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Are not multinationals also community actors? Challenging the  
notion of small versus large firm corporate social responsibility

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### Abstract

Corporate social responsibility (CSR) has risen as an important concept and research topic in the study of business. Likewise, the subject increasingly receives attention in terms of public debate. The aim of this paper is to contribute to the development and understanding of CSR by commenting on two interrelated characteristics of current literature. The first one concerns a tendency in discourses to portray CSR as equal to the societal activities displayed by and demanded from large, multinational firms. The second one concerns an increasing focus on and description of “small firm CSR” in research. We posit that these two characteristics imply a limited approach to the meaning of CSR and an unjust distinction of CSR activities based on firm size. We argue that such a dichotomization runs the risk of stimulating an un-nuanced CSR discourse.

Adhering to the notion that CSR will automatically be different in companies depending on their size implies that the understanding of CSR in different environments can come to vary significantly. This suggests, further, that there will be varying expectations on and, thus, assessment and acknowledgement of CSR in different firms. Not only can this result in restrained motivation among firms to engage in a wide variety of CSR, but it also draw attention to the question of whether it is acceptable or feasible to treat groups of firms differently when it comes to CSR.

Based on research that focuses on the meaning of CSR and the theoretical underpinnings of such activities, we conclude that firm size should not be a feasible main criterion when trying to understand or predict CSR behaviour. By introducing examples of far-reaching CSR activities in the small business community and local initiatives by large firms, we also show that the clear distinctions suggested by the current discourse do not appear in practice. We elaborate on how

additional firm features and contextual characteristics can be considered for explaining the CSR approach in any company. Local embeddedness and the importance of individual motivation are examples of issues that appear to explain a firm's CSR activities and characteristics, regardless of firm size. The paper concludes by articulating a number of propositions. These are presented as a basis for research to further understand how CSR activities relate to various organizational and operational features.

Key words: CSR, SME, small firm CSR, multinationals

Are not multinationals also community actors? Challenging the  
notion of a small versus large firm corporate social responsibility

Corporate social responsibility has risen as an important concept and research topic in the study of organizations (E.g. Moir, 2001; Lindkvist and Llewellyn, 2003; Margolis and Walsh, 2003; Valor, 2005). Since the 1990s, the concept likewise has gained increased focus among practitioners and in daily press (Buhr and Grafström, 2004). This paper adopts a working definition of CSR inspired by Davis (1973 p. 312) who specifies CSR as a company's concern for "*issues beyond the narrow economic, technical, and legal requirements of the firm*". That is, CSR is here seen to involve a company's commitment and contribution to societal issues, which do not necessarily relate directly to the company's daily operations but derive from its affect on or exchange with society.

This paper comments on the two following interrelated characteristics of current literature: (1) a tendency in discourses to portray CSR as equal to the societal activities displayed by and demanded from large, multinational firms; and (2) an increasing focus on and description of small firms' CSR in research. While the intensified attention to the subject in general and inclusion of different types of firms (big as well as small firms) in the debate is highly commended, recent contributions reveal a movement to distinguish different kinds of CSR depending on, primarily, firm size. In contrast to such a distinction, the theoretical frameworks used to explain the occurrence and logic of CSR are general in kind and applicable to firms of all sizes. The distinction of a small versus large firm CSR, is therefore not primarily explained by theory. Many additional perspectives can characterize a firm, such as local or global reach, consumer or business orientation, corporate governance or ownership structures, vertical integration or interdependence, type of industry, and single or multiple localizations. These

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features might also have explanatory powers for the choice and ways to adopt CSR in a company.

So far, the CSR literature is not grasping the variation and complexity of such activities. While researchers identify the local corporate responsibility in small firms there is little evidence that large firms are not involved in or cannot benefit from such activities. Likewise, limited discussion exists on how small firms adopt or might further adopt the type of CSR we normally focus on in large firms. By and large, research therefore overlooks the fact that one form of CSR activity does not prevent other forms. A firm using cause-related marketing with focus on global environmental issues might, for example, also be active as sponsor to a local youth center or ice-hockey team.

In all, we posit that the CSR discourse runs a risk of becoming un-nuanced and limited due to its tendency to describe and evaluate companies' CSR-activities based on firm size. In order to fully comprehend the phenomenon it is necessary to explore the width of corporate responsibility and adopt the same theoretical perspectives, in both large and small firms. Comparative studies, applying the same theoretical framework to large and small firms, are scarce. In fact, researchers rarely use the same theoretical framework to analyze CSR in small and large firms.

With reference to the above observations the purpose of this article is twofold. First, it highlights the dichotomization of small firm versus large firm CSR in contemporary literature. Second, by introducing examples of CSR in small as well as large firms, it reveals how other dimensions than size can be relevant for our understanding and assessment of CSR activities.

Below we focus on the definition of CSR and three recurring theoretical perspectives thought to explain the logic behind the CSR phenomenon. Empirical illustrations that challenge  
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the distinction of small versus large firm CSR are introduced. In light of these illustrations, the concluding section elaborates on a CSR logic beyond firm size and presents propositions to aid the progress of CSR research.

### Approaching the CSR concept

An overview of literature shows how a number of similar concepts, closely related to CSR, are used such as: societal marketing; corporate citizenship, corporate social performance (CSP), and corporate philanthropy. These concepts are interrelated and overlapping, making it problematic to clearly distinguish between them (e.g. Waddock, 2004). Authors use different terms in different papers and, also, different terms in the same paper (Valor, 2005).

The development of CSR as a management concept originates from philanthropy efforts that primarily large firms are known to undertake (Jenkins, 2004). From this assumption it is not surprising that the discussion is dominated by large corporations. The concept was primarily developed in the 20th century (Carroll, 1999) when authors early on refer to companies' public responsibility (e.g. Ackerman, 1975; Carroll, 1979; Davis, 1973; Preston & Post, 1975). There is no unanimous notion about what kind of actions CSR represents. Attempts are made, though, to define the boundaries and kind of responsibilities it concerns. Carroll (1999) divides companies' social responsibilities into economic, legal, ethical, and philanthropic. Lantos (2002) narrows down CSR to ethical, altruistic, and strategic responsibility. Both imply that a firm alluding to CSR will strive to meet expectations of different stakeholders by paying bills, making a profit, behaving according to the ruling norms, which define appropriate behavior, meeting consumption needs, avoiding harm and injuries to any groups that are directly or indirectly affected by the company's operations, caring for the employees and being involved in the betterment of the society. All in all, these descriptions of CSR shows that it is not simply seen as

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activities bounded by the firm's core operations, but also as something reaching beyond business objectives and benefits.

Wood (1991) further distinguishes the nature of CSR by referring to the interwoven nature of businesses and society; arguing that society's expectations on the conduct and outcome of firms emerge on three levels. *The institutional level* includes expectations on all firms as economic institutions; *the firm level* includes expectations on specific firms due to, for example, what they produce; and, *the individual level* includes expectations on managers and others within a firm to be moral actors.

#### Debate dominated by large firm global citizenship

The European Commission explains CSR as: “...*a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing “more” into human capital, the environment and the relations with stakeholders*” (Commission of the European Communities, 2001). CSR is presented as a comprehensive set of activities ranging between such contrasts as inside *and* outside the firm, and care for the local community *and* the world. We observe, however, that the debate referring specifically to CSR often adopts a global community perspective.

Medias' attention to CSR, appears to be guided by what large, Western, often listed firms display as CSR through homepages and annual reports. Descriptions, discussions, and evaluations of whether firms behave socially responsible often focus on large companies and are characterized by their commitment to human rights issues, child labour, environmental responsibilities and correct treatment of less developed countries. Contrary to the above-

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presented definition from the European Union it seems that public evaluations and structured presentations of CSR by large firms rarely cover a local stakeholder perspective or the human capital involved in operations.

The public media debate on CSR is mirrored in the academic context, i.e. the discourse is based on large firm research (E.g. Castka et al., 2004; Lepoutre and Heene, 2006; Worthington et al., 2006). Large well-known companies are repeatedly referred to in a manner suggesting examples of best practice of socially responsible corporate behavior. Dennis et al. (1998a) provide the story of Body Shop and also refer to the activities of Ben & Jerry's Inc. (Dennis et al., 1998b). In the introduction to a special topic forum focused on corporations as social change agents, Bies et al. (2007) refer to firms such as Ford Motor Company, United Parcel Services, BankBoston's Community Banking Group, McDonald's and Bank of America. The Chiquita Company is used as example of social responsible actions by Aguilera et al. (2007). These articles primarily explain CSR through efforts where the stakeholder or beneficiaries are nationwide or even globally located. The activities range from great donations to reduce violence against women, improving national health, reducing poverty or preventing global environment deterioration. The explicit choice to focus on large firms as opposed to small (e.g. Juholin, 2004) implies a notion that firm size is an important variable for CSR practices. Likewise, the focus on large firms and a particular kind of CSR activities in such firms contributes to a limited idea of what CSR represents.

In contrast, the following paragraphs highlight how CSR has been portrayed in small business contexts.

#### Research on small firms and CSR

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Small and medium-sized firms (SMEs) represent a large part of the world economy and consequently play an important role for societal and environmental concerns. This impact, though, has been highly marginalized in the debate on corporate responsibility (Schoenberger-Orgad and McKie, 2005; Lepoutre and Heene, 2006; Roberts et al., 2006; Worthington, Ram et al., 2006). Jenkins (2004) criticizes the lack of SME representation in the CSR discourse and literature; explaining how it assumes that large firms are the norm. She insists that we need to develop particular CSR strategies for SMEs, taking into account the heterogeneity among them as well as their difference from large firms. The article *argues for the development of a new interpretation of CSR more relevant to SMEs* (Jenkins, 2004 p. 38). In line with this critique, increased research attention is paid to the performance and involvement of SMEs in CSR (Jenkins, 2006; Murillo & Lozano, 2006; Worthington, Ram et al., 2006). An indication of the acceptance of the topic as relevant is the special issue presented in Journal of Business Ethics during 2006.

Writers in the field typically argue that the notion of CSR should be broadened based on the type of corporate responsibility that small firms display and how they define such responsibility (e.g. Catska, Balzarova, Bamber & Sharp, 2004; Roberts et al. 2006). They conclude that small firms experience additional sides of CSR than those normally considered in the current debate. Rather than a pure focus on human misery or a global context, the corporate responsibility among the researched companies also reflect sponsoring of local events and organizations, employee satisfaction and health (e.g. Jenkins, 2006; Perrini, 2006; Worthington et al., 2006). Asking small firm representatives to define corporate responsibility, Roberts et al. (2006 p. 281) find wide interpretations of the concept. Examples range from strategic and non-local aspects, like doing business with respect to environmental issues, ensuring supply chain

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ethics and a means for differentiating the brand, to local issues like sourcing in the community, maintaining good relationships with local actors and looking after employees.

One explanation for the interest among researchers and politicians to understand smaller firms' relationship to socially responsible business management is the potential civic benefits of engaging these firms further in CSR (Worthington, Ram et al., 2006). This argument suggests that small firms in general are not already active in CSR. However, as Worthington et al. (2006) point out, small firms do lots of things that might well be considered as CSR. Roberts et al. (2006) further raise important questions concerning the reported limitations of CSR in smaller firms. One point being that the language used for surveys and in accounts given about corporate action does not depict fully the CSR activities. That is, these firms do not necessarily refer to corporate actions as CSR (Roberts, Lawson et al., 2006).

Small business literature offers explanations for why smaller enterprises should be good at managing CSR, but also for why they should be worse off on the subject. One perspective is that SMEs are less interested in social issues and that their abilities to identify and manage such actions are low (Lepoutre and Heene, 2006). Small firms are also held to be content with merely surviving and thus are not interested in making an impact in its surroundings (Baker, 2003, cited in Jenkins, 2006). Further, research suggests that they will be less proactive in terms of CSR but demand experts or government to guide their actions (Tilley, 2000). It is also argued that the private ownership structure and relative public invisibility of most small firms makes it possible for managers not to care specifically about the firm's impact on society at large. Arguments in favor of SMEs' CSR engagement include notes on their flexibility. One suggestion is that small firms, due to a less complicated organization and owner structure, can respond quicker to demands and norms in media and society (Sarbutts, 2003).

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## Theories to understand CSR

Many authors have attempted to explain the reasons for and growing focus on *socially responsible corporate behavior* (Campbell, 2007). In an attempt to distinguish of what and for what the CSR trend consists, Sahlin-Andersson (2006) argues that CSR can be interpreted as the development of regulatory frameworks, mobilization of corporate actors or a management trend. Regardless of which of these perspectives one adheres to, *stakeholder*, *social contract* and *legitimacy theory* are examples of basic arguments to explain CSR activities in organizations (Moir, 2001). Below these theoretical perspectives are introduced.

### *CSR as a response to stakeholder relationships*

Stakeholder theory encompasses the idea that firms can be seen as systems whose survival depends on their ability to satisfy a particular set of audiences. These audiences are referred to as stakeholders which can be identified by their “*ownership, rights, or interests in a corporation and its activities, past, present, or future. Such claimed rights or interests are the results of transactions with, or actions taken by, the corporation*” (Clarkson, 1995 p. 106). In sum, stakeholder theory is concerned with groups of people that are not too distant for a company. It relies on the idea that there are ties between the actions of the firm on the situation of the stakeholder, or, the actions of the stakeholder on the situation of the firm.

Two questions related to CSR are which stakeholders a company should take into consideration and, for which issues and to whom a company should be held accountable. Maignan and Ferrell (2001) suggest that *stakeholder management* offers a clear definition of which groups’ prosperity a company should keep in mind when deciding on what actions to take and strategies to pursue.

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Nobel Prize winner Milton Friedman is a common denominator for authors contrasting between a focus on the owners or multiple stakeholder groups, as a firm's primary concern (e.g. Collins, 1993; Clarkson, 1995; Carroll, 1999; Crane and Desmond, 2002; Hemphill, 2004). Friedman's proposal is that corporations are separated from society and should primarily care for the owners' or shareholders' wishes, which for the most part means increasing their wealth. Collins (1993 p. 48) calls this a "*too shortsighted approach considering the complexity of today's marketing environment*". According to Hemphill (1997 p. 53), *stakeholder capitalism* is the term used for an idea that firms should "*balance the legitimate claims of all seven constituent groups that have an interest ("stake") in or relationship with the firm*". These seven groups are customers, employees, financiers, suppliers, communities, society at large, and shareholders. Clarkson (1995) suggests that a firm will only prosper if it is able to provide all primary stakeholders with wealth and value (as opposed to only providing value to the owners).

Related to CSR, stakeholder theory points out that corporations and their stakeholders must exist in alignment to provide wealth for all parties. Halal (2000) describes this as the *corporate community*, a third alternative where stakeholders work together with companies in order to enhance value for all parties, meaning that there is no one-way giving or taking. However, stakeholder groups impose different power, legitimacy, and urgency, in relation to firms (Mitchell et al., 1997). Consequently, the *saliency* of stakeholder groups will differ and hence they will be paid varying attention. Applying this perspective to CSR it indicates that such activities will not be generally applied towards all stakeholder groups but instead guided by how important each group is to the company at a certain point in time (Moir, 2001).

*CSR as the result of social contracts*

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Social contract theory is based on the idea that society resides on a number of social contracts which are held between different groups in society and society itself. These contracts are implicit in kind and assume that social norms guide how we behave (Macneil, 1980 cited in Milne and Gordon, 1993).

Moir (2001) suggests that one reason for firms to engage in CSR activities is that it is expected from society and the company believes that it should take such actions, i.e. social contracts. CSR then is an indication of the firm's adaptation to societal norms and the "*macrosocial contracts*" (Donaldson & Dunfee, 1999, cited in Moir, 2001) existing between a firm and its surrounding community.

Strong similarities to social contract theory can be found in elaborations focused on other concepts, though. For example, *social norms* and the impact of *community factors* on CSR have been discussed by Marquis et al. (2007). They maintain that management must continuously track local norms and social systems in order to conduct CSR at a level and in a form that suits the surrounding community. More formalized social contracts are exemplified by the focus on *certified management standards*, which Terlaak (2007) stress related to companies' social actions.

#### *CSR as a form of legitimization*

The basis for legitimacy theory can be found in the explanation of legitimacy as "*a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions*" (Suchman, 1995). Legitimacy, thus refers to types of behavior and, according to Suchman (1995), indicates a general acceptance for this in a group of people even though single individuals in that group might have an alternative opinion. For the individual company, [Insert Running title of <72 characters]

legitimacy implies that the surrounding society accepts the company and its operations as something that is acceptable or appropriate for that context. Examples of the positive outcomes of legitimacy for a company are that, for example, it renders *persistence* since people are likely to provide resources to the company, *support* since people either do not question, or do actively support, the firm's activities (Suchman, 1995).

Suchman (1995) further identifies three types of legitimacy which have been discussed in theory, i.e. *pragmatic* (legitimacy based on the evaluating party's self interest), *moral* (legitimacy based on what is perceived as "the right thing to do" rather than what benefits the evaluating group) and *cognitive* (legitimacy based on what the audience perceives as necessary and thus take for granted regardless of positive or negative ideas about it, i.e. it is "*based on cognition rather than interest or evaluation*").

Through legitimacy theory, CSR activities can be interpreted as a firm's attempts to gain, improve or maintain legitimacy (Moir, 2001). Although, firms can take action to legitimate their businesses, it can also be the case that society grants firms legitimacy and power under the assumption that they will act responsibly and in a way that is beneficial for society (Moir, 2001). If, then, companies do not behave in the "right" way, they will eventually lose this legitimacy (Davis, 1973). That is, legitimacy fundamentally might be discussed from two perspectives, i.e. either gaining, or maintaining it. When including this discussion the idea of legitimacy closely resembles the ideas on social contracts (Moir, 2001) and, hence, further indicates that it might be hard to distinguish between different objectives for and reasons behind CSR activities.

#### CSR – beyond firm size

Neither the elaborations on what CSR means, nor the above-presented theories provide support for the current dichotomization of CSR based on firm size. All firms have economic,  
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legal, and ethical responsibilities. All firms have stakeholders with whom they have social contracts and, all firms have to act in a legitimate way. Stakeholder theory was developed primarily for large firms but is applicable to all firms (Jenkins, 2004). It clearly acknowledges the multitude of groups and individuals who can be important to a company, at various levels and in different situations. Still, the CSR discourse has mainly limited its analyses of stakeholders to a perspective where large firm CSR is explained by the national and international stakeholder.

The entwinement of business with society that Wood (1991) defines gives another indication that size will not dismiss certain CSR from a firm. This is particularly clear when considering the pressures on *individual level*. Managers will experience expectations on their personal as well as the organizations' behavior regardless of size.

Large companies are often more diversified and work according to other organizational structures than SMEs do. In SMEs most employees are well familiar with the core business of the company, which is not the case in large firms. CSR activities in the large firm are often conducted by certain departments, such as the accounting department or the marketing department. While, in the small or medium sized firm, this type of activities are embedded in everyday life, mainly because there are no large departments responsible for accounting and marketing. The decision making process looks simply different depending on the structure of the firm. But, it does not mean that the activities are not taking place.

The idea that size should play a decisive role for the activities which can be seen as CSR can be contrasted with other analyses of CSR where firms are not segmented based on their size but instead the context they are in, e.g. business to business or business to consumer activities; are centered in the developing or industrialized world, or a particular country. One assumption is [Insert Running title of <72 characters]

that firms who are active in the same or similar industries will experience particular pressure depending on the nature of business focused on in that industry. For example, firms in an industry that relies heavily on chemical ingredients are likely to experience extra evaluation and pressure concerning working conditions and effects on the environment, regardless of size. One stream of literature stress that family firms, due to their special ownership structure, might have particular opportunities or relationships to corporate social responsibility (e.g. Déniz Déniz and Cabrera Suárez, 2005; Dyer and Whetten, 2006; Wiklund, 2006). The nature of ownership or corporate governance could, thus, be another base for structuring the discussion, understanding and theory of CSR.

Each firm is a unique case, embedded in its own social contexts. Thus, to give meaning in the individual firm, the theories have to be adapted to the situation at hand. The hierarchy of stakeholders is not static, though. In any given situation, the priority given to one stakeholder (group) can vary. The generalization of stakeholder theory in CSR is hence difficult. The same problem occurs when adapting the perspectives of legitimacy or social contracts. The social contracts 'held' by a firm, has to be understood related to the social embeddedness of each firm. Firms' associations to different global or national contexts are emphasized by Aguilera et al. (2007). Likewise, stakeholder theory and the notion of organizational roles suggest that firms will normally be positioned to various local contexts as well. The nature of current business and markets implies that firms are inevitably part of both their local as well as the general global context. With regards to discussion of multiple stakeholders, the core of CSR should therefore not be whether the firm is large or small but its embeddedness in its context.

Size does not imply the global reach of a firm since contemporary business can have great geographical spread and reach regardless of firm size. Likewise, firms are normally located  
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in some type of local market. All firms experience multiple social interfaces. There is a gap in current CSR discourse because these multiple interfaces, at various corporate levels, are not taken into consideration when the CSR activities of firms are examined. The focus of media lies with large firms and activities related to being good global citizens, oftentimes focused on how the company behaves in developing countries. Consequently, CSR is somewhat disconnected from many other social contexts, such as national and local in the industrialized world. Similarly, the investigation of CSR in small firms has predominantly identified local involvement. Below, four examples of CSR activities that challenge this dichotomization are presented.

*1 - Small Swedish firm and a village in Kenya*

*Company:* HelaPharma Sweden Ltd. (turnover: 9,7 million Euro; 28 employees)

*Example of CSR initiative:* Zimlat for life (since 1997).

Poverty, starvation, malaria and HIV mark Zimlat, a village in Eastern Kenya. Consequently, of the 5000 inhabitants, 60 percent are children. The project "Zimlat for life", introduced and managed by the company HelaPharma, aims to contribute to a platform which in the long run can support the village to independent social and financial development. The first project was to build a freshwater well, the second to build a school house. Today the school project has grown to include six buildings, approximately 800 pupils and employ 28 teachers. Zimlat for life also includes a food program for all pupils, a health clinic and financial support to graduates for higher education. HelaPharma continuously finances the project through a share of the company's earnings. Nowadays, Zimlat for life also involves other firms and private persons as sponsors.

*2 - One entrepreneur and his firms, and the AIDS problem in South Africa*

*Company:* Danir Ltd. (turnover: 450 000 Euro; 5 employees)

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*Example of CSR initiative: The JAC Initiative Star School Project*

Star School is a high-school program developed for and introduced in Africa. Its objective is to contribute to teenagers' chances of gaining a good education, AIDS-free lives and beliefs in their future. IT-entrepreneur Dan Olofsson and his wife Christina started the project based on their experience with and will to contribute to the development of certain parts of South Africa where AIDS is a major obstacle for the life opportunities of young people. They founded the project through one of Dan's private firms, the small company Danir, which paid for initial costs. The program is now run at 60 schools, involving approximately 60 000 pupils in South Africa and Namibia. The project is now run by the foundation started by Dan and Chrstina but financed through a number of firms and private persons. Several of the firms involved are founded and/or owned by Dan.

*3 - Large multinational firm and a local entrepreneurship center*

*Company:* The Sandvik Group (turnover: 9 billion Euro; 47 000 employees)

*Example of CSR initiative:* Sponsoring the "Jobs and Society - Center for new business in Gästrikland (Swedish county)"

With representation in 130 countries, the Sandvik group is global. Jobs and Society is a Swedish foundation focused on entrepreneurship and sustainable business creation. The "Center for new business" is a nationwide network of approximately 90 offices which are, although related to Jobs and Society, primarily financed by local initiatives. The aim of each center is to broaden and develop the specific region's business life by increasing the local new business development. The centers offer would-be business owners cost-free personal advisory sessions on various business issues and the opportunity to discuss business ideas before establishing a firm. In

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Gästrikland, the center is located in the Sandvik Group's hometown and sponsored by many local organizations and firms, small as well as large.

#### *4 - The steel giant and the local hockey team*

*Company:* SSAB (Sweden Steel Ltd.) Turnover: 5 billion Euro; 10 000 employees)

*Example of CSR initiative:* Main sponsor of local hockey team and children\*s hockey tournament SSAB is a steel and sheet-metal manufacturer. The firm has employees in 40 countries and sales worldwide. In Sweden, SSAB is the largest employer in three small and medium-sized cities. Interviewed by a newspaper the information manager explains that the firm therefore is very local even though its market is truly global: *“This is why we put a lot of effort into local sponsor activities, especially such that are valuable to our co-workers.”* The company is the main sponsor of the elite hockey team in one of the three cities; a team active in the primary Swedish hockey league.

#### Discussion and conclusion

CSR reflects current, core values in communities and societies. The present focus on environmental issue is one illustration. There is also a large degree of philanthropic behavior, in small as well as in large companies. Such philanthropic activities are sometimes difficult to relate to the core business of the firm, but the firm is used as an arena for carrying out the activities. In addition to the development of generally applicable national and international regulations, the expectations on large firms to behave socially responsible have come from non-governmental organizations and consumer groups, also supported by media. In turn, large firms have responded by presenting accounts of CSR through annual reports and homepages.

If CSR develops into a direct response to public demand and bounded by things that can be presented in formalized accounts, it becomes something that is not founded in the strategic

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well-being of the firm, nor takes into account all stakeholders. The question to ask is if CSR should be a management instrument for window-dressing or a long-term commitment based on comprehensive planning that takes several layers of the organization into account. There is a need for a more nuanced and comprehensive public CSR debate, beyond a simplified either-or.

Research on small business signifies a complement to the seemingly limited approach to CSR in the general discourse and evaluation of large firms' CSR performance. It reflects that corporate responsibility can also be about sponsoring or involvement in local events and organizations, employee satisfaction and health (e.g. Jenkins, 2006; Perrini, 2006; Worthington, Ram et al., 2006). With regards to the types of corporate responsibility displayed in small firms authors argue that we need a broader perspective of CSR (e.g. Catska, Balzarova et al., 2004; Roberts, Lawson et al., 2006). Then again, this research stream has similar limitations as the debate on large firm CSR since it describes small businesses and their social responsibility as distinctive from large firms and mainly focused on attention to the local community (e.g. Sarbutts, 2003; Lepoutre and Heene, 2006). Jenkins (2006 p. 243), for example, refers to varying pressures on firms and state that: *For SMEs, issues close to home are far more likely to hold their attention such as employee motivation and retention and community involvement.* The first and second illustrations above contradict such comments by showing that the small firm, or even lone entrepreneur can very well take initiatives far beyond the daily operations or local community.

While it might be true that the pressure on large corporations to account for their impact on global issues is fiercer than that currently posed on small firms, there is nothing to suggest that large firms are not as entangled in and experience as many pressures from their local community. Again, the third and fourth illustrations point at examples where the multinational

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and large firms, have strong connections to local initiatives and activities. Still, focus remains on how large, western-based firms act as global citizens and present formal accounts for their well-doing and few comments are made about their presence in local contexts. Likewise, discussions about how small firms are, can or should be socially responsible are unusual; even though they represent 90 % of the corporate population.

In conclusions, the admirable efforts to broaden the scope of CSR discussions by adding small firm perspectives has not established a more comprehensive notion of CSR. Rather, we witness the establishment of two, quite limited streams of CSR. One that refers to small firms and one that refers to large firms. A clear example of this symptom is presented by Jenkins (2004 p. 51) who displays a table where the nature and reasons for CSR in large and small companies are dichotomized through fixed features like: many *versus* few stakeholders, society at large *versus* local community as perceived receiver, attention to brand image *versus* customer business, formal strategic planning of CSR *versus* informal planning, prominent campaigns *versus* small scale activities. It is paradoxical that Jenkins, in an attempt to broaden the CSR discourse, criticizing other authors for treating SMEs as a homogeneous group, ends up doing the same thing. That is, promoting a view on CSR that is bounded and set in both kind and scope based purely on the size of the company considered.

The focus on large firms and a certain type of activities have also affected the language created around the phenomenon. It is possible that this has further added to the exclusion of small firms in research and discourse. Jenkins (2004) elaborates on how the use of such language for defining, exposing and evaluating CSR, in large as well as small firms, can exclude or even make invisible activities that do exist. Murillo and Lozano (2006) further attempt to formalize CSR in SME's daily operations but find that the conventional concepts are difficult to apply.

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This paper does not argue that there are no general differences between the way large and small firms conduct and relate to CSR. In fact, we foresee that there probably are such variations depending on resources, governance as well as the differences in current pressure brought on by society. These differences, for example in terms of demands on formal accounts, are part of the point that the current paper wishes to make. We maintain, though, that there is no theoretical support for confining the expectations, assessment and evaluation of CSR based on the size of the firm. Instead, our short empirical illustrations (the third and fourth) imply that attention to internal or community stakeholders can render local CSR activities even though the company is by and large a multinational actor. An alternative to the focus on size as explanatory factor for companies' choices of CSR activities shows in the second illustration, which reveals the importance of financial status as well as individual motivation.

Basu and Palazzo (2008) argue that a turning point in CSR research is that from *what* and *why* to *how*. It is argued that we know enough about what CSR represents and why it occurs. They claim that the present challenge lies with understanding how CSR should be applied. This article, though, claims that we might still benefit from looking closer at *what* as well as *why*. Current research is biased as it looks for “small firm CSR” in small firms and for “large firm CSR” in large firms. Although the two streams are inductively created, this bias creates clear-cut definitions of CSR instead of using the multidimensional nature of CSR to enrich our understanding of both empirical contexts. Generally, what is described as large firm CSR is not applied in small firm context and, likewise, what is described as small firm CSR is not applied on large firms. As the above illustrations imply, however, some large and really multinational firms do take action in their local environments just as some small firms make much efforts to affect the wellbeing of society on a global scale. In conclusion, our knowledge about what

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companies actually do in terms of CSR, and whether large and small firms do similar things, is therefore still limited. We cannot yet leave the questions of why and what in terms of socially responsible corporate behavior. Research needs to apply comparative studies with large and small firms.

In the end, the CSR concept should imply the same thing regardless of what general context we are interested in but the analyses of single firms pose further challenges. Drawing on available theory and research, we should analyze the firms' situation in terms of stakeholder patterns and the effects of social standards throughout an organization's levels, local and global presence. To end with, we offer five propositions that should provide fuel for further debate and research:

*P1) All firms are able to work according to a CSR agenda.*

Research on CSR should therefore strive to include a wide variety of firms in that they, through varying features, might support or add to our understanding of the phenomenon. Likewise, the focus on CSR should be equal across types of firms, both with regards to pressure for giving accounts of CSR and recognition for socially responsible operations.

*P2) A firms' size per se does not decide what types of CSR activities it undertakes.*

Research and public assessments of CSR should therefore not be guided by the size of firms; focusing, giving credit and putting pressure on some aspects of CSR in the large firm, and another in the small. That is, we should not assume that the drivers of CSR or the activities performed are exclusive or dichotomous. That is, what is true concerning the drivers or patterns of CSR in a large firm can also be true for a small firm, and vice versa. Likewise, a firm that focuses on one form of socially responsible activity can simultaneously focus on a different kind of socially responsible activity.

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*P3) All firms are embedded in local and global contexts.*

We suggest, though, that the current tendency is to refer to large firms as global actors and small firms as local actors. Research and public assessments of CSR should therefore acknowledge the possible variations and width of CSR in all firms. Regardless of size, the assessment of CSR should take into account the single firm's local as well as global presence, social impact and responsible behavior.

*P4) Stakeholder relationships and social contracts can exist in several layers of a firm.*

Correspondingly, the content and rationale for introducing or applying corporate social responsibility activities can vary tremendously depending on which organizational level, location or stakeholder group is considered. This should be taken into account if attempting to fully comprehend or evaluate the nature, cost or impact of CSR in a company.

*P5) As firms are unique it is not possible to propose a normative CSR theory (agenda).*

While initial research in the area presented a basis for understanding the phenomenon, the current development appears to favor dichotomization and generalizing of CSR related to groups of firms. Should this route be continued, we propose further elaboration on such groupings to clarify the baseline logic with regards to CSR. Though, we can still learn more about the CSR occurrence in general through investigating the impact of market, social and organization features identified. That is, drawing parallels between a special type of CSR and a cluster of firms is neither the single way forward, nor the most likely to contribute to management at large.

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