

Beginning Assumptions

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



Therefore,

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





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).





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.





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-perform ing 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
 husiness
- 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.





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





| | CSRI 2010 Mean | CSRI 2011 Mean | CSRI 2012 Mean | CSRI 2010- 2012 Mean | Minimum | Maxi mum |
|---------------------|----------------------|----------------------|----------------------|----------------------------|--------------|-------------|
| 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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| | Year | Work- place | Gover- nance | Citizen- ship | CSRI Weight | Products/ Services | Innovation | Leadership | Financial Performance |
|----------------------------------|-----------------------|----------------|-----------------|------------------|----------------|-----------------------|------------|------------|--------------------------|
| | 2010 | 10.2 | 14.9 | 12.1 | 37.2 | 26.6 | 11.4 | 15.7 | 9.2 |
| Norway | 2010 | 10.2 | 15.1 | 12.3 | 38.2 | 24.2 | 11.6 | 16.1 | 9.9 |
| Horway | 2012 | 13.0 | 17.2 | 13.1 | 43.3 | 20.9 | 12.0 | 13.2 | 10.7 |
| 2010-2012 Oriver We Norway | | 11.3 | 15.7 | 12.5 | 39.5 | 23.9 | 11.7 | 15.0 | 9.9 |
| | Year | Work- place | Gover- nance | Citizen- ship | CSRI Weight | Products Services | Innovation | Leadership | Financial Performance |
| | 2010 | 9.8 | 15.6 | 13.7 | 39.1 | 25.7 | 10.7 | 15.5 | 9.0 |
| Denmark | 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 |
| 010-2012 Priver We Penmark | | 10.9 | 15.9 | 14.2 | 41 | 23.4 | 10.5 | 14.6 | 10.5 |
| | Year | Work- place | Gover- nance | Citizen- ship | CSRI Weight | Products Services | Innovation | Leadership | Financial Performance |
| | 2010 | 10.7 | 15.3 | 15.3 | 41.3 | 27.0 | 11.2 | 13.8 | 6.8 |
| Sweden | 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 Driver We Sweden | ights - | 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 |

| | Year | Workplace | Governance | Citizenship | CSRI Weight |
|---|-------------|-----------|------------|-------------|----------------|
| | 2010 | 10.2 | 14.9 | 12.1 | 37.2 |
| Norway | 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 |
| | | | | | CSRI |
| | Year | Workplace | Governance | Citizenship | |
| | 2010 | 9.8 | 15.6 | 13.7 | 39.1 |
| Denmark | 2011 | 11.0 | 14.7 | 13.9 | 39.6 |
| | 2012 | 11.9 | 17.3 | 14.9 | 44.1 |
| 2010-2012 N | lean Driver | | | | |
| Weights- | | 10.9 | 15.9 | 14.2 | 41 |
| Denmark | | | | | |
| | | | | | CSRI |
| | Year | Workplace | Governance | Citizenship | |
| | 2010 | 10.7 | 15.3 | 15.3 | 41.3 |
| Sweden | 2011 | 11.0 | 14.2 | 14.0 | 39.2 |
| | 2012 | 11.5 | 15.3 | 14.5 | 41.3 |
| 2010-2012 N | | | | | |
| Weights -Sweden | | 11.1 | 14.9 | 14.6 | 40.6 |
| | 2010- | | | | |
| ALL | 2012 | 11.1 | 15.5 | 13.8 | 40.4 |
| | Mean | | | | |

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 | β | 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.

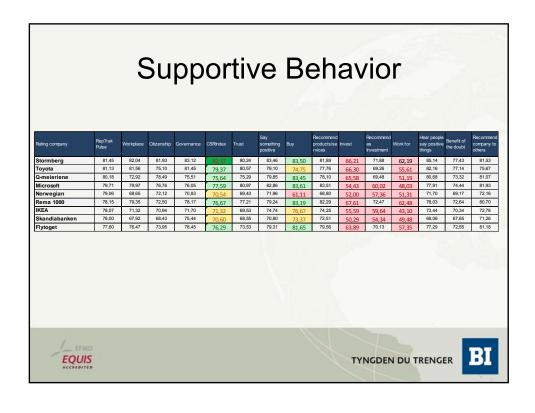


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Correlations with Stakeholder Behavior Norway 2010-2012 **Stakeholder Support** Mean (SD) (r) CSRI (r) CSRI (r) CSRI Mean (SD) (SD) Would trust the company to do .719** the right thing if faced with a .907** .526** (11.73) (8.30)(11.30)problem. Would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





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





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

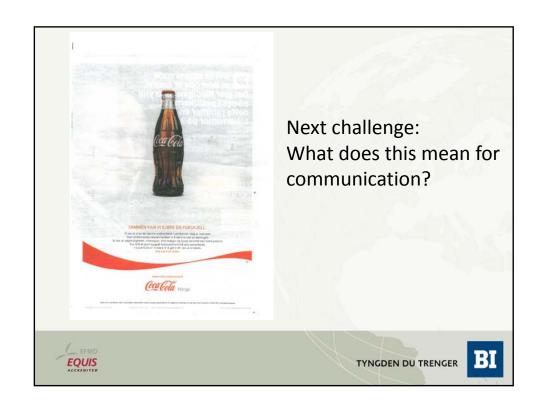
- Corporate responsibility has greatest effect in Denmark
- · Weakest effect among Swedes





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

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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 stiumulating 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



