JÖNKÖPING INTERNATIONAL
BUSINESS SCHOOL
JÖNKÖPING UNIVERSITY

Corporate Social Responsibility and Culture

A Study of European Multinational Corporations' adaptation of Community Involvement Practices

Bachelor's thesis within Business Administration

Authors: SEBASTIAN HENRIKSSON

              ARMIN HODJIKJ

              EVGENIYA OGNYANOVA DINKOVA

Tutor: Zehra Sayed

Jönköping   MAY 2012

_____

Acknowledgments

Armin Hodjikj   Sebastian Henriksson   Evgeniya Ognyanova Dinkova

2012-05-18

Jönköping, Sweden

_____

Abstract

Corporate social responsibility (CSR), which has emerged as a global trend, has gained increased focus in the everyday media and among practitioners on the political agenda. CSR has also risen as an important research topic in the field of organization.

This study investigates European multinational corporations' tendencies to adapt CSR policies and practices, or more specifically corporate community involvement, to different national cultures. The paper explores if/how and why companies with subsidiaries in different countries differentiate CSR policies. Theories of culture are used to analyze the basis and/or validity of such adaptation.

The units of analysis in this research paper are two European multinational corporations, namely, the Husqvarna Group and Nestlé S.A.

Table of Contents

Figures

Tables

1   Introduction

Corporate social responsibility (CSR), which has emerged as a global trend (Sahlin-Andersson, 2006), has gained increased focus in the everyday media and among practitioners on the political agenda. CSR has also risen as an important research topic in the field of organization studies and become a key component in a firm's reputation (Blombäck and Wigren, 2009; Peloza, Marz & Chen, 2006).

CSR is the basic idea that business and society are interconnected and not separate entities. As opposed to corporate image management and other activities aimed at profit making, the concept is the practice of actually undertaking socially responsible behavior (Moir, 2001). Yet, Stephenson (2009) claims that it can be used as a strategy of achieving a competitive advantage for organizations. Porter and Kramer (2006) state that companies should definitely incorporate CSR in their core business strategies and that they are losing out by not doing so.

The modern business environment becomes increasingly more international. The globalization of business practices calls for a greater understanding of cross-cultural adaptation, as it becomes an issue of critical significance to companies and their international employees (Williams, 2008).

When adopted by multinational corporations (MNCs), cultural adaptation of business practices is also known as "glocalization" (Matusitz&Minei, 2011). Now, there seems to be a never ending debate regarding adaptation versus standardization and the pros and cons of the two strategies. However, Matusitz and Minei (2011) make a convincing point in their case study of Wall-Mart in Mexico. Even a powerful corporation like the

US retail giant, abandoned the classic standardization strategy, after failures in several markets, and adapted a glocalization strategy. In this case, cultural adaptation turned out to be very profitable, as it resulted in a financial performance well beyond expectations.

CSR and adaptation are two research fields both too broad for a single bachelor thesis. The topic of this paper is basically the overlapping between the two – cultural adaptation of CSR. Preliminary research suggests that both adaptation and CSR are, in certain regards, untapped sources of profit and seems to be somewhat overlooked, or at least underestimated. The Corporate Social Responsibility is still a general topic and includes different kinds of ethical and responsible behavior. The area of research is too broad to be part of a bachelor thesis so the main field of research and the highlighted actions in this research were the community involvement of the analyzed companies. By narrowing down the general concept of CSR it is much easier to establish a connection between the cultural characteristics and the business policies adaptation.

There are different orientations of CSR, which depends on the culture where it is practiced (Sachs, Ruhli & Mittnacht, 2005). Hence, the concept of CSR and the meaning of it are different in different cultures. There is a lack of research in this area and a connection between culture and CSR has not been previously established in an academic research.

The benefit of this a research could be important for companies who are doing business internationally and are struggling with their CSR actions as they adopt their business strategies. The CSR is a growing phenomenon and its importance is becoming more and more significant. The analysis of already established MNC's who are one of the most CSR oriented companies could represent a guidance for the ones who are coping to im-

prove their CSR policies. The benefits for the company start from improved local image and perception, and could possibly result with better performance.

1.1 Background

This section provides a more in-depth description of the topic of the thesis. A review on previous research connects the topic to a broader context and presents theories and results from prior studies. The purpose is to motivate this paper and explain the background to the problem. As mentioned in the introduction the scope of this study is the overlapping of CSR and adaptation. Therefore, both fields will be briefly covered before related and connected to each other. The background also introduces models of cultural analysis.

1.1.1 CSR

The concept of corporate social responsibility has a long history. Companies' concern for society can be traced centuries back. However, the formalization of the concept did not occur until the 20th century when it emerged as a field of study and was more widely integrated in the corporate society, in the way it is today (Carrol, 1999).

Over the last number of years, CSR has grown in importance and is likely to continue to move up the corporate agenda.

By closely examining the CSR strategy formation of Brazilian companies, Mostardeiro (2007) found three interrelated factors which led these companies to develop and implement CSR practices – delineating events, stakeholder pressure and specific drivers emerging from the companies' environment. These factors generate the appropriate conditions for CSR strategies to emerge and consolidate.

However, it will be difficult and perhaps even contra productive to attempt to arrive at a specific definition of CSR for this study. According to Freeman and Hasnaoui (2011), CSR is not a universally adopted concept but is interpreted differently across countries and regions. Similarly, McWilliams, Siegel and Wright (2006) as well as Okoye (2009), states that the concept is not restricted to one single definition. Other scholars, i.e. Ubius and Alas (2009) claims that there is a considerable common ground between different definitions, nowadays. In more general terms, CSR is the "attempts to address various issues which arise out of the dynamic relationship between corporations and society over time" (Okoye, 2009, p. 623). However, a theoretical definition is needed to facilitate the academic process and increase the readability of this paper. The definition adhered to in this study is the one brought forward in the "CSR pyramid", created by Carroll (1996), which presents CSR as four different responsibilities or levels of CSR (cited in Sachs et al., 2005).

Figure 1-1. Carroll's (1996) CSR pyramid (presented in Sachs et al., 2005)

1.1.2 Corporate community involvement

The CSR pyramid shows that the final or highest level of corporate responsibility is philanthropy and according to Sachs et al. (2005) this also includes corporate commitment which increases societal wealth. Seitanidi and Ryan (2007) include philanthropy as a part of corporate community involvement, as shown in the table below:

Types of corporate community involvement
Philanthropy/charitable donations
Benefaction
Patronage
Sponsorship (commercial/socio)
Cause related marketing
Partnership

Table 1-1. Corporate community involvement

Since CSR is such a broad field, corporate community involvement as accounted for by Seitanidi and Ryan (2007), is the main the scope of this study.

1.1.3 Adaptation

Here, the notion of adaptation or cultural adaptation refers to the degree to which a subsidiary of an MNC is localized rather than standardized. Pudelko & Harzing (2008) claims harmonizing the two forces of global integration and local responsiveness is one of the most complex challenges multinationals faces today. Localization is defined as the adaptation by overseas subsidiaries of management practices commonly employed by domestic businesses. In a study on foreign MNCs in China, Bao & Analoui (2011) comes to a similar conclusion – MNCs reconcile headquarter control and adaptation by seeking to balance global standardization and local adaptation.

The utilization of the terminology of standardization versus localization commonly limited to the business practices of human resources and marketing, while the term; global integration (GI) versus local responsiveness (LR), usually refers to MNC strategies in general (Pudelko & Harzing, 2008). However, in this paper, the concepts are used interchangeable. This concept is also known as the GI-LR model. It is a conceptual framework from mapping or distinguishing business strategies, in an international context (Fan, Nyland & Zhu, 2008). The two different strategies are more closely examined below and then merged together in the GI-LR framework.

1.1.4 Cultural adaptation of CSR

Previously, few researches realized that cultural differences may affect strategic choices and the performance of MNCs. The effect of national cultures was neglected in most studies (Kwon, 2005). Hurt (2007) claims that the concept of local responsiveness has been too narrowly interpreted, in terms of product and market similarities. Instead it should be more broadly defined to include the very mindset of the host country of a subsidiary.

This brings us the field of investigation of this study – CSR and culture. Should not CSR policies be a part of a company's core strategy and hence also be subjected to the issue of adaptation?

Arthaud-Day (2005) has suggested a tri-dimensional framework to approach international CSR research. When viewed together, all three dimensions create a matrix that can be used to categorize studies of international CSR according to its essential components: strategic orientation, content domain, and perspective.

Strategic orientation	Content domian	Perspective
Whether an MNC approaches business (and hence CSR) from a global, multinational, international or transnational framework	Focusing attention on human rights, labor and/or the environmet	Whether CSR is evaluated on a ideological (ethics of the firm's top management), organizational (what the firm is actually doing) and/or societal basis (perceptions and expectations of stakeholders

Table 1-2. Summary of the three dimensions presented by Arthaud-Day (2005)

The first element; the strategic orientation, is similar to the GI-RL framework presented later in the theoretical framework of this study. As indicated in the table it can apply to business and the standardization issue in general.

Sachs et al. (2005) made a study quite similar to this one. In their study, two different CSR frameworks are compared on the basis of suitability for multiculturalism. They confirm the scarcity of prior research within the field and need for cultural adaptation of CSR. The authors state, in the abstract, that "Changing societal concerns and different local expectations across various countries, in the context of instantaneous world-wide communication, have strongly increased the exposure of corporations to external criticism and challenge." (p. 52).

Similarly, Ubius and Alas (2009) analyze the connection between CSR and organizational culture, using European and Asian countries as research units. They state, in their study, that social responsibility is a part of organizational culture but philanthropy is derives from the philosophical and ethical tradition of being concerned with what is good for society. Although philanthropy is excluded from the connection with organizational culture in their research, there is nothing that says philanthropy and community involvement cannot be connected to national culture.

One important aspect of the study made by Ubius and Alas (2009) is that it shares some of its theoretical framework with this thesis. Hofstede and Trompenaars (see section 2.2) are used to create a classification of the countries, on which CSR is evaluated or predicted.

Operating in multiple cultures/countries complicates the process of determining what kind of CSR activities to engage in and how much to invest in those activities (McWilliams et al., 2006).

Although the literature on cultural adaptation of CSR is very limited, the scholars mentioned above (i.e. Arthaud-Day, 2005; Sachs et al., 2005; Ubius & Alas, 2009; McWilliams et al., 2006) confirm that there is a connection between CSR practices and culture.

1.2 Problem statement

Corporate social responsibility has become a more and more significant part of the corporate identity and the need for businesses to operate more ethically continuously increases. CSR is today more than an external pressure from stakeholder. It has, in many cases, become an integrated part of companies' core strategies. The term "strategic CSR" has become a widely used concept in scholarly journals.

Assuming CSR is indeed a legitimized part of a company's strategy and business operations, should not it be subjected to types of analysis and frameworks commonly associated with traditional business activities, such as marketing, logistics, human resources etc.?

The issue of adaptation or to which extent a business practice should be standardized or localized ought to be applicable to CSR. The issue is a crucial element in international management and related studies and applies to many aspects of a business. The connection between CSR and adaptation is something which, the knowledge of the authors, has not been the subject of many academic studies, nor a common policy in international business. From the perspective of undergraduate business students, the possible relation between these two fields of study is a valid topic for a thesis.

Another major part of theory utilized in international business studies is national cultures and culture analysis. This field is also interrelated with business adaptation. Standardization usually refers the corporate culture of the company in question and localization usually refers to the national culture of the country where a subsidiary is located.

The business operations and their cultural adaptation are subject of numerous extensive researches. The CSR is one aspect of the business adaptation which lacks similar research. The study would demonstrate how companies who appreciate CSR see it as a crucial element for their competence. Another positive aspect would be the acknowledgement of the phenomenon as a subject of cultural adaptation.

In this study, the fundamental question is: does CSR fit into the adaptation framework? Another essential intention in this research is to use cultural theories to understand the basis of adaptation and explain why the phenomenon does or does not occur.

1.3   Purpose

The primary objective of this thesis is to investigate European multinational corporations' tendencies to adapt CSR policies and practices to different national cultures. The

paper explores if/how and why companies with subsidiaries in different countries differentiate CSR policies. Due to the broad nature of the phenomenon of CSR, this study will be limited to corporate philanthropy and community involvement.

2   Theoretical framework

In this section, the framework on which the analysis will be based upon is presented. As mentioned in the introduction, the topic of this study is the overlapping of the fields of CSR and adaptation. The framework developed to suit the purpose of this thesis emphasizes the latter. Corporate responsibility or community involvement is the subject analyzed and adaptation is what is being applied. Furthermore, the theoretical framework is divided into two sections – level adaptation, i.e. global integration versus local responsiveness and theories of culture which becomes relevant in cases of adaptation.

2.1   GI-LR framework

Most scholars discuss the implications or the tendency/need to balance the two types of strategy (Paik & Derick Sohn, 2004; Fan et al. 2008; Kujala&Sajasalo, 2009; Griod, Belli & Ranjan, 2010; Bao & Analoui, 2011).
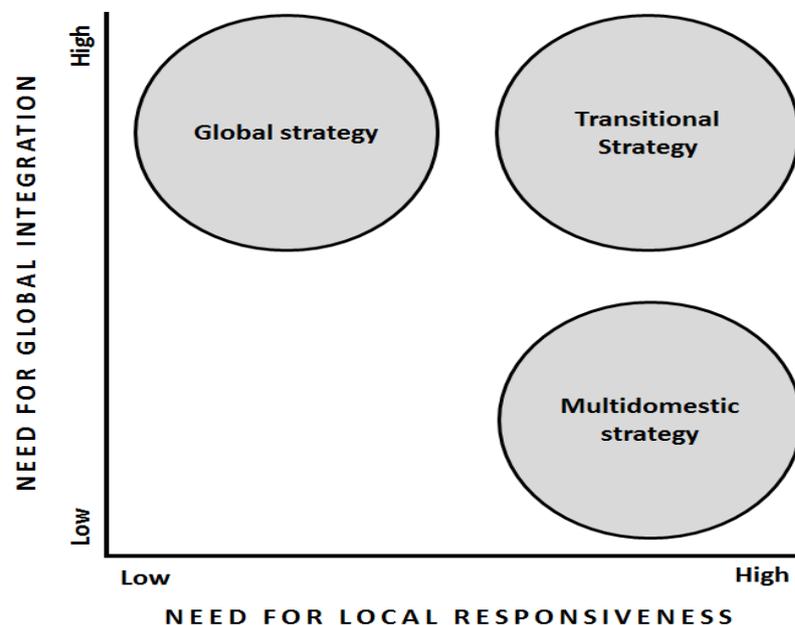

Figure 2-1. The GI-LR framework as presented by Hurt (2007).

According to Bartlett and Goshal (1998) there are three groups of necessities that companies which are doing business internationally need to fulfill. The first one is the need for global efficiency followed by the need for local responsiveness and developing and spreading innovation internationally. There are three types of companies which are used in the work of Bartlett and Goshal (1998) i.e. global, multinational and international. However based on their research, they propose another type of company which conducts operations internationally – the transnational company, which is more an ideal compared to an actual company. What it does is using the mistakes and errors in the operations of the global, international and multinational company and tries to eliminate them and create an ideal strategy.

In figure 2-1, the term for a balanced strategy or a hybrid of the two traditional concepts would be a "transitional strategy".

2.1.1 Global integration

Even large MNCs like IBM used to run operations in different countries separately. It was not uncommon that every county had their own procurement, finance, HR, manufacturing, development, other "back-office functions and even research capabilities. This business model is of course expensive but also ineffective. A globally integrated company is different in the sense that it shapes strategies globally and locates operations and business function anywhere in the world, based on cost, skills and business environment. In terms of efficiency, there are still many opportunities in global integration (Sanchez, 2008).

More significant to this study, are the issues and challenges that come with global integration or GI. Sanchez (2008) emphasizes the challenge of trust but also mentions legal

implications and, what is important to this study, business ethics. The fundamentals of corporate governance does differ from country to country (Breuer & Salzmannn, 2010). Hence, business ethics or CSR becomes an issue.

2.1.2   Local responsiveness

Research on local responsiveness has taken a market and marketing direction. It has been a large focus on the product and how it can be adapted to local markets. This does not take into the account that fact that the culture and mindset of managers in the host country is different from the MNC's country of origin (Hurt, 2007). The cultural aspect of the issue might in fact be quite essential.

The term "glocalization" or "glocal strategy" refers to the cultural adaptation strategies, adapted by an MNC in order to cater local preferences worldwide (Matusitz & Minei, 2011). Svensson (2001) defines the terms as the aspirations of a global strategy approach where the necessity for local adaptation is acknowledged. Here glocalization is used, not as a synonym, but as a means to highlight the benefits of local responsiveness.

An example of when cultural adaptation has been very successful is when Wall-Mart deviated from its global integration tradition and adopted a glocal strategy. The classic strategy of standardization was abandoned, after failing to expand to several new markets. When Wall-mart ventured in Mexico, a glocal strategy was adopted. In this case, cultural adaptation turned out to be very profitable, as it resulted in a financial performance well beyond expectations. This shows that even a powerful corporation like the US retail giant has to show cultural understanding and display cultural adjustments in order to remain competitive on a global level (Matusitz & Minei, 2011).

2.2   Cultural analysis theories

There are several different theories for classifying and explaining national cultures. Three of them have been selected to be a part of this thesis. Out of the most prominent models, theses three seemed applicable in the context of the topic of this paper. Hofstede's cultural dimensions are perhaps the most recognized theory and is also the main model for this study but it has been widely criticized as well, and is therefore complimented with the models of Trompenaars and Hall.

2.2.1   Hofstede

This theory derived from one of the most comprehensive studies of how values in a business environment are affected by culture (Hofstede, 2012). Survey data on the values of people from over 50 different countries, working in local subsidiaries of the multinational corporation IBM, was collected between 1967 and 1973. A statistical analysis of the results of the survey showed that people at similar positions but of different nationalities experience similar problems but have different solutions. Four problem areas were identified:

- **Social inequality and relationship to authority.**

- **The relationship between the individual and the collective.**

- **The importance of gender, i.e. the social implications of being a male of female.**

- **Ways of handling uncertainty.**

These problem areas correspond to dimensions of culture and can be measured by comparison with each other. The dimensions of culture came to be:

- **Power distance (PDI) –** the extent to which less powerful members of organizations and institutions expect and accept that power is unequally distributed.

- **Individualism versus collectivism (IDV)** – Individualism applies to societies where ties between individuals are loose, i.e. the individuals are expected to look after their own immediate interests. Collectivism is the opposite and applies to societies where individuals are integrated into strong, cohesive groups, where lifetime loyalty in return for protection to expected.

- **Masculinity versus femininity (MAS) –** the extent to which the dominant values of a society are masculine or feminine. Masculinity applies to societies where gender plays a significant role, i.e. men are supposed to be tough, assertive and focused on material success and women are supposed to be tender, modest and concerned with quality of life. Femininity applies to societies where gender roles overlap and everyone is expected to be tender, modest and concerned with quality of life.

- **Uncertainty avoidance (UAI) –** the extent to which people, in a society, feel threatened by unknown or uncertain situation and tend to avoid them. I.e. there is a need for predictability and structure.

(Hofstede, 1997)

Later on, two other dimensions were added: long-term versus short-term orientation (LTO) and indulgence versus restrain (IVR). The LTO can be said to deal with society's search for virtue. Societies with a short-term orientation are normative in their thinking and focus on quick results. Generally there is a strong concern with establishing an absolute truth and a great respect for traditions. On the other hand, societies with a long-term orientation have a more flexible view of the truth as, it depends on the context. People are more focused on savings, investment and perseverance. IVR deals with gratification of basic human drives, related to enjoying life. Indulgence represents societies where people are free to enjoy. Restraint represents societies where gratification of needs is discouraged regulated by strict social norms. (Hofstede, 2012).

Hofstede's country classification

The dimension of power distance is quite straight forward – a high index figure represents a more hierarchical societal structure. As indicated by the abbreviations, in the second and third dimension, high index figures represent individualism and masculinity respectively.

Uncertainty avoidance is perhaps the most complicated dimension. The higher the index value, the higher the level of uncertainty avoidance but what does it really mean? From the previous definition one might think that high uncertainty avoidance equals commitment to future planning and sophisticated societal structure. In fact, uncertainty avoidance and the later added fifth dimension; long-term versus short-term orientation, seem to have an inverse relationship. Take Hong Kong as an example – a quite low level of uncertainty avoidance and an extremely high commitment to long-term thinking. Strong

uncertainty avoidance often corresponds to fear of unfamiliar situations and what is different and to tendencies to suppress deviant ideas and innovation. High uncertainty avoidance in a society also suggests a repressive, negative and distrustful relationship between citizens and institutions or authority. Lower uncertainty avoidance corresponds more to an open and relativistic way of thinking.

2.2.2 Trompenaars' dimensions

A several yearlong multicultural study of managers, by Trompenaars and Hampden-Turner concluded that intercultural business conflict can be traced to a finite set of cultural differences. The study also showed that enough similarities exist between the cultures to solve the conflicts (French, Zeiss & Scherer).

Different cultures distinguish themselves from each other in their way of handling universal issues. The model is based on the solutions to a basic set of dilemmas – survey question asked to managers from countries around the world. The authors have chosen to divide these problems into three groups; dilemmas created from ones relationship with other people, dilemmas that come from the passage of time and dilemmas relating to the environment. From these different types of dilemmas, seven dimensions of culture can be identified. The first five go under the heading of relationship to people. There is one dimension for time and one for nature. Trompenaars and Hampden-Turner's seven cultural dimensions are listed and explained below:

The universal versus the particular

The first of Trompenaars' dimensions defines how people judge each other's behavior. There are two alternative types of judgment. On one end of the spectrum, there is an ob-

ligation to adhere to universally agreed upon standards, in the culture in question. Universal standards are different depending on the culture. It can be to follow the law, being respectful, not lying and so on. At the other end, there is a particular obligation to people in our direct surroundings. Because we know them, it is natural that we are respectful and do not lie to them. Universalist behavior is rule-based and abstract whilst particular behavior focus on the exceptional nature of present circumstances, i.e. it is more based on context and relationships. Both types of societies tend to view each other as corrupt.

Individualism versus collectivism

The second dimension is the conflict between what each of us wants and the interests of the group we find ourselves in. Individualism is the orientation of personal independence and focus on the self. Collectivism is the orientation of common goal and objectives and focus on the group.

Affective versus neutral

The affective versus neutral dimension differentiate cultures depending on the role of emotions in relationships between people. Both emotions and reason play a role in relationships. Depending on which of them is dominant, the culture will be either affective or neutral. In affective societies, people display their emotions whereas in neutral societies feelings are kept controlled and subdued.

Specific versus diffuse

The fourth dimension is closely related to the third one, regarding emotions. It deals with how far people get involved with each other. In specific-oriented cultures, for example, professional and private life is clearly separated. A manager is boss over his/her subordinates at work but not during a private time interaction. In diffuse cultures, everything is interconnected. The authority and respect of a CEO of a large company is not isolated to the office but is present every aspect of society. A business partner might want to know about your family, friends and interests before he/she is comfortable working with you.

Achievement versus ascription

All societies have members with different levels of status. This dimension is about how a culture accords it. In some, status is achieved by individual performance. In others, it is ascribed according to virtue: gender, age, family background, education, social connections and so on. Achievement based cultures are focused on doing. Ascription based cultures are focused on being.

Attitude towards time

The sixth dimension is about the relationship to time. Different cultures have different ways of viewing, perceiving and experiencing time. The main differences lie in the relative importance of the past, present and future in a society. Also, in if time is viewed as sequential – a series of passing events, or synchronic – with past, present and future interrelated.

Attitude towards nature

The last dimension is the most fundamental one to human existence. Survival itself has meant and still means working against or with nature. As in the previous dimensions, there are different orientations in different cultures. The most obvious distinction is between the belief that nature must be controlled and the contrasting view that we are a part of it. Applying this dimension to the business world, cultures of the first orientation are called inner directed and view organizations as machines that obeys its operator. Cultures of the second orientation are called outer-directed and tend to see an organization as a product of nature, which owes its existence and development to the surrounding environment (Trompenaars & Hampden-Turner, 1997).

2.2.3 Hall's model of context

This model builds on the assumption that culture is communication and that communication can be defined as either high context or low context. Context is the information that surrounds an event. All the cultures of the world can be compared on a scale from low to high context (Hall, 1990). The elements which make up a context are importance of relationships, types of messages, authority, agreements, interaction between insiders and outsiders and cultural patterns (Mead & Andrews, 2009).

In a high context communication, most of the information is already in the communicating individual, while very little is in the coded explicit message. In a low context communication, the opposite apply. Here most of the information is given in the explicit code (Hall, 1976, cited in Hall, 1990). For example, two members of the same family might have a high context communication, while a lecturer in a class room might communicate in a low context.

The table below shows how cultures can be classified according to level of context[1].

Low context cultures	High context cultures
American	Japanese
German	Arab
Swiss	Mediterranean
Scandinavian	French

Table 2-1. Examples of cultures and how they compare in the sense of level of context

---

[1] Several cultures can exist in separate countries or regions. The classification is made upon a set of assumptions. See Hall (1990).

3 Methodology

This section describes the methodology of researching and gathering the data for the purpose of completing the research. It also analyses the different views of conducing the information towards accomplishing this study. Another aspect of this section is the limitations of the chosen methodology and its approach.

3.1 Method selection

In the theory of methodology the basic and one of the most common classifications is the one which divides the information gathered as of a primary and secondary source. According to the University of Maryland (n.d..) the primary sources are from the time involved and have not been processed by any kind of assessment. The secondary sources on the other hand are assessed and evaluated primary information which is not genuine i.e. processed primary information.

The method itself was quite a challenging part of this study. The information that needed to be collected was initially imagined to be mostly of a primary source but in the later phases of the work the primary information collection was seen as something which required significant amount of effort and persistence. Also the primary sources were not sufficient so secondary sources had to be included in the research including previous research and several case studies. The larger part of the study used analysis of secondary data which allowed us to interpret results in a manner that it was a subject of previous primary research and sources of information. That makes the research more flexible and elaborative. The usefulness of the secondary data is based on the content of a lot of information collected not only to answer our concrete question but also to provide/give

additional details, facts and figures. Another benefit of the secondary data collection and its prevalence in the research makes the subjectivity of the research less dominant. Finally the more various source used the higher the quality of the research is.

3.2   The Qualitative Method

The purpose of our thesis clearly sates, it will deal with CSR and cultural adaptation, two things that might be considered quite subjective. The research is even narrowed more specifically to the community involvement and the philanthropy of the companies analyzed. When deciding on the type of methodology which is going to be used in data analysis and result implementation this choice made qualitative the most suitable form of methodology used. As already decided and chosen as the most appropriate method it was crucial to understand what does one qualitative research truly represent. According to Golafshani (2003), qualitative research is a research which does not represent any kind of results derived by statistical methods or any kind of quantification. The research is based solely on analyses of information which does not contain quantification but rather statements and results which are non-statistical. Evaluative reports, points of view, policies and strategies, critical evaluation, descriptive form actions makes the quantitative method completely unsuitable for this type of research.

3.3   Data Collection/Conducting the Study

Before the companies were analyzed it was crucial for this paper to work with the theory that was used. By using various sources of secondary nature, mostly internet articles, online journals and books, sufficient number of theories were found and able to implement in the research. The following step in conducting the research was to investigate and analyze the companies which the research is based on. For this purpose online re-

sources were used such as online journals, articles and corporate websites. It was crucial for the research to understand the general policies of the companies in order to continue with the rest of the research.

The following step was to contact the companies themselves. Around 30 multinational companies were contacted regarding an offer to collaborate with us on this research. From all of the contacted companies only Nestle and the Husqvarna Group were the ones who replied with positive attitude and the willingness to help with the research. The answers which were received by the rest of the companies were either that they were too busy to participate in the research or we were referred to their official corporate websites but such action would not be sufficient to support and contribute this research with the necessary amount of information. We contacted those two initially by email. When they expressed the will to help us with our research we contacted them by phone in different occasions throughout the research. The telephone conferences were of an unstructured interview nature. The purpose of that was to establish informal relationship with the company representatives. That type of communication was used for the simplicity of the conversations and the ability to come up with new questions and topics to be raised so as for the companies to feel more free in answering and participating in the discussion. The main point was to create a discussion with the contacts since Corporate Social Responsibility is something which companies are at the same time willing and reluctant to discuss especially large corporations which are often a subject of criticism. While contacting with the companies it was important to provide the research with another source of data. For that purpose the largest European CSR organization – CSR Europe was contacted. The organization provided us with general info on CSR and some more detailed information regarding our research. The data collection

was led through email. The information gathered contributed the research in the empirical data by allowing us to support some of the claims made especially regarding the global CSR strategies of the large MNC's.

In the further stage of the work on the paper a direct communication with Nestle Bulgaria was established. The interviewee was the Director of Communication department in the country – Maria Hristova-Svec. After a detailed explanation of the researched topic and the areas of our interest Hristova-Svec has replied promptly to the interview questions. Those were aiming to examine to what extend the global social campaigns of the firm vary and localize in relation to Bulgarian culture. Concretely, the type of semi-structured qualitative interview which consists of open-ended questions was used. Hence, the interviewee can give more complex and complete answers in comparison to questionnaire, for instance. The questions largely concerned the localization and standardization approach of the international campaigns applied in the regional market. The information gathered, was exchanged mainly through online communication. The interview was very well organized and hence we reached a personal opinion, direct contact with the firm and objective results concerning socially responsible actions in Bulgaria.

3.4   Limitations

Discussing the corporate social responsibility is quite vague but also in some terms abstract. Defining what the companies do for their environment and the society is something which cannot be described or pointed in definitive measures. The purpose of corporate social responsibility from the company's perspective is definitely something which is worth researching on.

When describing a CSR strategy companies might overemphasize the purpose of their actions but also what the company is benefiting from that action. Another fact to be mentioned is the reluctance of the companies to discuss the criticism of their action. In many countries especially from the developing world the actions of the large companies are a subject of criticism but we did not raise this issues while conducting the research. What was the main subject of discussion were the positive actions of the companies and especially their society involvement. These activities are becoming more and more important for the enterprises since the competition in the market is not only a competition of performance but is slowly becoming a competition of societal significance. Companies are trying their best to become an important member of the society and the efforts toward that are increasingly important.

Research on CSR is generally quite extensive. In order to reach the purpose it was important to invest a lot of resources. The time was a constraint and a luxury which was not present while this research was being conducted. That's why we had to limit ourselves and shorten the research as much as possible.

4 Empirical findings

This chapter presents the empirical material collected from the two research units; the Swedish Husqvarna Group and the Swiss based food and nutrition giant Nestlé S.A.. The two sections covering the corporations both begins with general principles of the companies and continues more in depth with primary data. Due to different levels of access, more material was collected from Nestlé and the structure is generally different between the two sections. The different quantities of findings, and hence depth, between the two firms does crease sort of an imbalance, as far as structure goes. However, considering the lack of research in the field and sensitivity of the topic, all findings are deemed relevant and interesting to readers of this paper.

4.1 Husqvarna Group

On its corporate website, the Husqvarna Group presents a well-developed and well-structured CSR policy, along with environmental, social and economic responsibilities and a code of conduct, which underscores the values of the company. It is stated that "The code applies to all employees irrespective of position or country" (Husqvarna Group, 2012, p.1). At the same time, in the company's anti-discrimination section, it is stated that "In a global business such as Husqvarna's it is also important to respect local cultures and the way of working in different countries, without compromising company rules" (Husqvarna Group, 2012, p.1). Principles of the company

4.1.1 Principles of the company

The Husqvarna Group's CSR policies are mainly guided by the code of conduct, environmental policy and several additional internal policies (Husqvarna, 2011). In its code

of conduct, the Husqvarna Group divides its principles into four basic sections; business principles, human rights and workplace practices, the environment and safety (Husqvarna AB, 2009). A summary of the code of conduct is presented in the table below.

Business principles	Human rights and workplace practices	The environment	Safety
• Fairness in all business relations • Accuracy in accounting and reporting • Employees may not engage in personal financial interests conflicting with the company • Strict politial neutrality • Employees may not conflict with company interests • Employees are bounded by confidentiality	• No tolerance of any kind of discrimination mentioned in the law. • Employment terms and wages shall be fair and reasonable for all employees • Freedom of association (i.e. unions) • No tolerance of child labor in the Husqvarna or any business partner (minimum employment age is 15 years or the lawful age in the country in question	• Commitment to reduce the environmental impact of our operations, products and processes (this applies from product idea to product delivery, operation, maintenance and disposal, even when there is no legal requirement to do so)	• The necessary conditions for a safe and healthy work environment shall be provided for all Husqvarna group employees (including appropriate information and training) • The use of drugs or alcohol at the workplace is not tolerated.

Table 4-1. Summary of Husqvarna's code of conduct. Sections in the table that are underlined are the fragments of the code of conduct which might imply a possibility of cultural adaptation.

The company itself presents three aspects of corporate responsibility, economic, environmental and social. Economic responsibility is basically the pledge to stakeholders to create long-term value. The environmental policy is characterized by the life cycle thinking, which refers to a holistic view on the company's environmental impact. The focus is extended beyond manufacturing sites to ensure a product's entire life cycle is accounted for. Every phase of the life time of a product is to be taken into consideration. The cycle begins with product design and ends with recycling. The main feature of Husqvarna's social responsibility is an initiative to make the firm more attractive to women. The company has a male dominated workforce. Hence, a diversity project was launched in Europe and the US in 2010 (Husqvarna Group, 2012; Husqvarna AB,

2011). These areas are basically Husqvarna's take on CSR. The responsibilities brought up are similar to the three first levels of CSR, according to Carroll's pyramid. The first aspect, economic responsibilities is the same. Environmental responsibility corresponds to legal responsibility and social responsibility corresponds to ethics, in a way. What the Husqvarna group seem to miss is the fourth level or CSR, philanthropy.

4.1.2 Interview results

The Head of Environmental Affairs, who is the contact initially referred to, states that there no direct initiatives for adapting CSR policies or practices, from the Husqvarna group. The company does take higher precautions and are more thorough in their selection of suppliers and other business partners when it comes to China. The country is perceived as less corresponding to Husqvarna's code of conduct and hence subjected to more scrutiny. In general the company applies a global approach to CSR, which is based on enforcing the code of conduct, to a large extent. The company could also clarify a section in the code of conduct, which appeared slightly ambiguous. Husqvarna will not hire anyone below the age of 15 no matter what local law says. Local law can only increaser the age requirement (J. Willaredt, personal communication, 2012-04-09).

Husqvarna's corporate communications manager states that the company's main concern regarding CSR on the global level is to first follow the local laws (K. Stjärnekull, personal communication, 2012-04-23).

Philanthropy

Since corporate community involvement and philanthropy is the focus of this study and that part was missing in Husqvarna's own declaration of CSR policy, that became the fundamental question of further investigation of the company.

An independent organization, CSR Europe, was consulted in order to obtain further information about the topic. CSR Europe is the leading business network for issues concerning corporate responsibility in Europe (CSR Europe, 2012). A member of their service team stated that when it comes to CSR how it differs between countries and regions, there is one aspect which is especially prominent. Corporations have different approaches to philanthropy and community investments. One example of this is the fact that it is generally more accepted to donate large sums of money to charity in the US than in Western Europe (D. Karlsson, personal communication, 2012-04-19).

The Husqvarna Group confirms that their involvement in community investment is larger in the US, compared to Europe (K. Stjärnekull, personal communication, 2012-04-23). The claim can be backed by the fact that the company won a major award for their community service in Charlotte, North Carolina, in 2011 (Swedish-American Chambers of Commerce, 2012). Information regarding the Husqvarna Group's corporate community involvement does not seem to be available on the company website or in any official documents referred by contacts.

4.2   Nestlé S. A.

Nestle S.A. is a Swiss nutrition, health and wellness company which is one of the largest in the industry. It was formed in 1905 by the merge of two companies. Since then the company is based in the Swiss town of Vevey, operates successfully in almost every country in the world and employs 328 000 people.

The company's mission of "Good Food, Good Life" is to provide consumers with the best tasting, most nutritious choices in a wide range of food and beverage categories and eating occasions, from morning to night."(Nestle, 2012). According to the company

earning the trust of their stakeholders and shareholders is that it requires a long period of time by constantly fulfilling their promises. Furthermore they believe that creating a long-term sustainable relationship with the shareholders is achieved only if the company's behavior, strategies and actions create value for the communities in which they are present. The company calls this "creating a shared value".

4.2.1 Principles of the company

The company has designed the following code of conduct in order to "provide a frame of reference against which to measure any activities. Employees should seek guidance when they are in doubt about the proper course of action in a given situation, as it is the ultimate responsibility of each employee to "do the right thing", a responsibility that cannot be delegated" (Nestle, 2008).

General business principles	Honesty	Discrimination
• Compliance and respect for the law at all times • Avoidance of conflicts of interests. Employees are to disclose any such situation. The advancment of Nestlé's business is the underlying priority • In order to protect Nestlé's reputation, outside directorship and other activities have to be authorized. • Nestlé's recruitment shall be fair and objective. However priority may be given to relatives of employees • Trading Nestlé securities with non-public information (insider trading) is prohibited • Nestlé conducts business in line with the principle of free competition • Nestlé protects its confidential and respects the confidential information of others	• Employees must not engage in any kind of fraudulent or dishonest behavior, involving company assets • Nestlé condemn any form of bribery and corruption • Employees shall not be influenced by favors (gifts, meals and entertainment), nor influence others. Even the appearance of improper dealing shall be avoided	• Nestlé embrace diversity and respect personal dignity of its employees • Nestlé is committed to keeping the workplace free from discrimination and harassment

Table 4-2. Summary of Nestlé's code of conduct.

Nestlé's "creating shared value" is the guidance by which the company creates value for the shareholder by creating value for the society. They were the first company to accept the approach even though their history of working with the society is practically rooted

in their existence. The concept is mostly based on three areas: nutrition, water and rural development. As stated on the company's official website, "Creating Shared Value builds on a strong base of performance in environmental sustainability and compliance, as illustrated in the CSV Pyramid above. In addition, we recognize the vital role of our people and the importance of engaging and collaborating with other organizations." (Nestle, 2012).

By compliance the company understand to earn the trust of their stakeholder by working by laws and regulations and to be committed to honesty and integrity. In their compliance reports the company clearly emphasizes the principles of their compliance, the support of the UN's Global Compact and the UN Millennium Development Goals adding the human and the labor rights. The marketing they practice is respected and complies with the Consumer communication commitment. Another aspect which is incorporated in their core business principles is the quality and the safety of their products.

4.2.2   Interview results

As in the case of the Husqvarna Group, Nestlé's primary statement on the issue of CSR adaptation was that the company does not explicitly pursue any strategy of cultural adaptation (M. Elmgren, personal communication, 2012-04-17). In this case, though, a more in-depth investigation was made possible.

Nestle Social Activities

According to the Chief Technology Officer at Nestle S.A., Werner Bauer "Nestlé nutritionists world-wide work to ensure that all nutrition communication, both on and off pack, is locally relevant, as well as scientifically sound." (Nestle, 2012).

"Locally relevant" is a key definition is this opinion, since it implies the strict customization and area- preferential synchronization to local culture. The adaptation to local tastes and background are essential features of Nestle Global market strategy.

Moreover, Nestle understands the importance of local culture. the firm considers the needs in the area and focuses on improving the regional environmental conditions, of operation. According to the Austrian-born CEO Peter Brabeck-Letmathe"… make sure that employees at all our regional companies maintain their original cultures, but follow the same Nestle principles … We don't want to transform a Chinese into a Chilean or an American into an Australian. All we're asking for is that he or she embrace the common values that we have."(Reichlin, 2004). Understandably, Nestle complies with the culture in each market of operation while following same corporate unison. Thus, Nestle is prompted to cultural diversity and encouraged to reorganize and adapt the company's internal infrastructure. Hence, the firm is employed to cooperation with non-business oriented organizations in the areas (Nestle Global, 2012).

Rural development is one of the core principles of the company. Therefore, Nestle S.A. is heavily investing in outside factories by sourcing raw materials from local farmers. Additionally, Nestle is a society's strong partner in the role of client of supplement goods and materials (e.g. milk, coffee, cocoa) and also vital collaborator in familiarization and education into associated agricultural business. Hence, helping businesses to improve supply chain and eliminate harmful practices. Since 2011, Nestle Global has initiated a collaborative work together with the Fair Labor Association (FLA). FLA is a non-profit multi-shareholder body that aims on improving working conditions among supply chain in big companies.

According to the Executive Vice President of Operations at Nestle Global, Jose Lopez "In the past we haven't been able to find a credible partner which has the capacity to help us with this kind of project …Now we have found an organization that can help us contribute to addressing the problem of child labor." (Nestle Global, 2012).

In addition, the joint projects focus on checking and ensuring the highest possible standards in sourcing of raw materials. The role of FLA is to audit, assess and advice the firm on better, more effective, sustainable and transparent practice. Nestle Global is the first company in the food industry to combine forces with FLA and to look towards internal-policy improvements. It is important to point out that Nestle Global initiates and participates in various communal projects in all countries of operation. By localizing, cooperating with public institutions and adapting to the area's social weaknesses, Nestle Global successfully applies same expertise to different cultures.

In this report we are focusing on two global social programs undertaken by Nestle Global. Both cases are related to children in different locations and growing in different cultures. The first course concerns examination of the child labor practice in the cocoa sourcing sector. The second is the global campaign aiming on education and familiarization of nutrition, health and wellness kids between 6-12 years. Even though the programs are global, there is a different approach for adaptation to local needs and slight variation in the organization of the events in distinct regions.

Cocoa Plan

"Cocoa Plan" initiative relates to the plant science and sustainable production in the world's largest source of cocoa – the Ivory Coast (39%) (The Cocoa Plan, n.d.). The

Plan intends to help local cocoa farmers to run profitable businesses without compromising on environmental and humanitarian issues.

The four key areas of improvement are:

Training	Education of agricultural best practices by reducing crop disease and improving quality of production	2 400 farmers in 2009/10
Supply chain	Purchasing from cooperatives at a premium price for quality	Eliminate middleman, increase farmers' income, improve cocoa quality
Plant research	Improve quality, quantity and sustainability of cocoa production	225 000 plants produced
Social conditions	Eliminate child labor, improve literacy rate, water, and sanitary conditions	International Cocoa Initiative (ICI) (IFRC) etc.

Table 4-3. Key elements of improvement

In accordance to Paul Bulcke – shared value in the business means – benefits for both stakeholders and local community (Nestle Bulgaria, 2012). Cocoa Plan is a proof of corporate involvement and local supply chain development by offering technical expertise, training and better living conditions. In 2009 Nestle opened Research and Development Centre in Abidjan, Ivory Coast. The Centre is committed to R&D of the local African region and is dedicated to meet the local needs through traditional raw materials and nutrition ingredients (The Cocoa Plan, 2012). In collaboration with FLA and governmental institutions, Nestle ties with independent examination for tackling child labor in supply chain in the Ivory Coast. In case of discovered problems, related to exploitation of child labor, the third party will advise and recommend on an individual level each cocoa farm.

The research showed that there is a link between rural poverty and child labor practices. Additionally, Nestle sources raw materials and agricultural crops from roughly 5 million local farmers. The statistics reveal that out of total 115 million workers, only 20% of the agriculture farmers were paid, where approximately 40% were unpaid family laborers. Thus, the firm is potentially involved in hazardous child labor through its agriculture supply chain. In order to work effectively and prevent such practices Nestle must be in compliance and thorough understanding of local culture, community and family situations, health and safety issues as well as education and accessibility to schools in the region. The elimination of child labor in the agricultural sector is complicated task for Nestle. Nestle's Supplier Code includes all operations with a respect to family and reasonable need of rural development. (Nestle Global, 2012) The transparent initiative to provide trainings and guidelines for tackling child labor to civil society organizations is a way to reach and spread the knowledge among the rural population. There is a clear strategy for addressing the root causes of the problem and to communicate the plan with suppliers unwilling or unable to comply with the common rules.

Healthy Kids Global Program

The objective of the program is to improve the awareness and knowledge among children (6-12 years) about the nutrition, health and wellness. The assistance and collaboration with national health authorities and experts as well as the partnerships with (non)governmental and national sporting organizations, significantly contributes for the better scale results.

"The programs must fulfill stringent criteria and vary as each country's circumstances are taken into account." (Nestle, 2010)

In 2011, the campaign reached more than 6 million children in 60 countries of operation, such as Bulgaria, Georgia, New Zealand, Trinidad and Tobago. Considering the adaptation to local circumstances Nestle believes "each programme is carefully monitored and evaluated and varies from country to country. With every country or community facing a different set of challenges, each solution must be based on a thorough understanding, and must also be tailored to local health needs if they are to truly succeed over time.' (Nestle, 2012)

Bulgarian market

Live Active! is an extremely successful campaign in Bulgaria. Each year it attracts many participants to join the activities and spread the idea of healthy living. Live Active! was initially introduced in 2006, when more than 83 500 people were united by the idea of healthy living. The program clearly shows a socially concerned project that unites the community for a shared cause. Nestle Bulgaria succeeded in attracting people with different interests to attend the corporate-social event and thereafter to spread the healthy campaign among the nation. (Nestle Bulgaria, 2012)

To conclude, it is obvious that Nestle Global puts a lot of effort on the satisfactory activities with socially responsible orientation. The firm concentrates its public actions into improving knowledge about health and the importance of physical activity. Nestle explicitly demonstrates its thorough dedication and strong position about the public welfare, economic stability, health and awareness. The social programs are identical and global, the idea and the desired results are similar. Consequently, we may conclude that Nestle Global pledges on a standard external CSR practice. In order to be absolutely successful each country consults and works in a close collaboration with national au-

thorities that are familiar with the local culture. Thus, Nestle Global is able to recognize and to directly focus on the particular environment.

5   Analysis

In the analysis chapter, the theories from the framework will be applied to the findings presented in the empirical research section. The chapter is divided into two parts, one for each company investigated. Both parts begins with a more general analysis of the companies and their countries of origin. The analysis then continue with applying theories of adaptation and culture to the companies' corporate community involvement.

5.1   Husqvarna Group

5.1.1   General principles

Husqvarna's main framework for CSR is its code of conduct. It is what is repeatedly referred to by the company when asked about corporate responsibility and is said to be applied globally. Hence it is more of a global corporation on the GI-LR scale. This analysis begins with looking at the code of conduct with regards to the national culture classification for Sweden, the company's country of origin, made by Hofstede. The figure below shows the figures for the Swedish culture.
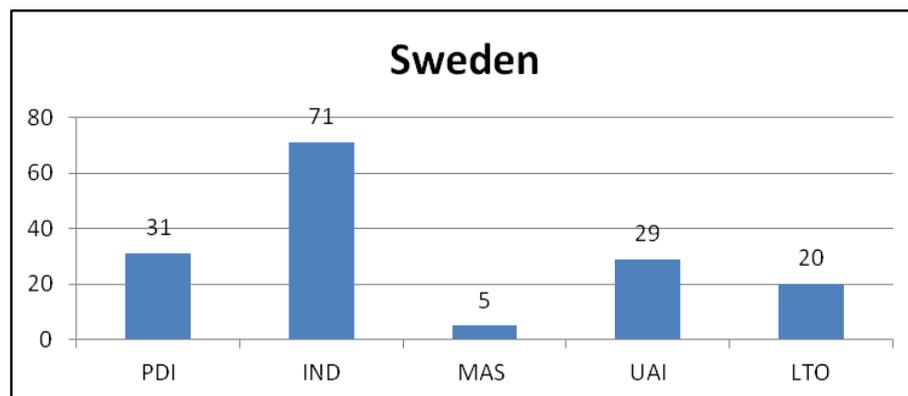

Figure 5-1. Sweden's culture

Sweden has a low power distance which means decentralized power, equality, accessible superiors, close contact between managers and employees and empowerment. With

41

these characteristics in mind, the human right and workplace practices section seems most relevant. All points brought up in the section correspond with the Swedish culture and should not be difficult to enforce in the company's home country. But this policy might be less suitable for more authoritarian countries like Malaysia or Slovakia.

Environmental thinking is commonly associated with long-term thinking. So, is there a possible relation between Hofstede's long-term versus short-term dimension and companies and cultures' view on the issue of environment?

5.1.2 Corporate community involvement

The main finding of the empirical research of this study was the fact that Husqvarna does invest heavier in community involvement/philanthropy in the United States than in Europe. Since this appear to be a common practice of MNCs, we begin with asking ourselves why this might be.

As for Hofstede's model, the individualism versus collectivism dimension is the most applicable one in this case. The united States is a highly individualistic country, which is supposed to be characterized by a loosely-knit societal structure, in which people look after themselves and their immediate surroundings. In the case of MNCs, the communities in which they operate is their immediate surroundings. Comparing to countries like France, Germany, the Netherlands, Sweden, Switzerland and even the UK, the United States is more individualistic than Europe, which provides one possible explanation for the phenomenon.

Trompenaars provides several dimensions applicable to this case. The universal versus the particular dimension probably captures the issue of corporate community involvement best. Focusing resources in communities where the MNC operates or have an in-

terest is very particularistic. In three of Trompenaars' (1997) surveys, measuring this dimension, the United States is places high or very high on the scale, meaning it as a universalist culture.

Hall classifies the United States as a low context culture. Donating money or getting involved in a community in another way is a very explicit action/message. There is no underlying understanding about what constitutes a good firm. In the US, it seems like reputation has to be earned in a very direct way.

The models Hofstede and Hall can be used to explain the phenomenon of larger philanthropy investments in the United States, compared to other regions (i.e. Europe). Trompenaars' model, on the other hand, can be argues to contradict it on a normative level. It can also be said to fail to make the connection.

More specifically for this case, why do a Swedish corporation chose to adapt its practice of corporate community involvement in this way? The answer is more likely to lie in the American culture and the phenomenon in general.

Because of this finding, it can be stated that the Husqvarna Groups shows some indications on local responsiveness or adaptation when it comes to CSR. Hence, it would place slightly more to the right in the GI-LR graph. Although it is still a globally integrated company.

5.2   Nestlé

5.2.1   General principles

Nestlé's main framework for dealing with corporate responsibility is their concept called creating shared value and also, their code of conduct. As in the previous part, the analysis begins with comparing the principles of the company to Hofstede's country

scores. The figure below shows the country classification for Switzerland, according to Hofstede. Note that apart from power distance and level of individualism, Switzerland is quite different for Sweden.
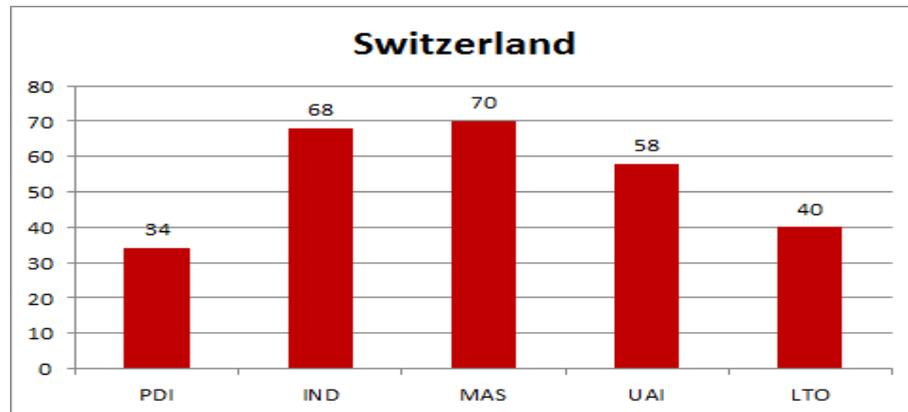

Figure 5-2. Switzerland's culture

Beginning with the code of conduct, it is stated that priority may be given to relatives of current employees, in the recruitment process. This does not correspond to Switzerland's national culture, according to Hofstede's country scores. Switzerland is deemed to be an individualistic country, with a score of 68. One vital characteristic of such cultures are that the employer-employee relationship is a contract based on mutual advantage. Hiring and promotion decisions are supposed to be based solely on merits.

As for the Creating Shared Value, legal compliance, environmental sustainability and creating value for the society is too general to analyze with cultural theories.

5.2.2 Corporate community involvement

As discussed in the theory section Hurt (2007) divided multinational companies based on their local responsiveness and the need for globalization while being present in numerous countries which are distinguished geographically and also culturally. Conse-

quently the ones which are ignoring or their priority for local responsiveness is quite low belong to the group of global companies and the ones which put high value on local responsiveness belong to the group of multi-domestic companies. As seen in Nestlé's campaigns in Bulgaria and the Ivory Coast the company is complying with their code of conduct which states their global purpose, principles and policies but also applying their actions to the local culture and its needs. According to the Hurt's framework this fits in the category of multi-domestic companies. Additionally Aboy (2009) explains that the classic multi-domestic corporation is losing its traditional belonging to such classification but rather moving to a new kind of modern multi-domestic company. The slight difference between the two is the higher emphasis on the corporate culture and centralized action rather than local responsiveness. The characteristics of the modern multi-domestic company for which Nestle is representative are presented in the work of Aboy (2009):

- **Matrix Position**: medium global integration / high localization.

- **Stage**: developed stage of internationalization.

- **Subsidiary role**: local responsiveness, country/region specific strategies.

- **Center role**: global integration, coordination, resource allocation, R&D, knowledge transfer

- **Management Decisions**: bottom–down (differentiation) and top–down (integration).

- **Technology & Knowledge Transfer**: knowledge transfer across borders.

- **Percentage of Foreign Sales**: high.

The fact that the Nestle is still maintaining but slowly moving away from the multi-domestic approach is also a subject of research of other researchers. For instance, Schuling (2001) states, in her paper on the acceleration towards the global strategies, that the multi-domestic approach used for more than a decade by companies like Nestle is slowly starting to be considered as an outdated model.

Even though Nestle is moving away from the multi-domestic model their actions suggest that they are trying to localize their actions and adapt them to local cultures to that extent that the local needs are satisfied. Corporate Social Responsibility judged by the actions analyzed before is also an issue which is maintained as a localized rather than standardized issue.

Culture

According to Hofstede's indexes Bulgaria is defined as a hierarchical society, meaning that each individual has a place and needs for justification. Additionally, centralization is admired and supervision is appreciated. Bulgaria is also considered as a collectivist society. This implies a long term commitment to groups, where loyalty is a core principle of belief. Strong interpersonal relationships are fostered and hence, responsibility is fairly allocated. Furthermore, Bulgarian culture is viewed as a feminine society – consensus, value equality and solidarity are crucial aspects of consideration. Negotiation and compromise solve the problems and flexibility is highly favored. An important dimension of Bulgarian culture is the high score in relation to uncertainty avoidance. In such cultures there is an emotional need for rules and regulations, punctuality and precision are standard of living, security is essential factor for the individual motivation. (Hofstede, 2012)

Moreover, the Communication Director of Nestle's Bulgaria branch Maria Hristova-Svec highlights on the unison applied in all countries of operation, however, CSR policies vary among the local cultures. All programs meet the local legal rules and regulations as well as the communal specifications. Maria Hristova-Svec believes that Nestle Bulgaria develops unique campaigns only for local market that always comply with the global principles of the firm. An example of such social program is "Live Active!" a campaign organized only in Bulgaria. "We are very proud of this campaign, since it is an example of successful practice in many European markets" says Maria Hristiva-Svec.

Whether successful social campaigns from Western Europe have the same result on Bulgarian market, Maria Hristova-Svec underlines the fact that after the European Union membership and the synchronization of the countries legislation, for Nestle Bulgaria it is easier and more efficient to apply the global programs. However, still there is a huge challenge to modify each campaign in relation to local culture. Returning to the definition of culture, the adaptation and variation of the campaigns includes the organization and popularization of the events on a national level. For instance, secured open spaces, a lot of music performers and fields for games are some of the attributes offered by Nestle Bulgaria on the days of "Live Active!" campaign. Due to the fact that these are in a strict synchronization to the local preference and taste, the program enjoys huge success locally.

Another campaign that was a positive contribution to local market and society is a part of the global program "Healthy Kids Program". In Bulgaria it addresses children (5-13years old) as well as parents and teachers. The Program unites in collaboration with

national and regional institutions as well as private partners aiming on prevention of kids' obesity in Bulgaria. Healthy Kids Bulgaria is based on long term strategy which has changed the nutrition, healthy and physical habits in the region.

In addition, another initiative with a social orientation that Nestle Bulgaria undertakes is the "Good Career, Good Life" sponsorship program. This program focuses on young people aiming to invest in long term dedication, education and professional qualification. For more than 15 years Nestle Bulgaria offers Summer Internship programs for fresh graduates. More than 80% of those students commit to the job for longer period. (M. Hristova-Svec, personal communication, 2012-04-12).

All these examples inevitably show Nestle Bulgaria's significant social contribution and openness to communal development conformed to the local culture. As the Bulgarian representative clearly states – while Nestle Bulgaria follows the corporate unison, simultaneously develops unique social activities. Since Bulgarian culture is more collectivist and uncertainty resistant, community enjoys mass programs that are well known and punctually organized.

Assuming that due to the geographical position of the Ivory Coast and the neighboring country Ghana, both countries have similarities in the cultural approach and analysis. In the region there are more than 50 different ethnic groups in each nation state which allows variation in the social attitudes. In accordance to Hofstede's dimensions, the information about the indexes of Ghana and West Africa are almost equal in each of the five aspects. Hence, for the purpose of this research Ghana is examined in order to relate the Nestle Global social program to agricultural supply chain of the Ivory Coast and cocoa plantations in the area.

Statistical information denotes 70% of the labor force (men, women and children) in the Ivory Coast is allocated in sectors such as agriculture, fishing, forestry or livestock raising. In rural areas a division of labor is common. Namely, usually men are engaged in harvesting cocoa or coffee crops (cash crops) while women grow vegetables and perform most of the household work. Distinctive characteristics of the Ivory Coast society are the high population growth rate, the high poverty rate and the high urban crime rate. In 1990s the national government announced a commitment to the implementation of social welfare programs which are focused on literacy and education, health and economic development, poverty alleviation. Nestle Global "Cocoa Plan" initiative is committed to the same rural improvements and social activities. Hence, we believe in the adaptation of CSR policy to African culture. The firm is aiming to prevent child labor and exploitation through extensive education and familiarization communal campaigns. These reveal the social variation of global corporate policy in West Africa. Nestle Global have captured and focused all its efforts exactly in the areas where local people and institutions need improvements (Every culture, 2012).

The National Commission of Culture in Ghana defines countries' shared culture as the "ideals and ideas, beliefs and values; folklore, environment, science and technology; and in the forms of our political, social, legal and economic institutions. It also manifests in the aesthetic quality and humanistic dimension of our literature, music, drama, architecture, carvings, paintings and other artistic forms". Traditional cultural values include honesty and trustfulness, unity and peace, family, community and solidarity, human dignity. (NCC, 2004) According to Hofstede's framework, in cultural aspect and results from a survey conducted - Ghana and Bulgaria score almost equally in each category of observation. (Hofstede, 2012) The similarities related to the type of society –

hierarchical order and collectivist orientation as well as high level of uncertainty avoidance. Feminine dimension indicates the quality of life and caring for others whereas competition and individual achievement are not value drivers in the culture. (Hofstede, 2012) The Cocoa Plan program is successfully applied in the Ivory coast's culture since it addresses the socially important issues principally relevant for the region of operation. Through the independent investigation of abuse of human rights and tackling child labor, Nestle Global significantly contributes to the rural development by communal awareness and education.

6   Conclusion

The topic and research questions for this study was ambitious in the sense that academic work in the this rather narrow field is scarce. The combination of CSR adaptation of business practices and cultural analysis is to the knowledge of the authors unique. This became an issue in the research, as few companies were willing to take part in the study. Many among the companies invited to participate declined because of their unfamiliarity of the concept, cultural adaptation of CSR policies and practices.

The two corporations that fit the profile for the research and agreed to participate – the Husqvarna Group and Nestlé, were also not familiar with the practice. Initial interviews with corporate spokes people gave similar results. None of them had any explicit strategy of cultural adaptation when it comes to CSR and was not able to provide any example of such practice. The CSR policies and practices of both nestle and Husqvarna seemed global.

Further interviews and critical review of data from websites and company reports provided empirical material which shows that corporate community involvement does differ between countries. The figure below illustrates how the research units' CSR practices can be classified, using the GI-LR framework

Figure 6-1. The GI-LR framework applied

The findings on Husqvarna were few but there are examples of CSR adaptation, the most important being the greater emphasis and spending on philanthropy in the US, compared to Europe. The importance of local laws respect for local cultures, expressed by the company itself, also indicates some level of adaptation of their CSR practices. However, the majority of the findings supports a global CSR strategy. Hence, the Husqvarna Groups is placed close the upper left corner in the graph, with high global integration and low (but not nonexistent) local responsiveness.

Nestle S.A. is a transnational company which is not putting effort on differentiating their CSR policies. On the other hand, as much as they try not to differentiate the presence in different national cultures there is a natural force which is causing companies to adjust their actions and policies. Trough example of examining two completely different countries it is important to emphasize that their actions fit the cultures characteristics but also their needs. The active participation of Nestle in the community through a dimension of CSR - corporate community involvement distinguishes two markets and completely fits the transnational characteristics.

Finally, even if companies are claiming that they are globalizing their CSR actions and respecting their corporative codes of conduct, the adaptation of the community involvement is inevitable. The cultural influence is too high not to be respected and adjusted to. The corporate social responsibility and the community involvement actions are something which varies from culture to culture with a little or no respect to the corporate identity and adaptability classification.

7   Discussion

The two companies (Husquarna and Nestle) were chosen only in order to represent a sample and be analyzed in relation to the trend of glocalization of social activities undertaken by European multinational firms. The aim of this report was to investigate the extent to which different companies simultaneously following the global unison also adapt and localize to local needs. Additionally, the goal was to make a statement, reached through collection of primary data, about both the internal and external corporate responsibilities and campaigns. The choice of Swedish firm and example from Switzerland was not intended from the beginning of the paper. Husqvarna and Nestle Group were the only respondents to the interview questions, which we could reach and trust.

With the finalization of this thesis we believe that a contribution to the field of corporate social involvement and glocalization of socially responsible campaigns has been made.

All in all, we suggest a valuable base for further research on this topic, since there is no such in this narrow/particular field. We believe that this theme is interesting and may be additionally examined and discussed. Due to time and resource constraints we could not thoroughly explore the subject. Therefore we focused on two sample firms that have localized concurrently with global unison.

8   References

Aboy M. (2009, March 20) *The organization of modern MNEs is more complicated than the old models of Global, Multidomestic, and Transnational*. Retrieved 2012-04-25, from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1366055

Arthaud-Day, M. (2005). Transnational Corporate Responsibility: A Tri-Dimensional Approach to International CSR Research. *Business Ethics Quarterly, 15*(1), 1-22.

Bartlett A. C. &Goshal S.(1999) Managing Across Borders: The Transnational Solution, American Foreign Policy Interests: The Journal of the National Committee on American Foreign Policy, 21:3, 20-22

Bao, C., &Analoui, F. (2011). An Exploration Of The Impact of Strategic International Human Resources Management On Firm Performance: The Case Of Foreign MNCs In China. *International Journal of Management and Information Systems, 15*(4), 31-41.

Blombäck, A., &Wigren, C. (2009). Challenging the importance of size as determinant For CSR practices. *Management of Environmental Quality, 20*(3), 255-270.

Breuer, W. & Salzmannn, A. J. (2010). National Culture and Corporate Governance. *Preceedings of the 23rd Australasian Finance and Banking Conference 2010*. Retrieved 2012-03-20, from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1660233

Carrol, A. (1999). Corporate Social Responsibility. *Business and Society, 38*(3), 268-295.

Every culture.(2012). Countries and their cultures - Côte d'Ivoire. Retrieved 2012-04-27, fromhttp://www.everyculture.com/Bo-Co/C-te-d-Ivoire.html#b

Fair Labor Association FLA, (2012, March 1). *Nestle Joins Fair Labor Association*. Retrieved 2012-04-20, from http://www.fairlabor.org/blog/entry/nestle-joins-fair-labor-association

Fan, D., Nyland, C., & Zhu, C. J. (2008). Strategic implication of global integration and local responsiveness for Chinese multinationals: An area for future study MRN. *Management Research Review, 31*(12), 922-940.

Freeman, I., &Hasnaoui, A. (2011). The Meaning of Corporate Social Responsibility: The Vision of Four Nations. *Journal of Business Ethics, 100*(3), 419-443.

French, W., Zeiss, H., & Scherer, A. G. (2001). Intercultural discourse ethics: Testing Trompenaars' and Hampden-Turner's conclusions about Americans and the French: JBE. *Journal of Business Ethics, 34*(3/4), 145-159.
Golafshani, N. (2003). Understanding Reliability and Validity in Qualitative Research, *The Qualitative Report, 8*(4), 597-607.

Hall, E. T. (1990). *Understanding cultural differences*. Yarmouth, ME: Intercultural Press

Hofstede, G. (1997). *Cultures and Organizations: Software of the Mind*. New York: McGraw-Hill.

Hofstede, G. (2012). *National cultural dimensions*. Retrieved 2012-02-27, from http://geert-hofstede.com/national-culture.html

Hurt, S. (2007). What Local Responsiveness Really Means to Multinational Corporations. *Journal of American Academy of Business, Cambridge, 11*(2), 43-50.

Husqvarna AB. (2009). *Husqvarna Group Code of Conduct.* Retrieved 2012-04-10, from http://husqvarnagroup.com/sites/default/files/spot/files/Code_of_Conduct_2009_en.pdf

Husqvarna AB. (2011). *Sustainability Report 2011*. Retrieved 2012-04-10, from http://husqvarnagroup.com/sites/default/files/spot/files/Husqvarna_SusRep_FINAL.pdf

Husqvarna Group. (2012). *Corporate responsibility*. Retrieved 2012-04-10, from http://husqvarnagroup.com/en/corporate-responsibility

Kujala, J., &Sajasalo, P. (2009). Reforming the integration-responsiveness framework: A business ethics perspective. *Journal of International Business Ethics, 2*(1), 59-72.

Kwon, C. W. (2005). *Standardization, localization, and multinationals.* Doctoral dissertation.

Lindgreen, A., &Swaen, V. (2010). Corporate Social Responsibility. *International Journal of Management Reviews* (1), 1-7.

McWilliams, A., Siegel, D. S., & Wright, P. M. (2006). Corporate Social Responsibility: Strategic Implications. *Journal of Management Studies, 43*(1), 1-18.

Mostardeiro, M. (2007). CSR Strategy Formation Processes: A Multiple Case Study from Brazil. *Social Responsibility Journal, 3*(1), 59-67.

Matusitz, J., &Minei, E. (2011). Cultural Adaptation of an MNC in Mexico: A Success Story. *Transition Studies Review, 18*(2), 418-429.

Mead, R., & Andrews, T. G. (2009). *International Management* (4th ed.). Oxford: Blackwell.

Moir, L. (2001). What do we mean with corporate social responsibility?. *Corporate Governance, 1*(2), 16-22.

National Commission on Culture NCC, (2004).The Cultural Poly of Ghana. Retrieved 2012-04-27, fromhttp://www.artsinafrica.com/uploads/2011/04/Ghana.pdf

Nestlé S. A. (2008). *Code of Business Conduct.* Retrieved 2012-04-10, from http://www.nestle.com/Common/NestleDocuments/Documents/Library/Documents/Corporate_Governance/Code_of_Business_Conduct_EN.pdf

Nestlé. (2010). *Nestle Creating Shared Value*. Retrieved 2010-04-23, from http://www.nestle.com/Common/NestleDocuments/Documents/Library/Documents/Corporate_Social_Responsibility/Nestle_Creating_Shared_Value_Update_2010.pdf

Nestlé Bulgaria. (2012). *News.* Retrieved 2012-04-20, from http://www.nestle.bg/bg/media/pressreleases/Pages/Glavniyat-izpalnitelen-direktor-na-Nestle-iztakva-neobhodimostta-ot-satrudnichestvo-mezhdu-chastniya-i-publichniya-sektor.aspx

Nestlé. (2012). *Corporate website.* Retrieved 2012-04-20, from http://www.nestle.com/Pages/Nestle.aspx

Nestlé (2012d).*About Cocoa.* Retrieved 2012-04-24, from http://nestlecocoaplan.com/about-cocoa/where-cocoa-is-produced.aspx

Okoye, A. (2009). Theorising Corporate Social Responsibility as an Essentially Contested Concept: Is a Definition Necessary?.*Journal of Business Ethics, 89*(4), 613-627.

Oxford Dictionaries.(2012). *Culture*. Retrieved 2012-04-27, fromhttp://oxforddictionaries.com/definition/culture

Paik, Y., & Derick Sohn, J. H. (2004). Striking a balance between global integration and local responsiveness: The case of Toshiba Corporation in redefining regional headquarters' role. *International Journal of Organizational Analysis, 12*(4), 347-359.

Peloza, J., Merz, M. A., & Chen, Q. (2006). *Standardization or Localization: Using Corporate Philanthropy to Build the Reputation of Global Firms.* Vancouver: Simon Frasier University, Segal Graduate school of Business. Retrieved 2012-03-20, from http://business.sfu.ca/files/PDF/cibc-centre/ccgrm-standardiz.pdf

Porter, M. E., & Kramer, M. R. (2006). Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility. *Harvard Business Review*. *84*(12), 78-85.

Pudelko, M., &Harzing, A. W. (2008). The Golden Triangle for MNCs: Standardization Towards Headquarters Practices, Standardization Towards Global best Practices and Localization. *Organizational Dynamics, 37*(4), 394-404.

Reichlin, I. (2004).*Getting the global view: Nestle, led by Peter Brabeck-Letmathe, climbs to the #1 spotin this year's Best Companies for Leaders*. Retrieved 2012-04-24, from http://findarticles.com/p/articles/mi_m4070/is_202/ai_n8576050/

Sachs, S., Ruhli, E., & Mittnacht, V. (2005). A CSR framework due to multiculturalism: the Swiss RE case. *Corporate Governance, 5*(3), 52-60.

Sahlin-Andersson, K. (2006). Corporate Social Responsibility: a trend and a movement, but for what and of what?. *Corporate Governance, 6*(5), 595-608.

Sanchez, F. (2008). Principles of Global Integration. *Industrial Management, 49*(5), 8-13.

Schuiling I. (2001), *Think Local-Act Local: Is It Time to Slow Down the Accelerated Move to Global Marketing?,* © SYMPHONY A Emerging Issue in Management, n. 1, 2000-2001

Seitanidi, M. M., & Ryan, A. (2007). A critical review of forms of corporate community involvement: from philanthropy to partnerships. *International Journal of Nonprofit and Voluntary Sector Marketing, 12*(3), 247-266.

Stanford Encyclopedia of Philosophy.(2011). *Culture and Cognitive Science*. Retrieved 2012-04-12, from http://plato.stanford.edu/entries/culture-cogsci/

Stephenson, A. K. (2009). The pursuit of CSR and Business Ethics policies: Is it a Source of Competitive Advantage for Organizations?. *Journal of American Academy of Business, Cambridge, 14*(2), 251-262.

Svensson, G. (2001). "Glocalization" of business activities: a "glocal strategy" approach. *Management Decision, 39*(1), 6-18.

Swedish-American Chambers of Commerce. (2012). *Husqvarna Wins this Year's Mayor's International Community Award.* Retrieved 2012-05-03, from (Swedish-American Chambers of Commerce, 2012

Trompenaars, F., & Hampden-Turner, C. (1997). *Riding the Waves of culture: Understanding Cultural Diversity in Business*. London: Nicholas Brealey Publishing.

Ubius, U., & Alas, R. (2009). Organizational Culture Types as Predictors of Corporate Social Responsibility. *Engineering Economics, 61*(1), 90-99.

UK Business Link. (2012). *Corporate Social Responsibility*.Retrieved 2012-03-07, from http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1075408468

University of Maryland (2010), *Guides for Information Resources*. Retrieved 2012-04-08, from http://www.lib.umd.edu/guides/primary-sources.html

Valor, C. (2007). A global strategic plan for corporate philanthropy. *Corporate Communications, 12*(3), 280-297.

Williams, M. E. (2008). *Individual differences and cross-cultural adaptation: A study of cultural intelligence, psychological adjustment, and social adjustment*. Doctoral dissertation. Cypress: Touro University International, Collage of Business Administration. Retrieved 2012-03-20, from
http://search.proquest.com.bibl.proxy.hj.se/docview/89248636/135EDAE0C81516B1D FE/1?accountid=11754