following:

> *"Our responsibility to shareholders is to provide a return on their investment. Being either in terms of dividend or higher share price. But in a responsible way (...). If we just want to make money we would go out and buy a pirate ship or something. We want to make money sustainably. A sustainable return to shareholders over the years that is good, beats the competition and makes us the investment of choice"*

In conclusion, managers tend to adopt a rather system-oriented perspective on the firm, where the identification and role of stakeholders are derived from the inputs, processes, and outputs/impacts from the core business activities. One may say that the mindsets of managers often bear similarities with the machine metaphor developed by Morgan (1980) where organisations are seen as instruments which are rationally devised for providing goods and services to customers which in turn will enable the organisation to achieve its predetermined goals. The system perspective on business may have consequences for the perceived responsibilities of business towards society. Being part of a transformation system may leave little room for romantic dreams about making the world a better place. Instead focus is on transforming input into outputs with a minimum of negative social and environmental impacts. This may also explain why references to terms like 'efficiency' and 'value creation' are common when managers describe the responsibilities of business towards society. Efficiency is mainly about optimising the use of resources and minimising the negative impacts on people and the surrounding environment whereas concepts like value and wealth creation are both used in relation to shareholders, stakeholders (customers, employees, communities etc.), and society more generally.

However, especially when dealing with employees, communities and society at large, managers also express views that are not directly linked to the transformation of input into outputs and the related impacts. For instance, a term frequently used by managers is "*respect*" which is both about respecting others and being respected as a reliable business partner and a good corporate citizen. Moreover, managers make various references to ethics (ethical standards, ethical governance, ethical products, and ethical decisions), trustworthiness, accountability, fairness, reliability, integrity, and transparency, and openness. Such views are closer to 'Kantian Capitalism 'which is about respecting all stakeholders and treat them as more than just means (sources of income, materials, capital etc.) to an end (shareholder value) (Evan & Freeman, 1993). Even though managers are not blind to the business benefits from being a respected member of society there seems to be some broader principles for interacting and communicating with the firm's stakeholders and doing business 'in the right way'.

Discussion: An Institutional Perspective on Perceived Business-Stakeholder Relationships

The stakeholder concept is central in the current CSR debate. Both scholars and practitioners talk about stakeholders when discussing CSR and the stakeholder concept has even been blended with political visions of a new and more inclusive economy (Robertson & Nicholson, 1996; Jenkins, 2006). For instance, Anthony Giddens (2000) refers to stakeholder capitalism as an attempt to 'smooth the rough edges' of the global market system and the former British Prime Minister Tony Blair has used the term 'stakeholder economy' to describe a society where everyone is included and work together for generating benefits for each other (Slinger, 1999; Phillips *et al.*, 2003).

However, despite the much talk of stakeholders and CSR the evidence from the analysis indicates that most managers in the four firms still hold a managerial view of the firm which emphasises the relationships with a narrow set of stakeholders which are closely related to the firm's core transformation system. Why do managers seem to be immune for the CSR rhetoric and the call for a broader stakeholder view? One reason may be that managers believe that the pay off from a narrow view is higher. After all, the much talk of networks, partnerships, and stakeholder dialogue does not change the fact that the contributions/rewards of the employees and customers are directly linked to the production and sales of the firm's goods and services whereas e.g. local communities and social pressure groups play a more indirect role as neighbours, suppliers of labour, commentaries etc. Another reason may be that it is different for managers to focus on all stakeholder relationship in everyday decision making processes. Managers have to simplify things to make it operable; something that means prioritising some stakeholders while ignoring others (Pedersen, 2006).

However, one can also think of other and less rational perspectives for explaining the narrow perceptions of the firm and its stakeholders. Managers both shape and are shaped by various institutions, i.e. rules, norms, values, routines, habits, and traditions, which permit some actions while forbidding others (Eisenhardt, 1988; Ostrom, 1991; Granowetter, 1985). The institutional settings therefore play an important role in defining who managers count as a stakeholder and what actions are considered appropriate stakeholder management. Moreover, institutions are relatively stable which implies that managers who are used to see the organisation from a narrow stakeholder perspective will continue to do so even after the new concepts like CSR and stakeholder management have made their entry on the business agenda.

Institutions make it a difficult, slow, and patchy process to implement changes that require a reconfiguration of the managers' values and belief systems and break with existing ways of doing things in the firm. Here lies perhaps one of the main barriers for promoting a stakeholder approach to CSR in business. If proponents of the stakeholder approach to CSR want to redescribe the firm of tomorrow, they have to do it in a way that makes sense to managers of today. However, a stakeholder approach to CSR seems to require a break with the prevalent managerial mindset. For instance, throughout the years the stakeholder literature has consistently challenged the traditional boundaries of the economy, the company, and its constituents by arguing that we should stop 1) carving up the world in economic, social, political etc. (Freeman & Gilbert, 1992); 2) separating the organisation from its environment (Wicks *et al.*, 1994); 3) dividing stakeholders into generic groups and faceless abstractions (McVea & Freeman, 2005), and; 4) seeing the company solely as a command and control system (Freeman & Liedtka, 1991). Essentially, debates of CSR and shareholders vs. stakeholders are often an encounter between a traditional view, which consider the firm as an isolatable entity with well-defined goals, and a broader and more inclusive perspective which understand the firm as a network of relationships without clear boundaries and with responsibilities that stretch far beyond the shareholders (Frederick *et al.*, 1992; Freeman *et al.*, 2004).

The study of the four MNCs suggests that it is too early to celebrate the success of the stakeholder approach to CSR. On the contrary, the results indicate that that the business community still favours a narrow, managerial view of business. This may also explain the poor implementation of much CSR initiatives. Unless CSR is at least partly *in sync* with managers' understanding of the business-stakeholder relationships CSR are unlikely to become more than an add-on to the firm's daily operating practices. Not to say that we should stop trying to change the ways current and future managers think about the business-stakeholder relationships. The point is that the long-term success of CSR depends not only on the ability to develop new fancy tools and frameworks but also on the ability to affect managers' value and belief systems. Moreover, it is not a criticism of the corporate and academic CSR rhetoric that still seems to outweigh actual accomplishments. On the contrary, the continuous focus on stakeholder issues and CSR may slowly change the dominant perceptions of the business-stakeholder relationships. After all, language affects the way we are, the way we think, and the way we act, and by redescribing some of the widely held beliefs regarding the business-stakeholder relationships the stakeholder approach to CSR may shape future organisational processes, structures, and outputs (cf. Wicks *et al.*, 1994). Let us end this discussion by quoting R. E. Freeman (1994, p. 419):

> *"[r]edescribing corporations means redescribing ourselves and our communities (…). Unless we get on with this work of redescription that crosses the bright lines between discourses that have been established by theory and practice, talk of human progress, as difficult as it is, is likely to come to a rather immodest and abrupt halt".*

Conclusion: Management Perceptions and the CSR Imperative

In the last decades, we have seen a growing interest in CSR: The academic and practitioner-based literature on the topic has soared. More products and services in the supermarket are making ethical claims. Firms increasingly publish social and environmental reports. Prominent politicians and management gurus like Kofi Annan and Michael Porter are starting to promote the notion of CSR and new philanthropists like Warren Buffett and Bill Gates are donating billions of US dollars to charity.

The question is of course to what extent the much talk of stakeholders and CSR have actually changed the mindset of managers and how they think of the business-society relationship? Or put differently; to what extent have real-life managers adopted the stakeholder approach to CSR? The paper sat forward answer this question by examining who managers in four MNCs consider as their stakeholders and the underlying rationales for this prioritisation. The analysis was based on interviews with 49 managers and 613 respondents participating in a web-based survey.

The results from this analysis indicate that managers still hold a rather narrow view of the firm and primarily give priority to a few core stakeholder groups. Customers and employees are perceived as key stakeholders whereas for instance NGOs and the local communities are perceived as being of less importance. The results seem to differ from the stakeholder approach to CSR which suggest that firms should move beyond the shareholder-dominated view and traditional forms of organisational control to a broader stakeholder perspective characterised by a high degree of collaboration, dialogue, and engagement.

Managers do not only list a number of responsibilities. They also talk about these responsibilities in a certain way. During the analysis it became clear that the way managers articulate societal responsibilities may also be helpful in understanding the rationales behind the dominant views of CSR and stakeholder relationships. The survey and interview data reveal some noticeable differences in how managers think of stakeholders and the business-society relationships. In general, managers tend to identify stakeholders and societal responsibilities that are closely related to product provision and the core transformation system. However, managers both use general moral principles as well as instrumental, means-end rationales to describe the stakeholder relationships and the responsibilities of business toward society. To be responsible both means upholding some basic standards of decency and creating value for the firm, the stakeholders, and society. Whether or not these responsibilities are conflicting or compatible are left unsaid.

It is worth mentioning that the findings are based on evidence from only four MNCs. Whether or not the findings can be generalised to represent MNCs or the business community more generally is left unsaid. Moreover, the study only examines managers whose values and worldviews may differ from those of the other organisation members. An analysis across all organisational layers may have provided a better picture of how employees more generally perceive the business-stakeholder relationships.

References

Banerjee, S. B. (2001), 'Managerial Perceptions of Corporate Environmentalism: Interpretations from Industry and Strategic Implications for Organizations'. *Journal of Management Studies*, **38**, 489-513.

Bergkamp, L. (2002), 'Corporate Governance and Social Responsibility: a New Sustainability Paradigm?'. *European Environmental Law Review*, **11**, 136-152.

Bonfiglioli, E. & Lacy, P. (2004), 'CSR and the future'. *European Business Forum*, Summer, 41-44.

Buhr, H. & Grafström, M. (2007) 'The Making of Meaning in the Media: The Case of Corporate Social Responsibility in the Financial Times', in F. den Hond, F. G. A. de Bakker, & P. Neergaard (Eds.), *Managing Corporate Social Responsibility in Action*, Aldershot, Hampshire: Ashgate Publishing Limited, pp. 15-31.

Calton, J. M. & Payne, S. L. (2003), 'Coping With Paradox: Mulitistakeholder Learning Dialogue as a Pluralist Sensemaking Process for Addressing Messy Problems'. *Business & Society*, **42**, 7-42.

Carroll, A. B. & Buchholtz, A. K. (1999). *Business & Society - Ethics and Stakeholder Management*. Cincinnati, Ohio: South-Western College Publishing.

Clarkson, M. E. (1995), 'A stakeholder framework for analyzing and evaluating corporate social performance'. *Academy of Management Review*, **20**, 92-117.

Cowe, R. (2004), 'CSR hits the boardroom'. *European Business Forum*, Summer, 7-9.

Crane, A. & Livesey, S. (2003) 'Are you talking to me?: Stakeholder communication and the risks and rewards of dialogue', in J. Andriof, S. Waddock, B. Husted, & S. S. Rahman (Eds.), *Unfolding Stakeholder Thinking 2*, Sheffield, UK: Greenleaf Publishing, pp. 39-52.

de Bakker, F. G. A., Groenewegen, P., & den Hond, F. (2005), 'A Bibliometric analysis of 30 Years of Research and Theory on Corporate Social Responsibility and Corporate Social Performance'. *Business & Society*, **44**, 283-317.

Dickson, T. (2004), 'CSR: moving on to the front foot'. *European Business Forum*, Summer, 2.

Eisenhardt, K. M. (1988), 'Agency- and Institutional Theory Explanations: The Case of Retail Sales Compensation'. *Academy of Management Journal*, **31**, 488-511.

Environics (1999). *'The Millennium Poll on Corporate Social Responsibility'*. Toronto: Environics International Ltd.

Evan, W. M. & Freeman, R. E. (1993) 'A Stakeholder Theory of the Modern Corporation: Kantian Capitalism', in T. L. Beauchamp & N. E. Bowie (Eds.), *Ethical Theory and Business*: Englewood Cliffs, New Jersey: Prentice-Hall, pp. 75-84.

Frederick, W. C., Post, J. E., & Davis, K. (1992). *Business and Society: - Corporate Strategy, Public Policy, Ethics*. New York: McGraw-Hill, Inc.

Freeman, R. E. (1984). *Strategic management: a stakeholder approach*. Boston, Massachusetts: Pitman.

Freeman, R. E. (1994), 'The Politics of Stakeholder Theory: Some Future Directions'. *Business Ethics Quarterly*, **4**, 409-421.

Freeman, R. E. (2004), 'The Stakeholder Approach Revisited'. *Zeitschrift Für Wirtschafts- Und Unternehmensethik*, **5**, 228-241.

Freeman, R. E. & Gilbert, D. R. (1992), 'Business, Ethics, and Society: A Critical Agenda'. *Business & Society*, **31**, 9-17.

Freeman, R. E. & Liedtka, J. (1991), 'Corporate Social Responsibility: A Critical Approach'. *Business Horizons*, **34**, 92-97.

Freeman, R. E. & Velamuri, S. R. (2006) 'A New Approach to CSR: Company Stakeholder Responsibility', in M. Morsing & A. Kakabadse (Eds.), *Corporate Social Responsibility: From Aspiration to Application*, Houndsmills, Basingstoke, Hampshire: Palgrave MacMillan, pp. 9-23.

Freeman, R. E., Wicks, A. C., & Parmar, B. (2004), 'Stakeholder Theory and "The Corporate Objective Revisited'. *Organization Science*, **15**, 364-369.

Garriga, E. & Melé, D. (2004), 'Corporate Social Responsibility Theories: Mapping the Territory'. *Journal of Business Ethics*, **53**, 51-71.

Giddens, A. (2000). *The Third Way and its Critics*. Oxford, UK: Polity Press.

Gilbert, C. G. (2005), 'Unbundling the Structure of Inertia: Resource versus Routine Rigidity'. *Academy of Management Journal*, **48**, 741-763.

Googins, B. K. & Rochlin, S. A. (2000), 'Creating the Partnership Society: Understanding the Rhetoric and Reality of Cross-Sectoral Partnerships'. *Business and Society Review*, **105**, 127-144.

Granowetter M. (1985), 'Economic Action and Social Structure: The Problem of Embeddedness'. *American Journal of Sociology*, **91**, 481-510.

Grayson, D. & Hodges, A. (2004). *Corporate Social Opportunity! Seven Steps to make Corporate Social Responsibility work for your Business*. Sheffield: Greenleaf Publishing.

Hambrick, D. C. & Mason, P. A. (1984), 'Upper Echelons: The Organization as a Reflection of Its Top Managers'. *Academy of Management Review*, **9**, 193-206.

Harrison, J. S. & Freeman, R. E. (1999), 'Stakeholders, Social Responsibility, and Performance: Empirical Evidence and Theoretical Perspectives'. *Academy of Management Journal*, **42**, 479-485.

Harrison, J. S. & St. John, C. H. (1996), 'Managing and partnering with external stakeholders'. *Academy of Management Executive*, **10**, 46-60.

Jackson, N. & Carter, P. (2000). *Rethinking Organisational Behaviour*. Harlow: Pearson Education Limited.

Jenkins, H. (2006), 'Small Business Champions for Corporate Social Responsibility'. *Journal of Business Ethics*, **67**, 241-256.

Kochan, T. A. & Rubinstein, S. A. (2007), 'Toward a Stakeholder Theory of the Firm: The Saturn Partnership'. *Organization Science*, **11**, 367-386.

KPMG (2005). *KPMG International Survey of Corporate Responsibility Reporting*. Amsterdam: KPMG Global Sustainability Services.

Lacy, P. & Salazar, C. (2006), 'From the Margins to the Mainstream: Corporate Responsibility and the Challenge Facing Business and Business Schools', in A. Kakabadse & M. Morsing (Eds.), *Corporate Social Responsibility: Reconciling Aspiration with Application*, Houndsmills, Basingstoke: Palgrave Macmillan,

Lumpkin, G. T. & Dess, G. G. (2006), 'The Effect of 'Simplicity' on the Strategy-Performance Relationship: A Note'. *Journal of Management Studies*, **43**, 1584-1604.

Mamic, I. (2005), 'Managing Global Supply Chain: The Sports Footwear, Apparel and Retail Sectors'. *Journal of Business Ethics*, **59**, 81-100.

McVea, J. F. & Freeman, R. E. (2005), 'A Names-and-Faces Approach to Stakeholder Management'. *Journal of Management Inquiry*, **14**, 57-69.

McWilliams, A. & Siegel, D. (2001), 'Corporate Social Responsibility: A Theory of the Firm Perspective'. *Academy of Management Review*, **26**, 117-127.

Miller, D. (1993), 'The Architecture of Simplicity'. *Academy of Management Review*, **18**, 116-138.

Mirvis, P. & Googins, B. (2004), 'The Best of the Good'. *Harvard Business Review*, **82**, 20-21.

Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997), 'Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts'. *Academy of Management Review*, **22**, 853-886.

Morgan, G. (1980), 'Paradigms, Metaphors, and Puzzle Solving in Organization Theory, *Administrative Science Quarterly*, **25**, 605-622.

Morsing, M. (2003) 'Conspicuous Responsibility: Communicating Responsibility - to Whom?', in M. Morsing & C. Thyssen (Eds.), *Corporate Values and Responsibility: The Case of Denmark*, Frederiksberg, DK: Samfundslitteratur, pp. 145-154.

Ohmae, K. (1991). *The borderless world: Power and strategy in the interlinked economy*. London: Harper Business.

Ostrom, E. (1991), 'Rational Choice thoery and Institutional Analysis: Toward Complementarity'. The American Political Science Review, **85**, 237-243.

Pedersen, E. R. (2006). *Between Hopes and Realities: Reflections on the Promises and Practices of Corporate Social Responsibility (CSR)*. Copenhagen: PhD School of Technologies of Managing/Copenhagen Business School.

Phillips, R., Freeman, R. E., & Wicks, A. C. (2003), 'What Stakeholder Theory Is Not'. *Business Ethics Quarterly*, **13**, 479-502.

Post, J. E., Preston, L. E., & Sachs, S. (2002). *Redefining the Corporation: Stakeholder Management and Organizational Wealth*. California: Stanford University Press.

PWC (2003). *6th Annual Global CEO Survey: Leadership, Responsibility, and Growth in Uncertain Times*. New York: PricewaterhouseCoopers (PWC).

RESPONSE (2007). Understanding and Responding to Societal Demands on Corporate Responsibility. http://www.insead.edu/v1/ibis/response_project/documents/Response_FinalReport.pdf (accessed on 16 September 2009).

Robertson, D. C. & Nicholson, N. (1996), 'Expressions of Corporate Social Responsibility in U.K. Firms'. *Journal of Business Ethics*, **15**, 1095-1106.

Rowley, T. & Berman, S. (2000), 'A Brand New Brand of Corporate Social Performance'. *Business and Society*, **39**, 397-418.

Savage, G. T., Nix, T. W., Whitehead, C. J., & Blair, J. D. (1991), 'Strategies for assessing and managing organizational stakeholders'. *Academy of Management Executive*, **5**, 61-75.

Shephard, J. M., Betz, M., & O'Connell, L. O. (1997), 'The Proactive Corporation: Its Nature and Causes'. *Journal of Business Ethics*, **16**, 1001-1010.

Slinger, G. (1999), 'Spanning the Gap: the theoretical principles that connect stakeholder policies to business performance'. *Corporate Governance*, **7**, 136-151.

Smith, N. C. (2003), 'Corporate Social Responsibility: Whether or How?'. *California Management Review*, **45**, 52-76.

Tantram, J. (2004). 'CSR: drivers and challenges'. European Business Forum, Summer 2004, 20-21.

Vos, J. F. J. (2003), 'Corporate Social Responsibility and the Identification of Stakeholders'. *Corporate Social Responsibility and Environmental Management*, **10**, 141-152.

Waddock, S.A., Bodwell, C., & Graves, S. B. (2002), 'Responsibility: The new business imperative'. *Academy of Management Executive*, **16**, 132-147.

Waddock, S.A. & Graves, S. B. (1997), 'The Corporate Social Performance-Financial Performance Link'. *Strategic Management Journal*, **18**, 303-319.

Waddock, S.A. & Smith, N. (2000), 'Relationships: The Real Challenge of Corporate Global Citizenship'. *Business & Society Review*, **105**, 47-62.

Warhurst, A. (2005), 'Future roles of business in society: the expanding boundaries of corporate responsibility and a compelling case for partnership'. *Futures*, **37**, 151-168.

WBCSD (2002). *Sustainable Development Reporting: Striking the Balance.* Geneva: World Business Council for Sustainable Development (WBCSD).

Weaver, G.R., Treviño, L.K. & Cochran, P.L. (1999), 'Integrated and Decoupled Corporate Social Performance: Management Commitments, External Pressures, and Corporate Ethics Practices', *Academy of Management Journal*, **42**, 539-552.

WEF (2005). *Partnering for Success: Business Perspectives on Multistakeholder Partnerships*. Geneva: World Economic Forum (WEF).

Werre, M. (2003), 'Implementing Corporate Responsibility - The Chiquita Case'. Journal of Business Ethics, **44**, 247-260.

Wicks, A. C., Gilbert, D. R., & Freeman, R. E. (1994), 'A Feminist Reinterpretation of the Stakeholder Concept'. *Business Ethics Quarterly*, **4**, 475-497.

CBS Working Paper Series
CSR & Business in Society

Publications:

05-2009 All Animals are Equal, but…: How Managers in Multinational Corporations perceive Stakeholders and Societal Responsibilities, by Esben Rahbek Pedersen

04-2009 CSR as Governmentality, by Steen Vallentin and David Murillo

03-2009 The Relation Between Policies concerning Corporate Social Responsibility (CSR) and Philosophical Moral Theories – An Empirical Investigation, by Claus S. Frederiksen

02-2009 Barriers and Success Factors in the Establishment and Continuous Development of NGO-Business Partnerships in Denmark, by Peter Neergaard, Janni Thusgaard Pedersen and Elisabeth Crone Jensen.

01-2009 Greening Goliaths versus Emerging Davids – How Incumbents and New Entrants Drive Sustainable Entrepreneurship, by Kai Hockerts (cbsCSR) and Rolf Wüstenhagen (University St. Gallen)

06-2008 An Overview of CSR Practices, RESPONSE Benchmarking Report by Kai Hockerts (cbsCSR), Lourdes Casanova (INSEAD), Maria Gradillas (INSEAD), Pamela Sloan (HEC Montreal), Elisabeth Crone Jensen (cbsCSR)

05-2008 The Perspective of Social Business for CSR Strategy by Keiko Yokoyama

04-2008 Ecodesign... as an Innovation-friendly Competence-enhancing Process by Caroline Julie Ney

03-2008 Anne Roepstorffs Ph.d.-forsvarstale (In danish) by Anne Roepstorff

02-2008 Property Rights as a Predictor for the Eco-Efficiency of Product-Service Systems by Kai Hockerts

01-2008 Modelling CSR: How Managers Understand the Responsibilities of Business Towards Society by Esben Rahbek Pedersen

cbCSR-publications in association with Center for Business & Politics:

Publications:

01-2009 Theorising Transnational Corporations as Social Actors: An Analysis of Corporate Motivations by Dana Brown (SBS, Oxford University), Anne Roemer-Mahler (Dep. of Int. Dev, Oxford University) and Antje Vetterlein (CBS Center for Business & Politics)

01-2008 Global Citizenship: Corporate Activity in Context by Grahame Thompson (CBS Center for Business & Politics)

More working papers available on:
www.cbs.dk/content/view/pub/38567