The Dilemmas of Internationalization: Corporate Social Responsibility in the MNC

Abstract

This paper adds to the global-local debate by highlighting concerns with the empirical and conceptual validity of the construct ‘integrated’ as it operates within CSR. We do so by investigating the extent to which foreign national culture and related local issues are incorporated into the CSR policy of 37 MNCs, examining strategy development and implementation across global locations. This research suggests that integrated internationalization strategies do not resolve global and local CSR issues. In fact, they reinforce outcomes similar to global strategies, where core issues identified by headquarters are legitimated and local issues are marginalized, an outcome that appears somewhat at odds with the spirit of local responsiveness embedded in CSR thinking.

Key Words: Corporate social responsibility; Strategic and international management; Global-Local; Internationalization.
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INTRODUCTION

When it comes to international management strategies, is it better to focus on global standardization across operating units or to respond to local market drivers? According to the international management literature, the answer is neither. A mix of both are required to best exploit opportunities for improved competitive advantage. Promoted as the ideal, an integrated internationalization strategy helps generate both efficiencies through product and process innovations, and responsiveness to particular needs, wants and conditions in local markets (e.g. Bartlett and Ghoshal, 1998, Belanger et al., 1999, Begley and Boyd, 2003).

What then happens when we narrow our focus to corporate social responsibility (CSR)? The answer is unknown as very few studies have investigated the impact of internationalization strategies on CSR activity. This paucity of research is interesting given the importance of the global-local debate in much of the CSR literature (Matten and Moon, 2008, Williams, 2001, Waddock and Bodwell, 2007), and the observation that companies believe using integrated internationalization strategies is a desirable practice. For some, such as HSBC, an integrated strategy is so influential that they continue to advertise themselves as ‘the world’s local bank’. The rhetoric associated with ‘being local worldwide’ (Belanger et al., 1999) has been increasingly used in different forms of CSR communications, indicating companies believe that integrated strategies are important for their CSR activities. To investigate this two research questions were developed:

1. To what extent does the development of MNCs’ CSR policies reflect home or host country perspectives?
2. To what extent does the implementation of MNCs’ CSR policies reflect home or host country perspectives?

Since types of internationalization strategies are differentiated largely on the extent to which global or local influences are strongest (Bartlett & Ghoshal, 1998), our research investigates the type of internationalization strategies used by MNCs through an investigation of the global-local influence in policy development and implementation. Building on the work of Husted and Allen (2006), we critically examine the development and implementation of CSR policy within 37 MNCs. We investigate how local issues are incorporated into the CSR activity of MNCs, thus contributing to the CSR literature by identifying how MNCs use their knowledge of internationalization strategies within CSR.

CSR is a useful research area for international management (Rodriguez et al., 2006) because it requires balancing different cultural and ethical demands, raising important issues about what can be considered universal and what needs adaptation to local circumstances. Given that not much consideration has been given to these issues in relation to CSR (Muller, 2006), and that it may represent other knowledge based activities, its uniqueness provides a rich arena in which to investigate the relationship and implications of internationalization strategies. Thus, our first contribution identifies the use of internationalization strategies within CSR. Our second contribution is to question the conceptual and empirical validity of integrated internationalization strategies within the international management (IM) literature (e.g. Harzing, 2000). We do so by demonstrating how creating integrated CSR strategies perpetuates a global approach and not an integration of global and local interests.
INTEGRATED INTERNATIONALIZATION STRATEGIES

MNCs face unique opportunities and challenges resulting from operating across national borders, where they are embedded in different contexts with different structures and relational networks (Ghoshal and Bartlett, 1990, Harzing, 2000). These conditions have been much debated within the IM literature, investigating the tensions (e.g. Braithwaite and Drahos, 2000, Bird and Stevens, 2003) and the integration between global and local issues (e.g. Robertson, 1995, Skinner, 1964, Bartlett and Ghoshal, 1998). The literature on integrated or transnational internationalization strategies identifies two distinct but overlapping conceptualizations: Efficiency-responsiveness and Interpenetration. The first and most common type, ‘Efficiency-Responsiveness’, suggests that organizational efficiencies can be generated and opportunities exploited through standardization. These efficiencies can then be tailored to the tastes and regulations of local markets, responding to the needs of the market and creating opportunities for expansion within it (e.g. Svensson, 2001, Begley and Boyd, 2003, Immelt et al., 2009). In other words, companies both standardize where possible across all operating units and adapt these standards where needed to ensure responsiveness to local needs.

The second and less common type, ‘Interpenetration’, suggests that blending of global and local interests is more than operational efficiencies achieved through a balance of global standardization and local flexibility. Within this perspective, global and local interests are combined and transformed into a unique form of operating that ‘continually renews itself by balancing the organizational tensions and management paradoxes implicit’ in international business (Bartlett and Ghoshal, 1998: 257, Ritzer, 2003), or, in other words, an interpenetration of the global and local. Considered the most successful and thus ideal strategy for MNCs (e.g. Bartlett and Ghoshal, 1998), an integrated strategy is realized in a number of ways. This includes operating as an interdependent network of relevant organizational members, good
communications, team-based decision making, and negotiation to resolve political, process and structural tensions (Rugman and Verbeke, 2008, Bartlett and Ghoshal, 1992, Begley and Boyd, 2003, Harzing, 2000). While present in the CSR literature, integrated strategies to manage CSR activity are much less common than research focused on local (national) or global strategies. The next section will discuss these three strategies in turn, following a brief introduction to CSR.

INTERNATIONALIZATION STRATEGIES WITHIN CSR

CSR can be understood as how firms integrate social, environmental and economic concerns (Elkington, 1997) into their ‘values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society’ (Industry Canada, 2006). Whether emphasizing local differences or global standards as the focus for CSR policy, the literature in this area shares stakeholder inclusion in decision-making as a key aspect of organizational responsibility (Fritzsche, 2000, Freeman, 1984, Goodpaster, 1991). For business operating across national borders it is not enough to include stakeholders from the home country. Instead, there needs to be representation from a wide range of groups across a broad range of countries relevant to the business (Crane and Matten, 2007, Blowfield and Murray, 2008, Wheeler et al., 2002). It is through broad representation of operational areas that issues are identified and managed in accordance with a commitment to responsibility. Broad stakeholder inclusion is therefore not in debate. What is the subject of much debate is whether CSR policy should focus on global or local issues.

Local (multidomestic) CSR literature

The literature emphasizing the ‘local’ (or multidomestic) level is dominated by national comparisons of CSR (e.g. Wood et al., 2004, Maignan and Ralston, 2002, Egri and Ralston, 2007)
that focus on the uniqueness of particular operating conditions in different contexts. Often using Hofstede’s (1980)\(^2\) cultural dimensions to identify national variations within CSR policy and practice (e.g. Tavakoli et al., 2003, Katz et al., 2001, Veser, 2004), contributors stress the need to be cautious in attempting to standardize either CSR policy or implementation (Jamali et al., 2009, e.g. Aguilera et al., 2006, Doh and Guay, 2006). While conditions in each area or region may not be unique, the cultural and historical context in which they occur gives them ‘a particular character and severity, and this shapes the definition and implementation of CSR-related activities’ (Hamann et al., 2005: 5). Both policy and its implementation are therefore necessarily different for each country in which an organization operates, such that only by identifying CSR issues in the local context can organizations appropriately and effectively respond to their operational impacts (e.g. Blowfield, 2005). While not denying that some issues may be shared between national contexts (e.g. Blowfield and Frynas, 2005), this body of work argues that both CSR policy and implementation must focus on local (national) issues to be relevant.

**Global CSR Literature**

Other contributors emphasize the ‘global’ nature of CSR (e.g. Arthaud-Day, 2005, Windsor, 2009, Scherer et al., 2009), and argue for the creation of universal standards (Frankental, 2002, Logsdon and Wood, 2005, Cassel, 2001). The purpose of these universal standards is to identify fundamental aspects of CSR to guide theory and action while improving credibility and legitimacy (e.g. Paine et al., 2005, Frederick, 1991, Williams, 2001). Many argue for the use of already existing intergovernmental standards (UN Declaration of Human Rights and/or ILO Conventions) as a minimum threshold for building a more robust conceptualization of CSR within organizations. Standards are thus meant to be relevant across multiple organizational contexts such as sectors (government, civil society, business), industries (natural resources, retail, research and development) and countries.
This global literature emphasizes the importance of identifying universal issues within CSR policy but the necessity for local adaptation during the implementation process. The UN Global Compact is a good example of this discussion. Leisinger (2003: 113) notes that ‘by rooting [the Compact] in internationally accepted principles, companies could feel confident that their actions were being guided by values that are universally supported and endorsed’. As a shared set of values (Kell and Levin, 2003, Cetindamar and Husoy, 2007, McIntosh et al., 2004) the 10 principles of the Global Compact operate as a strategic policy initiative for businesses aimed at improving governance and realigning operations with social and environmental imperatives (www.unglobalcompact.org). Implementation is then left to the specific organization (Kell and Levin, 2003), supported by local national networks that link local contextualized problems to more abstract ideas at the global level (Rasche, 2009: 518-519). In this way, universal values are cascaded and applied as relevant within the local context.

This discourse on ‘universal CSR’ has been influential within business. MNCs increasingly develop worldwide CSR strategies that apply across their global business, primarily through the creation of their own codes and policies (Bondy et al., 2008), and membership with existing transboundary initiatives such as the UN Global Compact. Involvement in such initiatives helps to improve the competitive advantage of participating organizations through such things as improving credibility of organizational activities and helps to improve operational efficiencies through such things as building consistency of CSR activities across the business (e.g. Schaltegger and Wagner, 2006, Vogel, 2005, Kurucz et al., 2008). Companies using this approach therefore reflect ‘universal’ CSR issues within their policies, but may adapt the practices used to implement them based on the local context.
Integrated CSR Literature

The idea of integrating the local and global is present in the CSR literature through integrated social contracts theory (Donaldson and Dunfee, 1994). This theory states that, while local institutional environments must be taken into account, some values transcend cultures. Called ‘hypernorms’, these values moderate the context specific or micronorms to ensure the inclusion of universal and local values in decision making. While contestable and problematic in practice, this theory illustrates work towards integrating global and local issues within decision making and therefore policy development in the CSR literature in which the idea of ‘being local worldwide’ (Belanger et al., 1999) is becoming more prevalent. For some, this reflects the problems discussed above of trying to be both consistent across operating locations but also tailoring activity to fit cultural differences (Leisinger, 2003, Waddock and Bodwell, 2007). For others it is a matter of teasing out the relationship between global and local factors to illustrate which has more influence in shaping CSR (Gjolberg, 2009, Arthaud-Day, 2005). In general, there is agreement on the need for some degree of pluralism, where companies and their managers are encouraged to think/ act globally and locally at the same time (Begley and Boyd, 2003, Davids, 1999). In this way companies are meant to balance universal and particular CSR issues within their own CSR policies and subsequent practices, but with little guidance on how it might be achieved.

Thus, as the literature clearly demonstrates, there is a need for additional clarity around the relationship between organizational and CSR internationalization strategies (Rodriguez et al., 2006).

A Conceptual Model of CSR Internationalization Strategies and Their Intended Impact on CSR

Although finding over 300 articles in the interface of CSR and IM, Egri and Ralston (2007) demonstrate that the majority are empirical country comparisons of CSR attitudes or practices. Most focus on specific aspects of this interface such as board governance or employee
involvement to ensure competitive advantage resulting from social and environmental issues. Similarly, the work that investigates both global and local CSR issues tends to favour one type of strategy over the other. For instance, although discussing the tension between local and global social or environmental issues (e.g. Christmann, 2004, Sharfman et al., 2004, Muller, 2006), much of this literature emphasizes either that companies do, or should, utilize global strategies for dealing with social and environmental issues to reduce risks and inconsistencies between different operating units. In other words, although investigating the tension between the two strategies, little if any consideration is given to a blending of the two. Husted & Allen (2006) explicitly discuss the relationship between global, multidomestic and transnational (integrated) internationalization strategies of MNCs and CSR, but allow only for either local or global CSR strategies. Thus, there is very little discussion on broader questions such as how different internationalization strategies work relative to CSR activities or their appropriateness for CSR. Integrated strategies are largely ignored.

As one of the few studies to investigate the relationship between CSR and internationalization strategies, Husted & Allen’s (2006) work provides a basis from which to build a conceptual model about the relationship between CSR and IM. By linking their model into the literature discussed above, it is possible to extend our understanding of the relationship between CSR and IM by further illuminating CSR internationalization strategies (Rodriguez et al., 2006) and the intended impact of these strategies on CSR issues. Figure 1 represents this broader conceptualization. According to the available literature, there appear to be three critical pressures influencing the selection of a CSR internationalization strategy: one, the organization’s internationalization strategy (Husted and Allen, 2006); two, the particular CSR issues it faces (Christmann, 2004, Muller, 2006); and three, expectations within society for broad stakeholder management (Donaldson and Preston, 1995, Carroll and Buchholtz, 2008, Hart and Sharma, 2004).
It thus seems possible that companies could choose between not two (Husted and Allen, 2006) but three types of internationalization strategies for their CSR activity. A global CSR internationalization strategy would see the company creating standards to be used across all operating units, requiring commitments that are ‘universal’ in nature and relevant in virtually any business in any context. Local (multidomestic) internationalization strategies would see the company focusing on regional or national solutions that deal with culturally specific issues. Integrated (transnational) internationalization strategies have two variations: one, efficiency-response which would see companies working on culturally tailored solutions, where universal commitments are tailored to local cultures, typically at the national level; and two, interpenetration where companies focus on solutions that blend global and local (typically national) cultures.

In summary, the literature clearly shows that the global-local debate is a critical one with regard to CSR and while we have a growing body of literature investigating some key issues in this domain, we are still very unclear about the nature of internationalization strategies within it. Ad hoc evidence would suggest that MNCs also prefer integrated strategies for their CSR activities but how and why this is the case or what implications this has for CSR are unclear. The lack of empirical studies focused on internationalization strategies within CSR (Rodriguez et al., 2006) is therefore an important theoretical and practical gap that needs to be addressed.

**METHODS**

Given the lack of existing research in the area and therefore the need to discuss the meanings of policies and practices with participants, an exploratory, qualitative method was chosen (Lincoln and Guba, 1985, Silverman, 2000, Morgan, 1980). To explore the extent to which development of MNCs’ CSR policies, and their implementation reflect home or host country perspectives, we took an interpretive approach to the research (Burrell and Morgan, 1979, Berger and Luckmann, 1967,
Denzin, 2002). We used semi-structured interviews as the primary method of collecting data (e.g. Patton, 2002, Holstein and Gubrium, 1995, Keats, 2000), and spoke to key persons responsible for CSR policy development and implementation processes. In this way we ensured we spoke to the individuals who make critical, strategic decisions about CSR within their organizations, including those to do with culture and local processes.

In total, 40 interviews were conducted within 37 different MNCs originating in the UK and representing a range of industries, organizational functions and educational backgrounds. To ensure participants were knowledgeable in the practice of CSR, they were drawn from a list of the largest companies (according to sales revenue) in the UK according to the FAME\(^1\) database. This enabled us to speak to professionals in companies large enough to have relatively mature CSR experience and practice (Langlois and Schlegelmilch, 1990, Maignan and Ralston, 2002), ensuring insight into a number of cycles of CSR activity and the history of its development within the organization. We selected companies on the basis that they were one, operating in three or more countries worldwide and therefore would require an internationalization strategy; two, headquartered in the UK to ensure some control over home country cultural effects; and three, were publicly traded on the London Stock Exchange to ensure greater volumes of publicly available data. The companies represented a range of industries, being more heavily comprised of natural resource and retail companies, but included those in the construction, manufacturing, pharmaceuticals, tourism, telecommunications, public utilities and consulting industries.

To ensure the individual interviewees could discuss cultural influences in CSR attitudes and practices, as well as had a solid understanding of the processes used by the organization in developing and implementing the CSR policy worldwide, we identified the person responsible for development and implementation of the CSR policy. Participants therefore formed a purposive sample (e.g. Baker, 2002, Saunders et al., 2007) from UK multinational companies known to be

\(^1\) The FAME database provides detailed financial and business intelligence information on UK and Irish businesses. This allowed us to identify the largest companies according to sales revenue in the UK.
engaging in CSR activities based on their size (Langlois and Schlegelmilch, 1990, Maignan and Ralston, 2002), and confirmed on their websites (Coupland and Brown, 2004). The sample is therefore representative of MNCs headquartered in the UK.

With each interviewee we provided a brief description of the research. Following our semi-structured guide, we asked each interviewee questions related to:

- meaning of CSR generally and for the organization, along with reasons for engagement;
- descriptions and justifications for the CSR policy development process;
- descriptions and justifications for the CSR policy implementation process;
- descriptions of the internationalization strategy employed and perception of subsidiary response to CSR efforts;
- important aspects of culture affecting the organization, its CSR policy and implementation;
- perceptions of stakeholder responses to CSR policy and related activities.

We used the constant comparative method for analyzing the data (e.g. Spiggle, 1994, Gerson and Horowitz, 2002, Silverman, 2000, Strauss and Corbin, 1998, Langley, 1999, Miles and Huberman, 1998). This method identifies themes by moving iteratively between subsets of the data and between the data and the literature to identify a coherent conceptual frame (Shapiro et al., 2008). All transcribed interviews were broken into three separate groups and put through three separate rounds of thematic coding. The first round of coding, conducted with each group separately and them cumulatively, identified all themes emanating from the participants, whether directly relevant to the research questions or not. The second round of coding looked critically at the themes identified in the first round, identifying contradictions and unique responses, paying particular attention to the context surrounding the discussion so as to broaden and enrich the
emerging frame. The final round of coding helped to categorize the data into priorities and hierarchies of concepts and their relationship to other themes identified in the analysis process.

**FINDINGS**

Overall, we found that by creating standard CSR policies and managing the adaptation of them at local (national) level during implementation, these MNCs used efficiency-responsiveness integrated internationalization strategies to deal with their CSR activity. They did not emphasize local (national) culture in their CSR policies, despite requiring or ‘strongly recommending’ the use of the policy across all operating units. Local (national) representation was restricted during the policy development process but during implementation, local managers were given more freedom to adapt practices to better fit local conditions.

**Efficiency-responsiveness strategies and the role of national culture in CSR policy**

Despite claiming to use integrated, or win-win, strategies for their CSR activities, not one of the 37 companies we examined emphasized the importance of local host-country cultures in shaping the CSR policy. What 36 of these 37 MNCs did emphasize, was the importance of standardized policies that were adapted to local culture during implementation (Table 1). In other words, the policy remained the same but practices were varied to accommodate some differences in the national context. These MNCs therefore utilized the ‘efficiency-responsiveness’ form of integrated strategy (Figure 1) for managing their CSR activity.

****Insert Table 1 about here****
While some participants recognized the influence of their home national culture (NC) on formal CSR policy,

And whilst the prevailing culture is sort of Anglo-Australian-US, so fundamentally Western if you like in its outlook, the way that a lot of countries work need to be understood. Although we don’t have a culturally relativistic approach to this work, the [formal CSR policy] is quite specific to this outlook (Manager Corporate Relations, Natural Resources).

this realization did not translate into inclusion of those who might represent different cultural perspectives in policy development. In fact another two interviewees went further to state that their companies purposefully ignored host-country NC during the development and much of the implementation of CSR policy

There are the cultural differences… factories in China for example or where people live or in India. I mean if you go into them, you do immediately, culturally find it very different, you know in terms of people sleeping in one room because that's the accommodation in China... they only have a small small space, the washing facilities are very basic, toilet facilities are pretty basic … if you went into these peoples homes in the country there’s probably about 10 people sleeping in one small room. They don't have toilet facilities, they don't have any washing facilities. Don't even have any water at some stages. And you sort of need to understand that but then you also need to understand from our point of view it's important for our brand that we don't see people that don't have these basic facilities in place… that they don't have some place to wash, they don't have some privacy in terms of you know their toilet and washing facilities. So we sort of say, ya we understand, if they're in their homes it might be like that, but culturally, you know, our customers in the UK will expect certain things to happen. So therefore you've got to reach a certain baseline with this (Director of Corporate Responsibility, Retail).

It's sort of our perception but we take the view that regardless, it sounds awful, regardless of cultural differences, at the end of the day we are under the microscope every day as an industry and what could be perceived in one market as being acceptable, the Internet is a fantastic tool for getting information around the globe very quickly, and published in a newspaper in the UK looks, you know, problematic, saying this is what the [industry X] companies are doing. (Group Corporate Manager, Manufacturing)
These comments are very interesting because they highlight a purposeful exclusion of local culture, practice and issues in their policies. Even more interesting is that they did so to mitigate the risk of alienating their home markets if found to be conducting activities contrary to a Western paradigm of responsible business.

The remaining 34 of 36 MNCs using an efficiency-responsiveness approach ignored culture unintentionally, something they ‘just hadn’t considered’ (Corporate Responsibility Manager Telecomms). These companies found it difficult to discuss the impact of culture on the development and implementation of their CSR policy (‘I think it’s really difficult to look at what happens culturally’ – Corporate Social Responsibility Manager Retail). This finding is quite surprising, especially in light of the fact participants knew of this emphasis in the research prior to the interview. When asked about the impact of culture, many instead gave accounts of different cultural expectations and challenges they were facing. They made it clear that while host-country NC was an area of significant challenge for them and the company, it was not something that they worked to explicitly include in the development of CSR policy. They did not explicitly consider the impact of the policy on operating units nor did they explicitly invite those representing other cultural groups to participate in its development. Acceptable adaptations were conducted during implementation at the local level to ensure integrity and consistency of the global CSR policy across operating units. Thus, 36 of the 37 MNCs adopted an efficiency-responsiveness strategy that (purposefully or unintentionally) ignored both the implicit inclusion of their own NC and the exclusion of host-country NC in the development of their CSR policy.

**Universal policy standardized across operating units**

Irrespective of the ignorance of foreign national culture within the policies, participants viewed them as universal standards or cultural absolutes that applied to every worker in every jurisdiction, regardless of culture or context (Table 2). In addition to this, policies were either ‘strongly
recommended’ as a starting point for CSR in different operational locations or a politely worded edict from head office (Table 2).

****Insert Table 2 about here****

The exclusion of host-country NC and the implicit bias to home-country NC in the content of CSR policy was therefore exacerbated by the presentation of them as ‘universal’ and their adoption across all operating units world-wide. By using their hierarchical power as the central controlling unit of the organization (Ghoshal and Bartlett, 1990, Pfeffer, 1992), and tapping into the ‘universal’ paradigm (Clegg et al., 1999), headquarters within these companies were able to enforce a Western, Anglo-Saxon view of CSR throughout their global operations, as enshrined in their global CSR policies. This resulted in policies that did not resemble global standards based on ‘universal’ concerns as was claimed, but Western ideals. The process by which companies developed their CSR policies in part created and reinforced this outcome.

**Developing CSR Policy – Minimal Engagement**

In the process of creating their CSR policies, MNCs employed one of two methods: either they first created a draft which was then taken to stakeholders for review and feedback, or they created the draft in collaboration with their stakeholders. 33 of the 37 MNCs used the first approach, preparing their formal CSR policy in relative isolation (Table 3). In so doing, stakeholder negotiation and collaboration were minimized, resulting in very limited inclusion of local issues in their CSR policy. This is a critical finding given that to realize integrated strategy requires good communication and networking between relevant organizational members, help from other members, team-based decision making, and negotiation of issues to resolve tensions (Bartlett and Ghoshal, 1992, Begley and Boyd, 2003). Instead, it was formulated by senior managers with some
participation by a limited group of employees at different levels within the organization. Very few internal stakeholders were involved in identifying issues and priorities.

****Insert Table 3 about here****

Thus managers clearly utilized ‘best practice’ for creating an integrated strategy by engaging in such things as good communication and networking with organizational members, team decision-making and negotiation to manage expectations and reduce tensions. However, these organizations maintained a narrow definition of ‘organizational member’. As mentioned earlier, this is particularly important when it comes to CSR practices, where ‘organizational member’ is necessarily more broadly defined to incorporate a variety of internal and external stakeholders. Thus, while each company went through some process of communicating their policies and there was evidence of networking or negotiating issues with other senior managers or opinion formers within the business prior to creation of the draft policy, there was no evidence of this being done widely within the business and certainly not being done with key external groups. Therefore, the vast majority of stakeholders, if included at all, were left to comment on drafts instead of influencing content in these 33 MNCs. Clearly, shaping the policy before its sent out not only sends signals to stakeholders about what type of feedback is wanted (i.e. comments on what is already there) but also starts to shape stakeholder expectations about what CSR is meant to be within organizations.

**Developing CSR Policy - A more collaborative approach?**

The remaining four companies started first with their key stakeholders, and worked with them to develop issues and priorities for their CSR policies. One Public Services company was by far the furthest towards collaborative policy development than any other company within the sample,
but a more inclusive approach was also used by three other companies. In using a collaborative approach, they aspired and were some way towards achieving a policy that better integrated the needs of key stakeholders in their CSR policies. What makes these cases interesting is that even though they used best-practice in engaging stakeholders to create integrated CSR policies, the outcome still did not represent that predicted by the literature on integrated strategies. Through a process of negotiation, these companies created a collaborative outcome that instead of representing a blend of global and local cultures and issues, or a locally tailored response to CSR, they in fact created a global standard representing a wider range of interests. Keeping in mind that these types of negotiations often represent only minimum requirements from participating parties (Dickerson and Hagen, 1998), these companies created standards that represented minimum interests of headquarters and selected stakeholders. These standards were then used throughout all operations, regardless of whether representatives from all locations were involved in the policy’s creation.

Therefore, even a collaborative approach to the development of a single CSR standard, while somewhat more representative than those created unilaterally still does not result in what the literature would suggest is the outcome of an integrated strategy as illustrated in Figure 1. To generate these outcomes, the centre (normally headquarters) would need to go through this negotiation process with each local operating unit so as to create something that represents both interests. This is not to say that the collaborative approach to developing policy is not useful, but that it results in a standardized approach utilized across the MNC.

Consistent therefore with an efficiency-responsiveness approach, most MNCs did not work to mitigate the impact a fundamentally UK-based, Western outlook had on policy development, nor did they explicitly adapt to other cultures through such things as including representatives from different countries or communities in the development of their global CSR policy. This was true despite the fact that their CSR policies were to be implemented across all worldwide locations.
Companies who did include a broader range of stakeholders during the initial stages of policy development produced documents also consistent with an efficiency-responsiveness type of strategy, but where the commitments made were relevant to a larger selection of their internal and external stakeholders.

Implementing CSR Policy

Once policies were cascaded to all operating units, local managers were then able, and in some cases encouraged to, adapt the policy to their local context through the practices used during implementation. In this way, local (national) culture became more prominent. The three different types of organizational strategy described by Bartlett & Ghoshal (1998), and Harzing (2000), multidomestic, global, and integrated/ transnational, were used in the implementation stage of CSR activity within the MNCs.

A largely multidomestic strategy was utilized by only one company in the implementation of their CSR policy. This was also the same company that used a multidomestic strategy in their policy development. This Manufacturing company created a global standard which, once ratified by the board, was then cascaded to all operating units. However, in this case, the global standard was minimal and required only loose ties either to the centre or other operating units. Therefore, each location was able to make key decisions about activities and priorities separate from the rest of the organization, and were given authority and control over them. The only centralized process was the self-certification process, where head office collected data on performance against locally determined targets to ensure progress on local commitments.

****Insert Table 4 about here****
Seven companies, however, maintained a global approach during the implementation as well as the development of their CSR policy. They actively searched for elements within their CSR activities that could be considered universal and used these as a basis for their implementation efforts. Natural Resource PLC described these as ‘top line results’ that were not only ‘remarkably similar across cultures’ within their operating groups, but were also in evidence across many MNCs seeking global standards. Along with their five top line results (environmental stewardship, community development, education, welfare, health and safety), MNCs also mentioned bribery and corruption, working conditions and climate change as issues of universal concern across their global operating locations. Often founded on multistakeholder codes such as the Global Compact, UN Declarations and ILO conventions, these companies created their own global standards within the organization. They then demonstrated the importance of applying these standards to everyone within the business.

What comes across very clearly from companies employing a global strategy with regard to their CSR policy is a need to control the activities of the company and its employees. Whether this need led them to use a global approach during implementation is unclear. However, they used ideas already deemed ‘universal’ by key multistakeholder groups and then searched for any additional issues that they believed to be broadly common across all operations, such as health and safety and climate change. They then focused their efforts on implementing these key areas consistently across global locations. Once identified, they used their hierarchical/structural power to enforce implementation, and referred to the universal paradigm to justify chosen activities.

The remaining 30 companies preferred to use an integrated strategy. As with the other two types of CSR internationalization strategy at the implementation level, headquarters developed a standard CSR policy, but in these cases, encouraged local units to shape the particulars to fit local issues and circumstances, and/ or stakeholder concerns. So for instance, one Natural Resources company described how they had an absolute ban on child labour in their CSR policy, but
modified how they planned to deal with its occurrence in South Africa due to the crisis presented by the HIV/AIDS epidemic.

The child labor issue, where we have a blanket ban on it, may be a problem for our supply chain in parts of southern Africa where there’s an increasing proportion of households adolescent headed. Which is to say the least, untidy in this world where you want to have straight-down-the-line rules. And we have not yet been confronted with a definite example of this, but I have asked that people don’t just go ahead and terminate a contract with a contractor if they find that there is a 14-year-old working there, but they actually try and look at it in the round. Don’t say well of course it’s fine because there’s HIV, but you then need to say well is it exploitative if are they being paid properly for the work they do? Is it dangerous or hazardous in anyway? If so that’s absolutely beyond the pale. Are they still getting access to education and if not, how can we help to make sure that happens? Are there other ways in which by working with civil society organizations, we can arrange that there’s support given to the families?

(Executive Vice President External Affairs, Natural Resources)

Modifying practices in this way allowed companies to standardize their CSR efforts, therefore ensuring consistency across their operations, but also allowed them flexibility to attend to areas of exposure within their local operating units but where these changes need not affect policy.

Companies utilizing this integrated approach to implementation are also the companies that regularly top the awards and rankings schemes such as the Business in the Community indexes, the Dow Jones Sustainability and FTSE4Good indexes. They are therefore rewarded for their best practice efforts, many of which relate to their ability to be both globally efficient and responsive to local needs such as an ability to identify core indicators that apply across the business, giving an overall view of ‘performance’. At the same they engage with local communities and marginalized groups to mitigate concerns. Therefore based on the more common concept of efficiency-responsiveness integration held within much of the IM literature (Svensson, 2001, e.g. Begley and Boyd, 2003, Immelt et al., 2009), these companies are performing well and are incentivised as such.
However, based on the second type of integration (interpenetration), where a culturally blended solution is created (Bartlett and Ghoshal, 1998, Ritzer, 2003), we see that in fact power issues are paramount and may call the fundamental premise of this strategy into question. It is clear in the analysis that although operating in a best practice capacity and perhaps in ignorance of the consequences of their actions, these companies regularly supported the existing power structure and Western paradigm enshrined in their policies. Thus, they created the conditions that restrict key CSR issues from making their way into the CSR policy. National culture was largely ignored, with the practical result that actors representing global operating locations or local issues from within those operating areas were often not included in the development of the CSR policy. As such, the cultural differences and local issues that they represent were largely ignored⁴. And while some local tailoring was done at the implementation stage, this is insufficient to create a balance between global and local issues because the power structures and cultural templates (Creed et al., 2002) (Clegg, 2010) that these MNCs used to replicate their standards, worked to reduce the set of issues considered as relevant and legitimate within the strategies. Thus, enacting best-practice integrated strategies did not result in the integration of global-local CSR issues.

DISCUSSION AND CONCLUSION – THE PROBLEM OF BEING ‘INTEGRATED’ IN CSR

Our study highlights a surprising and significant finding. Despite the stated importance of local issues in CSR, the MNCs we researched ignored local culture in the development of their CSR policy, favouring ‘universal’ issues. While for the most part unintentional, these MNCs believed that following best practice on how to achieve integrated internationalization strategies (Harzing, 2000) would lead to win-win solutions on the complex array of CSR issues faced at all levels of the corporation. It was found however that standardizing the CSR policy to ‘universal’ issues in fact led to a marginalization of local issues within policy. Ignoring these issues at the policy level
resulted in an ‘editing of the agenda’ (Lukes, 1974) such that issues not on the policy remained hidden from view and thus not actively managed. All but two of these companies did not recognize that in reflecting ‘universal’ commitments identified by multistakeholder bodies and working to define additional areas of commonality across operating units, they brought their own cultural biases into the process (Clegg et al., 1999).

We surmise that it is the complexity of CSR issues (Blowfield and Frynas, 2005) that drives managers to seek more abstracted, simplified solutions. Subscribing to a ‘universal’ paradigm (Creed et al., 2002) not only required less thought and time from managers but also validated their participation in the CSR agenda. Thus, we suggest that companies prefer efficiency-responsiveness strategies that have ‘universal’ commitments at their core because it simplifies the vast and complex range of issues to be legitimately managed by them.

This finding raises important questions about the conceptual and empirical validity of integrated internationalization strategies. When investigated using CSR issues as the key aspect of internationalization, we find that a global approach results in culturally specific standards relevant to home national culture with some modification in specific areas dependent on invited collaborators. We also find that an integrated approach results in similar policies and processes to a global approach, regardless of the variation of integration used (Figure 2). In essence, this means that MNCs who claim to utilize either an integrated or global approach both create standards which are most appropriate in the home national culture. Following a best-practice approach, standards are then imposed on all operations globally regardless of culture, resulting in concerns over whether they will result in solutions for both global and local issues.

****Insert Figure 2 about here****
One implication of our research is to suggest that we must be cautious in using the term ‘universal’ when referring to global standards. Intentionally or unintentionally, companies use isolationist and collaborative processes to create legitimate accounts (Creed et al., 2002) of global strategies by showing due process and tapping into the universal paradigm which then restricts the participation of others in the policy content, serving to reinforce the existing universal paradigm and underlying power structures (Lukes, 1974). The eventual cascading of this global policy to all local operating units, even with the opportunity to change specific activities in its implementation to meet local interests, does not result in interpenetration (a new or uniquely integrated solution) and the outcome of best-practice integrated approaches to CSR is the same as a global approach. By presenting these strategies as integrated, companies further entrench the power structures and belief in the items as universal. This results from a process that continues to support a largely Western cultural bias, leaving those already in relatively powerful network positions with the ability to select who else becomes a participant in the process. It therefore not only eliminates threats by restricting potential issues before they are voiced in a legitimate forum, but also begins to edit actor desires by making that which is claimed to be universal, more credible to those actors (Lukes, 1974).

The concern with the concept of ‘universal’ is a particularly significant and relevant one when discussing the integration of global and local interests. As Clegg, Ibarra-Colado and Bueno-Rodriquez (1999: 7) succinctly state, ‘any universal gaze of the cultural world must, by definition, be ethnocentric’. The paradox of the universal paradigm is that it must be developed by actors who are themselves embedded in culturally and historically unique circumstances, inevitably creating an ethnocentric result. These actors therefore evaluate the relevance and validity of issues according to the cultural frames from which they originate (Vidaver-Cohen, 1998). In so doing, they implicitly ‘edit the agenda’ based on what is valued within their cultural frame (Lukes, 1974).
According to Clegg et al. (1999), this paradigm has been both created and perpetuated in predominantly Anglo-Saxon cultures. Given that corporations, primarily from Anglo-Saxon countries, are so powerful ‘that their decisions affect the welfare of entire states and nations’ (Stern and Barley, 1996: 147-148), their approach to managing CSR across the business has significant implications for the legitimacy of local issues. Since, global CSR internationalization strategies are very often supported by ‘universal’ CSR standards such as the Global Compact, ILO Conventions, OECD Guidelines etc. (Sethi, 2003, Williams, 2001), commitments made at this broad level may unintentionally raise concerns about the difficulties in creating truly ‘universal’ standards.

This is not to say that global strategies are inherently problematic. They can result in the identification of common issues and important efficiencies in how organizations deal with many issues across their operating locations, CSR included (Rasche, 2009). The concern arises however when global standards are considered to be ‘universal’, because this implies application to everyone or every issue equally. Since this cannot be the case whether negotiated at the highest level within international governments or created for use across a single MNC, we question the universality of global standards, not the legitimacy or usefulness of the standards themselves.

In relation to CSR, an integrated strategy is therefore an insidious version of a global strategy because it masks the use of the universal paradigm within it. ‘Unlike moral colonialism of the past, values are not presented as superior, but as universal, requiring not conversion to an alternative (presumably better) value system, but recognition of universal values’(Widdows, 2007: 306).

Our final point is to question whether integrated strategies are possible even conceptually. They are founded on logic that assumes identifying universal standards is possible, is achieved through robust consensus, and has outcomes that deal with all global and local issues. In fact, as the data demonstrates, what is created is a consensus between certain actors regarding elements that are held in common in certain contexts, at certain times, by the group of people present at the
negotiation. It also demonstrates that a much higher proportion of potential participants are ignored intentionally and unintentionally in this process. The evidence therefore suggests that integrated strategies are nothing more than rebranded global strategies and that global standards are the result of a consensus between particular parties and not the creation of anything universal. Local issues are virtually ignored except at final stage of implementation where only small, specific changes to the standard are tolerated.

In terms of the implications for CSR, the integrated approach continues to mask the networks of power inherent in the relationship between centre and periphery. This is somewhat ironic given that, according to the CSR literature, to be responsible an organization must include and allow the representation of affected parties (e.g. Freeman, 1984, Mitchell et al., 1997, Veser, 2004) in a range of activities such as decision making, policy development, monitoring, verification etc., regardless of their cultural distance from the centre (e.g. Donaldson, 1996, Husted, 2003, Blowfield and Murray, 2007). Global standards with little representation of different cultures, local issues or key stakeholders are insufficient for addressing the wider impacts of the organization and its relationship to society at global and local levels.

Limitations and Future Research

The main limitation of this study is its focus on managers from headquarters locations. This means that other perspectives, such as those of local managers, were not represented. Future research into the perceptions of local managers on the inclusion of local issues into MNC policy would help to extend our understanding of how those representing local issues perceive the use of different internationalization strategies, integrated strategies in particular. Also, explicitly investigating the cognitive processes that managers and other stakeholders go through when issues are presented as universal would help to illuminate why these issues face few challenges in mainstream management. More research is therefore needed to investigate and to inform a
management practice that is truly sensitive to the needs of local stakeholders and reflects the complexity of the CSR agenda.
References


Figure 1 Relationship between IM and CSR Strategies and their outcomes for CSR

<table>
<thead>
<tr>
<th>Pressures on choice of CSR internationalization strategy</th>
<th>CSR internationalization strategies</th>
<th>Variations</th>
<th>Solutions for global-local CSR issues</th>
</tr>
</thead>
</table>

- **Organization’s Internationalization Strategy**
- **CSR Issues**
- **Expectation for Stakeholder Management**

**Global**

**Local (multidomestic)**

**Integrated (transnational)**

- Efficiency-response
- Interpenetration

**Best Practice**

- Universal
- Culturally specific
- Culturally tailored
- Culturally blended

Best Practice

Variations

Solutions for global-local CSR issues
Table 1 Illustrative quotes for the use of efficiency-responsiveness integrated strategies by MNCs in the sample

| Integrated strategies | There are global standards that we have to expect of all our employees regardless of where they are located to adhere to. Things like the online training program for example, we did tailor it to reflect cultural norms in some of our more diverse operating areas. So for example, we had an online training version which was just North American specific. We had a version in fact for the UK which was slightly more nuanced to fit some of the cultural norms and some of the more practical examples were more tailored fit to the North Sea example and we also created a model and a separate program for our South East Asian employees as well. So the core of the program was the same, the policy obviously is the same, but we tried to nuance to reflect not only cultural norms but examples that would resonate more with different operating areas (Vice-President Corporate Affairs, Natural Resources Company). You know, we do have operating companies in Korea, in Turkey, in Taiwan, in Poland and Russia and China and France etc. And really the motivation for [CSR policy] was to provide one, clear definition of what [RT4] believed at a top line, that it wanted to achieve on social and environmental issues. Hence the policy. But then two, we wanted a framework by which the operating companies and sourcing offices are able to progress, at a rate that suits their own development and their own culture (Director of Social Responsibility, Retail). One needs to have an eye on integrating different cultural expectations when one’s operating globally with many different languages and cultures, the whole issue of cultural awareness. Yes it’s fundamental to us, there’s no doubt about that … Our [CSR strategy] is quite specific. For example, we respect the UN Convention on Human Rights. We regard that as being a document in absolute terms. So that means that there are some practices that wouldn’t be acceptable. (Manager Corporate Relations Natural Resources)
| | You know, we do have operating companies in Korea, in Turkey, in Taiwan, in Poland and Russia and China and France etc. And really the motivation for [CSR policy] was to provide one, clear definition of what [RT4] believed at a top line, that it wanted to achieve on social and environmental issues. Hence the policy. But then two, we wanted a framework by which the operating companies and sourcing offices are able to progress, at a rate that suits their own development and their own culture (Director of Social Responsibility, Retail). One needs to have an eye on integrating different cultural expectations when one’s operating globally with many different languages and cultures, the whole issue of cultural awareness. Yes it’s fundamental to us, there’s no doubt about that … Our [CSR strategy] is quite specific. For example, we respect the UN Convention on Human Rights. We regard that as being a document in absolute terms. So that means that there are some practices that wouldn’t be acceptable. (Manager Corporate Relations Natural Resources)
| | Under each section of our code we talk about what we want to do and then we talk about how you actually do it, and obviously [the commitments] need to be unambiguous, so we have very deliberately chosen simple language and put things in a way that all of our employees can understand. We have one single code for everyone around the group. So whether or not you are someone working in this building as an executive or someone who is working seven hours a week in one of our retail stores the same rules apply and the same language applies … we also look at things in that region practically. So for instance we have a rule that we don’t bring any weapons to work. Well in Alaska, apparently people need to carry guns because there are polar bears so that’s something that has to be different in Alaska. So we understand that there are different aspects … so there are ways we have in which to fit the code into the culture of that particular country to really have it meaningful for them (Group Compliance and Ethics Manager, Natural Resources).
| | So, for us, the framework of corporate social responsibility from a PLC perspective was actually something really quite important. And then we said to our local companies look we’ve developed this policy, this is not mandated on you. You might want to develop your own framework. Every single company in the [company] group has adopted the business principles largely written. And there have only been slight variations in the wording to colour for local things. Like in South Africa, we had to put something about black economic empowerment, in Canada we put something about Health Canada and their role. But overall 100% of companies have adopted the group's statement of business principles. (Head of Corporate Social Responsibility, Manufacturing). |
### Table 2 Illustrative quotes on universality of policies and their application worldwide

<table>
<thead>
<tr>
<th>Universal CSR policies</th>
<th>‘a great company must have universal standards of individual and collective behaviour which are applied in every activity everywhere around the world’ (CEO, Natural Resources).</th>
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<tbody>
<tr>
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<td>We do have what we believe are some overarching principles that says, okay, if a culture in a particular part of the world maybe an Eastern European country, if the business is done through some sort of corrupt methods or bribery, well it may be OK in that culture, but I'm sorry that's not the way we work at [Retail PLC]. So, that’s it … there's some top line standards that we would say that would exist in the way that we think and the way we behave. The absolutes. And if you look at our [Retail PLC] code of conduct for factory working conditions for instance, the absolutes would be, if you like nine critical failure points … there are certain things that we would say are important, or we don't believe are right … there are certain things that we say you know, that's just not the way it is and you've got to stop that (Director of Social Responsibility, Retail).</td>
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<td>There are some elements of what we do that are not at all culturally relative, they are culturally absolute. Now a good one, a good example of that is health and safety. Every worker has the right to go to work safely and come home safely everyday. Anything less than that is not good enough. We have a responsibility as a company to ensure that to the greatest extent that we can and so we have a very very strong safety culture and if you visit a [Natural Resources PLC] site anywhere in the world, that speaks any language you like to mention you will find the same safety culture … a person’s right to life is absolute and not relative, human rights are absolute, they are not relative, you know so if they are relative they are meaningless … [others] are obviously around things like environmental stewardship, community development, education, welfare, health and safety and in fact we do a lot of stakeholder research across cultures, and the sort of top line results of that research are remarkably similar. Close to identical actually. (Manager Corporate Responsibility, Natural Resources)</td>
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<td>Policies apply worldwide</td>
<td>So in other words, what we've got is the going back to the basics. Standards of business conduct – mandatory – for everybody who works for [Manufacturing PLC] worldwide … Mandatory for the companies concerned, although we didn't [force them], what we did was we strongly advised them to adopt it and they all did anyway (Head of Corporate Social Responsibility, Manufacturing).</td>
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<td>I mean the issue was that a global corporation had been formed. It was a mixture of companies both Australian, North American, UK businesses, but they were now under one umbrella and companies of course are judged globally so you need to have, you need to set global standards and global approaches because anything less is not good enough. So that’s what the [CSR policy document] does. It sets global approaches. (Manager, Corporate Relations, Natural Resources)</td>
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<td>We have one single code for everyone around the group. So whether or not you are someone working in this building as an executive or someone who is working seven hours a week in one of our retail stores, the same rules apply and the same language applies. (Group Compliance and Ethics Manager, Natural Resources)</td>
</tr>
<tr>
<td><strong>Isolation</strong></td>
<td><strong>Example</strong></td>
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<td>We [small head office team] started from the beginning, first benchmarking what other leading companies were doing in our industry, in our regions. We started looking at what our risks were, what were the concerns, what are areas where we’ve had issues and then we looked at existing policies and [the previous CSR policy] and we said OK we need to incorporate this stuff in it. Then we did a first draft and we had focus groups … 450 people, all levels, all jobs, all languages and we asked them not only to read the code and give us their reaction but also look at the marketing materials and the training materials that we intended to use with the code. Then we began to form other networks of people that we knew we would need to support the code. So we started working with senior leaders, so we had top senior management support from [CEO] and his senior team and we spoke to management teams, we spoke to regional leadership teams, we began to get grass-roots support. Then we formed a compliance and ethics leader network so we had senior level compliance and ethics leaders. These are people in the business who are senior and they are accountable for rolling the code out among their teams and also following the code because they are responsible for other compliance and ethics activities … We also had a period of what we called soft launch. So before we actually launched the code we went around to those functions that we knew would own part of the code like HR, legal, audit, security, [health, safety, and environment] and we did soft launches with them, which is saying ‘oh here’s a draft, we want to talk to you about it and what it means for you in your job in your function, what’s your role, how can you help us – we’re asking for your support’, and that was to get the opinion formers or the people that were going to support this to know what was coming because we didn’t want those people to say when it landed ‘well I know nothing about it, its not mine’, we want them to say ‘oh I know all about it, this is what it means’, and so we were conditioning the market … We only involved internal stakeholders in the development of the code because we feel that that was appropriate. (Group Compliance &amp; Ethics Manager, Natural Resources)</td>
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<td></td>
<td>So it was important to put down on paper what we stood for and what our principles and values and supporting beliefs were and get agreement for that. So that was developed by my team, was brought up through the Senior Exec’s and the Board of Directors and health and safety committee for endorsements (NR6).</td>
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<tr>
<td>Supporting quote</td>
<td>We worked with a number of organizations to make sure that we captured the essence (and they included Amnesty International, Transparency International, UN Commission for Human Rights, a number of NGOs, a number of businesses around the group). We held discussion sessions in different countries. I was involved in one in Australia with a number of organizations, the indigenous human rights community to kind of test the words, test the approach to make sure that we hadn’t missed something. Trade unions we consulted with, all kinds of organizations … and we tried to capture what we thought to be the fundamental elements of such a policy document (Manager Corporate Relations, Natural Resources).</td>
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<tr>
<td>Supporting quote</td>
<td>Was your question who should contribute to [the CSR policy] or who should we consider when writing it? Because we’re considering the customer, we’re considering the staff, we’re considering suppliers, we’re not actually asking for their contributions. That’s the difference, we are writing it from our perspective (Responsible Tourism Manager, Tourism).</td>
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<tr>
<td><strong>Collaboration</strong></td>
<td><strong>Example</strong></td>
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<td>And the way we approached [the sustainable development policy] was to engage in quite a lot of stakeholder engagement so we involved all of our employees at the time … and we also conducted research with customers in the US, and then from the US and the UK point of view of government officials, NGOs, lead investors, institutional investors, individual retail investors, some shareholders, the media, uh a whole raft of people something like 4000 people were involved in the process and we asked two very simple questions … whatever they gave us was an idea of the sort of areas that our stakeholders thought we should be sort of focusing on, but also an idea of where the gap was between their perceptions in terms of how well we should be performing and how we were actually performing … What that gave us was the starting point for [the sustainable development policy]. It started to set out these various areas that we would talk about … What we then did was involved focus groups of employees based in the UK and the US, to actually hone the words down to something that was meaningful. That was something like 14 or 15 focus groups that were run … So that's where that framework comes from (Corporate Responsibility Manager, Public Service).</td>
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<tr>
<td>Supporting quote</td>
<td>What we started to do when we wanted to create a framework was to speak to our stakeholders and find out what they were looking for in terms of some support and direction across [company] (Director of Corporate Responsibility, Retail).</td>
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<tr>
<td>Supporting quote</td>
<td>We had stakeholder involvement through things like MORI polls and focus groups and those sorts of things. We had the unions involved in the development of the plans, we had the key internal and external stakeholders involved in the consultation exercises as we developed them (Director of Corporate Responsibility, Public Service).</td>
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<tr>
<td>Supporting quote</td>
<td>We last year for the first time brought together people from across the stakeholder spectrum. We brought together suppliers, people who were largely involved in our community activities, a couple of representatives from the media acting in just a non-reporting capacity. We brought some major commercial industrial customers and professional representatives groups and some social groups that were represented in organizations like Age concerns or [industry NGO] … So we brought all of them together to talk through our 12 impact areas (Group Customer Service Representative Manager).</td>
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**Table 3 Illustrative quotes demonstrating the process by which CSR policy is formed**
## Illustrative quotes demonstrating type of internationalization strategies used in implementing CSR policy

<table>
<thead>
<tr>
<th>Local/ Multidomestic</th>
<th>What you cannot do is you cannot legislate or regulate from the centre the maximum standards that you require, because it is not possible, even within Europe its not possible … You can lay down a set of aspirational minimum standards and you can insist on your people generally meeting them around the world. Although interesting when we come to talk about experience, you will find that there are certain parts of the world where it is very difficult even to hit minimum standards because it’s just not the business culture of the local business culture if you will. You would think Europe would have a single market. Not at all - absolutely not. The very nature of doing business is somewhat different. The nature of competition for example is different between Germany, France, Italy, Spain … now I defy anybody to draft a set of business regulations that cuts all through those countries. It just it doesn’t make sense and then we haven’t even talked about China.</th>
<th>(SVP Investor Relations, Manufacturing)</th>
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<tbody>
<tr>
<td>Global</td>
<td>The General Manager [of our business in France] thought that in [the CSR policy] is a statement that ‘we support free enterprise as a system best able to contribute to the economic welfare of society, as well as to provide individual liberty’ he said was offensive to his Communist trade unions, and he wasn't prepared to put it out. So in the end, we had to say well actually if you're going to be general manager in [company], this is not a matter of you saying that some people do not agree with it. This is our statement of our values, and that's part of it. So, ultimately, he was bludgeoned into doing so. With what degree of enthusiasm I'm never quite sure.</td>
<td>(Executive Vice President, External Affairs, Natural Resources)</td>
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<td>I mean things like insider trading, bribery, corruption issues, you know we’ve tried to incorporate best practice in those areas and so, for example the corruption area, we have to be compliant with both the Corruption Reform of Public Officials Act in Canada as well as the Foreign Corrupt Practices Act in the US. Those are global standards that we have to expect all of our employees, regardless of where they are located, to adhere to.</td>
<td>(Vice President, Corporate Affairs, Natural Resources)</td>
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<td>This is the first time that it brings all of those policies into one spot, so that employees really have one handy-dandy place to access those policies that have become the code of conduct. We’ve also looked at them with fresh eyes, and given a very minimum standard of conduct around the globe. So for the first time, what is in this document applies to everybody no matter where you work … We’ve said you need to drive this in a way that makes sense for you, so they can customize their marketing materials, their teaching materials, there awareness materials, they could also have discussions about what this particular policy means in their region.</td>
<td>(Group Compliance &amp; Ethics, Natural Resources)</td>
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<tr>
<td>Glocal/ transnational</td>
<td>If the goal were to support economic development, in the US that might be community development consultation where in the UK that might be serving on chambers or committees, or in the US working with government to attract industrial commercial new build, in the UK it may be just serving on committees … We allowed them the differences where possible but still got the fundamentals, and the overall commitment from the company was able to be secured.</td>
<td>(Group Customer Service Representative Manager, Public Service).</td>
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<td></td>
<td>So every single company in the [company] group has adopted the business principles. And there have only been slight variations in the wording to colour for local things. Like in South Africa, we had to put something about black economic empowerment, in Canada we put something about Health Canada and their role. But overall 100% of companies have adopted the group's statement of business principles. And that really is this ((points to hardcopy of CSR policy)) and this is the credo if you like. This is how companies are expected to behave in terms of responsibility. And that's how they'll be judged.</td>
<td>(Head of Corporate Social Responsibility, Manufacturing).</td>
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<td>We have a guideline for gifts and donations that states we do not support religious or sectarian causes so we don’t support construction of churches and religious oriented events. But in South East Asian for example, in Indonesia specifically, in our field operations in Sumatra that’s quite a complicated issue and we’ve had to take a softer approach … because one of the things that are most expected by a community in those areas, because it is a very Muslim area of the country, that you will build Mosques or you will support schools that have a religious connection to them somehow and so we have had to be flexible in terms of that guideline to reflect that in Indonesia that is a reality.</td>
<td>(Vice President, Corporate Affairs, Natural Resources)</td>
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Figure 2 Revised relationship between CSR and IM based on outcomes for CSR
While it is recognized that there are many different categories of companies operating across national and regional boundaries (see Harzing, 2000 for overview), the term MNC will be used in this paper to refer to all types to ease discussion.


One MNC primarily used a multidomestic strategy for managing their CSR activity. Although they did have a policy developed at head office and cascaded to all operating units, these units were capable of and encouraged to reshape the policy to reflect local conditions.

This analysis does not ignore the fact that all actors must be assumed to have an agenda, or certain set of issues they hold dear. Therefore, the question of whether in fact these persons would represent the key issues of a community is important but also outside the scope of this paper. It is assumed that regardless of the agenda, people from global operating locations will have different perspectives of what CSR should mean for the company and the types of issues that need to be addressed within their operating units and local communities.