

# Velkommen BI's Senter for Virksomhetskommunikasjon

Is There Such a Thing as a  
Scandinavian/Nordic CSR Model?

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APELAND



innovasjon  
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## **REPUTATION, RESPONSIBILITY, AND STAKEHOLDER SUPPORT IN SCANDINAVIAN FIRMS: A COMPARATIVE ANALYSIS**



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## Beginning Assumptions

- Scandinavian social institutions promote responsible behavior and ethical climates
- Public expectations are higher
- Scandinavian managers keenly understand value of responsibility in promoting image, building reputation and long-term interests



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## Therefore,

- Studying Scandinavians perceptions of their firms' behavior regarding responsibility should contribute to both scholarship and practice



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## Research Questions

1. Do Scandinavians agree with external observers that firms in their countries demonstrate superior levels of corporate responsibility?
2. Relative to other reputation drivers, to what extent does corporate responsibility predict corporate reputation for the countries in our dataset?
3. To what extent does corporate responsibility predict stakeholder intent in these countries to engage in supportive behavior toward the firm?
4. Are stakeholder perceptions of and responses to corporate responsibility sufficiently similar across Norway, Sweden, and Denmark to justify claims for a monolithic “Scandinavian approach” to CSR?



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## Data

- Firms assessed in each country each year—a total of 581 across all three countries for the 3 years 2010–2012 (176,711 total evaluations).



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## Reputation – RepTrak Pulse

- [Company] is a company that I trust
- [Company] is a company that I admire and respect
- [Company] is a company I have a good feeling about
- [Company] has a good overall reputation



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## Stakeholder Support

- I would say something positive about [Company]
- If I had the opportunity, I would buy the products/ services of [Company]
- I would recommend the products/services of [Company]
- If I had the opportunity, I would invest in [Company]
- If I had the opportunity, I would recommend [Company] as an investment.
- If I had the opportunity, I would work for [COMPANY]
- If [Company] was faced with a product or service problem, I would trust them to do the right thing.



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## Organizational Performance

- **Product/Service Quality:** [Company] offers high quality products and services—It offers excellent products and reliable services.
- **Financial Performance:** [Company] is a high-performing company—it delivers good financial results
- **Innovation Orientation:** [Company] is an innovative company—it makes or sells innovative products or innovates in the way it does business
- **Leadership Practices:** [Company] is a company with strong leadership—it has visible leaders and is managed effectively
- **Governance Procedures:** [Company] is a responsibly-run company—it behaves ethically and is open and transparent in its business dealings
- **Workplace Climate:** [Company] is an appealing place to work—it treats its employees well
- **Citizenship Activities:** [Company] is a good corporate citizen—it supports good causes and protects the environment.



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## Corporate Social Responsibility Index CSRI

- Based on Corporate Social Responsibility Index (CSRI) developed by Reputation Institute and Boston College's Center for Corporate Citizenship
  - **Governance Procedures:** [Company] is a responsibly-run company—it behaves ethically and is open and transparent in its business dealings
  - **Workplace Climate:** [Company] is an appealing place to work—it treats its employees well
  - **Citizenship Activities:** [Company] is a good corporate citizen—it supports good causes and protects the environment.



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## Generated:

- CSRI Country/National Scores
- CSRI Scandinavia



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RQ1: Do Scandinavians agree with external observers that firms in their countries demonstrate superior levels of corporate responsibility?

- Excellent: greater than 75
- Strong/robust: 66-75
- Average/moderate: 56-65
- Weak/vulnerable: 45-55
- Poor: less than 45



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	CSRI 2010 Mean	CSRI 2011 Mean	CSRI 2012 Mean	CSRI 2010-2012 Mean	Minimum	Maximum
Norway	60.8	60.5	65.9	62.4	37.0	82.0
Denmark	62.7	62.7	59.1	61.5	36.0	83.0
Sweden	61.4	62.8	58.1	60.7	16.0	78.0

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RQ2: Relative to other reputation drivers, to what extent does corporate responsibility predict corporate reputation for the countries in our dataset?

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	Year	Work-place	Govern-ance	Citizen-ship	CSRI Weight	Products/ Services	Innovation	Leadership	Financial Performance
Norway	2010	10.2	14.9	12.1	37.2	26.6	11.4	15.7	9.2
	2011	10.8	15.1	12.3	38.2	24.2	11.6	16.1	9.9
	2012	13.0	17.2	13.1	43.3	20.9	12.0	13.2	10.7
2010-2012 Mean Driver Weights-Norway		11.3	15.7	12.5	39.5	23.9	11.7	15.0	9.9
	Year	Work-place	Govern-ance	Citizen-ship	CSRI Weight	Products Services	Innovation	Leadership	Financial Performance
Denmark	2010	9.8	15.6	13.7	39.1	25.7	10.7	15.5	9.0
	2011	11.0	14.7	13.9	39.6	23.3	11.1	15.8	10.1
	2012	11.9	17.3	14.9	44.1	21.2	9.9	12.5	12.3
2010-2012 Mean Driver Weights-Denmark		10.9	15.9	14.2	41	23.4	10.5	14.6	10.5
	Year	Work-place	Govern-ance	Citizen-ship	CSRI Weight	Products Services	Innovation	Leadership	Financial Performance
Sweden	2010	10.7	15.3	15.3	41.3	27.0	11.2	13.8	6.8
	2011	11.0	14.2	14.0	39.2	24.8	11.6	15.4	9.0
	2012	11.5	15.3	14.5	41.3	21.3	13.6	12.0	11.9
2010-2012 Mean Driver Weights -Sweden		11.1	14.9	14.6	40.6	24.4	12.1	13.7	8.2
ALL	2010-2012 Mean	11.1	15.5	13.8	40.4	23.9	11.4	14.4	9.5



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	Year	Workplace	Governance	Citizenship	CSRI Weight
Norway	2010	10.2	14.9	12.1	37.2
	2011	10.8	15.1	12.3	38.2
	2012	13.0	17.2	13.1	43.3
2010-2012 Mean Driver Weights-Norway		11.3	15.7	12.5	39.5
	Year	Workplace	Governance	Citizenship	CSRI Weight
Denmark	2010	9.8	15.6	13.7	39.1
	2011	11.0	14.7	13.9	39.6
	2012	11.9	17.3	14.9	44.1
2010-2012 Mean Driver Weights-Denmark		10.9	15.9	14.2	41
	Year	Workplace	Governance	Citizenship	CSRI Weight
Sweden	2010	10.7	15.3	15.3	41.3
	2011	11.0	14.2	14.0	39.2
	2012	11.5	15.3	14.5	41.3
2010-2012 Mean Driver Weights -Sweden		11.1	14.9	14.6	40.6
ALL	2010-2012 Mean	11.1	15.5	13.8	40.4





RQ3: To what extent does corporate responsibility predict stakeholder intent in these countries to engage in supportive behavior toward the firm?

Multiple regression: organizational process variables and stakeholder support

Independent variables	$\beta$	Sig.
Products/services	-.002	.975
Leadership	.002	.970
Financial Performance	.009	.873
CSR Index	.725**	.000

**Only the CSR Index emerged as a significant predictor of stakeholder support.**



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## Correlations with Stakeholder Behavior

Stakeholder Support	Norway 2010-2012 N=164		Denmark 2010-2012 N=192		Sweden 2010-2012 N=121	
	Mean (SD)	(r) CSRI	Mean (SD)	(r) CSRI	Mean (SD)	(r) CSRI
Would trust the company to do the right thing if faced with a problem.	66.06 (8.30)	.719**	61.24 (11.73)	.907**	60.67 (11.30)	.526**
Would recommend the company's products/services to others	66.79 (9.91)	.870**	59.03 (13.45)	.844**	59.31 (13.12)	.501**
Would say something positive about the company.	67.90 (8.93)	.708**	62.23 (11.79)	.878**	61.23 (11.48)	.476**
Would recommend the company as an investment	56.25 (9.58)	.573**	44.29 (14.90)	.822**	48.44 (10.88)	.490**
Would invest in the company, given the opportunity.	53.43 (9.83)	.541**	42.38 (15.47)	.814**	46.88 (10.81)	.489**
Would work for the company, given the opportunity.	48.54 (9.21)	.516**	43.10 (14.20)	.835**	51.93 (10.74)	.474**
Would buy the company's products or services.	67.87 (10.43)	.506**	60.09 (13.49)	.801**	59.67 (13.54)	.498**



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- Across all three countries
  - Most strongly with ‘trust the company to do the right thing if faced with a problem’ and ‘recommend products and services’
  - Markedly weaker predictor of investment intent, employment intent and purchase intent



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## Supportive Behavior

Rating company	RepTrak Pulse	Workplace	Citizenship	Governance	CSRIndex	Trust	Say something positive	Buy	Recommend products/services	Invest	Recommend as Investment	Work for	Hear people say positive things	Benefit of the doubt	Recommend company to others
<b>Storberg</b>	81.45	82.04	81.93	83.12	83.76	80.24	83.46	83.50	81.89	66.21	71.88	62.19	85.14	77.43	81.53
<b>Toyota</b>	81.13	81.56	75.10	81.45	79.37	80.57	79.10	74.75	77.76	66.30	69.26	55.61	82.16	77.14	75.67
<b>Q-meieriene</b>	80.18	72.92	78.49	75.51	75.64	75.29	79.85	83.45	78.10	65.58	69.48	51.19	80.68	73.32	81.07
<b>Microsoft</b>	79.71	79.97	76.76	76.05	77.59	80.97	82.86	83.61	83.51	54.43	60.02	48.03	77.91	74.44	81.93
<b>Norwegian</b>	79.06	68.65	72.12	70.83	70.54	69.43	71.96	61.11	68.80	52.00	57.36	51.31	71.70	69.17	72.16
<b>Rema 1000</b>	78.15	79.35	72.50	78.17	76.67	77.21	79.24	83.19	82.29	67.61	72.47	62.48	78.03	72.64	80.70
<b>IKEA</b>	78.07	71.32	70.94	71.70	71.32	69.53	74.74	76.67	74.25	55.59	59.64	43.10	73.44	70.34	72.78
<b>Skandiabanken</b>	78.00	67.92	68.43	75.44	70.60	68.95	70.80	73.37	72.51	50.29	54.34	49.48	68.06	67.65	71.26
<b>Flytoget</b>	77.60	76.47	73.95	78.45	76.29	73.53	79.31	81.65	79.56	63.89	70.13	57.35	77.29	72.55	81.18



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## RQ4: Is There a Scandinavian Approach?

- Differences on country CSRI Indices
  - Only significant differences between Norwegian and Swedish respondents
  - No significant differences between Norwegian and Danish respondents or Swedish and Danish respondents



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## Country differences on each CSRI dimension

- Norway significantly different from Sweden and Denmark and on all three dimensions:
  - Citizenship
  - Workplace
  - Governance
- Denmark significantly different from Sweden on Workplace



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## Differences in Responsibility-Reputation Relationship

- Relationship weakest in Norway (.632)
- Strongest in Denmark (.903)
- Norwegians have most positive view of their firms' CSR performance, but see CSR as less important reputation driver than Swedes and Danes



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## Differences in Stakeholder Support Relationship

- Corporate responsibility has greatest effect in Denmark
- Weakest effect among Swedes



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## Conclusion

- Differences are sufficient to challenge assumption of a monolithic Scandinavian approach to CSR.



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Next challenge:  
What does this mean for  
communication?



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- For a majority of firms their primary stated motive for engaging in CSR is to build reputation and brand (Gjølberg 2011, Brønn and Vidaver-Cohen 2009).
- This has resulted in newspaper headlines stating that firms are engaged in CSR initiatives for PR reasons (Nordby, *Aftenposten* 2012)
- Implication is that 'PR' can fool people into thinking firms are responsible



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- CSR important for and contributes to building reputation and stimulating stakeholder support – talking about organizational survival
- But people must be aware of what firms are doing
- The public and the media will not let firms get away with 'image' manipulation



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