CEO AND CSR:

BUSINESS LEADERS AND CORPORATE SOCIAL RESPONSIBILITY

ELLINA OSSEICHUK RUSSELL

A thesis submitted in partial fulfilment of the
requirements of
The Robert Gordon University
for the Degree of Doctor of Philosophy

April 2010

Acknowledgements

First of all, I would like to acknowledge the authors of all the sources I refer to in my study. Without them, I would be in the dark.

Also, this thesis would not have come to fruition without the time and personal experiences that my respondents shared with me; or without the help and support of my supervisors, colleagues, administrative staff, friends and family. I also thank my examiners for giving me the Rite Of Passage.

My gratitude goes to all who shared their knowledge; suggested new directions of inquiry; ignited "idea bulbs" in my mind; helped me editing my numerous drafts; kept asking the same question: "How's your thesis?"; and faked their interest for the sake of giving me a chance to talk about my thoughts.

Author: Ellina Osseichuk Russell.

Thesis Submitted for the Degree of PhD.

Title: CEO and CSR: Business Leaders and Corporate Social Responsibility.

> *"Extreme self-interest is what most investors demand from their corporations. ….The pressure applied to people who run public corporations almost requires them to forget how to be good."* (Lewis, 2004: 70).

Abstract

The increasing commercial and social pressure for business leaders to act in a socially responsible manner is undermined by the lack of standards in Corporate Social Responsibility (CSR) legislation, auditing, indexing, and reporting. Moreover, CSR research is fragmentary and often missing empirical corroboration. It lacks synthesis, uses CSR concepts and terms ambiguously, and is inconsistent in the identification of CSR practices, its formulation and institutionalisation.

This study addresses these gaps and discontinuities by first synthesising a range of theories into an explanatory framework. This framework provides the pre-understanding for the collection and analysis of qualitative data drawn from the UK oil and gas industry.

The findings highlight the heterogeneous and dynamic nature of CSR operationalisation. The analysis emphasises the dependence of CSR strategy formulation on business leaders' personal beliefs and biases. These beliefs are tempered by balancing shareholders' interests and stakeholders' expectations, and are affected by the global (in the case of corporations) or the local (in the case of corporate subsidiaries and small-medium size enterprises) contexts. These appear to be the main factors influencing leaders' CSR decisions. The findings also demonstrate a number of challenges that business leaders face when reconciling personal, organisational, industry, global, and societal values and ethical beliefs; and balancing traditional organisational goals, such as profit maximisation, with increased stakeholder empowerment in granting social legitimacy.

In addition, the exploration of CSR institutionalisation reveals different approaches in corporate subsidiaries, which fluctuate between the CSR practices of corporate headquarters and those of SMEs. The analysis of

these findings results in a proposed hybrid model of CSR Institutionalisation in the oil and gas industry, with a breakdown of identified factors affecting corporate, SMEs', and subsidiaries' leaders' CSR decisions.

This thesis contributes to the literature by proposing a number of concepts, including: CSR Nexus and CSR Dynamics models as conceptual syntheses of the theoretical framework; an empirically corroborated CSR Operationalisation model within the studied organisations suggesting a non-conformance with extant CSR research; an observed matrix of business leaders' CSR Motivations highlighting their diversity in corporations, SMEs, and corporate subsidiaries. Finally, a conceptual CSR Convergence model is proposed, which outlines a comprehensive approach to CSR education and implementation.

In a weak and ambiguous CSR regulation and legislation environment, this study endeavours to bridge the gap between CSR research, business organisations, and stakeholders by contributing to the enhancement of CSR understanding, education, and implementation.

Table of Contents

List of Figures

List of Tables

Chapter 1: Research Overview

1.1 Chapter Introduction

Despite the growing interest of business, academia and society in the matters and issues of Corporate Social Responsibility (CSR), this subject is under-researched, particularly in the areas of empirical exploration of CSR development and implementation in Small and Medium Size Enterprises (SMEs) (Jenkins and Hines, 2003), and in corporations; and relationships between CSR and leadership (Waldman et al, 2004). This research aims to analyse how business leaders address the issues of corporate - community engagement and profit maximisation. It also aims to contribute to contemporary managerial theories in the field of CSR knowledge, and the advancement of education and training of business leaders, with the further objective of bridging the gap in theoretical and practical understanding of CSR within the UK oil and gas industry.

This chapter presents the research rationale, outlining its aims and objectives. The boundaries of the research, its scope and assumptions are introduced together with key concepts and theories employed throughout this study.

1.2 Research Rationale

Although the practice of businesses or rich individuals helping communities has a long history (BRASS, 2003), the evolution of CSR as an independent discipline is a relatively recent phenomenon (Lantos, 2001). CSR research has quickly become one of the most prominent within business studies (McWilliams et al, 2006). There is a growing number of examples of CSR playing a more important role in the business community as well (Godfrey, 2007). Furthermore, the ethical behaviour of Chief Executive Officers (CEOs) has been identified as a growing key quality for CEOs in the USA and Europe (Valenti, 2005; McKinsey, 2008a). This can be confirmed by the fact that within the last 20 years, the number of

executives directly involved in the issues of ethical compliance has grown from 21 per cent in 1987 to 96 per cent in 2005 worldwide (Paton, 2006).

However, although there is considerable literature covering the subject of CSR in general, research into attitudes of business leaders with respect to the formulation and implementation of CSR strategies is limited (Quazi, 2003; Trevion, 2003; Waldman et al, 2004, 2006). This study addresses this identified gap.

There is a growing paradox between the presence of numerous CSR measurements, guidelines and norms, and the absence of absolute standards for corporate social responsibility. Researchers believe that these standards are likely to vary in response to different generations, cultures (Daugherty, 2001), and organisational and individual systems of values and ethical behaviours (Arnold et al., 1999).

Analysing the issue of the significance of CSR institutionalisation in organisations, Jenkins and Hines (2003) summarised that the majority of research in this area has been conducted primarily in large corporations, mostly in the USA, due to the visibility of large companies and their socially responsible actions (Thompson and Smith, 1991), and a general perception that SMEs are limited in this regard due to their smaller resources (Jenkins, 2004).

However, with SMEs taking centre-stage in global (Morsing and Perrini, 2008) and the UK economy (Jenkins, 2004), there is a strong rationale to study the relationship between CSR and SMEs, especially considering the ambiguous nature of CSR societal and business norms (McWilliams et al., 2006), standards and requirements facing business leaders as central decision-makers. Regarding the connection between CSR and leadership, researchers in the area of socially responsible actions within SMEs, particularly in supply chain relationships (e.g. New, 2004; Roberts et al., 2006; Worthington et al., 2006a; Baden et al., 2007; Worthington et al., 2008) point out that in many cases SMEs' owners and managers have a decisive voice in shaping CSR policies, practices, and CSR-oriented organisational culture.

Although studies have been published on CSR issues, such as stakeholder management, ethical decision making and leadership in

organisations (e.g. Kanungo, 2001; Waldman et al, 2004), some researchers (e.g. Szwajkowski, 2000; Hemingway, 2002, 2005; Jenkins, 2005, Kakabadse et al., 2005) including the author of this research, believe that business leaders of large corporations and SMEs, together with consulting and educational institutions would strongly benefit from further developments in leadership and CSR research resulting in aiding business leaders' initiatives in the development of more effective CSR programmes.

1.3 Research Aims and Objectives

This research centres on the understanding of a growing paradigm of increasing pressure on business leaders to deliver CSR-effective strategies within the environment of pressures from macro- and micro- forces. Classification of these mechanisms, as one of the objectives, may shed light on whether there is any homogeneity in CSR-related approaches in organisations within one industry (oil and gas), but with a variety of organisational sizes, structures, resources, cultures and values. These approaches are studied through a central focus of the research, business leaders, and their participation in CSR decision-making processes.

The research into the practices of CSR implementation by the central figure – decision-maker of the organisation - intends to explore the following issues, as its additional objectives: how CSR has evolved; how it is structured; what it is comprised of; business leaders' roles and responsibilities in its institutionalisation; and other objectives such as what affects decision-makers in balancing CSR and profit maximisation.

This study aims to further the understanding of these factors, which should result in comprehensive theoretical and practise-based frameworks of influences on, and motivations for, business leaders' CSR decisions. This could assist in enhancing business leaders' CSR education and the overall development and implementation of CSR knowledge and practices.

This research endeavours to explore conditions for CSR development and implementation within corporations, their local subsidiaries and SMEs in the UK oil and gas industry; and to advance contemporary theories on CSR institutionalisation and business leadership, as the overall aim of this study.

1.4 Research Questions

The question of this study is 'How do business leaders understand, implement and develop Corporate Social Responsibility?'

In order to answer the research question, the following issues are also explored:

1. How has CSR evolved to its present form?

   The answer to this question results in an analysis of CSR development, which traces the origins of CSR and its current repute, with evaluation of current CSR status in the oil and gas industry. The evolution of CSR definitions is also presented.

2. How is CSR structured, particularly with regard to the UK oil and gas industry?

   CSR structure is analysed from three angles:

   > a) CSR construct;
   >
   > b) Social issues;
   >
   > c) Corporate aspects.

3. What are the CSR strategies that businesses adopt?

   CSR strategies, and issues with regulation, auditing, and reporting are analysed against business frameworks:

   > a) Shareholder model;
   >
   > b) Stakeholder model;
   >
   > c) Mixed approach (in multinational corporations, their local subsidiaries, and SMEs);
   >
   > d) Positions on the development of CSR regulation, auditing and reporting.

4. How do business leaders shape CSR strategies?

The answer to this question identifies corporate and SMEs' business leaders' motivations for the adoption, or limitation of CSR, including:

a) Sources of CSR knowledge and practices;

b) Motives for implementing CSR;

c) Motives for curtailing or rejecting CSR.

5. How do business leaders balance CSR and traditional business objectives like profit maximisation, specifically within the UK oil and gas industry?

This question aims to explore CSR decision-making processes within studied organisations through the exploration of the participating business leaders' individual values, ethics, and experiences in CSR implementation.

As a result of this research, an empirically substantiated understanding of corporate and SMEs' business leaders' decision-making processes in choosing and implementing CSR strategy is to emerge. From a theoretical perspective, the research aims to achieve an advancement of knowledge of relationships of various theories and concepts underlying CSR as a phenomenon, its current understanding and implementation by the UK oil and gas business leaders.

1.5 Project Scope and Assumptions

Although there is a considerable volume of literature covering the subject of CSR in general, research in the behaviour of business leaders with respect to the formulation and implementation of CSR strategies is limited (Jenkins and Hines, 2003). Furthermore, one of the areas of interests for this study, CSR and leaders' decision making in SMEs is significantly under-researched (Tilley, 2005). As Worthington et al. (2006a) point out, considering the lack of known benchmarks of social responsibility practices within SMEs and limited understanding of small firm owners / managers' attitudes to these activities, there is a need to explore "...the drivers of, and barriers to, socially responsible behaviour from a small firm prospective" (ibid.: 96).

According to McWilliams et al. (2006), although the research in this field is expanding from CSR definitions to its strategic implications, the

practical analysis of CSR, particularly its empirical methods and theoretical frameworks, is "still embryonic" (ibid.: 2). Furthermore, considering that business leaders are under increased pressure from both their stakeholders to step up CSR commitments, and the lack of homogeneity in business and regulatory standards, McWilliams et al. (2006) emphasise that CSR research requires a multi-disciplinary approach, and describe it as a "…fertile ground for theory development and empirical analysis…" (ibid.: 2).

Only 11 percent of respondents of a survey into the purpose of CSR trusted that companies' CSR commitments to local communities are being more than just improvement of business image (BPRI Group, 2007). From the other side, executives openly express their concerns over the lack of governmental support and "…fragmented sources of information…" (Grant Thornton, 2007: online) in CSR decision making. Taking these facts into consideration, there is a need for further research to explore the challenges and obstacles business leaders face in CSR institutionalisation.

Moreover, according to FTSE4Good Index (2007: 8), the 5-year trend in the increased number of companies voluntarily joining the Index supports the view that businesses are more aware of the issues of being socially responsible, particularly in the UK when compared to other countries (EIRIS, 2007).

With regard to the business application of the research, the choice was made to focus this study on the environmentally sensitive oil and gas industry (Godfrey, 2007) and its business leaders as CSR decision-makers. Considerations have been given to a growing emphasis on the lack of empirically substantiated research into CSR (McWilliams et al., 2006), specifically in the oil and gas industry (Menestrel et al., 2002; Godfrey, 2007); Doane's (2004) and Woolfson and Beck's (2005) suggestions of the disparity between societal pressure on the oil and gas industry and its managers to commit to long-term CSR and their elusion of such actions; and Brinkman et al.'s (2008) recent findings of the oil industry's managers' negative attitudes to accepting responsibility for contributing to climate change. Further discussion of the relationship between CSR development and the industry's responses is presented in chapter 4 Oil and Gas Industry Analysis – CSR.

Based on these considerations, the following assumptions were adopted in this research: business leaders, being key decision-makers, directly affect CSR implementation; CSR is on the rise due to a variety of economically- and societally-driven factors; corporate executives and smaller companies' business leaders are subject to various pressures when developing and implementing CSR.

1.6 Key Concepts

This research revolves around the following key concepts: CSR; corporations; corporate subsidiaries; SMEs; business leaders; and strategic CSR. These concepts are presented below.

1.6.1 CSR

Researchers agree that the term "Corporate Social Responsibility" (CSR) has no single universal definition (Lockett et al., 2006; McWilliams et al, 2006; Blowfield and Murray, 2008). However, with some critique (further analysed in section 2.3 Advancement of CSR Theory), the following definitions can be incorporated and adopted for this research:

> *"Corporate Social Responsibilities (CSR) is concerned with treating the stakeholders of the firm ethically or in a responsible manner. 'Ethically or responsible' means treating stakeholders in a manner deemed acceptable in civilized societies. Social includes economic responsibility. Stakeholders exist both within a firm and outside – for example, the natural environment is a stakeholder. The wider aim or social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for people both within and outside the corporation" (Hopkins, 2003: 10).*

and

> *"Corporate Social Responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources" (Kotler and Lee, 2005: 3).*

CSR as a concept includes various issues, such as, inter alia: activities to protect human rights; assurance of environmental sustainability; philanthropic and charitable donations; socially responsible investments; avoidance of corruption; social equality; and participation in educational and

developmental programmes. These are analysed respectively with appropriate relevance to the oil and gas industry throughout the thesis.

1.6.2 Corporation

The most common business definition of a "Corporation" can be summarised as an entity created by the state, treated much like an individual under the law, having legally enforceable rights and responsibilities, providing it with a way to conduct business and divide profits and losses under certain legal and financial obligations (Nisberg, 1988; Gale Group, 1998).

There is an ongoing debate in academia, business, and the legal profession regarding corporations' status as an individual entity. Although corporations are commonly referred to as individuals with all the appropriate rights and obligations, some researchers insist that they should not be treated as human (Jensen and Meckling, 1983). Whereas others (e.g. Blumberg, 1993) argue that corporations are composed of individuals, who make possible all actions and decisions. This latter notion is imperative for this research, as one of the assumptions revolves around the supposition that corporate decisions are made by particular individuals, not by a faceless legal entity.

Corporations can be private, non-profit, municipal, or quasi-public, which are publicly owned with partial governmental backing. For this study, the focus is on two types of corporations: corporations with a large number of shareholders as investors and their shares publicly traded on security exchanges; and much smaller corporations with relatively few shareholders, which are commonly known as small-and-medium size enterprises (SMEs), the definition of which is presented in section 1.6.4.

1.6.3 Corporate Subsidiary

Ghoshal and Bartlett (1990: 603), based on interorganisational theory, defined multinational corporation as:

> "…an interorganizational network embedded in an external network consisting of all other organizations such as customers, suppliers, regulators and so on, and with which the different units of the multinational [corporation] must interact".

This definition leads to a supposition that the embedded units of corporations, that Ghoshal and Bartlett (1990) refer to, are corporate subsidiaries.

The theme of corporate subsidiaries and their embeddedness in corporate structure is a growing subject of research (Bartlett and Ghoshal, 2002). Studies suggest that subsidiaries' embeddedness contributes to their strategic and competence development (Prahalad and Doz, 1987; Birkingshaw and Hood, 1998; Andersson et al., 2001; Garcia-Pont et al., 2009); considerably affects their performance (Cray, 1984; Gulati et al., 2000; Andersson et al., 2001), and is a factor in creating local knowledge, particularly in the case of local embeddedness (Malnight, 1996; Taggart and Hood, 1999; Andersson et al., 2005).

Subsidiaries' local embeddedness, in turn, contributes to their informed choices and amendments in situational adaptation and operationalisation of corporate strategies (Birkingshaw, 1997; Birkingshaw and Fry, 1998). This was characterised by Birkingshaw et al. (2005) as an entrepreneurial approach within corporate structure, highly influenced by local social and environmental determinants (Birkingshaw, 2000: 86).

This paradigm of subsidiaries' leaders' balancing corporate and SMEs' characteristics, specifically applied to CSR implementation, forms one of the key areas of exploration in this study. Further exploration of SMEs as another key concept of this research is presented below.

1.6.4 SME

Small-and-medium size enterprises are described as having a small number of shareholders, often in a single family, and with no or limited trading of stocks on the market (Romano and Smyrnios, 1996; Lipton and Herzberg, 2004). The European Commission (2003) adopted a recommendation regarding the definition of an SME as an enterprise of less than 250 employees and less than 50 million Euros annual turnover.

Various characteristics of SMEs (e.g. their organisational structures; resource availabilities; highly individualised management styles; and highly personalised approach to stakeholder management) contribute to the status of SMEs as a highly diverse type of organisation, operating in various economic spheres, with different managerial and ownership styles (Jenkins,

2005). The effects of these characteristics on CSR implementation in oil and gas SMEs environment are analysed and defined further in the thesis.

1.6.5 Business Leaders

Business leaders, in the context of this research, are not necessarily top-level managers of the studied organisations but are rather the leading business figures with regard to making CSR-related decisions, its formulation and implementation.

Business leaders, as units of analysis (Yin, 1998) of this research, can be characterised as C-level executives, which are high-level managers within corporations and subsidiaries. These include "…the Chief Officers of Operations, Finance, Information, and other core corporate functions, including Chief Executive Officer, CEO" (Hanan, 2003: 44), and owners / managers in SMEs.

The analysis of business leaders' decisions, actions, attitudes and motivations with regard to CSR institutionalisation is presented further in this research with appropriate characterisations and classifications. This is achieved through the prism of multiple theories and concepts, an overview of which is presented in the following chapters.

1.6.6 Strategic CSR

CSR activities practised by companies to secure value or further profit maximisation are characterised by Baron (2001: 10) as "strategic CSR". Furthermore, he classified two major types of corporate accountable activities: socially and privately responsible actions. In order to distinguish between the two, he proposed to evaluate the drivers behind these actions, as "…it is the motivation for the action that identifies socially, as opposed to privately, responsible action" (Baron, 2001: 17).

According to Baron's proposition (ibid.), socially responsible actions can only be those, which are motivated by the desire to serve society disregarding the company's expenses or profits, whereas privately responsible actions are the ones motivated by corporations' adherence to the profit maximisation goals. Although this classification attempts to address the divide between major drivers for CSR implementation, it does

not cover personal motivations of decision-makers. This presents an opportunity for this research to address this gap.

1.7 Theoretical Framework

This study employs various theoretical concepts, which serve as a basis for understanding what factors business leaders are exposed to in the process of CSR implementation. These key theories and concepts, forming the theoretical framework, are essential to answering the abovementioned research questions, and pertinent to the following areas: CSR; leadership; shareholder and stakeholder models; ethics, values and decision-making approaches, as summarised in Figure 1 Theoretical Framework Model.

Figure 1: Theoretical Framework Model.
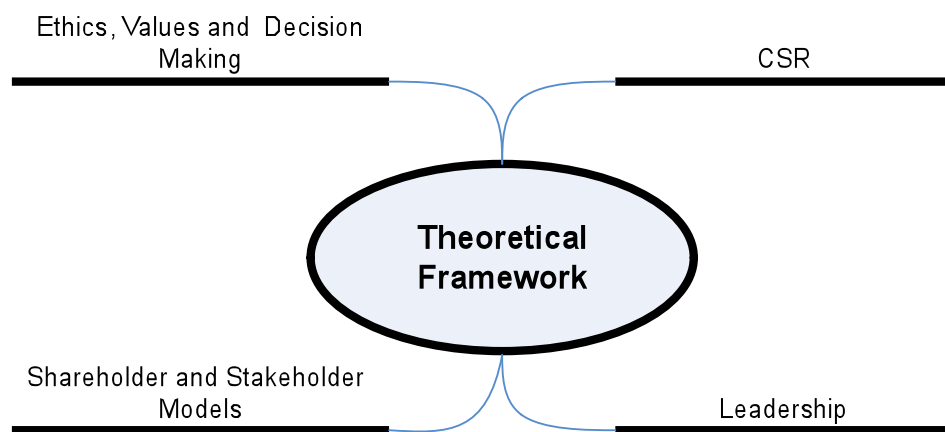
Source: Compiled by the author.

As this figure shows, the Theoretical Framework Model has been broken down into 4 segments, each of which will be introduced in the following sections, with the classification of the key theories and concepts pertinent to this study, their brief introduction, and application to the research. A detailed analysis of these can be found in Chapter 2 CSR Literature Review, and Chapter 3 Leadership Literature Review.

1.7.1 CSR-Related Theories and Concepts

The first segment of the theoretical framework model explores CSR. As was noted before, the CSR area of research is heterogeneous, exhibiting

contrasting approaches in its terminology and emphases (McWilliams et al., 2006). As an example, the following quotations regarding the essence of CSR illustrate the conflict between two prominent scholars' characterisations of expectations placed upon businesses:

> *"The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time." (Carroll, 1979: 500)*

and

> *"…the proper social responsibility of business is to tame the dragon, that is to turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, into wealth". (Drucker, 1984: 62)*

This contrast sets the exploration in to what seems to be opposing pressures placed on businesses to deliver: being discretionally ethical and socially aware entities (as in Frederick, 1960; Carroll, 1979, 1999) versus conducting business operations with a primary focus on turning social interactions into economic benefits (as in Friedman, 1962; Drucker, 1984).

Further key theories, concepts, and studies are explored in order to establish theoretical boundaries in this field of research. These are summarised in Table 1 CSR-Related Theories, Concepts and Studies.

Table 1: Key CSR-Related Theories, Concepts, and Studies.

Author	Theory / Concept / Study	Application to the Research
Frederick, 1960; Freeman, 1984; Carroll, 1979, 1999.	Entities being discretionally ethical and socially aware	Identifying the boundaries of CSR understanding and implementation
Friedman, 1962; Drucker, 1984.	Businesses Conducting operations with a primary focus on turning social interactions into economic benefits.	
Frederick, 1978, 1986, 1987.	Evolutionary nature of CSR (as in C-S-Responsibility; C-S-Responsiveness; and C-S-Rectitude)	Forming the basis for the classification of organisations' positioning in terms of their CSR implementation and development.
Frederick et al.'s (1992: 35) concept of "Charity Principle"; Carroll's (1991; 1999, 2004) CSR construct.	Charity and Philanthropy versus CSR, which includes but is not limited to philanthropy.	The issue of CSR versus Philanthropy is analysed through contrasting these concepts.

Kotler and Lea, 2005; Perera, 2003; Campbell, 2007; Griffith, 2008.	CSR as a set of responsibilities forming part of corporate operations.	Contrasting and comparing CSR in corporations and SMEs' to build theoretical building blocks for an empirical study.
Jenkins and Hines, 2003; Jenkins, 2004, 2005; Worthington et al., 2006a, b; 2008; 2009.	CSR as part of SMEs' operations.	
Donaldson and Dunfee, 1999.	The concept of social legitimacy.	Social legitimacy is analysed as a cause-effect relationship between shareholders, stakeholders and businesses, forming the understanding of CSR reporting, auditing and legislating.
Davies, 1973; Wood, 1991; Lindblom, 1994; Deegan et al, 2002; Kakabadse et al, 2005; Villiers and van Staden, 2006)	Relationships between society and business, forming part of social legitimacy, as a demonstration of societal affects on CSR decisions.	Relationships between society, businesses, and business leaders are analysed further with the view of determining its effect on participating business leaders' CSR attitudes.

Source: Compiled by the author.

This segment of the theoretical framework model (shown in Figure 1) is also interspersed by the characterisations of the nature of CSR, which are analysed through multiple studies (e.g. Bowen, 1953; Sethi, 1975; Jones, 1980; Wood, 1991; Moir, 2001; Lantos, 2001; Freeman and Velamuri, 2008). Analyses of evolution of CSR definitions by academia and by business organisations, and its construct, also form part of the "CSR" section of the theoretical framework. This approach forms a basis for contrasting and comparing CSR terminology and its understanding from both dimensions.

The overview of theoretical concepts pertinent to the leadership area of the research is presented in the following section.

1.7.2 Leadership-Related Theories and Concepts

The second segment of the theoretical framework model (as in Figure 1) distinguishes the research into relationships between leadership styles and

CSR implementation, which, at present, is scarce, particularly in its empirical form (Waldman et al., 2004; 2006). As part of this study, a brief review of the development of leadership theories is presented for the purpose of introducing their focus. This review culminates in an analysis of transactional, transformational, and authentic leadership approaches, and their relationship to CSR decision making. These and other leadership-related theories, concepts, and studies pertinent to the research are summarised in Table 2.

Table 2: Key Leadership-Related Theories, Concepts, and Studies.

Author	Theory / Concept / Study	Application to the Research
Carlyle (1843); Stogill (1974); McCall and Lombardo (1983)	Traits approach	A brief review of the development of these theories forms basis for an analysis of the changing nature of their focus.
Fleishman (1953) and Halpin and Winer's (1957) Ohio State Studies; Katz and Kahn's (1952) Michigan Studies; Blake and Mouton's (1961) Managerial Grid	Behavioural leadership theories	
Hersey and Blanchard, 1988	Situational theory	
House, 1971.	Path-Goal theory	
Fiedler and Chemers, 1984; Fiedler, 1986.	Contingency theory	
Kahn et al., 1964; Hales, 1986, q987; Fondas and Stewart, 1994; Mintzberg's (1973; 1975) Classification of Managerial Roles Das (2001) and Shivers-Blackwell's (2004) Role Conflicts	Role theory	An analysis of these theories forms basis for an exploration of roles business leaders play as part of CSR decision-making process.

Burns, 1978; Bass, 1985; 1990	Transactional leadership theory	These theories are contrasted and compared in order to establish participating business leaders' CSR attitudes based on progression from reward-punishment, task-oriented approaches to inspirational style of leadership.
Hersey and Blanchard, 1988; Bass and Steidlmeier, 1998; Waldman et al., 2004, 2006.	Transformational leadership theory	
Bass and Steidlmeier, 1998; George, 2004 a; 2004 b	Authentic leadership theory	
Hambrick and Mason, 1984.	Upper echelons theory	A brief overview is presented to explore business leaders' involvement in CSR decision-making processes.
Bass and Steidlmeier, 1999; Kanungo and Mendonca, 1996; Kanungo, 2001; Elash, 2003; Zhu et al., 2004.	Ethics in transactional, transformational, and authentic leadership approaches	An analysis of these studies forms basis for an empirical exploration of the relationship between operational needs and leaders' ethicality in CSR decision makings.

Source: Compiled by the author.

Considering that the classification of the participants' leadership styles is not the primary objective of this research, the establishment of any correlations between leadership styles and CSR implementation is secondary to the overall aim of this study, and is predominantly based on contextual observations (Yin, 1994). Other theories and concepts, in particular relating to share- and stakeholders are summarised in the following section.

1.7.3 Shareholder and Stakeholder Theories and Concepts

The third segment of the theoretical framework model (shown in Figure 1) explores shareholder and stakeholder theories pertinent to this research. These are applied with a view to explore their relationship to approaches in CSR decision making, particularly in corporate and SMEs environments.

These approaches are based on Freeman's (1984) supposition that organisations operating in complex environments are obligated to satisfy their various stakeholders' interests; and, in contrast, on Friedman's (1970)

postulate that the overall responsibility of business is maximisation of profit. This disparity between business' obligations to its share- and stakeholders forms the basis for contrasting and comparing the effects of these pressures on CSR implementation in participating organisations. In addition, other concepts are analysed to provide a better understanding of this area of research. These are summarised in Table 3.

Table 3: Key Share- and Stakeholders Related Theories, Concepts, and Studies.

Author	Theory / Concept / Study	Application to the Research
Freeman, 1984	Supposition that organisations operating in complex environments are obligated to satisfy their various stakeholders' interests.	The disparity between business' obligations to its share- and stakeholders forms basis for contrasting and comparing the effects of these pressures on CSR implementation in participating organisations.
Friedman, 1970	Postulate that the overall responsibility of business is maximisation of profit.	
Frederick, 1984	The concept of organisational progression from C-S-Responsive, to C-S-Responsible, and to C-S–Rectitudinous actions.	Exploration of business leaders' understanding of progressive nature of CSR implementation within the scope of participating organisations.
Carroll, 1991	Direct relationship between CSR and stakeholders.	The analysis of the effects of share- or stakeholders' interests on business leaders' CSR decisions.
Jenkins and Hines, 2003	Suppositions that SMEs are under-researched due to their lack of visibility, and reduced resources to make a significant CSR impact.	Opportunity to address this identified gap through an empirical exploration of CSR in SMEs, contrasting and comparing with large corporations.

Kakabadse et al., 2005	The point of intersection between theories of CSR and Stakeholder models.	The exploration of what responsibilities businesses aspire to fulfil versus the issue of whom businesses are or should be responsible to.
Friedman, 1962, 1970; Demb and Neubauer, 1992.	Postulates that the increase of profit should be achieved only if businesses stay within appropriate rules and regulations.	Further connections between CSR and Shareholder theory regarding businesses' sole responsibility of increasing its profit versus responsible business decisions, leading to exploration of CSR reporting, auditing and legislating.
Wilson, 2000, 2005	Argument that the future for the corporate profit is to be redefined, with the "… rationale for moving the corporation from "profit-as-purpose" to "service-as-purpose".	Exploration of relationships between society and business, and business' attitude to solving social problems.
Freeman, 2005; Wicks et al., 2005; Kusyk and Lozano, 2007; Freeman and Velamuri (2008)	Suggestions of the growing influence of stakeholders on businesses, including SMEs.	Investigation of motivations for or limitations of CSR, particularly the affect of stakeholders' expectations.

Source: Compiled by the author.

Carroll (1991) suggested "a natural fit" between CSR and stakeholders, particularly when considering businesses' responsibilities to specific groups. The effects of these responsibilities on leaders are also explored in this research.

Further theoretical concepts examined in this research revolve around CSR decision-making processes, which by some researchers (e.g. Worthington et al., 2008) are referred to as rooted in business ethics. These concepts are reviewed in the following section.

1.7.4 Ethics, Values and Decision-Making Theories and Concepts

The final segment of the theoretical framework model (as in Figure 1) addresses ethical behaviour and theories of moral values. These issues were

and still are being studied quite extensively (Radu, 2005) starting from the teachings of ancient philosophers to the modern research (e.g. Brickley et al., 2002; Crockett, 2005). However, the rise in the studies of virtue and values within the CSR field is a recent phenomenon (Gates, 2004; Hollender, 2004; Rose, 2005; Hamilton and Bean, 2005).

This research analyses the connection between characteristics of CSR versus business leaders' ethics and motivations in making CSR decisions through various theories and concepts, which are summarised in Table 4.

Table 4: Key Ethics, Values and Decision Making-Related Theories, Concepts, and Studies.

Author	Theory / Concept / Study	Application to the Research
Joyner and Payne, 2002	Contrast between business decisions ethical, or Machiavellian in their nature.	Analysis of underlying motivations for CSR decision making.
Alge and Caldwell, 1999; Hemingway, 2002, 2005	Classification of moral values: individual, organisational, institutional, societal, global, and industry values.	Exploration of the effects of various systems of values on business leaders' CSR decisions.
Gutman, 1982, 1991; Baker and Jenkins, 1993	Means-Ends theory and its suppositions that individuals can develop an association between decisions' attributes, benefits and satisfiers.	This theory is applied to explore business leaders' further motivations in making CSR-related decisions, particularly with regard to personal versus organisational values.
Daft and Gane, 2008	Domain of human actions, where personal behaviour is exhibited in a linear progression based on the amount of explicit control imposed by various societal entities or individuals.	The exploration of the relationship between the amount of explicit control in making CSR decisions, and such decisions' attributes.

Source: Compiled by the author.

To add to the depth of the analysis of the relationships between ethics, values, and CSR decision-making processes, additional research into moral discourse (e.g., inter alia, Hunt and Vitell's (1986; 1993; 2006) suppositions on teleological and deontological views on business ethics) and ethical decision-making in the oil and gas industry (as in the study by

Menestrel et al. (2002)), along with various other concepts, is also presented in section 3.8 Ethical Decision Making.

1.8 Significance of Research

The study conducted by EIRIS Research Centre (2007), putting Europe, and the UK in particular, ahead in terms of other countries' CSR institutionalisation, emphasises the need to further analyse driving factors affecting business leaders' CSR decisions.

There is insufficient data available on the contemporary leadership challenges of business leaders' balancing often-conflicting issues of CSR and profit maximisation (Jenkins and Hines, 2003; Waldman et al, 2004, 2006); the needs and demands of stakeholders versus their respective companies' interests (Jenkins, 2005); and the institutional perspective in analysing CSR formulation and implementation in firms of various sizes and structures (Lindgreen et al., 2008).

Blackburn and Kovalainen (2009: 136), under their proposed mapping of small firms' research agendas, inter alia, classified topics on small businesses' ethics, societal perspectives, and environmental practices as "novel areas [which] comprise … topics that are recent areas of interest [and] may be conceptually underdeveloped".

This empirical study aims to provide advancement over previous research in this field with regard to bridging the gap between scholars' understanding of the involvement of business leaders in CSR development and its business institutionalisation. Moreover, the study sets out to identify relationships among existing theories, concepts and previous research' propositions in conjunction with the topic of research and its findings (Steyaert, 2005) for the purpose of "…investigation drawing upon mainstream theories rather than encourage[ment of] a variety of agendas within a tighter field" (Blackburn and Kovalainen, 2009: 141).

The workings of business leaders as decision-makers are examined to develop further understanding of the significance of the abovementioned conflicts, and to determine how these issues are managed. The better understanding of how these issues are addressed and resolved in the studied organisations' endeavours to provide insight into, and guidance for, CSR institutionalisation, which can be extrapolated to other enterprises, and

employed in the further development of academic teachings and business training in this field.

The area of the research is important to senior business management, the CSR research community and society at large since it furthers the overall understanding of CSR institutionalisation for the purpose of its improved effectiveness, particularly within the oil and gas industry.

The benefit of the research can be divided into three categories: immediate benefit to the subject of the research; intermediate benefit to the researcher and the institution (Sieber, 1998); and the long-term future benefit to society at large.

The most immediate benefit of this research is the advancement in the understanding of business leaders' attitudes to balancing CSR issues with the prospect of profit maximisation, and the enhancement of the understanding of the oil and gas industry's position with regard to CSR current implementation and future development. The intermediate benefit for the researcher and the researching institution is the facilitation of future access to the subjects of the research; and the analysis of these issues with the prospect of the advancement of knowledge regarding CSR theoretical frameworks, concepts and practices. The long-term future benefit for society at large is in application of the research findings in educating and developing business leaders with a firmly embedded knowledge of socially responsible corporate actions and their mutual benefit; in implications of the research by policy makers, CSR auditing, reporting and legislating organisations; and in betterment of communication and interactions between society and business.

1.9 Outline of the Thesis

Although the nature of qualitative research is cyclical, the thesis itself is structured in a linear manner. The following breakdown by chapters presents an outline of the flow of the research, signposting major areas of the study.

Chapter 1: Research Overview.

This chapter gives a reader an opportunity to familiarise themselves with a rationale for conducting this study through the identification of the

knowledge gap. It also shows the research' aims and objectives; its scope, assumptions, and research questions; with an introduction of key concepts adopted to describe the elements of the research field.

Chapter 2: CSR Literature Review.

In this chapter, a critical analysis of previously published academic and business literature on CSR is presented. It starts with a historical review of CSR development and its current implementation; and progresses into an analysis of the advancement of CSR theory; its dissemination by social and corporate aspects of CSR; followed by an examination of the field through theoretical concepts of share- and stakeholder, and other CSR management issues, contrasting and comparing them in corporations and SMEs. This chapter also includes an investigation into the legislative context of CSR institutionalisation; and an exploration of the literature on motivations for CSR development and implementation.

Chapter 3: Leadership Literature Review.

The literature review in this chapter moves into the area of leadership theories, with their relation to CSR decision-making processes. After a brief introduction of the evolution of leadership theory, the chapter progresses into the exploration of the relationships between various leadership styles, leaders' personal systems of values and ethical beliefs, and other exogenous factors affecting leaders' CSR decisions.

Chapter 4: Oil and Gas Industry Analysis – CSR Perspective.

Since this research focuses on the UK oil and gas industry, it is imperative to analyse, from a practical point of view, CSR implementation and institutionalisation issues within the industry, which affect, or are affected by, business leaders. This chapter presents an overview of the oil and gas industry from global and domestic perspectives; evaluates the state of CSR perceptions, measurements, and assessments conducted by the industry itself and by outside organisations; and analyses CSR development and implementation within this industry, with its challenges and successes.

Chapter 5: Methodology.

After analysing available literature on CSR, relative leadership issues, and CSR institutionalisation within the industry, this thesis addresses the question on how the study was conducted. In chapter 5, the choices

made in methodological decisions with concurrent reasoning for them can be found. In addition to explaining the adoption of an interpretative, inductive and qualitative approach to this study, this chapter presents arguments for selecting methods for primary and secondary data collection; implementing a variety of tools and techniques for data analysis; addressing associated ethical considerations; implementing approaches to counteracting arising biases; and making efforts to assure the research validity and reliability.

Chapter 6: Data Analysis Results.

As the name of this chapter suggests, a detailed analysis of the outcomes of data collection and interpretation is presented, with a contrast-compare approach to the results obtained from evaluating the fields of CSR development and implementation by business leaders in participating corporations and SMEs. The structure of this chapter is based on the themes developed from the initial primary and secondary data collection and organisation.

Chapter 7: Discussion.

The examination of the findings of data interpretation is taken to the next level of its analysis in this chapter, resulting in collating all empirical and theoretical facets of this study, with their further correlations between previously evaluated literature on leadership, CSR, and its industry implementation. This approach allows identifying and refining conceptual and practical contributions to knowledge, which this study originally aimed at.

Chapter 8: Conclusions and Implications.

As a result of amalgamating and distilling previously analysed findings, this chapter presents a series of condensed answers to the research questions through the areas of gained knowledge. It also presents the research' significance; its various implications; limitations; and suggestions for future research. The final culmination of this research is presented in the Summary and Conclusion.

1.10 Summary of Chapter 1

This chapter presented an overview of the research rationale; its aims and objectives; the scope of work and the assumptions made prior to the research. Key concepts and theories of CSR, leadership, share- and stakeholders, organisational variations and responsible actions, which this study aims to explore, introduce the complexity of the issues of CSR implementation and their affect on business leaders as CSR decision-makers. Empirical exploration of these issues with the aim of advancement of CSR and leadership knowledge serves as a basis for this study's significance.

Considering that the area of the research, the relationship between CSR institutionalisation and business leaders' challenges in this process, is under researched (Waldman et al, 2004, 2006; McWilliams et al, 2006), this presents an opportunity to review previously published literature on this subject in order to better identify the knowledge gap. The literature review is divided into two major areas, CSR- and leadership- related literature analyses.

The following chapter 2 presents a review of CSR literature pertinent to the research.

Chapter 2: CSR Literature Review

2.1 Chapter Introduction

This chapter identifies appropriate areas of CSR literature, which underpin the research project. The purpose of this research is to explore the meaning of CSR in the Leadership context, assuming that leading business players have a decisive voice in the social responsibilities of the organisation.

Therefore, this chapter provides an overview of the existing research on CSR and examines the evolution of CSR as an independent discipline; explores challenges and implications of the various theoretical approaches, notably in corporations' and SMEs' institutionalisation of CSR; philosophical, social and corporate aspects of CSR; businesses' social legitimacy; management of stakeholders' expectations; and sets of motivations and factors affecting CSR implementation.

2.2 Historical Evolution of CSR

2.2.1 CSR Evolution before 20th Century

Wallace B. Donham, the Dean of Harvard Business School in 1929, said:

> '*Business started long centuries before the dawn of history, but business as we now know it is new - new in its broadening scope, new in its social significance. Business has not learned how to handle these changes, nor does it recognise the magnitude of its responsibilities for the future of civilisation*' (Donham, 1929 in BRASS, 2003: online).

History shows that the thought of social and environmental considerations of business is as old as trade and business itself. According to the researchers at The Centre for Business Relationships, Accountability, Sustainability & Society (BRASS, 2003), there are signs of interest in protecting the environment and human wellbeing that can be traced back to Ancient Mesopotamia around 1700 BC, when King Hammurabi introduced a code of punishment for negligent practices during building or farming. In Ancient Rome, senators complained about the lack of contributions from businesses to finance their military campaigns. Also, Pava (1996) comments

that the ancient Jewish Talmudic concepts were used as postulates when it came to helping your immediate surrounding, supporting the foundation for the discussion on ancient philanthropy and altruism.

There are other examples of early altruism (Molyneaux, 2003; Sexty, 2006), taken from the analysis of the correspondence and actions of three Medieval saints: Basil, Gregory of Nyssa and Homobonus, when they, in their respective times and cultures, struggled to balance 'fusion of interest' over concerns for 'conflict of interest', between 'liberality' and 'fairness'; while in 1622 displeased stockholders in the Dutch East India Company campaigned criticising management siphoning their funds for personal gains (BRASS, 2003).

Then, Adam Smith, in his 1776 opus The Wealth of Nations, argued that business, through the pursuit of profits and efficiency, ultimately benefits interests of both, its operations' and society's (Lantos, 2001).

Holroyd (2000) analyses the biography of Sir Titus Salt, the 19th century English thinker, who had a dream of creating a Liberal England with the working men being able, through the results of their labour, to live a better life with education and spaces for recreation; all these benefits being provided by the rich man with his wealth and as a duty to his fellow human beings. Although Sir Salt was a religious man, he was a supporter of what we call now a free trade and a collective nature of coexistence.

The legacy of another 19th century philanthropist, Scottish born Andrew Carnegie, who made his fortune in steel in the United States, illustrates how a rich man shared his wealth with the masses, for example, by building libraries for workers (Morris, 2005). It can be argued that his heritage can be categorised beyond just philanthropy but as an early demonstration of CSR actions.

Scotland's extended tradition of philanthropy is illustrated through the actions of a long list of multimillionaire benefactors, who chose to spend some of their personal fortune on good causes. In addition to Andrew Carnegie, this list includes Sir Tom Farmer, Sir Tom Hunter and was recently joined by Sir Ian Wood. In 2007, Sir Ian Wood decided to sell some of his shareholding to establish a substantial charitable fund. This is one of

the most notable actions in a whole range of philanthropic activities, in which this particular business leader took part (Press and Journal, 2007).

Going back to the 19th century examples of socially responsible behaviour, Entine (2003: 352) suggests that around the same time a different feature of socially responsible behaviour, originating from conservative religious principles and starting in the 18th century, was adopted by business in the form of a social consumer screening, when the company Quaker ceased conducting business with companies partaking in slave trading, alcohol and tobacco production, or gambling, perceived as sinful behaviour. This resulted in further developments of ethical business behaviour, which took part in the late 19th- early 20th century, which are analysed in the following section.

2.2.2 Modern Developments in CSR

According to Entine (2003: 352), the first externally screened U.S. investment was conducted by the Pioneer Fund in 1928 when they "…incorporated negative or sin screens that excluded companies involved in tobacco or alcohol".

This movement became especially pronounced in the USA during the 1960s when social activism encouraged the development of further screens based on explicitly ideological and political opinions, which resulted in a completion of the "Peace Portfolio" report in 1968. The interest of various multi-faith religious and civil organisations in the report resulted in the creation in 1971 of the Interfaith Centre on Corporate Responsibility, along with the Pax World Fund initiated by a Methodist group (Entine, 2003).

Later in the 1970s and 1980s, a further development of societal pressure resulted in the launch of a green or ethical consumerism movement. The Council on Economic Priorities (CEP) can be considered as the first organisation rating companies on a variety of social issues, including gay rights, feminist issues and nuclear energy. However, the goals of most groups espousing green consumer ideas concentrated predominantly on endorsing insignificant social issues and could be criticised for "shopping for a better world" (Entine, 2003: 352) rather than actively creating one.

The amalgamation of these movements in the 1980s, including social pressure against sinful behaviour, and religion-regulated finance structures, resulted in the emergence of companies with social investment at their centre (Entine, 2003). However, around the same time, 1970s-80s, another wave of CSR activity began its life – social/environmental reporting.

Since the early 1970s, companies such as Abt & Associates in 1972 instigated publishing their annual reports including statements on air and water pollution based on the overall dollar value of their performance. However, having no accepted standards at the time made this kind of reporting not only pioneering but also idiosyncratic (Tepper Marlin, 2003). The next bold move in this direction was taken by the company Ben & Jerry in 1989, when they developed their performance report for the previous year based on the work of their own "social auditor", who stated that the produced report, called for the first time the "Stakeholders Report", fairly describes Ben & Jerry's social responsibilities with respect to the major stakeholders groups, including: Communities, Employees, Customers, Suppliers, Investors (ibid.)

In the early 1990s, The Body Shop and Shell Canada took on board the practice of social reporting, when in their reports these companies combined social and environmental performance data based on the new model of social reporting. The next stage included certification of such reports by a third-party organisation accredited with the qualifications to conduct certification against social and environmental standards. The global leader of such certification is Social Accountability International (SAI), developed in 1997. In order to promote social and environmental standards, the Forest Stewardship Council, the International Federation of Organic Agriculture and the Dutch Max Havelaar Foundation, currently operating as FairTrade, have formed the International Social and Environmental Accreditation and Labeling (ISEAL) organisation (ibid).

The most recent initiative with a global level of impact in CSR development is United Nations Global Compact. Established in 2000, it is a truly global organisation focusing on development and implementation of policies and practices by companies in countries all over the world. As of May 2009, there are 5,100 members in 130 countries (UNGC, 2009) that signed to this initiative in order to incorporate principles of responsible

business activities across industries. These principles include addressing environmental, social and governmental (ESG) issues; practising responsible relationships with stakeholders and members of supply chains; and developing sustainability practices. The evaluation of participation in this initiative is conducted annually through a global research and self-assessment conducted in partnership between companies and United Nations.

Although with some criticism of methodology of its research, and of the nature of issues included in or excluded from this initiative, UN Global Compact is rapidly becoming the most over-reaching and influential in terms of unifying business' approaches to socially responsible activities, and offering opportunities to enhance CSR education on managerial levels through its Principles for Responsible Management Education (PRME, 2008). These principles encourage educational institutions to adopt a wider range of approaches to introduction of more socially responsible management knowledge and practices throughout educational programmes.

From a practical perspective, in 2001 International Organization for Standardization (ISO) first identified a need to consider standardising socially responsible voluntary business actions, with its further encouragement by the global representatives at a Multi-stakeholder Conference in 2004, where a working group for the development of the standards of social responsibilities was created (ISO, 2006).

The anticipated outcome of this process, involving the United Nations and its constituents, International Labour Organisation, representatives from public and private socially-active organisations, industries, governments, consumers, and other stakeholder groups, consisting of delegates from more than 50 countries and 33 organisations (as of 2006), should result in the creation of ISO 26000, a set of not as much as requirements or measures for certification, but guidelines for actions that businesses and other organisations should implement in order to operate in a responsible and sustainable manner (ISO, 2006). However, as ISO 26000 working group admitted (ibid.), the lack of uniform understanding of social responsibilities and exceedingly variable implementation of socially responsible actions across countries and businesses significantly affect the developmental process of ISO 26000 international standard.

In summary, as Williams (2003:4) suggests: "CSR has increasingly come to be [examined] as both a concept and a pragmatic tool that can be usefully [utilised] in addressing pressing environmental and social concerns of today's society". One of the objectives of this research is the exploration of how the legacy of the multifaceted historical evolution of CSR is reflected in business leaders' current decisions within the scope of this study.

2.3 Advancement of CSR Theory

2.3.1 CSR Defined by Academia

According to Kakabadse, et al. (2005), although there are predating writings on the subject, the concept of CSR theory was first formalised during the 1950s. However, the majority of subsequent studies predominantly concentrated on the search for defining CSR as a term (Carroll, 1999; Lantos, 2001). Additional criticism lies in a crucial lack of empirical evidence (Campbell, 2006; Sorsa, 2008) and a potential array of questions not being addressed by these definitions, thus exposing their drawbacks. Examples of such academic definitions and critical questions to be asked are presented in Table 5.

Table 5: Scholars Defining CSR

Scholars	CSR Definitions	Critical Questions / Dilemmas
Bowen (1953: 6)	"What responsibilities to society may businessmen reasonably be expected to assume?" [CSR] refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action, which are desirable in terms of the objectives, and values of our society. "Interest in politics, in the welfare of the community, in educations, in the "happiness" of its employers, and, in fact, in the whole social world about it. Therefore, business must act justly as a proper citizen should."	• What constitutes "reasonable" and "unreasonable" expectations of businessmen? • What if the "objectives and values of our society" are irresponsible? • How does business combines "interest in politics" with being an impartial, responsible citizen, e.g. lobbying for controversial legislation?
Davis (1960: 70)	[CSR] refer to the "businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest".	• What if "the firm's direct economic or technical interest" includes a highly irresponsible treatment of its competitors or customers?

Frederick (1960: 60)	"Social responsibility in the final analysis implies a public posture toward society's economic and human resources and a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms."	• Why is "social responsibility" contains only "a public posture toward… resources"? • What about intangible matters of CSR?
Friedman (1962)	Argues that there is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.	• How this addresses business' participation in philanthropic activities, or extra reporting initiatives, which at times were brought in after examples of deception and fraud?
Davis and Blomstrom (1966: 12)	"Social responsibility … refers to a person's obligation to consider the effects of his decisions and actions on the whole social system".	• Is it only limited to one's considerations of the effects of ones decisions? • How does one act upon one's considerations of these decisions?
Andrews (1971: 120)	"By 'social responsibility' we mean the intelligent and objective concern for the welfare of society that restrains individual and corporate behaviour from ultimately destructive activities, no matter how immediately profitable, and leads to the direction of positive contributions to human betterment, variously as the latter may be defined".	• Who and how defines "intelligent" and "objective concern"? • How to balance between what one stakeholder calls "destructive activities", whereas the other one might call them "positive contributions"?
Johnson (1971: 50)	"A socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its stockholder, a responsible enterprise also takes into account employees, suppliers, dealers, local communities, and the nation".	• Is it only limited to "managerial staff" of a firm taking into account all those issues? • What about actions of individual employees within such a firm?
Davis (1973: 312-313)	"[CSR] refers to the firm's consideration of, and response to, issues beyond the narrow economic, technical and legal requirements of the firm. It is the firm's obligation to evaluate in its decision-making process the effects of its decisions on the external social system in a manner that will accomplish social benefits along with the traditional economic gains, which the firm seeks."	• Where does "evaluation" and "consideration" end and actual implementation begins? • Why does it not go beyond responsible and responsive actions, to Rectitudinous CSR?
Sethi (1975: 70)	"Social responsibility implies bringing corporate behaviour up to a level where it is congruent with the	• How does it address businesses' influences on "social norms, values, and

	prevailing social norms, values, and expectations of performance."	expectations of performance"?
Carroll (1979: 500)	"The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time."	• How to balance society' expectations with business' responses? • Does it imply that business only responds to expectations?
Jones (1980: 59-60)	"Corporate Social Responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Two facets of this definition are critical. First, the obligation must be voluntarily adopted; behaviour influenced by the coercive forces of law or union contract is not voluntary. Second, the obligation is a broad one, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighbouring communities."	• What do the boundaries of corporations' "voluntary adopted obligations" include? • Do these "voluntary adopted obligations" extend to other organisations, beyond corporations, e.g. SMEs, NGOs, etc?
Drucker (1984: 62)	"…the proper social responsibility of business is to tame the dragon, that is to turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, into wealth".	• What about non-tangible, non-economic benefits? • How to measure these opportunities?
Wood (1991)	Argues that the basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities.	• How does society evaluate business' social responsibility if, being interwoven, it may be influenced by business' irresponsibility?
Fatehi (1996: 580)	Defines CSR as "obligations of business organisations toward society".	• What if these business organisations' obligations require them to bring harm to other stakeholders?
McWilliams and Siegel (2001: 1)	CSR is "situations where the firm goes beyond compliance and engages in actions that appear to further some social good, beyond the interests of the firm and that which is required by law".	• What are the boundaries of "some social good"? • How to address potential disparity between different social groups' understanding of "some social good"?
Baker (2003, online)	"CSR is about how companies manage the business processes to produce an overall positive impact on society."	• How to distinguish if business acts to cover up its irresponsible actions in order to produce a positive image rather than actual positive impact?

Hopkins (2003: 10)	"CSR is concerned with treating the stakeholders of the firm ethically or in a responsible manner. 'Ethically or responsible' means treating stakeholders in a manner deemed acceptable in civilised societies. Social includes economic responsibility. Stakeholders exist both within a firm and outside – for example, the natural environment is a stakeholder. The wider aim for social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for people both within and outside the corporation"	• How to define universally acceptable benchmarks of "civilised societies"? • How to represent nature as a valid stakeholder? • What constitutes "higher and higher standards of living"?
Kotler and Lee (2005: 3)	"Corporate Social Responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources".	• Does this exclude business organisations' internal wellbeing?
Campbell (2007: 251)	"…corporations as acting in socially responsible ways if they do two things. First, they must not knowingly do anything that could harm their stakeholders—notably, their investors, employees, customers, suppliers, or the local community within which they operate. Second, if corporations do cause harm to their stakeholders, they must then rectify it whenever the harm is discovered and brought to their attention. … This is a definition that sets a minimum behavioural standard with respect to the corporation's relationship to its stakeholders, below which corporate behaviour becomes socially irresponsible."	• Does this exclude bringing un-known harm to stakeholders? • How to control corporations' willingness to rectify their harm? • How to assure equal understanding of all stakeholders' interpretation of harm versus no-harm? • How to assure an institutionalisation of a fair standard of minimum socially responsible behaviour?

Source: Compiled by the author, based on Kakabadse et al. (2005)

As can be seen from this table, academic definitions of CSR can be characterised as being highly theoretical and conceptual (Kakabadse et al., 2005). Moreover, there is only general consensus among scholars on the core of the CSR idea. Social responsibility, according to these definitions, refers to idealistic views on organisations performing activities that protect and improve society's wellbeing beyond the extent required to serve the direct economic and technical interests of these organisations, thus society at large. However, there is no clear definition of boundaries of such relationships, or how various social groups and their at times divergent interests reflect on CSR. Also, the majority of the definitions refer to the

businesses' actions, rather than the decisions of the individuals leading these businesses.

Furthermore, according to Hopkins (2003), CSR is concerned with treating the stakeholders of the firm ethically or in a responsible manner:

> " *'Ethically or responsible' means treating stakeholders in a manner deemed acceptable in civilised societies. Social includes economic responsibility. Stakeholders exist both within a firm and outside – for example, the natural environment is a stakeholder. The wider aim for social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for people both within and outside the corporation"* (Hopkins, 2003: 10).

Although this definition aims to address all aspects of CSR as a term, i.e. Corporate, Social, and Responsible attributes of business' activities, it raises further critical questions. First, how do we define "civilised societies" if different societies adopt opposing benchmarks for calling matters "civilised"? Second, if nature is a recognised stakeholder, how does it represent itself in the discussion about its expectations? Furthermore, what are these "higher and higher standards of living"? Are these material, social, or other gains or norms? All these questions emphasise a highly theoretical nature of CSR definitions.

Other authors (Andrews, 1987; Sethi, 1975; Carroll, 1979; Wood, 1991) define CSR as categories or levels of economic, legal, ethical and discretionary activities of a business entity as adapted to the values and expectations of society, demonstrated through various levels of obligations-, responsibilities- or responsiveness- driven corporate behaviour. The most significant four aspects of CSR fundamentals written by Carroll in 1979 (social, legal, economic and discretional) were later reorganised by Wood (1991) into three major principles: social legitimacy founded in the business's societal expectations at an institutional level; public responsibility at the organisational level concerned with the impact of the business operations; and the last principle directly focusing on the individual, that is the managerial discretion with the assumption that the managers are the "moral actors" (Wood, 1991: 398). However, previous CSR research lacks empirical support for its predispositions and thus remains disconnected from business and its needs. This is what interests the researcher, how these

"moral actors" (ibid.), the business leaders, act within the framework of today's CSR environment.

Although Carroll's (1979, 1991) model provides a clearly structured approach to defining CSR, some researchers (e.g. Springett, 2003; Carne and Matten, 2004; De Jongh & Prinsloo, 2005; Matten and Crane, 2005) criticised its lack of descriptive accuracy (Visser, 2005). Furthermore, inconsistency in Carroll's (1991, 2004) description of business' social, philanthropic, or discretionary activities makes it more complex, leading to difficulties in agreeing on a uniform definition of CSR.

To keep the discussion in this research focussed, an overall term of CSR with the definition given by Kotler and Lee (2005: 3) is adopted:

> "Corporate Social Responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources".

Although with some critique mentioned above, for the purposes of this research, it is important to underline a key element in this definition – "discretionary", as Kotler and Lee (2005:3) refer to the business activities that are not required by law "or that are moral and ethical in nature and perhaps therefore expected" (ibid.). They are referring to a "voluntary commitment" (ibid.) a company makes in selecting and putting these socially responsible actions into practice. Such commitment should be fulfilled through an implementation of a business strategy in order for a corporation to be named as ethical and responsible in communities, addressing both human and environmental aspects in excess of the legally obligated ones. It builds on the definition of CSR made by prominent academic Bowen (1953: 6):

> "What responsibilities to society may businessmen reasonably be expected to assume?" [CSR] refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action, which are desirable in terms of the objectives, and values of our society. "Interest in politics, in the welfare of the community, in educations, in the "happiness" of its employers, and, in fact, in the whole social world about it. Therefore, business must act justly as a proper citizen should."

Kakabadse et al. (2005) point out that Bowen (1953) introduced the idea of "social responsibilities" of business people in a wider sphere than focusing on profit maximisation. The increase of the social pressure was

fuelled by society disgruntled with business practices, based on unethical standards at the time   (Carroll, 1999; Lantos, 2001). Furthermore, Campbell (2007:951) explains corporate social responsibly as a set of minimum behavioural standards, which are conditioned upon acting to avoid harm to business' stakeholders or rectifying it if such harm was brought on. However, as in many academic CSR studies, the issues of business' understanding of CSR and its actual implementation are limited and require an updated empirical exploration. This research aims to address this gap.

2.3.2 CSR Defined by Businesses

The interest of this research is in the person behind the processes of selecting and implementing socially responsible strategies. These businessmen, as Bowen (1953) calls them, are the business leaders, who are CSR decision-makers in multi-national corporations, their subsidiaries, or small and medium size enterprises.

As can be seen from the previous analysis, over the last decade CSR has continued its development from simply an idea, to gradually shaping into business practices. CSR is firmly on the agenda of the majority of western corporations, especially if they have operations in other countries, since they are "…under pressure to be good corporate citizens, and they all want to [demonstrate] that they are" (Crook, 2005: 5). However, some of them limit their interpretation of the term so as to serve their specific type of operations, which raises critical questions.

The following Table 6 represents some examples of the CSR interpretations made by businesses, particularly within the oil and gas industry, and wider society groups from around the globe. These interpretations are also accompanied by critical questions to be asked in order to bridge gaps in CSR definitions.

Table 6: NGOs and Businesses Defining CSR

Business Organisation	CSR Interpretations	Critical Questions / Dilemmas
Amnesty International - Business Group (UK) www.amnesty.org.uk	Companies [have] to recognise that their ability to continue to provide goods and services and to create financial wealth will depend on their acceptability to an international society, which increasingly regards protection of human rights as a condition of the corporate licence to operate.	• Does this limit companies' attitude to CSR as only a means of gaining social legitimacy through assuring human rights protection?
World Business Council for Sustainable Development (WBCSD) www.wbcsd.org	Corporate Social Responsibility is business' commitment to contribute to sustainable economic development working with employees, their families, the local community, and society at large to improve their quality of life.	• Does this exclude other types of developments, e.g. educational, technological, etc.?
European Commission, Green Paper (2001) www.ec.europa.eu	CSR is "…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."	• Where does European Commission stand on corporate governance issues? • How corporate governance issues are balancing with "voluntary nature" of CSR integration?
The International Labour Organization (ILO) www.ilo.org	CSR is "…a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. CSR is a voluntary, enterprise-driven initiative and refers to activities that are considered to exceed compliance with the law"	• How to balance definitions of the level of "consideration to the impact" internally developed by companies and externally expected by stakeholders and society at large?
Organisation for Economic Cooperation and Development (OECD) www.oecd.org	Corporate Responsibility involves the "fit" businesses develop with the societies in which they operate. […] The function of business in society is to yield adequate returns to owners of capital by identifying and developing promising investment opportunities and, in the process, to provide jobs and to produce goods and services that consumers want to buy. However, corporate responsibility goes beyond this core function. Businesses are expected to obey the various laws which are	• Where do business' actions stop being responsive to "societal expectations" and start becoming "rectitudinous", co-creating in their nature? • How to address a disparity between "societal expectations" and business' refusal

	applicable to them and often have to respond to societal expectations that are not written down as formal law.	• to respond?
Shell www.shell.com	Finding environmentally and socially responsible ways to help meet the world's future energy needs. Our biggest contribution to society is through our products - the energy and petrochemicals that modern economies need. But our operations can also make a strong, positive contribution to development.	• How the long-term impact of the contribution through petrochemical products is assessed? • What is the company's "positive contribution" and to the "development" of what in particular?
BP www.bp.com	Being a responsible business means taking steps to improve the things we can control and contributing on wider issues that we can influence. The goals – or more formally the 'board goals' – state that: the purpose of BP is business and to maximize long-term shareholder value by selling goods and services. Since our purpose is to maximize long-term value, the notion of sustainability lies at the heart of BP's business. Our values include aspirations to conduct environmentally sound operations and to overcome the perceived trade-off between global access to heat, light and mobility and the protection and improvement of the natural environment. They also include aspirations to pursue relationships that are mutually advantageous, to support economic and social progress in the communities in which the group operates and to promote respect for human rights.	• What is the limit of business' influence on "wider issues"? • What if pursuing "mutually advantageous" relationships involves irresponsible corporate behaviour? • How does business address other CSR issues, beyond environmental protection and respect for human rights?
Chevron www.chevron.com	Our corporate responsibility efforts are grounded in The Chevron Way, which outlines our commitment to "conduct business in a socially responsible and ethical manner… support universal human rights… protect the environment, benefit the communities where we work… learn from and respect cultures in which we work."	• How "socially responsible and ethical manner" are defined? • What is included and how is it measured, "benefit the communities where we work"? • Does this mean the rest of society is excluded?
ExxonMobil www.ExxonMobil.com	We take our responsibilities very seriously - for our employees, shareholders, customers, communities, the environment and society at large. We strongly believe that the way we achieve results is as important as	• What is the definition of CSR adopted by the business? • How does the business choose where and how

	the results themselves. Therefore, we are working hard to embed CSR into the way we do business. We have integrated CSR policies and practices into our business, which help us ensure that we meet standards of integrity, safety, health, environment and social responsibility day in and day out and across our worldwide operations. We believe that this approach is essential to achieving superior business results. Our focus is on helping Europe meet energy demand in an economically, socially and environmentally responsible manner. But we cannot be all things to all people. We must balance the needs of a wide variety of stakeholders. To do so sustainably is what the policies, actions and performance improvements behind CSR are all about.	to demonstrate CSR, considering that they "cannot be all things to all people"? • Does the focus on meeting "energy demand in an economically, socially and environmentally responsible manner" is limited to Europe only?
Petro-Canada www.petro-canada.com	Petro-Canada conducts business in a highly principled manner guided by our Code of Business Conduct , our corporate values and standards, and the values and standards of the societies that host our operations. Wherever we operate around the world, we aim to invest and conduct operations in a manner that is economically rewarding to all parties; recognized as being ethically, socially and environmentally responsible; welcomed by the communities in which we operate; and that facilitates economic, human and community development within a stable operating environment. We are implementing management processes to ensure that these principles are actively applied to our investments and operations, and will monitor and report compliance with these principles.	• How does business implement the process of recognition of "being ethically, socially and environmentally responsible"? • Where does the leadership context lie in comparison with managerial implementation of the process? • Are the business' CSR actions limited to only the communities within their operations' proximities?

Source: Compiled by the author, based on Kakabadse et al., 2005.

As can be seen from these statements, the business and society groups' interpretations of CSR are more practical, localised, and more often focused on sustainability. Also, it is much more dependent on the stakeholders content, whether it is oriented toward businesses or society (Dawkins and Lewis, 2003). Furthermore, as Kakabadse et al. (2005) summarise, whereas scholars compare the concept of CSR to other concepts such as Corporate Social Responsiveness or Corporate (Social)

Performance, business organisations and society groups focus on CSR through the prism of Sustainable Development, often with some degree of recognition of stakeholders' involvement (Rondinelli and Berry, 2000). The relationship between CSR and stakeholders is analysed further in subsequent sections.

With regard to Sustainability, one of the earliest definitions of this concept was proposed by the UN's World Commission on Environment and Development (WCED) in the Report titled "Our Common Future" in 1987 (Montiel, 2008), where sustainable development is characterised as such only if it meets current needs "…without compromising the ability of future generations to meet their own needs" (WCED, 1987, p. 43). However, the debate in business-related research with regard to the construct of sustainability and its inclusiveness (e.g. Littig and Griessler, 2005) continues. Some researchers argue that sustainable development is based on environmental sustainability only (e.g. Hart, 1995; Starik & Rands, 1995; Opdam, 2006), whereas others argue that it includes all three components: environmental, economic and social sides to business' sustainable development (e.g. Gladwin & Kennelly, 1995; Mayer et al, 2004; Hopwood, et al., 2005). This only adds to the ambiguity of this concept and its relation to CSR (van Marrewijk, 2003; Montiel, 2008).

Although business' interpretation of CSR as a definition incorporates more manageable aspects with the motivation of bringing it under the direct business' control, examination of the actual implementation of CSR emphasised lapses in responsible corporate behaviour, particularly in the oil and gas industry, the analysis of which is presented further in the research.

Moreover, there are many different motivations for adopting different CSR interpretations in businesses. Based on the organisations' CSR implementation, this research aims to identify the underlying motives of corporate and SMEs' approaches towards social responsibilities. The author believes that among other factors, the CEOs, as the subject of this research, can be either the champions for the implementation of a comprehensive CSR strategy, or be opponents to this process, thus directly affecting its institutionalisation.

54

2.3.3 Philosophical Concepts Behind CSR Research

This research adopts Levinas' (1991) arguments that subjectivity, identity, comes to us from the outside and formulates our ethics as an assignation of responsibility for our immediate surroundings. Roberts (2003: 252) summarises the work of Levinas underlining the concern with the conditions for ethics, which, according to his research, are to be found not within being, as in philosophy, but in the 'otherwise than being', which is responsibility. He discovers human sensibility as the frail but vital condition for ethics. The economic conception of the individual becomes a mirror image or a snapshot of the self, seen as if from the outside.

Although this is an interesting approach in analysing pre-conditions for ethical behaviour, that research does not fully identify and analyse further the majority of the elements of ethical behavioural theory in addition to concentrating on sensible actions. How do individual business leaders, being confronted by internal and external sensibilities, responsibilities, responsiveness, and further expectations of rectitude (Frederick, 1984), make their CSR decisions?

Another postulate for this research is adopted from Joyner and Payne (2002) stating that organisations engage in ethical business practices for one of two reasons, one ethical in nature and one more Machiavellian. The ethical motivation is driven by a desire to do the right thing, without external pressure or governmental constraint. The more Machiavellian approach that businesses adopt in their application of ethics derives from a decision to convince the stakeholder that the firm is doing the right thing.

However, since that study identified an encouraging relation between firms' business ethics, values, corporate social responsibility and financial performance, indicating that there is a possibility to make profit through socially responsible investments and staying true to investors' own values, then there is an opportunity for this research to take it further and explore if those personal values are the main driver for ethical business decisions.

The works of De George (1999) help to define business ethics as the interaction of ethics and business (Joyner and Payne, 2002). Such a definition encompasses a moral evaluation of individuals and their actions in conducting business and a review of business behaviour. Individuals can

only make moral decisions for themselves; others, including governmental agencies, according to De George (1999) cannot impose moral judgements on anyone. He also presented a differentiation between objective (societally imposed morals) and subjective morality (personal beliefs in what is right or wrong). The most balanced decisions would be deemed both objectively and subjectively accurate. However, the realities of corporate and SMEs' operational contexts sometimes force decision-makers to choose between those moralities (Joyner and Payne, 2002).

Again, previous research shows that there are clear choices for business leaders to make regarding their ethical decisions. However, it would be beneficial to weigh these assumptions against empirical data obtained from the analysis of oil and gas industry business leaders' actions and interviews as part of this research.

Analysing previous studies in the field of individuals' actions, Joyner and Payne (2002) found that originally Barnard (1938) concentrated on aspects of individual actions, which are influenced by their link with formal organisations. Barnard recognised that "…many unwritten rules guiding an organisation's course of business grew from actual practice" (Barnard, 1938: 172). He addressed the need to analyse "the economic, legal, moral, social, and physical elements of the environment when making business decisions" (1938: 198), underlining the relationship between the endurance of the organisation and the quality of its leadership.

However, Simon (1945: 70) later noted the increasing effect of the public interest on businesses, "…as executives had become concerned with responsibilities of trusteeship toward the community beyond the legal limits imposed on them" (Joyner and Payne, 2002: 302).

The next prominent researcher in this field, whose views are adopted in this research, was Drucker (1954), who recognised the increasing demand on managers to take on responsibility for the public wellbeing through their actions according "…to an ethical standard of conduct" (Joyner and Payne, 2002: 303).

Freeman (1984) continued this theme and found that business organisations operate in increasingly complex environments and must satisfy multiple constituencies, or "stakeholders" (1984: 26). In contrast, Milton Friedman's neo-classical position (1962, 1970) is based on Adam

Smith's suggestion of business' profitability being the ultimate social responsibility, provided these operations are conducted in an ethical manner with respect to the letter of the law. Through the postulates of Agency theory (Alchian and Demsetz, 1972; Jensen and Mekling, 1976; Eisenhardt, 1985, 1989), Friedman criticises the notion of social responsibilities of businesses, advocating that these businesses' leaders should act only as agents protecting the interests of shareholders, and not being "civil servants" (Friedman, 1970: 154). Friedman (1962) suggested that using the resources of their principles diverted away from business itself, business leaders ultimately fail their shareholders, and eventually diminish benefits to society (Friedman, 1970; Lantos, 2001; Moir, 2001).

According to Kakabadse et al (2005), since the late 1990s and early 2000s, other movements are currently developing within the research community, namely studies on the connections between CSR and corporate governance (e.g. Hillman et al, 2001); applicability of CSR to the public sector since these kinds of organisations are becoming more entwined with the private sector (e.g. Scholl, 2001); and CSR as a field integrated within management theories (e.g. Kakabadse et al, 2005).

Although CSR has become an integral part of the discussion of the business's role in society, there is an emergence of a debate on the validity of decisions in relation to CSR strategies, as some authors (e.g. Salls, 2004) voice their concern over the real drivers behind companies' implementation of CSR programmes, some of which can be characterised as business leaders' attempt to neutralise or prevent social pressure rather than adopt CSR strategies "…that should respond to stakeholders' as much as shareholders' concerns" (Kakabadse et al, 2005: 280).

Analysis of the shareholders' interests is also being influenced by research into the positive connection between long-term economic performance and CSR institutionalisation (e.g. Margolis and Walsh, 2003; McAdam and Leonard, 2003), which, for the purpose of this research, may play an important part in investigating attitudes of business leaders in organisations with both, stakeholders and shareholders, models of governance. Having a presupposition that the shareholder-governed organisation is driven more by a philanthropic attitude toward society, it would be beneficial to compare CSR institutionalisation in these companies

with either social responsiveness, investment, or rectitudinous attitude in the stakeholder-governed ones.

Based on these statements and the complexity of CSR as a concept, as was identified earlier, it is necessary to briefly analyse the relationship between CSR and Philanthropy.

2.4 CSR and Philanthropy

According to the research by BRASS (2003), industrialisation has played a crucial role in affecting the balance between businesses, society and the environment. The notion of sharing personal wealth to support poorer layers of society was dubbed the "corporate paternalists" of the late nineteenth and early twentieth centuries. The development of philanthropic activities and business's recognition of its responsibilities to society, by the 1920s, began to shape into what is currently termed as a "modern" Corporate Social Responsibility (CSR) movement (BRASS, 2003).

Although CSR and Philanthropy are sometimes used to describe the same thing, they are different concepts. Corporate Philanthropy, according to Kakabadse et al. (2005: 285) could be described as business financially "…giving back to society some of the [assets] it has created [using] society's inputs". Although in existence for thousands of years, as was described above, one of the first classifications of benevolent activities by businesses or wealthy individuals was done by Frederick in 1987, terming it as the "charity principle" (Frederick et al, 1992: 35). However, Kakabadse et al. (2005) argue that on its own, philanthropy (or charity) cannot constitute organisation's commitment to evaluate its impacts on society, and to act in order to alleviate these impacts.

Carroll (1991), in his definition of CSR, specifies philanthropic responsibilities as part of a pyramid made up of four tiers, including the remaining economic, legal, and ethical responsibilities. He adds that:

> "CSR includes philanthropic contributions but is not limited to them. In fact, it would be argued here that philanthropy is highly desired and prized but actually less important than the other three categories of social responsibility" (Carroll, 1991:42).

Based on this statement, it is possible to argue that, although business leaders, being driven by personal desire, wish to demonstrate philanthropic actions, they may not necessarily be able to develop these actions into a full

model of an organisation's CSR strategy. In order to do so, they will have to consider the economic, legal and ethical responsibilities of that organisation. This statement is confirmed by the analysis of the examples of CSR interpretations given by businesses and society groups in the previous sections, where they underlined the importance of future profitability and sustainability, developed in accordance with the law and regulatory legislation.

However, Kakabadse et al. (2005) also argue that, according to Jones (1980), following the letter of the law does not constitute conducting business in a socially responsible manner. In an absence of overreaching ethical business standards, CSR, in addition to law-abiding economic and legal actions (Carroll, 1999), can represent business leaders' voluntary efforts in this domain. Johnson and Scholes' (2002:220) statement that

> *"…corporate social responsibility is concerned with the ways in which an organisation exceeds the minimum obligations to stakeholders specified through regulation and corporate governance…",*

puts CSR into the realm of morally imposed obligation, which goes beyond compliance with existing legislation (Kilcullen and Ohles Kooistra, 1999; Kakabadse et al., 2005).

Continuing the theme of participating in activities beyond the letter of the law, philanthropic or charitable actions should give businesses an opportunity for just that. Campbell and Slack (2006) in their research into charitable contributions versus profitable amounts of companies found that high-visibility companies' proportion of benevolent giving is "…at a higher rate against trading surplus than the low-visibility companies" (ibid.: 25), which is linked to the ways high-visibility companies manage their stakeholders' expectations.

Although this study potentially emphasises the decision some companies may make whether to increase their brand recognition, and thus increase their visibility; or to avoid the public spotlight, and thus indirectly manage their stakeholders' expectations through their low-visibility, it has based its findings on FTSE100 large companies across numerous industries. Also, the research did not take into account non-cash donations or long-term social projects. It opens an opportunity for this research to investigate SME leaders' attitudes to charitable activities, through either cash

donations, non-cash contributions or any other social activities they understand as "philanthropic".

According to the latest McKinsey (2008 b) global survey of CEOs conducted for the purpose of determining the current state of corporate understanding and implementing the principles of philanthropy, it was found that the majority of the surveyed business leaders confirmed that philanthropy helps to raise business' perception in society, particularly though meeting stakeholders' expectations. It also aids business' endeavour to improve employee recruitment and retention, particularly through their actions in local communities. However, in addition to social aspects of philanthropy, almost 90 percent of the respondents emphasised that they are pursuing direct benefits to their business through such activities, particularly when they result in identifying new business opportunities, improving business' brand or locating new markets (ibid.).

Although it is promising to see business executives taking part in philanthropic activities, it is alarming that they are employing these actions to gain benefit for their business and, potentially, degrading the concept of philanthropy as a benevolent giving.

Some businesses' shift toward corporate social initiatives (CSI), which differ from corporate philanthropy in being rooted in organisations' core competences firmly grounded in economic interests, has been emphasised by Kakabadse et al. (2005). The study conducted by Hess et al. (2002) accentuated the following issues driving implementation of CSI programmes: the direct link between CSI and competitive advantage affecting corporate reputation and expansion; an increase in recognition of the importance of societal pressure through reporting or peer pressure; and the potential competitive advantage of private firms, having upper hand over governments in implementation of social or environmental programmes (ibid.).

The discussion about the differences between CSR and Philanthropy is not the main focus of this research. However, it is beneficial to analyse the leaders' knowledge about these two phenomena and their attitudes toward acting under each of these influences in order to establish a clearer framework of the CSR-related decision-making processes.

2.5 Aspects of CSR

When analysing CSR theory, the author believes it is beneficial to dissect the meaning of Corporate Social Responsibility and look into the meanings of the two most important concepts; the Social and the Responsible aspects of it, the analysis of which are presented in the following sections.

2.5.1 Social Aspect of CSR

In regard to the Social aspect of CSR, Roberts (2003) argues that neo-classical economics and its Agency Theory (Alchian and Demsetz, 1972; Jensen and Mekling, 1976; Eisenhardt, 1985, 1989), are built upon an 'atomistic' concept of the 'individual': the person as an opportunistic and self-seeking being. Based on these assumptions, social relations appear as fundamentally competitive; there can be instances of calculated cooperation when mutual self-interests coincide. 'It is hard to get to ethics from within such assumptions; ethical justification can take the form only of an argument that ethics pays' (Robert, 2003: 251).

Alternatively, Heidegger (1997) insists that identity, or being was always 'being-in-the-world-with-others'; here the self cannot be separated from his or her social context (Roberts, 2003).

However, looking from the perspective of Ethical / Responsible aspect of CSR, it is necessary to refer again to Levinas (1991) and the argument that ethics is an assignation of responsibility for one's neighbour. Roberts (2003: 252) summarises the work of Levinas where the conditions for ethics are to be found not within philosophy but in the 'otherwise than being', which is responsibility, emphasising human responsiveness as a fundamental condition for ethics. As he puts it, 'we can have responsibilities and attachments through which death takes on a meaning. That is because, from the start, the other affects us despite ourselves' (Levinas, 1991: 129). For this reason, Levinas insists that ethics is the 'first philosophy'; ethics is not primarily a thought or a choice freely made, because the other is already affecting us in our sensibility. However, that research does not answer the question on creating your own set of ethics. What if our sensibility is confronted by our personal desire to break the mould and

create other sensibility, or in this case, to be proactive, rectitudinous, and advance existing understanding of ethics, particularly business ethics? This gives another opportunity for this research to explore the relationship between ethical responsiveness and pro-activeness.

2.5.2 Corporate Aspect of CSR

The concept of personal values and ethics as being one of the most dominating features of CSR institutionalisation, and their interconnectivity with corporate CSR perceptions can be clearly seen throughout the works of Sethi (1975) and Frederick (1978). Sethi (1975) originally proposed gradation of corporate behaviour based on its relation to social obligations, responsibility and responsiveness. Frederick (1978, 1986, 1987) developed it further, especially in his three perspectives on CSR: Corporate Social Responsibility (CSR 1), Corporate Social Responsiveness (CSR 2), and Corporate Social Rectitude (CSR 3). According to Frederick's arguments, companies possibly have embraced and passed through the stages of these perspectives within their own development, particularly when relating to their environment and society (Kakabadse et al., 2005). Furthermore, it could be argued that, according to Mitnick (1995), Frederick's framework is a breakdown of CSR as a process of the organisation's attitude toward these actions. In CSR1 (Corporate Social Responsibility), Frederick proposed the stage of application of guidelines that should direct to a socially responsible corporate behaviour.

The next stance, Frederick's (1986/1987) CSR2, or Corporate Social Responsiveness, has more managerial nature to it and looks into the methods of organisations' responses to social pressure, assuming that the organisation has already experienced its CSR1 status and adopted the strategy of valuing social issues. There are authors (e.g. Jenkins and Hines, 2003) that describe this concept as the dynamic attitude of a company's management characterised by the more pragmatic business decisions based on the assumption that an obligation has been undertaken.

The last concept, CSR3 (Corporate Social Rectitude, which was later expressed as "business ethics") centres on the values, which are applied as normative references to measure corporate behaviour (Mitnick, 1995). As Frederick (1998: 45) later refers to Mitnick's work (1995), these "normative references" are the declarations of a "…continual referencing to ethical-

62

moral ideas…". However, there are no clear boundaries between the natures of these values, whether they are organisational values, created through the prism of organisational culture and climate, or personal values of the people in charge of developing and implementing the CSR strategy.

Moreover, Frederick (1998) published a follow-up on his original CSR framework, where he develops the studies on the aspects and nature of CSR further. He calls for the next stage, CSR4, and looks into the whole socially responsible approach from a fresh angle of dividing CSR into Cosmological, Scientific and Religious components. His thoughts are based on the notion that studies in the Social Issues in Management (SIM) (*ibid*.) have exhausted their primary theoretical sources comprising of social science (demonstrated through the analysis of the corporate social performance); philosophy (in the form of the business ethics research); and organisational science (as part of the stakeholder theory). By moving away from these theories, he claims, the SIM researchers open a new paradigmatic level founded on the natural sciences, such as:

> "…cosmological perspectives (astro-physics), evolutionary theory (biology, genetics, ecology), and non-sectarian spirituality concepts (theological naturalism, cognitive neuroscience)." (Frederick, 1998: 40).

Frederick's argument for this new paradigm lies in his opinion of CSR studies having a crisis of focusing more and more on corporations and their socially-responsible performance rather than on the forces and factors impacting on the conscience of the corporate practitioners themselves in a grander scheme. Mitnick (1995) suggests that the values guiding CSR institutionalisation might stem from a variety of normative systems, opening new opportunities to a wider analysis of the connection between corporations and society (Frederick, 1998), which is the current trend in CSR studies. This particular gap, which Frederick (1998) described as lacking understanding of pressures experienced by CEOs as CSR decision-makers, is addressed in this research in the following chapters.

2.6 CSR Matters

As can be seen from the previous findings, CSR as an object of research, is complex and cannot be unambiguously classified or formulated once and for all. BITC's (2003) research into small companies' socially

responsible practices emphasised that, although small companies are engaged in various activities which can be grouped, inter alia, into events and individuals sponsorship, charitable donations, recycling, and employee development and well-being programmes, CSR terminology and understanding is ambiguous and inconsistent (BITC et al, 2003).

As Kakabadse *et al.* (2005) summarised, it is an ongoing process since society itself and each individual player in it are in a state of a continuous development, with ever-changing relationships between stakeholders, shareholder, outside organisations and business leaders in charge of monitoring the environment they operate in.

Many researchers agree on the dynamic nature of CSR (e.g. Jones, 1980; L'Etang, 1995; Carroll, 1999; Jenkins and Hines, 2003; Griffiths, 2008) and indicate that it cannot be fixed as a specific action toward satisfying a specific group, thus it cannot be devised as a static activity. Moreover, besides the philosophical nature of the debate, the mere classification of the activities, which are covered by the CSR umbrella (e.g. see Table 6 NGOs and Businesses Defining CSR) is a multi-faceted collection of trends and movements that may not be implemented by every organisation, for example:

- Socially responsible investments;
- Socially responsible reporting;
- Human rights;
- Workplace / workforce issues (health, safety, employees' welfare);
- Environmental and conservational issues;
- Sustainable business development;
- Product safety;
- Responsible supply chain;
- Support for banning weaponry and military actions;
- Unfair or unscrupulous business practices;
- Organizational / corporate governance;
- Marketplace and consumer issues;
- Social development;
- Community involvement.

As Perera (2003) summarises, current classification of CSR actions can be divided into four groups:

1. Corporate governance and ethics, which includes creation and maintaining corporate values; avoiding corruption and assuring accountability and transparency;

2. People, which includes protection of human rights, assurance of equal opportunities, avoidance of improper working conditions and assurance of appropriate labour standards;

3. Environment, which includes industrial and investment-kind of actions to protect and preserve the natural environment, with a view of improving technological aspects of effective use of natural resources;

4. Contribution to development, which includes commitment to improving education, encouraging SMEs, contributions to organisations and individuals in need, and other kinds of activities aiming to improve society's wellbeing (Griffiths, 2008).

Although this classification aims to cover the majority of CSR actions as they are widely listed in academia and business, it is necessary to point out that the personal dimension of being a responsible citizen is missing from the classification, thus potentially presenting an opportunity for irresponsible business leaders to hide behind their company's policies and practices, in creation of which, perhaps, they were personally involved in the first instance. This particular gap in empirical research, personal involvement in CSR understanding and its implementation, is being addressed in this research.

Recently, the issues of participating in CSR programmes have been viewed through a prism of a closer investigation, if not criticism (e.g. Marquis et al., 2007) particularly that of social spending being too geographically confined, which was studied by a group of researchers at Harvard Business School. The results of their findings formed a framework of how social and governmental influences in local communities affect corporate decision-making in the social sphere, specifically in the USA (ibid.). Since there is no conclusive confirmation of the financial benefit in participating in CSR activities (Lantos, 2001; Jenkins and Hines, 2003), the studied companies, which are mostly global corporations, choose to implement localised CSR strategies.

These CSR strategies, according to Marquis et al.'s (2007) research, are based on three key factors, which are: the encouragement of local government; the companies' own confidence in their righteousness; and the example of local peers. The latter statement echoes the findings of previous studies (e.g. Weber and Wasieleski, 2001) into the issue of industry membership influencing companies' leaders in moral reasoning. Marquis et al. (2007) also argued that it is the close networking with communities that creates links and channels of communication as much as communication between global companies, their overlapping boards and local communities themselves that feed back information about the activities, the needs and the generation of peer pressure for charitable actions, thus creating a better understanding of how local communities influence corporate headquarters' attitudes (ibid.). The researchers found it surprising that, in the days of globalisation, there is such a strong evidence of the social involvement of corporations being very localised and particularly focused on the corporations' headquarter locale (Silverthorn, 2005).

Although there is a clear immediate benefit from this research in terms of a better understanding of why corporations act in a certain way and, also, the ways that the local communities may exploit these actions to their benefit, that research was focused on global corporations and local communities located in the vicinity of the headquarters of those corporations in the USA only and did not address the situation here in the UK. This opens an opportunity for this research to investigate these kinds of factors affecting CEOs in CSR strategy-formulation within UK companies, some of which may be regional offices of the above studied corporations, and SMEs, which are not part of the global corporations.

From a different standpoint, there are studies (e.g. Stranberg, 2002) that suggest that future developments of CSR strategies will incorporate a reaction to the corporate globalisation movement; that they will concentrate on very specific issues close to the companies' operations thus creating particular segments within CSR relevant to their business.

In their recent global survey of CEOs with regard to their views on incorporating globalisation, societal and environment-protection issues into business' core strategies, Bielak et al. (2008) found that the majority of respondents viewed these issues as resulting directly from increased social

pressure, which, at the same time, gave them an opportunity to incorporate these issues as ways of gaining competitive advantage, in some cases in a global context. However, business leaders emphasised that "…reshaping the contract between business and society" (ibid.: online) through globalisation brings challenges in terms of under-developed governance, lack of skilled personnel and increasing climate change emphasis.

Similar opinions were found in a recent survey among marketing specialists, conducted by the Professional Marketing Forum (2008). Although the majority of the companies incorporating CSR at their managerial level were European (53% versus 27% in North America), the spread of CSR issues is very similar between two locations: philanthropic activities; assurance of diversity and high standard of workplace culture, and development of workforce; closely followed by activities in local communities; participation in educational programmes; development and promotion of organisational behavioural codes and policies; and environmental protection and preservation. Although the survey span among different levels of the organisations, including accountants, marketers, managers and managing partners, the overall sentiment can be summarised as "The quality of CSR engagement is rapidly becoming a benchmark for a modern organisation" (ibid: 2), particularly pertinent to the fact that this survey was conducted on a global scale.

In other research, Hartman et al (2007) studied in total 16 US and European organisations with respect to CSR terminology, communication, and its actual implementation. The research found that, as expected, US companies implemented CSR mostly with respect to its economic argument, whereas European organisations employed the language of moral and social commitment, good citizenship and accountability. Furthermore, the EU companies valued sustainability in addition to, not to the exclusion of, financial commitments, differing even further from their US counterparts in terms of strategic versus profit-driven approaches to CSR.

Looking at the United Nations' global corporate citizenship initiative called Global Compact (UN Global Compact, 2008), it is possible to support this sentiment by illustrating how the necessity to have globally recognised principles of business conduct in anti-corruption, human rights, labour and the environment can promote "…exhibiting and building the social

legitimacy of businesses and markets" (ibid.: online). The organisations signing for this initiative vary in their structure, type of business and their backgrounds, working on spreading the responsible corporate practices across countries, governments, social and civil organisations, research and education institutions and businesses, with the necessity of a greater involvement of enterprises in particular.

Furthermore, Stranberg (2002) suggests that the requirement for a greater accountability and transparency, as part of the growing CSR oriented corporate governance, will increase, especially within the private sector since the progress of its economic growth, particularly in SMEs (Morsing and Perrini, 2008) is far ahead of its promises to deliver within the social and environmental spheres.

These assumptions call for further analysis in this research within the scope of SMEs, particularly in regard to their voluntary initiatives, which might contradict suppositions that the private sector, preferring to stay below the social pressure radar, is only interested in profit maximisation.

All in all, as Kakabadse *et al.* (2005: 286) point out, the CSR in practise is a very contextual, exceedingly susceptible to the "...environmental, organisational, even individual specificities" (Singhapakdi *et al.*, 1996; Jones, 1999).

Considering all of the above-mentioned studies, it is possible to hypothesize that CSR, as a highly complex and under-systematised process, can be highly sensitive to sometimes opposing pressures of stakeholders' and shareholders' interests, macro- and micro-environmental pressures as much as the personal values and ethical principles of the individuals steering the CSR institutionalisation. It is the objective of this research to advance the existing knowledge in this field and, as part of this exploration, through empirical evidence, to analyse the relationship between CSR and the stakeholder model within the scope of SMEs, which is presented in the following section.

2.7 CSR and Stakeholders

2.7.1 Stakeholders Overview

Generally, it is accepted in academia to acknowledge the connection between CSR and stakeholders (e.g. Frederick, 1984; Jenkins and Hines, 2003; Kakabadse et al, 2005; etc.) as suggested by Carroll (1991:43):

> *"There is a natural fit between the idea of corporate social responsibility and an organization's stakeholders. […] The concept of stakeholder personalises social or societal responsibilities by delineating the specific groups or persons business should consider in its CSR orientation".*

With respect to CSR, the point of intersection between CSR theories and the Stakeholder model can be placed on the definition of *what* responsibilities businesses aspire to fulfil versus the issue of *whom* businesses are or should be responsible to, as prescribed by the stakeholder concept (Kakabadse et al, 2005.)

As Freeman and McVea (2001) summarised, stakeholders are either groups or individuals and their rights that are affected by business activities. This classification can include various numbers and types of stakeholders depending on the industry, size and position of the company in the supply chain. Donaldson and Preston's (1995) research identified several stakeholders, which can either influence or be influenced by a company's operations (see Figure 2). However, it is necessary to acknowledge that the emergence of at least two additional powerful stakeholders, mass media and pressure groups, can't be ignored.

Figure 2: The Stakeholder Model

Key: Dotted lines indicate emergent additional powerful stakeholders.

Governments	Investors	Political Groups	Media
Suppliers	**Company**		Customers
Trade Associations	Employees	Communities	Pressure Groups
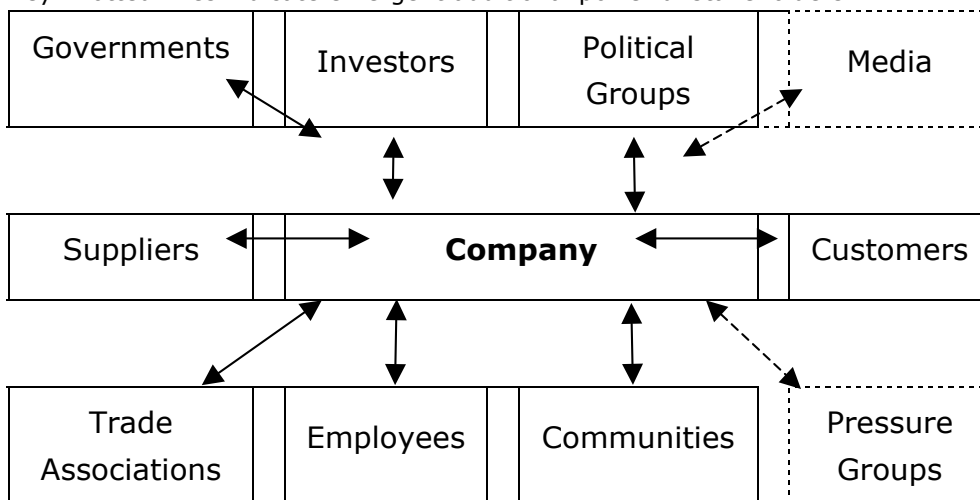
Source: Based on Donaldson and Preston, 1995.

The relationships between a company and its stakeholders can be very complicated, especially looking through the prism of CSR, so much so that it is becoming more accepted by businesses to utilise a concept called Stakeholder Management with the purpose "…to devise methods to manage the myriad groups and relationships that resulted in a strategic fashion" (Freeman and McVea, 2001: 4).

As was pointed out earlier, society can provoke businesses to "respond" to its pressure and come up with a CSR strategy, which can be classified as Corporate Social Responsiveness (Frederick, 1984). However, where can we draw the line between that societal pressure for making businesses act responsibly and the businesses' actions to be perceived as the responsible ones just to prevent that pressure? When the "C-S-Responsiveness" becomes "C-S-Rectitude"? (ibid.) How do business leaders cope with such Stakeholders' theoretical postulates saying that the very purpose of the firm is to serve as a vehicle for co-ordinating stakeholding interests (Evan and Freeman, 1998)? What about Shareholder theory and its advocates when they say that the only responsibility of the business is to increase its profit, staying within the rules and regulations (Friedman, 1962; Demb and Neubauer, 1992)?

In contrast to proponents of shareholder theory, Freeman and Velamuri (2008) suggest that research identified the influence of stakeholders on business' (including SMEs') operations as of such significance (Freeman, 2005; Wicks et al., 2005; Kusyk and Lozano, 2007)

70

that they proposed to change the term "Corporate Social Responsibility to "Company Stakeholder Responsibility" (Freeman and Velamuri, 2008: 4). Whereas Wilson (2005), as a continuation to his previous research (Wilson, 2000) on the shifting nature of corporate obligations between profit maximisation and solving social problems, in his article on the relationship between corporate business and society (Wilson, 2005: 20) argues that the future for the corporate profit is to be redefined, with the "… rationale for moving the corporation from "profit-as-purpose" to "service-as-purpose" as the organising principle for its strategies, values and actions". This leads us to the discussion of such relationship between society and business, which is presented in the following section.

2.7.2 Business' Social Legitimacy

Both business and society are connected to each other through not only being influenced by each other's activities but through the mechanisms of one being questioned by another. As Hess (1999) pointed out, corporations may see social reporting to their stakeholders as one of the most important means of enhancing corporate image.

In relation to CSR and stakeholders, the theme of social validation of corporate performance is present in the research into one of the facets of social licence to operate (Donaldson and Dunfee, 1999), where an organisation necessitates society's approval to carry on its operations (Blowfield and Murray, 2008). Based on Nisberg's (1988) definition of an organisation being empowered by the state "…to act as an individual…" in full aspects of its financial and legal responsibilities (Nisberg, 1988, p.74), it is possible to assume that the ultimate course of actions of any given organisation lies within the power of an individual in charge of such organisation being constrained by only the assumption of society's ability to pressure these organisations to act within the boundaries of acceptable moral norms and principles, in other words being accountable within set standards and laws.

Moir (2001) further analysed the issues of social legitimacy of organisations and explained the interest for business to engage in CSR activities through an organisation's striving to act socially responsibly via the channels of not only its commercial interest but of society's expectations

of this business to operate (ibid.). Deegan et al. (2002: 292) stipulated that if society considers organisations legitimate, than "…the society "confers" upon the organization the "state" of legitimacy".

Lantos (2001) goes further and stipulates that this relationship imposes expectations on both parties, business and society, thus creating an ever-evolving structure of this affiliation through organisations' responsibilities directly corresponding with their "…economic, social and political power" (Lantos, 2001: 599).

The issue of power of society in terms of the social legitimacy of the organisation has been analysed also by others (e.g. Davies, 1973; Wood, 1991; Lindblom, 1994; Deegan et al, 2002; Kakabadse et al, 2005; Villiers and van Staden, 2006) with the proposition that society is the ultimate judge of the righteousness of the businesses' activities, which should withstand the commercial pressure of multinational corporations. Expressions of society's power in this respect can be seen, among others, in decreased consumers' loyalty leading to losses of business profitability; potential or existing personnel's fluctuation damaging business' reputation and stability; and demonstrations and manifestations of pressure groups ultimately affecting the course of CSR institutionalisation and its reporting (Feddersen and Gilligan, 2001). However, as part of this and other researches in this area, it is not obvious how or by whom the equilibrium is being maintained between society's expectations versus business responsiveness. If there are such ambiguous standards, norms, regulations, measurements and boundaries giving uncertain guidance to the very people making CSR-related decisions in organisations, how can their actions be judged in that respect? Where is the responsibility of the social side of the social legitimacy in this instance?

Another study conducted by Kostova and Zaheer (1999), points out the complexity of multi-cultural and varied societal and economic prerequisites corporations face in their operations, both domestic and overseas. In cases of their international operations, corporations, through their subsidiaries, experience pressures of diverse and at times competing stakeholders (Pestre, 2006), which, in turn, can be contrasting with their domestic headquarters' or local stakeholders' expectations (Muller, 2006).

An increased complexity of stakeholders' pressures leads to even more uncertainties in organisations' CSR implementation. Godfrey (2007) supposes that, to navigate in this ambiguous environment, companies, specifically in the oil and gas industry, seek guidance in each others' CSR actions, adapting to already accepted social norms of operating and instances of previously obtained social legitimacy by other businesses.

Stratling (2007) further emphasises that managers of several studied global energy companies, although acknowledging CSR benefit to their companies' financial performance in their Annual or CSR Reports, indeed underline the necessity to obtain social legitimacy for their operations, albeit not through a long-term CSR commitment. Their actions are rather directed towards shareholder value maximisation along with respect to the requirements imposed by their stakeholders' social legitimacy boundaries.

Continuing the theme of organisations seeking social legitimacy through their CSR-related reporting, Campbell's (2003) research confirmed that in instances of changes in social perceptions on voluntary reporting, business' responses indicated the need to reinstate social legitimacy. This echoes Oliver's (1991) suppositions that when organisations are not in need of restoring social legitimacy, they restrict their responsiveness to avoidance or minimal compliance with legislation and disclosure requirements.

Other studies suggest that, resulting from various operational malpractices, companies' disclosures and social reporting are in line with propositions of social legitimacy theory, including the use of increased reporting as a means of manipulating social perceptions of companies in order to obtain legitimacy (Hooghiemstra, 2000); and the increase of CSR-related reporting as a symptom of changes in "the terms of the contract between industry and society" (Campbell et al, 2003: 558).

The connection between organisations and society's systems of values, social norms and actual performance, which forms the basis for legitimacy theory, is emphasised through society's acceptance of organisation's operations (Villiers and van Staden, 2006). This process often is demonstrated through managerial actions to alter organisation's disclosure, at minimum, or, further, its performance in order to comply with

or manage respective stakeholders' expectations (Deegan, 2002). The relationship between business and stakeholders as representatives of society in the construct of granting and maintaining social legitimacy is analysed in the following section.

2.7.3 Business' Relationship with Stakeholders

Jones et al (2002) proposed the conceptual basis of the stakeholder involvement in socially responsible business conduct, which synthesises the issues of corporate planning, CSR implementation, organisational and systems theories, all of which in turn contributed with a specific analysis and findings into the role of stakeholders, commonly referred to as pluralism (ibid.). This notion follows the previously suggested assumption (Hummels, 1998) that it is possible to trace the evidence of the presence of different stakeholders by analysing the interpretations of the claims of such stakeholders on the purpose of organisation, which in turn only adds to the challenges of the daily managerial routine (Kakabadse et al, 2005). This statement is supported by the research of Wood (1991) and Szwajkowski (2000) into the likeliness of various stakeholders understanding CSR differently and thus expecting different outcomes of CSR implementation by a chosen organisation, attributing these differences to the influence of potentially contradictory value systems and ideological positions of stakeholders.

The four corners of the convergent stakeholder theory were synthesised by Jones and Wicks (1999) into a association between: 1) organisation and its stakeholder groups; 2) the outcomes of these relationships; 3) the interests of stakeholders; and 4) the relationship between stakeholder theory and managerial decision-making processes (Hillman et al, 2001). The latter statement can be supported by Jones et al.'s (2002: 20) follow up study, where they stipulate that managers have to consider numerous stakeholders, having obligations to these various stakeholders, which extend beyond shareholders.

However, since there is no clear definition of the boundaries of the stakeholders directly affected and/or affecting an organisation's activities, it can become too difficult for managers to determine to which group to be

accountable; with which group's social pressure to comply; and from what stakeholder to seek social legitimacy.

The author agrees with Kakabadse et al. (2005: 293) in stating that, although stakeholder theory assists in clarifying the presence of the relationship with stakeholders, it does not educate business leaders on the importance of maintaining and improving these relationships, including the understanding of affecting factors and the ever-growing empowerment of stakeholders, thus resulting in business leaders' lack of recognition of the overall impact stakeholders may have on an organisation's performance (L'Etang, 1995; Hummels, 1998). In order to assist managers to identify the stakeholders, place them in order of influence on the organisation and implement adequate strategies to build mutually satisfying relationships, Kakabadse et al. (2005) remind us that a number of tools and concepts have been developed, such as the stakeholder analysis models, stakeholder mapping, power/interest matrix, stakeholder moral responsibility matrix and stakeholder management concepts (e.g. Frederick et al., 1988; Carroll, 1989; Weiss, 2003). As one of these approaches, Minkes et al. (1999:331) developed a 6-step process to assist business leaders to become more CSR-focused and understand "…how attitudes are developed and how an organisation and its employees are influenced".

Nevins and Stumpf (1999) suggest that a company's mission statement, which reflects its values, is the crucial instrument in managing the ranking of various stakeholders over each other; where a mission statement signifying profit maximisation for its shareholders might proclaim a short-term wealth accumulation with the other end of the continuum being in a company's values stating respect for the interests of its broader stakeholder boundaries. In the latter case, they (ibid.) argue that it is the leadership teams' responsibility to find equilibrium between these stakeholders' and company's interests. Szwajkowski (2000: 390) continues this theme in suggestions that managers' and subsequently their organisations' norms and behaviours should conform to the sensitivity, "concerns and capabilities" (ibid.) of each stakeholders group. However, that research does not fully answer how these managers' and respective organisations' norms and behaviours are formed and how these entities

communicate with their respective stakeholders regarding their continuously changing concerns and capabilities. This research aims to address this gap.

Another angle, through which organisational relationships can be investigated, is offered by institutional theory. Institutional theory encapsulates the relationships between various constituents with a particular emphasis on organisations as key players, where such relationships form social structures within operational environment of these organisations as components (Scott and Meyer, 1983; DiMaggio, 1988). The bases for these social structures lie within cultural meaning, social position and purpose of these constituents in their specific environments, which in turn result in behavioural norms adopted within these social structures (Scott ,1987; Meyer and Scott, 1992).

Institutional theory in this perspective implies that various organisations and their institutional norms directly affect wider social and cultural norms that operate within institutional environments. The author believes that it is possible to extend this postulate to include relationships that companies build with their shareholders and stakeholders, including the issues of accountability to and management of these groups. Furthermore, institutional theory suppositions on institutional norms permeating and regulating societal actions of constituents within these institutional environments (Scott, 1987; Meyer and Scott, 1992) open another angle of interest in this research in whether these institutional norms affect CSR understanding, its implementation and social legitimacy practised by the studied organisations and their leaders within appropriate institutional environments.

In his research, Campbell (2007) offers an institutional theory of CSR with the postulates of the relationships between corporate behaviour and respective companies' economic state being affected by the legislation; activities of organisations monitoring corporate behaviour; presence of institutional norms and practices of corporate behaviour and "… organised dialogues among corporations and their stakeholders" (ibid.: 946), thus emphasising once more the importance of incorporating an appropriate identification of companies' stakeholders, and understanding of their needs and demands. Although that research offered a structured approach to

systematising CSR institutionalisation with regard to corporate behaviour, the following critical points and questions need further evaluation: very limited empirical application of this theory, particularly from the point of business leaders' views on their relationship with stakeholders; further testing of the propositions, i.e. the relationship between non-financial conditions and less-socially responsible corporate behaviour; the belief that CSR is more manageable rather than responsible corporate behaviour; the disparity between divergent stakeholders' definition of responsible versus irresponsible corporate behaviour; and what are the ways to guard corporate behaviour from being influenced by irresponsible stakeholders?

Having no single model of stakeholders and stakeholder management, which could be applicable throughout organisations with different structures, values, social placements and economic statuses, it would be beneficial for the purpose of this research to investigate how CEOs of the chosen organisations address the issues of stakeholders' boundaries versus shareholders' interests, the hierarchy of their influences and the overall importance of understanding the relationships with these groups.

2.8 Stakeholder Model in SMEs
2.8.1 SMEs' Stakeholders Overview

According to Jenkins and Hines (2003), the subject of CSR in SMEs is under-researched, possibly due to several major reasons: the SMEs as an object of research is well behind the studies conducted into larger corporations due to their visibility and impact of the findings of their research (Thompson and Smith, 1991); the assumption that SMEs' resources are too insignificant to make an important impact in the social sphere; data available on SMEs is limited; and methodologies for research into large corporations may not be applicable for research into the SMEs. This growing appreciation of the relative lack of CSR research into SMEs (Kusyk and Lozano, 2007) contributes to the recent increase of interest in studying SMEs especially since this sector is growing economically (Tilley, 2000) within the scope of Europe and the UK in particular.

SMEs, from the point of view of their position within society, have presented researchers with opposing findings (Jenkins and Hines, 2003),

such as the arguments of Spence (1999) in describing SMEs as situated independently within society, often making decisions in complete autonomy, where a manager in an SME, being preoccupied with day-to-day tasks, has no resources left to think beyond the economic buoyancy of their company and explore new paradigms such as of social responsibility; that SMEs are no more enthusiastic to adopt formalised CSR standards than they were keen to adopt environmental controls. Whereas Tilley (2000) suggests that SMEs' managers are unwilling to incorporate their personal values into their business, which drives them further apart from social expectations and that they are reluctant to adopt voluntary standards and regulations but are also sceptical of formally imposed principles and distrustful of bureaucracy (Burns, 2001).

These studies, although giving contrasting results, only confirm the lack of homogeneity in the research into SMEs and CSR, especially in the leadership area. This presents an opportunity to advance the understanding of the factors currently affecting CSR decision-makers in SMEs, especially in an environment of increasing societal pressure on the oil and gas industry.

2.8.2 Stakeholder Management Issues in SMEs

As was presented previously, there is no clear definition of the societal position of SMEs, thus creating further lack of boundaries in determining the relationship between SMEs and stakeholders. Existing research and business practices show that the more companies manage, listen and respond to their stakeholders, provided that every company does have its shareholders and stakeholders, the more economically sustainable they become (European Commission and Observatory of European SMEs, 2002; Irwin, 2002; Jenkins, 2005). However, in the case of SMEs, it is reasonable to hypothesize that SMEs possess different characteristics to their stakeholders' management.

In her research, Jenkins (2005) summarised that the general behaviour of SMEs is thought of as being homogenised due to their size (Wilkinson, 1999); their managers and/or owners' psychological characteristics of managing the company and thus having no formal management structures, specialized staff and being influenced by the personalised style of management (Bolton, 1971); them being social

entities revolving around personal relationships, with various resource limitations, operating in a single market and being difficult to regulate (Burns, 2001); they are reluctant to respond to the institutional pressure of governmental and public pressure groups, competitors benchmarking and private and social interests (Dex and Scheibl, 2001). All of these characteristics contribute to the status of SMEs as a highly diverse type of organisation, operating in various economic spheres, with different managerial and ownership styles (Jenkins, 2005).

However, considering the homogeneity in any company's key stakeholders structure, it is highly likely that SMEs, having basically the same key stakeholders as any company, manage their stakeholders differently than for example multinational corporations (*ibid*.), partially due to the cultural differences between SMEs and corporations, which might influence managerial attitudes differently (Gibb, 2000). In her research into the difference between managing stakeholders in SMEs and large corporations, Jenkins (2004) stipulates that the major difference is in SMEs managers' possibly building their relationships with their stakeholders on a more personal, intuitive basis, relying less on a balance of power between the company and its stakeholders, whereas large corporations carefully plan such activities, formally predict the outcomes of such power balance and building their relationships with their stakeholders as a strategic development.

In the follow-up studies, Jenkins (2005) identified that, despite the heterogeneity of SMEs, they are unified in their growing understanding of the stakeholders' existence, classification and appropriate management, although this might be quite dissimilar to the stakeholder management adopted by the large corporations. That study concluded that the researched SMEs identified their customers, suppliers and employees as their key stakeholders, thus their responsibility toward these groups was of a higher level.

SMEs' relations with their stakeholders, their embeddedness in social networks and the ability to gain and extend knowledge about CSR can be addressed through the lens of social capital theory. Prominent authors in this field defined social capital as "...the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a

durable network of more or less institutionalized relationships of mutual acquaintance and recognition" (Bourdieu and Wacquant 1992, p.119); which adds benefit to organisations' operations through its "functions of social structure" (Coleman, 1990: 302), and is demonstrated through "...trust, norms and networks, that can improve the efficiency of society..." (Putman, 1993: 167). Other researchers emphasised social capital's "...contextual complementarity to human capital..." (Lin et al, 2001: 32), where individuals are not only connected to other individuals and organisations as members of business networks (Davidsson and Honig, 2003) but are dependent on other members of their social network, and are "obligated to support certain others" (Lin et al, 2001: 32).

Various researchers emphasised the importance and benefits of creating social capital through SMEs' embeddedness in social networks and their innovativeness (Cooke and Wills, 1999; Werner and Spence, 2004; Sten and Tötterman, 2005); representing a "pool of goodwill residing in a social network" (Anderson et al, 2007: 245).

With regard to the relationship between social capital and CSR implementation within SMEs, research suggests various findings, such as direct influence of SMEs' owners / managers' learning from peers and through networking on CSR understanding and implementation (Jenkins, 2006); responsible behaviour of SMEs' leaders as part of competitive advantage through the development of social capital (Nahapiet and Ghoshal, 1998; Lin et al, 2001; Lechner and Dowling, 2003; Murillo and Lozanno, 2006; Fuller and Tian, 2006); and interdependence between business ethics, CSR implementation, and goodwill, cooperation and community involvement as part of social capital, particularly within ethno-cultural settings (Spence et al, 2003; Graafland et al, 2003; Vives, 2006; Worthington et al, 2006b; Fisher et al, 2008), with an emphasis on giving back to communities through SMEs' leaders' decisions, which in turn are highly dependent on societal and personalised contexts (Worthington et al., 2006a).

2.8.3 Recent Research into Stakeholders and SMEs

Although previous studies (Jenkins and Hines, 2003; Jenkins, 2004; 2005; Kusyk and Lozano, 2007; Lange and Fenwick, 2008) shed more light onto the CSR institutionalisation and stakeholder management in SMEs, those studies investigated the situation within diverse industries, which in itself might have an affect on the outcomes of the research. Also, the majority of available data was either largely theoretical, was collected in other countries, or within the areas of Wales and England, whereas Scotland, especially its Northeast, being highly populated by oil and gas enterprises, is under-researched. It is in this area that this study will explore within SMEs, whether CSR institutionalisation, through the stakeholder management, is in fact primarily based on the SME management's personal engagement, trust and informality.

In a study into the specifics of the stakeholder management approach in entrepreneurial companies, McVea and Freeman (2005) suggested furthering the focus on the managerial approach of this activity, a.k.a. the Names-and-Faces approach. Their proposal is to avoid the prescribed formula of descriptive, normative and instrumental claims, but rather focus on incorporating stakeholder management into the business strategies with better outcomes, thus following the fundamentals of the managerial theory, which does not predict the cause-effect relationships but recommends structures, practices and attitudes (Donaldson and Preston, 1995). A managerial approach would rather concentrate on managers' decision making in order to create value simultaneously considering the interests of all affected stakeholders with the specific breakdown of the three characteristics to the Names-and-Faces approach, such as: focus on value creation; focus on making decisions; and focus on individual relationships (Freeman and McVea, 2001).

McVea and Freeman (2005) criticise the existing generalisation of stakeholder groupings due to them becoming faceless, based on abstract roles, which can result in ignoring individual moral responsibility based on decreased personal proximity (Jones, 1991) to the object of such managers' moral decisions. Jones (1991: 376) defined proximity, as part of the moral intensity of decisions and acts, as:

81

"… the feeling of nearness (social, cultural, psychological, or physical) that the moral agent [decision maker] has for victims (beneficiaries) of the evil (beneficial) act in question".

Expanding Jones' (1990) definition, the concept of proximity can be applied to managerial ethical decisions (since Jones (1991: 367) himself noted interchangeable usage of *ethical* and *moral* references to decisions), specifically comparing them in corporations and SMEs, depending on their stakeholders environment. The feeling of proximity can be the result of not only the physical distance from the stakeholders but also of the perception of real individuals represented by this grouping, resulting in a neglect of the individual's ethical consideration through the generalisation of the group. McVea and Freeman's other criticism is based on the generic classification of the business decision-making attitude, where the interests of the stakeholders are normally perceived as intrinsic, with the moral aspects of the stakeholders' groups justified in academia through complex, abstract and philosophical bases in the ethical literature (Freeman and Velamuri, 2008).

McVea and Freeman (2005) argue that, when decision makers face a dilemma of making a decision, they have a tendency of avoiding the complexity of the abstract and philosophical natures of ethics, and proceed with the direct, business-like decision. In the proposed Names-and-Faces framework, they argue, it is easier to make an ethical decision due to the following reasons: increased personal proximity (Jones, 1991) between the decision-makers and their stakeholders; having personal relationships would eliminate the need to employ abstract moral justifications; and the relationships with real individuals become sufficient motivations for moral consideration (McVea and Freeman, 2005).

This echoes Jenkins' (2006: 241) supposition that "…SMEs prefer to learn through networking and from their peers…" confirming the importance of exploring the factor of close personal proximity (Jones, 1991) of other CSR players and stakeholders in SMEs environment. This was also pointed out by Lange and Fenwick (2008: 41) in their empirical findings of the research into Canadian SMEs and their localised social commitment based on business leaders' morality "…embedded in a sense of relationship with and commitment to the well-being of the local geographic community".

Although McVea and Freeman (2005) propose a new look into stakeholder management, they admit that it can't replace the existing structures, at least not yet. Also, it will still continue to be complex and at times there will be opportunities for managers to make unethical decisions. However, they strongly believe that in today's society, the success of the entrepreneurial company strongly depends on how it manages its network with the progress in incorporating ethical responsibility (Freeman and Velamuri, 2008) provided it is founded on the physical reality of personal relationships (McVea and Freeman, 2005)

However attractive is the idea of personalising SMEs' relationships with their stakeholders and thus assuming more integrated CSR-active roles, it can be criticised from several angles. Firstly, it might be impractical to conduct personal relationships with all stakeholders as individuals; secondly, it might provide the stakeholders with unethical predispositions to abuse this framework and utilise their power of bargain in this particular arrangement of the social contract; thirdly, what would serve as legitimate boundaries and benchmarks for these managerial decisions if the only justification for them is the personal proximity (Jones, 1991) to the claiming stakeholders or the managers' personal beliefs in doing the right thing? The proposed research aims to identify the existing and hypothesised attitudes within the SMEs' managers / owners with regard to their experience and understanding of CSR-related stakeholder management.

2.9 CSR in Corporations and SMEs
2.9.1 Differences between Corporations and SMEs

The most common business definition of "Corporation" can be summarised as an entity created by state, treated greatly like an individual under the law, having legally enforceable but independent from peoples' rights and responsibilities, providing it with a way to conduct business and divide profits and losses under certain legal and financial obligations (Nisberg, 1988; Gale Group 1998). Corporations can be private, non-profit, municipal, or quasi-public. For this study, the focus is on two types of private corporations: corporations with a large number of shareholders as investors and their shares publicly traded on security exchanges; and much smaller corporations with relatively few shareholders, up to 35 in total, often in a

single family with no or limited trading of stocks on the market, which is commonly known as small-and-medium size enterprises (SMEs).

Going back to corporations and their structures, Ghoshal and Bartlett (1990: 603) described multinational corporations as:

> *"…interorganizational networks embedded in an external network consisting of all other organizations such as customers, suppliers, regulators and so on, and with which the different units of [corporation] must interact".*

The concept of "units of corporation" (Ghoshal and Bartlett, 1990) is employed in this thesis to represent corporate subsidiaries.

From a theoretical point of view, there has been an increase in the interest of researchers into the operational and societal relationships between corporate headquarters and their subsidiaries (Pestre, 2006), driven by the increase in recognition of the strategic importance of CSR (Paton and Siegel, 2005). Birkinshaw and Hood's (1998) framework of subsidiaries' roles emphasised various factors: directives from headquarters; subsidiary choice in following these directives; and determinant conditions of a subsidiary's local environment. In a later study, Birkinshaw et al. (2005) emphasised the notion of subsidiaries' choice as subsidiaries' managers' entrepreneurial behaviour (Birkinshaw, 1997; 2000) and as exhibitions of their independence. Kostova and Zaheer's (1999) research suggests a complex set of relationships between corporate headquarters and subsidiaries influenced by social, organisational and relational factors, whereas Muller's (2006) findings of his study in Mexico point out to localised social legitimacy playing an important role in subsidiaries' adaptation of centralised corporate CSR strategies.

This three-level inter-relationship between corporation, its subsidiary, and local environment was emphasised by Pestre (2006) in his research into CSR practices of a multinational corporation in Africa, and managers' personal connection to various inter-relational issues. Pestre (2006) suggests that innovative thinking, local autonomy in CSR decision making, and personal involvement of that subsidiary's manager were the most influential factors in CSR implementation in that particular case study organisation.

Although Pestre's (2006) research shows firmly embedded inter-relations between corporate headquarters and subsidiaries, it was based on

only one corporate subsidiary in Africa. However, bearing this limitation in mind, Pestre's (2006) suppositions can be explored further within the environment of the UK oil and gas industry with a particular interest in factors affecting corporate subsidiaries' managers CSR decision-making.

With reference to SMEs, the European Commission (2003) adopted a new Recommendation regarding the SME definition as an enterprise of less than 250 employees and less than 50 million Euros annual turnover.

As was discussed earlier, it is clear that some of the biggest challenges for SMEs adopting CSR strategy are their size, financial independence, resource availability, knowledge management and staff competence. Earlier, there have been several studies (e.g. Burns, 2001; Irwin, 2002; Jenkins and Hines, 2003) published in the field of business ethics in SMEs, some of which give a comparison between corporations and SMEs, e.g. the recent study by Longenecker et al. (2006).

That research, unique in its sample size (over 5,000 respondents) and timeline (data was sampled at three points in time from 1985 to 2001), analysed business ethics in contrasting companies and resulted in the following findings: there has been no significant differences exhibited in ethical standards in SMEs in comparison with larger companies; in 1993 smaller enterprise owner-managers had a tendency to be less ethical, whereas in recent times SMEs' business leaders are more committed to ethical decision making, bridging the gap between large and small firms; the differences in ethical decision-making processes are varied, including personal and situational factors affecting values and behaviours of corporations' and SMEs' leaders; separation of ownership and management, present in large firms, seemingly effects less on differentiation between perceptions about ethical behaviour of either types of firms' leaders; the inter-influence of business interactions and peer-to-peer networks built by entrepreneurs does not seem to lead to tangible differences compared to ethical behaviour of larger firms' managers (Longenecker et al. 2006).

The scope of this research provides an opportunity to explore, contrast and compare these areas within the settings of the UK oil and gas companies.

2.9.2 Specific CSR Management Differences

Despite the overall similarity in the perception of the ethical behaviour of business leaders in small and large companies, there is a clear difference in how this behaviour is demonstrated through CSR-related activities. The research by Jenkins and Hines (2003) argues that, first of all, SMEs as the subject of managerial studies, are generally under-researched due to their lack of visibility, deficient resources to make a greater CSR impact and insufficient data available to research. Secondly, SMEs, despite their growing economic effect (European Commission, 2003) are not fully supported through the available CSR guidelines and frameworks; motivations for CSR adoption in SMEs are largely similar to the ones in large firms. Furthermore, Jenkins and Hines (2003) argued that SMEs' managers are predominantly preoccupied with short-term business objectives, unlike large companies, which have resources to plan their operations and CSR related coverage with long-term prospects in mind. Although a number of SMEs (MORI, 2005; 2006) was found practising CSR, albeit limited, insignificant exploration in this area has been carried out.

Early studies in SMEs (Spence, 1999; Tilley, 2000) describe SMEs as companies with insufficient CSR knowledge and resource allocation for socially responsible activities. However, developments in CSR assessment and recognition provided by both government (e.g. Department for Business Enterprise and Regulatory Reform's (BERR) support for Business in the Community's (BITC) stewardship of CSR Academy (BERR, 2009)) and business itself (e.g. National Business Award and Northern Star Business Award scheme) present SMEs as becoming more aware of and actually implementing CSR actions. Although, the review of the current state of UK government actions on assuring CSR promotion across industries and various types of enterprises suggests that there is no clear strategy and operationalisation in place to do that yet.

Other researchers (e.g. Jenkins, 2005; Longo, 2005) stipulate that there are additional significant differences in managing CSR institutionalisation in large and small firms across countries and industries, such as: allocation of time and resources; presence of CSR dedicated personnel; fragmented versus structural approach to CSR strategies; regional compartmentalisation of CSR activities; CSR support provided by

the government, business and research community, particularly criticised by Jenkins (2004).

Practical implications of CSR institutionalisation in larger companies were analysed by Grayson and Hodges (2004) from the perspective of competitive advantage. Their findings resulted in a proposed re-terming of CSR into CSO – corporate social opportunities, where the authors propose to implement CSR through a business model of social responsibilities as opportunities. This was taken further and adjusted by Jenkins (2009) to suit SMEs' leaders' more personalised approach to social responsibilities.

However, although some of the previous research (e.g. Jenkins, 2004; Baden et al., 2007) was grounded on CSR perceptions by SMEs' owner-managers as the central figures of decision making, it collected samples from across industries, without focusing on one specific area of business, which might yield additional factors affecting ethical decisions. This presents an opportunity for this research to fill this gap, which is addressed further in other sections.

With regard to CSR practices in corporations, and particularly in their global subsidiaries, the study into CSR implementation in the oil and gas industry in Nigeria, conducted by Amaesh and Amao (2008), found that the codes of practise of the parent US and UK corporations have the biggest effect on the conduct of their overseas operations. Together with the model of capitalism operating in their countries of residence, they have a major affect the overall CSR institutionalisation in this particular sector of industry.

Contrary to multinational corporations, the study of Grayson and Dodd (2007) found that individual persons in charge of SMEs (i.e. entrepreneurs, owners, managers) could be considered as one of the most affecting factors in CSR institutionalisation in European SMEs. Also, the increase of legislative and social pressure; the presupposition that CSR and SMEs are incompatible due to its economic impact on daily operations; SMEs' reluctance to ask for help, including CSR institutionalisation; and lack of knowledge, particularly of economic benefits of implementing CSR were the most common themes of CSR institutionalisation's nature in SMEs. Among other findings, the importance of assisting in CSR discussion, learning and monitoring, particularly in the field of supply-chain pressured sustainability discourse

seem to be the key areas for future research into CSR institutionalisation in SMEs (ibid.).

This notion is somewhat supported by the research findings by Baden et al. (2007). Their arguments, among others, state that the person in charge of CSR institutionalisation is most probably the founder of the company. Therefore, when it comes to using supply chain relationships between large corporations and their SME suppliers, as attractive as some may find it, at times this could result in non-desirable effects on CSR institutionalisation in SMEs.

This could arise due to a conflict between intrinsic, autonomous, personal motivations for CSR and extrinsic factors resulting form supply chain pressures. However, the results of Baden et al.'s (2007) study were somewhat inconclusive, involved various industries and ultimately required further research. On the other hand, findings of Worthington et al.'s (2006 a) empirical research into CSR in British Asian SMEs stipulate that there was no strong emphasis on pressures from larger companies or supply chain members as a major driver for CSR implementation within participating firms. Furthermore, with regard to CSR-related supplier diversity initiatives within purchasing side of supply chain, Worthington et al (2008: 322) suggest that the most prominent drivers for companies' CSR decisions lie within "...legislation / public policy, economic opportunities, stakeholder expectations and ethical influences".

From another point of view, although their study was conducted in the European context and the authors admitted that it would require more country-by-country focus and further research into the main findings, Grayson and Dodd (2007) offered a further investigation of the difficulties with CSR institutionalisation within SMEs environment. They suggested (Grayson and Dodd, 2007:14) that a problematic use of CSR terminology is particularly evident in this sector. Their survey indicated that, particularly in other European countries, "…the language of "sustainability" may be more attractive to smaller businesses than that of "responsibility"".

Earlier, the European Multistakeholder Forum on CSR (EMSF, 2004) has already expressed concerns that even if SMEs are implementing CSR, they do not necessarily employ the terminology known to either academia or CSR practitioners in large Corporations.

However, changing the CSR terminology to offer SMEs a more "opportunity-creating nature of CSR" (Grayson and Dodd, 2007: 14) could require not only a change in the direction of the discussion between academia and business, but may need to address the situation in the legislative context. The analysis of this area is presented in the following section.

2.9.3 Legislative Context

In the earlier research, Adams et al (1998) suggested that business' accountability for their corporate and social actions will continue to be on the rise, particularly through the prism of academic research, corporate activities and increased legislation. Although their proposition focuses on the accounting side of business, the overall approach to increased legitimising and, furthermore, improved disclosure of social and environmental results of business' impact, emphasise the upsurge in importance of converging legislative pressures, business' drivers for social legitimacy and societal call for accountability. Adams et al (1998) suggest that, in some instances, businesses may have an alternate agenda in promoting voluntary disclosure. In addition to managing corporate image or its social acceptance, they may advertise self-imposed disclosure as a way of conveying a message of minimising legislative scrutiny in social responsibility or accountability. This, in turn, could play a part in reinforcing government's view on limiting legislation altogether in the free-market environment. To counterbalance this situation, Morimoto et al. (2005) proposed to develop a system of CSR audit, provided it is based on increased CSR legislation and regulation.

Recent multiple failures in self-regulated financial, manufacturing and retail markets resulting in the current economic downturn accentuate this disparity even further, increasing the emphasis on additional research into business' attitude to social legitimacy versus CSR and its legislation.

In their study on the change of CSR nature morphing into Corporate Social Initiatives, Hess *et al.* (2002) emphasised that more commonly exhibited philanthropy was transforming into more structured corporate initiatives. One of the most interesting findings of that research is the suggestion that, given the market position of private firms, it may give

them a competitive advantage over governmental or public organisations to implement social and environmental programmes. The complexity of the relationships between private firms, including SMEs, and government recently intensified in the research community (Hunt, 2004) as some suggest that CSR self-regulation is embedded in the gaps of legislation; also, the value of companies' and individuals' motives for self-regulation in CSR institutionalisation is questioned as well (ibid.; Kakabadse *et al.*, 2005).

Continuing the theme of self-regulation, Jenkins (2004) argued that CSR strategic perspective in SMEs is often influenced by the personal values of their owner-managers, originally proposed by Burns (2001). CSR become important on the SMEs agendas because of the personal beliefs of their owner-manager in CSR principles; because they hold direct control over influencing company's culture; and because their personal values are a significant factor for driving ethics and standards in small companies (Jenkins, 2004), all of which are less formal than any form of enforcement of an appropriate legislation or CSR reporting. This corresponds with Worthington et al.'s (2006 a) findings on limited, informal and less-structured approach to CSR reporting in SMEs.

The European Multistakeholder Forum (EMSF, 2004) suggested that, according to their survey, obstacles to a wider enforcement of CSR reporting may lie in the societal perception of such reports as only partly objective; not being used in a public decision-making; and, generally, not necessarily affecting overall performance. However, some respondents stated that CSR disclosure could be portrayed as a motivation for increased "…internal and external visibility of the company's commitment and initiatives" (EMSF, 2004: 21).

With reference to stakeholder theory, Feddersen and Gilligan (2004) supposed that stakeholders' interests in obtaining non-biased CSR reports can be secured via active involvement of pressure groups and NGOs as part of societal scrutiny of corporate disclosures. Whereas Jones (1980, 1995) supposed the incentive of honesty and ethicality in corporate performance, particularly for businesses voluntarily basing their activities on building trust with their stakeholders.

With regard to other motivations for CSR institutionalisation, it could be argued that, in contrast to large companies, SMEs are not subjected to

as much societal pressure as their large firm counterparts, but are influenced mostly by supply chain (Baden et al., 2007) and legislation, predominantly in environmental rather than social responsibility (Jenkins, 2004).

The results of a survey of members of the Confederation of British Industry, conducted by the European Multistakeholder Forum (EMSF, 2004), show that the majority of the participating UK business leaders would opt out of the imposed CSR legislation in favour of using constructive benchmarks of performance in order to improve the running of their operations or to enhance their dialogue with stakeholders. Motivations for such choice, among others, included the improvement of businesses' images and brands. Other motivations for participating in CSR benchmarking, or in a wider set of CSR activities, are discussed in the following section.

2.10 Motives and motivations for adopting CSR

2.10.1 Political Context

As was previously noted, there are several main motivations for adopting CSR: PR concerns; managers' personal values; financial benefits, etc. In her studies, Sims (2003) explores the ways, in which companies use CSR as a political resource with the central argument that these activities, which have been unobserved by political scientists, represent significant and somewhat hidden sources of political power for corporations. Framing social responsibility efforts as provision of public benefit through its self-regulation and political philanthropy, Sims (2003) develops a theory explaining why legislators may reward such firms with greater access and other political benefits. Evidence shows that, by complying with the politicians' pressure to donate or engage in CSR activities in a specific format, businesses strengthen their relationships with government, thus using CSR for their political advantage (ibid.). These findings corroborate McWilliams et al.'s (2002) supposition that collaboration between CSR strategies and political strategy can be used to develop competitive advantage.

Although Sims' (2003) study was conducted purely within US companies, the practise of attributing philanthropic acts to gaining political

benefits is growing in the UK as much as Europe as a whole and can be considered as one of the motivations for engaging in CSR. This opens an opportunity to explore this issue within the UK oil and gas industry.

2.10.2 Corporate Motives

The list of the researched motives and motivations for the adoption of CSR can be continued from Hemingway's (2002) findings, which are classified as corporate motives and personal interests. Corporate motives (*ibid.*), in summary, consist of the following: CSR implementation as a means of creating and maintaining competitive advantage (McWilliams et al., 2002); creating or maintaining a good corporate image, which could result from competitive environment and stakeholders' pressures (McWilliams and Siegel, 2001), one of which could be customers' perceptions studied in marketing research and beneficially employed by CSR practitioners (Keller, 1998; Adkins, 1999); and corporate cover-up to shield the impact of corporate transgression (Kell and Caulkin, 2002).

Recent empirical research by Worthington (2009) into supply chain relationships, explored another business case for implementing CSR, this time in the form of Supplier Diversity, particularly in responsible purchasing. In addition to economic considerations, other corporate considerations for partaking in supplier diversity in supply chain, and in responsible purchasing programmes in specific, include inter alia "...better stakeholders relationships and intangible gains in competitive advantage" (Worthington et al, 2009: 5, online). In the environment of the EU regulations on non-preferential treatments of contractors and suppliers, and societally growing emphases on CSR, corporate considerations for supplier diversity are influenced by businesses' perceptions of economic gain through value creation, risk reduction, and corporate image of ethically responsible operations. These considerations are directly linked with businesses' social responsibilities, their policies of community engagement and social inclusion.

These findings echo corporate motives for CSR implementation suggested by (Kell and Ruggie, 2001) and classified as necessity to integrate diverse cultures within local communities as a result of globalisation. In addition, Moon (2002) suggested regional economic

development as part of risk management of social unrest as another corporate motivation for CSR implementation.

Both of the latter motivations are possibly on the rise due to an elevated terror threat, which some argue is rooted in disintegration between communities and business. However, further empirical explorations of current corporate motivations for CSR implementation form an integral part of this research, particularly within the environment of the UK oil and gas industry.

2.10.3 Personal Interests

The second group of motives, classified by Hemingway (2005) as personal desires and interests, which do not replace any of the corporate motives as they are not mutually exclusive (*ibid.*), consists of: self-serving interest (also supported by Moon, 2001) regardless of solely commercial benefit of strategic CSR approach or partly influenced by personal altruistic interest in CSR (Maclagan, 1998; Molyneaux, 2003), to which some researchers (e.g. Raphael, 1994; Macalister, 2001; Bartlett, 2003) refer as an egoistic, making-oneself-happy, type of approach to making decisions; managers' as moral actors' discretion as a component of CSR (Wood, 1991; Kotler and Lee, 2005); following personal religious beliefs, which might affect CSR institutionalisation, although predominantly in philanthropic acts (the studies into the grounds for the religious aspects in ethical conduct were presented by Smart (1989) and Frederick (1998)); perceiving CSR (Wood, 1991; Swanson, 1995; Mitnik, 1995) and ethical decision making (Fritzshe, 1995) through a system of personal values.

In addition, one of the key findings of Worthington et al.'s (2006 a) empirical research placed an emphasis on religious beliefs of UK South Asian small enterprises' leaders as one of personal drivers for CSR implementation. Although Worthington et al (2006 a) suggest that this finding may be not confirmed in other non-Asian SMEs, it revitalises the debate on the importance of religion in CSR decision making, particularly in small enterprises.

Although Hemingway's (2002) research focuses on managers as CSR decision-makers, it studies them as representatives of mixed industries and primarily large corporations, whereas the studies of Jenkins and Hines

(2003), Jenkins (2004, 2005, 2006), Lange and Fenwick (2008) concentrate on smaller firms, although not addressing the issues of the oil and gas companies. This research aims to further the boundaries of knowledge in this particular area.

2.10.4 Other Motivations

Analysing business' adherence to profit-maximisation rules and its participation in CSR in the corporate oil and gas business environment in the USA, Godfrey (2007) argues that stakeholder pressure, in the ultimate form of economic demand created through either their implicit or explicit actions, is one of the biggest drivers for businesses to participate in social actions to meet their stakeholders' requirements. However, some of such companies demonstrate limited CSR because their overall commitment is not to social responsibility per se, but to "…managing stakeholders so as to avoid problems or disruptions" (Godfrey, 2007: 211).

Other motivations for adopting CSR in the US oil and gas corporations, according to Godfrey (2007), include institutional pressures applied through social norms, obtaining of social legitimacy or ethical environments; development of competitive advantage in the form of employees' and customers' loyalty, brand awareness, and improvement of supply-chain based relations (adoption of CSR as part of securing competitive advantage was earlier proposed by McWilliams et al. (2002) as an extension to Barney's (1991) and Wernerfelt's (1995) theoretical perspective of resource-based view of the firm). On the other hand, Godfrey (2007) suggests that, although some oil corporations implement CSR as to preclude prominent stakeholders from obtaining their legitimate demands, others participate in CSR actions due to their business leaders' genuine beliefs in giving back to their communities.

Although this study is particularly beneficial to the area of this research, there is no mentioning of how the oil and gas corporations manage their activities within the sustainability requirements from their stakeholders; or how these findings compare with the opinions of oil and gas SMEs, often positioned as supply chain partners of the studied corporations.

The issue of CSR motivations in SMEs, specifically in European companies, was analysed by the researchers at European Multistakeholder Forum (EMSF, 2004). They postulate that the majority of SMEs who are actively participating in CSR are being affected by the following major motivations for adopting socially responsible programmes: their drive to minimise business risks and to increase opportunities for additional profit; developing and retaining skilled workforce; assuring customer loyalty, particularly in times of slow markets and increased supply chain pressures; maintaining or improving companies' reputation, particularly within immediate stakeholders; achieving effective cost savings through improved operations, sustainability or resource management; assuring adherence to existing legislation or partaking in creating new legislative acts; developing new products or technology, consequently positioning themselves with differentiation or other competitive advantages.

However, on the other side of the continuum, there are SMEs, which choose to either limit their CSR commitment or shy away from it altogether. EMSF survey (2004) suggests that the main reasons for this attitude are: actual or alleged costs associated with CSR; lack of awareness of benefits in implementing CSR; resources deficiencies; lack of appropriate SME research with relevance to improving CSR understanding, operational impact, records and knowledge management in these organisations; and limited systems to support or reward CSR institutionalisation.

Nevertheless, with the increase in the public demand for accountability, transparency and responsibility, it is no surprise that even SMEs are becoming more visible and scrutinised by the government and societal pressure groups. As Jenkins and Hines (2003) generalise, it is the companies' prerequisite for sustainability to combine their commercial success with sensitivity to societal anxieties, although the latter change with social and economic dynamics.

This requires companies' constant attention to monitoring and responding to these concerns. In their research, Jenkins and Hines (2003: online) summarised the following economic and societal factors as key motivations for adopting CSR in SMEs: "stakeholder management, financial performance, consumer pressure, risk management, attracting employees and personal values". These findings can be supported by the recent

research into SMEs' motivations for CSR, conducted by Mankelow and Quazi (2008), where they argued that the most important motivations for CSR are: generation of profit; business' growth; and care for customers and community. In addition, Worthington et al (2006 a) summarise that in various researches conducted on social responsibility implementation within SMEs, employee loyalty and morale are considered to be consequences to participating in social responsibility practices.

However, considering that those studies were conducted within various industries, it is imperative to explore the significance of these motivations, their current distribution, investigate any additional factors, such as industry or community peer pressure, and explore whether the business leaders participating in this research perceive them in the same order of priority. This brings us closer to the review of the literature on the relationships between Leadership and CSR, which is presented in chapter 3, following the overview of the key issues identified from CSR literature review, summarised in the next section.

2.11 Key Issues Identified – CSR Literature Review

The review of the literature pertinent to the discussion on current CSR context revealed the following key issues.

Although studies into CSR are limited to only several decades, CSR as a phenomenon has a long and multifaceted history, which might be perceived by business leaders as an obligatory legacy, especially with regard to philanthropy. However, as a result of the analysis of CSR literature, it is evident that there is a need for empirical evidence of a clearer differentiation between the meaning of CSR and Philanthropy.

Scholars define CSR more as a theory or a concept, whereas businesses and society groups interpret it as a more practical, localised, oriented set of actions often directed towards sustainability and affected by their stakeholders' content.

Research into CSR is predominantly focused on corporations, whereas CSR itself, its implementation, and motivations for its realisation, are under-researched in SMEs (Morsing and Perrini, 2008).

There are two reasons for organisations to engage in ethical business practices, one ethical in nature and one more Machiavellian (Joyner and Pane, 2002). However, previous research shows that there are no clear choices for business leaders making ethical decisions. Consequently, it would be beneficial to weigh these assumptions against data obtained from the analysis of oil and gas industry leaders' actions during this research.

A growing body of research on US corporations suggests that their CSR activities tend to focus on communities located in the vicinity of the corporate headquarter location. This research presents an opportunity to explore this aspect of CSR in a UK context.

Local communities are an example of a stakeholder group. Business leaders have to consider both stakeholders' and shareholders' interests. This research presents an opportunity to contribute to the existing research on how business leaders address this issue.

There are several CSR perspectives (Frederick, 1978/1994, 1986, 1987), which could affect CSR strategies demonstrated by businesses: Corporate Social Responsibility; Corporate Social Responsiveness; and Corporate Social Rectitude.

Based on these attitudes, the existing research (e.g. Hemingway, 2002; Jenkins and Hines, 2003; Jenkins, 2004; Baden et al., 2007; Lange and Fenwick, 2008) defines various motives, commercial and behavioural, identified for adopting different CSR strategies: peer or industry requirements' pressures; corporate image; globalisation; localisation; personal desires and interests – Machiavellian versus altruistic; religious or ethical views. Further research into the reasons why companies embrace CSR has yielded the following factors (ibid.; Freeman and McVea, 2001; Jenkins, 2006; Freeman and Velamuri, 2008): stakeholder management; financial performance; consumer pressure; industry members' peer-pressure; risk management; attracting employees; personal interests.

Further motivations for CSR implementation may include business' decision to obtain a wider social legitimacy through their increased visibility of societal commitments; and improved accountability through the demonstration of their operations' transparency in CSR and/or environmental reporting.

However, previous research has been conducted in a cross-spectrum of industries and in different areas of the UK and overseas. This presents an opportunity empirically to investigate these issues in this research specifically in the context of corporations and SMEs in the UK oil and gas industry.

2.12 Summary of Chapter 2

As Joyner and Payne (2002) point out, in the last decade there has been an increase in publications on values, ethics, morality, and corporate social responsibility (Blanchard, 1998; Velasquez, 1999; Solomon, 1997; Joyner and Hofer, 1992). CSR as a theoretical concept and as practice is a multifaceted and complex phenomenon, which lacks clarity and consistency in its interpretation and understanding by both academia and business. One of the recurring themes within CSR literature is the increase of society's direct involvement, either through stakeholders' demands or pressure applied on businesses to act responsibly.

Another recurring theme is the growth of the importance of leadership (Wiley, 1998). However, the literature review shows that there is a shortage of relevant research, particularly in the UK oil and gas industry contributing to existing theories on business leaders' behaviour with regard to CSR.

Leadership issues pertaining to CSR, business ethics and decision-making are analysed as part of the relevant literature review and are presented in the following chapter.

Chapter 3: Leadership Literature Review

3.1 Chapter Introduction

This chapter identifies areas of leadership literature, which, together with CSR literature, underpin the research project. As was noted earlier, the purpose of this research is to explore the meaning of CSR in the leadership context, assuming that leading decision-makers have the key influence on formulating social responsibilities of their organisations.

Consequently, this chapter provides an overview of the existing research on Leadership issues and examines the challenges and implications of various theoretical approaches, notably in business ethics and behavioural studies within the Leadership context.

3.2 Leadership Perspective

Nevins and Stumpf (1999: online) define the following major groups of challenges for leadership in the 21st century: market forces, people issues and leadership competencies. Market forces are named as "…forces affecting organisations at a macroeconomic level and which can be viewed as the cumulative impact of the behaviours and desires of those in the market either demanding to supply a good or service" (ibid.). These forces include increasing globalisation as well as the creation of progressively expanding multinational organisations through mergers and acquisitions. Another group of challenges for the leaders, according to Nevins and Stumpf (1999) is people issues, characterised as the relationship with the staff of an organisation, complicated by the expectations and needs of the staff with respect to the organisation, and profitably balancing these requirements of the employees with the demands of the customers. The third group of challenges for leadership is that of leadership competencies with strategic vision, and practical flexibility and adaptability, being the most critical ones (ibid.).

The author of this research generally agrees with Nevins and Stumpf (1999), although would like to argue that there is a new set of challenges for leaders evolving in the current business environment: the intensification of social responsibilities. The argument is that the increasing demand on

organisations to become more socially responsible directly impacts on the leaders' performance and adds to CEOs' requirements to balance divergent agendas of corporate social responsibilities and the objective of profit maximisation, particularly within the current economic downturn.

In order to understand the relationships between CSR and leadership, it is necessary to briefly analyse the development of leadership theories, which is presented below.

3.3 Development of Leadership Theory

Since the beginning of the 19th century, there have been many studies conducted for the development of leadership theory and into the explanation of what leadership means. To generalise, one definition given by George Terry (1960) can be used for this study, where he has defined leadership as a set of actions employed to influence subordinates to act willingly towards achieving mutual goals. As can be derived from this definition, there should be various ways, in which leaders conduct this activity and different reasons for why they conduct it in the first instance. The analysis into these assumptions became the basis for several prominent academic studies, leading us to the discussion of some major classical theories in the leadership field, which is largely based on the Framework for the Classification of Leadership Theories by Beukman (2005). A brief discussion of major areas of leadership theories is presented below.

3.3.1 Leadership Theories – Traits; Behavioural; Role; Situational and Contingency

One of the earliest leadership theories was developed by the 19th century Scottish historian Thomas Carlyle (1843) when he explained the history of the world being shaped by the most foremost men due to their outstanding abilities and capabilities, intellect, inspiration, vision and leadership. Although falling out of favour later, this theory first introduced the idea of the possibility to identify potential leaders based on specific characteristics or traits (i.e. body shape, level of intelligence, etc.), which could be utilised to select individuals for leading roles or separate effective from ineffective leaders (Schermerhorn et al, 1994).

100

The development of leadership theories has witnessed major paradigm shifts. The following Table 7 presents the historical overview of major advancements in leadership theories.

Table 7: Development of Leadership Theories

Author	Theory	Criticism
Traits Approach		
Carlyle (1843)	Proposition that the development of civilisation was shaped by the foremost representatives of human race with specific traits.	Although there have been many different studies of leadership traits, they agree only in the general qualities needed for being a leader. Theorists could not give a consistent explanation to why some traits successfully affected one leadership situation and failed in another (i.e. Schein, 1980; Bennis and Nannus, 1985). As with the Great Man Theory, due to the criticism of its inability to clearly explain the relationships between identified traits and leadership skills, the Traits Approach has lost its popularity, too (Parham, 1983).
Stogdill (1974)	Research into leadership skills and traits being critical to successful leaders, which focused on the psychological side of possibly inherited characteristics or traits.	
McCall and Lombardo (1983)	Studies into leaders' performance in terms of their success and failure, particularly interpersonal skills, intellect, emotional stability and admitting errors as primary traits.	
Behavioural Theories		
Ohio State Studies (Fleishman, 1953; Halpin and Winer, 1957)	Researchers identified two critical characteristics, either of which could be present in leaders – Consideration, being an expression of a friendly and supportive style of leading; and Initiating Structure, demonstrated through defining and a more formal approach toward achieving results.	Both of these characteristics, Consideration and Initiating Structure, were to be thought of as independent of one another. Also, the use of questionnaires could impair the validity of the research.
Michigan Studies (Katz and Kahn, 1952)	The development of a continuum-like model with two opposite styles of leadership: one is task-oriented and the other being people-oriented. The Michigan studies added 'Participative leadership' to the Ohio findings, moving the debate further into the question of leading teams rather than just individuals.	Although both of these studies are referred to quite often, generally, the approach to the classification of leaders' actions and behaviours is now thought to be much more complex than just the either-or structure of these scales.
Managerial Grid (Blake and Mouton; 1961)	A two-dimensional model of leadership behaviour, the Managerial (Leadership) Grid called for the analysis of the levels of attention the managers / leaders pay to their subordinates or the tasks / results they have to achieve.	Although these two characteristics are both clearly important, they do not describe the complexity and variety in managerial and leadership styles. Major criticism of this theory is that it focuses on direct subordinates only and disregards wider society, values and norms of additional groups and individuals, later called stakeholders.

Role Theory		
Kahn et al. (1964); Hales (1986, 1987); Fondas and Stewart (1994)	Managerial jobs being affected by demands of at times opposing roles managers face in their daily operations.	As Hales (1986, 1987) summarises, managerial jobs are subject to role demands by others that vary in degree of homogeneity and complementarity. Effective management depends partly on the extent to which its role demands can be met. However, it has to be clarified that managerial roles are generally thought to be more operation-oriented, when leaders roles endeavour to emphasise, if not combine, both task and people orientations.
Mintzberg (1973; 1975)	Classification of managerial roles, comprising of four major groups: Decision-Maker; Internal Integrator; External Integrator; Information Manager; all of which were subdivided further.	Managerial roles are subjected to the demands of external and internal factors, which in turn influence leaders' behaviours (Shivers-Blackwell, 2004), overall organisational functioning and, in the case of this research, the CSR performance. The complexities of organisational structures (e.g. SMEs versus global corporations (Spence, 1999; Jenkins, 2005)) may add to the ambiguity of pre-set managerial roles. Also, different managers may hold different expectations of similar sets of roles (Das, 2001).
Situational and Contingency Theories		
Hersey and Blanchard's Situational Leadership Theory (1988)	Tries to explain the behaviour of the followers based on their willingness to perform actions expected of them by their leader. This structure is called the Development Levels (from Low through Moderate to High). Also, it formalises the Leadership Styles ("Telling"; "Selling"; "Participating"; "Delegating") based on their followers' actions.	Although this model offers insight into leaders' alterations of behaviour based on the stages of their followers' development, such approach casts doubts on the levels of importance of different levels of task orientation or interaction (Beukman, 2005), particularly when they are projected to specific followers as individuals and the relationship between leaders and followers.
House's Path-Goal Theory (1971)	Focus on the relationship between leader-subordinate through the achievement of a goal via the cycle of actions arranged by the leader as a path to that goal. The task of a leader becomes a combination of setting a clear path, motivating to reach the goal and rewarding the achievers. In doing so, the leaders alter their performance based on the situation and might fall into one of four styles of leadership (House and Mitchell, 1974): Supportive Leadership; Instrumental /	Although offering more focus on the subordinates wellbeing, this theory supposes that only the leader is capable of having a vision and arranging the path to an organisation's development (Beukman, 2005), whereas subordinates, particularly as one of the most influential groups of stakeholders, indeed have a great affect on organisational development, particularly within CSR context.

	Directive Leadership; Participative Leadership; Achievement-	
Fiedle's Leadership Contingency Theory (Fiedler and Chemers, 1984; Fiedler, 1986)	Argues that the subordinates' performance results from a match between the leadership style and the components of the situation: the leader-follower relationship, task structuring and the leader's position of power	Task-oriented approach to leading situations can, at times, minimise leaders' perception of a long-term organisational development, it social position and restoring or maintaining social legitimacy.

Source: Compiled by the author, based on Beukman, 2005.

As can be seen from this table, the development of leadership theories demonstrate a progression from analysis into inherited traits of individuals, who are posed to become leaders, their obtained skills and experiences, to the complexities of functions and responsibilities business leaders have to carry out, forming the core of managerial role theory.

The basis of managerial role theory echoes some of the varieties of task-people orientation models (i.e. Blake and Mouton, 1961; Stogdill, 1974; McCall and Lombardo, 1983). From a narrow theoretical perspective, managerial roles, having many facets, have been explored by role theorists in their chosen ways in abundance (e.g. Kahn et al., 1964; Mintzberg, 1973, 1975, 1998; Hales, 1986, 1987, 2001; Fondas and Stewart, 1994; Gosling and Mintzberg, 2003).

As Hales (1987, 2001) summarises, managerial jobs are subject to role demands by others that vary in degree of homogeneity and complementarity. Effective management depends partly on the extent to which its role demands can be met. However, it has to be clarified that managerial roles are generally thought to be more operation-oriented, when leaders' roles endeavour to emphasise, if not combine, both task and people orientations. The following table (Table 8) represents a set of general managers' roles as seen by Child and Faulkner (1998) based on managerial roles originally classified by Mintzberg (1973, 1975), with influencing factors on business leaders carrying out each role. As we can see, they are subjected to the demands of external and internal factors, which in turn influence leaders' behaviours (Hales, 2001; Shivers-Blackwell, 2004), overall organisational functioning and, in the case of this research, CSR performance.

Table 8: Business Leaders' Roles and Influencing Factors in CSR Decision Making.

Role	Business Leaders' Actions	Influencing Factors in CSR Decision Making
Decision-Maker		
Entrepreneur / Innovator	Analysis opportunities and initiates change	*Internal:* Shareholders; Board of Directors; Management; Core functions *External:* Stakeholders; Regulatory Standards; Laws and Regulations; Financial Sector; Markets; Social Environment.
Resource Allocator	Evaluates resource availability, decides where such resources, efforts and energies are spent	*Internal:* Board; Management; Core functions *External:* Regulatory Standards; Laws and Regulations; Financial Sector; Markets
Negotiator	Represents company internally and externally, handles situations involving company communications and negotiations	*Internal:* Shareholders; Board; Management; Core functions *External:* Financial Sector; Markets; Social Environment; Stakeholders
Disturbance Handler	Leads in times of crises when employees' health, safety, security, company reputation and sustainability are at risk	*Internal:* Shareholders; Board; Management; Core functions *External:* Regulatory Standards; Laws and Regulations; Financial Sector; Markets; Social Environment; Stakeholders
Internal Integrator		
Leader	Manages internal hierarchical flows between subordinates and internal structures, supervising and motivating them	*Internal:* Shareholders; Board; Management; Core functions *External:* Markets; Social Environment; Stakeholders
Team-builder	Builds company and / or Board of Directors as a team and ensures company functions are interconnected	*Internal:* Shareholders; Board; Organisational structure *External:* Laws and Regulations; Financial Sector; Labour Markets;
External Integrator		
Figurehead	Represents the company externally to mass media and stakeholders	*Internal:* Shareholders; Core functions; Organisational change *External:* Laws and Regulations; Financial Sector; Labour Markets; Social Environment; Stakeholders
Liaison / Networker	Interacts with peers, industry members, other Board members, government officials, and members of other external groups	*Internal:* Shareholders; Board; Management; Core functions *External:* Regulatory Standards; Laws and Regulations; Financial Sector; Markets; Social Environment; Stakeholders

Information Roles		
Monitor	Initiates, accumulates and evaluates key information on company internal and external performance	*Internal:* Shareholders; Board; Management; Core functions *External:* Regulatory Standards; Laws and Regulations; Financial Sector; Labour markets; Social Environment; Stakeholders
Disseminator	Redirects key information to appropriate shareholders and stakeholders via suitable channels	*Internal:* Shareholders; Management; *External:* Laws and Regulations; Financial Sector; Markets; Social Environment; Stakeholders
Spokesperson	Keeps internal and external environment informed about, and on behalf of, the company	*Internal:* Shareholders; Board; Management *External:* Laws and Regulations; Financial Sector; Markets; Social Environment; Stakeholders

Source: Compiled by the author, based on Mintzberg (1973) and Child and Faulkner (1998: 168-169).

As can be seen from this table, business leaders are carrying out roles that may possess various levels of complexities in various situational environments with added intricacy of the context of CSR institutionalisation. The author of this research presumes that the sets of business leaders' roles, the demands they impose and the factors influencing CSR decision making are larger and more complex in corporations when compared to the different organisational structures of SMEs (e.g. Spence, 1999; Jenkins, 2005) within the oil and gas industry. This research is aimed at exploring these issues.

However, there are several potential limitations in this area of research. There is a perception that various players of a similar role set may hold different expectations of the role they play (Das, 2001), particularly with regard to the focal role-player, in this case the CSR-concerned business leader. Das (2001) goes further in explaining that when these role expectations oppose, they create at times an unfeasible pressure on the role-players, resulting in a potential role conflict between external (e.g. stakeholders') and internal (e.g. shareholders') role expectations. A further exploration of this assumption within the context of CSR decision making forms part of this study.

Another progression within the development of leadership theories can be identified as an emphasis on relationships between leaders and

subordinates. Although limited to task-oriented or situation-driven responsive type of relationships with followers or subordinates, these developments emphasise paradigm shift away from focusing on leaders as individuals only, to broadening the research to include a wider circle of organisations and individuals affected by leaders' actions.

Recent developments in leadership theory advance the research into these relationships even further. The following section presents an overview of the two most prominent directions in leadership research pertinent to this study, Transactional and Transformational theories.

3.3.2 Transactional and Transformational Theories

As was pointed out before, situational (Hersey and Blanchard, 1988) and contingency (Fiedler and Chemers, 1984; Fiedler, 1986) leadership theories, along with behavioural (Fleishman, 1953; Halpin and Winer, 1957; Katz and Kahn, 1952; Blake and Mouton; 1961) and role theories (Kahn et al., 1964; Mintzberg, 1973; Hales, 1986, 1987; Fondas and Stewart, 1994), were developed as alternatives to traits theory (Carlyle, 1843; Stogdill, 1974; McCall and Lombardo, 1983).

Although the leader's level of intelligence and experience, along with other cognitive sources, play major parts in the leader's successful performance, they cannot be used autonomously to predict the success of a person as a potential leader. Other major contributions of these theories are in their progressive differentiation of the importance of the leader's knowledge and experience in making decisions; the increase of importance of subordinates' wellbeing and subordinate-leader relationships at different stages of organisational development, particularly in contingency theory.

Further developments of the findings of contingency theory can be found in Transactional leadership theory. Studies in this field (i.e. Burns, 1978; Bass, 1985; 1990) formulate the relationship between leaders and followers as a reward-punishment interaction conducted through the unambiguous chain of instructions with the surrender of subordinates' authority to the leader of an organisation. Punishment or reward are given based on personal achievement beyond the expectations, thus provoking either a corrective action from a leader toward underperforming subordinate

or giving praise and additional compensation for performing better than expected.

Although this theory analyses possibly the most common way of leading organisations, it describes more managerial approaches rather than leadership methods. Also, the presumption that it is possible to control the performance of the subordinates (Beukman, 2005), which is strictly based on the punishment-reward structure, is reminiscent of the studies of early behaviourists (i.e. Pavlov' s Classical Conditioning (1927); Skinner's Operant Conditioning (1935)), although the proponents might refer to the support of Maslow's Hierarchy (1957).

Going back to the situational / contingency leadership styles, it should be pointed out that in addition to the "Telling" (Hersey and Blanchard, 1988) style of Transactional leadership, there is a more adaptive method of leading organisations, classified as the theory of Transformational leadership. These two theories are often compared (i.e. Burns, 1978; Bass, 1985; Bass, 1990) and analysed in conjunction to the response the followers give to different style of leadership. What distinguishes the Transformational style is that instead of punishing or rewarding for performance of the expected tasks as in Transactional theory, the leaders have organisational tasks (i.e. transforming the organisation as much as transforming the people) achieved through inspiring their subordinates, creating a vision for the company and convincing individuals to perform in a positive, passionate and enthusiastic environment, thus portraying the "Selling" (Hersey and Blanchard, 1988) style of leadership. Once the leader develops the vision, it is this style of continuous "selling" it to the subordinates that requires specific skills and talents of leaders, developing trust through their personal ethics and integrity.

As a result of their research, Waldman et al. (2004) found direct correlation between certain features of transformational leadership, particularly CEOs' intellectual stimulation (Bass, 1985), and companies' propensity to implement "strategic CSR" (Baron, 2001: 17). However, the other two major characteristics of transformational leadership, charisma and individualised consideration of subordinates (Bass, 1985; Bass et al., 1987) were not classified as leadership aspects most affecting companies' CSR implementation (Waldman et al. 2004).

Although Waldman et al.'s (2004; 2006) research sheds light on the relationship between transformational leadership theory and CSR implementation, their employment of the survey as a methodological tool can be criticised as there is no guarantee of genuineness of the participants' responses. In addition, the inclusion of only corporate representatives, and only in the US and Canada, limits generalisability of Waldman et al.'s (2004; 2006) findings. Moreover, Waldman et al. (2004) suggested that there is a necessity to further research, particularly empirically, into relationships between leadership and CSR implementation.

An empirical exploration of the relationship between CSR-implementation and reward-punishment or inspiration (as in Transactional and Transformational theories) approaches to CSR forms part of this research. However, before analysing leaders' decisions in CSR implementation, it is important to review theoretical discussion on one of the drivers behind these decisions, leaders' ethical values, which is presented in the following section.

3.4 Ethics in Transactional and Transformational Leadership

As Kanungo (2001) summarises, the notion of credibility and legitimacy of leadership behaviour, being firmly rooted in the leaders' moral standing and integrity, is widely recognised by both scholars and management practitioners. However, in-depth research into the ethical groundings of transactional and transformational leadership styles is only recently entering management studies. Bass and Steidlmeier's (1999) argued that transactional leadership is grounded in the moral legitimacy of self-interest, whereas authentic transformational leaders' behaviours are leaning toward higher moral and ethical standards. From another point of view, Kanungo and Mendonca (1996) advocate the argument that transactional leadership, as a type of influencing followers, is devoid of any moral legitimacy; that transactional leaders induce their influence through the control strategies. This is in direct contrast with transformational leadership, which uses empowering rather than control strategies, and is considered as an ethical influencing process (Kanungo, 2001).

Ethicality of individuals' actions with regard to these styles of leadership can be classified as teleological and deontological ethics (ibid.). Teleological ethics support the absence of an intrinsic moral status of actions, arguing that the moral status of actions are rooted in their consequences, leading to a belief that actions that bring large benefits to large groups of people are morally right, tying hedonism (anything that gives pleasure is good) and utilitarianism (greatest good for the greatest number) as part of the basis for teleological ethics (Melden, 1967; Helms & Hutchins, 1992). Keeley (1995) makes a direct connection between teleological views and transactional leadership through the utilitarian view of employing control to achieve a greater good for the great number of followers and through the 'ends or outcomes oriented' nature of teleology (Kanungo, 2001). In contrast, transformational leadership's ethics are rooted in deontology or ethics of duty (Kant, trans. 1994), when a leader does not evaluate the goodness of a deed against maximising benefits and instead judges the act by the moral altruistic motive to benefit others (Kanungo, 2001).

Consequently, the guiding principles for these two leadership styles are contrasting: consequences and outcomes become the judging criteria for teleological oriented transactional leader; whereas the transformational leader evaluates decisions through the prism of universal values and moral principles, which provide a stable basis of integrity for the leader's behaviour despite situational factors (*ibid.).*

A further review of theories of values and moral principles is presented later in the chapter, whereas an analysis of ethics in authentic leadership is presented below.

3.5 Authentic Leadership

Although being considered one of the most recent developments in leadership theory, authentic leadership research can be traced to the authenticity issues in Transformational leadership studies of Bass (1985, 1990; Bass and Steidlmeier, 1998). In his studies, Bass touches upon demonstrations of authenticity, one of them being charisma. Although it is important for the transformational leader, it is considered not to be the corner stone of being an authentic leader. What makes it more important is

to demonstrate the adherence to moral foundations and moral aspects (leader's moral character; ethical values; and the morality of social ethical decisions) as Bass (ibid.) criticised transformational/authentic leadership features without morality for possibly being identified with the behaviour of dictators.

However, as an unorthodox leadership theory, this supposition calls for authenticity or genuineness in leadership, which is contrary to what most of the literature on leadership or business education system teach. According to George (2004a), the media and the business press focus on the style of leaders, not their character. He states that portraying leaders' celebrity status as one of heroes' lies at the heart of the crisis in corporate leadership. Authentic leaders, on the other hand, genuinely desire to serve others through their leadership. George (2004b: 12) goes on to describing them as: "… guided by qualities of the heart, by passion and compassion, as much as they are by qualities of the mind", and as the ones who develop themselves through leading with values, building long-term relations with their followers, being consistent in their visions, principles and autonomy.

However, it is necessary to point out that George's (2004a; 2004b) statements about one of the core features of the authentic leader, autonomy, can contradict other researchers with regard to the leaders' ability to listen and adapt to the stakeholders' requirements. "The best leaders are autonomous and highly independent. Those who are too responsive to the desires of others are likely to be whipsawed [defeated or disadvantaged] by competing interests, too quickly to deviate from their course..." (George, 2004a: 29). This could be a source of conflict when a leader is developing their own style of leadership and trying to make ethical decisions based on the good citizen prerequisites, one of which is relationship with stakeholders.

In his research, Elash (2003) also concludes that trust is at the foundation of authentic leadership. Furthermore, he states that authentic leadership is an essential factor in achieving the best results due to the organisational incapability to reach these goals without the authentic leader's vision, creation of the value-driven organisation and "respecting people by expecting their best". He also argues that the personality of the authentic leader can be easily traceable through the personality of the

organisation such is the strength of the leader's effect through the personal integrity and consistency between decisions, implications and results.

Regarding authentic leadership in SMEs, it could be argued that their distinctive market position, described by Spence (1999) as "…often quite independent of the society, in which they are situated"… and favouring full autonomy in decision making (Jenkins and Hines, 2003: 20), might constitute a set of an authentic leadership characteristics. This could be supported by a supposition of Zhu *et al.* (2004) that in private firms leaders might feel less pressure in producing short-term results in profit maximisation in comparison with publicly owned companies' managers. Furthermore, Jenkins (2004) links SME behaviour with the psychological characteristics of their owner-manager and quotes Bolton (1971) in describing SMEs as having highly personalised styles of management.

This can lead to a question of whether this highly personalised leadership style can be ethical if the locus of control is internally situated and if authenticity is truly a representation of being true to oneself (Harter, 2002; Zhu *et al*., 2004) resulting in a demonstration of adherence to a set of personal values and moral reasoning. Other researchers (e.g. Helms and Hutchins, 1992; Rallapalli et al., 1998; Hunt and Vitell, 1986; 1993; 2006) link teleological views of ethics with utilitarianism and further with ethical egoism, when an act is perceived as ethical if the outcome of that act is beneficial for that person rather than those of the alternatives, consequently, making the interests of the others only a mere concern if they maximise that person's benefit (Zhu *et al*., 2004). However, if being authentic means that the leader needs to ensure that their actions are a representation of their true beliefs and moral values as suggested by Simons (1999), then the question of how authentic leadership can benefit society at large, rather than those authentic leaders themselves, can be answered by applying a set of characteristics, which might describe a social orientation in ethical attributes of an authentic leader, which are very similar to those of a transformational leader (Zhu *et al*., 2004). One such attribute can be a concern over rights and needs of stakeholders.

However, others (e.g. BNET, 2006 (a)) suggest that, even if authentic leaders express concerns over stakeholders' interests, they might play an integral part in corruption practices, when the external pressure of some

stakeholders increases motives for corruption, and authentic leaders, by definition being capable of leading almost single-handedly, demonstrate their charismatic abilities in manipulating their organisations into actions that are ultimately opposed to CSR characteristics.

The paradigm of an authentic leader portraying straightforward truth and being fully oneself at times can be '…at odds with the reality of the executive leadership role and responsibilities' (Joni, 2006: online). As Warren Bennis emphasised, executives' roles are subjected to various strategic, operational, legal and ethical constraints, consequently making authenticity, being anything but simple and straightforward, heavily reliant on leaders' judgement rooted in consistent values that sustain various situations over time (*ibid.*). The issues of values as guidelines for moral judgements and, ultimately, ethical decision-making are discussed below.

3.6 Theories of Values and CSR

As was pointed out earlier, values play an integral part in managers' cognitive moral development ultimately affecting decision making in all aspects of business operations, including CSR institutionalisation. Managerial research by Hambrick and Brandon (1988) into the impact of executives' values on their information gathering and, consequently, their overall business conduct, closely followed theories of Lewin (1944), Rokeach (1968; 1973) and Secula (1973), which defined values as a concept of beliefs and "guides to behaviour or action" (Baker and Jenkins, 1993: 3-4).

Theories of virtue and moral values as part of ethical behaviour were and still are being studied quite extensively (Agle and Caldwell, 1999; Radu, 2005) starting from the teachings of ancient philosophers such as Socrates, Plato and Aristotle, the writings of prominent scholars including Immanuel Kant, Jean-Jacques Rousseau, John Stuart Mill and Adam Smith to the modern research by Arrow (1974), Noreen (1988), Brickley et al. (2002) and others. However, the rise in the studies of values within the CSR field is a recent phenomenon (e.g. Gates, 2004; Hollender, 2004; Rose, 2005; Hamilton and Bean, 2005).

Notably, Rokeach (1973), in his classification of values as terminal and instrumental in his two-value model, proposed the definition of system of

values as "an enduring organisation of beliefs concerning preferable modes of conduct or end-states of existence along a continuum of importance" (Rokeach, 1973: 5). Whereas Schwartz and Bilsky (1987: 551) presented further classification of values as:

> "… a) concepts or beliefs, b) about desirable end states or behaviours, c) that transcend specific situations, d) guide selection or evaluation of behaviour or events, and e) are ordered by relative importance."

Agle and Caldwell (1999: 332) proposed an hierarchy of levels of values, which consists of individual, organisational, societal, global and institutional values. With regard to individual values, Hemingway (2002) pointed out that personal values are being discussed as having significant influence on business behaviour in both Western and Eastern cultures (e.g. Giacomino et al., 2000); and in establishing, regulating and modifying relationships affecting individuals, institutions and societies (Agle and Caldwell, 1999). Furthermore, personal values stand as representations of continuously changing societal goals (Kahle et al, 1998) and changes in personal values are likely the cause for increased corporate interest in CSR (Hemingway, 2002).

The notion of personal values affecting CSR institutionalisation serves as one of the focal points for this research, where the author aims to investigate whether changes in CSR strategies were in any way influenced by the changes in personal values of presiding managers or by CEO replacements through an organisational restructuring.

The importance of values research conducted through the prism of qualitative studies, with a specific use of methods allowing participants to express themselves freely, is underlined by Baker and Jenkins (1993: 9) stating that this approach would allow participants to generate a "…less abstract and perhaps more behaviour oriented" descriptions of their personal values. The employment of face-to-face interviewing in this research aimed to attain this proposition.

Going back to the complexity of understanding of individuals' moral values, as was analysed and classified by Alge and Caldwell (1999: 332) into five levels of values (individual, organisational, institutional, societal and global values), the author of this research agrees with Hemingway (2002; 2005) in stating that it is imperative to differentiate between these

levels of values as personal values of CSR decision-makers should be separated from institutional and organisational values for a clearer analysis of their relevant effect; and to explore if industry values, in addition to the abovementioned Agle and Caldwell's (1999) five-level value classification, can be isolated as a specific set of values playing part in CSR decision making.

To understand participants' attitude towards CSR, the researcher also aimed briefly to explore the applicability of Means-Ends theory (Gutman, 1982, 1991; Baker and Jenkins, 1993). This theory supposes that, through inter-connected levels of knowledge of attributes; benefits; and satisfiers, participants can develop a "simple, associative network" (Baker and Jenkins, 1993: 9), therefore, building an association between Attributes through Consequences to Values (Gutman, 1982). Gutman (1982) based his theoretical views on several assumptions, one of which is particularly relative to this study – how values guide choices in attaining desired consequences (Baker and Jenkins, 1993: 10). Although the original Gutman's research (1982) is based on consumers' behaviour study, the author believes that empirical data obtained from this research may further the knowledge of CSR-related decision making process, particularly in the equation of personal versus organisational values. Theoretical discussion of prevalence of personal desires of SMEs' leaders to implement CSR versus feelings of duty to do so was also emphasised in Kusyk and Lozano's (2007) study.

Regarding the next level of values, organisational values, Agle and Caldwell (1999) point out that these values seem to have a direct relationship with organisational culture (Pettigrew, 1979; Liedtka, 1989). Haines (2005) suggests that organisational values are intrinsically connected to corporate governance consequently contributing to the supposition for this research, whether CSR institutionalisation is driven mostly by personal, organisational, institutional, societal, or industry values.

Furthermore, Hofstede (2001) distinctly differentiated corporate culture (which emphasises shared practices) and national culture (which emphasises shared values). Both of these systems are complementary to each other. Shared values, according to Hofstede (2001) are directly affected by outside influences (e.g. geography, economy, history and

demography), which effect social norms, including values of institutions, societal groups and individuals within the culture. Consequently, shared perceptions of that culture become widespread within organisations through their members' families, educational system, political system and religion, resulting in the shaping of shared perceptions of practice, morphing leaders' values into accepted practices of their followers (Hamilton and Bean, 2005).

However, that study does not answer the question of the counter-effect of the business leaders' shared perceptions, which, through the demonstrations of their actions, responsible or otherwise, may affect the shared perceptions of practise. This research aims to address this gap through the empirical exploration of the relationship between business leaders' values and their CSR actions.

Hofstede's (2001) postulate of leaders' values becoming followers' practices can be looked at through the findings of Victor and Cullen (1988) where their respondents' comments on their perceptions of decision-making regarding practices and procedures in their organisations' ethical work climates yielded the acknowledgement that individuals' ethical behaviour should be analysed within the context of the organisations (Hemingway, 2002). Harrison (1975) goes further in stating that, although there is a distinct differentiation between organisational values and manager's personal values, although with a very close connection, a business leader would adjust his personal values to overall goals of an organisation (Hemingway, 2002). This postulate echoes the research by Arnlold et al. (1999) into the connection between ethical developments of organisations and their managers' based on Kohlberg's (1976) theory of cognitive moral development.

Although these studies looked closely at the relationship between personal and organisational values, in respect to the scope of this research, it is important to compare owners/managers' of SMEs and corporate leaders' perceptions of the societal versus personal values' affects on their CSR decision-making.

Following Hemingway's (2002) discussion of another level of values (i.e. industry values), which were characterised by Agle and Caldwell (1999) as being insignificantly researched, the author of this study agrees that it is

imperative to analyse industry values, or as Harris and Crane (2002: 204) call it 'industry macroculture'.

The oil and gas industry's exhibiting of its CSR strategies, in general, is dominated by energy sustainability and environmental issues (Godfrey, 2007), as part of greening changes in organisational culture (Welford, 1995). This observation, consequently, raises a legitimate point of CSR possibly being compartmentalised within this industry. Therefore, it is imperative for this research to discuss the issue of industry members' peer-pressure, or 'being seen to be green' (Lyons, 2004) attitudes possibly adopted by oil and gas leaders in small and large companies as part of industry macroculture.

Hemingway (2002) rightly points in the direction of establishing the sources of corporate/organisational values for CEOs in addition to their personal values. Desai and Rittenburg's (1997: 796) suggested classifying 'pluralistic' sources of ethical demands on managers as: 'Macro level' forces (ibid.) including domestic and hosting governments, industries' and professions' codes of conduct (e.g. Organisation for Economic Co-Operation and Development's Guidelines for multi-national enterprises (OECD, 2000) and business ethics (OECD, 2009); Institute of Directors' Code of Professional Conduct (IoD, 2008)); and 'Micro level' (Desai and Rittenburg, 1997: 796) influences, which consist of ethics committees and practitioners, with corporate culture as a separate influencing force and CEOs as major sources of ethical conduct at micro level (Hemingway, 2002). These ethical demands would, presumably, automatically permeate an organisation down its hierarchy (Desai and Rittenburg, 1997).

However, although Desai and Rittenburg (1997) present an overall framework for the sources of organisational values, that research is focused on large corporations only, whereas this study needs to look into the SME-specific attributes in the analysis of values as one of factors affecting CSR decision-making.

Furthermore, as Kakabadse et al. (2005) suggest, moral values of stakeholders might play a significant role in affecting managers' attitudes in shaping an ethical version of stakeholder management (Hummels, 1998) and striking a positive relationship between managers' endorsement of high

moral standards and stakeholders' opinion of an organisation's morality (Jones, 1999).

However, it is important to analyse the reverse of this equation, when stakeholders' unethical pressure changes CEOs' decision making, especially within the operational environment of SMEs. The analysis of business leaders' behaviour within the context of ethical conduct is presented further in the Ethical Leadership section.

3.7 Ethical Leadership

As pointed out by Trevion et al (2003), empirically corroborated knowledge about CEOs' ethical practices is limited. A few studies focused on ethical conduct of lower-level management (e.g. Craig and Gustafson, 1998; Weber, 1990) or analysis of ethical leadership perceptions by employees (e.g. Trevion et al, 1998; Weaver et al, 1999). As a result, these studies suggested an important association between executive ethical leadership and decreased unethical conduct in organisations, and the values orientation of the firm's ethics program (Arnold et al., 1999; Trevion, 2003). Yukl's (2002) analysis of the ethical dimension of leadership in literature yielded the importance of leaders' traits, such as credibility, integrity, and honesty to the perceptions of effective leadership (e.g. Bass, 1990; Kouzes and Posner, 1995). Yukl (2002) also connected ethical leadership with characteristics of transformational leadership. Other researchers pointed out the dangers of transformational style being labelled as 'narcissistic, manipulative, and self-centred' (Parry and Proctor-Thomson, 2002: 75; Trevion, 2003). Avolio et al. (1999: 444) suggested a framework for measurement of transformational leadership with ethical content: 'charisma/inspirational' dimension in leaders acting as role models in ethical conduct; and an individualised dimension with understanding and satisfying the needs of the followers (Trevion, 2003).

However, although previous research suggests that ethical leadership is intrinsic to the ethical culture and conduct of an organisation (e.g. Arnold et al., 1999), the majority of studies focused on transformational style of leadership, which is often the style of corporate leadership, whereas this research aims to analyse influences on ethical leadership expressed through

CSR decision-making comparing them with the factors present within the environment of SMEs.

As was stated previously, there is a growing body of research into business leaders' ethical behaviour and influences that might affect it. One such study was conducted by Morris et al. (1995) to identify factors explaining CEOs' intentions in engaging in unethical behaviour in specific situations. Their findings suggest that the principale factor affecting decision makers' ethical intentions is their personal predisposition rather than environmental pressures or organisational/situational characteristics.

Again, these results bring us to the paradigm of heterogeneity of findings in which factors are more influential in affecting ethical behaviour, decision makers' personal factors or business-environment ones. This area needs to be explored further as part of this research.

Quazi's (2003: 822) study into the determinants of perceived social obligations of Australian corporate leaders, focusing on managerial and personal demographics, noted a significant relationship between the level of education, training status and religious beliefs of corporate leaders and their perception of CSR. Leaders' commitment to CSR, according to those findings (ibid.) is directly related to the acquired qualities (e.g. education and training) but significantly less to participants' inherent physical attributes (e.g. age). In addition, religious metaphors, influencing managers' perceptions of socially responsible conduct, suggest that theology and religious beliefs are also an important determinant of the ethical perceptions of corporate leaders (ibid.).

These suggestions correspond to the results of Aldag and Jackson's (1984) investigation of correlations between attitudes to social responsibilities of the US business leaders where some individual differences (e.g. business leaders' years of experience) were significantly more related to societal leaning, whereas age did not have the same effect (Quazi, 2003). Similar studies in the US, found that executives' greater experience and, consequently, better knowledge of their stakeholders made the leaders better prepared to meet stakeholders' needs through appropriate programmes (Thomas and Simerly, 1994); females demonstrate higher levels of CSR orientation than males (Arlow, 1991; Burton and Hegarty,

1999); younger participants express more interest in wider social responsibility issues (Arlow, 1991; Quazi, 2003).

Although these studies present an analysis of the level of importance of various influences on CSR attitudes, they were conducted in countries, other than the UK and in groups (i.e. business executives and business studies students) that might have characteristics significantly different to the ones of the SMEs owners/managers in the UK, particularly in the oil and gas industry.

From Haines's writing (2005), it is possible to identify another set of influences on ethical leadership, which can be categorised as corporate governance (i.e. board practices, management practices, and enforcement practices); business ethics (i.e. code of ethics) and individual responsibility (i.e. two duties, of being accountable and of practising ethical behaviour).

Business ethics, however, are criticised for being too ambiguous for general business and too compartmentalised and heterogeneous in different industries. Haines (2005) suggests that business ethics are an extension of personal ethics modified to accommodate specific business experience. With regard to individual responsibility, he states that top business leaders, having a dominant effect on companies' cultures, have a special responsibility in fulfilling those two responsible duties, such as being accountable for their actions and practising ethical behaviour, even if it means to adjust organisational culture to reflect higher ethical standards. This echoes Donaldson and Davis' (1991) and Davis et al.'s (1997) stewardship theory postulates.

Although Haines' (2005) analysis is broad and generalised, it highlights the importance of the organisations' corporate governance, understanding of business ethics as an industry-related set of rules for professional conduct, and creating or maintaining of organisational ethical culture versus individual demonstration of ethical behaviour. An exploration of the importance of these additional factors potentially affecting CSR decision makers is important for this study.

By defining forces against ethical behaviour, Haines (2005) suggests that:

> 'I*n fundamental ways, when we evaluate business decisions, ethical considerations, if they appear at all, often are separated from and secondary to economic considerations.*' (Haines, 2005:12).

As a further connection between ethical leadership and business decision-making, Arnold et al. (1999: 9) suppose a link between moral development of organisations and individuals leading such organisations. They argue that, based on Kohlberg's (1976) pre-conventional to conventional and post-conventional cognitive moral development of individuals, some organisations may progress along the path of ethical behaviour concurrently with their business leaders' developed education and experience; whereas other organisations' leaders, being influenced by at-times divergent agendas of ethical behaviour versus profit maximisation, may fluctuate between different stages of ethical conduct (Arnold et al., 1999). In order to secure a linear progression to the highest level of ethical behaviour, the researchers propose, among other actions, to analyse organisations' leaders' decision-making processes in order to establish ways to improve ethical conduct (ibid.).

The analysis of theoretical concepts regarding ethical decision-making framework is presented below.

3.8 Ethical Decision Making

As was noted before, it is imperative for this research to emphasise the adopted assumption that strategic decisions are being made not by faceless legal entities, as by organisations, but by individuals comprising these organisations. This assumption results from postulates of upper echelons theory (Hambrick and Mason, 1984), which, according to Waldman et al (2004), stems from Child's (1972) proposition that top-level managers' decisions directly affect organisations' performance. Later, Mischel (1977) and Snyder and Ickes (1985) identified two types of situations when managers' decisions face various levels of expectations and norms for conforming behaviour (Bell and Staw, 1996). They referred to these conditions for decision making as strong and weak situations (ibid.). Weak situations (Mischel, 1977) were being characterised as more ambiguous in terms of available skills, conforming norms of behaviour, expectancies and incentives for appropriate responses to situations. Such weak situations (Mischel, 1977) would normally constitute grounds for managers to rely on

their personal characteristics and leadership qualities to resolve a situation, or make a decision (Finkelstein and Hambrick, 1996; House and Aditya, 1997), particularly in an ambiguous and a highly variable environment of CSR (Waldman et al, 2004) or ethical decision making.

According to Boddy (2005: 139-140), an ethically acceptable business decision must meet both legal and shared societal ethical standards. In the case of facing a dilemma and making an ethically sound decision, the decision-maker almost certainly encounters a situation of choosing between "…the needs of the part and the whole – the individual and the organisation… or society". There are several major philosophical principles involved in justifying decision making, some of which are summarised by Boddy (ibid.) as the following: Moral principles, which evaluate the consistency of a decision with accepted moral principles of the society (Honderich, 1995); Utilitarianism, as evaluating the decision from a perspective of doing the right thing for the greatest number of people (Honderich, 1995); Human Rights, as evaluating whether the decision maintains the rights and liberties of those affected; and Individualism, as the ethics of self-interest, which support the act if it protects the individual's best long-term interests. The dilemmas involved with these philosophical principles include ambiguity in determining the basis for morally acceptable or unacceptable principles and individuals' self-interests versus moral purpose (Boddy, 2005). In practise, applicability of one or more of these philosophical principles is dictated by the nature of particular CSR decisions. However, in some cases it can be argued that dilemmas arising from applying these principals or the lack of such, indicate an amalgamated set of at times opposing ethical considerations. For example, in the case of Royal Dutch Shell plc.'s settlement of a legal action against the corporation for collaboration in executions by Nigerian troops in 1990s (Pilkington, 2009), the focus of the case is in gross violations of human rights of the indigenous tribes in a host country versus overseas expansion of a global oil corporation. However, it can be argued that, from a philosophical point of view, there is a clear conflict which goes beyond human rights. In this and other cases discussed further in the next chapter, there is an imbalance between moral principles, utilitarian and individualistic dilemmas that oil corporations exhibit in pursuing satisfaction of a growing

global energy demand with associated profit maximisation simultaneously disregarding ethical implications in their operations.

From another point of view, Donaldson and Davis' (1991) and Davis et al.'s (1997) stewardship theory proposed to regard managers as good stewards of companies' assets, motivated by bringing social good. According to this theory, there are moral imperatives for managers to be motivated by higher ethical corporate performance, generally constrained by organisation's "…structural situation in which the executive is located…" (Donaldson and Davis, 1991: 51) to conduct ethical actions without regard to financial performance.   When looking at this approach to the understanding of business leaders' attitudes to managing companies' assets from a business, operational, real-life point of view, it is implausible to position these attitudes independent from the financial considerations of companies' performance. How do business leaders balance opposing pressures of being a good steward and a good executive when dealing with CSR expenditures? This study intends to explore this area further.

Continuing the theme of managers regarding societal values as more important than organisations' profit maximisation, it is necessary to refer to entrepreneurship theory, particularly to the recent developments in its social entrepreneurship area. Some researchers (e.g. Dees, 1998; Austin et al., 2006; Mair and Marti, 2006; Certo and Miller, 2008) argue that entrepreneurs can successfully maintain their organisations' profitability simultaneously creating social value through giving a share of profit to satisfy societal needs. Mair and Marti (2006) grouped different interpretations of social entrepreneurship into three categories. These include not-for-profit organisational and managerial activities to generate social value (e.g. Austin et al., 2006); activities directed at solving social problems (e.g. Alvord, et al., 2004); and responsible business practices (e.g. Sagawa and Segal, 2004).

Recent growth of societal calls on businesses to spend their profits on alleviating social problems seems indiscriminately to target all businesses, even if these businesses' purpose is purely commercial operations, not social activities. The nature of this contradiction in terms of resource allocation in "serving others" versus "serving self" (the author's own quotation marks) reminds of Aristotle's Dichotomy argument, where one is

divided into two contradicting elements (Code, 1991; Bostock, 2006; Lofting, 2009), particularly in situations of conflicting societal, organisational and personal motivators. The disparity between societal calls and business leaders' attitudes to balancing profit maximisation and its allocation to social causes in commercial organisations presents another area for exploration.

Since this research focuses on commercial companies in the oil and gas industry, which do not represent not-for-profit organisations, only two interpretations of social entrepreneurship are considered herein to explore business leaders' attitudes to balancing societal commitments and profit maximisation with regard to the use of corporate profit for alleviation of social problems (Alvord, et al. 2004), and carrying out responsible business practices (Sagawa and Segal, 2004).

Extending Sagawa and Segal's (2004) interpretation of social entrepreneurship to include CSR, Baron (2007) argued that social entrepreneurs are more inclined to participate in CSR, since they already position societal values above profit maximisation. This reflects the supposition that business leaders' personal values and motivations are largely the decisive factor for organisations' social commitments (Hemingway and Maclagan, 2004; Hemingway, 2005).

In contrast to social entrepreneurship, driven mostly by personal ethical beliefs, Friedman's (1962, 1970) postulates on social responsibility stemming from agency theory (Alchian and Demsetz, 1972; Jensen and Mekling, 1976; Eisenhardt, 1985, 1989), when considered in analysing corporate leaders' decisions on CSR expenditures, suppose that corporate business leaders act as agents diverting part of organisations' profit and shareholders' value to social causes, rather than giving it all back to shareholders as principals for their personal decisions with regard to such social causes. If so, what are ethical guidelines for these agents balancing profit maximisation and CSR costs?

It can be argued that, consequently, the lack of homogeneity and transparency in defining ethical boundaries create ethical uncertainty. In this environment, a gap exists between leaders' moral purpose and moral performance, which, some argue, is created by the alienation of spirituality from civic life (BNET, 2006(b)). In this situation, leaders often rely on

rational discourse as the vehicle for deciding how to comply with public moral sentiment (ibid.)

The theme of moral discourse is continued in Kerns's (2006) supposition that virtuous values should serve as guidelines in making ethical decisions. Kerns (2006) argues that, in the situational environment, when guidelines in making decisions are ambiguous, business leaders might refer to moral discourse as 'self-talk' in checking virtuous values while making challenging decisions. This checklist consists of the evaluation of all possible circumstances surrounding the decision; making the decision objectively without regard to public liking; honestly discussing transgressions and ethical breaches in conduct; making valid comparisons when discussing specific ethical behaviour; and acting with an appropriate level of confidence. By making en ethical decision within the framework of this moral discourse, as Kerns (2006) suggests, leaders with strong virtuous values are more likely to act ethically. However, Kerns' (2006) framework does not address the issue of prevalence in business decision-making process when leaders face dilemmas between societal norms for ethical behaviour and business expectations laid upon executives to assure economic growth of their companies.

As Gottlieb and Sanzgiri (1996) summarised, the problem for leaders is that the guidelines for ethical decision-making are ambiguous despite organisational codes of conduct. Santilli (1984) suggests that, given the highly situational nature of the organisational context, leaders are often empowered to make ethical decisions without proper education or experience in this matter. Wolfe (1988) continues that making ethical decisions is not linear or uni-dimensional and leaders must include considerations of society's values and preferences in making ethics related decisions. Hosmer (1987) adds that there is little agreement on a sense of universal morality and if there were one, it could have been applied to multiple contexts, alleviating the difficulty of moral decisions (Gottlieb and Sanzgiri, 1996).

The complex nature of ethical values may be explained by its emergence from multiple societies and by its definition by the broader social culture, consequently leading to the synthesis of characteristics of what is ethical and unethical within those given societies and, in some cases, the

specifics of various countries as suggested by Behrman (1988). Behrman (ibid.) goes further in explaining business leaders' attitudes predominantly driven by profit maximisation as a type of primary responsibility developed from capitalist society's values (Gottlieb and Sanzgiri, 1996).

However, it can be argued that, in addition to societal values, leaders need to balance industry values (i.e. macroculture as in Harris and Crane, 2002), which can be highly situational and compartmentalised within specific industries. The issue of climate change and the oil and gas industry's attitudes toward that ethical issue can illustrate one of such situations.

The study conducted by Menestrel et al (2002) in the oil and gas industry presented a model of rational behaviour, which summarises business ethical dilemmas in the industry as trade-offs between processes and consequences, illustrated using changing climate through the effects of greenhouse gases as a process that can be harmful to society, and making profit for the business as self-interested results. This model portrays rational behaviour as the '…combination of the calculation of an egoistic consequence with the subjective assessment of a value-loaded process', Menestrel et al, 2002: 251), as procedural values having variable natures, such as '…altruistic consequences, deontological principles or intrinsic properties' (ibid.). It develops further into the argument that all business actors are motivated by their interest in profit, which is quantitative in nature, and their attempt to qualitatively justify the processes to achieve it. The model interprets consequences as financial benefit the to business and implicitly defines ethical concerns as any concern that is not economically beneficial for the company (ibid.).

In this interpretation, Menestrel et al. (2002) apply an egoist or individualistic principle for the consequential part of the model, whereas non-egoist motives considered as procedural values. Menetrel et al. (2002) also suggest, that from this perspective, even utilitarian values, which are deemed as consequential from the point of view of society, are considered as procedural values, further suggesting that these values may also be of virtuous or deontological nature. However, this model only emphasises the complexity of the conflict between those actors' interests and the socially beneficial actions (ibid.).

These researchers claim that their model can be used to better understand how businesses face the ethical dilemma of the oil industry with respect to climate change at the behavioural and discursive level. Furthermore, the analysis of the consistency between companies' assumptions, public image and actual performance might help to develop businesses' ethical behaviour and, ultimately, their CSR institutionalisation (ibid.).

However, although this study was conducted within the oil and gas industry, it compared only two major corporations, confirming the existence of a gap in analysing how this framework fits within the SMEs environment.

Another factor affecting ethical decision-making is analysed by Daft and Gane, 2008. They suggest that personal behaviour is exhibited in a linear progression based on the amount of explicit control imposed by various societal entities or individuals (Daft and Gane, 2008:140). This explicit societal control is classified as High under legal standards; Medium under social standards; Low under personal standards (see Figure 3).

Figure 3: Three domains of human actions
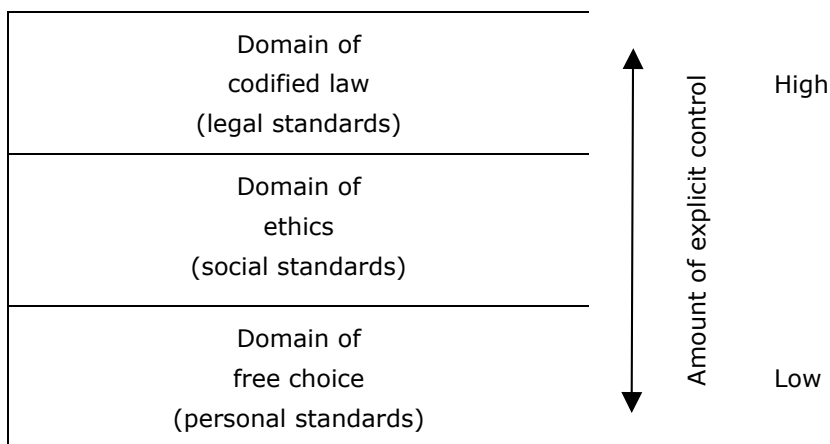
Source: Adapted from Daft and Gane, 2008: 140.

Daft and Gane's (2008) model describes the amount of autonomy an individual posses when making ethical decisions, particularly when facing dilemmas between domains of social, legal or personal standards. However, based on the supposition that an ethical decision is highly complex and rarely fits into one category, it is doubtful that a business decision maker would accurately differentiate the amount of explicit control based on the description of the legal, social or personal domains only, rather than on an

126

actual pressure in specific situations, be it business performance requirements, environment protection legislation, or demands of a particularly highly interested stakeholders group. Where does the domain of business or industry standards fit into this framework? What domain is the prevailing one in making business decisions, particularly with regard to CSR implementation? The exploration of these issues forms another area of this research.

Furthermore, as Longenecker et al. (2006) stipulate, factors influencing ethical perceptions and behaviour are multidimensional and embrace different, sometimes opposite, aspects. Ferrell et al (1989), after evaluating existing ethical decision-making models, have developed an integrated model combining theories of cognitive affects and social learning. According to this model, the most prominent affects on ethical decision-making are "…both external (environment, peers, situation) as well as internal (moral value structure) constructs" (Ferrell et al., 1989:55).

However, Ferrell et al.'s (1989) model is an expansion of Trevino's (1986) Person-Situation Interactionist model, which incorporates interplay between individuals and variations in their organisational settings (Longenecker et al., 2006). This is supported by Kendrick et al.'s (2002: 347) statements that recent psychological theory becomes increasingly an interactionist discipline with individual's internal predispositions interacting with external environmental inputs. This confirms that ethical behaviour emerges from individuals' value systems in conjunction with external influences, consequently representing the essence of established ethical decision-making models, one of which is Trevino's (1986) model. In this Person-Situation Interactionist model (ibid.), it is claimed that the choices for ethical decision making arise from the interplay between personal variables (e.g. such moderations as ego strength, cognitive moral development, or locus of control) and situational factors (e.g. an organisation's normative structure, reward systems, and accountability). This formulation of situational-individual factors' interplay can be found in other ethics frameworks (e.g. Weaver and Agle, 2002); however, there is no homogeneity in regard to the precedence of factors, either organisational influences or personal values, overpowering in specific ethical dilemmas (Longenecker et al., 2006).

As was noted before, there is a variety of ethical decision-making models (Bartlett, 2003). However, due to the constraints of this research, the analysis of Liedtka's (1991), Harris and Sutton's (1995) and Hunt and Vitell (1986; 1993; 2006) models is presented herein as a representation of relative ethical decision-making research.

Liedtka (1991), through the results of her qualitative interviews-based research within organisations with ethical standards somewhat conflicting with managers' ethical beliefs, constructed a model of relationships between individual influences on the ethical decision-making process by managers. She adopted a sense-making approach and described an incremental two-stage ethical decision-making process, developing from an initial outline of the situation, based on mind-sets or patterns of individuals' sense making, leading to the next step, the evaluation of alternatives. It was later supported by other studies in the perceptions of ethical practice (Bartlett, 2003).

However, a subsequent empirical study by Harris and Sutton (1996) into ethical decision making by US business leaders and MBA students resulted in a more comprehensive model of ethical decision making. That model was modified from the one originally proposed by Hunt and Vitell (1986; 1993; 2006), which adds wider experiential and cultural influences to the usual environmental and individual attributes (Bartlett, 2003).

In Hunt and Vitell's (1986; 1993; 2006) model, the variables of Cultural, Industrial and Organisational environments and Personal experiences are analysed through the set of deontological and teleological evaluations, ethical judgements, and intentions through the behaviour. This model seems to represent a wider set of constructs researched within ethical decision-making. However, its representation of the decision-making by the US executives and MBA students as the participants of the original research, which was later tested within marketing theories, may not objectively depict business leaders' decision-making within the UK oil and gas industry context.

With regard to SMEs, Longenecker et al (2006) suggest that the personal and situational factors, as was previously suggested, point to a variety of influences. One element of this is that the size of the organisation should have an impact on ethical standards and practice. The findings of

that study showed, that despite the expectations of SMEs' leaders demonstrating more Machiavellian, or less ethical, way of making decisions, evidence of higher levels of cognitive moral development '…among entrepreneurs and the reputational and social capital they have at risk in their enterprises should lead them to act more ethically' (ibid: 176). Other factors (e.g. locus of control or need for achievement) did not signify a strong affect. Whereas situational factors (e.g. institutional or environmental) suggested lower ethical standards in small businesses, but the empirical evidence was quite ambiguous (ibid). Overall, the findings of Longenecker et al.'s study (2006) saw no significant differences in terms of higher ethical standards in SMEs versus their large firm counterparts, therefore opening an opportunity for this research to investigate these relationships in SMEs, particularly in the oil and gas industry's environment.

3.9 Key Issues Identified – Leadership Literature

To keep this research focused, it is important to underline a key element in defining CSR activities as 'discretionary' (Kotler and Lee, 2005) actions by CSR related business leaders, who are defined as the persons behind the process of selecting and implementing socially responsible strategies. Business leaders can be either champions for the implementation of CSR strategy, or be opponents to this process.

The dynamics of social relations between individuals are influenced by either their propensity for co-operation or competition. However, the ethical or responsible manner of conducting social relations is influenced by individual philosophies, environmental factors and past upbringing.

There is an opportunity for this research to analyse this issue further and explore the impact of personal values in influencing ethical business decisions, especially within the SME environment.

With regard to Leadership, its theories have been evolving for the last 150 years. For a long period, inherited traits studies dominated but were later put aside as learned, whereas situational and contingency factors were considered to be far more realistic as reasons for people acquiring leadership positions. Situational and Contingency Leadership theories offer a much greater emphasis on caring for the subordinates' wellbeing,

promoting their performance through the improvement of not only their self-esteem but through their tasks and work environment in general. This can be noted as one of the earliest theoretical foundations for the importance of leadership connectivity to the CSR institutionalisation.

Another leadership theory, Role theory, suggests that business leaders are subject to role demands that vary considerably (Hales, 1987); various players of a similar role set may perceive role differently (Das, 2001); the roles themselves are subject to external and internal factors, which in turn influence leaders' behaviour (Shivers-Blackwell, 2004); and that organisational structures, for example SMEs and corporations, contribute to a greater diversification of these roles (Spence, 1999; Jenkins, 2005). When leaders are faced with opposing role pressures and expectations, this could result in extrinsically or intrinsically generated role conflict (Das, 2001), affecting the leaders as a result of sometimes conflicting agendas of profit maximisation and CSR performance. This study aims to contribute to the body of research investigating these issues.

Current leading trends in leadership theory are Transactional, Transformational and Authentic styles of leadership, which present no homogeneity in role expectations within all three styles. However, a greater emphasis is placed on analysing personal values when studying these leadership styles. This yields the following findings (Bass, 1990; Keeley, 1995; Kanungo, 2001): Ethical grounds in transactional and transformational leadership styles differ; a Transactional leader is influenced by Utilitarianism and uses situational and teleological ethics; a Transformational Leader demonstrates Moral Altruism and uses universal and deontological ethics; Authentic leadership is often associated with charismatic leadership (which might present a problem with respect to the inability to recognise stakeholders' demands); Authentic leadership has a tendency to be present within SMEs; Individual's ethics are highly emphasised in authentic leadership.

The notion of personal values affecting CSR institutionalisation serves as one of the focal points for this research, where the author aims to investigate whether changes in CSR strategies were in any way influenced by the changes in the personal values of presiding managers or following CEO replacement.

The author of this research agrees with Hemingway (2002; 2005) in stating that it is important to distinguish between and analyse further different levels of values (i.e. corporate / organisational and industry values). Personal values of CSR decision-makers should be separated from the institutional and organisational values for a clearer analysis of their relevant effect, whereas it is imperative for this research to discuss further the issue of industry members' peer-pressure, or 'being seen to be green' (Lyons, 2004) attitudes possibly adopted by oil and gas leaders as part of industry macroculture. Furthermore, this research needs to look into the SME-specific attributes in the analysis of values as one of the factors affecting CSR decision-making as part of ethical leadership.

Although in existence, empirically based knowledge about CEOs' ethical leadership is limited (Avolio et al, 1999; Yukl, 2002; Trevion et al, 2003). Furthermore, the majority of these studies focused on either middle level management, transformational rather than all styles of leadership, or perceptions of leaders' ethical conduct, whereas this study aims to analyse influences on ethical leadership expressed through ethical decision making, particularly within the environment of SMEs and in regard to which factors are more influential in affecting ethical behaviour: decision makers' personal factors or business-environment ones?

The importance of influence of additional factors, such as organisations' corporate governance, understanding of business ethics as an industry-related set of rules for professional conduct, and creating or maintaining organisational ethical culture versus individual demonstrations of ethical behaviour, as suggested by Haines (2005), result in the opportunity for exploring how these factors may influence CSR decision makers in this study.

Throughout previous studies, two predominant themes with respect to CSR decision-making can be identified: decisions, which are essentially ethical in nature; and decisions, which are essentially Machiavellian in nature. Decision-making research offers a variety of models, some of which specifically focus on ethical dilemmas (e.g. Hunt and Vitell, 1986, 1993, 2006; Trevino, 1986; Liedtka, 1991). As Bartlett (2003) noted, there is a need to update existing frameworks. The knowledge that this research

seeks to obtain aims to contribute to updating the understanding of ethical decision-making.

3.10 Summary of Chapter 3

Business leaders, being driven by a personal desire to demonstrate CSR actions may not necessarily be able to develop these actions into a full model of CSR implementation due to at-times divergent economic, legal or ethical responsibilities of their organisations. Worthington et al. (2008) emphasise the increased importance within academic literature of identifying drivers for CSR implementation and ethical business practices. This process is complicated by the difficulties the researchers face in distinguishing between CSR actions driven by authentic considerations for societal wellness and those that are implemented as part of personal or organisational benefit.

There are various factors affecting CSR implementation, including organisational culture, values and resources; and corporate versus personal values. Therefore, unsurprisingly, there is no single theory to explain CSR related decision-making process. This research aims to develop the current understanding of the role of business leaders in CSR implementation. It is important to understand *who* and *what* inspires leaders to make CSR decisions.

This study joins Peattie (2004) in asking questions about today's leaders' involvement with respect to CSR in one of the most environmentally sensitive industries – the oil and gas industry, an overview of which is presented in the following chapter.

Chapter 4: Oil and Gas Industry Analysis – CSR Perspective

4.1 Chapter Introduction

This chapter presents an overview of the CSR issues in the oil and gas industry, including an assessment of how oil and gas companies balance their commercial and societal responsibilities.

In addition, measurements and assessments of CSR performance, developed by specialist organisations and publicly available from several sources, are evaluated and employed to build a framework used to describe oil and gas companies' practices in implementing CSR. The details of this analysis are presented below.

4.2 Oil and Gas Industry Overview

According to the researchers at Morley Fund Management, (MFM, 2005) the worldwide oil and gas industry can be divided into three major groups: the multinational companies, (e.g. BP, Exxon Mobil, TotalElfFina, Conoco Phillips, RD/Shell), which is the smallest group of companies; the regional companies, which represent a larger group of producers and operators in several geographically and geopolitically defined regions (e.g. in Emerging markets such as CNOOC (China), Yukos (Russia) and in Developed market such as OMV (Austria), BG (UK), Statoil (Norway) and PanCanadian (Canada)); and the smaller service providers and Exploration and Production companies, which comprise the largest group of the oil and gas companies.

Crude oil production and sales are regulated by various factors. These include: supply and demand of market forces; producing companies' oil extraction, refining, and marketing strategies; and their host countries' respective governments. However, in addition to these, the Organisation of Petroleum Exporting Countries (OPEC), consisting of 12 African, Middle Eastern, South American and South Asian countries, has significant power of control over the volume of oil production and hence pricing.

The relationship between oil companies and OPEC has been at times quite turbulent. Prasad and Mir's (2002) critical hermeneutic analysis of

Chief Executive Officers' letters to their shareholders in the United States oil industry between mid-1970s and mid-1980s, when compared to the context of major historical events, suggests that these letters were used to affect their readers' perception about OPEC that diverted attention from the legitimacy crisis experienced by the oil companies in the US at that time. Publicly the profits of the oil companies were called "obscene" in contrast to the overall national economic decline and massive layoffs immediately after the oil boom, all of which created an antagonistic image of the petroleum industry, leading to a major legitimacy crisis. Within this environment, CEOs of major US oil companies attempted, according to Prasad and Mir (2002), to manipulate the meaning of their corporate communication.

Through the deployment of hermeneutic interpretation, which aimed to "decipher the hidden meaning in the apparent meaning" (Ricoeur, 1980: 246) and the ideas of Orientalism (Prasad and Mir, 2002), the researchers were able to create a four-tier deconstruct of what those letters were actually trying to achieve. These included oil companies' relationships with OPEC, including placing blame for bad reputation on OPEC, which could be read as an attempt to cover social criticism of these companies' strategies of profiteering. This, in the researchers' view, emphasised oil industry's CEOs' endeavour to diffuse social perception about the industry's unacceptable practices (ibid.), which could be classified as an attempt to regain their social legitimacy.

Since oil continues to be one of the most sought after natural resources and the geo- and socio-political situations in many major oil-rich regions are unstable, the suggestions of this research cannot be underestimated in trying to navigate through "manipulation of meaning" (Prasad and Mir, 2002: p.93) in corporate communications in the oil and gas industry, particularly analysing the oil industry's publicly available disclosures. Furthermore, there are notions of the lack of societal satisfaction with annual, social and environmental reports published by the oil and gas companies (Godfrey, 2007; Transparency International, 2007; WildLife, 2008) due to the lack of public trust in the industry's statements.

In addition to continuously complex relations with OPEC, the petroleum industry faces increasingly complex political, social and environmental challenges, with respect to the exploration, production and marketing of oil

and gas. The usage of both of these products, as fossil fuels, is directly linked to climate change, which consequently leads to legislative pressure and a race in the development of new technologies and improvement of energy resources' sustainability. The Kyoto Protocol, requiring developed countries to reduce greenhouse gas emissions to 5.3% below their 1990 levels by 2012, in conjunction with regional legislation, will continue changing the dynamics of the energy market with increased demand for cleaner energy sources (MFM, 2005). Currently, the largest oil and gas companies themselves conduct research into renewable energy supplies, which are supported by newly adopted legislative acts in Europe and the UK.

Analysis of the profitability of this industry goes further in predicting greater difficulties for the oil and gas industry through the increase in socially responsible conduct in the areas of decontamination of the production and refining sites, health and safety issues, higher product standards leading to cleaner fuels and exploration of new territories, some of which are protected areas of ecological importance. Other areas, having only initially developing transparency and governance, may pose a potential for an 'oil curse' (MFM, 2006), a phenomenon when oil giants bring more poverty to the country. Other concerns for the oil industry include interference with human rights, especially of indigenous populations, corruption, and increased risk of terrorism and hostility (ibid.).

In addition, according to the leading marketing research organisation Harris Poll (BusinessWire, 2008), the latest public survey suggests that the oil industry's reputation has fallen even further in comparison with previous years. The research was conducted using three criteria: personal experience; world events; and media coverage. If the oil industry's reputation scored favourably in 1997, in 2008 it declined to join three other least-favoured industries: tobacco, airline and pharmaceuticals. Although this research was conducted among the US population, it is possible to devise the overall public dissatisfaction with the oil and gas industry's conduct, including its interaction with its customers.

However, as can be seen from the analysis of the oil and gas companies' publicly available reports, the majority are working on addressing these and other socially responsible issues by developing

cleaner, renewable or sustaining existing energy sources; improving transparency and governance practices; complying with international and regional standards of health safety and environmental protection; and continuously building mutually beneficial relationships with stakeholders. This greater positive exposure may contribute to improved performance and consequently higher return on investment (MFM, 2005; Baker, 2006).

However, the oil industry continues to experience challenges in CSR implementation. These are analysed in detail in the following section.

4.3 CSR in the Oil and Gas Industry

As was pointed out earlier, the correlation between the oil and gas industry's actions and CSR-related debate, particularly referring to wider society's interests, progressed in a complex and challenging course. Research into the industry's relationship with its stakeholders, conducted by Doane (2004), adds to the challenging reputation of the industry, describing the actions of its managers as aiming at eluding social criticism rather than committing to a long-term CSR implementation. An example used to confirm this statement depicts oil and gas industry's attempts to communicate future impacts on local communities rather than avoiding these effects all together.

Other researchers (e.g. Brinkman et al, 2008) emphasise another publicly condemned attitude of some of the oil industry's executives - their inability to accept the effects of global climate change, even if it leads to a potential downturn in their companies' market valuations, directly impacting on associated cash-flow. The researchers (ibid.) suggest that, if oil companies' management do not act on the reduction of carbon emissions or on the development of non-carbon energies, the oil industry's market stability can be significantly undermined by societal actions against demand for carbon-based products and requiring improved efficiency of crude-consuming industries. In view of these challenges, the researchers emphasise, among other steps, an opportunity for oil companies to re-evaluate their relationships with external stakeholders, particularly with universities, in order to better position themselves in a low-carbon future. Currently, BP is named as a global oil and gas corporation most actively

addressing the shift in carbon-reduction strategy, whereas other oil and gas companies are still behind in dealing with the inevitability of this issue (ibid.).

The issue of the oil and gas industry's relationships with its stakeholders was also the subject of the research into 19 large US oil companies conducted by Godfrey (2007), where he describes the oil and gas industry's sensitivity in both environmental and social issues. The social aspect is particularly pertinent to this research as Godfrey (2007) deconstructs CSR in those companies as a response to either endogenous or exogenous components: either in-house organisational policies or external stakeholders' demands. The latter is described by Godfrey (2007: 221) as the companies' responses to match but not exceed those stakeholders' "squeaky wheels", which formed the basis for his description of these responsive actions as a "mimetic isomorphism…in stakeholder matching model" (ibid.).

Although Godfrey's (2007) research firmly emphasises the importance of stakeholders' pressure on corporate decision-making, it does not explore the motivations driving key decision-makers to implement various CSR approaches, presenting an opportunity to address this gap in this research, particularly in the environment of the UK oil and gas industry. Furthermore, the fact that his research (ibid.) analyses only two constructs of CSR responses (i.e. a complex response to a simple environment and a complex response to a complex environment (both in corporate frameworks) opens an opportunity to explore motivations on CSR decision-makers where oil companies, particularly SMEs, decide to implement CSR as a simple response to a simple environment, emphasising specific features in choosing CSR strategy.

Further challenges with CSR institutionalisation occurring in the oil and gas industry can be demonstrated through the analysis of the industry's responses to societal demands to address issues related to global climate change. Shell, one of the largest multinational companies (MFM, 2005), announced that there is a need for a major governmental intercession in order to achieve a significant slowdown of climate change (Business Respect, 2008). This rhetoric supports the notion of incorporation of societal, business and governmental efforts across the world to address the

imbalance between demands for low-carbon future, the lack of substantial alternative energy supplies, and deficiencies in regulatory guidelines (Woolfson and Beck, 2005).

Contrastingly, around the same time of these climate change statements, Shell was involved in a controversy regarding their relationship with the environmental organisations, Friends of the Earth and WildLife, which accused the oil corporation of using their sponsorship for the Wildlife Photographer of the Year award as a means to "greenwash" its environmental credentials" (WildLife, 2008: online). Shell answered that it will dissociate itself from this affiliation in the future.

Other large oil and gas companies were recently involved in various high profile environmental and social controversies. These include: human rights abuse focusing on ExxonMobil's involvement in a lawsuit against the company citing its connection with the suspected unlawful conduct of the Indonesian army while guarding company premises (Business Respect, 2008 b); advertising irregularities involving ExxonMobil facing criticism from environmentalists for claims that the company's produced liquefied natural gas is one of the most environmentally friendly fuels (Business Respect, 2008 c), which in reality should have not been compared with alternative energy sources, as the company's advertising campaign seemed to suggest; discrimination against the local workforce, cited by the Nigerian National Association of Itsekiri Graduates as "corporate irresponsibility" (Business Respect, 2008 d), which incriminated Chevron in avoiding its responsibilities in providing equal opportunities in the development of the local labour force and infrastructure; allegations of bribery involving BP in Kazakhstan (Business Respect, 2008 e), which allege BP's, BG Group's and Statoil's collaborations resulted in attempts to bribe local officials in order to achieve competitive advantage over their rivals; and Shell's gross human right breach in its affiliation with the Nigerian army's prosecution of tribal activists in the 1990s (Pilkington, 2009).

In addition, Gulbrandsen and Moe's (2005) earlier research into collaborations of oil companies' in implementation of CSR in the transitional economies of Kazakhstan, Russia and Azerbaijan suggested that such collaborations are likely to result in limited promotions of "…economic, social and political development in new petroleum provinces" (ibid.: 63),

emphasising business' focus on the development of the companies' core competencies rather than wider CSR issues.

Other areas of recently highlighted CSR challenges in the oil and gas industry include transparency and CSR reporting. In 2006 Management and Excellence research centre's (M&E, 2006) analysis named 15 participating large oil corporations as some of the most transparent companies in the world, including their improvements in reporting on corporate social responsibilities, environment protection and sustainable development, particularly higher scoring European companies (e.g. BP, Shell, Statoil, Total, Repsol and ENI), rather than their lower scoring American counterparts (Conoco, Chevron, and ExxonMobil). Furthermore, recent analysis of transparency in the oil corporations, conducted by Transparency International (2008) placed BP, Shell and Talisman Energy at the highest rank of transparency scores, whereas ExxonMobil was listed at the bottom of the surveyed oil companies across the world, along with other oil corporations operating particularly in transitional economies.

Continuing the theme of CSR reporting, Owen's research (2003) suggested that, in general, European companies are ahead of their international counterparts reporting on their environment protection and CSR-related practices, particularly the ones operating in environmentally sensitive industries. The development of these practices started in early 1990s (Littlechild, 2003) with a new surge of reporting on sustainability taking place a decade later. Owen (2003) suggested that, although informative on technicalities of such activities, the reports at the time seemed to lack significant impact on stakeholders' potential to increase managerial accountability for corporate actions and influence their decision making (ibid.).

In a follow-up study, Owen (2005) summarised that major companies increased their environmental and CSR-related reporting to emphasise sustainability even further. However, there was little evidence suggesting the increase of empowerment of relevant stakeholders, particularly with regard to affecting corporate decision makers' accountability. This notion is in line with the suggestions of other studies that CSR-related reporting is employed by various oil companies in order to influence societal perceptions

in view of obtaining or maintaining their social legitimacy (Hooghiemstra, 2000; Campbell, et al., 2003; Coupland, 2003).

The overall increase in the amount of disclosures, particularly with regard to sustainability, was later acknowledged by The Association of Chartered Certified Accountants UK (ACCA, 2007). Although the majority of the winners of its award were multimedia companies, BP, the only oil corporation, was noted for its CSR-related electronic reporting, emphasising the disparity between oil industry's initiatives to disclose and societal acceptance of such activities.

From another point of view, to further global perspective on the development of CSR in the oil and gas industry, the researchers at Jantzi Research (Macleans, 2007) indicate a wide range of newly established CSR activities among Canadian energy industry companies. The list of such activities ranges from Human Rights to Customer and Employee care, Environment and Community involvement, Corporate Governance and Social support. It comprises of water conservation, Aboriginal communities' protection, alternative energy sources, employee widened benefits and work-life balance, reduction of greenhouse gases and general emissions, human rights policies and management in hosting countries, increased transparency in financial reporting, training in integrating ethical conduct and human rights protection in everyday business decisions, waste management, assisting with family demands on employees, increasing diversity in workplaces, and encouraging giving and volunteering.

Although this list is based on the activities of Canadian energy companies only, it serves as a comparative indicator of the CSR programmes of their UK-based subsidiary offices and allows evaluation of their translation in a different set of social, economic and legislative pressures in the UK.

According to the researchers at the Petroleum Economist (Anonymous, 2005), oil and gas CEOs are becoming more adept at talking about CSR and not only because they realise the power of good PR but because some of them truly embed moral principles into their operations, distinguishing between structured CSR as part of a company's governance and CSR as a sporadic philanthropic act. More and more oil and gas companies are officially recognised as good corporate citizens through a variety of

specialised rankings (e.g. Covalence, 2006; Echo Research, 2006) and through various business awards. However, some critics are saying that the energy industry is not doing enough in bringing the importance of CSR to the same level as the commercial side of their operations as well as working closely with the stakeholders at large and communities in specific.

Due to the confidential nature of this research, none of the companies are identified by name in order to avoid bias or confidentiality breach. However, it is well known that around 25% of oil and gas companies not only participate in CSR activities, but already publish details on CSR institutionalisation issues in their company reports (KPMG, 2006).

The majority of the companies supporting CSR argue that ethical behaviour provides a better structured 'licence to operate' (Donaldson and Dunfee, 1999), and decreasing chances of disruption to operations by local communities, improving companies' reputation, customer loyalty, minimising violations of health, safety and environment protection practices, improving local and host countries' labour training, education and infrastructure, and stimulating non-related industries to support their operation leading to an overall reduction in operational and financial risks (Anonymous, 2005).

However extensive these initiatives are, except for the standardised and measured environmental standards, socially responsible actions are mostly voluntary and open to interpretation and can vary substantially from company to company, sometimes reverting to philanthropic gestures. According to the opinions of various NGOs, to avoid such a broad interpretation, stronger and more structured legislation might be useful in this area, implemented in addition to already existing guidelines covering various areas of CSR, such as international financial and human rights conventions, the Extractive Industries Transparency Initiative (EITI), the Voluntary Principles on Security and Human Rights and the United Nations' (UN) Global Compact (*ibid.*).

From another point of view, Woolfson and Beck (2005) present a collection of research which clearly demonstrates a gap between the oil and gas industry's self-perception of a responsible global citizen and factual failures in the health, safety and environment protection areas of corporate social responsibility, not only in the West but in newly developing countries

in Africa, Asia and the Eastern. The authors discuss two major points: firstly, the industry, although increasing its interest in CSR activities, is still a '…conflicted and authoritarian industry that is ultimately driven by cost concerns…' (Woolfson and Beck, 2005: vii) irrespective of the cost to society and the environment; and secondly, there are still inadequate governmental and regulatory guidelines and actual responses to the industry's activities (*ibid*.)

In addition, Donaldson (2005) points out that it is still a common practice within the oil industry to be confused by cross-cultural issues in regard to CSR versus corruption and overall lack of transparency in host countries. The study conducted by Anderson and Bieniaszewska (2005) analysing operations of a large oil corporation as a subject of their research, concluded that, while perceiving CSR as positively affecting its entrance into new territories and successfully obtaining new licenses, those factors have only secondary effect on awarding licences in comparison to rating its operational performance and technical capability.

From another point of view, research into multinational companies alleviating regional poverty (Ite, 2004) concludes that, based on the study of operations of one multinational oil company operating in a host country, if, due to government failure, the host country's macro economy is under-performing, there is a probability that oil corporation's contribution to poverty alleviation could fail without the overall improvement of governance as part of a CSR agenda. In another study into the corporations' practices in host countries (Anonymous, 2003), a list of CSR paradoxes emerged: identification of stakeholders; global intent versus organizational reality; shared language; and long term benefits not always being recognised.

One such long-term effect is analysed in the previously mentioned study by Menestrel *et al.* (2002) into the connection between oil industry activities (two multinational corporations as its representatives) and climate change through the prism of ethical dilemmas as trade-offs between changing climate through the effects of greenhouse gases (process harmful to society) and making profit for the business (self-interested results).

One of these companies had a consequential strategy (ibid.), which was illustrated through their ethically responsible actions mostly as a repercussion to the socially and environmentally damaging consequences of

their operations, resulting in originally denying or contesting the state of affairs and, consequentially, adopting a controversial attitude toward climate change and its involvement.

On the other hand, the second company was guided by their proactive socially responsible strategy, which was described as a procedural strategy (ibid.), where the company acted upon pre-developed and acknowledged social responsibility, at times with their own economic sacrifice for the benefit of ethical consideration and societal causes, resulting in an innovative approach to energy production and consuming.

The findings of this study support the opinions of oil industry critics voicing their concern over maximisation of profit as the primary driver for these companies' activities. However, all business actors are motivated by bringing economic benefit to their companies, whereas, in the case of the oil and gas industry and its environmental impact, their attempt to justify the processes to achieve this further emphasises the complexity of the ethical conflict between those actors' interests and socially beneficial actions (*ibid.*). Since legislative guidelines for CSR activities are in an emerging state only, there should be some other mechanisms to guide business leaders' choice when facing ethical - economical dilemmas in CSR institutionalisation.

This research aims to analyse CSR performance in conjunction with leadership behaviour in corporations and SMEs in the UK oil and gas industry. In order to build the list of participating companies, a compare-contrast approach was adopted in selecting companies from those with a recognised CSR profile and those who are in the initial state of CSR development.

4.4 CSR Perception, Measurements and Evaluation

Previous writings on the problematic nature of a wider CSR institutionalisation (e.g. Friedman, 1962, 1970; Shaw, 1999) postulate that there are many reasons why companies fail to implement CSR successfully. These include the fact that they must obey the laws of open and free competition solely aiming at profit maximisation and return of shareholders' investment; the rule of corporate law, prohibiting the corporations' directors

to take part in any activity that might reduce profits; facing the constraints outlined in agency theory (Alchian and Demsetz, 1972; Jensen and Mekling, 1976; Eisenhardt, 1985, 1989); and putting obstacles in the relationship between the principal (shareholders) and agent (manager). Also, that CSR participation is mainly driven by utilitarian views, which serve companies' desire for public acceptance consequently improving their legislative and societal image (Shaw, 1999).

However, numerous researchers suggest that businesses engaging in CSR activities either directly or indirectly do benefit financially. For example, a meta-analysis conducted by Orlitzky *et al.* (2003) suggests that there is a direct link between corporate social and financial performance, possibly through environmental responsibility paying-off financially, confirming the possibility of a successful balance between companies' financial growth and their societal commitments.

In this research, the analysis into companies' balancing between profit maximisation and societal engagement is constructed from four dimensions (see Figure 4): financial performance in balance with socially responsible investments (evaluated by Morley Fund Management with the Sustainability Matrix and Ethical Investors Group via their Socially Responsible Investment rating); reputation analysis and public perception (evaluated by Echo Research via the CSR Perception Index); ethical compliance in business contribution to human development (evaluated by Covalence via the Ethical Quote Measuring System and by Ernst & Young via the Entrepreneur of the Year Award); and social assessment as a degree of corporate citizenship (evaluated by Business Ethics Magazine and other business and academic publications).

Figure 4: Financial Performance and Societal Engagement Evaluation Framework

Socially Responsible Investment		Ethical Compliance
Financial Sustainability		Contribution to Human Development
	Successful Balance of Social and Financial Performance	
Societal Reputation		Corporate Citizenship
Public Perception		Societal Assessment
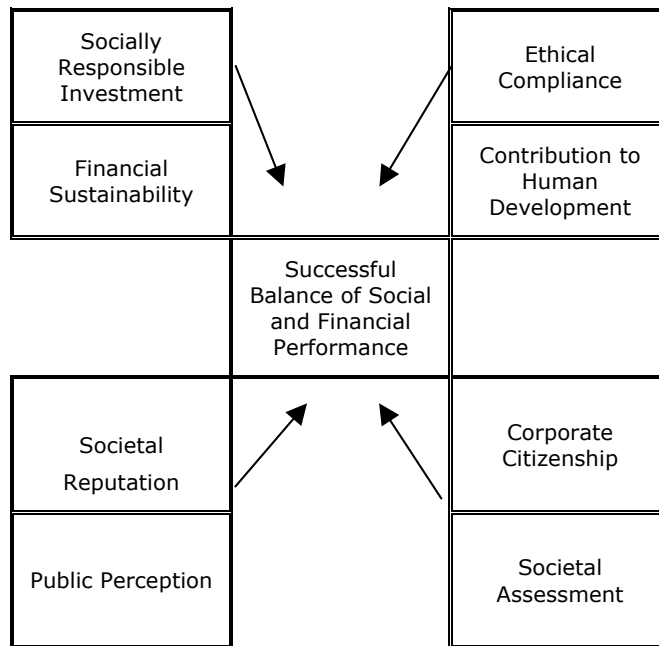
Source: Compiled by the author.

By adopting this framework, an attempt has been made to find equilibrium between the financial, societal, stakeholders' and researchers' evaluation of the business' ability to sustain its financial wellbeing in harmony with social responsibilities. It was possible to build a list of companies, the leaders of which would become participants in this research based on societal recognition for their CSR performance. Due to the confidentiality of this research, none of the companies identified through this method can be named. Reference to the organisations' names is coded and presented in the Methodology chapter. Although, due to the research scope and constraints, this sampling does not fully represent CSR institutionalisation in the oil and gas industry, the researcher aimed to assure adherence to the data triangulation concept by cross-referencing the results of these evaluations. The details of the chosen CSR measurement and assessment schemes and their accreditations and evaluations are presented below.

One of the most financially reputable investment evaluation companies on a global scale is Morley Fund Management (MFM), which operates with over £162 billion (in 2006) and focuses its investment strategy not only on financial return but also on socially responsible factors. The Socially Responsible Investment team regularly publishes sustainability ratings for

FTSE 100 and Eurotop 50 companies in its Sustainability Matrix, rating companies in managing social and environmental risks, liabilities and opportunities based on companies' product and management practices. Company representatives suggest that the rationale behind compiling the Sustainability Matrix is to provide a clear and transparent analysis of companies' governance, environmental and social policies. Such analysis allows for cross-border comparison within a chosen industry.

The latest MFM Sustainability Matrix (MFM, 2006) suggests that there are more companies than ever disclosing their management of social and environmental issues, supporting the supposition of the growing understanding of how these issues affect business. Within the European companies, which are already strong on environmental management and reporting, the UK companies demonstrate higher standards of corporate governance. The oil and gas industry, in particular, was rated somewhere in the middle of the range in terms of security of supply and the environmental effects of greenhouse gas emissions, which is one of the most troublesome areas of CSR activities for the industry.

By introducing the Matrix, MFM advocate encouragement for improving corporate governance, environmental and social practices through the support of socially responsible investors.

Another fund management company, Ethical Investors Group (EIG, 2006) provides a specialist financial advice service for socially responsible investors, sharing the philosophy of the world and its resources' preservation. Established in 1989, EIG specialises in rating the companies with respect to resource sustainability and the development of social projects throughout the world. In addition to being a unique financial adviser in socially or environmentally screened investments, EIG donates 50% of its profit to charitable causes.

In addition to the financial analysis of the companies' performance, it is necessary to evaluate their social position through their stakeholder research and reputation analysis. This evaluation is provided by Echo Research, a leading global specialist in enabling companies to impartially measure how they are viewed by society. Echo Research is ISO-accredited and a signatory to the United Nations Global Compact, which demands documented quality procedures and ethical business behaviour. The CSR

Perception Index, produced by Echo Research, illustrates which of the Australian, African, American and European companies are best recognised, both in the media and by their peers, for outstanding CSR performance. Moreover, 80% of the CSR decision-makers were confident that highly rated CSR institutionalisation promotes branding and improves employee benefits, whereas 76% of respondents confirmed the necessity for CSR to be championed at the board level with middle management becoming more instrumental by being encouraged to participate in CSR activities (Echo Research, 2006). The research also advocates services provided by socially responsible funds, which Echo Research believe will be a compelling beneficiary of CSR, consequently diminishing possible conflict of interests between long-term business development and short-term shareholder value (*ibid.*). Echo Research's study on the perception of CSR activities is conducted using a qualitative methodology and is based on the measurements of the companies' reputation among their stakeholders, interviews with business and financial leaders of over 240 companies throughout the world and supported by the review of more than 5,430 business publications in CSR related to the reviewed companies.

Another company, Covalex (Covalex, 2006) goes even further in its evaluation of ethical operations and reputation index by monitoring worldwide companies' activities through its Ethical Quote index, which combines qualitative and quantitative analysis of data with 45 criteria of business contribution to human development that include Labour standards, Waste management, Product Social Utility, Human Rights Policy and others. These criteria are further classified into 4 larger groups: Working conditions, Impact of production, Impact of Product and Institutional Impact: the system accumulates and analyses thousands of documents and evidence from media sources, enterprise, NGO and other resources to produce EthicalQuote graphical curves of historical evolution of the ethical reputations of companies in specific industries.

Due to its unique 'live' measurement approach, the curves can illustrate the rise and fall of any company's ethical societal perception at any specific moment based on the instantaneous synthesis of the analysed data. In 2004, this system was awarded the Cantonal Sustainable Development Prize in Geneva and was recognised among the finalists of the

Social Entrepreneur of the Year 2005 award organised by the Schwab Foundation.

Another institution evaluating CSR across industries is Canada- based Jantzi Research (Macleans.ca, 2007). The methodology employed by this centre is based on evaluating companies founded on their in-house developed more than 100 indicators, ranging from Human Rights, Corporate Governance, Customers and Employees, to Environment and Community and Society. Each area is assessed through companies' management systems, policies, programmes and performance outcomes. The research centre evaluates only Canadian companies but it serves as a strong indicator for the analysis of their global corporations, particularly in the oil and gas industry. There are several big companies on the list also represented in the UK.

Among the highest ranking corporations, according to Jantzi Research (Macleans, 2007) are familiar names: Petro-Canada, Nexen and Talisman. By comparing their Canadian CSR programmes with the UK schemes, it is obvious that their CSR commitments are much more visible in Canada, the headquarters locations, rather than here in the UK. According to the qualitative data collected as part of this research, there several reasons for curtailed implementation of CSR activities in the UK, as given by the local managers of these companies. The findings are analysed further in this study.

The analysis of the companies cannot be complete without their CSR evaluation conducted by the research community, one of the examples of which is the index of 100 Best Corporate Citizens compiled by Business Ethics Magazine (2006). This index presents a numerical rating on managing relationships with companies' various stakeholders. It uses data from SocratesTM, the online social research database created by KLD Research & Analytics in Boston, an independent research firm serving investment professionals. These companies are ranked on performance in 8 stakeholder categories: shareholders, diversity, governance, community, human rights, product, employees, and environment.

However extensive the research into ethical corporate conduct is, it only emphasises the crisis in the analysis of CSR performance evaluation within SMEs. Despite the fact that there are numerous financial and

innovative performance indices available for smaller companies (e.g. the National Business Award; the European Enterprise Award; the Northern Star Business Award, Grampian Awards for Business Enterprise, etc.), only a few provide any degree of corporate social responsibility evaluation, particularly in the oil and gas industry in the UK. One example of this evaluation can be illustrated by the Entrepreneur of the Year Award scheme organised by Ernst & Young (2006).

Having the reputation as an unparalleled global business network organiser, Ernst & Young founded and is producing, with the sponsor support of the London Stock Exchange, the entrepreneurs' evaluation scheme in more than 40 countries worldwide, including the UK. The assessment criteria include, among others, Strategic Direction, Financial Performance, National or Global Impact, and Individual and/or Corporate Social Responsibility. The inclusion of this measurement scheme contributes to raising awareness of CSR institutionalisation and its commercial benefit to SMEs among business leaders of smaller companies.

However, there is an evidence of growing concern growing among researchers that implementation of CSR indexing may affect the quality of the programmes and the degree of the change in CSR attitudes. As Baker (2008 a) warns, the employment of CSR competent personnel may not be the answer that true CSR champions would like to see. These CSR competent people, CSR or Sustainable Development departments managers, learn the tools of CSR trade, get familiar with the tools and do their job well enough for their companies to be awarded CSR positive indexes.

This may not be the right path to developing responsible behaviour at every level of organisation, in every kind of organisation.

In addition, it must be said that promoting CSR among SMEs through the awards scheme alone is not going to address the gap between CSR commitment exhibited in large corporations and SMEs. This research into attitudes towards social programmes in smaller companies raises a number of issues associated with impediments in CSR implementation in these companies, the findings of which are presented further.

4.5 Summary of Chapter 4

The oil and gas industry significantly affects not only the global economy but the natural environment and societal dynamics in various cultural settings. As a result, the industry faces increasingly complex political, social and environmental challenges, with respect to the exploration, production and marketing of oil, gas, and associated refinery products. In addition, CSR practices are becoming more scrutinised by the public. In this environment, it is important to understand how business leaders balance financial and social performances, especially within SMEs operating in this industry.

As was noted earlier, the scope and constraints of this research affect the overall representative sampling within corporations and SMEs specifically in the UK oil and gas industry. In order to avoid bias resulting from the exclusivity of selecting only recognised CSR performers, companies, which have not yet been identified as having a strong CSR performance, are included in the sample, as well.

The details of the sampling process, along with other methodological approaches, tools and techniques, employed in this research, are discussed in the following chapter Methodology.

Chapter 5: Methodology

5.1 Chapter Introduction

As Denzin and Lincoln (1998) emphasise, for the last two decades social sciences are undergoing a subtle methodological transformation. What makes this particularly notable is that "Social sciences and humanities have drawn closer together in a mutual focus on an interpretive, qualitative approach to research and theory" (Denzin and Lincoln, 1998: vii).

Appreciating the suitability of an interpretative, inductive approach to data collection and analysis, this study employs qualitative research methods in order to answer the questions of the study. This chapter explains decisions behind these choices. Methods of data collection and techniques of data analysis are presented, along with the researcher's ethical considerations, validity and reliability of the research, and the identification of the researcher's bias.

Methods of data collection in this empirical research include semi-structured in-depth interviews (Miles and Huberman, 1994; May, 2001); contextual observation (Yin, 1994); analysis of the contemporary academic and business publications, as well as the organisations' documentation. Methods of data analysis include qualitative thick description (Ryle, 1949; Geertz, 1973; Lincoln and Guba, 1985; Blaikie, 2000; Cohen and Crabtree, 2006), analytic comparison (Neuman, 1991), and pattern coding (Miles and Huberman, 1994). These methods, ethical considerations, and reflection on the research journey are discussed in detail in this chapter.

5.2 Research Philosophy and Strategy

The research subject and questions suggested the choice of a qualitative rather than quantitative approach in this study. This can be supported from various angles. As Denzin and Lincoln (2005:21) summarised, "three interconnected generic activities …*theory, method* and *analysis;* or *ontology, epistemology,* and *methodology"* can be used to define the qualitative research process. These undertaken approaches represent a researcher, who speaks from a particular background, cultural and ethical perspective (ibid.). The researcher approaches the research problem with a

set of ideas, a framework, which is the guiding theory - the research's ontology - the way the researcher sees the reality (Blaikie, 2000). The chosen ontology specifies a set of questions, the epistemology of the research, the ways to substantiate it; these are then examined through the methodological tools and techniques, and analysed in specific ways. Overall, empirical materials bearing on the question are collected and then analysed and written about (Blaikie, 2000).

The topic of this empirical research suggested the philosophical view of Interpretivism as the theoretical basis since it argues that the objective of social studies should be to address how members of society understand their own actions (Travers, 2001). What characterises Interpretivism is that, while it has a strong hermeneutical foundation, it does not abstain from the possibility of developing and testing theory; however, this theory has time and space limitations. Interpretivism argues that statistical patterns or correlations are not understandable on their own. It is necessary to find out what meanings (motives) people give to the actions that lead to such patterns (Blaikie, 2000).

For Interpretivism, the social world *is* the world interpreted and experienced by its members from the 'inside'. Hence, the task of interpretive social research is to explore this 'insider' view, not to impose an 'outsider' view on it (Blaikie, 2000).

For this research, an Inductive strategy was chosen as this strategy starts with the collection of data, followed by its analysis, and then by the development of generalisations that, with further testing, can become law-like propositions to be used to explain aspects of social life (Williams, 2002). According to Rudestam and Newton (2001:42):

> "On the more inductive end of the continuum, the researcher develops theory out of the descriptive and interpretive process...",

which fits with the epistemological assumptions of the inductive research, where the researcher does not make hypotheses "...about the inter-relationships among the data prior to making observations" (Rudestam and Newton, 2001: 37) but discovers and analyses them as part of the research process.

The epistemological model used in this research is ethnomethodology, since it encourages researchers to look at people, as subjects of research,

'…in everyday ways of producing orderly social interaction…' (Silverman, 2000: 77). The ethnographic side of this research, per Silverman's definition (2000: 37) as "observational work in particular settings", would be implemented through the realisation of the contextual observation (Yin, 1994) of business leaders' attitudes during interviewing. In addition, in-depth analyses of interviews allows to incorporate phenomenological "deep understanding [and] indwelling with the subject of [the] inquiries" (Miles and Huberman, 1994: 8).

The inductive strategy was chosen for this research because it allows the author to start with the collection of data (Bryman, 2001; Ritchie and Lewis, 2004) and then proceed to derive generalisations using inductive logic in interpretative research (Williams, 2002). One of the aims of this research is to determine the nature of the regularities, or their inter-relationships, in a social environment. Once these are established, they can be used to explain the occurrence of specific events by locating them within the pattern of established regularities. With this kind of research, exploration of the subject of this study is achieved through "…locating a particular pattern of thoughts within a known and more general pattern or network of relationships" (Kaplan, 1964: 298).

However, there are authors, who criticise inductive strategy (e.g. Hempel, 1966; Chalmers, 1982; Blaikie, 1993). They claim that objective observations cannot be achieved due to researchers' preconceptions; that guiding ideas can be biased, resulting in misguided observations; that generalisations cannot be derived from inductive logic, particularly in interpretative research (Denzin and Lincoln, 1998), and especially with a limited number of observations; and that it is sufficient to build explanations on the presence of regularities themselves (Ritchie and Lewis, 2004).

However, the author agrees with Blaikie's (2000) subsequent statement that, given that presuppositionless data collections are impossible, concepts and theoretical values that go with them are required before any observations or measurements can be made (Blaikie, 2000: 103). At the same time, the issue of pre-understanding (Gummesson, 1991) as a potential bias must be taken into consideration. This is discussed further in the chapter.

5.3 Research Approach and Study Design

This research uses a qualitative approach (Creswell, 1994: 1) as

> *"... an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting".*

Some methodology researchers (e.g. Gummesson, 1991; Rudestam and Newton, 2001) emphasise the benefits of using a qualitative approach, specifically in managerial studies. As Polkinghorne (1991: 112) states, qualitative methods are especially useful in the "…generation of categories for understanding human phenomena and the investigation of the interpretation and meaning…" that participants associate with their past experiences.

According to Denzin and Lincoln (1998), there is no one fixed set of methods that would be employed by researchers, particularly in qualitative studies (Rudestam and Newton, 2001). The utilization of such methods as interviews, hermeneutic inquiries, and participant observation all have their place in the design of qualitative research (ibid.)

This research design takes the form of exploratory analysis of multiple units (Yin, 1998). Originally, the design of this study presumed the use of a multiple case study approach, which Yin (1989: 23) describes as:

> *'…an empirical inquiry that investigates a contemporary phenomenon within its real-life context, when boundaries between phenomenon and context are not clearly evident, and multiple sources of evidence are used'.*

However, careful consideration has been given to the fact that organisations and individuals studied do not possess identical parameters. Neither the depth of data obtained from these organisations is of the same characteristics across all the studied organisations, which would have directly affected validity and reliability of the research. Therefore, the decision has been made to avoid implementation of the case study (Yin, 1989) approach per se and opt out for a specific investigation of business leaders as units of analysis (Yin, 1998) with associated secondary data as preparatory background for contextualised discussions / interviews. This would allow achieving a cross-sectional structure with elements of relying on existing variations in the sample, data collection at a single point of time, and the lack of random choice of participants (de Vaus, 2001).

154

In establishing the quantity and types of units of analysis required to carry out this study, the author employed a comparative method (Glaser and Strauss, 1967), which allows choosing instances that represent or are suspected to possess different aspects of the subject of the research. The findings are then compared and their differences might give opposing results, or might come to the same conclusion. By contrasting different samples, the author aims to achieve one of the aspects of the validity of research.

The author believes that observation should be an integral part of data triangulation in this study, if available. Miles and Huberman (1994: 4) emphasise the link between social facts being an integral part of social actions, which results in social meaning derived from people's everyday life. Erickson (1977: 58) points out that it is possible to discover these social meanings:

> '…by hanging around and watching people carefully and asking them why they do what they do…'.

Although benefits of employing observation are obvious, due to the time and resource constraints of this research, direct observation of each unit of analysis in situations of making CSR decisions was not possible. This would have directly affected the methodological symmetry as the researcher avoided any bias in including only organisations where it was possible to observe business leaders, thus limiting the overall sampling. Since the main method of data collection is interviewing, the decision has been made to a greater extent concentrate on contextually observing participants.

As a researcher, the author adopts Miles and Huberman's (1994: 4) position to be explicit about the researcher's liability and bias within the study, "…not to persuade anyone of [its] superior virtue or even [its] reasonableness". Also, as Miles and Huberman (1994) suggest, this research is intended to be built upon major issues of the impartiality of qualitative data collection and analysis; its reliability; internal and external validity and application orientation of its findings, all of which are discussed further in this chapter.

5.4 Site Selection

Having confirmed the supposition of the possibility of a balance between companies' financial growth and their societal commitments in the previous chapters, the analysis of how companies aim to balance profit maximisation and societal engagement is constructed from four dimensions: financial performance in balance with the socially responsible investments; reputation analysis and public perception; ethical compliance in business contribution to human development; and social assessment as a degree of corporate citizenship. The researcher aimed to assure adherence to the data triangulation concept by cross-referencing the results of these evaluations.

By adopting this framework, it was possible to construct a list of companies, the leaders of which would become participants in this research. Due to the confidentiality of this research, none of the companies identified through this method can be named. Reference to the organisations was coded and presented later in this chapter.

However, in order to avoid bias by only selecting the recognised CSR performers, the decision has been made to include companies, which have not yet been identified as having a strong CSR performance. Due to the research scope and constraints, this sampling does not fully represent the CSR institutionalisation in the oil and gas industry, although an attempt has been made to sample the widest variety of companies and their business leaders possible within the scope of this research.

Having experience of working in the oil and gas industry for almost twelve years, the author has had an opportunity to observe the CSR performance of various companies in the context of this sometimes-controversial industry. Oil and gas companies are often seen as merely destroyers of the environment and in some cases are held accountable for excessive profit making. However, there are more and more companies that are praised for their ethical business conduct, according to Covalence's EthicalQuote, an information system measuring the reputation of multinational companies on ethical issues (Covalence, 2006). In addition to evaluating the diverse nature of CSR operations, it is important to understand if the differences in companies' structures possess different forces affecting CSR performance.

In that perspective, it is beneficial to explore how business leaders balance the divergent issues of profit maximisation and CSR commitment, and what might be their possible views on improvement of this process. Findings drawn from the analysis of their performances should serve as a basis for theoretical generalisation (Yin, 1998), provided there are more business leaders experiencing similarities in the structure and evolution of their companies' CSR strategies.

5.5 Negotiation of Access to Participants

Negotiations aimed at accessing the research participants took place over the course of several months. Difficulties included: gaining access to the participants as they, generally forming a part of "elite and ultra-elite" group of business leaders, would rarely establish direct contact with a relatively young researcher (Stephens, 2007: 203); the restricted number of eligible participants; busy schedules of these business leaders affecting the flexibility of time-tabling these interviews (Morrissey, 1970); and participants' presuppositions about the subject of this study (Zuckerman, 1996; Odendahl and Shaw, 2002). The total number of participants and interviews with them acutely depended on the informants' availability and willingness to take part. Selections of the potential participants included reviews of appropriate organisations' business and financial publications, networking and studying their Internet-published data.

Approaching potential contributors, establishing rapport and arranging interviews with them were carried out via a mixture of formal and informal meetings, telephone conversations and electronic mail (an example of the Letter of Request for participation can be found in Appendix A.)

According to Loane et al (2006: p.438), incorporation of e-mails and Internet technologies into qualitative research, "can significantly improve [its] robustness"; aid the process of participants selection; improve the rate of responses; and "…lead to much more targeted lines of enquiry during in-depth interviews by identifying key research themes and issues, thus enhancing the depth and richness of the insights obtained" (ibid.).

The author of this research agrees with Loane et al. (2006) on information technologies increasing the amount of and improving the

robustness of information available for the researcher to evaluate in order to secure responses. However, as part of carrying out this research, no support was found for the Loane et al.'s (2006) statement that incorporation of these technologies improves the rate of response. Furthermore, in general, it was difficult to obtain participants' consent to participate in this research and even if they agreed, some of them pulled out of the study at a short notice.

According to Saunders et al. (2000), there can be any of the three major reasons for these difficulties: time and resource constraints may restrict individuals' voluntary activities, including spending time with researchers; lack of interest from an approached individual; and organisations potentially being affected by external events, which are outside of the researcher's control and relation to "…any perceptions about the nature of the request or the person making it" (ibid.: 114).

There were instances when approached participants would offer to answer written questions rather than be interviewed face-to-face, although the author of this study declined these opportunities in order to preserve the purity of the chosen methodological approach of conducting interviews and observing the participants.

Another difficulty in accessing participants and obtaining their consent to take part in the research, echoing Saunders et al. (2000: 116), was due to the author's role as an "external researcher", which resulted in additional considerations: "lack of status in relation to an organisation" (ibid.); "demonstration of competency and integrity" (ibid.); and organisations' and participants' goodwill (ibid.).

The participants' goodwill was obtained through establishing an appropriate rapport with them. However, in addition to that, it was important to build trust. As Easterby-Smith *et al.* (1991: 77) suggest, failure to establish trust might lead to interviewees simply telling researchers what they think they want to know. However difficult it might be to develop trust with high-powered individuals, in this case business leaders, it is helpful if researchers are viewed as equal to participants in their knowledge of a particular subject and when an unobtrusive or non-threatening language is used (*ibid*.), as explained herein.

There are several techniques used in this research to encourage developing trust (ibid.) with participants. Namely, the researcher aimed to gain as much knowledge about the company and the individual interviewed as possible in advance, letting the interviewee know that their project and that person in particular are the focus of this research. Secondly, by establishing initial contact over the telephone and in person, it was possible to put some participants at ease through the message of exploring their decision-making process, not judging the decisions themselves. Also, in the Statement of Informed Consent (details of which can be seen in Appendix C) participants were assured of the confidential nature of this study and their right to withdraw from the research at any time.

In addition, to avoid unnerving participants with the concept of the researching interview, where some of them would feel 'interrogated', the decision has been made to refer to these meetings as 'discussions', which might have made some managers feel more comfortable talking about the subject "...with the potential for genuine exchange." (Easterby-Smith et al., 1991: 78).

Following the initial contacts in person and/or on the phone, a letter with a brief description of the research project and the themes for the interviews/discussions was sent to all of the participants. An example of this correspondence is presented in Appendix B. In addition, submitted Statement of Informed Consent aimed to provide a more formal adherence to the concept of informed consent and an overview of the confidentiality. There are instances where the depth of the discussions differs from the originally proposed ones, based on the interviewees' knowledge or willingness to participate. This is possible using the semi-structured interview method (Miles and Huberman, 1994; May, 2001). A structure of an interview/discussion is presented in Appendix D.

With respect to confidentiality, information obtained from the interviews and discussions was included in this research without any reference to the participants' names, positions or companies.

5.6 Sample / Participants Selection

The approach of analysing multiple units (Yin, 1998) employed herein allows collection of data from a variety of sources and at multiple levels. The units of analysis (ibid.) are business leaders, who are directly involved in CSR decision making within the context of the selected organisations. These informants, where appropriate, are: Chief Executive Officers (CEOs) of corporations, their subsidiaries, or SMEs; and managers in corporations, their subsidiaries, or in SMEs.

The companies representing the oil and gas industry were originally selected based on a four-tier framework, which was discussed in detail in chapter 4. This was based on collating financial, social and researchers' evaluations of CSR institutionalisation. However, as was discussed earlier, a decision was made to widen the sample by also including companies not recognised for their CSR.

All of the participants were selected on a non-random basis (Silverman, 1993). Although individual participants' titles and organisational positions are somewhat different, their selection was governed by the method of purposive sampling (Patton, 1990), resulting in a collection of participants with comparative characteristics. The following criteria for this selection were adopted: as senior managers, all of these individuals are representatives of upper-echelon management level (as per Hambrick and Mason's theory, 1984); that they are experts in their fields; and the connection between those fields is encapsulated in their activities in relation to decision making, development and implementation of CSR.

Meuser and Nagel (1991) discuss expert interviews as a specific form of applying semi-structured interviews (Miles and Huberman, 1994; May, 2001). The interpretation of the experts' interviews, in addition to analysing their personal attitudes, also aimed at analysing and comparing the content of the expert knowledge. The main difficulty in this kind of interviewing, according to Meuser and Nagel (1991: 92), is:

> '…whether or not the interviewer manages to restrict and determine the interview and the interviewee to the expertise of interest… The need for the interviewer to make clear in the interview that he or she is also familiar with the topic is in general a condition for successfully conducting such interviews'.

As mentioned before, the interviews were carried out with individuals in the following groups, matching the explicit criteria of being directly involved in the inner-workings of developing and implementing CSR in corporations and SMEs:

1. CEOs of corporations, corporations' subsidiaries and SMEs;
2. Managers in corporations, corporate subsidiaries and SMEs.

The participants in the research were categorised as representatives of specific groups and were given their respective code numbers. Interviews and questions were categorised, as well. All these variants and codes are presented in Table 9.

Table 9: Coding of the Participant Groups

#	Participants' Groups	Code
1.	CEOs of Corporations	CC
2.	CEOs of Corporations' Subsidiaries	CSC
3.	Managers in Corporations	CM
4.	Managers in Corporations' Subsidiaries	CSM
5.	CEOs of SMEs	SC
6.	Managers in SMEs	SM

Source: Compiled by the author.

By categorising the responses from these groups, the researcher was able to combine the findings from different participants in the sub-sections relating to the questions of the study outlined in the previous chapters. For example, the response to an interview question given by the CEO of the first corporation's subsidiary who was the first to be interviewed was coded as CS1C1, whereas the first manager in the second SME was coded as S2M1.

The above-mentioned purposive method of sampling is complemented by the comparative method of sampling (Glaser and Strauss, 1967), which allowed choosing instances representative of different aspects of reality (Gummesson, 1991). In addition, the concept of theoretical sampling (Gummesson, 1991: 84), employed herein, allowed continuously to adjust the sampling process based on already collected, coded and analysed data,

consequently deciding what data and from where needs to be collected next based on suspected intrinsic differences between units of analysis (Yin, 1998). In cases where it was not possible to increase the sample size, a method of snowball sampling (Patton, 1990) was employed, which involved approaching potential participants using the author's pre-existing networking contacts, or information about potential participants provided by interviewees. The operationalisation of these sampling methods is described in detail in Appendix H.

This process of extending the sampling allowed comparing chosen units of analysis and deriving their differences and similarities until reaching the point of theoretical saturation (Glaser and Strauss, 1967), that is, "…the diminishing marginal contribution of each additional case…" (Gummesson, 1991: 85).

Based on Saunders et al (2006: 174), the final sample can be categorised as "heterogeneous or maximum variation sampling", which, according to Patton (1990), has a particular strength in combining very different cases with uniqueness but underlying similar key themes (Saunders et al, 2006). This would allow for greater validity in generalising the outcomes of the research.

Although some of these methods of sampling are somewhat different, they complement each other in giving a much more balanced representation of the sample of the units of analysis.

It was expected that this sample would be indicative of the complexities of ethical decision-making, CSR concerns and needs of corporations and SMEs in this field.

5.7 Methods for Data Collection

Primary data collection methods employed in this research include semi-structured interviews (Miles and Huberman, 1994; May, 2001) and contextual observation (Yin, 1994), where applicable. A combination of these methods, according to Gerson and Horowitz (2002: 221), assures more inclusive understanding "…of social life than either can offer on its own".

As was mentioned before, direct observation of CSR decision-making processes in participating organisations could not be fully employed herein due to a possible methodological asymmetry and potential bias in representation of some participating companies. On the other hand, contextual observation (Yin, 1994), as a secondary tool, allows observing participants' behaviour during discussions/interviewing, in comparison with organisations' documentation as a contextualised background (Sapsford and Jupp, 1996).

The author agrees with McWilliams *et al* (2006: 9) in emphasising the importance of using direct methods (i.e. interviews) of data collection in CSR research to "…'tease out' less self-serving information about the motivations for CSR activity…". In order to assist with this task, a Critical Incident technique (Flanagan, 1954) is employed herein; that is, as Easterby-Smith *et al.* (1991: 83) clarify, giving the interviewee an opportunity to recollect an event (as "any observable human activity that is sufficiently complete in itself", an 'incident') particularly pertinent to the supposition of the research. To make it 'critical', the incident must take place in a situation, even if it is recollected, where the observer is able to clearly identify its purpose and its effect (Easterby-Smith et al, 1991; Edvardsson and Roos, 2001).

As Chell (1998) points out, critical incident technique (Flanagan, 1954) is becoming more utilised within social and managerial studies, particularly in the field of behavioural researches of SMEs' business leaders (e.g. Chell *et al.*, 1991; Chell and Adam, 1994; Wheelock and Chell, 1996) due to being context-rich and providing participants' personal perspective (Symon and Cassell, 1998).

For this research, critical incident technique (Flanagan, 1954) allowed the use of discussion-type questions to facilitate a more narrative nature to the participants' answers. The discussion would start from a more general request to track back to the respondents' background and present responsibilities within their companies, their understanding of the meaning of CSR, and then proceed to recollecting particular instances of making CSR decisions and explaining their actions and motives associated with these critical incidents, consequently attempting to explore their real point of view.

However, critics of this technique speculate that individuals tend to use hindsight to rationalise their past actions (Easterby-Smith *et al.*, 1991). In order to avoid this bias, another technique, protocol analysis (*ibid*.) is used in this research, where available. This technique calls for a recollection of a more immediate, if not simultaneously analysed, incident for the purpose of exploring the exact stages or protocols of the decision-making process. This technique is particularly beneficial in developing trust (*ibid*.) with the participants and forms part of observation (*ibid*.) of unfolding events, in this case the actual CSR decision-making, where available.

There is growing evidence of interviewing as a method of data collection becoming more commonly employed (in managerial studies, as supported by a number of researches (e.g. Trevion, 2003; Jenkins, 2004; Rose, 2005; Stevens, 2007; Worthington et al, 2006 a, b; Griffiths, 2008; Worthington et al, 2009), which allows researchers to observe participants in addition to simply collecting their answers.

A variety of interviews (Miles and Huberman, 1994; Sapsford and Jupp, 1996) are employed throughout this research:

1. *Face-to-face Interview* employing a semi-structured (Miles and Huberman, 1994; May, 2001) format. This method allows setting the agenda of the interview, probing more deeply into the issues arising from the answers, and asking supplementary questions in order to elaborate on the discussion. They are tape-recorded, given participants' consent.

2. *Telephone Interview,* as a variant of the face-to-face interview using a semi-structured approach (Miles and Huberman, 1994, May, 2001), but conducted over the phone. This method of interviewing has its limitations, such as missing non-verbal clues between the researcher and the participant, and the lack of interaction between the interviewer and the interviewee. It will be used only for clarifying some of the points derived from the face-to-face interviews.

3. *Electronic Correspondence*, as a type of interview, is used for collecting simplistic answers to structured questions. This method, having its limitations in assessing participant's bias, is employed only for clarifying some information and with great discretion. As with the telephone interview, this method is employed only with the informants, with whom a productive relationship has already been established.

The semi-structured interview method (Miles and Huberman, 1994; May, 2001), from the researcher's point of view, provides a less biased

approach for the researcher. By giving an opportunity for the participants to deviate from a set of standard questions, although within the scope of the interview guide, the researcher is able to catch new ideas and thoughts from the respondents, which allows for the broadening of the overall findings. In addition, as was mentioned earlier, the overall approach to interviewing was based on the discussion type arrangement, which offered participants a chance to relax and convey their opinions in a more personal way.

Semi-structured interviews (Miles and Huberman, 1994; May, 2001) influence the data triangulation approach, where the results of such interviews' interpretations are compared to the findings of the contextual observation (Yin, 1994).

Also, this method, evolving into in-depth interviewing, provides the ability to probe beyond answers for the purpose of clarification and elaboration, becoming "…a conversation between two engaged people…" (Gerson and Horowitz, 2002: 210). This can be used as a basis for applying the elements of the contextual observation (Yin, 1994; Gerson and Horowitz, 2002).

Audio recordings were captured during face-to-face and telephone interviews in order to preserve the original format and content of these interviews. According to Flick (1999), using recording devices makes the documentation of data independent of perspectives – those of the researcher as well as those of the subjects under the research. It is argued that this achieves a naturalistic recording of events or a natural design (Nothdurft, 1987). After requesting the participants' consent to use the equipment and informing them about the purpose of the recording, the researcher's aim was to make them to forget about the tape-recorder and to conduct interviews in a more relaxed way, thus enriching it from the observational standpoint.

After the interviews were recorded using the audio equipment, their transcription was a necessary step on the way to their interpretation. There is no standard of transcription adopted in the academic world (O'Connell and Kowall, 1995); however, regarding the social questions of the interviews, exaggerated standards of exactness in transcriptions are not commonly justified. According to Strauss (1987), it is necessary to

transcribe only as much and only as exactly as it is required by the research question. In this research, the approach described by Bruce (1992: 145) was taken:

> 'The following very general criteria can be used as a starting point in the evaluation of a transcription system for spoken discourse: manageability (for the transcriber), readability, learnability, and interpretability (for the analyst…). It is reasonable to think that a transcription system should be easy to write, easy to read, easy to learn and easy to search'.

Accordingly, beyond accurately transcribing the interviews, the second check of the transcript against the recordings and the anonymisation of data (names, and positions of the participants) was central to provide reliability of the primary data collection method and compliance with the confidentiality guarantee.

Overall, the transcripts of the interviews were subjected to the approach of qualitative analysis known as content analysis (Denzin and Lincoln, 1998), where the themes, issues and recurring motifs within them are isolated and interpreted, leading to the initial stages of pattern-matching. The details of the specific techniques used to analysed obtained data are presented further in this thesis.

As a secondary technique of data collection, contextual observation (Yin, 1994) allowed the researcher to "pick out what is relevant for analysis and piece it together to create tendencies, sequences, patterns and orders" (Ericson *et al*., 1991: 55). The observation tool employed herein as an inferior method is of a less-structured nature (Sapsford and Jupp, 1996:61), which emphasises studying the perspectives of social actors – their ideas, attitudes, motives and intentions, and the way they interpret social world - as well as observation of behaviour in natural situations and in its cultural context. Less-structured observation aims qualitatively to describe human behaviour that illuminates social meanings and shared culture.

An example illustrating the use made by contextual observation in an excerpt from an interview with participant S3C1 is discussed in Appendix I Example of Data Collection and Triangulation, and shows how this method added an extra dimension to the knowledge obtained through a critical incident technique (Flanagan, 1954).

Through contextual observation of participant S3C1, it was possible to obtain additional information regarding, inter alia, the organisation's supply

chain relationships affecting CSR formulation; stakeholders' influence on CSR development; collaboration with universities in developing and implementing CSR beyond the UK oil and gas industry; and the participants' evaluation of CSR activities.

In addition to primary methods of data collection, secondary methods included the analysis of theoretical and business literature, and relevant CSR-related documentation from the selected organisations.

These data are combined with the information from the interviews/discussions, and contextualised observation, where appropriate, to produce an in-depth and rounded picture of the business culture, which places the CSR perspectives of the participants within the contexts of their organisations.

This combination of data collection methods allowed the generation of a comprehensive dataset. This generation process is discussed in detail in Appendix I Example of Data Collection and Triangulation. An excerpt from interview / discussion 8 with the CEO of an SME, coded as S3C1, shows how it was possible to obtain additional documentation from within the SME, which was not publicly available, and which demonstrated a long-term CSR commitment through its Environment Impact Evaluation model [model's name is coded to assure confidentiality]; and peer-reviewed research into sustainability issues. Neither of these facts were acknowledged in publicly available documentation, but were obtained as a direct result of conducting an interview.

In other instances, organisations' documentation was used to generate a list of codes at the data analysis stage, in addition to incorporating terms from academic and business literature and introducing phrases used by the participants. This process is discussed in detail in section 5.10.1 Data Reduction, Organisation and Interpretation. The combination of these methods of collection and analysis assured a more comprehensive approach to answering the research questions.

The complexities associated with the employed methods resemble an intricate set of ethical issues generally encountered during social research (May 2001), which were experienced in conducting this study. They are analysed in detail in the following section.

5.8 Ethical Considerations

As May (2001) summarised, researchers face dilemmas of philosophical ethics, particularly when reflecting on and comparing their views, and the views of their research subjects. The approach taken in this research is consequentialistic. According to this view, a set of rules for the conduct of the research is inviolate but consideration is given to the context and consequences of the research (May, 1997).

Due to the sensitive nature of this research, significant attention is paid to the respect for participants: confidentiality, informed consent (May, 1997) prior to publishing and ethical use of all data. Confidentiality of the documentation and interviews is adhered to and governed by the principles of data protection (HMSO, 1998; Blaikie, 2000). The confidentiality agreement between the researcher and the participant, in places where it is required, normally forms part of the informed consent (Sieber, 1998).

As pointed out by May (2001), this research adheres to the British Sociological Association Code of Ethics' (1993: 3) statement:

> *'Guarantees of confidentiality and anonymity given to research participants must be honoured, unless there are clear and overriding reasons to do otherwise'.*

In this research, the concept of voluntary informed consent was employed to ensure that the participants freely give their agreement to become a subject of the research, and that they understand any consequences that may follow from its publication (May, 2001: 60). A copy of the Statement of Informed Consent, developed by the researcher and presented to each participant prior to the discussions/interviews, is attached as Appendix C.

Non-malfeasance to the participating companies and individuals in this research was governed by the researcher's Obligations to Subjects outlined in the Social Research Association Ethical Guidelines (2003: 14). Collection and analysis of data was governed by the ethical principles and practice of data protection (Powell and Lovelock, 1991; HMSO, 1998). The participants have the right to have copies of the original data and to have these data destroyed. No recordings were given to clients or third parties without the

prior consent of the individual, as suggested by the Market Research Society Code of Conduct and Guidelines (2003).

With regard to preserving the validity and reliability of the research, various other ethical considerations must be observed. One of such considerations is "elite bias" (Miles and Huberman, 1994:263), which may prevent the researcher from objectively answering the research questions, if data are collected from only "…articulate, well-informed, usually high-status informants…" (ibid.). Since this study focuses on high-level managers and business leaders involved in CSR decision making in identified organisations, the effect of this bias is expected. In order to counteract this bias, data triangulation approach is applied to compare and evaluate data from multiple sources.

There are additional ethical considerations the author had to observe, specifically in regard to the participants' social pressure, sometimes referred to as "being seen to be green" (Lyons, 2004, online), which describes the latest notion of treating environmentally aware behaviour as a new public relations statement and ethical consumerism, rather than a long term sustainability. The author aimed to be able to differentiate between the demonstrations of a behaviour genuinely committed to CSR and the desire to spend more resources on just improving own image.

In addition to that, the researcher faced another ethical dilemma: "Hawthorne or reactivity effect" (Sarantakos, 1994: 246), where the behaviour of the participants might have been caused or changed by the fact of knowing they are being studied. Previous empirical research into CSR conducted by Business In The Community (BITC, 2003) employed observation of focus groups' members' discussions, which the author of this research believes could generate a significant bias based on potential "Hawthorne or reactivity effect" (Sarantakos, 1994: 246) of saying something that they thought was wanted to be heard by other peers. This is similar to the attitude described by Lyons (2004) as "being seen to be green" that could be demonstrated by participants in front of peers or researchers.

In addition, this attitude echoes Social desirability bias, as a demonstration of the desire by participants to conform to social and or researchers' expectations and norms through presenting themselves in their

perceived best way (Edwards, 1953; Fisher, 1993), which presents another form of bias. Self-imposed alterations to the participants' intentions demonstrated through their responses can acutely undermine the validity of any social study (Zerbe and Paulhus, 1987; Nyaw and Ng, 1994; Geiger and O'Connell, 2000; Bernardi, 2006).

As suggested in other researches (e.g. Randall and Fernandes, 1991; Thompson and Phua, 2005; Nederhof, 2006; Worthington et al, 2006 b), a combination of various methodological tools is adopted in this research to minimise social desirability bias. These include a mixture of purposive and snowball sampling approaches (Patton, 1990), triangulation of data from the participants interviews and companies' documentation; strict confidentiality at all stages of data collection and analysis; and the avoidance of close-ended and multiple-choice questions in order to offer the participants the freedom to express their personal thoughts and opinions rather than follow the researcher's lead (Myers and Newman, 2007) on matters raised as part of primary data collection.

Furthermore, in order to avoid the types of adjusted attitudes mentioned above, potentially resulting in bias, the method of "mirroring interviewing" (Myers and Newman, 2007: 17) is employed where the researcher aims to communicate with participants using their language and following their understanding of the subject avoiding imposing own. In addition, the results of data collection are cross-checked with other participants within the same organisation, if available; and comparisons are made between historic data and primary data obtained during interviews and contextual observation.

Although with a potential to collect rich, unbiased data from participants' own expressions of the understanding of the study subject, mirroring is not widely reported as being used in qualitative interviewing, perhaps due to publishers' restrictions on too extensive descriptions of methods used (Myers and Newman, 2007). Despite this, the author can confirm that by applying mirroring method to the interview process, the benefits to the validity and reliability of the research in terms of data collected and their context cannot be underestimated. Furthermore, mirroring allows minimising a researcher's bias (Myers and Newman, 2007), which is analysed further in the following section.

5.9 Researcher's Bias

The author aimed to build a holistic picture in this research by avoiding bias in accordance with the Ethical Guidelines of the Social Research Association (2003: 18):

> '...social researchers... should attempt to uphold their professional integrity without fear or favour. They must also not engage or collude in selecting methods designed to produce misleading results, or in misrepresenting findings by commission or omission.'

The author aims to be explicit about the researcher's liability and bias. Gummesson (1991) draws attention to a concept called a researcher's "preunderstanding", which is particularly acute in management research. It refers to researchers' knowledge about a specific problem and / or social environment before they embark on a research journey. In academia, preunderstanding manifests as theories and models, which, in general, "... lack institutional knowledge such as knowledge of conditions in a specific company, industry or market" (Gummesson, 1991: 12).

The author of this study can argue that it might be an advantage to a researcher to have some preunderstanding, especially in terms of "institutional knowledge" as Gummesson (1991) calls it. It should give the author a deeper picture of an organisational culture and values, behavioural climate, leadership style and decision-making process of a chosen organisation, especially if it is a familiar company, as having no preunderstanding will result in losing time and resources on obtaining some basic information about either theoretical or empirical perspective of the subject of research (Gummesson, 1991). However, in order to avoid this bias, the author intentionally avoided generating hypotheses, and based this research on asking explorative, "how"-type questions.

The author aims not to miscalculate another facet of a potential bias, "selective perception" (Gummesson, 1991). The author has to be able to understand that there is a possibility to perceive only parts of reality, selected through the influence of the researcher's preunderstanding, whether it is in regard to the initial knowledge of theory or initial knowledge of the subject of the research. Glaser and Strauss (1967) underline the risk

of being biased by existing theories, especially when they are outdated or not applicable for a specific context.

Glaser (1978) calls for a researcher's ability to demonstrate "theoretical sensitivity" and be able to adjust their paradigm as a result of their research, thus being able to generate if not new theory, then a better understanding of relationships between existing theories and concepts (Whetten, 1989).

In order to achieve this, de Bono (1971) proposes to use the concept of "lateral thinking", which is thinking not vertically, meaning discovering deeper layers of what is already known, but searching for answers somewhere else. The author agrees with this concept, thus there are no hypotheses in this research, but questions to be answered. Another method to assure lateral thinking is employed in this research - a method of triangulation of data through pilot interviews and comparing interview findings taken with participants from contrasting samples.

Some authors (Patton, 1990; Sapsford and Jupp, 1996) believe that studies reflect authors' values in ways that can be difficult to detect. They conclude that three actions, taken together, are sufficient in protecting against bias and providing an adequate accuracy. These are the actions taken in this study: 1) submitting reports to participants, from whom data were collected and incorporating their critique; 2) use of multiple data collection methods; and 3) adoption of the chain of evidence techniques to trace the progress of the data collection and analysis. Adequate supervisory control through the review of the research ensures that complying with these actions safeguards for the lack of bias.

5.10 Methods of Data Analysis
5.10.1 Data Reduction, Organisation and Interpretation

The governing method of data analysis employed in this research is qualitative thick description (Ryle, 1949; Geertz, 1973; Lincoln and Guba, 1985; Blaikie, 2000; Cohen and Crabtree, 2006). This allows furthering the knowledge of social relationships and their context (Holloway, 1997) with the inclusion of verbatim quotations of the recorded interviews (Myers and

Newman, 2007) for better illustrating of the understanding of the participants':

> '…interpretations of what is going on and for the researcher to produce analysis and explanations which do justice to the milieu in which his or her observations and interviews are conducted' (Blaikie, 2000: 251-252).

Based on the view of Barton and Lazarsfeld (1979), the analysis of each individual unit is expected to lead to the establishment of categories of similar phenomena and then to the systematic comparison, which in turn expected to lead to identification of factors that influence behaviour processes and relationships between areas of research, providing more integrated answers to the research question.

Overall, the author agrees with Sarantakos' (1994) observation that data analysis should occur in a cyclical continuous process, which can be divided into data reduction, organisation and interpretation.

Data reduction in this study is "...the process of manipulating, integrating, transforming and highlighting the data while they are presented" (Sarantakos, 1994: 300), involving thorough reading of the audio-recorded and transcribed interviews; preparation for their analysis; identification of the main themes in individual transcripts; and categorisation of the data. In case of participant's observation and in-depth discussions/interviews, data reduction should begin during the processes of observing and interviewing.

Data organisation took place in the form of accumulating findings around particular themes and concepts, categorising data in more specific terms and patterns.

More specifically, the preliminary qualitative interview data analysis (Lamnek, 1989) was arranged around two major activities: analysis of transcripts for integrating and evaluating the information; and generalisation with identification of similarities and differences for the development of typologies.

Further data interpretation was achieved through the application of particular data analysis techniques:

- Analytic Comparison (Neuman, 1991), which allowed developing ideas or assumptions about the data based on already established theories and by employing the inductive process.

The researcher identified regularities within the data, compared them with different ideas and assumptions and then established regularities going outward the initially restricted area to the more general level;

- Pattern Coding (Miles and Huberman, 1994), which, at the stage of open coding (Strauss and Corbin, 1998), allowed assigning codes to the collected data in terms of key words, lines or paragraphs, and then condensing data into categories and promoting emerging themes to surface. After that, the next coding stage, selective coding (Strauss and Corbin, 1998), allowed to find precise evidence for the particular themes by comparing them with the data from other instances. King (1998) suggested using hierarchical coding for grouping clustered codes in order to produce higher-order codes (Symon and Cassell, 1998). Finally, as these foremost themes became evident, they were extended in the context of the whole research. Application of these techniques can be found in other managerial studies (e.g. Trevion, 2003; Griffiths, 2008).

The approach of employing Analytic Comparison (Neuman, 1991) followed by Pattern Coding (Miles and Huberman, 1994) can be explained further using the concept of Analytic Hierarchy (Ritchie and Lewis, 2004). This concept is particularly appropriate for interpretative analysis of meaning of the participants' social worlds. As this process is not linear, it closely follows Miles and Huberman's (1994: 224) 'steps on the abstraction ladder', where each task is an analytical platform for the researcher to have an overview of the data. The stages involve data management, descriptive accounts and explanatory accounts (Ritchie and Lewis, 2004).

The structure of the data management approach could be described as "theoretic framework", which Ritchie and Lewis (2004: 262) explain as classification and organisation of "…data according to key themes, concepts and emerging categories". Data Management, as was described before, materialised in the set of codes, amalgamated in the Discussion Coding, which is attached in Appendix E. At this stage, the nature of codes was close to the language used by the participants (ibid.). An extract of this Coding set is presented in Table 10.

Table 10: Extract from the Discussion Coding List.

CSR Decision Making		
11. Autonomy in CSR decisions:	11.1 Full autonomy; 11.2 Separate CSR department; 11.3 Directive from headquarters; 11.4 Influence from Legal department; 11.5 Influence from HR department; 11.6 Influence from Finance department; 11.7 Discussion with other shareholders; 11.8 Influence from other departments; 11.9 Only curtailed by the budget available; 11.10 Influence from subsidiary's CSR department; 11.11 Influence from HSE department.	
12. Criteria for choosing CSR:	12.1 Greatest impact on community; 12.2 Connection to oil and gas industry; 12.3 Proximity of community; 12.4 Improving quality of life; 12.5 Lasting impact; 12.6 Costs; 12.7 Sustainability by the local community; 12.8 Meeting the needs of CSR beneficiaries; 12.9 Reputation / structure of CSR beneficiaries; 12.10 Sustainability by the business; 12.11 Merits of individual employees; 12.12 Making a difference; 12.13 Staying neutral; 12.14 Greater good 12.15 Company's resources; 12.16 Worthwhile cause; 12.17 Company's investment criteria.	
13. Individuals/organisations most affecting CSR decisions:	13.1 Communities; 13.2 Heads of communities; 13.3 Headquarters; 13.4 Government; 13.5 CSR department; 13.6 Other departments within the organisation; 13.7 PR department; 13.8 Individual Employees; 13.9 CEO of company.	

Source: Compiled by the author.

Overall, the list of codes was generated from various sources, including the researcher's preunderstanding of concepts and theories, enriched

through reading of academic and business literature pertinent to the areas of the research; reviewing organisations' documentation; introducing common terminology used by CSR practitioners; and incorporating phrases used by the participants during the interviews. This method of generating codes, which was originally described by Strauss and Corbin (1990), echoes Miles and Huberman's (1994) approach to creating a list of codes starting from the research questions and the researcher's own topics (Basit, 2003), and adding further codes with data accumulation.

At the next stage of the Analytic Hierarchy (ibid.), Descriptive Accounts, it was important to analyse the essence of the participants' accounts, the importance of their statements and the assigned meanings. At this stage, it was important to see through the sometimes very personal usage of particular terms, especially if the participants used them interchangeably, e.g. "Corporate Social Responsibility" versus "Sustainable Development". This process laid the foundation for developing typologies or as Ritchie and Lewis (2004: 214) described them as:

> *"...specific forms of classification that describe and explain the segmentation of the social world... They may apply to groups of people within the population or to sets of phenomena like beliefs, circumstances or behaviours".*

This was particularly applicable when the researcher was analysing the clusters dispersed over the corporate versus SME representatives, CSR-leading and non-participating companies, etc.

At the next stage, according to Ritchie and Lewis (2004), Explanatory Accounts were formed at the highest level of data analysis and shaped the basis for the discussion of the results of this analysis. The move from the descriptive to explanatory accounts was driven by the emergence of patterns of association within the data (ibid.). In this particular study, the linkage was found in associations between participants' "...experiences, behaviours and perspectives..." (Ritchie and Lewis, 2004:215) relating to their CSR attitudes.

Where analytic comparison was used more on a theoretical level, pattern coding, or at times referred to as indexing, provided a specific tool to sift through the concepts and ideas and organise them into more "generalisable" patterns. This process was conducted using an approach called "labelling or tagging the data" (Ritchie and Lewis, 2004: 224). Each

sentence of each interview was viewed through the prism of developed thematic framework, or set of indexes, and assigned its particular code/index within a major theme.

To illustrate pattern coding, an example of assigned codes can be found in Table 11.

Table 11: Example of Assigned Codes from an Interview Transcript
(with the participant S2M1)

Q21	So, what would be the criteria that you would apply to award something to one cause and ….	
R21	… but not to the other?… Personally speaking, I would… I would kinda use the criteria… of how much… You know, if there is a request for helping a charitable cause, for example. It would be pretty much down for a charitable cause itself. Whether it is ranging or a very-very specifically focused. Uh… You need to take into account who it is asking for it as well. Is it somebody that… That… How would I put this?… Is it a valued employee? To whom you would see that doing it would make a difference to him and continue his contribution to company's effort. Or, if it was a guy who just showed up from 8 to 5 and did not put too much effort into this. If he made a request, that would make a certain bearing on the request… Like I said, we don't have real policy written somewhere that would help deal with this. But it is something… It's something that isn't… I might be talking out of line here but I don't think here is a huge amount of thought we put into the subject. I think, people just bring it, they take the requests as they come, they decide on the spot: yes, no… Unless, it is one of the bigger companies, where they have a kind of recognised sponsor / charity. Because I know some of the bigger companies that do that. They get behind one charity. So, that kinda limits their requests to that charitable donation, etc. They all go to that one charity, or, in the States, this is a bigger corporate… The United Way in the States, I don't know if you've heard of that?	12.6 6.4; 8.6 12.9 12.11 15.9; 15.6 6.4

Source: Compiled by the author.

The initial thematic framework was adjusted on multiple occasions as was dictated by the growing body of raw data. However, at a certain point of time, there were no more changes to the framework emerging from additional interviews, thus confirming the data saturation point (Glaser and Strauss, 1967), which resulted in ceasing interviewing as part of data collection.

In addition to organising data obtained from interviews, it was important to analyse the characteristics of participating units of analysis. By organising them into specific groups, such as: organisations' structures; genders; years of experience; educational and professional background;

and CSR involvement, it was possible to monitor what characteristics of participating units of analysis are under-represented and, therefore, regulate the overall sampling. This approach was supported by employing the above-mentioned method of theoretical sampling (Gummesson, 1991). The complete register of all units of analysis and their characteristics is presented in Appendices F and G.

The final stage of the data analysis process, its interpretation, formed the basis for drawing conclusions related to the research scope. The interpretation of the data analysis adopted in this research combines two approaches, which echoes Basit's (2003) approaches to qualitative data analysis. These include: the demonstrations of the relationships between the data and the codes, the analyses of which resulted in various graphs and tables; and a more extensive, descriptive analysis with the inclusion of selective quotations of the most illustrative statements of the participants in order to convey the flavour of the data themselves (Bliss et al, 1983). Identification of patterns, themes and concepts guided the research further to the point of data saturation (Glaser and Strauss, 1967) and, ultimately, to answering the research questions provided the presence of the research validity.

5.10.2 Data Triangulation

Application of different methods of collecting and analysing data, described in the previous sections, allowed employing a "between-method triangulation" (Paul, 1996: 135). According to Paul (1996), such triangulation, comprised of interview analyses, contextual observation (Yin, 1994) and archival organisational data, results "…in a more complete assessment of organisational problems than any lone method" (ibid).

Qualitative examination employed herein, overall, allowed establishing and testing concepts, classifying them into categories and comparing with the findings of the interview analysis, participants' observation, and respective organisations' information, providing data triangulation.

The method of triangulation, comparing data from different sources (Silverman, 2000), was employed in order to check the validity of the respondents' answers. The following Figure 5 demonstrates the direct

relationship and interdependence between different methods of data analysis to provide triangulation, and how different research techniques complement one another.

Figure 5: Methodological triangulation
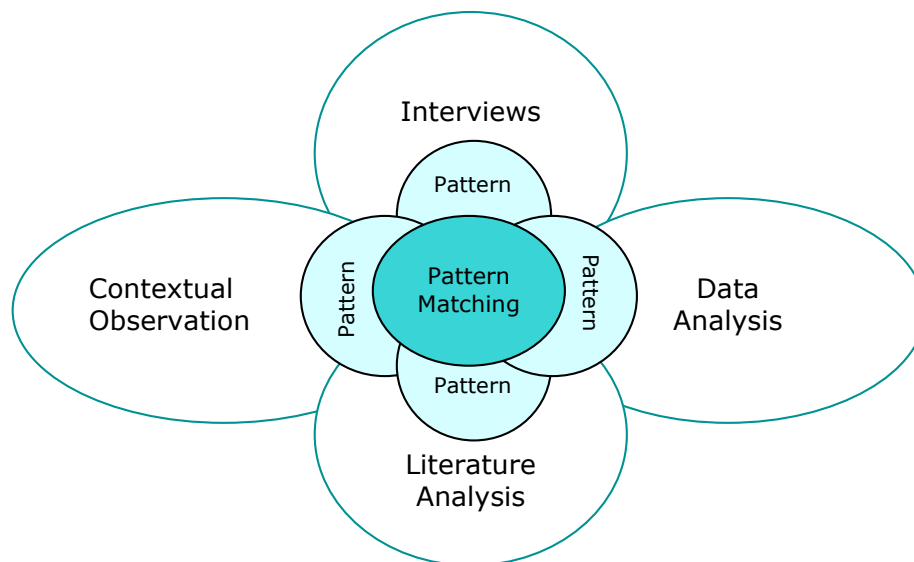
The pattern-matching technique of data analysis (Ritchie and Lewis, 2004), employed at the data interpretation stage, played a significant role in this research by comparing the patterns, empirically generated and verified within individual findings, and patterns predicted at the beginning of the data analysis stage. By matching the observed and predicted patterns, the internal validity of the findings was achieved.

Pattern matching (ibid.), as the essential model of data analysis, was used in this research because it is based on the requirements of using past experience (the researcher's observational techniques and participants' opinions) and logic (theoretical basis) to specify what is expected to be found. The analysis then compares actual findings to the expectations. "When the findings fit, the pattern is confirmed" (US GAO, 1990: 73). In the case when the findings don't fit, the researcher either adjusts the expectations, or elaborates them, building a case that can explain the unexpected findings. This could serve as the basis for a subsequent, larger research.

The direct observations were limited due to the researcher's inability to directly participate in the process of the CSR development and

implementation in all organisations during the term of the research. The findings in this matter are based on the contextual observation (Yin, 1994) founded on the researcher's and participants' recollections of the actual events and process leading to the current companies' CSR performance, and their attitudes during interviewing. These are incorporated into the findings, although a possibility of the participants' and the researcher's bias and lack of objectivity in recollecting the events should be taken into account.

The analysis of the primary documentary data, as part of contextual background (Sapsford and Jupp, 1996: 141) was necessary to study the sources that:

> '…were written by the people, directly involved and at a time contemporary or near contemporary with the period being investigated'.

The analysis of the secondary sources (Sapsford and Jupp, 1996) provided the framework and theoretical basis for the structure of the research itself and its findings. These were derived from the contemporary academic literature and business publications reviews.

During the stages of collecting and analysing data, the issues of the validity and reliability become especially acute. They are addressed in the following section.

5.11 Validity and Reliability of Research, and Generalisation

One of the key elements of this study is that the data were obtained with a view of its further qualitative thick description analysis (Ryle, 1949; Geertz, 1973; Lincoln and Guba, 1985; Blaikie, 2000; Cohen and Crabtree, 2006), which allows to understand these data in a context of its social existence (Holloway, 1997), and improve external validity (Lincoln and Guba, 1985) of the research. This approach allowed developing patterns from multiple data sources, including contextual observations (Yin, 1994) of the participants, and secondary data collection methods. It also provided data triangulation leading to the research reliability and validity, which is summarised in Table 12.

Table 12: Application of Methods of Data Collection and Analysis

Technique	Methodology	Application in the Research
Extensive thick qualitative analysis	Analyses of multiple types of data sources such as: 1) Interviews with all relevant persons; 2) Inclusion of verbatim quotations to illustrate social context; 3) Contextual observation; 4) Organisations' documents; 5) Business publications.	Achievement of internal and external validity of the research.
Analysis via triangulation of data	Analysis through: 1) Comparison between data obtained from primary sources; 2) Evaluation of data collected from secondary sources; 3) Comparison with experts' evaluations; 4) Relationships with theoretical findings.	Basis for explanation building supported by thematic review.
Comparison of evidence for consistency	Analysis through techniques such as: 1) Verification of events used as critical incidents; 2) Index/Patterns of categories; 3) Graphic display of data analysis.	Streamlining and benchmarking of generation of patterns and further pattern-matching derived from pattern coding, which forms the basis for generalisations.

Source: Based on US GAO, 1990: 20

The validity of the findings is derived from an agreement among the types of data sources, together with the systematic elimination of alternative explanations and the explanations of the results located outside of the general picture. Examining consistency of evidence across different types of data sources is akin to verification. Validity and reliability in this research are verified using the following tests: a) Construct validity; b) Internal validity; c) External validity; d) Reliability (Kidder and Judd, 1986). Table 13 illustrates some tactics covering the four tests of validity and reliability, with indications of the phase of research, in which each tactic occurred (Yin, 1998).

Table 13: Validity and Reliability Tactics for Four Design Tests

Tests	Tactics	Phase of Research in which Tactics Occur	Operationalisation (Methods of Achievement)
Construct validity	Using multiple sources of evidence	Data collection	Analysis of interviews, documentation, experts' evaluations, contextual observation
	Establishing chain of evidence	Data collection	Keeping all data and their analysis in chronological and easily traceable order
	Reviewing relationships between data and their analysis	Data analysis	Draft of the report available for participants' review
Internal validity	Triangulation of data	Data analysis	Compare and converge findings from primary and secondary data analyses
External validity	Use of rival theories within the study	Research design	Research within differentiating and/or contrary-applicable theories
Reliability	Use of study protocol	Data collection	Follow planned course of research

Source: Based on Yin (1998).

The author agrees with Gummesson (1991) and Glaser and Strauss (1967) that, by implementing the concepts of validity and reliability in this research, the issue of generalisation becomes more substantiated in its attempts to extrapolate the findings of a limited number of observations. Furthermore, as Williams (2002:138) argues, generalisation in interpretative research "…is both necessary and inevitable…", arising from "…cultural consistency and … [being the] basis of inductive reasoning…".

The author aimed to provide the ground for generalisation by testing the findings in contrasting environments, that is by interviewing the participants from corporations and SMEs. This method, called "theory testing" (Glaser and Strauss, 1967: 30) supports the idea of generalisation by eliminating the issue of the limited number of units of analysis, but

rather focusing on the core of the theory or findings generated, as even: "A single case can indicate a general conceptual category or property; a few more cases can confirm the indication" (ibid.).

Although analytic generalisations derived from this research's multiple units of analysis can be extrapolated to other cases, provided they represent similar theoretical conditions (Yin, 1998), testing of the results and proposed models should be carried out in future studies within the scope of other industries to verify their applicability and generalisability.

5.12 Summary of Chapter 5

This chapter introduced the study approach as qualitative research. The methods for data collection chosen for this research are interviews (Miles and Huberman, 1994; May, 1997) conducted face-to-face and over the phone, contextual observation (Yin, 1994) during interviews, and the analysis of the primary and secondary documentary data. Electronic correspondence with the participants, although being used with high degree of discretion, was employed as a way to establish some initial contacts, further rapport with participants, and probe any potential bias of the respondents. Ethical considerations and the ways to counteract the researcher's bias and the issue of generalisation through the validity and the reliability of the research were taken into consideration and described above.

The following chapters introduce the actual findings of the research as the report of what resulted from these methods of data collection and analysis, and the discussion of these results.

Chapter 6: Data Analysis Results

6.1 Chapter Introduction

The methods of data collection employed in this research include in-depth interviews (Miles and Huberman, 1994; May, 1997) triangulated with organisations' documentation regarding CSR implementation. Data analysis methods include analytical comparison and pattern coding, the details of which can be found in chapter 5 Methodology.

This chapter presents an overview of the research participants as units of analysis; structured breakdowns of the analyses of the interviews; and the summary of the findings. Preliminary results were presented (as in Osseichuk et al., 2007) and discussed at Annual Conferences organised by the British Academy of Management in 2007 and 2008.

6.2 Participants Overview

The researcher faced numerous difficulties obtaining access to participants as described in section 5.5 Negotiation of Access to Participants. However, after employing sampling methods described in section 5.6 Sample / Participants Selection and in Appendix H Operationalisation of Sampling Methods, the final "heterogeneous or multiple variations" sample (Saunders et al, 2006: 174) was generated. This sample consists of business leaders of companies with different structures, recognised and non-recognised CSR players, and the ones rejecting or embracing CSR.

A total of 17 interviews were completed, with two of them conducted over the phone (one was with a corporation's headquarters abroad and the other one with the head office in London). On several occasions, some subsequent clarification was requested via e-mail.

The researcher emphasised and integrated ethical considerations regarding willingness to participate ("being seen to be green" (Lyons, 2004, online); and the "Hawthorne or reactivity effect" (Sarantakos, 1994: 246)) when analysing obtained data (see 5.8 Ethical Considerations). The final sample aims to provide a reflective snapshot of current trends and

challenges that business leaders face in the UK oil and gas industry's CSR implementation.

The following section presents a structured overview of the participants with a discussion of their characteristics. A full overview of the participants can be found in Appendices F and G.

As can be seen from Table 14, there were 17 companies studied, comprising of one overseas headquarters office, which has subsidiaries in the UK and other countries; 9 corporate subsidiary offices and 7 SMEs located in Aberdeen and Aberdeenshire.

Table 14: Participants' Organisational Structure

	Participants	Organisation's Structure		
	Code	Corporate Headquarters	Corporate Subsidiary Office	SME
1	CS1C1		1	
2	CS2M1		1	
3	CS3C1		1	
4	CS4M1		1	
5	S1C1			1
6	CS5M1		1	
7	S2M1			1
8	S3C1			1
9	CS6M1		1	
10	C7M1	1		
11	CS8M1		1	
12	CS9C1		1	
13	CS10M1		1	
14	S4M1			1
15	S5C1			1
16	S6C1			1
17	S7C1			1
		1	9	7

Source: Compiled by the author.

The companies represent up- and downstream producers; exploration and development; drilling and other service providers. The shareholding model of these companies varied from privately owned SMEs to the largest global oil and gas corporations. Turnover was respectively variable, from hundreds of thousands of pounds to multi-billion pre-tax profits.

Organisational structure varied: some companies had only very limited management and number of employees (between 10 and 50), the others had numerous international subsidiaries with various departments, some of which specialised in CSR.

Based on the Financial Performance and Societal Engagement Evaluation Framework described in section 4.4 of this study (CSR Perception, Measurements and Evaluation), the author aimed to include both, "CSR-recognised" performers and companies not known for their CSR institutionalisation (Table 15).

Table 15: Organisations' CSR Institutionalisation

Participants		CSR Institutionalisation	
	Code	Recognised	Non-Recognised
1	CS1C1	1	
2	CS2M1		1
3	CS3C1		1
4	CS4M1		1
5	S1C1		1
6	CS5M1		1
7	S2M1		1
8	S3C1		1
9	CS6M1		1
10	C7M1	1	
11	CS8M1	1	
12	CS9C1	1	
13	CS10M1	1	
14	S4M1		1
15	S5C1		1
16	S6C1	1	
17	S7C1	1	
		7	10

Source: Compiled by the author.

The participants' positions in organisations' hierarchy formed a heterogeneous sample, which allowed the researcher to explore attitudes to CSR exhibited by business leaders at different managerial levels (Table 16).

Table 16: Participants' Position in Organisations

	Participants	Position in Organisation					
	Code	CEO of Corporation	Manager of Corporation	CEO of Subsidiary	Manager of Subsidiary	CEO of SME	Manager of SME
1	CS1C1			1			
2	CS2M1				1		
3	CS3C1			1			
4	CS4M1				1		
5	S1C1					1	
6	CS5M1				1		
7	S2M1						1
8	S3C1					1	
9	CS6M1				1		
10	C7M1		1				
11	CS8M1				1		
12	CS9C1			1			
13	CS10M1				1		
14	S4M1						1
15	S5C1					1	
16	S6C1					1	
17	S7C1					1	
		0	1	3	6	5	2

Source: Compiled by the author.

As can be seen from this table, the most willing to participate in the research were managers and CEOs of corporate subsidiaries; and CEOs of SMEs.

Another variant that represents the final sample is the gender of the participants (Table 17).

Table 17: Participants' Gender

	Participants	Gender	
	Code	Male	Female
1	CS1C1	1	
2	CS2M1	1	
3	CS3C1	1	
4	CS4M1	1	
5	S1C1	1	
6	CS5M1	1	
7	S2M1	1	
8	S3C1	1	
9	CS6M1		1
10	C7M1	1	
11	CS8M1	1	
12	CS9C1	1	
13	CS10M1	1	
14	S4M1	1	
15	S5C1		1
16	S6C1	1	
17	S7C1	1	
		15	2

Source: Compiled by the author.

In the predominantly male-staffed oil and gas industry (Oil and Gas UK, 2008; UK National Statistics, 2008), it was interesting to see if CSR attitudes would differ based on the participants' gender. However, this was not the primary aim of the research, therefore sampling was not dictated by balancing these particular numbers. Although an attempt was made to find more eligible female interviewees, the final numbers are heavily skewed toward male participants (15 to 2). This does not necessarily mean that there are more males involved in CSR implementation. In various organisations, as can be seen from the interviews, CSR is handled by the Human Resources department, which is predominantly staffed by females across the industries (Regan & Dean, 2008). For the purpose of this research, interviewing these individuals was not essential as they did not hold high-level managerial positions, or did not form the last link of the CSR decision-making chain.

Regarding the participating business leaders, which this research did focus on, it was necessary to see if their professional background played a part in formulation of CSR policy, its implementation or even the rhetoric in relation to the subject. As can be seen from Table 18, there is a wide spectrum of the interviewees' educational and professional background.

Table 18: Educational and Professional Background

	Participants	Background					
	Code	Engineering	Finance	Geology	Managerial	Corporate Communication	Marketing
1	CS1C1	1					
2	CS2M1		1				
3	CS3C1	1					
4	CS4M1		1				
5	S1C1	1					
6	CS5M1	1					
7	S2M1	1					
8	S3C1	1					
9	CS6M1					1	1
10	C7M1					1	
11	CS8M1	1					
12	CS9C1	1					
13	CS10M1	1					
14	S4M1	1					
15	S5C1	1					
16	S6C1			1			
17	S7C1	1					
		12	2	1	0	2	1

Source: Compiled by the author.

Perhaps, it is no surprise that the majority of the leaders in the oil and gas industry have engineering backgrounds. Only very few have either geological, or financial backgrounds. However, there were no participating business leaders with specific managerial educational backgrounds. Also, it was interesting that the two CSR practitioners came specifically from marketing and/or corporate communications backgrounds. Correlating this with the companies' documentation, it is apparent that one of the companies represented by these individuals is CSR-recognised and the other is not. This indicates that the institutionalisation of CSR in these companies (both of which are large corporations) is shaped under a strong

Public Relations influence. The details of the interviews' analysis with these individuals are presented further in this chapter.

Taking the review of the participants further, it is important to emphasise their education level and managerial experience (Table 19).

Table 19: Participants' Higher Education and Managerial Experience

	Participants	Additional Studies		Managerial Experience		
	Code	Masters	PhD	Between 1 - 5 yr	Between 5 - 10 yr	More than 10 yr
1	CS1C1	1			1	
2	CS2M1	1				1
3	CS3C1					1
4	CS4M1				1	
5	S1C1					1
6	CS5M1				1	
7	S2M1					1
8	S3C1				1	
9	CS6M1				1	
10	C7M1			1		
11	CS8M1				1	
12	CS9C1					1
13	CS10M1			1		
14	S4M1			1		
15	S5C1				1	
16	S6C1		1			1
17	S7C1	1				1
		3	1	3	7	7

Source: Compiled by the author.

This table illustrates that only very few interviewees had qualifications higher than college or Bachelor's degree level, which opens opportunities for colleges and universities to incorporate CSR, Business Ethics and Sustainability readings into a wider variety of courses at these levels. This may include further leadership education for existing or future business leaders.

Comparing the level of managerial experience with the participants' CSR exposure (see Table 20), it is clear that this field, although not new in academia, is not very known or widely acknowledged in the business environment. After some clarification during the discussion, some

respondents indicated that what is called CSR was and is practised all along as part of being a "good company". However, the ambiguity of the term and the lack of systematic and organised awareness result in a low-recognised set of CSR actions, particularly across SMEs.

Looking at the level of education of the participants, it is clear that most of them reach their positions through work-related experience and growth, rather than based on their higher education. Despite this, the majority of the respondents were exposed to international experience as part of their professional growth. This is illustrated in Table 20.

Table 20: International and CSR Experiences

	Participants	International Experience		CSR Experience		
	Code	Yes	No	Between 1 - 3 yr	Between 3 - 5 yr	More than 5 yr
1	CS1C1	1				1
2	CS2M1	1			1	
3	CS3C1	1		1		
4	CS4M1	1		1		
5	S1C1	1			1	
6	CS5M1		1		1	
7	S2M1	1			1	
8	S3C1		1			1
9	CS6M1	1			1	
10	C7M1		1		1	
11	CS8M1		1		1	
12	CS9C1	1				1
13	CS10M1		1	1		
14	S4M1		1			1
15	S5C1	1			1	
16	S6C1	1				1
17	S7C1	1				1
		11	6	3	8	6

Source: Compiled by the author.

When comparing their attitudes to CSR, it was obvious that the leaders with experience of working in other countries and cultures, had a clearer picture of what CSR actions represent and what specific pressures this may bring with respect to balancing their day-to-day responsibilities of running the business with making social commitments. Incidentally, leaders with

international experience formed the majority of the CSR-active portion of the participants, which indicates that CSR institutionalisation within the UK oil and gas industry may be perceived through the prism of the international CSR issues experienced by the interviewees.

Furthermore, when triangulating with these organisations' publicly available CSR documentation, it was apparent that the kinds of CSR actions were strongly influenced by the international experiences of the participants. When asked about examples of their CSR actions, the majority complained that it is very difficult to find a way of demonstrating CSR in the UK because of its developed economy and more affluent society while their company's reports and websites were listing their CSR output as more of an environment protection and resources sustainability, which are mostly business performance driven, followed by investments or donations in educational, sporting and care-providing activities, which are widely accepted as more of a social engagement type actions.

A more detailed analysis of the participants' views on balancing CSR and business performance is presented in the following sections.

6.3 Data Analysis

Heterogeneity of the participants generated a wide range of data consisting of their personal views on the subject of CSR nature, aspects and issues; balancing its institutionalisation and organisational performance; factors affecting their CSR decision making; their thoughts on CSR status in the oil and gas industry and its future in current economic environment.

The following sections present a more detailed analysis of these topics. The structure used herein is based on the data indexing / coding technique and generation of patterns, which were described in section 5.10 (Methods of Data Analysis).

6.3.1 CSR Definition

Building on the discussion surrounding terminology used in CSR research, one of the questions of this study was to find out what CSR means to business leaders personally and whether the nature of CSR implementation is dictated by this understanding.

The analysis of the interviews yielded in total 25 different interpretations of the term Corporate Social Responsibility. Considering that the discussion took place with 17 individuals, some of them were confused between several personal interpretations. The range of these explanations includes quite opposing statements, such as "Altruism or goodness of the heart" and "Socially responsible investments"; "Competitive advantage or economic sustainability" and "Recycling"; "Avoidance of corruption" and "Organisation's Core Values". Full list of the participants' CSR definitions is presented in Table 21.

Table 21: Participants' CSR Definitions

1. Societal responsibilities beyond the letter of the law;	14. Involvement in government spending;
2. Corporations as good citizens;	15. Avoidance of corruption;
3. Giving back to community;	16. Recognition of and reward for an employee's work;
4. Altruism / Goodness of the heart;	17. Being socially responsible is being accountable;
5. Socially Responsible Investment;	18. Company's reputation;
6. Responsiveness to Stakeholders' needs;	19. Fit in the framework of society and balance it with making money;
7. Competitive Advantage / Economic Sustainability;	20. CSR is a part of doing business;
8. Personal or Organisational Morality / Rectitude;	21. Doing the right thing;
9. Not well defined;	22. Recycling;
10. Not associated with CSR as a defined term;	23. Sustainability;
11. Environment protection;	24. Never heard of it before as a term;
12. HSE of personnel;	25. Organisation's Core Values.
13. Community involvement;	

Source: Compiled by the author.

Although quite divergent, there is an emergent pattern of "being a good corporate citizen" and "giving back to the community". To obtain validity of some of these statements, the researcher asked the participants to list their daily responsibilities in order to see if what they called "CSR" is actually what they do operationally as managers. As a result, this technique demonstrated that the terminology the interviewees used in explaining what CSR meant was often connected with their responsibilities as business leaders. For example, their company's compliance with personnel and environmental legislation:

CS5M1: "When you're saying Corporate Social Responsibility… Corporate Social Responsibility, the way I was looking at it, would be the environmental commitment, that… maybe… employee involvement, for sure and the way we… are partial of… uh… would be… what would we say… Well, there are committees and there are meetings that we look at the environment. There are improvement council meetings, all this sort of stuff, you know. Yah, the environment, I would say, is a… especially within the UK here…"

In general, the majority of others' interpretations of CSR term demonstrate strong connections with major operational sides of managing their respective enterprises -

Environment protection:

CS2M1: "This means that the company must be good stewards of the environment…"

Health and Safety of personnel:

CS2M1: "invest in the safety and welfare of its personnel"

Avoidance of corruption:

CS6M1: "There is so much legislation going on, especially if you are involved internationally. Whichever way you look at it, it has to be that people could not get away with corruption, or bribery, or just not being able to work in another country if they practise bribery. But at the end of the day you have to say that you've done the very best you could without damaging your company."

Recycling:

CS5M1: "Recycling! Everything's been put into bins and the guys are… This is audited. I mean, we have guys who audit this on a fairly regular basis."

Some respondents were quite forthright in describing CSR as pragmatically as recognition for an employee's work:

S1C1: "Just by evolving from nothing, essentially, evolving and developing our business, we no doubt contributed to employees' standards of living, uh, as well as a contributing to the country by means of taxes and things. …in a lot of cases we gonna implement something that would benefit an outside party or an employee, we take a look at an individual's merits with regards to their exposure to… to the company."

Statements like this conflict with the nature of CSR as a phenomenon, based on the definitions adopted in this research. However, a few participants' interpretations of CSR as a term did reflect what constitutes the academic meaning of CSR -

Societal responsibilities beyond the letter of the law:

S3C1: "Well, I think, uh… They [corporations] are socially aware. But different companies have different views. Uh… Some oil companies will do

what's required of them from a legislation point of view, yah. And no more, yah. Other companies have got aspirations to go beyond that."

Socially Responsible Investments:

CS8M1: "Uh, for example, there are some things that we are doing that you could say that they are the community contributions are carbon neutral where you'd have people around the world to financially offset their CO_2; and we are helping other parts of the world by investing that money in them in order that they improve their way of life and may also be more innovative in it themselves."

Corporations as good citizens:

C7M1: "Where we see a value of being a good corporate citizen, we are talking about goodwill of the company; positive relationships with partners and communities; uh, quicker turn-around of projects or proposals and impact assessments. Just the day-to-day of our operation. We also see decreasing the amount of political, uh, issues, uh, generally a company has to do in order to ensure the completion of projects. It plays itself out in many different ways. "

Responsiveness to stakeholders' needs:

CS8M1: "Uh, so its' about making sure that we and society work together in order to meet society's needs and also to educate society in what access may be and what may not be practical at this stage. A recent example we have is that we wanted to do a carbon capture and storage project not far away form here. We heavily invested in that, we spent many millions of pounds on that project but society in the shape of government did not recognise that it was not possible for us to deliver that project at the costs that society was prepared to pay."

Being socially accountable:

CS6M1: "But if the whole world is doing it [tax incentives], it is hard to trust your company. They don't want their people to wake up in the morning and think: "How can I trust my company?" So, the whole way of becoming socially responsible is to become accountable."

Company's reputation:

CS6M1: "It [CSR] is how you run your business and maintain your reputation.... What you do is how people see you."

Community involvement:

CS2M1: "…be sensitive to the needs of the local communities."

CS4M1: "In short, I think I could say that a business should "give something back" to the community in which it resides."

These statements clearly confirm the thread of seeking and maintaining companies' social legitimacy, as was discussed in the section on CSR and Legitimacy theory (see 2.7.2). However, there is a developing trend in the direction of CSR institutionalisation in the oil and gas industry.

196

It is demonstrated through a few participants' interpretation of CSR as a means for gaining competitive advantage and/or economic sustainability -

> CS6M1: "They [workforce] can choose anyone they want. Why not, but we need to differentiate. We've got to create en environment that they would want to work in."

> CS8M1: "All that we do with the environment, we look at the broader concept of the environment itself. When we are looking at the environmental issues, we are looking at Sustainability. So, when we are looking at one of the consequences of being sustained, what are the consequences for our business and what are the consequences for the environment? This being a sort of an underlying driver."

The fact that this notion is on the rise is supported by similar themes in the information provided by both SMEs' and corporations' business leaders. In addition to stating that CSR is a company's responsibility for "doing the right thing" (C7M1) and "giving back to the community" (CS1C1), some respondents noted that they believe CSR is clearly part of their company's Core Values and a part of doing business:

> CS5M1: "That's part of the parcel, part of Core Values…. The four Core Values that we have. Uh, and that's just… I've just being completing a …uh… ethics, … that we have to do."

> CS6M1: "They all know what we are doing, that is a part of the job. It's a bit like marketing. In fact, I am marketing the idea of CSR and the development of the relationship with the people inside and outside the company."

From a different standpoint, although at times referring to their actions as altruistic donations, none of the interviewees termed CSR as philanthropy, which demonstrates that UK business leaders are much more aware of fundamental differences between these two terms, in comparison with their US counterparts (see 2.4 CSR and Philanthropy). Whereas philanthropy is considered to be a tactical, operational activity of a company, CSR is at the higher level of strategic impact, and therefore is considered by UK business leaders as a long-term commitment, although with some ambiguous interpretation.

Interestingly, there was a prominent thread in interpretation of CSR as actions based on Personal or Organisational Morality / Rectitude / Goodness / Decency:

> CS2M1: "…conduct its affairs with honesty and integrity."

S4M1: "I don't think our company's Board of Directors is very interested in that, at all. That's not what motivates them. But if somebody would've said: "That's what we should do", they will probably go along with some modest amount of support. It's more just the personal thing to the people that work here in the company to justify this particular sort of thing: " I would like to give some funds to publicise it or to do something, or just give this to some charity". That's about as much as we would do, I would say. That's the sort of charitable thing. I am not quite clear what we would do."

S6C1: "It [business] is employing people that come from local community. Uh, so, it should be viewed as part of community, part of society and also it's an entity that would impact on the environment and therefore it has to be conscience that it can take actions that are beneficial and not detrimental to the environment."

S7C1: "Corporate Social Responsibility also kind of puts it in an intellectual framework where as I think part of the problem, the reason that the world is in such a mess is, in my view, is that we spend much too much time intellectualising things. It's important and valuable, but we ignore emotional responses in ourselves, in our colleagues and in business in general. We tend to overlook anything that is emotional or intuitive and part of the human condition is that we are able to rationalise but all human beings also have emotional responses non-material responses if you like, which manifest in all kinds of way. But to ignore that part of human nature is mad and leads to a lot of very bad consequences."

However, some participants admitted that they had never heard of the term CSR before; that the term is not associated with what they call social actions; and, even if they had heard the term, it is not very well defined, e.g.:

CS1C1: "This is a difficult question because I never thought of these activities in this term."

CS3C1: "I have also seen references to include company involvement in government spending."

S2M1 – "…the more you got talking about it, the more you realise that it is quite a broad… a broad subject."

In summary, although some, particularly SMEs' leaders, expressed their uneasy stand on accepting CSR as part of modern business activities, they believe it is not the most important element of their operations:

S2M1: "I think, Corporate Responsibility probably extends to the point of making sure that your people are well looked after and if they have any needs or whatever is the norm that you are prepared to listen or prepared to give to them if you can. Where it starts being a little bit grey for me is when you start looking beyond your immediate group of your employees, than it gets into a… uh… the locality in general. Then how far you are prepared to take it, in terms of… Do you provide a playground for the kids over the front of the company, or… Things like [this]… I don't think that is what the company is here to do…Fundamentally…"

However, almost all respondents concluded that whatever CSR is in their opinions, it is imperative for them to balance the costs of "doing the right thing" and maximizing their companies' profit.

> *S2M1 – "…do things society expects you to do but at the same time you've got to make money…"*

> *C7M1: "Uh, by ensuring that we are a responsible company, we get a number of returns to the company, including rate of return, our ability to access capital, investors relations and a number of other areas. While we are thinking of doing the right thing, we also have a benefit to the company of, uh, in a wider way."*

The way these individuals are striving to achieve a balance between social responsibilities, their strategic implementation and profit maximization can be illustrated further by analyzing the examples of CSR actions in the studied organisations, presented in the following section.

6.3.2 CSR Implementation - Examples

Several respondents underlined the heterogeneity of their companies' CSR implementation. Considering that their interpretations of social commitment varied from recycling to building relations with local communities, it was no surprise to find such a wide range of demonstrations of these actions, which are summarised in Table 22 below.

Table 22: Examples of CSR

1. Projects in local communities;	15. Spending with local suppliers;
2. Environment protection;	16. Educating and developing youth;
3. Donations to charities;	17. Remunerating employees fairly and timely;
4. Volunteering;	18. Honouring contracts;
5. Direct donations to organisations in need;	19. Respecting business partners / contractors;
6. Creating jobs / employing people;	20. Behaving the way you say you would do;
7. Developing local people;	21. Measuring sustainability;
8. Paying taxes;	22. Preventing illegal hiring;
9. Developing/implementing new technologies;	23. Organise a better life;
10. Improving employees' and their families' wellbeing;	24. Addressing employees' needs / Looking after personnel;
11. Sponsorship;	25. Protecting human rights;
12. Assuring HSE standards;	26. Compliance with legislation.
13. Providing staffing benefits to employees;	
14. Recycling;	

Source: Compiled by the author.

In general, all actions identified by the interviewees can be divided into several groups based on their themes: closely connected to the daily or operational business activities; caring for the employees and their families; societal engagement with local communities; providing financial support to organisations in need; and affecting development of CSR and sustainability. Depending on the recurrence of these themes, the following diagram (Figure 6) represents distribution of the most widely practised CSR actions in the studied organisations.

Figure 6: Distribution of CSR Actions

Key: Tiers represent relative distribution of CSR actions within the studied organisations, not the hierarchy of entire CSR extent.

Source: Compiled by the author.

The largest group of CSR actions resulting from the daily operations of the business comprises of the following examples given by the majority of the participants:

Environmental protection:

> C7M1: "…a good example would be a global rise in interest over climate change and what companies are doing to reduce the carbon footprints. This is not a new issue but the relative importance and prominence of this issue has increased certainly for a number of years. But a company such as ours and others have been managing our emissions and our energy consumption since we've been created."

200

Creating jobs and employing people:

S1C1: "I believe that the biggest thing that you can do to support the community or participate socially purely by the fact that you employ people is a huge accomplishment for a company. … I do think by the actual fact that you employ people, it is by far the biggest contribution you are making to society as a business. "

Paying taxes:

CS3C1: "Our biggest contribution to improving the communities we work in is through providing good jobs, training, and paying taxes."

Assuring HSE standards:

S3C1: "So, you know, it depends on the oil company. It depends on how much or how little they get involved in this area. But some of them want to ensure that they are compliant with the requirements that the government has asked but not more. No more, no less than that."

Spending with local suppliers:

CS3C1: "… by spending money with local suppliers.   Strong and profitable companies are able to hire more and spend more in the community."

Remunerating employees:

S2M1: "…[making sure] they [employees] are on a good wage."
CS6M1: "…paying people on time…"

Respecting business partners and honouring contracts:

CS6M1: "…honouring contracts..."
CS6M1: "…treating your partners the way you wish to be treated."

Compliance with legislation:

CS5M1: "And there is obviously accountability, external communication. All that and how we can affect an HSE, diligence to the process, monitoring and reporting, regular independent monitoring is done, to ensure we are effluent, to ensure waste effluent, to ensure that we are compliant, air emissions. All that stuff is all jacked and we obviously meet ISO-14001 specification."

The next biggest group of CSR examples given by the participants, caring for welfare of employees and their families, comprises of the following actions:

Improving employees' and their families wellbeing:

S1C1: "You're improving your employees' standard of living, their social standing. You know, they might be able to afford to send their kid to a private school… They might donate to charities themselves."
CS2M1: "For our local offices, our employee wellness program… exceeds local standards…"

Preventing illegal hiring:

CS4M1: "Ensuring that hiring practices are non-discriminatory with respect to race, religion or sex."

Providing employment benefits to personnel in addition to remuneration:

S1C1: "If you could do that and you are successful at that, than you can get back to society through, might be, increased pensions; improved health plans for employees; might be cash bonuses, uh…"

Addressing personnel's needs beyond obligations under the employment legislation:

S2M1: "I think, Corporate Responsibility probably extends to the point of making sure that your people are well looked after and if they have any needs or whatever is the norm that you are prepared to listen or prepared to give to them if you can."

In addition to these examples, most of the participants referred to another kind of societal engagement, which, in different forms and shapes, can be categorised as supporting organisations in need financially, particularly:

Donations to charities:

CS3C1: "We primarily utilize charitable organizations. They are better organised than we are for assuring that our contributions get to the right people."

S2M1: "So, instead of paying for the hotel, the guy who organised it said: "I am going to put some money in to a charity". And we said: "We will do the same". And we put a couple of hundred quid for a charity. But this is a charity that … sponsors. So, they've got something out of it. I can't even remember the name of that charity, anyway. But again, it was kind of a straight way, I guess."

Direct donations to organisations in need:

S2M1: "But you know, if you could provide a … truck for a school in …, for example, and just say that it is a [company2]… truck, the local kids will get the fun out it but what is the local business gets out of it? And, I think, at the end of the day, the businesses kinda have to look at that in that way."

CS6M1: "We had some work with the [health care] organisation... they had an art gallery and asked for some artwork. When we started doing our refurb, we had an idea of donating our old pictures from the building. They were sitting in the back; we were not going to use them again, why not to give them to them. And, in fact, they were incredibly happy to get them and I know that they have them on display in the hospitals. So, it all worked well. We did work with the local community. We had a Chief Executive of one charitable organisation that helps homeless people. We found one

container that was full of furniture from a company flat that was used a year ago. We realised that there is nothing that we could use again and we gave it all to her."

S3C1: "I mean, I've donated to the Fire Service, Police Service, recently there was a donation to a band, pipe band, a football team, an orchestra, a circus and so on."

Sponsorship:

S2M1: "What we do tend to find here, you know, a lot of the guys now sponsor things but we all just contribute towards it. It's more of a personal thing."

CS6M1: "I also look at other things to make sure that we sponsor [oil industry educational competition] and do it here, because they love coming to this place. Ah, we are a key sponsor in that. So, I've got to make sure we sponsor what we do there."

S3C1: "Often staff would come up wanting sponsorship for something that they are doing. I don't know, kids football team or something. So…That's… We will help out there. But that's very minor…"

Although many participants extended their list of CSR examples by naming specific projects or events they were involved in, these were predominantly representative of larger corporations and their local subsidiaries. The following examples of such activities were categorised as engaging with local communities:

Volunteering:

CS3C1: "In addition, our employees and the company contribute a large number of volunteer hours and money toward community efforts."

Projects in local communities:

S2M1: "I mean, you can see what the bigger companies, the likes of [corporation X] and [corporation Y], or when they are around their remote locations, for example, they are extracting as much money as they can from that location but in general their answers are: there are new roads, there is probably a new school."

CS1C1: "You see, our headquarters … pride themselves by helping local communities, sponsoring many sporting and educational activities."

CS4M1: "Establishes corporate programs to assist the local community with such things as schools, housing, medical care, parks and recreation facilities, etc."

Developing local people:

CS6M1: "… working in other countries that you knew there is a child labour. And yet, if the children are not working, their family will be starved. At the end, you would give these people something, like a set of skills that they could use, maybe go into an industry, you know. When you talk about CSR, you could paint a really happy picture but you are talking about corporate ethics, corporate responsibilities. Can everyone fulfil that?"

CS3C1: "For example, we are currently working with high schools in [area] to help them develop graduates who can qualify for good paying oil industry jobs."

CS4M1: "[Corporation 4] establishes scholarship funds for deserving students in the community who wish to further their education but lack the financial means to do so."

Developing and educating young generation:

CS6M1: "…also key messages as part of our business are: we want to bring in young graduates; we want to accelerate their progress; we want to assimilate them into a [business educational] programme, which is a programme to develop them because, in this industry, we believe in bringing up new people quickly because of the demographic issues. And also it is a big change for us because we are prepared to take young people, challenge them, give them opportunity. And we are using Aberdeen as a gateway for the whole [corporation], not just [this subsidiary], but the whole [corporation]."

Although the variety of CSR activities was impressive, their analysis indicated that there is a divide in their nature, as can be seen in Table 23, presenting a breakdown between C-S-Responsibility, C-S-Responsiveness or C-S-Rectitude (Frederick, 1978/1994, 1986, 1987) types of actions.

Table 23: Distribution of CSR Types of Actions in Studied Organisations.
Key: SME – Small and Medium Size Enterprises; CS – Corporations' Subsidiary offices with numbers corresponding to respective participants' interviews.

	C-S-Responsibility Actions	C-S-Responsiveness Actions	C-S-Rectitude Actions
Studied Organisations	SME 1	SME 2	SME 3
	SME 2	SME 3	SME 5
	SME 3	SME 5	CS 5
	SME 4	CS 1	CS 6
	SME 5	CS 3	CS 7
	SME 6	CS 4	CS 8
	SME 7	CS 6	
	CS 1	CS 9	
	CS 2	CS 10	
	CS 3		
	CS 4		
	CS 5		
	CS 6		
	CS 7		
	CS 8		
	CS 9		
	CS 10		

Source: Compiled by the author.

The majority of the studied organisations implement CSR at, either or both, C-S-Responsibility (Frederick, 1978/1994, 1986, 1987) or C-S-Responsiveness (ibid.) levels (see 2.5.2 Corporate Aspects of CSR). The examples of these actions were presented above. However, only a few organisations studied, through their leaders' overview of their respective CSR programmes, demonstrated their vision of becoming organisations with C-S-Rectitude (ibid.). These actions have a direct effect on developing CSR and taking it forward at corporate, SME or individual leaders' levels:

Developing and distributing new technologies:

> CS6M1: "And another thing is the new technology that brings advantage".
>
> CS5M1: "Uh, Best Practise – yes. Uh, we share all our best practices through all the varying offices that we use. Everything that we do here we want to do in [another country], for instance."
>
> CS8M1: "I mean, I could give you all sorts of fancy words but I think, the core of this is that [corporation 8] wants to continue to be in production. It recognises that society wouldn't always want or tolerate hydrocarbons. … So, we are driving the debate towards alternative energies but we are also looking at how we drive the consumer towards using those alternative energies. …So, we actually have assessments of which of those things we will drive forward. And you guess, when you are reading the press, or our website of what we publicise that greenhouse gases maybe where we've decided to be a global leader. So, we are actually setting a standard amongst oil and gas for the green gases."

Being a leader by example:

> CS6M1: "…doing what you are saying you'll do…"
>
> CS8M1: "If we are producing documentation that has Social Responsibility theme in it, then we don't want that document to be written with the kind of words that cannot be believed by the internal audience. If we can't believe it, how can we expect an outside audience to believe it? So, there is credibility and there is consistency. So, that's the theme that runs through it. We actually have… It's not actually a Code of Practise. It's a mandatory requirement for each of us to behave in a particular way when we are dealing with the whole range of issues."
>
> S5M1: "I think, Corporate Social Responsibility can be on many different levels. It can be how you interact with somebody else on the telephone and deal with them, to the much larger scale things, that other companies, not my own, are involved in. … I think it comes from a personal, kinda moral balance. And I am not trying to be very moralistic about this but everybody in their daily lives should be socially responsible and should not be where you work, if you are thinking about it."

Protecting human rights:

> C7M1: "Historically [corporation 7] has been seen as managing numerous issues resulting from its investment. Uh, those issues were security, human rights related and transparency related. So, uh, while those were definitely high priorities for our stakeholders and our company a few years ago, uh,

the real concerns around human rights subsided somewhat and the focus is shifted to other things."

Measuring sustainability:

S3C1: "No, that is [sustainability as core responsibility] one aspect of our business and this is what I was going to show you here. This is how we approach sustainability for our client companies. … What we did was develop a model of the Economic, Resources, Environmental Impact and Social Impact that would allow people to develop what we call a Sustainability Signature. … You can come up with different numbers. But what we've got is a consistent way of doing it. Even if the number is incorrect, at least you are doing things on a consistent basis, which I think is very, very important."

Organising a better life:

CS6M1: "… organise a better life, or to help people who live in your local community. Put up an electric pump, or a factory, whatever. You have to work through all of this. If you a responsible company, than you would understand it."

All of these examples demonstrate that respective companies, based on the results of their societal programmes, clearly see benefits in including CSR in to their operations and, therefore, are striving to incorporate CSR in to their strategic development. However, some leaders mentioned other results, purposes and reasons for adopting CSR, which are analysed in the following section.

6.3.3 CSR Purpose and Results

When asked to describe the results achieved through the abovementioned CSR actions, based on the participants' answers, these could be divided in to four main groups:

Direct help for organisations in need:

S2M1:" They [employees] would say: "My wife at a such and such a place and they are looking for sponsorship". And you are looking at some area, some small development type thing."

Benefit for a company's external and internal communication:

CS6M1: "Through the refurb here, we had a lot of furniture that we no longer needed. That went to a lot of various groups that needed furniture. It's all worked out for those organisations and it was very beneficial for the external and internal communications, showing that we are working on sponsorship opportunities, on support type projects, or the projects for the local community; all sorts of different projects but all for the CSR. It is all very variable but we make sure that all CSR projects tick the right boxes."

Direct benefit to people:

CS6M1: "And because when we do it, we know that a lot of people will benefit from it. Also, when I think about these opportunities, I am also thinking: "Am I going to get our people to be involved in these projects?".

Bringing satisfaction and recognition to companies:

CS6M1: "We never do or participate in something that we could not do as much as we can. That is difficult for PR, it's difficult if the project you've done does not work out and does not make people feel great. You watch your money going out so you need to see it bringing the satisfaction and the recognition."

CS4M1: "The company as a whole also benefits by way of goodwill, and perhaps gains a reputation as a good element within the community."

CS4M1: "…companies are beginning to see the value that CSR activities add to their organisations in terms of community good will."

Comparing these statements on the results of CSR actions to the purposes of CSR implementation mentioned by the interviewees, the benefit to the beneficiaries of these actions was mentioned by only a few participants:

Improving quality of life in local communities:

CS2M1: "the local community via the gift or services."

CS3C1: "It is very important that our social contributions go to improve life in the community, and not to corrupt managers or politicians."

followed by "Improving relations with communities":

CS2M1: "…the company via good relations with the local community".

Some respondents mentioned that they see improving companies' public perceptions as one of the most important purposes of CSR implementation:

Improving the organisation's reputation:

S2M1: "When you get to the larger conglomerations like [corporation X] and [corporation Y], I am sure that they have upper management committees that sit down and discuss this on a fairly regular basis as to how they are seen and how they are perceived."

However, the majority of the interviewees noted that the main purpose in implementing CSR is in achieving mutual benefit, for the beneficiaries and for the CSR-active companies:

CS1C1: "The community would have their needs met and our company would have a better reputation and relationship with the community."

CS2M1: "Ideally, if both the company and local community benefited equally; the company via good relations with the local community and the local community via the gift or services. This mutual benefit can normally be

ensured by choosing the right type of projects, i.e. sustainable by the local community and meets the needs of the recipients. "

As part of this research, it was necessary to clarify what the participants meant when they used the term "CSR recipients", the analysis of which is presented in the following section.

6.3.4 CSR Recipients and Relationship with them

As mentioned before (see 2.7 CSR and Stakeholders), the scope of organisations and individuals affected by the business' operations and, subsequently, its CSR institutionalisation, although predominantly similar, does vary from company to company. Some of the participants referred to these entities as "CSR recipients" (CS2M1; CS4M1; S4M1). When asked about who these CSR recipients are, and if they benefit in any way from their companies' CSR actions, the following range of patterns emerged:

Customers:

CS8M1: *"Uh, that's a very complicated question to answer. So, let me try to go through the main things. It positions itself in the market with our customers."*

Employees:

S2M1: *"in terms of social responsibility. That would be the employees as number one. Uh… And in relative terms, I guess, their health and safety is part of the same thing."*

S3C1: *"I would always favour if some member of staff comes rather than getting a letter from an organisation we have no linkage with."*

CS1C1: *"For sure, local community and our personnel."*

Local communities:

CS1C1: *"The community would have their needs met…"*

CS4M1: *"I think the primary beneficiaries are members of the local community who need assistance with their quality of life."*

Charities:

S2M1: *"You know, if there is a request for helping a charitable cause, for example."*

CS3C1: *"Primarily charitable organizations.   We rely on well-managed charities to coordinate and distribute funds from our CSR investments."*

Future generations:

> *CS8M1: "But I think, if we are truly to be a Corporate Social Responsibility company, we are not just looking at what energy products we generate now, we are also looking at what we will generate for the future."*

> *CS10M1: "Uh, in the UK, it's probably something that is convenient. It was something we wanted to be involved in because, obviously, children are important, children are going to be the future. It's a good way of getting involved in the community."*

> *CS9C1: "Just trying to invest a sense of Social Responsibility in pupils in their last years at school. I am thoroughly enjoying it."*

Company:

> *CS2M1: "Ideally, if both the company and local community benefited equally…"*

> *CS4M1: "The company as a whole also benefits by way of goodwill…"*

On the other hand, when asked to name companies or individuals disadvantaged by CSR, some participants said that there is no one who would not get benefit from their CSR actions:

> *CS5M1: "Oh, absolutely not! No. In fact, it's the other way around."*

Whereas others said that their financial performance would not benefit:

> *CS1C1: "We have to be careful with the CSR expenses as to not damage the financial performance of the company."*

or their company in particular:

> *CS2M1: "…the company, by lack of the desired improvement in public relations…"*

> *S6C1: "Well, if you got carried away and do too much of it, uh, you would do what we call "take your eye off the ball" and you would cease to do your main job, your proper job."*

Surprisingly, some leaders thought that even CSR recipients themselves would not benefit:

> *CS2M1: "…the recipients in not having their needs met."*

or even both, companies and recipients, would see detrimental outcomes:

> *CS2M1: Both the company and recipients, if the wrong projects are selected; the company, by lack of the desired improvement in public relations, and the recipients in not having their needs met."*

As seen from these responses, the recipients mostly affected by CSR actions are predominantly the entities closest to companies: employees and their families; local communities; and charities. How business leaders judge the effect of their CSR actions on these and other stakeholders was analysed through the question about communicating with them. How do they build their relationship with these people and organisations? The range of responses included:

Meetings with communities:

CS6M1: "...the other discussions we might have would be with ... local representatives. In general, we are trying to listen to as many parties as we can, trying to give local people an opportunity to have a say. "

CS3C1: "Most effect[ive]: we work directly with the communities near our operations and listen to their needs."

Feedback from recipients

CS8M1: "If there is one that predominates, it's probably the direct contribution from the individual organisations that we work with. Because those tend not to be organisations… In fact, absolutely not the organisations of the size of [corporation 8]. Therefore what may be a relatively small amount of money for us, could make a substantial difference for those organisations. And when they articulate how much difference this made, it's absolutely stunning. Some organisations have turned themselves completely into different organisations simply because [corporation 8] gave them some contribution other in kind or otherwise."

PR department's activities:

CS1C1: "Our company has an extensive experience in public relations. Our PR department are in a constant communication with the community representatives, press and other related organisations."

Written correspondence:

CS2M1: "We require that all requests be formally submitted in writing"

Discussion with regulatory bodies / government

CS8M1: "So, all of that bit of the conversation is really about the debate may be focused on what's the environmental impact and how we may mitigate that but there are a whole lot of strands that come off that play into the CSR type debate. … And that's the debate that we have quite regularly with regulators and with the public. …The best way I can describe this is two levels. It happens at CEO-type level. And that's a conversation around I guess the principle of CSR, sustainable development, following the interest of the oil and gas industry. And that conversation is had with the higher levels of the government and parliamentarians, usually with ministers."

However, the majority of the participating business leaders mentioned that they regularly discuss CSR with their employees:

> CS6M1: "...the other discussions we might have would be with... other members of the committee, with other employees if they are bringing the ideas forward... "

> CS5M1: "They always go through a process with the Improvement Council, charity council put together, a little committee, that actually review all the requests"

> CS8M1: "Uh, if I am unsure about whether I want to exercise that accountability, then I will go to others, I will go to peers, I will go to superiors. I will often use peers to help me, what's the word, to educate me in areas that I am maybe not so clear on so I come up with the right decision. But if the decision is mine, I take the decision and that's the way [corporation 8] works."

Seeing that employees were mentioned as one of the most prominent parties in CSR formulation, it was important to analyse the distribution of influence in the CSR-related decision making in these organisations.

6.3.5 Autonomy in CSR Decision-Making

As was noted before, there are different organisations and individuals involved in the discussion regarding respective companies' CSR formulation and implementation. In fact, very few participants noted that they have complete autonomy in CSR decisions:

> CS6M1: "I don't really have to say too much to him [Managing Director]. I don't really take a lot to him. I'd tell him that's what we are doing... we are deciding something social and he is obviously more technical. He might be more aware of environmental aspects or the problems with some projects. But he is completely aware of some of our social projects, as well: the research into the dolphins' distribution, or the wild life policing, or anything that we want to incorporate. But he does not need to know about how we are going to incorporate or why. We are trying to make him aware of it but only if it's going to make a difference. We are in the process of changing the structure of the company and he is obviously preoccupied with a lot of things. But he is very supportive and he would trust the ideas and the discussions because, although he may not know them well, he knows that we will decide it for him."

> CS5M1: "I would decide if I want to do it. If the company will come and say to me: "Look, can we do this?", I'd be "No, no, we don't want to do this". I will make that decision."

Among the most influential voices in CSR debate within the studied organisations, the following groups and individuals were mentioned:

Corporations' headquarters:

CS5M1: "A lot of the decisions are made, I mean, at corporate level. A lot of these decisions, major decisions are made by VPs and so on, around that level and that's typically… the local stuff would be done at a regional manger and local VP here. For worldwide, it's obviously corporate, than [headquarters] would make the really big decisions."

C7M1: "…a lot of those considerations are reviewed by the local office before they ask the corporate head office for the final approval."

CS2M1: "Our corporate office via the management committee during budget allocations [sends directives]."

Legal and various other departments:

CS3C1: "Most decisions for a CSR investment require a legal review to make certain that there are no conflicts with corruption practise laws.   It is very important to us that our community donations are not funding corruption."

CS6M1: "…we have a small committee that several people belong to. We've good pretty good involvement from the senior level down."

CS9C1: "A lot of people turn up. [Office Manager], my supply chain guy, a couple of project guys. The important thing is how people get involved. It's probably more of us. It's probably seven or eight at different times get involved in that thing."

Companies' CSR department:

S2M1: "How can I best explain this? If you look at the likes of … and …, the really big companies, they have such an infrastructure built up over so many years, that they have specialists' departments with specialists people up there who's whole job is to look at this kind of things. They make company policy and manage the whole thing. But when you get to a company of 85 people like we have here, but even at some of the bigger companies, uh, those infrastructures don't exist…"

C7M1: "We have five people in our department with various corporate responsibility functions. We have a Policy Strategist that's involved in high-level reputation and risk-management for our company that is related to the CR. There is a Relations Coordinator that does a lot of on-the-ground community activities and interactions. We have a relatively new person to our group that is responsible for crossing those projects. … Our department is called Corporate Responsibility and Government Affairs department. We report to our Vice-President Legal. We are one step removed from our Executive, which allows us to get involved at international level in many different issues."

CS1C1: "As I mentioned before, all our CSR activities are carefully analysed and evaluated by specific personnel. They will have meetings and make decisions based on a set of specific criteria, which they are more familiar with… . I rely on the expertise of my employees."

Corporate headquarters and their international subsidiaries' CSR departments are involved in CSR exchange, as well:

C7M1: "… our local offices have the best ground for understanding local community, their pressures and considerations. So, we, as a corporate office, have to seek guidance from our country offices in turn that what the local communities require. … That exchange is a completely healthy kind of exchange between the corporate office and the local office towards meeting the needs of the local community that is local to the [corporation] office."

Some of the most prominent influences on business leaders' CSR decision-making were expressed as coming from the departments of Human Resources:

S2M1: "I am sure, HR have got some input because I would imagine what happens is that whatever has come in may be just forwarded to HR. If somebody kinda: "Oh, I can't be bothered with this…", that would make it to HR… There is no telling how many HR throw these away in a year but you understand..?"

CS6M1: "...the other discussions we might have would be ... with the HR... "

CS5M1: "The HR look after your own interest, look after any problem areas, typically they do the job of the HR departments. I mean, if you have a problem, you go see them. I mean, social problems as well as work problems, and everything."

Respective companies' shareholders are also directly involved in formulation and implementation of CSR, particularly in SMEs:

S2M1: "I probably would not be [making decisions alone] but I could be the one that is recommending the decisions. And, ultimately, if we are gonna do anything like that, here the decisions would probably be made by the directors."

S1C1: "If it is a relatively small donation, circa thousand pounds or less, I would usually talk to another shareholder, the one in particular handles our Finance Management. I need another shareholder's vote to carry out a… to make a decision whether we do it or we don't. Uh, I would not do that without having, obviously, got the agreement or support of another shareholder giving us a unanimous uh… movement forward. Uh… I've got to keep myself uh… technically correct in that fashion."

Other influential individuals mentioned were CEOs of respective companies:

C7M1: "Our senior executive is very supportive of our Corporate Responsibility efforts and he understands the value of actions as a responsible company in ensuring that we include the right thing in our operations, whether it's the environment, human rights, security, or what

have you. So, I would say our senior management is very supportive of CR. There are instances when we would bring proposals for a course of an action forward or for their consideration, and I would suspect it is fairly similar to most departments across the company, executives ultimately make the decisions whether or not the company will choose a course of action but it's up-to the functional departments to bring that information forward to the executive, to inform him. …on the corporate contributions side of things, our executives are quite active and in many cases they will come to us and say: "We've been approached by such organisation, we think this has a good value, we would like the Corporate Responsibility group to do some research to see if there is any synergy for our company". And that happens across the organisation, and it happens in a lot of forms but in this format. "

CS5M1: "But if I do want to do it [CSR action], than I have to sell it to my management… Because he is the one that signs the check that comes back down to me and than goes to the company."

CS4M1: "The person who makes all CSR decisions in my business unit is our V.P. and General Manager. Therefore, he has the most effect on any CSR decisions that are made at my work location."

and, finally, individual employees:

S2M1: "Not on a formalised basis. It tends to be, like I said, based on a very much ad-hoc basis where mostly employees that would say. And there may be not employees. They would say: "My wife at a such and such a place and they are looking for sponsorship".

CS5M1: "And each one of the employees can put a charity forward and there is always giving."

CS4M1: "Speaking personally, I would first of all not make the decision in isolation. I would … discuss these options with my colleagues to get their ideas about how we could best fulfil them. "

Interestingly, all of the parties mentioned as being the most involved in the discussions on companies' CSR programmes are clearly the internal stakeholders, whereas external groups and individuals were mentioned only briefly and by a few participants:

CS6M1: "It is pretty healthy in what we are trying to achieve, meeting pupils at school, you get that."

CS2M1: "Community leaders have the most influence".

Notably, the types of the most influential parties in CSR formulation are directly connected with the organisational structures of the studied

organisations, i.e. corporations, subsidiaries, or SMEs, which are represented in Figure 7.

Figure 7: Most Influential Stakeholders in CSR Decisions
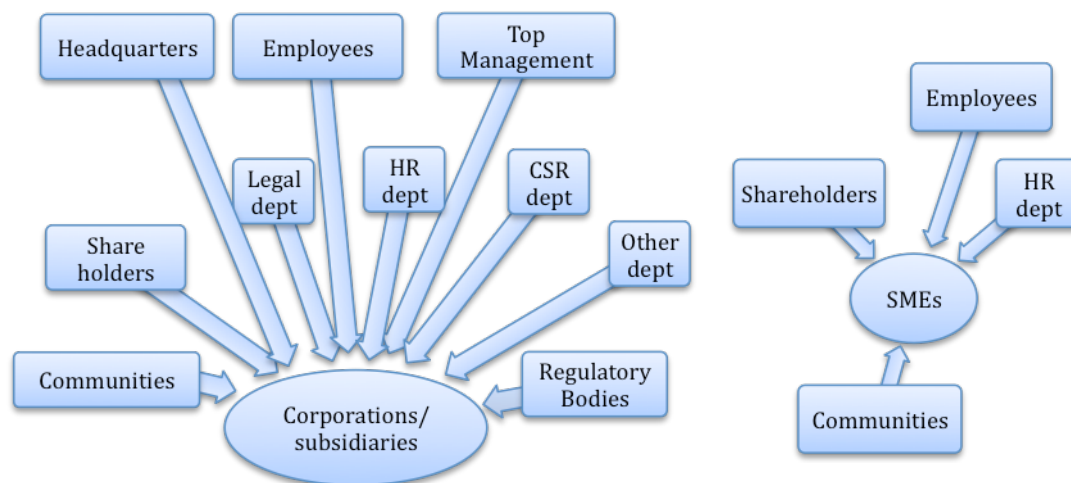
Source: Compiled by the author.

If in SMEs individual employees and shareholders had more effect on their respective business leader's CSR decisions, than in corporations and their subsidiaries, their leaders are under pressure from a wider range of internal stakeholders: CSR, Legal, HR and other departments; top management; headquarters; and individual employees. Again, only very few mentioned influences from external stakeholders, such as regulatory or governmental bodies and communities.

What are the other influences that business leaders experience when making CSR decisions? The analysis of these is presented in the following sections.

6.3.6 Criteria for Choosing CSR

Considering that business leaders are influenced by such a variety of individuals and organisations with an array of sometimes divergent agendas, when it comes to making a decision, they must narrow it down to the most important question: What is the reason to undertake CSR? When asked, the participants mentioned the following motives:

Improving the quality of life:

CS3C1: "We look for activities that improve the quality of life in the community …."

For the acceptance of the company in society:

S2M1: "…there are a lot of things that a company do, certainly to accept your position within a certain society."

Benefit to the larger number of people:

CS3C1: "We look for activities that improve the quality of life in the community for the largest number of people."

Company's perception by community or society at large:

S2M1: "…that's why they [larger corporations] will come in with a lot of resources, a lot of internal resources to, again me being cynical here, to maximise the benefits of what they are doing in the community. In terms of how the community perceives them."

In general, the above primary drivers for choosing CSR can be classified as making an impact on community or society; and gaining, through their stakeholders, society's approval for their operations, or social licence to operate (Donaldson and Dunfee, 1999; Cashore, 2003). However, the analysis of the predominant criteria used to make CSR decisions yielded an even wider diversity. In total, the respondents mentioned 18 different decisive factors in making their CSR decision. They can be divided into three groups: Operational (dictated by business' day-to-day activities); Reactive (responding to a CSR-related pressure); and Rectitudinous (stating moral grounds for the decision). These are presented in Table 24.

Table 24: Criteria for Choosing CSR

Operational	Reactive	Rectitudinous
Connection to oil and gas industry	Greatest impact on community	Improving quality of life
Costs	Proximity of community	Making a difference
Merits of individual employees	Lasting impact	Staying neutral
Company's resources	Meeting the needs of CSR beneficiaries	Greater good
Company's investment criteria	Reputation/structure of CSR beneficiaries	
Compliance with / creation of legislation	Worthwhile cause	
Sustainability by the business	Sustainability by the local community	

Source: Compiled by the author.

In some cases, named criteria for making CSR decisions did not coincide with guiding reasons for adopting CSR. For example, when choosing CSR to improve their company's societal perception, some leaders, predominantly SMEs', based their decision making on the criterion of their individual employees' merits:

> S2M1: "Uh… You need to take into account who it is asking for it as well. Is it somebody that… That… How would I put this?… Is it a valued employee? To whom you would see that doing it would make a difference to him and continue his contribution to company's effort. Or, if it was a guy who just showed up from 8 to 5 and did not put too much effort into this. If he made a request, that would make a certain bearing on the request…"

> S1C1: 2 I have sometimes employees come to us and ask us if we would like to sponsor them for a particular project or whatever. And we take that on board as much as we can. Uh, trying to help or give something back to the worthy employees and the community."

or the costs associated with CSR versus companies' available resources:

> S2M1: "Then it is very much down to the size of the company you work for and the resources that the company has got.

> S1C1: "Well, first thing would be… that… your immediate financial situation, whether you can actually afford to contribute to… to somebody's charities."

> S5M1: "So, it's that the things have to tick the boxes are: there is the monetary factor…"

In addition to these Operational criteria, other respondents mentioned that their CSR choices were driven by the business' obligation to comply with or lobby for creation of particular legislation:

> S4M1: "…we are employing environmentalists to make sure that we treat the environment properly. But we would do it basically by reference to the legislation, to what the laws on the land are. … So, it's really down to the part of my job. It's not something that we would take and say we are doing it separately."

> CS8M1: "Uh and we will not say we will stick with the legislation. The reason I say that generally legislation is the most common denominator. Uh, I don't know how much you know about how the UK legislation works but what we have generally, in the oil and gas industry that is, we have either the industry requesting something from the regulator to help them with a piece of legislation, or, more likely, we'll have politicians or public to look for the officials to generate a piece of legislation. That would be consulted on."

or their company's investment criteria:

C7M1: "The local offices have their own budgets and, for the most part, if the investment opportunity fits with [corporation 7] general investment criteria, the local offices are empowered to make a decision to invest in a particular project or not. …we would work very closely with the local offices to determine if that particular investment is a good fit for [corporation 7] and for that particular office."

CS10M1: "That's what I say we are looking to develop. I would've said that it would be something along the lines of if we have a certain amount of money and time to invest, we would want to invest, let say a certain amount in education, a certain amount in HS and E research, and a certain amount in the local community."

S6C1: "…there are some limits to what you can observe otherwise you would end up being not profitable. That's the obvious. … You just have to make sure you do it within constrains of your finances. So, you treat it as an investment, basically. If you afford to do that much and get the benefit back."

or considering these actions based on their business' ability to sustain them:

CS8M1: "So, generally, that conversation will be had at the Energy Ministry level. And that conversation goes something like: "Can we sustain this industry? And what are the steps that we can do in order to insure that there is not a big crash in the price of oil, or in the amount of money that the State gets. And how do we further, the in the case of the UK, further the UK oil and gas industry forward? And with global players also, how do we make sure that there is access that will mean not just producing in the UK or not just producing in Norway. So we have the ability to influence not just from inside out but from outside in".

A few participants mentioned that they would consider CSR if proposed projects were connected to the oil and gas industry:

CS3C1: "We also look for connections to the oil and gas business.   For example, we are currently working with high schools in [region] to help them develop graduates who can qualify for good paying oil industry jobs."

S4M1: "And the company gains by getting people aware of what they do by thinking: "Oh, that's an interesting company". And [science centre] will gain by people saying: "Oh, that's interesting". [Science centre] has all to do with science and engineering. So, it would be relevant. So, the main thing is trying to get something that's relevant to the company, otherwise, if you get something, say support for a charity, support for marital or support for drunk people and so on, people would say "what's the connection with what I do?"."

However, not all criteria for choosing CSR were Operational (see Table 24). Some participants, predominantly corporations' leaders, stated that they would make a decision based on the following Reactive criteria: proximity of community or CSR beneficiaries:

CS6M1: "…we also have a Sponsorship and Charity Committee that deals with the external requests that we get. …And it has to be local. So, it's all about where we are and what we do."

C7M1: "… the local office are powered to see how the proposal for the local community requests for development or requests for spending would fit in with their investment criteria. So, generally speaking, if the investment fits in that profile, if it falls within those categories, if we have relevance to those communities where [corporation 7] has been active, then we would generally accept it."

CS3C1: "Most effect[ive]: we work directly with the communities near our operations and listen to their needs."

the importance of knowing whether beneficiaries of their CSR have appropriate structure or moral reputation:

CS6M1: "we also have a Sponsorship and Charity Committee that deals with the external requests that we get. And we've got a very strict criteria for that: we make sure that the charities we get involved with are ethical or it has to be related to young people, or their education, or environment."

CS3C1: "For community involvement, we desire to partner with well-managed charities.   It is very important that our social contributions go to improve life in the community, and not to corrupt managers or politicians. Therefore we screen our partners very closely."

S1C1: "I would not say that there is any individual, or group, or whatever that I would out of hand dismiss as being a credible ah… group to receive any funding… I tend, me, personally, I tend to… to lean towards groups that are themselves trying to benefit society: whether it'd be health, or research, or improve… people's lives."

CS4M1: "The [charitable organisation] was chosen because it is a highly reputable organization that benefits many other charities."

the level of impact and whether or not this impact is lasting:

CS3C1: "We look for the greatest ability to impact the community. … We also look for lasting impact."

CS2M1: "…there are more needs than can be met. We try to select projects that achieve the greatest impact… …the main selection criteria for projects are the ones, which would achieve the greatest social/economic impact and sustainability. If the project requires any type of construction and/or maintenance activities, we solicit bids from local contractors to determine whether the community can afford to maintain the facility. Greatest social/economic impact is more of a subjective measure; i.e. how many people derive benefit, for what length of time, secondary benefits, etc."

CS8M1: "[corporation 8] has an amount of money it identified for community projects. In the case of this one, there was a larger contribution coming from the business itself. By the argument that we used was that this

was an investment, that this is a larger scale project. We are talking here about 10 million pound project. So, larger scale, more impact from that. And in the scale of what we earn, not the largest amount ever. But because of our effort, we'll have more impact from it. We are able to influence on many levels, we were able to get the community involved, to get some more influences involved."

CS6M1: "We will be looking at them using our criteria. I think, it is about making an impact."

C7M1: "We would work with the local office to determine first of all the relevance of the request, familiarity with the organisation that is making the request, the potential impact that the request will make on the community by making an assessment of a number of other criteria".

whether CSR actions meet the needs of the beneficiaries and can be sustained by them:

CS2M1: "…mutual benefit can normally be ensured by choosing the right type of projects, i.e. sustainable by the local community and meets the needs of the recipients. …We try to select projects that … are sustainable by the local community."

CS9C1: "…that is capability building, you know, that we'd be building something that would endure…"

Furthermore, the majority of the participants, both SMEs and corporations, named their primary criteria for choosing CSR as whether or not it has a worthwhile cause:

S1C1: "Personally, obviously, this is just my opinion, that being, obviously, the General Manager, if it's something I felt was a worthy cause, I would put forward this suggestion or idea to, you know…Worthy causes for certain individuals change, you know. You might have one guy think sponsoring a car's important, and the other guy may think that donating to cancer research would be more important."

S4M1: "Well, if somebody thought of a project that is worth supporting, then we just say "Have we got some money? Yes ". And I don't think that anybody has had an idea that we said "No, it's too expensive"."

S5M1: "…we would not just pour money into things for the sake of it. Things have to mean something to us, I suppose, our partnership, the one that I described to you helping people get back to workplace, we found that our skills could be utilised for that really well."

CS5M1: "If there is somebody that comes to me and they want me… they want to put money into charity, let's say to save old cars, I'd be "No, no, no, we are not doing that". But if it was something to do with cancer, somebody was running because of that, than fine. Yah, that's a good cause, etc. Just a balanced approach, that's the kind of situation that we are in."

The final group of criteria named by very few participants as applied to making CSR decisions can be classified as Rectitudinous, which combines principles showing an attempt of applying moral grounds for making such choices (albeit some may say that the rhetoric used in these statements are far grander than the actions themselves, particularly with regard to CS6M1, whose background is in marketing and corporate communication):

staying neutral:

CS6M1: "…I supposed, in a way, because we don't have a huge amount of money, it is hard making sure what we can do is neutral and sometimes, you can imagine, it is quite difficult."

making a difference:

CS6M1: "If you are about to give, we will give to the one that will make a difference..."

S4M1: I mean, we are talking about money because giving management time is not really valuable, I don't think. You have to give something useful that can be converted into something else, really."

S6C1: "The other place where we can be practical on the environmental side is basically to minimise our environmental impact. So, we have an environmental team that thinks about what we are doing and what we can do to reduce our impact."

improving quality of life:

CS4M1: "The people in New Orleans needed assistance desperately. The people in the villages near Baku needed decent schools where their children could focus on learning. "

CS3C1: "We look for something that can improve the quality of life for the largest number of people.   …   The difference between providing fish, and teaching them to fish."

bringing greater good:

CS6M1: "… we are one of many companies that see an accumulative effect of this for the greater good."

Considering the variety of the criteria used by the participants for making CSR decisions, and some of their ambiguity (e.g. "worthwhile cause", "greater good", etc.), it was important to explore what guidelines

were employed by the participants to alleviate this uncertainty. These are presented in the following section.

6.3.7 Guidance in CSR Decisions

In previous sections, a range of internal and external stakeholders influencing business leaders in their CSR decisions was identified. Moreover, when making these choices, they rely on certain criteria, some of which are quite ambiguous. However, when asked about the use of either publicly available documents or internal, organizational principles that may help to alleviate such uncertainty, the participants named several guidelines informing their decisions further. These can be divided into two groups: Internal Guidelines and External Knowledge, presented in Table 25.

Table 25: Guidance in CSR Decisions

Internal Guidelines	External Knowledge
Organisation's policies and guidelines;	Example of industry members;
Organisation's Code of Ethics;	Analysis of business and societal environment;
Discussions with employees;	Discussions with shareholders;
Directive from the top within an organisation;	Personal views;
Organisational Values, Vision and Mission / Corporate Ideals;	Research into CSR requests / beneficiaries;
Input from CSR employees;	Personal judgement call.
CSR Report;	
Corporate governance;	
Company's Charter.	

Source: Compiled by the author.

When Internal Guidelines for CSR decision-making were analysed further, it became apparent that organisations' policies and guidelines were only used by the participating corporations' leaders:

> *CS1C1: "[corporation1] has a whole range of policies and guidelines on our social commitments.»*

222

CS5M1: "Uh, there are, you know, the steps to take. But typically it will end up, if it is contractual, it will end up with legal contractual people. If it was illegal situation, it will obviously end up with a council. And if it was a compliance situation, it will go to the Legal Compliant Officer, who is the top dog. He is the guy who will press everything down through the various areas that we have to... It filters what we have to put through."

C7M1: "…the guiding documents are the policies and procedures that we develop corporately are just that. They are guiding, they're the foundation documents. Where those policies are put into action, uh, then they obviously have to be, uh, amended so that they are applicable to the local setting."

Directives from the top within organisations; input from CSR employees; CSR reporting; Company's Charter and corporate governance were also mentioned only by the corporate leaders:

C1C1: "Our [corporation 1] headquarters are supporting and directing each international office in our CSR activities."

CS5M1: "What we do with Corporate Responsibility: there are… everybody is involved within [corporation 5]. It's a part of our Charter. That everybody has to put forward any environmental… We have four or five… Four major Core Values, and the Core Values are: Integrity, and so on and so forth, and environmental, and all sorts of stuff. So, we have those core values there and that's actually what rules everybody. If you don't live by them, than you are under, shall we say, scrutiny…? And you could… There will be disciplinary action taken… To the CSR…"

CS8M1: "I think, there is inevitability about Best Practise rising. I don't believe it's there yet. I believe that some are using the acronym CSR to produce a report, which on the face of it appears to be an open and honest report, but I think how… I am going to be cautious with this one… I think there is a lack of understanding of what true CSR reporting actually is."

CS6M1: "Well, we've got Our Values booklet; we've got Our Values in Action, which are our business statements; there is an element on, I think, people in [company] site covering Corporate Social Responsibility. But we don't have any documentation here. It's what I've written myself. What I would like to be able to do is over the next several years to produce the first Corporate Social Responsibility booklet but I don't see that in terms of what we are doing in the community solely. I think, it should be about our health and safety, our environment performance. It's about our corporate governance, our ethics and what we do in the community, so it's all encompassed."

CS1C1: "Employees working in these departments are experienced in CSR and I heavily rely on their recommendations. … As I mentioned before, I trust the experience and judgement by the personnel involved in CSR activities."

All of these point to a much more structured approach to the CSR implementation, especially the fact that some corporations employ CSR

practitioners as their employees. What was interesting is that discussions with employees, albeit non-CSR ones, was mentioned by both, corporate and SMEs' leaders:

> CS5M1: *"…and there is always a list of charities that, prior to the race, if anybody has a local charity they want to go to, they will actually speak to the employees and say: "Where do you want this money to go to?". And we will put forward charities and they will decide: "Well, we did this last year, we will do it next year…", etc., etc."*

> CS4M1: *"Speaking personally, I would first of all not make the decision in isolation. … If a selection needed to be made among many activities, I would seek a consensus of my colleagues, agreeing on which activities to choose."*

> S5M1: *"Ah, anything that is brought to any of the department's attention, they can bring it to the table. Ah, it's just… I kind of have become the sort of champion for some of our issues, HSE type things. I suppose that there is a number of things that just come along that I've raised but any partner can really, you know, bring anything to the table."*

In the absence of formal CSR-related guidelines, some leaders also referred to their company's Code of Ethics:

> C7M1: *"in [corporation 7]'s view, as an example, we have a Code of Ethics, what we call it our Policy on Business Conduct and Ethics since the company was founded in the early nineties and that's provided the foundation to how the company expects its employees to acts and outlines a number of expectations that would be considered, you know, as being a good corporate citizen or corporate responsibility."*

> S5M1: *"Ah, there isn't really anything that is documented, to be perfectly honest. Ah, you know. I suppose our nearest thing is our Code of Ethics that we all work to and I would hope that, because they are our values, it would include Corporate Social Responsibility."*

However, the majority of the participants, both corporate and SMEs, mentioned that they use their company's Values, Vision and Mission statements, sometimes referred to as "corporate ideals", as their guiding reference in CSR decisions:

> S2M1: *"But a lot of it is going to be down to corporate ideals, if you like, or corporate opinions. I was just reading today at lunch time that Sir Tom Hunter is now pledging about 10 million pounds to charity out of his trust fund there. I mean, that is a guy that has Corporate Responsibility at the top of his agenda. And it is going to be one end of the extreme. And the other end of the extreme you get the guys in Glasgow that are running bogus colleges that don't exist. … So, these would be two extremes. And you know, where would we fit? Somewhere in the middle, I think."*

> CS8M1: *"One of those issues is what we say publicly, both in writing and verbally. That's the standard that runs through business, from the top to the*

bottom. Everything that we do and everything that we say is compliant with that particular standard. Because of that, it drives us to make sure that we are consistent. If you were speaking to somebody in another part of [corporation 8] in another part of the world, you would be getting the same consistency. You would be getting the same level of trust as getting in this part of the world."

In addition to the abovementioned Internal Guidelines, when making CSR decisions business leaders mentioned that they refer to other available sources, grouped herein as External Knowledge, one of which constitutes an analysis of business and societal environment:

S5M1: "Uh, as a firm, we are a member of the Association of the Executives Search Consultants and to be a member of that Association, you've got to show that you are socially aware, you work in a moral place."

CS6M1: "Although it is all business related, a lot of it is communication, people's ideas for communication, looking for opportunity for growth and lots of things. So, all of those things are inter-related and are not as compartmentalised. And that creates a lot of interest. Even one of the more cynical people said: "So, I thought it can't be managed". So, there is an opportunity to work. So, we can build on that and that's based on our own values because our company's values run through everything."

CS5M1: "Than, if it is a specific person, we would not tend to do that specifically for a person, because it is like a non-corporate situation. But if a company was to come along, say, they were being represented by a certain person or a team of people, than yes, we would tend to sponsor them."

Furthermore, some respondents mentioned that they use the examples set by the oil and gas industry members as their guidance in adopting CSR:

CS6M1: "Looking at best practices, they [oil companies] will share very willingly. Because I don't think there is any commercial secret."

CS2M1: "Peers who belong to the industry related organizations such as the deep water operators group here in [area]."

S5M1: "That's just, you know, are our ethics and how we practise the business. So, there is a number of ticks and boxes to fill to be a part of this Association and being a part of the Association, if there are specific practices … than we would use some of their policies and guidelines."

CS10M1: "To me, it is very new. In my previous roles, until I joined [corporation10], it was never an issue; it was always other parts' of the organisation that looked at it. So to me, it is a part of my role I am developing. So, I am keen to see how the people tackle it, see how other organisations tackle it, social responsibility; and to find a direction for [corporation10] to be more visible in this area. So, that's really my goal. So, it is new to me and I am really… You don't come out from a safety

background where you do a lot of safety work and understand safety and, similarly, the environment."

Pertinent to SMEs, direct discussions with their shareholders seems to be used as guidance in CSR decisions:

S2M1: "When you get to the larger conglomerations like … and …, I am sure that they have upper management committees that sit down and discuss this on a fairly regular basis…."

S1C1: "Yes, absolutely. It needs to be considered initially by myself, uh… and at that time I would raise it to the shareholders before making any decisions."

S5M1: "And really we decided between the partners and ultimately, if it is contentious, it will come down to the vote."

Whereas corporations' leaders stated that they undertake formal research into their CSR beneficiaries:

CS2M1: "We require that all requests be formally submitted in writing so that the need can be researched and documented. "

CS3C1: "… we screen our [CSR recipients] very closely. How are the employees and directors of the charity selected?   How are they compensated?"

CS5M1: "Well, initially, we will be looking at it. Uh, if something came flying up to us, we would automatically go and take it straight to the supervisor initially."

CS4M1: "Speaking personally, I would first of all not make the decision in isolation. I would gather all the available information about the various options from the prospective recipients and discuss these options with my colleagues to get their ideas about how we could best fulfil them."

S2M1: "It is easier for a boss [of a corporation] to sit back and say: "I want you to investigate how I can give money to this". And the guy comes back in two weeks with the report, that is an easy way of doing it."

However, a fairly large proportion of the participants, predominantly SMEs' leaders, mentioned that at times they solely rely only on their personal views:

S4M1: "Well, I am trying to do something, [science centre], by getting companies. This is really has not started to talk about but we are trying to start to get companies to showcase what they do. … So, that [science centre] is what I am trying to do, to make people interested in supporting this charity, which is the [science centre]. And that's my particular thing. … I think you do it because of your personal preference. That's the important bit."

> *CS8M1: "…there is a personal contribution because it is actually very satisfying to be able to contribute to something like that. There are people around the world that are involved in community projects, who are… You can say that you work for [corporation 8], so you get paid for that."*

> *S4M1: "So, it's just a very personal thing. It's not… There is no meeting saying "What shall we do?" It is not like that at all. People just will come with ideas…"*

> *S5M1: "Uh…I suppose, it is personal interest. Uh… I also think that, you know, wherever a company does business and however… You know, at any level, I think you should treat people the way you expect to be treated."*

or, sometimes it comes to a decision that can't be supported by anything other than a personal judgement call, which was referred to primarily by SMEs' leaders:

> *S4M1: "Oh that just depends… It's almost random. It's to do with just what seemed nice to the boss, getting him one that catches imagination or not. That's all it is. It is very personal."*

> *CS8M1: "So, what I am trying to describe is the kind of thinking we have at that time but I might make an island decision depending on the circumstances of those opportunities. So, I might say I'd take that one but not that one but it would be at the time be based my judgement and input from others."*

> *S2M1: "I might be talking out of line here but I don't think here is a huge amount of thought we put into the subject. I think, people just bring it, they take the requests as they come, they decide on the spot: yes, no… It's a judgement call and you get some right and you get some wrong… I must admit to that."*

As was illustrated herein, there is no homogeneity in the decision-making process. The variety of guidance that the participants rely on in making CSR decisions range from some of the most formalised ones such as research into the CSR participants and the application of organisations' policies and corporate values, to relying on discussions with employees or making a personal judgement call. In this uncertain environment, it is important to analyse what are the other factors that CSR decision makers take into consideration. These are presented in the following section.

6.3.8 Factors Affecting CSR Decisions

When it comes to relying on existing guidelines in CSR decision-making, some respondents used either their organisation's documentation; referred to the industry values, ethics or practices; or depended on their

personal moral stances. Exploring further into what else they need to take into account, the following factors were mentioned (Table 26), which were grouped in to Business, Societal and Personal Conditions for making CSR decisions.

Table 26: Factors Affecting CSR Decisions

Business Conditions	Societal Conditions	Personal Conditions
Budget	Level of Impact	Personal Involvement
Customers' Loyalty	Pressure Groups	Personal Beliefs
Industry Practices	Reputation of Organisation	Personal Choice
Financial Performance	Past Legacy	Desire to demonstrate CSR
Risk Management	Impact on Eco and Social Environments	
Work Force	Business' Role in Society	
Profit Maximisation	Following the Trend	
Balancing Costs	Commitment to Shareholders	
Profitability	Mutual Benefit	
Sustainability	Recipients' governance	
Employees' Performance	Customers' Influence	
Exposure in Return for CSR	Life Style Change	
Benefit for doing CSR	Spread of CSR	

Source: Compiled by the author.

As can be seen from this table, factors taken into consideration by the CSR decision-makers are grouped either around their role as a business leader; or being imposed by the social pressure; or resulting from their personal predispositions.

In particular, when analysing the nature of the business factors named by the participants, it became apparent that not all the interviewees were influenced by these factors equally. In fact, the following Figure 8

represents the distribution of the most commonly applied Business Conditions for justifying CSR decisions.

Figure 8: Distribution of Business Conditions for CSR Decisions
Key: Largest font size = greatest influence; smallest font size = least influence

Benefit for doing CSR

Budget

Exposure in Return for CSR;
Balancing Costs; Sustainability

Customers' Loyalty; Work Force; Profitability

Industry Practices; Financial Performance;
Risk Management; Employees' Performance
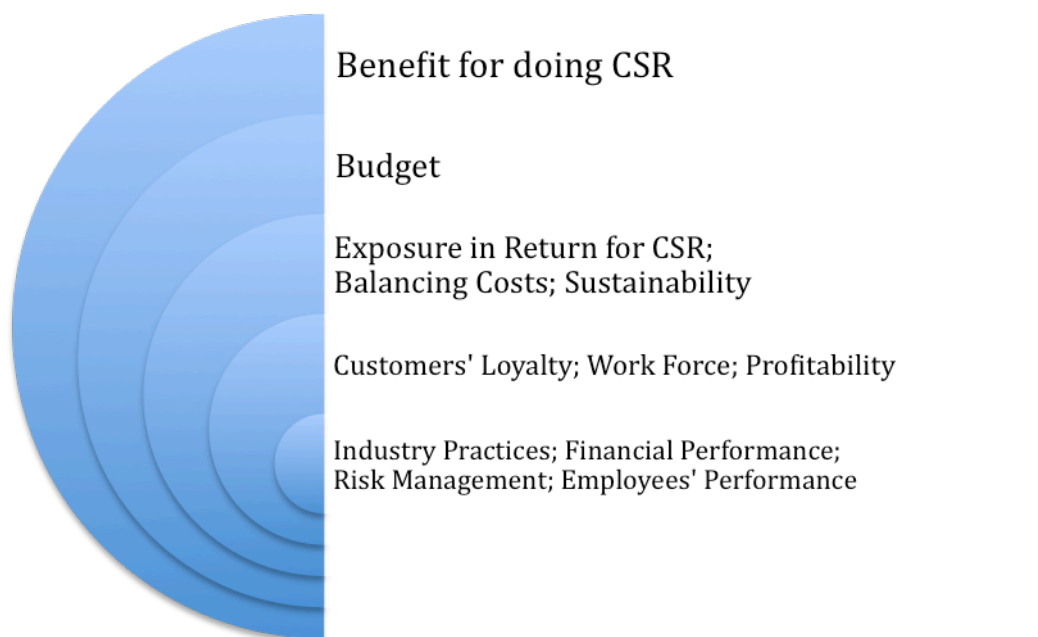
Source: Compiled by the author.

The majority of the respondents explained that they would make CSR decisions if the result would bring benefit to their company:

> C7M1: "…[if] the investment meets the local specs in that whether it is the best bet as opposed to investing in another area that we have yet better value for that dollar amount."

> S1C1: "A donation to a charity, uh, does not necessarily result in any benefit to the company or the shareholders for that matter, other than me being charitable. But… I do understand that, although certain legislation in the UK is that you can make donations to charity now and write off …as your allowable tax deduction for corporation taxes. … I was asked if I want to sponsor [a sporting event], which is a one day event. It was obviously televised but at the end I would not feel that we would get much mileage out of it at all. And indeed anybody else for that matter would get much benefit out of it at all."

> S4M1: "…equally, that's giving them something in return because otherwise people are after that you give them something and you get something."

S6C1: "It's very beneficial for companies like us going to schools and even through working with universities, but particularly in schools and enthuse children by telling, by showing them what we are doing and getting them interested. Because, I think, if every science and technology company in Aberdeen area had that policy, which we have, going and seeing them at school, that over five to ten years could've had a huge impact on the number of people coming out of school, going out to universities to do science and technology. So, very long term but creating something that you can do."

However, the next most common factor was available budget for CSR activities:

CS6M1: "But we can't give it to all of them, we just don't have enough money for that."

CS2M1: "The company made a determination as to the amount of money which would be spent on the activities"

CS3C1: "We normally allocate a budget and look for the best ways to help the community that we impact."

S4M1: "Oh, we just have a small budget. I don't know, it's sort of informal. To be honest, I am not sure how we would decide. It's just if it seems like a good idea, then… Because we are talking relatively small amounts of money."

CS8M1: "I guess, the biggest thing that drives this is the budget because these projects generally are one-way projects."

Other participants named balancing operational and CSR-related costs as their decisive factor:

S1C1: "And everything we contribute has, obviously, got to be balanced with regard to what we can realistically expect to spend, you know."

S6C1: "We think about things, decide what to do. And if it's an educational thing, people would generally just come and talk to me. I will think if this person can free up their time or whatever. Then it's time to get on with it."

CS1C1: "We are here to make our organisation sustainable and profitable and, at times, it is difficult to fit in all charity requests with operational costs."

Sustainability was mentioned as another decisive factor:

CS1C1: "…as I said before, the most important purpose of [our company] is to be profitable, sustainable and having a reputation of a good corporate citizen. … [Our company] is proud to be one of the leaders in CSR campaign. It is an important part of our sustainability and reputation. "

CS8M1: "From a business point of view, it assures us that we will remain in existence because those players, it's pretty clear now, those players that only do what they are required to do will loose credibility. It's pretty widely known now that those across businesses, not just oil and gas, will likely to be sustainable longer term, those who has the long-retained customer base."

This was closely followed by the increase in exposure of a company for partaking in CSR:

S1C1: "Uh, whether you are sponsoring or donating, obviously, with a sponsorship arrangement you'd hope to get some exposure in return for your sponsorship or your donation."

230

> *CS10M1: "It depends. It benefits the business because the business would get some sort of publicity for that. Hopefully, that's not why they are doing it but because they want to help."*

> *CS8M1:"Let's talk about the water pump. So, we pay for that water pump to go with. What do we see as a response to that? We are not going to be paid for that. So, we clearly wouldn't expect that to happen. What we are looking for the people who'd benefited from that. Say, who are not a [corporation 8] bunch of people. And that then means that when we are looking to move into other areas, we are looking into new activities. Then, people recognise it."*

The motive of attracting or maintaining the best work force was mentioned, as well, although predominantly by the SMEs' leaders:

> *S5M1: "And you know if it is something we are keen to, you know, of doing and setting an example, I suppose, we want our employees to know that they do work for a socially responsible organisation because there are a number of things like that, like a check list to attract candidates."*

> *S6C1: "There is also an issue of recruiting people; it's absolutely fundamental for people to keep coming in to the industry. So, there is no sinister collusion. It's more collaboration, not collusion, and competition, as well."*

Whereas the significance of staying profitable and retaining customers' loyalty were mentioned predominantly by the corporate leaders:

> *C7M1: "…there is a lot of local considerations, whether or not investing in this organisation or another would be perceived as positive for a company or that particular community…"*

> *CS1C1: Profitability and shareholders' interests are our foremost responsibility."*

> *CS8M1: "So, what we are trying to do with CSR is to make sure that those customers recognise what we are doing and stay with us. … Unless we are honest, unless we are actually showing what we are doing, there is a real risk that our competitors with gain from that. All our customers will simply say: "We are going"."*

Being influenced by the oil and gas industry practices; reacting to past operations as the future risk management; or considering individual employees' performance were also mentioned:

> *CS2M1: "Locally, we are members of various industry related organizations in which experiences are shared and worthy causes discussed."*

> *S6C1: "I think, it was a reaction to a couple of things [trouble in another country and at an offshore installation]. … It made them [one of the global corporations] realise that they have to be much more conscious of these things."*

> *S1C1: "It just does not happen. First and foremost thing is the business that you have in any area. It has to be justifiable; it has to be profitable before you can start looking at … at things like charities or sponsorship, whatever. I do get asked a lot. Some of them are… I think are less worthy than other."*

> *S6C1: "…we don't really encourage people to take on too much commitment any way. You could argue the opposite. You could say: "well, that person's contribution is not critical", and maybe if it is a good idea on CSR, I would say maybe that's their time better spent."*

However, not all participants viewed their CSR decisions as being made solely under the above-mentioned conditions. Some of them referred to external decisive factors, which were classified as the Societal Conditions, with their distribution presented in Figure 9.

Figure 9: Distribution of Societal Conditions for CSR Decisions

Key: Largest font size = greatest influence; smallest font size = least influence

Level of Impact; Reputation of Organisation

Customers' Influence;
Mutual Benefit; Spread of CSR;

Impact on Eco and Social Environments;
Following the Trend; Commitment to Shareholders

Pressure Groups; Past Legacy; Business' Role in Society;
Recipients' Governance; Life Style Change
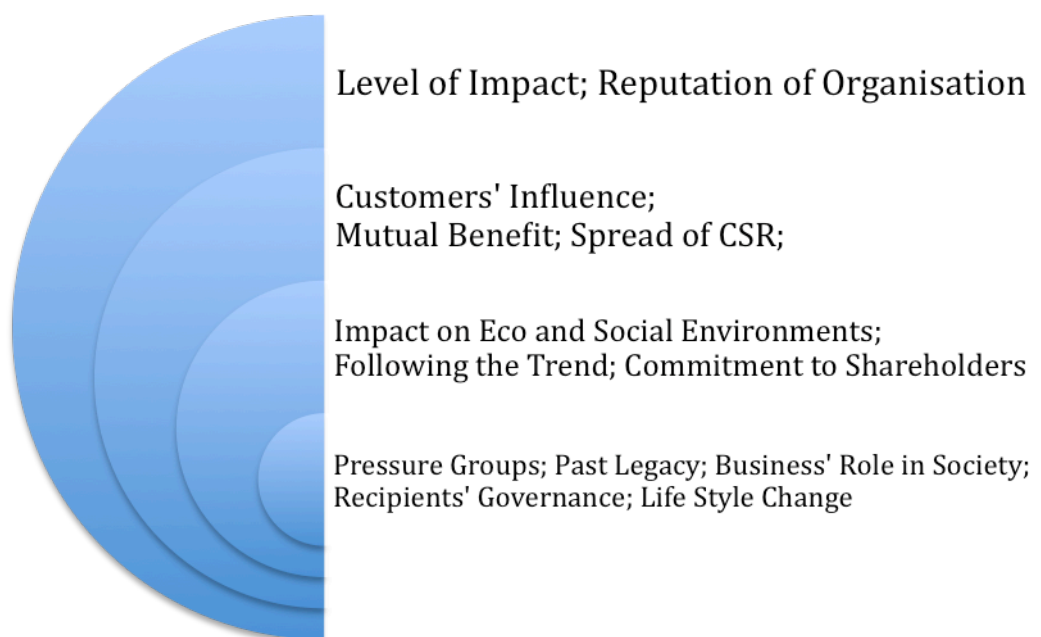
Source: Compiled by the author.

As can be seen from this figure, the majority of the respondents referred to deciding on CSR depending on its level of impact:

> CS3C1: "What percentage of the contribution directly benefits the community? … I look for positive impact in the community near our oil operations. One company cannot solve all problems. However, we can select a few issues and make a significant impact on those issues."

> S5M1: "It's not about raising our profile, of our partnership or our brand name, but it's about "Can we do more than just give money? Can we give some time? Can we add value to something?""

> CS8M1: "…what is the project that has the best chance of success? What is the project that delivers the most across the most areas? So, there may be one project that delivers, let's say, one project that delivers only in environmental improvement and nothing else but it delivers it in abundance."

Equally, they were concerned with how their CSR actions reflect on their organisations' reputation:

> S2M1: "They [large corporations] are the Big Oil, they are the big bad ones, and they are polluting the planet, causing all that global warming, it is all their fault, etc. As users, it has nothing to do with that, it's all their fault. When you get to the larger conglomerations …, I am sure that they have

upper management committees that sit down and discuss this on a fairly regular basis as to how they are seen and how they are perceived."

CS6M1: "So, where the ethics come in and the morality of how we behave as the business and how we are seen to behave and that's the key element of CSR. It is not enough to brag about one project and say how good we are, it takes year in and year out doing the right thing, behaving in the right way… Honourable behaviour in one way or another, which is your corporate reputation. And people within the company understanding that what they do is reflecting on how the company is regarded."

CS5M1: "I think, that's a major management style decision. And I don't suppose, and I might be wrong here, but I wouldn't have thought that they would make a decision that was 100% profit for the company. If it was seen that the social decision did not impact the financials too much but enhanced the company's reputation in the area, than yes, they would do that."

Consideration of whether CSR actions would bring mutual benefit to both, their respective organisations and the beneficiaries of such actions; and being influenced by businesses' customers or clients were named as the next most common social conditions:

CS1C1: "It does not happen often, but sometimes I have to decide based on the budget available and on the level of mutual benefit this might bring."

S1C1: "Well, usually, we get approached by our customers. Uh… they will say: "Would you like to attend this tournament, or sponsor this tournament, or attend this dinner?" or so forth."

CS8M1:"The individual member of society now requires a lot more information, a lot more insurance about the way, the things that he usually uses have been prepared, have been generated. There have been too many, and I am not… Because the focus here is on the UK population, but this is a conversation we would be having anywhere in the world. There have been too many events where big businesses have attempted to be economically untrue and consequences have been huge."

Whereas several participants mentioned the level of CSR spread across various projects or locations as one of the most decisive factors:

S4M1: "And what typically happens with small amounts of money, because I am also Chairman of a local small medical charity, and you get money from the social fund of a company and they will do it for two years and then they stop because they want to give it to somebody else. But from the receiving end of things it's very hard if you've been getting lots of money for a couple of years and then get nothing, you can't, you can't…it makes it very hard for a charity because you can't plan, you can't delivery stuff long-term, which is what most people want to do. But then from the givers' point of view, they want to give not always to the same charity because there are hundreds of reasons to give money to people."

CS8M1:"There is another project that delivers more across CSR agenda but not so much. And I'd take that as the option because it gives me more spread. It also means that it has more chance of delivering successfully in those spreads than something that is very pioneering but may actually fail somewhere along the route."

CS10M1: "So, you probably have four areas that you would want to spend the funds you have by spreading them in appropriate proportions."

The next most commonly named group of social conditions for making CSR decisions were referred to as "following the trend"; "being committed to shareholders" and making impact on ecological and social environment:

> S6C1: "It tends to happen through leadership and through fashion as well, because people tend to follow when they realise that everyone else is doing it. …people need to understand that what they are doing is that every small component that decides to make a contribution needs to realise that's helping to set a trend, change behaviours so that lots of small contributions become a big contribution and see the way of doing it, really."

> CS1C1: "We have to consider our budget and our commitment to our shareholders."

> CS8M1: "There will generally be "money go out" with no return on them [community projects] and that's got to be balanced because we have shareholders who want the maximum return on their investment. Thankfully, because of the kind of company we are, our shareholders accept and indeed demand that we do spend money on community projects."

> CS8M1: "And there is a wider piece, which is a contribution to the community. So, the tree-planting scheme I run, for example… Part of what site managers are doing is to actually teach people the very truth. What's the basic carbon – oxygen true cycle. Uh… What kind of trees, what kind of plants you can grow in particular places; what kind of species you'd like to see there; and than it's not been driven by the majority of the oil and gas industry. It's been driven by an educated community, productive community. And that… Our bottom line is that we live in the community, we work in the community and we contribute to the community. So, that's why we are doing that. In different parts on the world it's going in different ways."

> S7C1: "Obviously, we have techniques to managing individual parts, but you should look at the whole system. For example, if you are taking a business decision about an oil industry developing an oil filed, building an oil platform, you would do all of the work that we do I think very well in general, the technical engineering, design, how do you design this platform, how do we build it cheaply, efficiently and safely. All of these things we can do quite well. The things that we do much less well are looking at what are the social impacts, what are the environmental impacts."

Several participants named being affected by pressure groups and by the changes in the life style as their leading factors in CSR decision-making:

> S6C1: "My understanding of the financial world is that they attach much more importance to these things now. … If a bank is doing any sort of major deal with a company, they look to see what CSR policies that company have. And certain parts of the financial sector, the insurance in particular, are very hot on the environmental side because they can see it is becoming an additional burden for them to protect. So, they tend to take it pretty seriously. So, I have…I don't have a major concern in that respect."

> S7C1: "I tried for a few years to make it better from a leadership position, there are all sorts of reasons why it's so difficult. Like all the people in leadership positions, are generally well-intentioned and clever people. But they are under a huge pressure and the pressures at the top of companies tend to be from the City, from the financial analysers … in the short run it may require effort and paying in some investment to make those long run

benefits. And in the world, where long run benefits aren't really measured, and the whole financial system in this country, financial analysts who put pressure on boards for performance, they work month by month."

CS5M1: "I think it's the change, it's the change in lifestyle. Just over the last five, ten, fifteen years. People are definitely trying to be greener. Definitely trying to be fitter, etc., etc. And yes, that comes through everybody's business, one would hope."

A few other participants chose particular CSR actions considering either their organisations' legacy; CSR beneficiaries' governance; or the role of their business in interacting with society:

S6C1: "We are I guess, a little bit proactive in where we use our budget. But it is partly based on our past experience."

CS3C1: "How much of your [CSR recipient's] administration is done by volunteers?   Are your financial statements audited?"

CS8M1:" So, what we are doing, we are actually managing the business that we run, but we are also managing our relationships in that much wider community that we call the globe."

S6C1: "So, there is kind of, there is a whole thing around there, and it's partly a leadership thing. If some companies start doing it, others see it happening. But, I mean, the biggest problem with any sort of environment initiative it that whatever an individual, a small company or even a big company does, it is a small part of the global issue …"

When analysing personal input into making CSR decisions, the following distribution was found (Figure 10).

Figure 10: Distribution of Personal Conditions for CSR Decisions

Key: Largest font size = greatest influence; smallest font size = least influence

Desire to Demonstrate CSR

Personal Beliefs

Personal Choice

Personal Involvement

Source: Compiled by the author.

As can be seen from this figure, the most common personal condition used by the participants, albeit predominantly SMEs' leaders, was having the desire to demonstrate CSR:

> S2M1: "I mean, for any sort of corporate sponsorship or assistance, or whatever you want to call it, it has to be something that a company wants to do."

> S5M1: "Rather than giving them Christmas cards, we've given them a donation. They then approached us and said: "Would you like to give anything else? Would you like to give us more money?" So, we just liaised with them and said: "Look, we would like something else to do to help you. Is there something we can do on a practical level?""

> S6C1: "… I've been in the position at [SME 6]; and [SME 6] was one of the organisations where it originated from when we say: "This is what we want to do". In a way, the way I do it, it's to basically say: "We have policies that we will support people and the staff getting involved in this sort of thing"; and we have budgets, which can be spent on this sort of thing…"

This was closely followed by the participants' personal beliefs in having CSR as part of their business activities:

> S2M1: "…it is something that he [company owner] strongly believes in. There are all sorts of different reasons why somebody would want to do that."

> CS5M1: "No, but I mean, it's, me, personally, it's just part of life. So, you know, yes, I would [participate in CSR]. Definitely."

> S6C1: "You could argue whether businesses should have consciences, that's another way of looking at it. To some extent, a company like [SME 6] does have a conscience particularly in the environmental side. I felt that we needed to do something."

Some participants named personal choice or being personally involved as the final decisive factors in situations when none of the above-mentioned conditions could be used as clear guidance for choosing CSR:

> S2M1: "Or, the majority of the shareholders, or the owner, or whatever you want to call them of any company want to do. He has to have a certain drive to do something about a situation and go and do it."

> CS6M1: "… And unless we build in to people's personal objectives almost a requirement that they have do something for the CSR, which you can't really do. You can't legislate something like that. Than it is really down to who wants to get involved. So, the mechanisms or the leadership issues, uh, we can promote what we are doing internally, I do as much as I can but externally only when we can. And you always gonna have a hard core people who always want to get involved in everything with others being more difficult."

Considering the above evidence of business leaders referring to such an array of decisive factors in their CSR decisions, which added to the overall ambiguity of making such decisions, it was important to understand

what are the other challenges the leaders face in CSR institutionalisation. These are discussed in the following section.

6.3.9 Challenges in CSR Decision Making

In previous sections, it was found that business leaders heavily rely on a demanding variety of organisations and individuals; criteria and guidelines; influences and conditions when making CSR decisions. When asked what are the other challenges they face in CSR institutionalisation, the following comments dominated (see Table 27):

Table 27: Challenges in CSR Decision Making

Internal / Organisational Challenges	External / Societal Challenges
Financial situation;	Managing expectations;
Available resources;	Legislative position;
Adherence to corporate governance;	Communities' / society's expectations;
Lack of autonomy in CSR decisions;	Being sought after by individuals/organisations in need;
Understanding CSR needs and demands;	Guarding against hidden agendas;
Lack of awareness;	Responsibilities of receiving parties;
Business' benefit from CSR activities;	Difficult to see where to spend money locally on CSR;
Small companies might shy away from CSR;	Building trust externally.
Balance between CSR and profitability;	
CSR professionals must be generalists;	
Building trust internally.	

Source: Compiled by the author.

Analysing internal, organisational challenges in CSR implementation, both corporate and SMEs' participants were concerned with how their operational and CSR commitments would coexist within the financial situation of their companies:

> S2M1: "The donations money that come out of here, like I say, are gonna be based on probably the Directors' say if we can afford a thousand pounds or if it is going to make that much difference. It's all kinda focused on running

the business and doing what it needs to take. … Certainly, within the service companies, we tend to run fairly lean ships as it will."

CS4M1: "I think the biggest challenges come when economic times are difficult. During such times, companies have historically cut out things like CSR first. I have seen this change somewhat over the past several years, and it has been interesting to see companies maintain their CSR spending fairly consistently even in bad economic times."

CS8M1: "The biggest challenge is to balance between the short-term and the long-term. Uh, and that's usually driven by costs. So, the costs generally will be driving towards short-term implementation rather than investment in a longer term. And that actually drives you towards a narrow focus. So, some of the business will not look at the consequences of a decision being taken for a long-term investment rather than a decision being taken for a short-term. So, they won't see that longer term. And I think, that's the biggest challenge. Internally."

S6C1: "I think, internally, uh, we have our financial constraints. We can't do, you know… I can't do whatever I want. It has to be some reasonable control over what we are doing and if we are under financial pressure, uh, I guess, I don't know if it would get squeezed more than some other things, it would get squeezed, obviously."

This was very closely followed by the difficulties in allocating appropriate resources, which was mentioned again by both, corporate and SMEs' leaders:

S4M1: "…small companies don't have a… we don't have the time and we don't have the commitment to do anything explicit, to have somebody explicitly like the big companies would do."

CS8M1: "And I think the final piece is that you have still some companies that even in the position of saying: "We would really like to do this but we don't have the resources". And you'd go to some companies that have their heads firmly in the sand, ignore it hoping it would go away."

S5M1: "I think the main challenge, but I think this is a main challenge that every single person on the planet has, it's just, you know, time. Everybody is so busy. I mean we are so busy with our work, life, and we are all busy with our lives, you know. So, I think, finding time is the strongest challenge for everybody."

CS1C1: "I think, the biggest concern … the amount of money available from our company to do so [CSR implementation]."

S6C1: "The biggest challenge is simply that everybody is very busy and they, people would tend to be concerned if they can't deliver what is their main job, than they will suffer in some way, or that they simply have to work too many hours to do that and then they can't do something like this. … There is always a communication issue around that as well. But it's mostly people's time. It's the biggest thing."

As a consequence of the above-mentioned financial and resource-availability challenges, the participants underlined their concerns that companies, particularly SMEs, might shy away from the whole subject of participating in CSR:

S2M1: "I am sure a lot of small companies tend to do it but they shy away to the extend that they run off. "We are too busy to be involved, don't have

time for that". Maybe, they are scared unnecessarily. Maybe it can be done very-very simply. Um, and if that's the case, then it might be good to do."

S1C1: "Our company, obviously, with limited resources and being relatively small, don't get involved too much in social community support activities."

CS8M1: "To a company such as [corporation 8], it is important to play a part in CSR because it is not a big overhead for them, or because they are already doing the majority of it. Where as small to medium enterprise which is struggling to keep its head above water is simply not going to have the resources or cast to be able to deliver CSR in the form that we would expected it to be delivered."

S5M1: "Yah, uh, for a smaller company, I would say it is a burden."

S6C1: "…they [SMEs] are interested in doing their business, generating their profit, making profit and they think, they think, they don't have time or money to do any of this other stuff. But I think it is a very short-sighted way to think. They don't think laterally, they don't think long term."

On the contrary, corporate respondents underlined much more specific concerns with CSR implementation. They included the need for CSR professionals to be generalists:

C7M1: "where some disciplines are very specific and responsive with activities very specific, uh, I've said this many times, CR [Corporate Responsibility] professionals must be extreme generalists in their work. They are constantly being faced with new and interesting challenges, but ones aren't always easy to have plans for. …the broader the scope of the experience, the more skilled and adept a CR professional is in dealing with those ongoing issues. From my own experience, I was brought in to manage various specific projects, which is a creation of a CR report, but my role has evolved considerable since then."

or the need to build trust internally and follow it up in their corporate governance:

CS8M1: "The first audience we have to convince is the internal one. If the internal one sees it that we are doing one thing and saying the other, than they have the authority to challenge that. … You could argue that it may be a misinterpretation but you could also argue that it is misalignment. And you might even argue that it is an attempt to deceive and we will not like that. So, the trust piece starts here, it starts in this building… The primary thing that underpins it [CSR] is trust and consistency. So, we are not saying it in one place and not saying it somewhere else."

with the necessity internally to improve CSR awareness:

CS5M1: "Sometimes we find it, or I would find it difficult to trying to get the guys to implement certain things that I had asked them to do before you actually make a policy. You know. Again, it's best practise. It's jus trying to disseminate the best practise all the way down to the man on the ground, basically. And to get him in to the right frame of mind to be able to do what you are asking him to do, you know."

CS10M1: "Social Responsibility is a bit more… It's got no boundaries, it's not so easy to understand and different people understand it in different ways. So, it's quite a complex thing."

or to improve the overall understanding of CSR needs and demands:

> CS2M1: "By trying to understand the needs and goals of both parties involved. … Whenever a project is undertaken the goals and objectives to be accomplished must be clearly understood by all parties, especially in instances where there are limitations on resources and/or infrastructure and another party must take over responsibility for future maintenance. For example, if we donate a foreign made vehicle to an organisation and they can neither afford future repairs nor obtain parts, our gift becomes a burden rather than a benefit. A gift is only beneficial if it meets the current and future needs."

> CS10M1: "To some extend, a challenge is finding information about where we could help. We are actually finding that quite difficult to do."

Some respondents mentioned that at times they are concerned with the lack of autonomy in making CSR decisions:

> S1C1: "Another strong challenge I would say is a fact, and I feel strong about it, is to convince someone else, another shareholder. That this was a good idea or a good thing to do."

or, when companies partake in CSR, it has to be beneficial to the business:

> S2M1: "So, that's why they [larger corporations] will come in with a lot of resources, a lot of internal resources to, again me being cynical here, to maximise the benefits of what they are doing in the community."

> CS9C1: "…keeping training ten electricians but when they get out to the market, you get two electricians, than that's good for you because you need electricians. So, that training has a direct line of sight when it comes to benefiting the business to add qualified staff that they were short of. Short of staff, or as we call it these days "resource shortage" which affect the projects that aren't get done due to under-staffing. So, anything we can do to improve the likelihood of someone that has these skills to come to us."

However, most of the participants, both corporate and SMEs', referred to one common challenge, how they can balance costs associated with CSR and the overall profitability of their organisations:

> C7M1: "Not directly and in effect; quantifying the benefits of being a responsible company is quite challenging. I think most companies that have a greater connection with being accepted as a good corporate citizen acting as their bottom line have difficulty in applying a monetary value to that."

> S1C1: "You know, you've got to look at a profitability of the operation, you know. If the business is losing money in turnover the first thing, you ain't gonna start giving money away to charity or having barbeques for schools, or things."

> CS5M1: "From my own, my personal view, I think, as you elude in your personal notes here, there is a balance between making money and not-making money but being socially aware. Yes, there is ah, obviously, there is a… Again, it is a check-in balance situation."

> S5M1: "But then having said that, I suppose that the like of the Body Shop, which is a huge, huge organisation now, but started as a very small one by being a Corporate Socially Responsible organisation when it started. I suppose I just contradicted myself but there are smaller companies that can hugely profit from it. But such as ours, I am not convinced."

CS8M1: "Uh, and so we won't necessarily do what is absolutely environmental thing to do because that for example will result in a loss of jobs, or that for example will result in a loss of mineral assets to society. …clearly, if we turn around tomorrow and say: "You are not getting any dividend tomorrow because we spent it all on community projects", we might get a different reaction from them [shareholders]. So, it's about balance, it's about making sure that we contribute to society generally but also to the shareholders specifically."

In addition to the internal / organisational challenges the participants referred to in CSR implementation, they also mentioned other difficulties, which were grouped as external or societal challenges. Again, there is a variety of concerns expressed by the participants, ranging from balancing legislative position:

S7C1: "I think, [an oil and gas corporation]'s global corporate strategy probably does not work under what I think is the most likely scenario for the next ten years. Because their strategy is to go for a well in a lot of ways of producing unconventional oil, all of which produce a lot of CO2. So, when CO2 starts costing 100 dollars a tonne or something, maybe 50 dollars a tonne, some of these projects won't be viable."

or building trust externally:

CS8M1: "We say what we mean. All of our external reports are verified, all audited, all verified. Anyone who wants to challenge any information that we publish, they can come to us or come to a verifier. So, that's where we start from. When we say, that's what we are doing, this is our performance, than we know that that level of trust is there and it runs all through the organisation."

or considering the responsibilities of receiving parties:

CS2M1: "…another party must take over responsibility for future maintenance [of the donated project]".

or guarding against hidden agendas and viability of the receiving parties:

CS2M1: "…guarding against hidden agendas by the local community leaders and individuals. … "Hidden agendas" refers to ensuring that the donation will be utilised for its intended purpose rather then for personal gain of a few individuals that might not be clearly stated at the time of the initial request. Researching all requests is vital to avoid this from happening."

CS10M1: "I am sure there wouldn't be a completely blank "any charity would do". But so far, we've come across no major problems where we would say: "there are the people we would not want to deal with". It's more about what is the benefit they are going to get; are they viable; are they financially viable; what is it they are doing to do with the money."

Regarding the relationships with the beneficiaries, be it charities, communities or society as a whole, some participants found it challenging in being sought after by individuals/organisations in need:

CS2M1: "…the needs are so numerous that people tend to seek out companies operating in the region."

S1C1: "I've already said that I've used to get a lot of calls from charities and people wanting sponsorship and things like that. So, there is obviously a network out there that… that knows the target: general managers or CEOs of companies."

or establishing a clear dialogue about what those seeking organisations', communities' or society's needs and demands are; largely, what their stakeholders' expectations are:

CS1C1: "I think, the biggest concern is the amount of financial contributions the local community expects from [corporation 1] and the amount of money available from [corporation 1] to do so."

CS3C1: "We make it very clear that we cannot take over the role of the government, churches, or local charities. "

S1C1: "And they network to bring their requirement or cause to their attention. … Because I used to wonder: "Why is everybody phoning me?" Or they must look through some company directory or something. They see a general manager or a CEO, give a guy a phone! He might be a nice guy, his mom might've just died of cancer and you might catch a guy at the right time. And if the company is cash reach or feeling in a generous mood, and they are profitable and business is cute, than they obviously stand a good chance of being successful in an application. They may get through to a guy that does not believes in it, you know, and won't take it further."

CS8M1: "We want society to value our contribution. But in order to do that we need to know what the contribution is. So, what we do is we deliver and a part of the role I occupy is to deliver more than being compliant."

C7M1: "…it's a company's responsibility to identify, uh, the various stakeholders, find out what their key issues are with your company or your industry and match those issues, primarily the expectations, around how the company performs accordingly."

Some participants, predominantly corporate leaders, found it challenging to manage those expectations:

CS3C1: "It is important to manage expectations.   One company cannot solve all problems."

CS2M1: "Managing expectations of the recipients…"

C7M1: "…there are definitely challenges, like in any other discipline. But the most significant challenge I would suspect is the evolutionary nature of Corporate Responsibility and the always changing expectations of our multiple stakeholders of our company. So, again, whether current today in terms of our most significant challenge and our most significant stakeholder is in climate changes, this example may not be current tomorrow. There may be other issues that we have not been on yet, or the emerging issue that we should've been following but probably becomes the key focus for our company. I think, that is probably the most significant challenge facing the organisations in the CR realm."

CS8M1 "So, there is a quandary that has become almost… almost impossible for somebody to go against some of the direction that society has currently taken on alternative energy. And it maybe in some future date they'll suddenly go: "Why on Earth did we do this, do that?" So, there is loads of, loads of tension there, which is actually not being used. All we can

do is to continue do what we are doing, which is to educate back to them: "OK, this is what we can do. Here is the benefit that the environment will get from this. Here is the benefit that you as a community will get from this but you know the consequences for you that you couldn't just live with"."

However, other participants found it challenging to even identify their stakeholders in need, or as they referred to it, difficult to see where to spend money locally on CSR:

S2M1: "We don't maybe contribute to building new schools, we don't maybe contribute to building new roads, but it is difficult to see what it is out here you could throw your money at."

CS10M1: "We are building social responsibility side here in the UK. Obviously, it is not as easy because we are not in a third-world country: schools work, water works, medical facilities work, and the normal things that the company would be looking at to help with, are all already in place. So, it's a bit more of a challenge within the UK environment to find suitable avenues for social responsibility. … We are in the position, in the situation when we are looking to help and we are being steady and selective about where we want to help but it is not easy to find out areas where people are looking for assistance."

As can be seen from this section of analysis, the challenges in CSR implementation range from not having enough financial or other organisational capabilities to participate in CSR to not having a clear understanding of how to approach CSR. In this environment, it was interesting to explore the participants' personal experiences in CSR institutionalisation and what they would like to see changed in their relationship with regard to CSR. These findings are presented in the following section.

6.3.10 Business Leaders and CSR

As was pointed out earlier, it became apparent that the participants experience a range of sometimes opposing forces affecting their CSR decisions. This leads to them facing a range of at times conflicting challenges in CSR development and implementation. When asked further, business leaders expressed their concerns about the state of CSR education; their support in its institutionalisation; the roles of government and industry members in shaping up the debate; and other various thoughts on the relationship between CSR institutionalisation and leadership. These comments were grouped into three different types of

relationships: business driven; socially driven; and personally driven ones. These are presented in the following Table 28.

Table 28: Leadership and CSR Institutionalisation Relationships

Business Driven	Socially Driven	Personally Driven
Strength of business vs. quality of life	CSR education	Personal example
Simplification of CSR implementation	Measured / regulated approach to CSR	Personal and business' reputation
Resource availability	Transparency in CSR implementation	CSR as a burden
Prioritisation of CSR	CSR as a greater impact	CSR as a disruption to business
Delegation of CSR	CSR awareness	Charity vs. taxation
CSR as part of Public Relations	Governmental incentives for CSR	CSR as not necessary
Business profitability	CSR guidelines	Hope for wider CSR
CSR as an add-on	Effect on business' competitiveness	CSR as personal satisfaction
Codification / Indexing of CSR	Governmental lead in CSR	
Quality of CSR reporting	Communication with shareholders	
Best practice in CSR	Increase in CSR reporting	
CSR as a long-term benefit	Stakeholders' expectations	
	Balanced approach to CSR	
	CSR reporting in SMEs	
	CSR as a response to opportunity	

Source: Compiled by the author

As can be seen from this table, the analysis of business leaders' relationships with CSR institutionalisation adds to building further correlations with prevailing factors affecting their CSR decision-making. With regard to business-driven relationships, the majority of the

respondents demonstrated a certain degree of reluctance in embracing wider CSR due to their concerns of harming profitability of their business, particularly in the current times of the economic downturn:

> S2M1: "Basically, our waking life is consumed with something we need to do to make the business profitable. And, that is just a fact of life. "

> CS6M1: "We are not a consumer company, so although it does matter to us how we are seen, we don't have to do much. So, the business requirement is the most important. We are not under too much scrutiny. And I would like to say that we already are not doing what we should not be doing. Everybody is talking about the environment, so we are quite strong on that."

> S1C1: "I think, it is… it's important to understand that all companies, whether big or small have got to be profitable. And if there is a downturn and if the funds are not there, if we are cutting jobs, letting people go, uh, you can't help. Uh… If the company is profitable, the government gives you a tax break, and it's possible [to have CSR]. It's very possible."

> S7C1: "I suspect, it's similar elsewhere. Every one is struggling to produce more oil that costs more money to actually cut costs when all of the costs of the skills you need are going up, probably not possible. The credit crunch is effecting investments."

Furthermore, when it comes to implementing CSR, some business leaders see it possibly just as a Public Relations exercise, which directly affects their profitability, consequently emphasising their need for social legitimacy:

> S2M1: "I mean, they [larger conglomerations] have got huge Public Relations job to do when you think about it."

> S6C1: "…there is a very strong desire across the whole industry to improve the image it has. And it's partly because if you want to keep selling petrol wherever, you want to have a good image. … There is a danger that it is just seen as a PR. Maybe the industry got a bit too much of it, I don't know."

Another group of participants emphasised that CSR implementation is low in their priorities:

> S2M1: "Look, it's as bad as… No, that's wrong to say… It is difficult enough to keep up with the standard regulations you've got to abide by to run your business like health and safety, from a business point of view, or quality. So, there is a lot of things from the environment, from the peripheral that do take a bit of resource and time of the company just to help them on a legal basis before you even start worrying about what you have to do to make profit. Um, so I think, in my humble opinion anyway, the whole thing about Corporate Responsibility happens as it happens and it is kinda low in the priorities, I think."

> S5M1: "I mean, I don't think it is absolutely necessary on the agenda of small and medium size companies. Uh, you know, where we make very little impact our community as such, you know, where we physically work in Central London, or the environment. Although, I have to say we use far too much paper and things like that, do you know?"

> CS9C1: "What we've done has been interesting, good, quality stuff but rather on a small scale."

or that it is considered as an ad-hoc activity and exercised only when businesses are profitable:

> *S1C1: "I think, it is their choice but the choice all comes back to how successful is the business. If the business isn't successful, you can't do anything. It all could go very rapidly the other way."*

This directly correlates with businesses', specifically SMEs', inability or reluctance to allocate resources, time and manpower in particular:

> *S2M1: "There is not a lot of time to be looking at peripheral issues at this point in time. It is not important to the company or what the company is trying to do. … But really, there isn't an infrastructure to be looking out there and thinking: "How we can get involved in the community?". … When you start going down the ladder in terms of the number of employees, I think, the smaller the company, the less time there for doing anything like this."*

> *S6C1: "The place where I see it most difficult is in smaller companies. I think, we are unusual there. From the early days as a small company we said: "this is something we should do"."*

It is not surprising, that some business leaders find it easier to call their charitable activities as CSR, or as they refer to it, "writing a cheque":

> *S2M1: "I may be a bit cynical, but it is probably an easier way of dealing with the whole subject that does not involve too much thought, that does not involve too much decision-making around the company. You know, sorry… If everything goes to [a charity], it is an easier way to do it, I think…"*

> *S3C1: "You get requests all the time for these things but all you do is writing a cheque. … I can show you some Thank you letters we get. That's a cancer charity. That touches every family, or staff like diabetes… I think that all companies do that. But all you are doing is signing a cheque."*

> *CS9C1: "Why should we be involved in the community? We are low profile. We've been giving money to the [charitable organisation] but we've been doing it for two or three years almost anonymously. We send it to them, they are allowed to use it because the money given from the commercial sources. They can then multiply by several times. We allow them to do that. But we don't want any publicity from [that organisation] because it is done, you could say, by the responsible company from [overseas headquarters]."*

 or, moreover, delegating the whole matter of CSR to a separate organisation:

> *S2M1: "Like I said earlier, the whole process is a lot easier if there are companies that can do it for you."*

> *S7C1: "Social Responsibility is pretty much left to external affairs people or social responsibility staff of departments. What I have been trying, for the last five years, within Shell to get it mainstream, to get it on the desk of managers and project directors and directors they are managing it. And then to have it in their heads this more holistic ideas, to get it much earlier in the projects."*

whereas others find the direct relationship between encouraging and improving business' strength as a route to improving quality of life as one of the signs of increasing CSR:

> S1C1: "I've said earlier that the biggest contribution that anyone can make to society is… is to develop, evolve business, be profitable in that business, help society purely by means of employment, by employing people. Because if people don't have a job, or job security, or their income, than they don't have anything. That everybody feels the pressure than."

> CS3C1: "Developing and encouraging strong business is the best way to improve the quality of life in a community."

Despite the obvious superficiality of the majority of the respondents' commitment to the wider aspects of CSR, a few did mention that participating in these programmes should be considered as a commitment with a long-term benefit to the industry:

> S6C1: "It's just a case of being able to think about it a little bit more, more broadly, to understand that something to reduce it to cost and time value now, it can have lots of beneficial impacts in the end. You could just focus in and say that it helps having a happier and more productive workforce and just do that and get benefit. Little learned through the external effect of sales of what we are trying to achieve."

> S7C1: "I think one of the problems is that we are quite short term. We think in terms of our own life span or subsets of our life span. And then we have economic systems; we have the capitalist system …which is very short term. … Anything that gives us profit or benefit in this year or this month, or the next two or three years, is highly valued. So, we make very poor decisions, actually. On the long-term view, we make very poor decisions, even on the intellectual level. … And now pressure on leaders is much more intense than the worry or the time they spend worrying about five, ten, fifteen years away."

In order to embed CSR in the industry further, some business leaders drew a connection between increasing CSR and improving CSR reporting:

> CS8M1: "I am going to be cautious with this one… I think there is a lack of understanding of what true CSR reporting actually is. And so, it may well be that there is a lack of understanding internally or process that is needed to generate what we would call a best practise CSR reporting."

> S6C1: "And externally, one of the obvious reasons why you can see this as beneficial for a company to take this responsibility seriously, is it does create a good image for the company. So, reporting externally, PR, whatever you want to call it, that's also very beneficial."

or the implementation of self-regulation through Best Practices with government-issued standards:

> S6C1: "I think it is better done through best practise, basically. So, I think it would be good if the government encouraged the implementation of standards. …There is going to be a, I don't know if it fit in with this, but there is going to be a standard for Corporate

Social Responsibility, and there are a lot of publicly funded business support organisations such a Scottish Enterprise. So, they can influence that and give a message out that it is considered to be best practise. … Through setting of standards, education, uh, how it can be passed through best practise."

S7C1: "…some countries already require social reporting. And naturally, [a global corporation] for some years produced social and environmental report. So, I think, best in industry practise is already doing some of that social and environmental reporting. And I think it's helpful."

or continued improvement of codification and indexing of CSR measurements and performances in order to give companies clearer targets and expectations:

C7M1: "Even in the area that is very well defined, emissions for instance, how are those emissions calculated in companies, the performance in that area is difficult to compare this industry level to the outside of industry. So, I am very much in favour for the ongoing dialogue that surrounds organisations … that are created around codification of accounts of how companies act in a responsible way assist the company in ensuring they meet their stakeholders' needs."

S6C1: "So, you can set targets and measure against certain things; it creates aims. So, I think the reporting, in that respect, can be useful internally."

S7C1: "I think it has some merit, because at least it's a start in valuing performance outside of just pure economic performance. Well, short-time economic performance, I think in the long-term environmental and social issues poorly managed means bad profits. But that may not occur for five year or ten years, or something. So, indexing helps a bit. …I think indexing can be good and we could improve it. So, my reservations about indexing aren't really in principle. It's imperfect but everything in life is imperfect, ha-ha. It could be improved."

The idea of collaboration between businesses and external organisations, either monitoring CSR performance or assisting with its implementation, is closely followed by a whole range of socially driven relationships identified from the participants' responses. Regarding the increase in government-imposed regulatory approach to CSR institutionalisation, particularly in SMEs, the opinions varied from fears for the loss of the UK oil and gas industry competitiveness:

S3C1: "The concern that every company would have is they would say: "If you are asking us all to do this, it may reduce our competitiveness in the world market. Yah? So, if the UK is asking us to do this and the other places don't, that makes the UK less favourable to operate in and it is an easy argument to… put up with this…"

to a total denial of governmental input in the debate:

S2M1: "…I don't think the government has any real saying in anything, I mean, for any sort of corporate sponsorship or assistance…"

S5M1: "But there is nothing coming from the government to really not even to impact us but nothing to be "this is what a small company should be doing". There are no guidelines, no laws, to know you how we should be working."

Moreover, some SMEs' leaders openly denied any necessity to legislate or disclose CSR in this type of organisations, specifically with regard to CSR reporting:

S4M1: "They [shareholders] would not know about it. We are talking…the amount of money we are talking about is very small in total. … The shareholders aren't interested. I would say, I don't think the shareholders would be interested at all."

S5M1: "There are any stakeholders. It's just owned by us, eight people. We don't have any responsibility to report to anybody. It is a privately owned firm and you know and it only needs to be reported within eight partners. So, we don't have to tell anybody anywhere about kind of what we are up to."

On the contrary, corporate business leaders draw a clear relationship between the rises in societal pressure and legislature and the increase in CSR reporting:

C7M1: "The thing that I've seen, uh, over the last few years, sort of a wide spread option of a steady admission of approach of being a good company; uh, the codification, if you will, of how to be responsible. And, uh, the reporting element of what we put on our website, the reports as by-products of activity that's been happening over the years."

CS8M1: "So, at the moment, because those internal processes are not robust enough, the driving is for a less robust CSR report. Those internal processes will be driving up, they will be driven up in case of environment by the environment protection systems, which are getting better, but are not there yet. They are getting better. And by generally management systems becoming more structured ... Because all of those things will depend on what you actually say. If you don't have the good foundation of robust management system, robust reporting system, and the strategy that sits tightly under that, then you are not going to get those put in the Corporate Social report."

CS10M1: "And it [social responsibility] is very strong on our Producer Sustainability Report every year. We put a lot of effort into producing this document. … it reflects worldwide operations but it is very centric at the moment. The intention is to widen that document …to fairly represent the operations…"

Continuing the theme of regulating CSR, there was a strong (amongst both corporate and SMEs leaders'), notion against further introduction of more measured or regulatory approach to CSR:

C7M1: "I think, [although] clarification and codification allowed key performance indicators become crucial, it is impossible to measure, to consistently measure corporate performance in the area at this point. There

are a number of international standards there and [corporation 7] seriously adheres to many of them but even their apples to apples comparison is very challenging at this point. "

S4M1: "That would be easier. If it were legislated, you'd have to do it. But I would not make it, I am not sure people would want to do anything. I would be very against that. I think, it is a good thing to make it easier for people to do it."

CS10M1: "At the moment, there is no a case of strategy and this is something that we are cumbersome at and want to develop because at the moment it is an unstructured approach. I believe we should have a general strategy that would say that these are the things that are important to [corporation10]; that we would like to channel our efforts and funds in to these areas that are important to us."

However, other participants were leaning toward the adoption of a more measured and structured approach, possibly enforced by government, which in their opinion would guarantee a wider CSR:

CS2M1: "This subject is full of stories regarding good intentions, which have all gone hopelessly wrong. In absence of a measured approach, failed activities can often be more detrimental than doing nothing at all."

S6C1: "Uh, I think, there is always a place for reporting. It's reporting is useful because you are trying to measure what you are doing and it makes you think about what I am going to do next."

S7C1: "When you measure things, people at least know them and they think about them and if their managers think they are important, people follow them. …there is no doubt measuring things is powerful and making them visible is also powerful and public reporting is powerful because there is peer pressure between different companies. … So, it does need to be a framework from government but not too complicated and not conflicting between departments. So, government itself has to manage the whole and make sure there are no conflicts that exist."

Regarding the next logical step in CSR institutionalisation, its monitoring and scrutiny of its implementation, several participants noted that they see an increase in the importance of transparency in demonstrating CSR:

CS3C1: "It is important that CSR be done in a transparent environment. In many parts of the world, CSR can be a way to hide payments to corrupt politicians."

S5M1: "You know, Marks and Spencer's statement that it is going to reduce its CO2 emissions by a huge percent within a couple of years and things like that. But I think and everybody thinks: "Gosh, it is headline breaking" and it really catches your attention, and you think "God, I really want to shop there". But then you think: "How on earth would they manage to do that? Is this company true or is it just propaganda from a large organisation?" I don't think a smaller company has the time or resources to necessarily make such big, big impact."

CS10M1: "I think this is an honest description of what we are doing. Say, there is a lot of effort goes into this and it's not a… I don't think this is document generated just for public consumption and to make [corporation

10] sound good. I honestly believe this is a document that reflects what [corporation 10] does and what it believes in. So, I think, it is honest. Not my view but it is an honest document."

S7C1: "I guess, climate change is a more urgent collective need for human beings to manage the planet a bit better. But it does require looking at the planet at a whole and having systems that at least over time, however clunckily, do start to work together and are coordinated on a world wide basis. So, Corporate Social Responsibility needs to be part of holistic management. …Certainly, to help get there, measurement and transparency is important, I think. And it does work."

This, in the participants' opinions, is directly related to the recent growth in the society's awareness of socially responsible, or at times irresponsible, corporate and personal actions:

CS6M1: "…you think about your carbon footprint, your personal contribution. Whether you are taking a car, you know. So, a lot of that a lot of people are much more aware of that. So, a lot of thinking goes into what people think and how they are seen."

S3C1: "The other benefit that I see from it is not necessarily this, it's how far you get the teams that are working on various jobs thinking about sustainability, thinking about corporate responsibilities. The fact they get the number here. Yah. But it is more important that by engaging in this process it gets the people involved thinking about what impacts to this social fabric and to the resources. And not just looking at money, how much money we are going to make here."

CS4M1: "I think companies should do more to push the idea generating and decision-making processes down to lower levels in the company. Get ideas from the "workforce", and even perhaps give them some empowerment in the decision making process. I think people at all levels in an organisation could have valuable input in generating ideas for CSR related activities."

However, when the leaders are trying to respond to the growing social pressure, they find the environment for CSR implementation seriously lacking coherent structure, which affects, in their opinion, the overall commitment to CSR:

S2M1: "I don't know what I am trying to say here… I think that is a sort of subject that happens but happens in the background and unless your company has some specific guidelines in how they want to handle it, than it is gonna be pretty much wing it…"

S4M1: "Well, we tend not to be very involved because if you want to be involved, get involved but if you don't want to be involved, don't be involved. The company isn't saying "we want you to be involved". And if somebody wants to be involved, the company may support them if they or somebody thinks it is a good idea."

S5M1: "There are issues that would probably mean there are costs involved and the government does not like touching small businesses but I suppose because we don't make anything, we are service providers and service is what's really on our brains, you know, we are kind of left to our own devises. You know, up to the companies. I feel we are fairly socially aware but many of us are probably more so on an individual basis rather than on a partnership basis. And there are other companies that probably do other things."

CS10M1: "That's something that we still need to do. As I said, at the moment it is something that someone says "It is a good idea" and we do that. It is not a structured process at the moment. … I believe that perhaps something that there should be some guidance on because there may be… For example, would an oil company want to sponsor somebody like Greenpeace that would actively campaign against their activities? I don't know. But there may be some restrictions on where that money would be channelled."

Moreover, some leaders felt that it was hard to implement meaningful CSR within the context of developed countries:

CS3C1: "Business leaders need to be able to participate in ways that truly make a positive impact on the community."

CS10M1: "It's a relatively new phenomenon in the oil and gas industry. It's becoming more important to the people who begin to place more emphasis on it but it is difficult to see how it works in the UK or developed western European countries' context."

Some of them pointed out that their CSR implementation is a matter of a response to a chance encounter, or an accidental opportunity, rather than a research-driven decision:

S6C1: "It's probably overstating to suggest that we think everything through in some manner. So, a lot of it will be as a response to an opportunity."

CS9C1: "I was at a dinner and sat next to a chap who was a chairman, a president, I forget his title, he was a nominal head of the [charitable organisation]. … I said that I used to do a little bit of [charitable] work and he suggested [youth supporting charitable organisation] to me and I thought that there is obviously a perfect fit for what I've read on the Intranet. So, I wrote to him, got the money and was involved since my first year here, some years ago. … So, you get to know other charities through that. …because of my peers, because they talk about the work they are doing."

Whereas others pointed to the importance of demonstrating a balanced approach to CSR, rather than concentrating on limited philanthropic activities:

CS5M1: "Create an angle to it, make sure that you don't donate to the same guy all the time and so on and so forth. So that's really… That's all we do. To have a balanced look to where the money is going."

S7C1: "[awards for CSR] would have a little impact but I think a much bigger impact needs to be that the whole system, the whole way of managing business encouraged it through a growing recognition that in the long run your business will be successful if it successfully manages environmental and social issues, if you like integrally with the economical issues and it's got be some combination of education, government environment, peer pressure…"

The theme of discussing social projects with external entities runs through other comments, for example on the necessity of conferring with shareholders the desire to spend funds on CSR:

> S1C1: "I think, as a general manager, you are obliged to bring anything major, I would say, to the shareholders. I mean, I'd bring anything minor to the shareholders, as well, because it is actually a gift and you are using company's resource, you know. And you've got to be accountable for a company resource. And you've got to have a majority of shareholder vote, if you gonna do that."

or the necessity to have a more formal discussion among industry members – peers - on the subject of managing stakeholders' expectations (although these comments were voiced only by the corporate leaders):

> C7M1: "I believe a dialogue about the global stakeholder expectations of companies is absolutely essential. … The key to it though is total stakeholder involvement whether it's NGOs, whether it's government, whether it's employees, whether it's regulatories, it has to be a multi-dialogue, a multi-stakeholder process. "

> CS8M1 : "[Conversation] With whoever and what we usually see as stakeholders. So, that we have an open, honest conversation with stakeholders. And that conversation is not manipulated by those who have a second agenda. What I would really… What my desire would be for everyone to have their chance to have a say and the decision to be the right decision for society, not for it to be a decision that meets one group's needs but at the cost of another group."

When the relationship with one of the most prominent stakeholders – government - was explored further, it was not surprising to see that business leaders would like to receive more support from legislators, particularly with regard to fiscal balance between spending on, and gaining from, being involved in CSR, possibly by introducing a more robust incentives schemes:

> S3C1: "Oh, the government has got a big role to play here and how they incentivize and encourage companies to look at it. … Maybe, the taxation, but I don't know. The government has certainly a significant role to play…"

> S1C1: "I think that the government's help here by giving the… giving the tax breaks to companies that set themselves roles… Maybe…"

> CS4M1: "Business leaders are always attracted to activities that make good economic sense. If there were economic incentives to raise the level of CSR provided by companies, I think that would help. There could be many different ways to do this, such as through tax reductions being allowed on funds used to support CSR."

> S4M1: "So, maybe give them a tax benefit or something but I don't think you need to say: "You must give one percent of revenue to charities" or something like that. That sound like taxation. …If the charity gets a tax relief, then you need to, too. That's the way to me forward. But if you do it through a legislation for company to do it, that's fine but if you say: "You must give one percent", that's just levying the tax."

> *S7C1: "Well, certainly incentives, absolutely, certainly from the point of the government's role, it has two distinct roles. One is the legislative role because government provides boundary conditions, within which industry operates. So, that's an important role. And of course, it has a fiscal role in terms of tax where it can, and it's no doubt that it can do both, carrots and sticks."*

Another demonstration of a growing understanding of inevitability of being more involved in CSR was found in the majority of the participants' analysis of their state of CSR knowledge and its advancement, or as some of the interviewees worded it, "More CSR education is needed":

> *S2M1: "Well, maybe one of the things that may help is making companies aware that this whole area exists."*
>
> *CS1C1: "I think, more education for leaders is required for them to be able to see the benefits of CSR."*
>
> *C7M1: "…we need to understand what the new and key trends are. We may observe those trends but observation of those trends can't replace a one-on-one multi-stakeholder processes that still exist there."*
>
> *CS10M1: "I think there is still work to be done to raise its profile so people would understand what being socially responsible mean in the context of the industry they are working in. And both, within the industry, helping the industry to understand what Social Responsibility is, outside the industry what that might mean to the community in the wider community."*
>
> *S6C1: "There are clearly a lot of people, right across business that don't think it's a place for business to be doing it. So, it would be good if it's more widely accepted and practised. …I think, I guess, it comes down to convincing people that there is a long-term benefit waiting for. …People just don't think this way. People just don't see that. People would just say: "well, there is no point for me doing anything like that". So, I think, that's very important education there and I don't know how to do that."*
>
> *S7C1: "The whole education, I think, the whole education system in this country is wrong. …the system here has become more and more focused recently on facts and learning facts and knowledge. Uh, I think, it's much too little emphasis on relationships and philosophy and ethics. … Everything we do has consequences and at the personal level, at the social level, and at the intellectual and business level, I think, they ought to be I engrained in the system from a very young age."*
>
> *CS9C1: "There is no a great deal of education here… What's the level of knowledge about our Corporate Social Responsibility programmes? Moderate. We could do better."*

This particular angle of the relationship between business leaders and social pressures in CSR institutionalisation, through the prism of individuals' desire for further knowledge, provided an opportunity to explore other personally-driven relationships. These ranged from examples of ethical business behaviour demonstrated through personal or corporate attitudes leading to building a better reputation:

> *CS6M1: "You hear about differentiation through remuneration depending on how long you served on the board. But it all depends on whether you are*

able to stand for those people and be an example: "I do as I say". …All depends on you or your reputation."

CS5M1: "If you implement a good Corporate Social Responsibility, you have a good Corporate Social Responsibility, than people would respect the company and they will open their arms to you, basically. Rather than bloody money-maker, you know, etc., etc. If you are actually doing something for the community and people can see that, than you will have a massive support."

to the thoughts on whether the whole exercise is reduced to choosing between philanthropy versus paying taxes:

S1C1: "Because a lot of companies, some people, shareholders, may feel there is a stronger case for giving to a charity than giving to the government. So, I mean, that's a… That's possible. But it's not easy trying to be profitable. There is a lot of other things that are more important, primarily, to be successful. If we can't be successful, in the long time the outlook is… ah… can be detrimental. Social… People could loose their jobs, or their families are affected, uh… We would rather than pay 40% tax on a 100 thousand pounds, we would rather give 100 thousand pounds to a charity, you know. Or 40 thousand pounds to charity and reduce our corporation tax. I think, that's our… That's help."

The notion of disparagement of CSR was further voiced by other participants, notably SMEs' leaders. They characterised it as unimportant, or not necessary (note that these are the companies from CS-Responsible or CS-Responsive, but not CS-Rectitudinous group):

S6C1: "I think, if you are going around talking to smaller companies, they just think: "Oh, God, we are only a little company. It's not important to us"."

S7C1: "Well, that may be right [cutting CSR due to the credit crunch] and we would need to think exactly what these CSR costs are. Because I suppose I suffer from my own view of all of this because CSR costs are supposed to be embedded in the organisation. But you are probably right, for people who think of that as a "nice to have bolt-on", it isn't part of their core business, so let's cut it."

S1C1: "I think, purely the fact that you are in business, you can employ people and you can still produce a profit, and still contribute legally through tax contribution and so forth, it is a big impact. I think, things like sponsorship and charities are… It's an add-on, it is a bonus, something else that you as a company are throwing out there. I don't think it's by any means necessary."

Whereas other participants, again predominantly SMEs with one exception of a corporate subsidiary's CEO, called CSR a "disruption to normal routine", or even a "burden":

S2M1: "Speaking for myself, in the past it is one of those things when it happens, it is a disruption to your normal routine, to what you are normally doing… And as such can be of a pain.".

S5M1: "Uh, of the top of my head, I can't really think of a company that springs to mind and I would think: "My goodness, they are doing so well

because they are socially aware". The larger companies, the ones that kind of grab the headlines, but then I think you would take with a pinch of salt."

CS9C1: "That's, like I say, for this organisation, if you look quite closely, we only offer one sort of account. But if you feel a little bit better, you can put it in your work to add to the account of a charitable organisation rather than spread it too far. Then it might become a burden because you can't do it corporately because you got a day job to do."

On the contrary, the same participant, CS9C1, mentioned that participating in CSR does bring not only benefits for the company, but personal satisfaction as well, thus making it more attractive to be involved in these activities. This was echoed by another corporate business leader (note that their positive statements are referring to their philanthropic activities funded by the respective businesses' finances in particular, making it an outlet for their personal predisposition):

CS9C1: "On this type of things people get involved if they want to. We don't insist. It's been quite rewarding that it's been allowed for people to actually work with the [charitable organisation]. …they enjoy it and they tell their work mates that it gives them the sense of ownership, helps build up somebody's spirit. …It's more time efficient for a small organisation like us. But it's quite rewarding. … Just trying to invest a sense of Social Responsibility in pupils in their last years at school. I am thoroughly enjoying it. … I mean I don't do enough social work in my private life, I mean I do some. It makes me feel good to be involved in charitable organisations. It is nice in some way to feel supporting those kids …, to feel that you help them to become part of society. …I was very pleased with its design because it was dollar-effective. We got a lot of bang for your buck."

CS8M1: "But often we are doing much-much more than what're actually being paid for simply because they get something back from that. I get something back from that, from the role I occupy. And it's very satisfying to be actually given the opportunity to do something like because as an individual, I wouldn't be able to do it. As a member of this corporation, I've been able to do things that I wouldn't be able to otherwise."

Other participants' personal inclination to partaking in CSR affected their vision of not just taking CSR as a set of forced-upon activities, but becoming a part of the businesses' way of conduct, which, in their opinion, would lead to a wider CSR implementation:

C7M1: "I would like to say that my personal hope and my professional hope is that one day we would not have Corporate Responsibility departments in all organisations. That Corporate Responsibility becomes so commonplace, sort of part of daily operations that is not separated into a specific department required to ensure that the company meets the expectations and standards. So, uh, perhaps, that in several years down the road, or within my career lifetime Corporate Responsibility becomes operationalised within organisations that it's not seen as an add-on to business but the core to the business all around."

S6C1: "If everybody, every company did it's bit, it would be a huge impact."

256

S7C1: "…the bits of research you might need to do is what Corporate Social Responsibility means for this [total business management]. They should not be done at the end, built on to tick some boxes. They ought to be in your mind at the design stage. So, it ought to be part of the holistic management, if you like. …I think, [CSR] is part of running their business and a part of their long-term benefit of the community or the society, if you like, because if they are not doing it, they not going to sell their products, basically. It just takes a bit of time. So, hopefully, they get CSR incorporated into the main stream agenda, rather than being tapped on the edge and hiring one or two people trying to make things look green for example or make those people happier. It needs to be a way of thinking, not just a way of ticking boxes to satisfy particular groups."

As was illustrated herein, business leaders' relationships with CSR ranged widely from seeing it as a means for affecting companies' profits; through managing their relations with stakeholders; to satisfying their personal partiality in participating in these activities. It was important to explore if these relations are in any way connected to the boundaries of the oil and gas industry, the analysis of which is presented in the following section.

6.3.11 CSR Implementation in the Oil and Gas Industry

The Oil and Gas industry, being one of the most environmentally and socially sensitive (Godfrey, 2007), recently has witnessed the fall of its reputation even further (BusinessWire, 2008). Furthermore, research and monitoring organisations (e.g. Business Respect, 2008; McKinsey, 2008a; Wild Life Watch, 2008) report that the industry is continually experiencing a wide range of economic, environmental and social problems.

In these conditions, it was important to see if the local oil and gas business leaders are exposed to these issues, and, most importantly, how they address the disparity between their positive rhetoric about CSR in the industry and the problems it faces.

Regarding the general state of CSR in the industry, some respondents thought that the UK oil and gas industry is behind other countries with regard to CSR implementation:

S3C1: "The place that this [Sustainability Signature measurement] has been used extensively is New Zealand… And they are very excited about this process. They've been using it within their government to assess numerous things that the government wants to do, developing the signature and establishing which is going to be the better endeavour from a Corporate Social Responsibility. I think, there is probably a better awareness in New Zealand of the wider aspects. What they really do is not just about making

money. It's about how it is impacting for New Zealand, how creating jobs, affecting resources, affecting environment… I think there is a much greater awareness there than it is in Europe."

S8C1: "For example, carbon emissions, yah? Why don't we tax it? No, seriously, Norwegians did that. And what Norwegians do is completely different there. They are so environmentally aware! Because the government has made them that. Because it taxes them heavily on the emissions. And it puts them in a different place. It is an incredibly wealthy country, so they can afford that."

CS10M1: "In the UK historically it's been more about HS and E than the social responsibility side. [Corporation 10] have brought an emphasis on social responsibility, which is far higher than you would normally…that I am certain normally used to see."

CS9C1: "I believe that we could do more, specifically here in the UK. It's something that we do a lot of in Canada but UK…".

When asked to expand on the reasons why the UK oil and gas industry is lagging compared to other countries' CSR implementation, some respondents, predominantly SMEs', said they believed the industry is not interested in large CSR, or that the activities are not more than rhetoric without substance:

S4M1: "Because I think multinational companies are not interested in it [CSR]. National companies are interested in revenues… If you look at Aberdeen, Aberdeen has fine buildings, for example, the Music Hall, the Library, the Art Gallery, the Pittodry Hall. They were all produced by private money about a hundred years ago. When people in Aberdeen, wealthy people paid for this sort of things. But the oil industry has come in to Aberdeen, produced nothing and will leave [nothing]…"

S7C1: "There are some of them out there and people can cut costs and it will cost them money in the long run but they may save a bit of short-term money. Having said that, I think, certainly within [a global oil corporation], most people recognise that you actually have to do the social and environmental work."

S3C1: "How serious are some companies or other companies… They all produce really glossy brochures. What about the substance behind those glossy brochures? I am not totally convinced. … If you look at any… company's annual reports, I am pretty well sure you'll see ah… a few pages on sustainability and social responsibilities. But maybe it is just nice glossy words… But I don't know what's behind it…They say it but they don't actually do it."

The majority of others, both large corporations and SMEs, shared their concerns that the reason for a limited CSR is that there is no discussed and systematised approach to CSR among the industry's leaders:

S2M1: "Not really… No, not really [discussing CSR with other companies]…".

CS6M1: "Ah, I don't think there is something like that [CSR discussion in the industry] that I am aware of. I think some companies… I think if I were to mention something to [a company], or to someone from [another company]

or ask them what they are doing, for example: "What do you think about this event?" Or "What do you think about this experience", you know… "

S4M1: "I know that some people have a few things of their own but they don't have any… there isn't a corporate culture of giving back, I don't think in Aberdeen."

CS10M1: "I am not aware of it being well discussed. In UKOA we have a Health and Safety Committee, we have the Environment Committee, and endless other committees in UKOA, Oil and Gas UK as it's called now. I am not aware of anything that looks at the social responsibility side of the industry or represents the industry on the social responsibility footing. And that again could be the area where we could develop an industry voice instead of every one developing on their own."

S6C1: "Well, there is no discussion. I would say there is more competition. I mean, [one of the global corporations] probably lead the way, [another global corporation] had to join."

S7C1: "…in 2002-2003, several of us retired or moved on to other things and the emphasis [on sustainability and CSR] was gone and everybody was just focusing on their businesses. So, any collective will to do better was dissipated. But if you could encourage groups of industry leaders to do more, that would help, but it needs to be structural..."

This, in the opinions of particularly corporate participants, leads to a range of isolated instances of CSR:

CS6M1: "I think there is a lot of isolated [CSR] work going on."

C7M1: "If you even meet with an organisation with upstream considerations, downstream ones, the multi-national, international oil companies, the major companies, all the way down to the small oil companies, it isn't a consistent approach to dealing with these issues and we continue to face the challenges in assuming the standard approach to stakeholder consultations and issues' management. So, main companies have developed their own approaches, such as consulting with other industries, oil leaders, and best practices. We think we have fairly good structures. For the most part, the structures are similar in most companies but we could improve the performance if we were to come up with better generally accepted standard."

CS10M1: "Personally, because there is no industry group that discusses around Social Responsibility, I think, that is a part of the problem. If there was something like UK oil and gas committee then there will be less people who just go to the website. You just pick them off and there will be a person in each company. But it is… Because it is done in each individual company, there is not really a forum for discussion."

On the contrary, there are examples of opposite opinions on the CSR discussion taking place in the oil and gas industry, voiced by the corporate participants:

C7M1: "Within the oil and gas industry, there are literally dozens and dozens, uh, peer associations or oil organisations, associations where this dialogue is occurring. It is occurring at the highest levels, at almost every meeting or conference, they have some aspect of stakeholder consideration built into the agenda. So, it's definitely happening."

CS5M1: "Absolutely, that kinda rolls. You would be pulled in, sucked in, because if you don't, you are a square penny, basically. That's all, yah. We do."

CS9C1: "I see what's happening at [corporation 9] and I talked to some of my peers and get the feeling we get more business focused on how we get the money back."

Continuing the theme of the businesses' focus on how they balance CSR expenditures and financial return for organisations, voiced in the previous interview quote, it is possible to identify several key drivers for implementing CSR in the oil and gas industry, extracted from the participants' narratives and compared with the actual CSR activities demonstrated by respective organisations. These were categorised as Internal and External Drivers for CSR implementation and are presented in Figure 11.

Figure 11: Matrix of Key Internal and External Drivers for CSR Implementation in the UK Oil and Gas Industry.

Targets	Internal Drivers	External Drivers
Environmental Requirements	• Environmental vs. CSR Reporting; • Environmental Responsibility	• Legislative Scrutiny; • Growing Environmental Concerns;
Societal Expectations	• Social Legitimacy; • Self-Regulation; • Reporting Transparency and Compliance; • Implications of CSR Commitment;	• CSR Legislation; • Improvement of Perception; • Global Operations and Exposure;
Sustainability of Business	• Sustainable Workforce Supply via Education; • CSR / Ethics as Core Competence; • Appropriate Financial Allocations for CSR	• Sustainable Consumer Supply via Education; • CSR / Ethics as Differentiation; • Credibility with Legislators / Politicians

Source: Compiled by the author.

Regarding business' effort to achieve one of its most important targets, assurance of business sustainability, it is evident that there are efforts to bring CSR in to these activities, some of which are either charitable donations or direct participations in educational programmes. The driver behind these particular activities, based on the interviewees' statements and organisations' documentation, can be classified as two-fold – education of a younger generation about the oil and gas industry in order to secure a sustainable workforce, which is an internal business driver; and

education about the industry targeting a much wider audience in order to secure customers' loyalty to the oil and gas products and services:

> *CS6M1: "I think there is a lot going on and there is no going back. But I think there is a slight change in the direction of CSR. It is more about education because there is a high percentage of young people that need to be involved in the industry. …The earlier you start [educating], the more you tell about oil and gas and make it attractive, they might do a lot in there. A lot of it is collaboration. We are in competition with each other in this, certainly at our level. We certainly want to get elite graduates, MScs with global prospects, but we are not in competition. It all depends on how they see us, how we see their education continuing with us, how they can grow with us. So, it's all very closely connected to the education process. And the media are influencing it a lot. When they don't understand it, they are doing a lot of damage. We work very hard to get good people, certainly throughout the UK. We are looking in England and in Scotland but the bigger picture is global."*

> *S6C1: "It will enthuse the oil and gas industry as well because people think it's all dirty, horrible stuff. It's not, it's not like that."*

> *CS8M1: "So, the arguments we are using at the moment are about the security of supply, about the industry's and the domestic public's access to the hydrocarbons, about the consequences of importing hydrocarbons rather than being generated here. For example, the import of… If we say: "Let's have no oil and gas industry here, if North Sea is so important, let's not have oil and gas industry here. We will protect our environment. Then, what are the consequences of that? If we then to import Middle East crude, and consume it in the EU, we would actually be importing a higher sulphur hydrocarbon than we currently generate within the EU. So we may have lost some of the consequences for the environment from not extracting hydrocarbon, but we would have some consequences from shipping that material in and from that material being high in sulphur. So, that's the debate that goes on."*

Further implementation of CSR as part of achieving sustainability of business, is demonstrated through developing and advertising its CSR in the course of an appraised ethical conduct as a business' core competence, which would constitute an internal driver; or implementing CSR as part of an organisation's differentiation strategy, an external driver:

> *S5M1: "Frankly, Elina, they do look ultimately, at what a company is doing rather than just what profits they are generating and things like that."*

> *S6C1: "Probably, at least as important when you are trying to recruit, to bring people that are keen to work there because you've got a certain reputation."*

> *CS6M1: "If the people did not care about that [ethical responsibility], they would actually not go to work for someone who is not ethical. But it's our job to drive it to be responsible and to be very, very, very specific. So people could rely on you. They have to want to work for [the company]. "*

Another internal business sustainability driver for selecting CSR, particularly within SMEs in the industry, can be dictated by the respective

companies' defence against inappropriate pressure from certain public organisations for financial allocations for CSR:

> S6C1: "…what I would say is business should not be used as a replacement for what other organisations, councils and such like should be doing using our business and domestic taxes. That is a danger there and it happened in Aberdeen recently. Council comes under big budgetary problems and, I honestly think, it becomes quite cynical when the council deliberately chose to close down at least one thing, even more than one thing that they were hoping other people would offer to come in, pick up the bill for it. That's not right. Businesses should not be obliged to fill that gap. There are limits. CSR is not a substitute for raising taxes and spending that money on society in general."

Whereas another external driver can be derived from the activities relating to the establishment of credibility of business actions with politicians and legislators, whether through stakeholder management or widened education about the industry's impacts and contributions:

> CS8M1: "And one of the issues that we are dealing with now today is looking at what do we need to do in order to establish a credibility with politicians about our performance in ten years time. There are some politicians who want us to be discharging nothing. They actually want us to be zero dischargers. And if you say: "OK, we can achieve that, but what are the consequences of trying to achieve that? Is it technically to do so just now or is it something that stands too far?" That's the debate that's going on at the moment. Uh, and some of the arguments we are using there are around what would be the consequences for the EU not having an indigenous oil and gas industry of extracting European mineral resources."

> CS10M1: "We also give access to our installations to gather data [for marine environment research]. So, that's another piece of jigsaw that we work with. Again, that's related to our industry because it looks at the marine environment. We impact that environment. So, it's a well-founded area for us to be involved in."

This particular factor is closely connected to another set of internal and external drivers classified as achieving the environmental requirements in the industry. One such internal driver to meet environmental requirements is demonstrated through the participants' statements and their organisations' documental examples of their desire to improve CSR reporting and differentiate them from environmental reports (notice that both of these participants' backgrounds are in communications and marketing):

> C7M1: "Environmental Reporting, for example, has been around for a number of years. At least since the eighties. Corporate Responsibilities reporting has only been happening for the last, oh, seven or eight years. There were real motivators and early adopters around but it has been a relatively new phenomena."

> *CS6M1: "If you see other companies' CSR reports, you see that some of them produce more environment protection rather than social reports. Because that does not take that much to do it. And I spend my life trying to tell people that it is not just about the environment. That's the bit that I could take from the HSE. But my personal view is if you do something valuable, I think you should report about it."*

However, the approach behind implementing further CSR in order to meet environmental requirements, in turn, is closely connected to an external driver of compliance with continuously increasing public and legislative scrutiny:

> *S7C1: "To work out what it means when carbon pricing seriously comes into effect, so the price of fossil fuels, or the cost of burning fossil fuels steadily increases, and governments take that action, that requires in itself a re-think of economic models and strategies."*
>
> *CS6M1: "Because of the type of business we are under intense scrutiny... I think, purely personally, if you look where the money comes from, where the pressure comes from, maybe they are under greater scrutiny, that's where the biggest drives might come from."*
>
> *S5M1: "Uh, you know, the legislation that was put in place by many governments that, you know, you will not just come into our countries to get the oil and leave us with a huge mess to be left with. Companies are now choosing to be the operators in countries, where they are going to be environmentally, health and safety conscience as an operator as well as working in the community. Training the community, training local staff, you know, doing all the community liaison, building the schools, getting people in to education so they can be employed themselves. I mean, it's been a huge, huge thing there and I think you know it's very much needed and very welcomed. For too long, you know, these countries were taken off what they have and the time is that the companies put back in to the country."*
>
> *CS10M1: "I think it's on the rise. It's something that's becoming more prevalent and higher profile that it was let's say ten years ago. I'd say even five years ago."*

The theme of increasing public and legislative inquiry is connected with another external driver for CSR implementation, where growing environmental concerns of governmental and public organisations result in increased pressure on the oil and gas industry leaders to operate much more sensitively:

> *CS2M1: "This notion has been very important within the oil and gas industry for many years, particularly so in the last several years because of increased concerns about the environment."*
>
> *S6C1: "Obviously, there are a lot of people who don't want to do it and we don't make them do it. And when it comes to the environment, there are some people that still doubt that it is important. But we do, we think, it is important."*
>
> *S7C1: "We live in a very interesting time right now. But if the rhetoric about global warming, which I think is inevitably going to increase, and I think, the science, it's never going to be definitive, but it's pretty clear already, I think that global warming, if we don't do something radical in the next two*

decades, than the chances of really damaging the planet, from a human prospective, is very-very high. We have no way back."

This is further demonstrated in the participants' understanding that society expects them to act responsibly, which results in a more evident prevention of previous environmental failures as part of managing stakeholders' expectations, an internal driver:

> C7M1: *"I think there are growing expectations by the public at large for all companies to operate in a responsible way and higher standards of performance."*
>
> S6C1: *"Oh yes. Yes, it is, very much. I think, with [one of the global corporations] particularly. [That corporation] really made a lot of good. I think, it was a reaction to a couple of things. It was a reaction to some of the trouble they had in [another country], or something with [an offshore installations]. Do you remember that? It seems everybody was making a case study on [that offshore installation]."*

Expanding the theme of stakeholders' expectations beyond environmental concerns, other internal and external drivers for CSR implementations in the oil and gas industry were grouped as businesses' need to meet societal expectations. One of the internal drivers for this is the industry's objective to succeed in assuring social legitimacy, whether through educational programmes; donations to or participations in community projects; or adhering to their corporate governance throughout their global operations:

> S2M1: *"I suspect, they [larger conglomerations] have very strong views why they've got to be seen to be doing a lot of this stuff purely for public relations."*
>
> CS6M1: *"So we are establishing ourselves back in the community, feeding back that they can see that we support them in their endeavours and we are generous where we can be. And they begin to get that so might be joining them in other efforts and tell other people about it."*
>
> S3C1: *"I think, any company wants to be seen to be socially responsible. I don't believe there is any company that does not care. What I would say is people care to different degrees. Yah. And that's the way it is."*
>
> CS5M1: *"I agree that they would not give all the money to local charities. I mean there is a certain amount they would want to go elsewhere. Because they want to be seen to be fair, and that's all a part of the parcel, the core values and trying to keep a balanced approach to everything. We have to be showing that we are squeaky clean. We're an [international] company working worldwide …".*
>
> S6C1: *"It's seen as getting a competitive edge. …it all comes back to what I was saying about schools and the oil industry had a very bad image and quite rightly. And every oil and gas company and every service company want to have a better image."*

One of the external factors affecting the industry in CSR implementation with regard to meeting societal expectations was voiced by

the participants through their outlook on the further increase in CSR legislation and their collaboration in this matter:

> CS6M1: "I think the government is thinking about it [CSR legislation]. It is clearly on the rise because Gordon Brown introduced financial review of agriculture and other industries. I am not sure they will get at it yet."
>
> S7C1: "…incentives are good if properly targeted and sticks are necessary. And ideally, you don't use them very often but the point of the stick is that somebody hopefully does not actually require you to use the stick. But carrots, governmentally, yes, and the tax system can do that. It has been doing it in areas like renewable obligations, like taking a bit of money form the fossil fuels and channelling them into the renewable energy and some of these things, they can work. We just some how need to make them more integrated and joined up, and to reduce the conflicts within the system."

However, this highlights the opposite thoughts of the participants, as an internal driver, where they thought that an increased CSR legislation or monitoring is not necessary or will be too difficult to achieve, thus promoting self-regulation with regard to CSR, particularly regarding the choice of activities and budgets:

> CS6M1: "…the problem is if you regulate it to do it this way, this way, this way, it would be difficult to spot the change. I don't think we need it. We are over-regulated. …We have to work on a daily basis; a lot of companies are already hassled too much. You don't need another someone to tell you what and how to do. You know you need to produce and make a profit and all of a sudden someone from outside comes along and creates a whole industry, that's just not necessary. Everybody needs a watchdog in one way or the other but you need to be responsible for yourself."
>
> S4M1: "As I say, if you want to legislate it to make it happened, the way to do it is to make a tax benefit for the company to select."
>
> S6C1: "Uh, I don't know. I can never make up my mind. Sometimes I do believe that in some things there is not enough regulation. I am not sure this is an example. … The trouble with doing it through regulation is people just do it because they have to. They will lip service because they have to. "

The defence against CSR activities being more regulated, particularly CSR reporting, in favour of a self-regulated, and thus more meaningful approach, is demonstrated further as an external driver:

> CS6M1: " [CSR regulated reporting] will really bring up the things that make you look better. I guess in the future you will need to be prepared. If it's gone wrong, you need to investigate it and come up with solutions. If you have a lot of money, you have more ways and a lot more opportunities to do a big job. But to make it responsibly is a lot more difficult."
>
> S6C1: "They don't think about it and they don't necessarily do it properly. I think it is better if people do it because they realise that it is good for them in the end."

Whereas the participants' thoughts on the content of CSR reports being dictated by the internal, business–driven interests, despite increased

social pressure for disclosure, demonstrate their cautious, reactive attitude to compliance and transparency:

> S7C1: "The disadvantage in indexing is that a lot of, some of the measurements are quite poor, probably, and, certainly now, having sat outside [an oil corporation] for a while, it can create an illusion in terms of people that are doing quite well, that they are doing much better than they are. And [an oil corporation] scores quite highly in CSR, or sustainable development reports. To some extend, for good reasons it has been reporting on environmental and social issues for some time. But because they are doing well, it kind of reinforces their status quo, which is: "Well, we've been [an oil corporation]"."

> CS8M1: "It's absolutely on the rise and, uh, uh… I think society has moved probably within the last 10 or 15 years to the point of… Where in the past, society would generally say: "They know what they are doing, we'll let them get on with it." To the uh… I think, we've actually moved through the point of "Tell us what you are doing so we understand it" to a situation "We demand you tell us what you are doing because it's our business, it's our globe as well." Uh, I think some of the things that happened, uh…, some environmental events but also some other, like Enron and so on, that we've moved to the point where society is not going to be satisfied unless it gets the truth."

> CS6M1: " [CSR regulated reporting] will really bring up the things that make you look better. I guess in the future you will need to be prepared. If it's gone wrong, you need to investigate it and come up with solutions. If you have a lot of money, you have more ways and a lot more opportunities to do a big job. But to make it responsibly is a lot more difficult. "CS6M1: "I guess it [CSR regulating] aids the transparency. But you really need to show as much as you need to show."

However, when the improvement of social perception of their companies plays a part, as an external driver, the participants emphasised the necessity to address the issue of the industry's failing reputation, either through their reporting, or a wider dialogue with stakeholders:

> CS6M1: "And if you do it, create any awareness, any understanding that you can at all, that you have budget… But the thing is to make sure that we make our people understand that we are CSR driven. And it is not that easy but it has to be a norm. It has to work all the way to the top starting from the lower level manager. Because you can't move forward without the support of the entire hierarchy."

> CS8M1: "This industry, like it or not, is not seen as an attractive industry. It's seen as an industry that does not have a long-term future but I think hydrocarbons are going to be here for a very long time. Even after we have alternative energy sources, hydrocarbons are still going to be used for other things. And so, society needs… We need to have a conversation, we need to be honest about, you know, how do we address the issue that we all got very used to with life that relies on hydrocarbons and what are we as society and what are we as individuals are going to do to make it different. And we can't say: "It's oil and gas industry's fault"."

The theme of elevated CSR in the industry due to its global exposure, as an external driver, is continued further:

C7M1: "Because we are active in so many places in the world, because oil and gas are true global commodities of the economies around the world, I would say yes [pressured by stakeholders]. There is mining industry, very similar to us, pharmaceuticals, they go down the list, and we are not along in being industry-specific stakeholders' concerns."

However, contrary to that, another internal driver for implementing CSR as a response to societal expectation became evident as the leaders' selection of such activities based on forthcoming implications to their companies, a much more pragmatic approach resulting in further controlled balance between companies' CSR expenditures and profit maximisation:

CS6M1: "…Coming back to the legislation, I think a lot of companies are doing things based on what it involves and what the implications are."

S4M1: "I think it is a matter of time and means as well because what most companies don't like to have is an obligation that stretches in time, say for years. They can only think "Well, I am gonna get this much money in this year and I have all these expenses. So, the difference is this and I will give this much of that difference to a charity but I don't want to be committed to do that for year after year."

S7C1: "The biggest single variable is time because your fiduciary duty to maximise profits, if you take a view, if you take a ten-twenty year view of that, I think, there are a lot of things that most businesses need to do better than they are currently doing in the social and environmental sphere, if you like, covered by CSR. They are things that, there are compelling economic reasons for doing those things; they are just not immediate; they are not this quarter."

Other statements stipulate that bigger companies are much more committed to CSR, as the participants understand it, thus confirming the financial, resource-based or overall structure-dictated controls on CSR implementation in SMEs:

S1C1: "I think, in general, if you are studying oil field, services companies, I think, you will probably find some of the bigger companies are doing a lot more. More than in most other industries."

S6C1: "…generally, it tends to be a bigger companies' issue. We could say that it's purely for image reasons but I don't think. I think, there is more to it. There should be more than that sake of looking at it. In big organisations, it will be people there to do something that they have to do."

CS6M1: "Again, there are other organisations that have two or three people who would do nothing but CSR, creating programmes to coincide with the business requirements; they have a whole year to petition for different things. Yah, there are all sorts of things you could do if you have a budget and a margin. So, they could walk in and look at your environment and they will compare the idea year in and year out and decide what line to go down to."

Furthermore, some participants underlined not only limited CSR implementation in the oil and gas industry, but also pointed out that at

times the industry can be blamed for creating social problems, particularly with regard to local communities:

> S4M1: "But the oil industry has come in to Aberdeen, produced nothing and will leave Aberdeen leaving just nothing or a mess. And that's their nature. I think the world is like that all the way now. It's not local people. I know big companies have a budget to spend money and they decide how to spend it and so on. And often it does not involve Aberdeen at all. It involves, I don't know, something in London, perhaps because that's where is their head office is. So, I think it is a shame. Myself, I think if we take out of Aberdeen, we should give it back to the community but that does not tend to happen."

> S7C1: "We've been partially successful in that but it certainly does not help that [an oil corporation], the top executives of [an oil corporation], are thinking they are doing well in Sustainability and CSR, that they are one of the best companies. They are in the top five whenever it's measured. So, it hasn't helped me and they're others, trying to have a much higher aspiration. And in a way, if you are one of the best performers amongst a bunch of people who don't perform well at all, is that good enough? Not really. … We could be where we are not an inch or two above the others; we could be a foot above. We want to inspire to be a foot above, which in the long run would result in a better and more profitable business, I would assert."

> S5M1: "I think, Aberdeen is a huge example. I still think that in Aberdeen, uh, you know, there are parts of the city that are parts of community that are really left behind by the oil and gas industry. I mean, the oil and gas industry is the heart of Aberdeen in many ways and it's responsible for lot of local employment. But it's also responsible for rocketing house prices where fishermen can't buy houses."

On the contrary, other participants thought that the oil and gas industry is leading in CSR implementation and that it is one of the most committed and generous industries, albeit without a structured approach in this matter:

> C7M1: "I would consider oil and gas among the leading industries, uh, facing CR related pressures because we are so big and because this industry is so diverse."

> CS10M1: "…to me it will always be a difficult one. Each company sort of does their own thing and there is no collective direction or programmes that companies are looking to do. You would not want the total perception of funding but it might help if there is some sort of central coordination so we could maybe better use our resources."

> S1C1: "I think, the oil industry, probably is one of the more generous sectors of business with regards to giving back and supporting the environment, I would like to think, as oppose to the, perhaps, the retail business would be quite strong in that area but there are other sectors of businesses that, perhaps, could contribute more but, perhaps, don't, you know. … Obviously, I am not speaking from my own experience because we are small and limited, but you see a lot of the oil companies and major service companies. … you see a lot of these companies donating quite highly to good causes and you read about it in newspapers. They organise a run, or some event or something to raise funds to… to put back into the society."

Considering such a diverse range of opinions regarding CSR implementation in the industry, it was not surprising that some leaders believe that more socially responsible actions are required from the oil industry, and moreover, a more consistent dialogue is needed on this subject:

> S5M1: "I think, at the social level, there are still problems there that aren't necessarily being addressed or resolved."

> CS10M1: "Yes, they are developing [CSR programmes]… What we need to do is perhaps generate some sort of forum where we can talk because companies tend to operate in isolation. They do their own bit. And there would be similarity. Having a forum that companies and perhaps schools can meet up and exchange what's been going well and what perhaps does not go well. It would help us in how to develop the support we provide."

Furthermore, taking into account the interviewees' observations that the oil and gas industry needs to unlock its potential in CSR implementation, it was important to analyse the participants' attitude to the actual CSR expenditures in the current economic conditions. The leaders' opinions on CSR growth versus its curtailment in the environment of financial downturn is analysed in the following section.

6.3.12 CSR Development

Considering some participants' statements on CSR as a demonstration of a company's financial surplus, it was interesting to compare their thoughts on the development of CSR in the oil and gas industry within the environment of economic crisis, which some believe may have a direct negative effect on CSR funding. However, perhaps not surprisingly, only one interviewee (note that he is an SMEs' manager) stated that CSR may already be on the decline:

> S4M1: "I think, it is less actually now than it was before."

whereas others thought that it is either level with previous years:

> CS2M1: "About the same level of involvement as in pervious years."

> CS3C1: "About the same."

> S5M1: "Uh, I am not convinced it is on the rise. Uh, I would say, the companies are taking it for granted that they are probably doing OK. You know, I'll use [UK oil corporation] as an example. They operate … really close to shore. So, it is so important what they are doing there. They have dramatic effect on community. But when they first started building their operations, they really did not speak with anybody about what they were doing and there was a huge community uproar and it really took them ages

to get, you know, the social responsibility side of things in place and get community on board. But subsequently, they've done tremendous things there."

or, as a clear majority of the participants, both corporate and SMEs, said, CSR is on the rise:

CS2M1: "we produced an Environment Report this year for the first time, uh, and I am hoping to incorporate it into that. Because I think it is important that we are much more systematic in the way to tell our own people about what we are doing and why we are doing it, involve our partners and also look for more opportunities to extend. But that's a very sophisticated and joined-up approach and we are nowhere ready to do it. The winning would be there if I spent all my life doing CSR because the other thing is to look at is that we are looking at environmental issues as well. … I foresee this matter being an increased concern for both companies and policy makers around the world."

S3C1: "Oh, certainly it's on the rise. I am not sure how… I need to watch what I am saying here… How serious are some companies or other companies…"

CS4M1: "Over the years I have seen corporate cognizance of the need for social responsibility increasing, and I think the generosity of companies has also increased over time. I think there will be more interaction between businesses and local communities to develop projects and programs that will benefit the communities in general."

S5M1: "It is probably on the rise because it is something, I think, probably is on everybody's mind. It is becoming more and more part of every day life. So, it's probably on the rise. …certainly in the timeframe that I am involved in the energy sector, I think I has become more socially aware."

CS10M1: "At the moment the Social Responsibility side is in its embryonic stage in the UK but it is very well developed [overseas] because the operations [corporation 10] have [there] are all onshore operations in large sensitive populations and they do a lot of social responsibility there. …in our [UK subsidiary] it is on the rise. But in [overseas headquarters] it is probably well established."

Some participants believe, although with cynicism, that CSR is here to stay because it is a natural part of doing business:

S2M1 – "But it is a part of their [oil corporations] doing business. … But I am being a bit old and cynical, but it is one way of looking at it"

CS3C1: "CSR is something that all good businesses do naturally."

whereas others sound more pragmatic about CSR growth, believing that it is inevitable:

CS1C1: "CSR is on the rise and it will be inevitable for all companies to contribute back to the society."

S7C1: "…the opinion, well, the laws of governments, people's awareness of the problem are going to change. So, that social awareness and environmental awareness is going to increase. And if companies have not planned 5 years in advance they are going to struggle and they are going to bust on a ten to twenty year view. So, for me, the CSR challenges are actually economic challenges as well, they are just not tomorrow."

270

C7M1: "…the awareness of Corporate Responsibility and activities by the company and by the public at large is increasing. I think, uh, companies have always been, for a lot longer, been responsibly managing stakeholder issues. …I think the slow and steady approaches are the most appropriate, i.e. I often tell people that accounting standards took five hundred years to evolve to what they are today and we still see scandals with the accounting practices within the largest companies in the world. I think that it's a slow process and it will continue to evolve. I think even in the short time that CR has been as a corporate agenda, … we've taken quite a leap forward … most important issues have already been indeed amalgamated by companies but now it's going to be more gradual approach to ensuring that we adhere to and meet most of those requirements and needs, and we continue to be a profitable business and that's a tough task to manage and to juggle."

As can be seen from these statements, some participants demonstrate a growing awareness of CSR and acceptance of its inevitability. Although there is ambiguity in its understanding and a general lack of a clear approach to CSR implementation, there is strong recognition of the growth of CSR institutionalisation. However, despite the positive rhetoric of the majority of the participants with regard to CSR development, only future monitoring of their actions, and the nature of these activities, can confirm or refute their stated attitudes.

Further discussion of the data analysis' findings is presented in the following chapter.

6.4 Summary of Data Analysis Results

The analyses of the participants' interviews and their respective companies' documentations yielded various key findings, which are grouped around results found in both corporate and SMEs' contexts, specific only to corporate companies; or pertinent only to SMEs.

6.4.1 Data Results – Shared Key Findings

The participants from both corporate and SME organisations, based on their understanding, offered a wide range of CSR definitions varying from philanthropy as charitable donations to recycling; from compliance with legislation to environmental protection. However, there were some statements emphasising the lack of a clear understanding of the term "CSR" or attempts to replace it with other terms. Examples include: Sustainability; Corporate Responsibility; Social Programmes; or Community Projects.

Both corporate and SMEs' business leaders expressed their awareness of CSR bringing benefit to their operations. This is supported by their statements on the link between CSR implementation and, among others, the financial benefits; increase in brand recognition; maintaining or improving company's image; assisting with lobbying for new legislative norms and regulations; attracting or retaining best workforce; and assuring customers' loyalty   (e.g. interviews with S2M1; S3M1; S6M1; CS6M1; CS5M1; C7M1; CS8M1 and CS9M1).

To substantiate these attitudes to finding benefits in implementing CSR, analysis of the participating companies' documentation and their leaders' interviews was also conducted. The results revealed that actual CSR implementation mostly is demonstrated through charitable types of activities; compliance with environmental, fiscal or other legislation; educational programmes; development of sustainable technologies or renewable energy.   In general, the majority of the studied organisations act within either one of two CS-Responsible or CS-Responsive dimensions. Only few demonstrated that they are at a level of CS-Rectitudinous attitude, which could have a much greater effect on the further development of CSR.

As one of possible explanations of this situation, a pattern was found of both corporate and SMEs' participants' describing or referring to CSR as a "give-receive" transaction (e.g. CS2M1; CS4M1; S4M1; S1C1; CS5M1; CS9M1; CS10M1). This was voiced by the participants from the CS-Responsible or CS-Responsive groups. Whereas the participants from the CS-Rectitudinous group firmly referred to their CSR actions in terms of developing, implementing or promoting CSR understanding within the industry and society at large.

Regarding the theme of the rise in governmental and/or societal scrutiny, the majority of the participants' statements opposed the increase in CSR regulation or legislation, speculating that it could result in curtailment of the UK oil and gas industries' competitiveness; unwillingness of companies to implement CSR beyond regulatory requirements; or potential adverse effects on businesses.

However, several participants emphasised that an introduction of a best-practices approach or industry-related CSR benchmarking system

could positively affect further CSR institutionalisation in the oil and gas sector.

Continuing with the theme of the oil and gas industry's environment, more evidence emerged of industry standards influencing oil and gas companies' CSR implementation, particularly through legislative norms and regulations; companies' peer–to-peer discussions; or generally acceptable practices of sharing knowledge and experiences in CSR implementation in both corporate and SMEs' environments.

The majority of CSR activities are closely linked to the oil and gas industry, whether through community projects, charitable activities, personnel wellbeing programmes, sustainability or environmental-protection related activities.

Stakeholder management, with regard to CSR institutionalisation, varies in corporations and SMEs, particularly concerning the complexity of their relationships with relevant stakeholders.

Further features of CSR institutionalisation pertinent to the corporate environment are presented in the following section.

6.4.2 Data Results – Corporate Key Findings

As was mentioned before, stakeholder management in corporations is a much more complicated process than in SMEs. This is due to the complexity of actual stakeholders' identification; their intrinsic or extrinsic effect on the companies; and the strategies these companies adopt in managing their relationships with these individuals and organisations. As a reflection of this structure, CSR decisions predominantly are bottom-to-top in corporations with various highly influencing individuals and organisations in direct or indirect contact with the head decision-maker.

Another difference between CSR implementation in the oil and gas large companies and SMEs emerged as evidence of additional motivations for CSR in corporations. These include: educating and developing the younger generation as a sustainable source of loyal workforce and/or customers; increasing influence on creating societal and legislative norms and regulations; and upsurge in CSR reporting (albeit referred to by some

participants as "unconvincing") resulting from the rising pressure of being favoured by increasing CSR measuring and certifying organisations.

Although CSR reporting in corporations is on the increase, it is often presented on an ad-hoc basis, frequently containing mostly environmental, accounting or HSE compliance overview.

Other specific features of CSR implementation in corporations include emerging evidence of attitudes to CSR, for example: employment of CSR as a rising core competence, whether through differentiation, new technologies, improved personnel policies or other paths; additional proactive communication activities to manage shareholders' expectations balancing shareholder value and CSR costs.

In addition, the participants, particularly corporate business leaders, mentioned the need for better information about where businesses can demonstrate CSR; establishing better communication between business and society on CSR possibilities and opportunities.

However, several corporate subsidiaries' leaders demonstrated attitudes towards CSR similar to those of SMEs', particularly with regard to resource limitations and allocations versus expenditures for CSR implementation; lack of knowledge about CSR and its benefits; an opinion that CSR should not be perceived by society as a core business competence of the oil and gas corporations; and that they should not be expected always to step in instead of appropriate governmental or not-for-profit organisations.

Similar sentiments can be found in the SMEs' leaders' statements, among others, which are summarised in the following section.

6.4.3 Data Results – SMEs Key Findings

The analyses of the participating SMEs' leaders' interviews and their respective enterprises' documentation found that the majority of SMEs act only in one or two CSR dimensions, philanthropic, in-house staffing policies, or governance type activities.

If in corporations CSR decisions were mostly made in a bottom-to-top formation, in SMEs CSR-related decisions predominantly are structured top-

to-bottom due to their often-simplified organisational hierarchy and/or limited stakeholder exposure.

In contrast to additional corporate motivations for CSR implementation, in SMEs these include: CSR-related activities are being regarded as a form of reward for or recognition of employees' performance; and demonstrations of CSR as a form of external communication for raising company's profile as part of securing potential profits.

Whereas emerging evidence of attitudes to CSR in SMEs includes: considering CSR as an obstacle to every-day business, strongly emphasising SMEs' adherence to the short-term economic bottom line; expressing strong preferences to the lack of formal guidelines, which is reflected in the variability of CSR implementation.

Concerning the theme on CSR reporting, SMEs did not see this as a necessity due to their perception of a minimal exposure to shareholders and further to stakeholders, confirming strong preference to self-regulation with regard to CSR legislation and reporting.

Regarding future CSR development, current economic downturn singles out financial considerations as becoming the most common decisive factor in CSR decision-making, particularly in SMEs.

Further discussion of the overall research findings is presented in the following chapter 7 Discussion.

6.5 Summary of Chapter 6

This chapter presented the overview of the participants of this research with commenting on their educational and professional backgrounds; positions within organisations; managerial and CSR-related experiences where appropriate. It has also outlined the results of the interviews' and respective companies' documentation analyses covering the areas of research into the participants' understanding of CSR; their attitudes toward its development and implementation, particularly with respect to the CSR decision-making processes in corporations and SMEs; CSR institutionalisation in the oil and gas industry's environment and its future.

The following chapter introduces the discussion of the data analysis results with regard to the literature review findings, previously presented in

the CSR Literature Review chapter 2 and the Leadership Literature Review chapter 3.

Chapter 7: Discussion

7.1 Chapter Introduction

The analyses of the organisations' documentation and in-depth interviews with the participants yielded empirical results that are evaluated against the literature review findings. These were grouped into the themes of: CSR understanding by the participants and its implementation in the studied organisations; the legislative context for CSR institutionalisation and CSR reporting; issues with stakeholder management in corporations and SMEs with regard to CSR implementation; motivations for CSR implementation in corporations and SMEs; the relationships between various levels of values and ethics, and CSR decision-making; and the status of CSR institutionalisation in the UK oil and gas industry. These themes surfaced from analysing the empirical data, presented in the previous chapter 6, Data Analysis Results.

The following chapter 7 presents a synthesis of previous theoretical studies of the subject and the actual findings of the research structured around the above mentioned themes.

7.2 Discussion

7.2.1 CSR Understanding

Previous academic research (e.g. Bowen, 1953; Frederick, 1960; Andrews, 1971; Davis, 1973; Fatehi, 1996; Baker, 2003; Kotler and Lee, 2005; Campbell, 2007) collectively defined CSR as a set of business activities that go beyond legislated requirements in improving society's wellbeing through ethically and responsibly conducted operations. Prominent authors (e.g. Sethi, 1975; Jones, 1980; Carroll, 1979, 1991, 1999; Wood, 1991) proposed defining CSR as a set of economic, legal, ethical and discretional business activities aimed toward conforming with societal norms, values and expectations through corporate behaviour affected by conformity with social obligations, responsibilities or responsiveness. This approach presupposes that businesses are to adopt a balanced, objective, and all-inclusive understanding of CSR.

However, when compared with the empirical findings of the data analysis, it became clear that businesses, through their leaders' statements and organisations' published documentation, have a divergent understanding of CSR. Based on studied organisations' actual definitions of the term, examples of which were discussed in the previous chapter, it is possible to stipulate that business leaders possess a highly operationalised, limited, subjective, and at times uninformed understanding of the term "Corporate Social Responsibility", including the lack of awareness of the exact set of responsibilities societally expected of business.

Furthermore, there were examples of the studied organisations' initiatives to replace the term "CSR" with, inter alia, either "Environment Protection"; "Accountability"; "Sustainability"; "Social Programmes"; or "Community Projects", exhibiting the driver to reassign the nature of CSR dependent on internal or external pressures. This confirms suppositions that business' CSR understanding is highly affected by its evaluation of stakeholders' expectations and their engagement (Dawkins and Lewis, 2003; Carroll, 2004; McWilliams et al., 2006).

Regarding philanthropic interpretations of CSR, there is clear empirical evidence that the majority of the participants, although occasionally using the term "philanthropy" to describe their CSR activities as in charitable donations, were aware of the differences between the two concepts, as was characterised by Carroll (1979, 1991).

However, in contrast to Hess et al.'s (2002) and Kakabadse et al.'s (2005) suppositions of wider acceptance of defining social responsibilities as Corporate Social Initiatives (CSI), there was no strong empirical evidence found to support the assumption of CSI becoming more present in current business' CSR terminology.

With regard to Frederick's (1998) suggestion of the necessity to move away from organisational, social and philosophical grounds for the understanding of CSR, its aspects and nature, there was no wide empirical evidence found to support his views on cosmological and religious components of CSR, with the exception of very few participants expressing a view of interconnectedness of ethicality of actions, responsibility, and sensibility. Contrary to Frederick's (1998) proposal to view CSR as a subject for highly philosophical and idealistic exploration, the participants

demonstrated a grounded, instrumental, and at times pragmatic approach to this topic. This approach to the understanding of CSR by the participants conforms to Roberts' (2003) supposition that ethical grounds are less philosophical and more sensible. This is also consistent with Levinas' (1991) postulate that individuals' actions are predominantly guided by formulations of one's sensibilities towards one's surroundings and other individuals.

This identified disparity contributes to the explanation of divergence in academic and business understanding of CSR as a phenomenon.

Going back to Frederick's (1998) proposition to widen CSR understanding, where cosmological and religious contentions of business' understanding of CSR have been prominently absent from the empirical findings of this research, scientific arguments, on the other hand, albeit limitedly, are beginning to be accepted by business leaders as grounds for CSR in terms of environment protection, resource sustainability, and prevention of further effects of climate change. The increase in the significance of these scientific grounds for CSR is partially due to the activities of environmental campaigners and scientists, together with pressure groups, influencing businesses to become more socially responsible in their operations, which is in conformance with Frederick's (1998) proposition to include scientific components into developing CSR understanding. These developments are exhibited in most of the studied organisations.

However, only very few organisations, particularly large oil and gas corporations with a structured, strategic approach to CSR implementation (Baron, 2001), demonstrated awareness of the inclusiveness of all levels and aspects of CSR (as in Carroll, 1999, 2000; Wood, 1991). Whereas leaders of SMEs and smaller corporations' subsidiaries expressed predominantly highly personalised, one-dimensional, and at-times inconsequential understanding of the term.

In addition to synthesising individual empirical findings with the theoretical framework, it is possible to draw the relationships and influences between various key theoretical concepts, highlighted by these empirical findings, as presented in Figure 12 CSR Understanding.

Figure 12: CSR Understanding: Theoretical Framework and Empirical Findings.

Key: Each topic in this diagram represents empirical variation or conformance with underpinning theoretical concepts.

Arrows demonstrate interconnectivity between various concepts.

CSR Understanding
Corporate Four-tiered vs SMEs Two-tiered (Carroll, 1979, 1991)
Term CSR rather than CSI (Hess et al, 2002; Kakabadse et al 2005)
Active scientific vs dormant religious or philosophical (Frederick, 1998)
Sensible, applied and practical rather than philosophical, abstract and theoretical (Levinas, 1991 & Roberts, 2003)
Conformance with stakeholders' expectations (Dawkins and Lewis, 2003; Carroll, 2004; McWilliams et al., 2006)
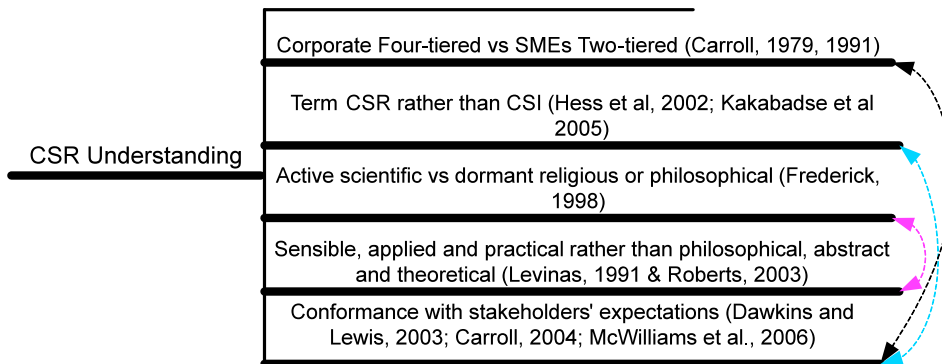
Source: Compiled by the author.

As can be seen from this figure, the fact that the term Corporate Social Investment (as in Hess et al., 2002; and Kakabadse et al., 2005) does not seem to gain a wider application, can be explained by an increase in businesses' understanding of the importance of recognition of their stakeholders' expectations (as in Dawkins and Lewis, 2003; Carroll, 1979, 1991, 2004; McWilliams et al., 2006), which is reflected more in a term Corporate Social Responsibilities. On the other hand, business leaders' practical understanding of CSR, rooted in more sensible and applied approaches, and less in abstract and philosophical contemplations (Levinas, 1991; Roberts, 2003), can be linked to Frederick's (1998) suppositions of scientific grounds for the increase of CSR, and not to its bases in religious, or philosophical propositions (ibid.).

To summarise the differences between CSR understandings in corporations, corporate subsidiaries and SMEs, highlighted by the empirical exploration, the following table (Table 29) presents a more detailed synthesis of the existing literature and empirical findings as contributions of this study in this area of knowledge.

Table 29: Contributions to Knowledge in CSR Understanding

Theories / Concepts / Empirical Findings	Corporate CSR Understanding	Corporate Subsidiaries' CSR Understanding	SMEs' CSR Understanding
Empirical Findings			
CSR Understanding	Significantly varies from limited, subjective, instrumental, to proactive and inclusive of a wide range of aspects and issues.	Significantly varies from operationalised, conforming to corporate directives, limited, and subjective, to indigenous, proactive, and inventive.	Varies from one-dimensional, subjective, uninformed, lacking awareness, to proactive, inventive, and creative.
	Reoccurring theme of the lack of clarity in the understanding of the term CSR, its construct, implications, and significance.		
CSR Development	Highly affected by global share- and stakeholders' demands and expectations.	Highly affected by all three dimensions: global share- and stakeholders demands; local stakeholders' expectations; and business leaders' personal CSR awareness.	Highly affected by leaders' personal CSR awareness and commitment; and shareholders' expectations, with limited stakeholders' recognition.
Theoretical Findings			
Levinas' (1991) and Roberts' sensibility vs. philosophy as roots for moral grounds (2003)	Evidence of conformity with suppositions on moral grounds for the understanding of ethical actions, extended to CSR, being rooted in sensibility rather than in philosophy.		
Frederick's proposed dimensions of CSR understanding through cosmology, religion, and science (1998)	Evidence of a growing understanding and acceptance of the scientific dimension of CSR. However, no evidence of philosophical, religious, or cosmological dimensions in the participants' understanding of CSR.		
Hess et al.'s (2002) and Kakabadse et al.'s (2005) supposition on wider use of Corporate Social Investments	No evidence of wider use of the term Corporate Social Investment.		
Dawkins and Lewis, 2003; Carroll, 2004; McWilliams et al., 2006 –	CSR is predominantly referred to as "Environment Protection"; "Accountability"; "Sustainability"; "Social Programmes"; or "Community Projects", emphasising conformity with stakeholders' demands and expectations.		

CSR as conformity with stakeholders' demands			
Carroll's (1979, 1991, 2004) four-tired CSR structure	Evidence of increasing awareness of four-tiered CSR construct (economic, legal, ethical, and discretionary); and of a growing differentiation between the concepts of philanthropy and wider CSR.	Evidence of increasing awareness of four-tiered CSR construct, and of a growing differentiation between the concepts of philanthropy and wider CSR.	Evidence of limited to, at-times, two-tiered CSR construct (economic and legal) with fewer examples of four-tiered construct; limited differentiation between the concepts of philanthropy and wider CSR.

Source: Compiled by the author.

The comparison between corporate, subsidiaries' and SMEs' understanding of CSR, does exhibit some commonalities (i.e. applicability of various concepts across all firms) as illustrated in the previous table. This suggests that CSR formulation and implementation possibly depends on firms' structure (i.e. corporation, corporate subsidiary, or SME), as well as their leaders' personal considerations, share- and stakeholders' interests, and context of their operational environment. It also emphasises the lack of the uniform, holistic and unambiguous understanding of the term "CSR" within the studied organisations, which confirms the views of, inter alia, Moir (2001) and McWilliams et al. (2006) regarding the lack of consistent academic definition of CSR. In addition, it highlights the lack of recognition of firms' structure in CSR models, (e.g. in Carroll's (1979, 1991, 2004) and Perera's (2003). This, in turn, leads to complex and heterogeneous approaches in its implementation, which are discussed further in the following section.

7.2.2 CSR Implementation

When asked for their opinions on the most pressing socially responsible issues, the majority of business leaders in the McKinsey survey (2008a) indicated that, among others, environmental concerns, demands for safer products and further benefits for employees will continually expand (Bonini et al., 2008). These are CSR concerns of business leaders from various industries. However, comparing the results of other literature review sources, and the empirical findings of this research, the following

observations regarding the participants' views on CSR implementation emerged.

Joining the debate on revisiting Carroll's CSR model (1979, 1991, 2000), the author agrees with other researchers' (e.g. Springett, 2003; Carne and Matten, 2004; De Jongh and Prinsloo, 2005; Matten and Crane, 2005) critique of the model in terms of its conceptual clarity and descriptive accuracy (Visser, 2005), particularly with regard to inconsistencies in its original representation of historic CSR development versus subsequently defined distribution of business' social responsibilities; "philanthropic" versus "corporate citizenship", and "discretionary" classification of the fourth tier (Carroll, 1979; 1991; 1998; 2004).

Furthermore, comparing divergent understanding of CSR, which was discussed earlier, Carroll's CSR Pyramid's (1991; 1998; 2004) positioning with regard to the discretionary nature of CSR is even more ambiguous, particularly when analysing the economic, legal and ethical tiers of the model (ibid.). If these responsibilities are not discretionary, then the model is at odds with the definitions of CSR and its voluntary construct given by other researchers (e.g. Davis, 1960, 1973; Jones, 1980; McWilliams and Siegel, 2001; Kotler and Lee, 2005; McWilliams et al., 2006). If those responsibilities are discretionary, then, perhaps, this may add to the debate on possible explanations of the recent challenging economic conditions resulting from the lack of transparency, appropriate regulation, and business' practices of self-selecting its responsibilities.

Carroll's (2004) own emphasis on the required-by-stakeholders characteristics of economic and legal responsibilities leaves the ethical and discretional tiers of the CSR Pyramid, which are expected and desired by stakeholders (ibid.), to further interpretation. So, how does empirical evidence fit into this framework?

As previously discussed in section 6.3.2 (CSR Implementation - Examples), there are various approaches to CSR realisation existing in the UK oil and gas industry. Their classification was presented in Figure 5 Distribution of CSR Actions. Taking the analysis further, it is possible to draw a model of ethical and discretionary CSR responsibilities as practised by the studied organisations, which are presented in Figure 13.

Figure 13: Operational Realisation of Ethical and Discretionary CSR
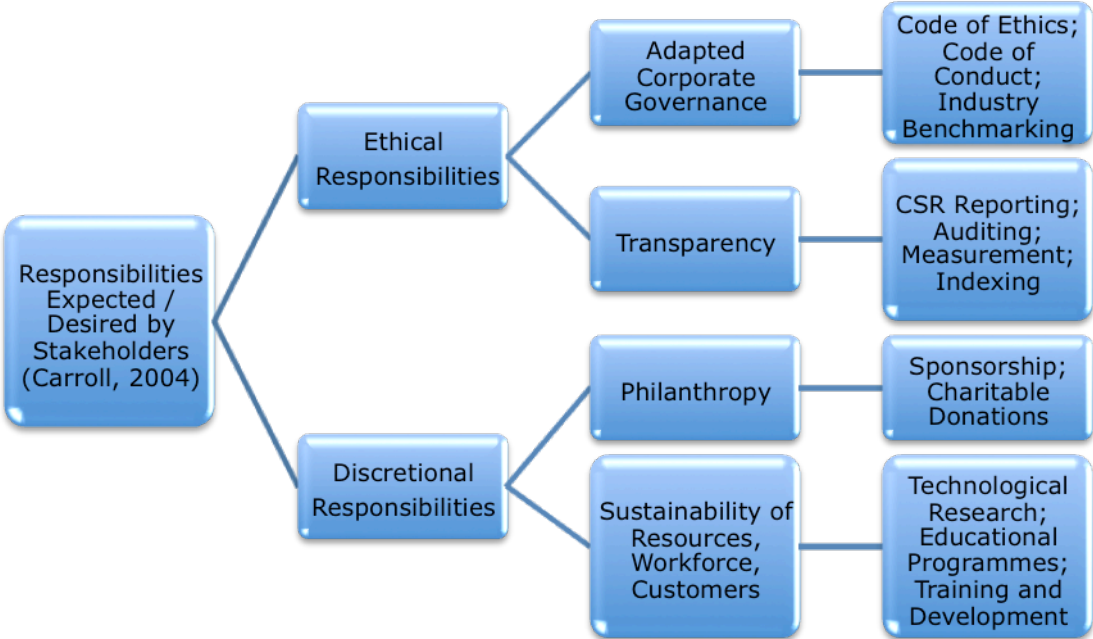
In contrast to earlier representations of CSR construct (e.g. Carroll, 1979; 1991; 2004), where discretionary CSR activities were classified as "philanthropic" or "corporate citizenship", empirical evidence from this research suggests a shift in their nature. In addition to philanthropic activities, such as charitable donations, or sponsorship of sporting and arts events, there is evidence of the large oil and gas industry corporations' voluntary participation in sustainability-related activities. These result not only in securing resource sustainability, but also in assuring sustainability of workforce supply and customers' loyalty. These are pursued, among others, via donations to, or direct participation, in technological research, educational, training and development programmes, closely associated with the oil and gas industry's future. In the case of SMEs, discretionary activities are highly dependent on specific CSR understanding, resource availability, or particular emphasis on sustainability element(s).

There is a clear variation in the construct of sustainable business development pertinent to corporations and small businesses. In the case of large oil and gas companies, activities to ensure corporate sustainable development include all three spheres, environmental, economic and social (as supposed by Gladwin & Kennelly, 1995; Mayer et al, 2004; Hopwood, et

al., 2005). However, in the case of SMEs, their examples exhibited a selective approach to assuring sustainable development. In addition to the pressure to ensure environmental sustainability, small businesses adopt limited discretionary activities, which were discussed in detail in the previous chapter. These discretionary activities can be grouped into either economic or social aspects in sustainable development, practised by SMEs while acknowledging ethical considerations.

With regard to economic and legal CSR components, large corporations are actively pursuing their sustainability by, among other approaches, direct communication with government and policy-makers, influencing legislative environment with regard to oil and gas industry's operations, both domestically and globally, shaping CSR-reporting standards from within industry practices, and adjusting to investors' and competitors' expectations and pressures.

The previously discussed findings support the following theoretical perspectives: Freeman's (1984) and Donaldson and Preston's (1995) supposition of the growing affect of stakeholders and their expectations in addition to companies' shareholders' demands; Frederick's (1978, 1987, 1994) CSR-1, 2, 3 gradation with the majority of companies active either at CSR-1 (Responsibility) or CSR-2 (Responsiveness) levels; Mayer, et al. (2004) and Hopwood, et al.'s (2005) characterisation of corporate development as sustainable if it includes all three components, environmental, economic, and social (particularly with regard to the studied large oil and gas corporations, whereas SMEs demonstrated more of a limited approach); Baron's (2001) supposition that strategically CSR-active businesses implement these practices in order to retain socially conscious customers; and McWilliams et al.'s (2002) extended resource-based view of the firm (Barney, 1991; Wernerfelt, 1995) with regard to companies' utilising CSR strategies in order to gain competitive advantage.

Furthermore, there is empirical evidence to support Marquis et al.'s (2007) supposition of CSR implementation being geographically confined based on the studied companies' locations versus distribution of their CSR implementation, particularly in the case of corporations' subsidiaries and SMEs.

However, this research did not find strong empirical support for the theoretical perspectives of Hart's (1995) and Starik and Rands' (1995) views that companies achieve competitive advantage through their environmental sustainability independently from the other elements. The imperative of all three environmental, economic and social elements of sustainability (Gladwin & Kennelly, 1995; Mayer et al, 2004; Hopwood, et al., 2005) was voiced by the majority of the participants, even in the case of SMEs. This can be explained by the increase in societal and business' awareness and acceptance of the increase of the environmental pressures within the last 10 – 15 years, resulting in its translation into everyday business practices adopted by most of the organisations, therefore minimising the competitive advantage of this element of sustainability alone.

With regard to implications of Perera's (2003) view on four-dimensional CSR implementation, empirical support for this construct was limited to large oil and gas corporations exhibiting corporate governance and ethics, people, environment and contribution to development type activities. In contrast, SMEs predominantly demonstrated either a one- or two-dimensional approach to CSR implementation with growing emphasis on issues regarding further CSR orientation of corporate governance and ethics in business.

Taking into consideration the increase of importance of ethical and discretionary activities to companies (Visser, 2005), the layout of Carroll's CSR model (1991, 2004) is changing. The author believes that the pyramid-based distribution of CSR components (as in layers of economic (the largest tier), legal, ethical and discretional responsibilities (the smallest tier)), is shifting to a more evenly distributed representation of CSR implementation.

Furthermore, empirical evidence suggests that the four groups of responsibilities are not put into practice by companies in a linear progression. They are much more interconnected, interdependent, and inter-influenced. A representation of operationalised CSR construct is proposed in the following Figure 14.

Figure 14: Operationalised CSR Construct.

Source: Compiled by the author, based on Carroll (1979, 1991, 2004).

As can be seen from this figure, businesses' economic responsibilities of maintaining their profitability and competitive position may affect and be affected by the ethicality of leaders' operational and strategic decisions. Whereas by taking part in philanthropic activities to aid educational programmes, leaders may influence their organisations' sustainability in workforce supply or customer loyalty, which in turn affects their profitability. Legal issues of going beyond conforming with, for example, existing environmental legislation may directly influence decisions to pursue additional, environmentally-friendly resources to assure business' sustainability. Considering the emphasis on interconnectedness of CSR components, the proposed evidence-based representation of the CSR construct is more characteristic of actual CSR implementation in the oil and gas industry than the originally-proposed Carroll's Pyramid of Social Responsibility (1991; 2004).

The relationships between various key theoretical concepts, highlighted by these findings, can be identified in addition to amalgamating the abovementioned empirical findings within this area of theoretical framework. These inter-influences are presented in Figure 15 CSR Implementation.

Figure 15: CSR Implementation – Theoretical Framework and Empirical
          Findings.

Key: Each topic in this diagram represents empirical variation or conformance
      with underpinning theoretical concepts.

      Arrows demonstrate interconnectivity between various concepts.

CSR Implementation

Growing stakeholders'affect in corporate, and prevailing shareholders' affect in SMEs'environments(considering Friedman 1962; Freeman, 1984; Donaldson and Preston, 1995)
Uniform weight to Economic and Legal with increasing Ethical and niche dictated Philanthropic/ Discretionary CSR(Carroll's CSR Pyramid, 1979, 1998, 2004)
Wide-spread CS-Responsiveness, growing CS-Responsibility, limited CS-Rectitude (Frederick, 1978, 1987, 1994)
Structured strategic CSR in order to retain customers in corporate, and limited in SMEs'environments(Baron, 2001)
Established Economic, wide Environmental and growing Social spheres of sustainable development(Gladwin & Kennelly,1995; Mayer et al. 2004; Hopwood, et al., 2005)
Wide-spread and growing utilisation of CSR for competitive advantage (Barney, 1991; Wernerfelt, 1995; McWilliams et al., 2002)
Confined geo-politically in corporate, and localised in SMEs' environments (Marquis et al, 2007)
Full four-dimensional (i.e. corp.governance, people, environment, local development) in corporate, and fragmented in SMEs'environments (Perera, 2003)
Evenly-distributed, interconnected CSR Pyramid in corporate, and unstructured and prioritised in SMEs' environments(Carroll, 1998, 2004).

Source: Compiled by the author.

Although the overall stakeholders' recognition by businesses is on the rise, as reported in the previous section 7.2.1 CSR Understanding, when compared in corporations and SMEs, the empirical findings suggest a variation between the importance of stakeholders in corporate environment (as supposed by Friedman, 1962, 1970; Freeman, 1984; Donaldson and Preston, 1995), and shareholders in SMEs. This, in turn, can be correlated with a more structured (as suggested by Gladwin and Kennelly, 1995; Mayer et al, 2004; Hopwood et al. 2005), strategic (Baron, 2001), four-tiered CSR (Carroll, 1998, 2004) implementation in corporate environments, and rather unstructured CSR in SMEs. This can be further connected with either four-dimensional CSR in corporations, or fragmented CSR in SMEs, considering Perera's (2003) CSR construct (namely, activities in corporate governance, people, environment, and local development (ibid.)). Other

variations in corporate and SME's CSR implementation are due to corporate strive to utilise CSR for their competitive advantage (as suggested by Barney, 1991; Wernerfelt, 1995; McWilliams et al., 2002), rather than SME's localised environment, as suggested by Marquis et al., 2007.

To summarise various approaches to CSR implementation in corporations, corporate subsidiaries and SMEs, the following table (Table 30) presents a more detailed integration between empirical findings and previously published literature as contributions of this study in this area of knowledge.

Table 30: Contributions to Knowledge in CSR Implementation

Theories / Concepts / Empirical Findings	Corporate CSR Implementation	Corporate Subsidiaries' CSR Implementation	SMEs' CSR Implementation
Empirical Findings			
CSR Implementation	In addition to previously identified philanthropic and corporate citizenship type of activities, there is increased voluntary participation in sustainability-related activities to ensure sustainability of resources, workforce supply and customer loyalty.	Permeating from corporate directives, but enriched from local experience and knowledge, a hybrid of corporate and SMEs' implementation approaches, combining a wide range of sustainability issues, with a highly localised and personalised interpretation of philanthropic and corporate citizenship activities.	In contrast to corporate CSR implementation, there is a lesser importance of corporate citizenship activities, with a highly personalised CSR interpretation, firm's resource availability, or a specific element of sustainability most pressing for individual SMEs.
Theoretical Findings			
Carroll's CSR Pyramid: Economic, legal, ethical and philanthropic / discretionary activities (1979, 1991, 1998, 2004)	In addition to increasing economically and legally characterised CSR actions, there are variable interpretations of ethical and discretionary responsibilities, predominantly expected or desired by share- and stakeholders.	Combining respective corporate headquarters' interpretation of ethical and discretionary responsibilities with localised philanthropic and niche-dictated discretionary activities, as a hybrid between corporate and SMEs interpretations.	As in corporate cases, in addition to increasing economically and legally characterised CSR actions, there are predominantly limited either philanthropic or niche-dictated discretionary activities, with a lesser regard to ethical responsibilities beyond the letter of the law.

Three spheres of sustainable development: economic, environmental, and social (Gladwin and Kennelly, 1995; Mayer et al., 2004; Hopwood, et al., 2005)	Widely present examples of amalgamation of all three spheres of achieving corporate sustainable development, including economic, environmental and social activities.	A combination of strict adherence to corporate guidelines on economic and environmental sustainability, but with fluctuating emphasis on social sustainability as a sign of SMEs' approach.	Predominant examples of assigning priorities to economic, environmental and then to social sustainability elements.
Carroll's economic and legal CSR components (1979, 1991)	Actively pursuing business operations' sustainability through direct communication and influence on government and legislative structures; and shaping CSR reporting standards from within the oil and gas industry's practices; adjusting to investors' and competitors' expectations and pressures.	Supporting and providing local knowledge to corporate efforts in communicating with and influencing regulatory bodies; following corporate guidelines on CSR reporting and investors and competitors' expectations and pressures.	Much lesser emphasis on influencing legislative bodies; or shaping CSR reporting; but higher importance of investors' and competitors' expectations and pressures.
Affect of share- and stakeholders' expectations (Friedman, 1962; Freeman, 1984; Donaldson and Preston (1995)	Growing affect of global stakeholders' expectations in addition to corporate shareholders' demands.	Increasing affect of local stakeholders in addition to corporate global stakeholders and shareholders.	Shareholders' demands prevail local stakeholders' expectations.
Frederick's (1978, 1987, 1994) gradation of CSR stages (CS-Responsibility, -Responsiveness, -Rectitude.	The majority of companies act at either stage 1 or 2 (CS-Responsiveness or –Responsibility). Only few exhibited initiatives at CS-Rectitude level.		
Baron's (2001) supposition on strategic CSR in order to retain socially conscious customers.	Evidence of strategic implementation of CSR in order to influence new or to retain existing socially conscious customers.	Following corporate headquarters'' guidelines, evidence of strategic implementation of CSR in order to influence new or to retain existing socially conscious customers.	Much less strategic approach to CSR, although with some initiatives to influence or retain socially conscious customers.
Resource-based view of the firm regarding utilisation of CSR for competitive advantage (Barney, 1991; Wernerfelt, 1995; McWilliams et al. 2002)	Evidence of growing implementation of specific CSR approaches to gain or maintain competitive advantage in the following areas: securing workforce or customer loyalty, attracting or retaining socially conscious investors, or improving company's rating in socially conscious financial and or market environments.		

Marquis et al.'s (2007) supposition of geographically confined CSR implementation.	Although adhering to corporate global guidelines, there are localised CSR initiatives affected by geo-political and economical variations in subsidiaries' locales.		Strictly localised initiatives due to the structural differences with corporations.
Achievement of competitive advantage through environmental sustainability independent from other elements (Hart, 1995; Starik and Rands, 1995)	Evidence of increase of all three elements of sustainability (environmental, economic and social as per Gladwin and Kennelly, 1995; Mayer et al., 2004; Hopwood, et al., 2005) playing part in building companies' competitive advantage.		
Perera's (2003) four-dimensional CSR implementation based on corporate governance and ethics; people; environment; and contribution to development.	Evidence of global initiatives in all four dimensions of CSR implementation.	Adhering to global corporate guidelines on CSR implementation in corporate governance and ethics; people; and environment; initiatives in contribution to development are highly localised and tailored based on geographical locales of subsidiaries.	Predominantly limited to one or two dimensions (e.g. environment and people as employees) with fragmented implementation of the other elements (ethics and or contribution to development).
Operationalisation of Carroll's CSR Pyramid: Economic, legal, ethical and philanthropic / discretionary activities (1979, 1991, 1998, 2004)	Much less prioritised and/or linear operationalisation of CSR construct but more evenly distributed and interconnected approaches to implementing economic, legal, ethical and discretionary activities.		In general, less structured, formal, or established but more fragmented and resource-dependent CSR implementation with evidence of prioritising, particularly between philanthropic and discretionary activities.

Source: Compiled by the author.

As can be seen from this table, there is evidence of corporations approaching CSR implementation at a much more formal, structured and strategic level than SMEs, primarily due to significant variations in SMEs' resource availability, societal exposure, and stakeholders' expectations and influences. However, in the case of corporate subsidiaries, their CSR implementation exhibits the signs of a hybrid model, combining the approaches of corporate headquarters and practices of smaller companies, like their SMEs counterparts. Considering these findings, it is imperative to analyse what is causing these fluctuations, what are CSR decision makers'

motivations for such variable CSR implementation. These are analysed in the following section.

7.2.3 Motivations for CSR Implementation

According to the Names-and-Faces framework, proposed by McVea and Freeman (2005), ethicality of decisions is acutely dependent on leaders' proximity to communities and their personal relationships with such communities' representatives, thus making these two factors sufficient motivations for moral contemplation. However, the empirical data suggest that there is a much more complex equilibrium of social, financial and moral considerations that business leaders face in CSR decision-making, particularly within SMEs. When faced with a dilemma of choosing between various CSR options, as some participants explained, the proximity and the nature of their relationships with relevant stakeholders do serve as motivators, but only to a certain degree. The importance of financial, business-performance type of considerations, rather than personal motivations, is more often prevailing in distributing what is already regarded by some interviewees as scarce resources, especially in uncertain economic conditions.

Comparing these findings with the corporate subsidiaries' managers' set of motivators in CSR decision making, the empirical data suggest that their personal relationships with local communities, although playing a significant role, have a slightly different nature of impact. Where in SMEs, leaders' personal relationships with communities can be classified as one of the key motivators, in the case of subsidiaries, these relationships become less motivating and more instrumental in adopting corporate headquarters' CSR strategy and policies within the local context.

With regard to the corporate leaders' set of motivators, their personal or individual relationships with stakeholders are even less pronounced, therefore making this type of motivation for CSR decision-making even less critical. In addition to the strongest financial business performance type of considerations, corporate leaders are being influenced by wider social factors as the second strongest set of motivators, and only then by their personal motives. Disregarding unique cases of large companies' leaders

individual commitments of allocating part of their personal wealth to social causes, the majority of corporate leaders rely on their personal motivations in conjunction with organisational, financial, legal and CSR strategy, together with social considerations, such as social legitimacy, regulatory requirements, and stakeholders' pressure.

Considering these differences, it is possible to draw a set of diagrams representing the dynamics of the relationships between business performance, social and personal considerations as key motivators in CSR decision-making in corporations, subsidiaries, and SMEs (see Figure 16).

Figure 16: Motivators in CSR Decision Making

Key: Lighter colour represents lesser significance.
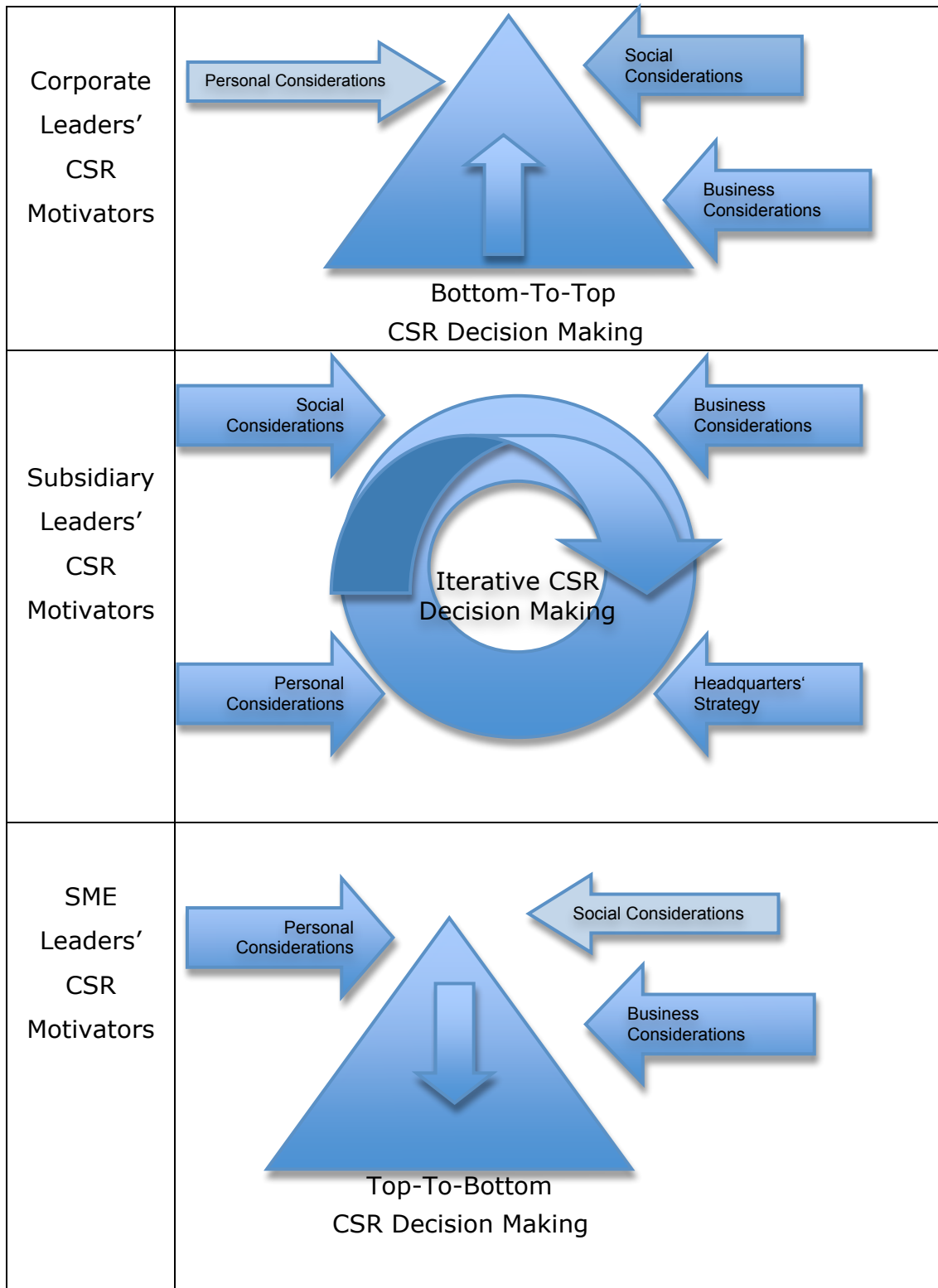
As can be seen from this figure, the empirical evidence suggests that the structures of CSR decision-making processes in corporations, their subsidiaries, and SMEs differ from bottom-to-top, iterative, and top-to-bottom configurations based on the level of importance of personal

considerations as a key motivator in such decisions. In a corporate environment, the progression of a CSR decision-making process is highly dependent on information flowing from all levels of the organisational hierarchy (including its subsidiaries), business performance requirements, and wider social influences, with top leaders' personal considerations as the least influential motivators. In an SME environment, the flow is reversed, with leaders' personal motivators taking centre stage and therefore forming a top-to bottom progression of CSR decision-making process. With regard to corporate subsidiaries, business leaders' benchmarking against and adoption of personal, social, and business-performance types of motivators, plus corporate headquarters' policies and strategy in CSR implementation can explain the iterative approach in CSR decision-making. This iterative approach does not take place in a particular order. Rather than being sequential, it is multidirectional in its nature, although for the benefit of a graphical representation in Figure 16, it is depicted in a circular mode. Categories of social and business considerations can include both external and internal motivators.

With regard to business considerations, it is necessary to point out dimensions, the emergence of which were emphasised by the empirical findings of this research.

Previous researches proposed various classifications of business considerations as motivators in CSR decision-making process. These include the following examples: corporate motivations for creation or maintaining corporate reputation (Hemingway, 2002); customers' perceptions (Keller, 1998; Adkins, 1999); corporate actions to cover-up wrongdoing (Kell and Caulkin, 2002); integration of various cultures present in local communities (Kell and Ruggie, 2001); support for regional development as part of the prevention of social unrest (Moon, 2002).

The empirical data suggest that most of these approaches are present within corporate CSR environment, although some of them are more situational and are more pertinent to the international operations of the oil and gas corporations and their subsidiaries (e.g. support for regional development (Moon, 2002)). With regard to UK CSR implementation, several additional trends in business-performance motivators were highlighted by this research. One such motivator is oil and gas companies'

participation in, and initiation, of educational and developmental programmes for the younger generation with a focus on familiarisation with the oil and gas industry. These activities, forming part of CSR implementation by the studied companies, in reality are implemented as a means for securing a sustainable source of workforce and/or future customers. In addition to adopting business performance strategies in securing sustainability in resources and finance, assuring supply of skilled workforce and customers educated in the benefits of using companies' products and services can be viewed as emergent business-performance motivators for the implementation of strategic CSR in the oil and gas industry.

Another business-driven motivator for CSR implementation can be classified as an endeavour to steer social legitimacy in a direction of self-regulation through companies' initiatives and selection of requirements and benchmarks in CSR reporting. The empirical evidence suggests that the emergence of CSR measuring and certifying organisations, although not obligatory for the oil and gas industry's performance, form a considerable factor in CSR formulation and implementation. This results in the developing of another business-driven motivator of complying and, in some cases, exceeding wider business and social environments' (as in wider stakeholders') expectations by producing CSR reports in order to satisfy or pre-empt societal calls for greater scrutiny of corporate performance.

The next corporate motivator for CSR implementation, which can be classified as legislative influence, has been emphasised by the empirical evidence. The majority of corporate participants, referred to their ongoing legislative and/or political dialogue with governmental and regulatory bodies regarding social and environmental issues. CSR implementation, in this case, can be considered as corporations' and their subsidiaries' demonstrations of indirect influence over institutionalisation of societally significant environmental and social legislation. This echoes Sims' (2003) proposition that CSR implementation in the US, provided it is compliant with governmental expectations, serves corporations as a source of hidden control over political and regulatory agencies in order to secure their political advantage. However, the empirical data suggest that in the UK, particularly in the UK oil and gas industry, this exchange between corporate

structures and regulatory bodies takes precedence within the environmental and sustainable areas, rather than in political and other forms of philanthropy, as was suggested by Simms (2003) in the US.

With regard to SMEs, Jenkins and Hines (2003) proposed a list of factors motivating small businesses' leaders to implement CSR, including: stakeholder management, financial performance, consumer pressure, risk management, attracting employees and personal values. When compared with the empirical findings of this research, it became evident that SMEs in the UK oil and gas industry place the emphasis on the following motivators originally proposed by Jenkins and Hines (2003): financial performance, personal values, and, with lesser emphasis, customer and /or consumer pressure (particularly if part of supply chain operations). However, attracting employees, risk management and stakeholder management were indicated by the empirical findings as the least important motivators for SMEs' business leaders in CSR implementation. This can be explained by a more business-performance oriented motivation experienced by SMEs' leaders rather than socially derived motivators.

In addition to these factors, further motivators in the SME environment emerged from the empirical analysis. These include: the employment of CSR-related activities as demonstration of a reward-structured recognition for employees' performance; CSR as a form of external communication for the purpose of raising SMEs' profiles; and peer pressure from industry members to implement CSR. As Worthington et al (2006a) summarise, previous researches on social responsibility within SMEs found that employee loyalty and morale were perceived as consequences to participating in CSR practices. However, as part of this research, empirical data analysis suggests that employee loyalty can be considered as a cause for engaging in various CSR activities demonstrated through rewarding for employee's loyalty, as was illustrated in the previous Data Analysis chapter.

With regard to the participants' religious beliefs acting as motivators in CSR decision making, as was previously suggested by Worthington et al. (2006a) in specific SMEs' settings, and by Hemingway (2002, 2005), the empirical data analysis indicates that among oil and gas SMEs' leaders there is no reference to their religious beliefs as drivers for CSR implementation within the studied organisations. These empirical results, strictly speaking,

cannot be adequately compared to other studies, as Worthington et al (2006a) point out the ethno-cultural basis for the selection of participating SMEs in their research. However, as a point of interest for this research, it became obvious that despite various cultural and ethnic characteristics of the participating respondents, religious beliefs were least notable, or were not discussed, making them seemingly absent from the list of potential drivers for CSR implementation in the oil and gas companies. This finding directly correlates with Worthington et al.'s (2006a) supposition that religious beliefs would not play a major role in CSR motivations among non-Asian British business leaders.

Considering the above discussion, it is possible to envisage the relationships and influences between various theoretical concepts, substantiated by these empirical findings, as presented in Figure 17 CSR Motivations.

Figure 17: CSR Motivations – Theoretical Framework and Empirical Findings.

Key: Each topic in this diagram represents empirical variation or conformance with underpinning theoretical concepts.

Arrows demonstrate interconnectivity between various concepts.
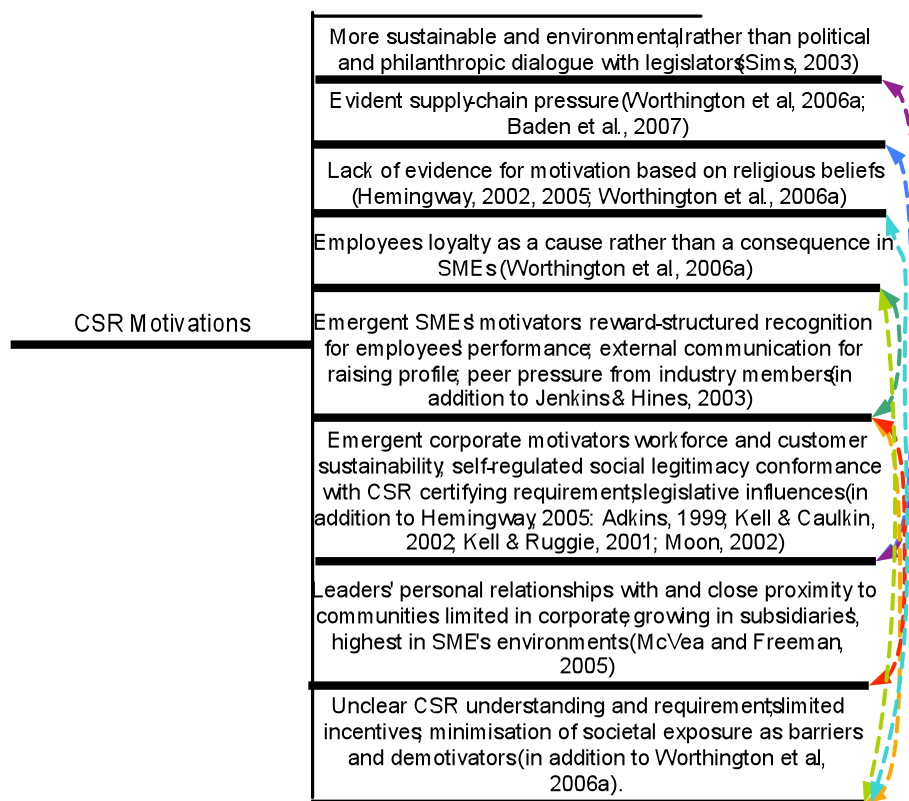
Source: Compiled by the author.

In addition to SMEs' business leaders' motivators in CSR decision making, previously suggested by Jenkins and Hines (2003), the details of which can be found in section 2.10 Motives and Motivations for Adopting CSR, an increase in reward-structured recognition for employees' performance; using CSR as a raising-profile tool; and experiencing growing peer-pressure from industry members were highlighted by this research as emergent CSR motivators. These influences resemble corporate motivators in CSR decision making.

Further to corporate motivators previously suggested by, inter alia, Adkins (1999), Kell and Caulkin (2002), and Hemingway (2005), the empirical findings highlighted growing importance of maintaining workforce and customer sustainability; self-regulated social legitimacy and its conformance with CSR auditing and certification; and the increase in influencing legislative requirements. The later emergent motivator can be conceptually related to the findings of a more environmental and sustainable nature of corporate influences on CSR-related legislation in the UK oil and gas industry, rather than more politicised and philanthropic inclination of such activities in the US, previously suggested by Sims, 2003. These motivators can also relate to the increase in supply-chain pressures, as suggested by Baden et al. (2007) and Worthington (2006a).

Similarly to Worthington et al.'s (2006a) findings, the empirical data analysis suggests that, although some subsidiaries' managers mentioned supply chain influences, the majority did not emphasise pressures from larger companies or supply chain members as a major driver for CSR implementation. Continuing this similarity with Worthington et al.'s (2006a) findings, personal, organisational and business resources and priorities acted as substantial barriers to CSR commitment. In addition, the lack of clear understanding of CSR requirements and opportunities, limited legislative and fiscal incentives, and leaders' decisions to minimise small companies' exposure were cited by the participants as major impediments in a wider CSR implementation.

Regarding motivators for corporate subsidiaries' leaders in CSR implementation, the empirical evidence suggests either a fluctuation between corporate and SMEs' motivators depending on subsidiaries' situational environment, clarity and applicability of corporate headquarters'

guidelines, and subsidiaries' in-house initiatives, or a combination of these factors as motivators for CSR implementation. These are summarised as contributions to knowledge in this area and presented in the following Table 31.

Table 31: Contribution to Knowledge in Motivators for CSR Implementation.

Theories / Concepts / Empirical Findings	Corporate CSR Motivators	Corporate Subsidiaries' CSR Motivators	SMEs' CSR Motivators
Empirical Findings			
CSR Motivators	Bottom-To-Top CSR decision-making process, which is highly motivated by information flowing from all levels of the organisational hierarchy (including its subsidiaries), in addition to business performance requirements, and wider social influences, with top leaders' personal considerations as the least influential motivators.	Circular CSR decision-making process, where subsidiaries' business leaders' benchmarking against and adoption of personal, social, and business-performance types of motivators, plus corporate headquarters' policies and strategy in CSR implementation can explain the circular approach to CSR decision-making.	Top-To-Bottom CSR decision-making process, where the flow is reversed, with leaders' personal motivators taking centre stage and therefore forming a top-to bottom progression of CSR decision-making process.
		Amalgamation of both corporate and SMEs' motivators and barriers to CSR implementation, dependent on fluctuating business, social, or personal influences of subsidiaries' leaders or their situational environment.	
Theoretical Findings			
McVea and Freeman's (2005) relationships with communities as motivators in Names-and-Faces, and close proximity (Jones, 1991) in ethicality of decisions	Very limited leaders' personal relationships with local communities minimising personal moral considerations as key motivators. However, proximity to communities and wider stake-and shareholders make social considerations much more evident than personal relationships.	Closely following corporate set of key motivators for CSR decisions, (i.e. social and business/financial considerations). However, these are combined with a high level of leaders' personal relationships and close proximity to communities, similar to SMEs.	In a limited stakeholders environment, in addition to leaders' personal relationships with communities, business / financial considerations, rather than social considerations begin to take precedence as key motivators in CSR decisions, potentially affecting

	Furthermore, business or financial considerations are even more pronounced as key motivators for corporate CSR decisions.		ethicality of CSR decisions due to limited societal scrutiny of SMEs.
Corporate motivations for CSR: creation or maintaining corporate reputation (Hemingway, 2002, 2005); customers' perceptions (Keller, 1998; Adkins, 1999); corporate actions to cover-up wrongdoing (Kell and Caulkin, 2002); integration of various cultures present in local communities (Kell and Ruggie, 2001); support for regional development (Moon, 2002).	Although present within corporate environment, these approaches are instrumental and situational, dependent on locales, particularly in globalisation environment. Additional emergent motivators were highlighted by this research: securing workforce and customer-base sustainability; steering social legitimacy in the direction of self-regulation; conformance with CSR measuring and certifying organisations; legislative influence;		
Sims' (2003) suggestion of US CSR implementation as corporations' source of hidden control over political and regulatory agencies in order to secure their political advantage.	In the UK oil and gas industry, legislative dialogue between corporate structures and regulatory bodies takes precedence within the environmental and sustainable areas, rather than in political and other forms of philanthropy, as was suggested by Simms (2003) in the US.		
SMEs' key motivations for CSR (Jenkins and Hines, 2003): stakeholder management; financial performance, consumer pressure, risk management, attracting employees and personal values.		Empirical support for financial performance, personal values, and, with equal emphasis, customer and /or consumer pressure (particularly if part of supply chain operations) as key motivators. In various corporate subsidiaries, attracting employees, risk management and stakeholder	Empirical support for financial performance, personal values, and, with lesser emphasis, customer and /or consumer pressure (particularly if part of supply chain operations) as key motivators. However, attracting employees, risk management and stakeholder

		management can fluctuate between the least to the most important motivators for CSR implementation.	management can be identified as the least important motivators for SMEs in CSR implementation.
		Additional motivations from empirical analysis: the employment of CSR-related activities as demonstration of a reward-structured recognition for employees' performance; CSR as a form of external communication for the purpose of raising a subsidiary's profile; and peer pressure from industry members to implement CSR.	Additional motivations from empirical analysis: the employment of CSR-related activities as demonstration of a reward-structured recognition for employees' performance; CSR as a form of external communication for the purpose of raising SMEs' profile; and peer pressure from industry members to implement CSR.
Worthington et al.'s (2006 a) and Baden et al.'s (2007) suppositions: employee loyalty and morale as consequences of CSR; supply chain influences from larger companies		Empirical evidence for employee loyalty and morale as a cause for partaking in CSR demonstrated through CSR actions as a reward for loyalty; emphasis on supply chain pressure is present and at times one of key motivators for CSR implementation.	Empirical evidence for employee loyalty and morale as a cause for partaking in CSR demonstrated through CSR actions as a reward for loyalty; emphasis on supply chain pressure is present but not a key motivator for CSR implementation.
Religious beliefs as SMEs' leaders CSR motivators (Hemmingway, 2002; Worthington et al, 2006a)	Lack of empirical evidence for religious beliefs as CSR motivators, which is in correlation with Worthington et al.'s (2006 a) expectation of such among non-Asian British business leaders.		
Worthington et al.'s (2006 a) suppositions on personal, organisational and business resources and priorities as barriers or demotivators for CSR implementation in SMEs.		Empirical evidence for both subsidiaries' and SMEs' leaders' identification of personal, organisational and business resources and priorities as barriers or demotivators for CSR implementation. Additional barriers: unclear understanding of CSR requirements and opportunities; limited legislative and fiscal incentives; and leaders' decisions to minimise small companies' societal exposure.	

Source: Compiled by the author.

As can be seen from this table, corporate subsidiaries' leaders demonstrate either their reliance on headquarters' motivators or enrich them by incorporating behaviours and practices exhibited by their peers, SMEs' leaders. This amalgamation of both approaches supports the supposition of a hybrid model of subsidiaries' leaders' motivators for CSR implementation.

The inconsistent and ever-changing nature of CSR, its motivators and practices, result in various legislative contexts, regulatory approaches, and CSR reporting standards highlighted by this study, the further analysis of which is presented in the following section.

7.2.4 CSR Legislative Context, Regulatory Approach, and Reporting

Previous studies in business' accountability for social actions (e.g. Adams et al., 1998) named three major drivers for its rise: academic research, corporate activities and increased legislation. With regard to corporate activities, empirical evidence, obtained as part of this research, supports Adams et al.'s (1998) suppositions that business' approach to minimising CSR legislating and regulating may have a long-term effect on governmental attitude toward such legislation in a free-market environment. Self-imposed standards and norms of CSR disclosure, albeit originally rooted in accounting practices (ibid.), are achieved by businesses' continuous efforts in balancing societal pressures for accountability and businesses' selective approaches to CSR implementation, which are reflected in corporate CSR and environmental reports; business' proactive campaigns in improving and maintaining corporate image; and attempts to establish closer relationships between businesses and communities. Furthermore, current business' initiatives in voluntary disclosures, among other approaches, can be interpreted as a counterbalance to societal calls for greater legislative scrutiny in social and environmental corporate performance, as supposed by Adams et al. (1998).

Another theoretical perspective on the relationship between businesses and legislators was reviewed by Sims (2003) with key findings in that self-regulated business' approach to responsible social actions was aligned with

governmental pressures on business and consequently rewarded with regard to such actions.

Empirical evidence from this research suggests that this relationship can be extended further into businesses directly affecting legislation through their influences on emerging regulatory requirements, as was previously discussed in chapter 6. Moreover, by lobbying for particular actions under the CSR umbrella, for example bio-fuels or alternative sources of energy, large corporations are actively shaping CSR and environmental legislation, and, simultaneously, achieving a competitive advantage, which was supposed by McWilliams et al. (2002).

The relationship between government and small business with regard to CSR legislation has been questioned by some researchers (e.g. Hunt, 2004; Kakabadse et al., 2005), suggesting that self-regulation in this area, particularly acute in SMEs, is a sign of weakness of the legislative environment. Analysis of business leaders' attitude to CSR regulation, particularly within SMEs, emphasised business' resistance to the increase in such legislation. Similarly to Worthington et al.'s (2006a) findings, the participating SMEs' leaders expressed their preference to see governmental involvement in promoting CSR and or SMEs' engagement in these activities through incentives, rather than through increased regulation and legislation. Again, similar to Worthington et al.'s (2006a) findings, the participants pointed out that they would prefer to see more information available on government support and encouragement of CSR implementation, along with improved communication and education in CSR opportunities and benefits, rather than increased legislation.

Drivers for such business leaders' attitudes included a variety of economical and social factors, such as the participants' references to a perceived threat to the UK oil and gas industry's global competitiveness; danger of limiting the benefits of CSR as a business' competitive advantage; and the limitation of individual businesses' discretion and initiatives in CSR implementation. Comparing these findings with Hunt's (2004) proposition of a weak legislative environment, it can be argued that the current CSR regulatory environment is more aware of the discretionary nature of CSR, rather than trying to impose a one-fits-all set of regulations. From another point of view, it can be argued that, perhaps, CSR should be divided into,

on one side, economic, legal and ethical elements, which are non-optional and therefore more regulated, and, on the other hand, discretionary activities, as discussed earlier, which are more representative of individual businesses and their leaders' aspirations and can be less regulated to encourage creativity.

With regard to other pressures on small businesses to comply with CSR legislation, characterised by Baden et al. (2007) as imposed by supply-chain relationships, heterogeneous results were discovered. Some participants indicated that alignment with other companies', as their customers, CSR expectations did increase their chances of being contracted, resulting in profit maximisation; whereas others revealed a growing cynicism with regard to large corporations' CSR statements as societal calls for transparency and corporate voluntary disclosures. Furthermore, SMEs' participants' emphases on the importance of fiscal and environmental compliance were greater than that of social responsibilities, particularly with their reference to a very limited or completely absent respective shareholders' interest in social activities of small businesses. These findings confirm Jenkins' (2004) suppositions of SMEs being exposed to less social and more environmental pressure.

Also, similar to Worthington et al.'s (2006a) findings, SMEs' CSR reporting was either very limited, or skewed toward environmental activities, phrased casually and unofficially, avoiding formal terminology and structure, and followed a need-to-know basis perceived as beneficial to businesses rather than as appropriate or required CSR reporting.

Considering Morsing and Perrini's (2008) suppositions of small businesses' economic strengthening and taking more of the centre stage in the CSR debate, and Stranberg's (2002) suggestions of the increase in CSR-oriented transparency and accountability in the private sector, there is a paradox emerging from the findings of this research. SMEs' business leaders do acknowledge the necessity to obtain and maintain their operations' social legitimacy (Donaldson and Dunfee, 1999). Although on a limited basis, this leads to the increase of SMEs' recognition of their stakeholders' influence on maintaining or improving their company's image. Taking into consideration Hess' (1999) proposition that corporate image may be enhanced through social reporting, there should be evidence of the increase of CSR or social

reporting in SMEs. However, empirical evidence gathered as part of this research shows that SMEs are actively seeking their social legitimacy through other means, not through CSR reporting. Moreover, small business leaders' resistance to more legislated CSR does not support Morimoto et al.'s (2005) theoretical calls for more CSR regulations and CSR audit. Whereas corporate leaders' statements in this area are more heterogeneous, with some participants calling for more legislation to assure CSR standardisation, and others expressing concerns for businesses complying with new regulations although not actually being committed to social wellbeing, the majority of SMEs' leaders principally are opposed to an increase in CSR regulation, audit and reporting.

Another area of research, Hess et al.'s (2002) and Kakabadse et al.'s (2005) supposition of private firms' [including SMEs'] market positioning giving them competitive advantage over governmental bodies in CSR implementation, did not find strong empirical support. In contrast, the majority of the participants, both SMEs' and corporate leaders, expressed their concerns and resistance to societal calls for their companies fulfilling the duties of government, NGOs and other organisations designated to carry out social and environmental activities.

In addition to synthesising individual empirical findings with theoretical framework, it is possible to draw the relationships and influences between various key theoretical concepts, highlighted by these empirical findings, as presented in Figure 18 CSR Legislation and Reporting.

Key: Each topic in this diagram represents empirical variation or conformance with underpinning theoretical concepts.

Arrows demonstrate interconnectivity between various concepts.
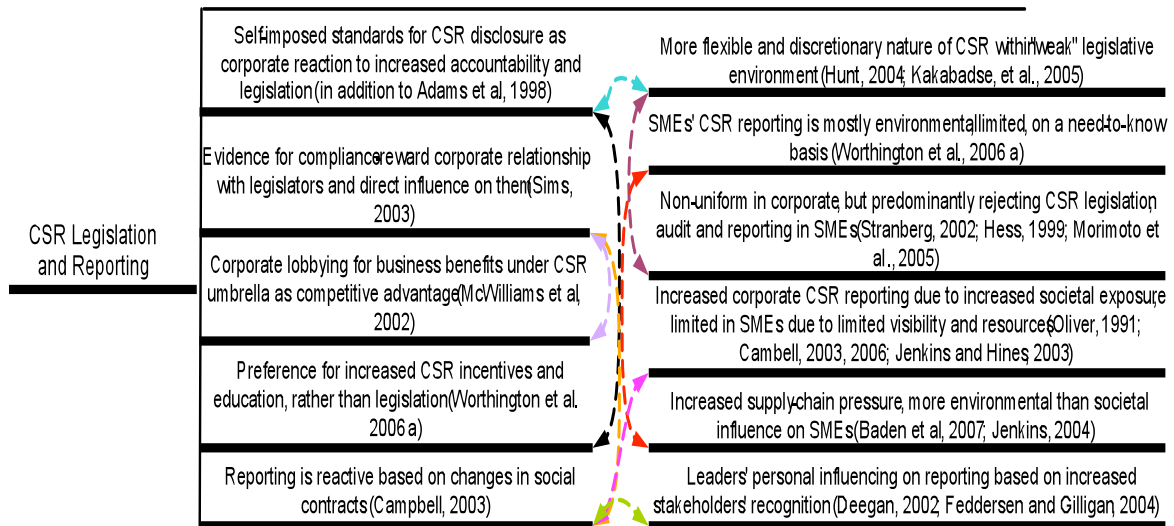
Source: Compiled by the author.

Hunt's (2004) and Kakabadse et al.'s (2005) suppositions of a weak legislative environment providing opportunities for more flexible and discretionary nature of CSR can be correlated with the empirical evidence of self-imposed standards for CSR disclosure, which is in addition to the findings of Adams et al.'s (1998) study into organisational drivers for the increase business' social accountability. This, in turn can relate to the empirical findings of business leaders' desire for more CSR-rewarded incentives and education, rather than an increase in legislation, which echoes Worthington et al.'s (2006a) findings. The theme of business leaders' reluctance or rejection of an increase in CSR legislation can also be connected with SMEs' attitudes in other industries and settings, previously suggested by Hess (1999), Stranberg (2002), and Morimoto et al. (2005).

With regard to correlation between organisations' striving for social legitimacy and their social reporting, empirical evidence supports Oliver's (1991) and Campbell's (2003) suppositions of businesses' fluctuating commitment to CSR-reporting, influenced by societal perceptions. In the case of large corporations and their increased visibility (Thompson and Smith, 1991; Campbell, 2006), CSR reporting is on the rise with emerging

distinctions between fiscal, environmental, health and safety, and social aspects of business performance. Some participants reinforced this observation by their statements on companies' reacting to growing pressures and more informed expectations from their stakeholders in the form of aligning their CSR on a more formal, structured basis, hiring CSR-practitioners and assigning CSR its strategic status. This, in turn, supports Campbell et al.'s (2003) proposition that we are witnessing a change in a social contract between society and business. Whereas SMEs, due to their smaller resources (Jenkins and Hines, 2003) are shying away from "unnecessary" (in their words) ad-hoc activities, such as CSR reporting, measuring and auditing, since their societal environment does not expect much and is not interested in their social performance. However, when there is a necessity resulting from stakeholders' pressures, or an opportunity to make profit through CSR-related exposure, business leaders admitted that they do participate in social reporting in order to comply with their stakeholders' pressures. This supports Deegan's (2002) supposition of managerial actions in adjusting organisations' disclosures in alliance with stakeholders' expectations, particularly in cases of activists' and NGOs' pressures in obtaining non-biased CSR information, referred to in Feddersen and Gilligan's (2004) research.

To summarise corporations', corporate subsidiaries' and SMEs' approaches to CSR reporting, social legitimacy and regulatory requirements within existing legislative context, the following table (Table 32) presents a comparison between empirical findings and available literature as contributions of this study in this area.

Table 32: Contributions to Knowledge in Social Legitimacy and CSR Reporting

Theories / Concepts / Empirical Findings	Corporate Social Legitimacy and CSR Reporting	Corporate Subsidiaries' Social Legitimacy and CSR Reporting	SMEs' Social Legitimacy and CSR Reporting
Empirical Findings			
Social Legitimacy (Donaldson and Dunfee, 1999); and CSR Auditing and Legislation	Empirical evidence of the following: more structured approach to CSR reporting; influencing CSR reporting standards; active involvement in regulatory approach to CSR implementation; and	Evidence of both corporate subsidiaries' and SMEs' business leaders' attitude to CSR regulation with a strong emphasis on business' resistance to the increase in such legislation.	

	shaping societal and/or legislative reward for such actions. Moving away from obtaining to maintaining and further influencing social legitimacy from share- and stakeholders.	
	Drivers for the business leaders' attitude toward limiting CSR legislation and regulation included a variety of economical and social factors, such as the participants' references to a perceived threat to the UK oil and gas industry's global competitiveness; danger of restricting the benefits of CSR as a business' competitive advantage; and the limitation of individual businesses' discretion and initiatives in CSR implementation.	
CSR Reporting	There is strong empirical evidence that the majority of the studied organisations currently produce such documentation, with the exception of few SMEs. Although this is a positive sign, a closer examination reveals that not all reports bearing a CSR title actually contain full spectrum of CSR activities. The most widely exhibited aspect addressed in these reports is companies' environment protection activities. However, considering that these activities form part of compliance with legislative requirements, strictly speaking it is not CSR on its own. The rest of the CSR aspects addressed in these reports are predominantly restricted to charitable or other type of donations, community projects and, research into sustainable and alternative energy sources.	
Theoretical Findings		
Adams et al.'s (1998) Major drivers for business social accountability: academic research, corporate activities; increased legislation.	Empirical evidence supports Adams et al.'s (1998) suppositions on corporate approach to minimising CSR legislation with a possible direct affect on governmental attitudes toward such legislation. Self-imposed standards and norms of CSR disclosure and reporting are achieved by corporations' strategies of balancing, counterbalancing, or directly affecting societal pressures for accountability. This is evident in companies' selective approaches to CSR implementation; improving and / or maintaining corporate image through strategic CSR communication; and developing relationships between businesses and communities; all of which can be interpreted as a counterbalance to societal calls for greater legislative scrutiny.	
Sims' (2003) findings of the US self-regulated business' approach to responsible social actions aligned with governmental pressures on business and consequently rewarded with regard to such actions.	Empirical evidence suggests apparent developments in this compliance-reward relationship between government, regulatory agencies and corporations. However, empirical data also showed that this relationship is in the process of extending further into businesses directly affecting legislation through their influences on emerging regulatory requirements.	

McWilliams et al.'s (2002) supposition of an increase in competitive advantage through CSR.	Evidence of corporate lobbying for particular actions under the CSR umbrella, for example bio-fuels or alternative sources of energy, which is a demonstration of actively shaping CSR and environmental legislation, and, simultaneously, achieving competitive advantage.		
Worthington et al.'s (2006 a) findings of SMEs' preference for governmental CSR support, incentives and CSR promotion through improved communication and education.		Similarly to Worthington et al.'s (2006 a) findings, rather than increased CSR regulation and legislation, corporate subsidiaries' and SMEs' leaders expressed their preference to see governmental involvement in promoting CSR and/or SMEs' engagement in these activities through incentives, and more information available on government support and encouragement of CSR implementation, along with improved communication and education in CSR opportunities and benefits.	
Hunt's (2004) and Kakabadse et al.'s (2005) supposition of weakness of CSR legislative environment.	Evidence of a debate on an increased understanding of the discretionary nature of CSR, resulting in a more flexible and individual approach to its implementation and regulation, rather than imposing a one-fits-all set of legislations.		
Baden et al.'s (2007) suppositions of increased supply chain pressures to comply with CSR; Jenkins' (2004) suppositions of more environmental and less social pressures on SMEs.	Evidence of an increase in corporate calls for transparency and social disclosures from their supply chain organisation.	Evidence of mixed attitudes of supply chain pressures on CSR: some companies benefited from large corporations or customers / clients' calls for CSR; whereas others revealed a growing cynicism regarding such pressures.	Evidence of SMEs' specific prevalence of fiscal and environmental compliance, rather than societal or supply chain pressures for increased CSR (confirming Jenkins; (2004) suppositions), particularly in SMEs' simple share- and stakeholders' environments.
Worthington et al.'s (2006 a) suppositions of SMEs' CSR reporting focusing more on environmental issues than any other, on a need-to-know basis.		Evidence of following corporate guidelines on CSR reporting, but in the case of lacking such standards, reverting to limited CSR disclosure, predominantly following SMEs' limited approach.	Evidence of very limited CSR reporting, mostly skewed towards environmental issues, shunning formal terminology and structure, on a need-to-know basis, perceived as beneficial to rather than required of firms.
Social legitimacy (Donaldson and Dunfee, 1999) as one of drivers for an increased transparency and accountability in the private sector	Heterogeneous statements among corporate and subsidiaries' leaders ranging from agreeing with necessity to increase CSR regulation, audit and reporting to raising concerns on complying with regulations although not being fully committed to CSR and it development.		Predominantly rejecting calls and initiatives in increasing CSR regulation, audit and reporting.

310

(Stranberg, 2002); and Hess' (1999) proposition of maintaining or improving corporate image through CSR reporting vs. Morimoto et al.'s (2005) calls for increased CSR regulation and audit.		
Hess et al.'s (2002) and Kakabadse et al.'s (2005) supposition of private firms' [including SMEs'] market positioning giving them competitive advantage over governmental bodies in CSR implementation.	There was no strong empirical evidence found to support this supposition. In contrast, the majority of the participants, both SMEs' and corporate leaders, expressed their concerns and resistance to societal calls for their companies fulfilling the duties of government, NGOs and other organisations designated to carry out social and environmental activities.	
Oliver's (1991) and Campbell's (2003) suppositions of businesses' fluctuating commitment to CSR-reporting, influenced by societal perceptions, varying in large corporations with increased visibility (Thompson and Smith, 1991; Campbell, 2006) and SMEs' with limited resources (Jenkins and Hines, 2003).	In the case of large corporations and their subsidiaries, CSR reporting is on the rise with emerging distinctions between fiscal, environmental, health and safety, and social aspects of business performance. Some participants reinforced this observation by their statements on companies' reacting to growing pressures and more informed expectations from their stakeholders in the form of aligning their CSR on a more formal, structured basis, hiring CSR-practitioners and assigning CSR its strategic status.	SMEs are shying away from CSR reporting, measuring and auditing, as "unnecessary" activities, reasoning it by their societal environment not expecting much and being uninterested in their social performance.
Campbell et al.'s (2003) proposition that social contract between society and business is changing.	Although resisting to implement wider CSR and its reporting, empirical data suggest that business leaders are becoming more aware of stakeholders' pressure. When there is a necessity resulting from stakeholders' expectations, or an opportunity to make profit through CSR-related exposure, business leaders admitted that they do participate in social reporting in order to comply with their stakeholders' pressures.	
Deegan's (2002) and Feddersen and Gilligan's (2004) supposition of managerial actions in adjusting organisations' disclosures in	Although limited, there is empirical evidence in support of these suppositions, particularly in large corporations with a wider CSR implementation and its reporting, confirming the issue of the increased stakeholders' recognition.	Evidence of direct involvement of the top management or owners in adjusting organisations disclosures, albeit limited due to scare CSR reporting in

alliance with stakeholders' expectations.		SMEs.

As can be seen from this table, corporations and their subsidiaries increasingly demonstrate their initiatives to implement wider CSR reporting. However, these efforts can be characterised as inconsistent and lacking uniform standards. It can be argued that this is caused by the lack of uniform and coordinated CSR regulation and legislation with a set of requirements serving as guidelines for such reporting. From another angle, this can be caused by the lack of widespread business support for the development of such legislation. In the case of SMEs, evidence suggests a predominant rejection of calls for increased CSR regulation, legislation and reporting. SMEs' leaders exhibited their inclination to a greater flexibility in this regard, indirectly demonstrating their reactivity to share- and stakeholders' expectations and influences, which is also present in the corporate environment.

Further analysis of business' relationships with stakeholders with regard to CSR implementation is presented in the following section.

7.2.5 Stakeholder Management

According to Wilson's (2005: 20) supposition, changing relationships between business and society can result in a redefined use of corporate profit, making corporations' actions, strategies and values bound to "service-as-purpose" rather than "profit-as-purpose" rationale. In contrast to this supposition, the empirical evidence from this research suggests that, although societal pressure for corporate profit re-distribution is on the rise, corporate and SMEs' leaders are far from committing their companies' bottom line to social causes, avoiding transformation into "service-as-purpose" organisations (the exception here would be social enterprises (Dees, 1998; Austin et al., 2006; Certo and Miller, 2008; Diochon et al., 2008)). Instead of bowing to stakeholders' demands, businesses are adopting a different approach to dealing with these pressures, practising what Freeman and McVea (2001) referred to as strategically managing

stakeholders, which, in turn, is connected with strategic CSR (Baron, 2001) implementation.

Wood (1991) and Szwajkowski (2000) suggested that various organisations' CSR implementation can be directly affected by numerous respective stakeholders. They, in turn, may possess diverse sets of personal and organisational values. Kakabadse et al.'s (2005) interpretation of these suppositions resulted in their expectations of added complexity in managerial duties when dealing with societal commitments. The empirical data, which were discussed from different angles in sections 6.3.2 – 6.3.8, and their analysis support these postulates, particularly in the case of corporate attitudes to societal pressures including the establishment of formal dialogues with stakeholder groups (as was pointed out by Campbell, 2007) and employment of in-house CSR practitioners in order to better align business objectives and stakeholders' demands resulting in corporations' strategic approach to CSR.

Hummels (1998) supposed that it is possible to trace various stakeholders' demands through organisational responses to such pressures. Comparing this with the empirical evidence, the following picture has emerged. Although some participants were not able to readily identify their stakeholders explicitly, analysing organisations' CSR implementation makes it possible to draw a comparison between complexities in stakeholder environment in the corporate context versus much less intricate stakeholder setting in the case of SMEs. However, criticism of this approach lies in cause-effect relationships between organisations and their stakeholders, where small businesses prefer to resist identifying certain entities as their stakeholders, thus minimising their CSR exposure to, at times, their shareholders only.

Spence (1999) describes SMEs' leaders' CSR attitudes as being positioned independently within society; having no resources left to think beyond economic buoyancy of their firms; and lacking enthusiasm in accepting CSR standards similar to their reluctance to accepting environmental standards. Comparing these suggestions with the empirical evidence, various changes surfaced since Spence's (1999) original study. The examples include: small businesses are not positioned independently within society, having legislative (e.g. BERR), public, social and other

organisations concerned with their performance (e.g. The Federation of Small Businesses, Business in the Community, various UK universities' Centres for Entrepreneurship), both financially and socially. In addition, although SMEs do have restricted resources, their awareness of CSR and readiness to implement CSR, although limited, is on the rise. However, the studied SMEs' leaders did express their resistance to formalised and regulated CSR standards, which corresponds with Spence's (1999) and Burns' (2001) suppositions on SMEs' scepticism and distrust of bureaucracy and reluctance to adopt voluntary standards and regulations.

Regarding McVea and Freeman's (2005) proposal to adopt the Names-and-Faces approach to SMEs' stakeholder management, evidence suggests that such an approach to incorporate personal connections and associations in relationships with stakeholders is present among participating SMEs, although not being confined to a Names-And-Faces approach explicitly. Smaller corporate subsidiaries' managers demonstrated features of this approach as well as application of a more formalised stakeholder management method, such as applying their respective corporate headquarters' methodology in identification of, relating to, and management of, respective stakeholders' pressures. This is in agreement with McVea and Freeman's (2005) own admission of impossibility to replace existing stakeholder management structures already in place in these organisations with just a Names-and-Faces approach.

However, the establishment of individual relationships with stakeholders (Burns, 2001; Freeman and McVea, 2001), in addition to their formalised management, positions corporate subsidiaries more advantageously over SMEs or large corporate headquarters, as it gives them an opportunity to absorb information from both formal and informal channels. One of such informal channels is peer networks, referred to by Jenkins (2006) as one of SMEs' preferred methods of learning about CSR, therefore making it part of corporate subsidiaries' approaches to gaining knowledge about CSR, as well.

Empirically highlighted specificities of localised positioning of SMEs, which results in localised CSR, are exhibited not only in SMEs' but also in corporate subsidiaries' activities. This is in contrast to the previous suggestions of this feature being characteristic of only SMEs' CSR

implementation (e.g. McVea and Freeman, 2005; Freeman and Velamuri, 2008; Lange and Fenwick, 2008). This in turn, leads to empirical characterisation of stakeholder management in these enterprises as based on close personal proximity (based on the definition by Jones, 1991) between companies' leaders as individuals and their stakeholder environment, as suggested by Jenkins (2006).

The analysis of the dynamics between these empirical findings and underpinning theoretical concepts gives an opportunity to draw the relationships and influences between various areas of previous research, which is presented in Figure 19 CSR in Shareholder and Stakeholder models.

Figure 19: CSR in Shareholder and Stakeholder Models – Theoretical Framework and Empirical Findings.

Key: Each topic in this diagram represents empirical variation or conformance with underpinning theoretical concepts.

Arrows demonstrate interconnectivity between various concepts.
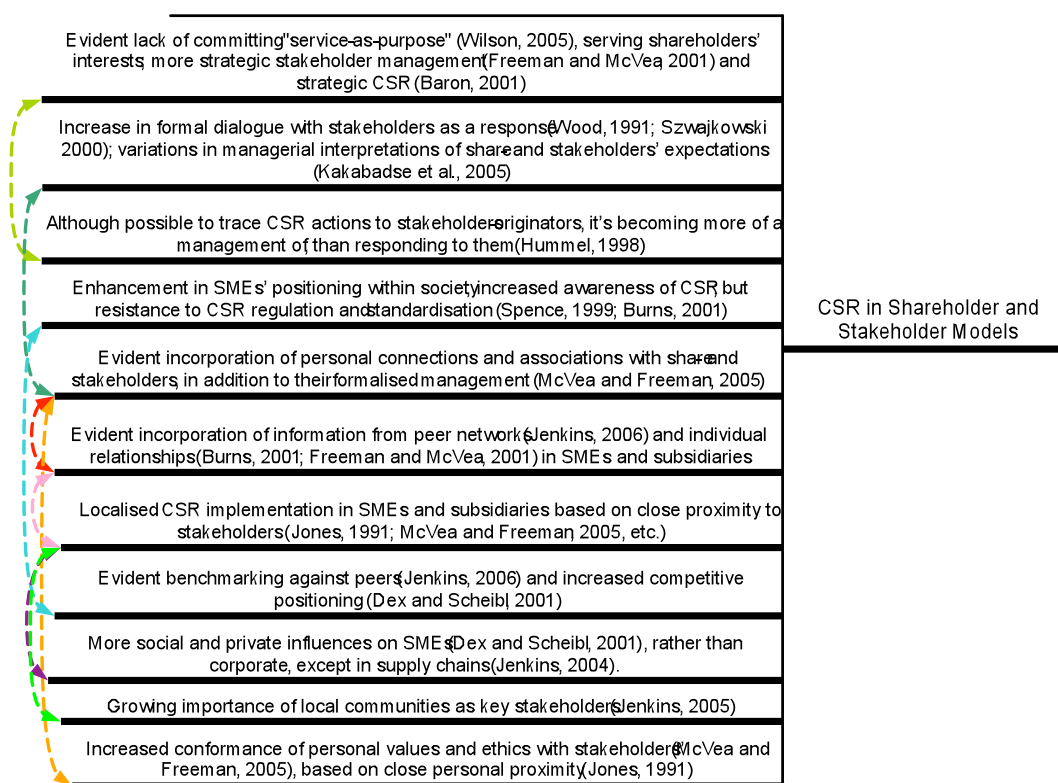
Source: Compiled by the author.

An increase in recognition of stakeholders' demands and expectations, as this study demonstrates, adds to the increase in organisations' practices in managing these expectations, rather than simply responding to them, as

suggested by Hummel (1998). This, in turn, can be correlated with CSR approaches bearing more strategic (Baron, 2001) rather than tactical nature, and increasingly strategic stakeholder management approaches, echoing by Freeman and McVea's suggestions (2001).

Analysing characteristics of SMEs' stakeholder management further, it is important to point out another comparison with the corporate approach in this matter. As Dex and Scheibl (2001) suggested, small businesses would be reluctant to implement CSR based on competitors' benchmarking. Contrary to this postulate, empirical evidence suggests that SMEs' leaders in the oil and gas industry analyse and implement CSR with consideration of their competitive positioning, which can be informed, among other methods, via above-mentioned peer networks (Jenkins, 2006). Furthermore, Dex and Scheibl's postulate that SMEs resist the pressures of private and social interests (2001), did not find empirical support. In contrast, the majority of CSR implementation in SMEs can be characterised by personal interest and social pressures, albeit predominantly from within SMEs' immediate stakeholder environment, which differs from corporate, much larger and more complex, stakeholder structure. This confirms Jenkins' (2004) assumption that SMEs' CSR implementation is less dependent on balancing powerful influences of corporate-level stakeholders, with the exception of supply-chain related pressures (echoing Worthington et al.'s (2006a), and Baden et al.'s (2007) suggestions), and is more characteristic of personal relationships with stakeholders (correlating with Jones, 2001; McVea and Freeman, 2005; and Jenkins, 2005), whereas subsidiaries exhibited a combination of the two.

In addition to Jenkins' (2005) identification of SMEs' key stakeholders as customers, suppliers and employees, empirical evidence suggests SMEs' and corporate subsidiaries' leaders' assignment of a growing influence to local communities, defining these as another group of key stakeholders affecting their overall CSR implementation.

From a different view, the empirical evidence suggests that close personal proximity (Jones, 1991) to stakeholders makes SMEs' leaders more vulnerable to such pressures. Where corporate subsidiaries are positioned more advantageously having more formal corporate CSR structures and policies to use as guidelines, SMEs', having less structured

approach to stakeholder management and methods of devising CSR implementation, are more exposed to balancing, and further conformance of their personal values and ethical beliefs as guidelines in societal commitments (McVea and Freeman, 2005) with such of their immediate stakeholders. The analysis of this relationship is presented in the following section.

To summarise corporations', corporate subsidiaries' and SMEs' approaches to stakeholder management, the following table (Table 33) presents a comparison between empirical findings and previous research as contributions of this study in this area of knowledge.

Table 33: Contributions to Knowledge in Stakeholder Management

Theories / Concepts / Empirical Findings	Corporate Stakeholder Management	Corporate Subsidiaries' Stakeholder Management	SMEs' Stakeholder Management
Empirical Findings			
Stakeholder Management with regard to CSR	Empirical evidence suggests that, in addition to the importance of satisfying shareholders' demands, stakeholder management is on the rise in corporate environment, as a result of a wider recognition of stakeholders' expectations. This is due to the increase of stakeholders' awareness and empowerment affecting corporate disclosures and resulting in a wider CSR implementation. However, there are examples of corporate initiatives to influence stakeholders' expectation through formal approaches to maintaining and/or improving corporate image, rather than CSR implementation	A combination of corporate satisfying shareholders' demands and managing global stakeholders' expectations with specificities of localised approaches. Local positioning of subsidiaries results in their adaptation to the increased recognition of local stakeholders, emphasising their similarities to SMEs' approaches to stakeholder management, which varies from more personal involvement in close proximities, to the limitation of exposure.	Much less formal relationship with stakeholders, resulting in a limited recognition and awareness of their expectations. The most prominent approaches to stakeholder management are either an increase of personal involvement in the case of close proximity, or the limitation of SMEs' exposure in that respect and focusing on dealing with shareholders' expectations.
Theoretical Findings			
Wilson's (2005) supposition on changing relationships between business and society resulting in a redefined use of corporate profit for "service-as-purpose" rather than "profit-as-purpose", compared to Freeman and McVea's (2001) reference to strategic stakeholders management, and Baron's (2001) strategic CSR implementation.	In contrast to Wilson (2005), the empirical evidence from this research suggests that, although societal pressure for corporate profit re distribution is on the rise, corporate and SMEs' leaders did not support committing their companies' bottom line to social causes, continuing to serve their shareholders' interests. Companies are adopting a more strategic approach to managing stakeholders' expectations, which is in agreement with Freeman and McVea's (2001) and Baron's (2001) suppositions on the increase of strategic CSR implementation.		
Wood's (1991) and Szwajkowski's	The empirical data support these postulates, particularly in the case of corporate attitudes		Although in a much less

(2000) suggestions on respective stakeholders' effects on organisations' CSR implementation through their communication (Campbell, 2007). This may lead to diverse managerial interpretations of such expectations, ultimately resulting in more complex sets of managerial duties (Kakabadse et al. 2005)	to societal pressures. Both corporations and subsidiaries exhibit an increase in formal dialogues with stakeholder groups and employment of in house CSR practitioners in order to better align business objectives and stakeholders' demands resulting in corporations' strategic approach to CSR. There is also evidence of growing variations in managerial interpretations of share- and stakeholders' expectations, particularly in the case of subsidiaries of corporations, which lack strategic and formalised set of CSR guidelines passed down to their subsidiaries.	complex stakeholders setting, SMEs' leaders experience an increase of their stakeholders' demands for more open communication and exposure, which is beginning to affect managerial interpretations of such expectations, ultimately adding to the complexity of their duties.
Hummel's' (1998) suppositions on possibility to trace various stakeholders' demands through organisational responses to such pressures.	The empirical evidence shows that some corporate participants were neither able to identify their stakeholders nor define their CSR actions as a response to their stakeholders' expectations. However, combining their personal knowledge and organisational documentation, it is possible to trace various CSR actions to stakeholders that originated such requests or pressures. Conversely, in the increasingly complicated environment of corporate stakeholders and their demands and expectations, and in the economic downturn, a trend is emerging of corporate leaders steering away from responsive CSR commitments to a more managing-expectations type of approach.	Much less complicated stakeholders environment results in a less complicated situation with tracing CSR actions to originating share- or stakeholders. A lot of such actions are responses to either owners/managers/ own initiatives.
Spence' (1999) postulates on SMEs' leaders' CSR attitudes as being positioned independently within society; having no resources for anything other than economic buoyancy of their firms; and resisting to accept CSR standards; and Spence' (1999) and Burns' (2001) suppositions on SMEs' scepticism and distrust of bureaucracy and reluctance to adopt voluntary standards and regulations.		Changes surfaced since Spence' (1999) original study: small businesses are not positioned independently within society, with legislative, public, social and other organisations concerned with their performance, both financially and socially. In addition, although SMEs do have restricted resources, their awareness of and readiness to implement CSR, is on the rise. However, SMEs' resistance to formalised and regulated CSR standards corresponds with

			Spence' (1999) and Burns' (2001) suppositions in this regard.
McVea and Freeman's (2005) proposal to adopt the Names-and-Faces approach to SMEs' stakeholder management approach.			Evidence suggests that such approach to incorporate personal connections and associations in relationships with share- and stakeholders is present among SMEs, although not being confined to Names-And-Faces explicitly. Furthermore, smaller corporate subsidiaries' managers demonstrated features of this approach as well as application of a more formalised stakeholder management method adopted from their corporate headquarters.
The establishment of individual relationships with stakeholders (Burns, 2001; Freeman and McVea, 2001), and the use of peer networks (Jenkins, 2006)			Exhibited in both corporate subsidiaries and SMEs, individual relationships with stakeholders, in addition to their formalised management, positions corporate subsidiaries more advantageously over SMEs or large corporate headquarters, by giving them an opportunity to absorb information from both formal and informal channels. One of such informal channels is peer networks, used by both SMEs' and subsidiaries' leaders to learn about CSR implementation and development.
Localised positioning of SME resulting in localised CSR implementation (e.g. McVea and Freeman, 2005; Freeman and Velamuri, 2008; Lange and Fenwick, 2008); affects of close personal proximity (Jones, 1991) between companies' leaders as individuals on their stakeholder environment (Jenkins, 2006).			Localised positioning of CSR is evident in SMEs. However, it is also reflected in corporate subsidiaries' activities, which is in contrast to the previous suggestions of this feature being characteristic of only SMEs' CSR implementation. This in turn, directly leads to empirically confirmed stakeholder management in these enterprises as based on close personal proximity between companies' leaders as individuals and their stakeholder environment.
Dex and Scheibl's (2001) suggestions on small businesses' reluctance to implement CSR based on competitors' benchmarking; and peer networks (Jenkins, 2006).			Contrary to this postulate, empirical evidence suggests that both SMEs' and subsidiaries' leaders analyse and implement CSR with consideration of their competitive positioning, which can be informed via, among other methods, peer networks.
Dex and Scheibl's postulate on SMEs' resistance to pressures of private			In contrast, the empirical evidence suggests that the majority of CSR implementation in SMEs can be characterised by personal interest and social pressures, although stemming from

320

and social interests (2001) and Jenkins' (2004) assumption that SMEs' CSR implementation is less dependent on balancing powerful influences of corporate-level stakeholders and is more characteristic of personal relationships with stakeholders.		within SMEs' immediate stakeholder environment, which is less complex than corporate stakeholders setting. The evidence also suggested SMEs' CSR implementation being less dependent on balancing influences of corporate-level stakeholders with the exception of supply-chain related pressures, and more characteristic of personal relationships with stakeholders, whereas subsidiaries exhibited a combination of the two.
Jenkins' (2005) SMEs' key stakeholders identification as customers, suppliers and employees.		In addition, empirical evidence suggests SMEs' and subsidiaries' leaders' assignment of a growing influence to local communities, defining these as another group of key stakeholders affecting their overall CSR implementation.
Close personal proximity (Jones, 1991) and balancing personal values and ethical beliefs as guidelines in societal commitments (McVea and Freeman, 2005)		The empirical evidence suggests that close personal proximity (Jones, 1991) to stakeholders makes SMEs' leaders more vulnerable to such pressures. Having less structured approach to stakeholder management and methods of devising CSR implementation than subsidiaries, SMEs are more exposed to balancing, and further conformance of their personal values and ethical beliefs as guidelines in societal commitments (McVea and Freeman, 2005) with such of their immediate stakeholders.

Source: Compiled by the author.

As can be seen from this table, due to the variations in corporate and SMEs' stakeholder settings, CSR implementation in these environments is highly dependent on recognition and prioritising of share- and stakeholders and their expectations. Various approaches to these activities result in heterogeneous interpretation of either responsive CSR implementation or more proactive stakeholder management, which can result in adjusting to stakeholders' expectations, particularly exhibited by SMEs.

However, with regard to corporate subsidiaries, evidence suggests that their relationships with stakeholders are not only dependent on corporate embeddedness but also on localised positioning of these organisations. This at times can result in subsidiaries combining their corporate stakeholder management policies and guidelines with practices similar to SMEs in recognition of and adjustment to local stakeholders' expectations. This may lead both SMEs' and subsidiaries' leaders to being more vulnerable in situations of moral dilemmas when faced with CSR expectations, business

considerations and individual attitudes, which are dependent on personal values. The relationship between these factors is analysed in the following section.

7.2.6 CSR Decision Making and Values

According to McVea and Freeman (2005), decision-makers deal with their stakeholders face-to-face, particularly in SMEs, which leads to more personal relationships, thus creating an interface of individuals' ethical beliefs and values. This, according to their proposed Names-and-Faces stakeholder management approach (McVea and Freeman, 2005), can be used as a basis for making CSR-related decisions, where entrepreneurial decision-makers would tend to use personal relationships as motivators for moral considerations and ethical guidelines in such decisions.

Although with criticism, which was discussed in chapters 2 and 3, the following propositions of McVea and Freeman (2005) can be confirmed by the empirical findings of this study: participating SMEs' leaders referred to balancing their companies' bottom line and stakeholders' pressures in a much more simplistic and pragmatic, business-like, way, avoiding highly theoretical considerations; personal proximity (Jones, 1991) between stakeholders and business leaders themselves allows to interact with stakeholders as individuals; SMEs' leaders avoid applying abstract philosophical moral justifications to their CSR decisions and tend to evaluate stakeholders' demands by weighing them against their personal moral beliefs.

However, empirical data suggest that this moral evaluation tends to happen subsequently to other assessments of CSR decisions in SMEs: economic consequences; resource constraints; timeframe commitments; level of impact; and alignment with existing CSR understanding and implementation. This prevalence of financial considerations in SMEs, particularly in the current economic downturn, may become considerably more pronounced by interrelations between SMEs' and stakeholder networks, personal management of which was singled out by McVea and Freeman (2005) as a precursor for SMEs' sustainability. Small businesses' leaders balancing CSR costs, economic benefits, and, significantly, ethical

responsibilities, may become subject to even greater skewing towards economical, rather than social considerations of their performance.

Moreover, having no structured guidelines in managing their stakeholders, SMEs' leaders are even more exposed to potential unethical pressures from within these networks. When combined with unavoidable economic pressures, the lack of robust regulatory and benchmarking frameworks in this area, and SMEs' resistance to CSR auditing and reporting, merely relying on business leaders' moral evaluations in decision-making is becoming more doubtful.

Furthermore, there is also evidence of traces of this personalised approach to evaluating CSR decisions present throughout the studied corporate subsidiaries' managers' responses. Similar to Worthington et al.'s (2006a) findings, CSR decisions were mostly made by corporate subsidiaries' and SMEs' managers or owners themselves, with relative informality in their structure, and mostly reactive in their nature. This suggests that, although being part of corporate structure, presumably with an appropriate set of formalised guidelines for ethical decision-making, in practise, some managers rely on personal or other individuals' in their immediate environment morality. This positions corporate subsidiary managers somewhere in between SMEs' and corporate leaders' reliance on personal values as a guiding benchmark in CSR decision-making.

With regard to establishing whether new business leaders' personal values played major role in changing organisations' CSR implementation following their appointment in such organisations, empirical evidence did suggest such links, particularly in SMEs and a few corporate subsidiaries. However, this evidence is not sufficient to confirm that leaders' personal morality and values play a key role in changing CSR implementation in organisations.

With regard to establishing the level of impact of individual, global, organisational, institutional, or societal values (Agle and Caldwell, 1999), the following observations emerged: in CSR decision making, corporate business leaders are much more aware of, and are more accustomed to, benchmarking against all of the above mentioned levels of values, with evidence of industry values growingly playing an important role in this process. This evidence strengthens the position of industry values in

comparison to Age and Caldwell's (1999) observations, and corresponds with Hemingway's (2002) supposition of the significance of industry values in CSR decision-making. This also echoes Weber and Wasieleski's (2001) findings of industry membership affecting managers' ethical perceptions. Although observed in other settings and industries, it is possible to view what Weber and Wasieleski (2001) referred to as industry membership, as industry values affecting CSR understanding and implementation by business leaders in the oil and gas industry.

With regard to individual values in corporate environment, the CSR decision-makers studied as part of this research, significantly downplayed this set of values. Individual values, based on the participants' statements, have a significant impact on individuals when they join corporate structure. By doing so, they align their individual values to organisational values through corporate governance, as supposed by Haines (2005), and organisational culture, as supposed by Pettigrew (1979) and Liedtka (1989), of their respective corporations.

In contrast, SMEs' and some smaller corporate subsidiary organisations' business leaders, although being aware of societal and global values, downplay institutional and industry values in favour of individual values. Although this significance was supposed by Hemingway and Maclagan (2004) and Hemingway (2005) pertinently to SMEs only and in other industries, empirical evidence, again, positions subsidiaries' leaders in between SMEs' and corporations' in terms of their managers' hierarchy of different systems of values' impact on their CSR decision making.

Regarding Hofstede's (2001) supposition that systems of values of organisations' leaders can become their followers' practices, empirical data support this statement in the case of SMEs but is not sufficient to make a conclusion in the case of corporate subsidiaries or corporations. This can be explained by various causes: increased situational proximity between corporate leaders and their employees may play part in lessening of the effect of leaders' personal values on their followers; leadership styles (transactional, transformational, or authentic) can either promote or be detrimental to leaders' attempts to influence their followers' values; or the importance of other levels of values (e.g. societal, organisational, institutional, or industry values) within particular organisations, which may

be positioned by respective leaders higher than their personal values, as suggested by Harrison (1975) and Victor and Cullen (1988).

This corresponds with Arnold et al.'s (1999) supposition of the connection between moral and ethical development of an organisation versus individual moral development of its leader, particularly at the level of conventional stages (as in Kohlberg's theory of cognitive moral development (1976)), when societal expectations and approvals bear much more influence on leaders' ethical decision-making, than their own personal values.

This postulate can be furthered by the analysis of the participating organisations' CSR implementation with regard to industry values, or "industry macroculture" (Harris and Crane, 2002: 204) relating to environmentalism or greening of organisational culture (Welford, 1995). As one of the dimensions of this analysis, proliferation of a "being seen to be green" attitude (Lyons, 2004) throughout society and business is particularly emphasised in the oil and gas industry's leaders' evaluations of changes in societal perceptions and businesses' responses to such pressures. In addition to Harris and Crane's (2002) findings, the empirical evidence in this research suggests that organisational greening, as an example of emergent industry values, is taking place throughout the oil and gas industry, although unevenly and for heterogeneous reasons. The majority of the organisations' leaders supporting such transformation referred, although not explicitly, to changes in individual, global, and societal values, represented by organisations' stakeholders' morality and their direct or indirect affect on organisations' ethical conduct (including stakeholder management, as supposed by Hummels, 1998).

These values, in turn, affect industry, institutional and organisational values. However, when analysing organisations' CSR implementation, the evidence suggests that some organisations, particularly the ones employing CSR strategically (Baron, 2001), are greening their culture as part of their sustainable development (Welford, 1995), which is arguably more connected to the economic bottom line rather than organisational or individual values.

With regard to Desai and Rittenburg's (1997) Macro- and Micro- levels of forces affecting organisational values, empirical evidence suggests that

participating corporate business leaders, as key Micro-levels (ibid.) in conveying ethical conduct through personal values, can be successful conduits if their individual values are aligned with corresponding organisational and institutional values. In contrast, SMEs' leaders' positioning within organisational structure shifts their individual values to the Macro-force level in shaping ethical conduct of respective enterprises. This finding is in contrast with Tilley's (2000) conclusion on SMEs' managers' reluctance to integrate personal values in their companies' operations. However, it corresponds with Burns' (2001) and Jenkins' (2004) supposition that SMEs' leaders' personal morality plays a key role in shaping SMEs' organisational culture and ethical conduct.

In addition, this observation can be correlated with Sethi's (1975) dimensions of corporate behaviour and Frederick's (1978, 1987, 1994) classification of CSR-1-2-3 stages of implementation in organisations, particularly in smaller companies, where leaders' CSR understanding grows in parallel with their moral development (Kohlberg, 1976; Arnold et al, 1999), and has a significant impact on its implementation and further development. With regard to corporate subsidiaries' managers, empirical analysis suggests that their fluctuation between Macro- and Micro- levels of affecting organisations' ethical conduct (Desai and Rittenburg, 1997) is reflected through their oscillation between individual and other types of values as key sources of impact.

These findings suggest an intricate set of interconnectivity between various theories, concepts, and empirical data, as suggested in Figure 20 Values and CSR Decision Making.

Figure 20: Values and CSR Decision Making – Theoretical Framework and Empirical Findings.

Key: Each topic in this diagram represents empirical variation or conformance with underpinning theoretical concepts.

Arrows demonstrate interconnectivity between various concepts.

Direct link between personal close proximity (Jones, 1991); personal relations with stakeholders (McVea and Freeman, 2005); and leaders personal values

Informal, unstructured, relaying on personal values CSR decision making in SMEs (Worthington et al., 2006a)

Increase in importance of industry values (Agle and Caldwell, 1999; Weber and Wasieleski, 2001) in all companies, with the least effect of personal values in corporate environment

Least effect of personal values on corp governance (Haines, 2005) and organisational culture (Pettigrew, 1979) in corp. environment, but reversed in SMEs

Evident link between moral and ethical organisational and leaders' development (Arnold et al., 1999), and C-S-Rectitudinous (Frederick, 1998) firms .

More influence of societal perceptions rather than personal values on industry macroculture (Harris and Crane, 2002) and organisational greening (Welford, 1995) in corporations, reversed in SMEs.

In contrast to Tilley (2000), personal values as macro-level (Desai and Rittenburg 1997) in SMEs and micro-level (ibid.) in corp. environment

Reluctance to spend profit on solving social problems (Austin et al., 2006), but readiness to implem responsible business practices (Sagawa and Segal 2004)

Lessening influence of personal values in SMEs (Jenkins, 2004; Hemingway, 2005), conforming with corporations

Values and CSR Decision Making

Source: Compiled by the author.

The level of individual leaders' influence, including personal values, on CSR decision making, particularly in small firms, was highlighted by the empirical findings in the studies by Jenkins (2004), Hemingway (2005), and Worthington et al. (2006a). Although in different settings and industries, those findings correlate with the results of this research, and can also be related further to the concepts of personal close proximity (Jones, 1991), and leaders' personal relations with stakeholders, as pointed out by McVea and Freeman (2005). This can be contrasted with corporate environment, where the importance of personal values diminishes, specifically with regard to corporate governance, echoing Haines' suggestions (2005).

With regard to entrepreneurship theory and its aspect of successful balancing of profit maximisation and creating social value (Dees, 1998; Austin et al., 2006; Mair and Marti, 2006; Certo and Miller, 2008), the empirical data suggest that corporations' and corporate subsidiaries' CSR implementation and corporate leaders' attitude to this issue feature both types of social entrepreneurship characteristics (Mair and Marti, 2006): CSR activities that are directed at alleviation of social problems (Austin et al., 2006), particularly on a larger scale in other countries, where these corporations have their operations; and CSR demonstrations associated with responsible business practices (Sagawa and Segal, 2004). This can be explained, among other things, by a corporate strategic approach to CSR, the horizontal distribution of corporate policies and guidelines across subsidiaries, corporate resources availability, and emphasis on the strive for social legitimacy.

When Mair and Marti's (2006) classification was applied to SMEs' CSR implementation, the majority of their leaders expressed their reluctance to the use of their companies' profits to mitigate social problems, reasoning it by stating that the purpose of their enterprise lies in its oil and gas operations rather than social activities. This can relate to Baron's (2007) argument that entrepreneurs that are predisposed to prioritise societal values before profit maximisation are more inclined to become social entrepreneurs, rather than going in to conventional forms of entrepreneurship.

The studied SMEs' leaders, instead of committing their profits to solving social problems (Austin et al, 2006), were more willing to adopt responsible business practices (Sagawa and Segal, 2004), largely because of these practices' inevitability due to economic, legislative and societal pressures, and the development of SMEs' leaders' personal values, partly as a response to such pressure. The importance of personal values' impact on formulation of SMEs' social commitments was emphasised by other researchers (e.g. Jenkins, 2004; Hemingway and Maclagan, 2004; Hemingway, 2005). However, the empirical findings suggest that, particularly in the current economic climate, this factor is losing its strength and is being replaced by SMEs' strive for financial sustainability, by far the most pressing factor, and legitimising business operations in order to secure

328

such sustainability. This, in the author's view, can create potential conflicts between SMEs leaders' personal and societal values, and the prevalence of profit above all, making CSR decision making even more complex and ambiguous. Further analysis of this is presented in the following section.

To summarise the relationship between corporations', corporate subsidiaries' and SMEs' CSR decision-making processes, values and ethics, the following table (Table 34) presents a comparison between empirical findings and available literature as contributions of this study in this area of knowledge.

Table 34: Contributions to Knowledge in CSR Decision Making and Values

Theories / Concepts / Empirical Findings	Corporate CSR Decision Making and Values	Corporate Subsidiaries' CSR Decision Making and Values	SMEs' CSR Decision Making and Values
Empirical Findings			
CSR Decision-Making Processes and Values	Emergent increase in greening of organisational corporate culture, as a reflection of changes in societal values, in turn, affects industry, institutional and organisational values. However, the evidence also suggests that some corporate organisations, particularly the ones employing CSR strategically, are greening their culture as part of their sustainable development, which is arguably more connected to the economic bottom line rather than organisational or individual values.	Although being part of corporate structure, presumably with an appropriate set of formalised guidelines for ethical decision-making, in practise, some subsidiaries' managers rely on personal or other individuals' in their immediate environment morality. This positions corporate subsidiary managers somewhere in between SMEs' and corporate leaders' reliance on personal values as a guiding benchmark in CSR decision-making.	Empirical data suggest that SMEs' leaders' personal moral evaluation tends to happen subsequently to other assessments of CSR decisions in SMEs: economic consequences; resource constraints; timeframe commitments; level of impact; and alignment with existing CSR understanding and implementation.
	The empirical evidence suggests that organisational greening, as an example of emergent industry values, is taking place throughout the oil and gas industry, although unevenly and due to heterogeneous reasons. The majority of the organisations' leaders supporting such transformation referred to, although not explicitly, changes in individual, global, and societal values, represented by organisations' stakeholders' morality and their direct or indirect affect on organisations' ethical conduct.		
Theoretical Findings			

Application of Names-and-Faces approach (McVea and Freeman, 2005), as a basis for making CSR-related decisions, where entrepreneurs' personal relationships with stakeholders would be used as motivators for moral considerations and ethical guidelines in such decisions.			The following propositions of McVea and Freeman (2005) can be confirmed by the empirical findings of this study: participating SMEs' leaders referred to balancing their companies' bottom line and stakeholders' pressures in a business-like, way, avoiding highly theoretical considerations; due to personal proximity (Jones, 1991) there is interaction between stakeholders as individuals and business leaders; SMEs' leaders' evaluation of stakeholders' demands through weighing them against their personal moral beliefs. However, financial evaluations take centre stage in comparison to personal moral evaluations.
Worthington et al.'s (2006 a) findings on CSR decisions made informally in SMEs.		Similar to Worthington et al.'s (2006 a) findings, CSR decisions were mostly made by corporate subsidiaries' and SMEs' managers or owners themselves, with relative informality in their structure, and mostly reactive in their nature.	
The level of impact of individual, global, organisational, institutional, or societal values (Agle and Caldwell, 1999; Weber and Wasieleski, 2001; Hemingway, 2002, 2005).	The following observations emerged: in CSR decision making, corporate and subsidiaries' business leaders are much more aware of and are more accustomed to benchmarking against all of the above mentioned levels of values, with evidence of industry values increasingly playing an important role in this process. This is in contrast to Agle and Caldwell's (1999) observations, although it echoes Weber and Wasieleski's (2001) and Hemingway's (2002) supposition of the significance of industry values in CSR decision-making.		In contract to corporate environment, industry membership or its values play a significantly lower importance in SMEs' environment, although showing the signs of its increase as a benchmark for CSR implementation across other oil and gas industry members.
Alignment of individual values to	With regard to individual values, in	Evidence positions subsidiaries' leaders	In contrast, SMEs' and some smaller

organisational values through corporate governance (Haines, 2005), and organisational culture (Pettigrew, 1979; Liedtka, 1989).	corporate environment, the CSR decision-makers significantly downplayed this set of values. Individual values, based on the participants' statements, have a significant impact on individuals when they join corporate structure. By doing so, they align their individual values to organisational values through corporate governance, and organisational culture, of their respective corporations and subsidiaries.	in between SMEs' and corporations' in terms of their managers' hierarchy of different systems of values' impact on their CSR decision making.	corporate subsidiary organisations' business leaders, although being aware of societal and global values, downplay institutional and industry values in favour of individual values.
Arnold et al.'s (1999) supposition of the connection between moral and ethical development of an organisation versus individual moral development of its leader (as in Kohlberg's theory of cognitive moral development (1976)).	Empirical evidence from within corporate environment corresponds with Arnold's suppositions (1999) on societal expectations and approvals affecting leaders' ethical decision-making more than their own personal values, although it is inconclusive due to various examples of variable levels of impacts of industry, institutional, organisational, or personal values.		Empirical data support this statement in the case of SMEs, particularly in C-S-Rectitudinous organisations.
Industry values, or "industry macroculture" (Harris and Crane, 2002: 204) relating to environmentalism or greening of organisational culture (Welford, 1995); "being seen to be green" attitude (Lyons, 2004).	Proliferation of "being seen to be green" attitude (Lyons, 2004) throughout society and business is particularly emphasised in the oil and gas industry's leaders' evaluations of changes in societal perceptions and businesses' responses to such pressures, highlighting the emergent change in industry macro-culture and greening of organisational culture. However, recent changes in alternative energy developments suggest that this greening is mostly strategic, and is not substantiated by personal values.		
Rittenburg's (1997) Macro- and Micro-levels of forces affecting organisational values; Tilley's (2000) findings on SMEs' managers' reluctance to integrate personal values in their	Empirical evidence suggests that participating corporate business leaders, as key Micro-levels (ibid.) in conveying ethical conduct through personal values, can be successful conduits if their individual values	Corporate subsidiaries' leaders demonstrate either fluctuation between two dimensions, or in the case of larger structures with more prominent CSR decision, a combination of the two. It is reflected through these	In contrast, SMEs' leaders' positioning within organisational structure shifts their individual values to the Macro-force level in shaping ethical conduct of respective enterprises, which is in contrast to Tilley's

companies' operations; with Burns' (2001) and Jenkins' (2004) suppositions of SMEs' leaders' personal morality playing key role in shaping SMEs' organisational culture and ethical conduct.	are aligned with corresponding organisational and institutional values.	leaders' oscillation between individual and other types of values as key sources of impact.	(2000) findings, but in agreement with Burns' (2001) and Jenkins' (2004) suppositions.
Entrepreneurship theory and its aspect of successful balancing of profit maximisation and creating social value (Dees, 1998; Austin et al., 2006; Mair and Marti, 2006; Certo and Miller, 2008).	The empirical data suggest that corporations' and corporate subsidiaries' CSR implementation and corporate leaders' attitude to this issue feature both types of social entrepreneurship characteristics (Mair and Marti, 2006): CSR activities that are directed at alleviation of social problems (Austin et al., 2006), particularly on a larger scale in other countries, where these corporations have their operations; and CSR demonstrations associated with responsible business practices (Sagawa and Segal, 2004).		SMEs' leaders expressed their reluctance to mitigate social problems, reasoning due to the purpose of their enterprise in oil and gas operations rather than social activities. Instead of committing their profits to solving social problems (Austin et al, 2006), SMEs' leaders are more inclined to adopt responsible business practices (Sagawa and Segal, 2004).
The importance of personal values' impact on formulation of SMEs' social commitments (Jenkins, 2004; Hemingway and Maclagan, 2004; Hemingway, 2005).		The empirical findings suggest that, particularly in the current economic climate, this factor is loosing its strength and is being replaced by SMEs' strive for financial sustainability, by far the most pressing factor, and legitimising business operations in order to secure such sustainability. In combination, these factors project SMEs' changing attitude to somewhat similar approach within corporate subsidiaries' environment.	

Source: Compiled by the author.

As can be seen from this table, hierarchies of importance of individual, global, organisational, institutional, industry, or societal values (Agle and Caldwell, 1999; Weber and Wasieleski, 2001; Hemingway, 2002, 2005) and their levels of impact on CSR decisions differ between corporations and SMEs. In a corporate environment, with much more complex shareholders' and stakeholders' networks and their influences (as was previously discussed), benchmarking against industry, organisational, institutional, societal and global values takes precedence over corporate leaders' individual, personal values (again with the exceptions discussed before). The majority of corporate CSR decisions are analysed with a view on the

long-term effect on organisations' social legitimacy, its multi-level sustainability, and ultimately, its commercial viability.

Compared to this, SMEs' leaders' personal values play a much more important role in the hierarchy of the above-mentioned values. Although, that does not mean that the rest of the values (i.e. industry, global, organisational or societal) do not have any effect on their CSR decisions. In the environment of a much less-complex stakeholders' networks and their influences, it seems to be a much more straightforward process of benchmarking CSR decisions against leaders' personal moral judgements, industry examples, and societal values. However, under the effects of the economic downturn, there maybe a rearrangement of these values within SMEs environment due to the rise of the importance of financial sustainability of firms even further.

In the case of corporate subsidiaries, these hierarchies of importance of various systems of values fall within a similar structure of fluctuating between leaders' personal values, as in SMEs, and corporate interpretations of industry, global, institutional, and societal values, thus adopting somewhat adapted organisational values, particularly in subsidiaries with a distinctive lack of CSR leadership. The theme of this relationship is analysed in the following section.

7.2.7 CSR Decision Making and Leadership Observations

Research into relationships between leadership styles and implementation of CSR is limited, particularly its empirical element (Waldman et al, 2004; 2006). Although as a secondary area of interest in this study, the author believes it is possible to make observations with regard to conceptual correlations between CSR implementation and transactional, transformational and authentic leadership styles portrayed by the participants. The limitations in generalisability of the findings are based on the fact that this research did not aim to classify leadership styles of the participating business leaders, but to observe if any connections between leadership approaches and CSR implementation can be made.

Transactional leadership style can be characterised as a demonstration of a reward-punishment interaction between a leader and followers, where a

reward is given as a compensation for a follower's exceedingly good performance (Burns, 1978; Bass, 1990). This type of leadership style can be classified as a "Telling" approach, as was suggested by Hersey and Blanchard (1988) in Situational Leadership theory.

As a result of the analysis of CSR implementation in the studied organisations, interviews with, and contextual observations (Yin, 1994) of the participants, the empirical data yielded the following findings. The nature of some of the participants' explanations about their approach to CSR implementation, which was discussed in detail in Chapter 6 Data Analysis Results, suggests that in C-S-Responsible and C-S-Responsive organisations (see 6.3.2 CSR Implementation), various CSR activities are being viewed partially as a reward for employees' performance, which directly correlates to one of the characteristics of transactional leadership styles. This is supported by various participants' referring to CSR as "giving – receiving" interaction, and by exemplifying charitable donations, among others, as awarded to requesting employees based on their performance or loyalty to a company. This approach was particularly evident in contextual observations (Yin, 1994) of several corporate subsidiaries' and SMEs' leaders.

With regard to transformational leadership, which is characterised as being more of an inspiring, visionary, or "Selling" (as in Hersey and Blanchard's, 1988 Situational Leadership) style, the empirical data suggest that C-S-Rectitudinous organisations' activities (see 6.3.2 CSR Implementation) directly correlate with their leaders' demonstrations of the highest level of commitment to CSR implementation and its further development. This is supported by the contextual observations (Yin, 1994) of these leaders' enthusiasm, strive for CSR knowledge and visionary rhetoric about the future development of their organisations, and the oil and gas industry in general, in parallel with, or exceeding, socially responsible actions and attitudes, which in turn, can be correlated with a transformational, or even authentic, style of leadership, particularly with regard to CSR actions.

This observation echoes Waldman et al.'s (2004; 2006) findings of leaders' intellectual stimulations (Bass, 1985) being the most influential factors in strategic CSR (Baron, 2001) implementation. However, the

examples of the studied organisations' CSR and their leaders' contextual observations (Yin, 1994) yielded findings somewhat contradictory to Waldman et al.'s (2004; 2006) with regard to individualised considerations of subordinates (Bass, 1985; Bass et al., 1987). Where Waldman et al (2004; 2006) found this characteristic being less influential on strategic CSR (Baron, 2001) implementation, this study found that in some cases, business leaders' individualised considerations to subordinates (Bass, 1985; Bass et al., 1987) were as significant in CSR implementation as leaders' intellectual stimulation (for details and examples, see 6.3.2 CSR Implementation).

With regard to considering suppositions of teleological (consequences-driven) versus deontological (ethics of duty) nature of transactional and transformational leadership styles (Melden, 1967; Helms & Hutchins, 1992; Kant, 1994; Keely, 1995; Kanungo and Mendonca, 1996; Kanungo, 2001) in CSR implementation by the participating leaders, the empirical data suggest the following. Where Kanungo and Mendonca (1996) advocated the argument that transactional leadership, through its actions of control-reward and self-interest, is void of any moral and ethical standards, this research, on the contrary, suggests that the fact that the studied organisations implement CSR, albeit limitedly, does emphasise the ethical conflicts these leaders face. On one hand, they are pressured into functioning under bottom-line driven performance measures, whereas, on the other hand, they are scrutinised for implementing socially responsible actions, which are at times considered by said leaders to be profit-draining exercises. This leads to supposition that, since the original research was conducted by Kanungo and Mendonca (1996), transactional leadership is currently exhibiting an increased incorporation of moral stands and ethical standards into the overall leadership style in the studied organisations, particularly with regard to CSR implementation.

Furthermore, this research suggests that the examples of CSR implementation within the studied organisations point to the hybrid of teleological and deontological ethics (echoing Hunt-Vitell's model of ethical decision making (1986, 1993, 2006)), by which these leaders are intrinsically and extrinsically guided, although in the case of transactional leadership, skewed towards teleological, and in the case of transactional

leadership, tilted toward deontological ethics, as previously suggested by Keely (1995) and studied by Kanungo (2001). In addition, when considering authentic leadership styles, which can be attributed to entrepreneurial leaders (e.g. Spence, 1999; Jenkins, 2004; George, 2004; Zhu et al, 2004), a matter of classifying guiding ethics in CSR decision-making becomes even less clear.

In C-S-Rectitudinous organisations, as mentioned before, the rhetoric and demonstration of progressive CSR, suggest that those leaders are driven by deontological ethics. However, when considering evolving nature of CSR actions, their direct association with the financial health of companies (Joni, 2006) and stakeholders' interests (BNET, 2006), the fact that all studied organisations are commercial companies and not social enterprises, and considering current CSR implementation strategies by the studied companies in these economically uncertain times, it is possible to speculate that the leaders who demonstrated authentic approaches to CSR, have to rely on a combination of teleology and deontology.

The author of this research believes that the majority of the participating leaders, as empirical evidence suggests, cannot fully engage in CSR implementation under only one set of either teleological or deontological ethics. Various financial, social, organisational or personal considerations, as discussed in previous sections, add to the complexity of leaders' CSR decisions. Although there is evidence suggesting a divide between approaches to CSR decision making, which can be attributed to transactional, authentic or transformational leadership styles, the author of this research believes that further studies are needed to deepen the understanding of associations between leadership styles and CSR decision-making processes.

From another point of view, when analysing business leaders' responsibilities in CSR decision-making processes within the studied organisations, it became clear that in addition to carrying out managerial roles, originally described by Mintzberg (1973, 1975), the participants exhibited an even more complex set of roles with specific variations within corporate, subsidiary and SMEs' environments.

When exploring the implications of social responsibility of a firm (Friedman, 1962, 1970) stemming from agency theory (Alchian and
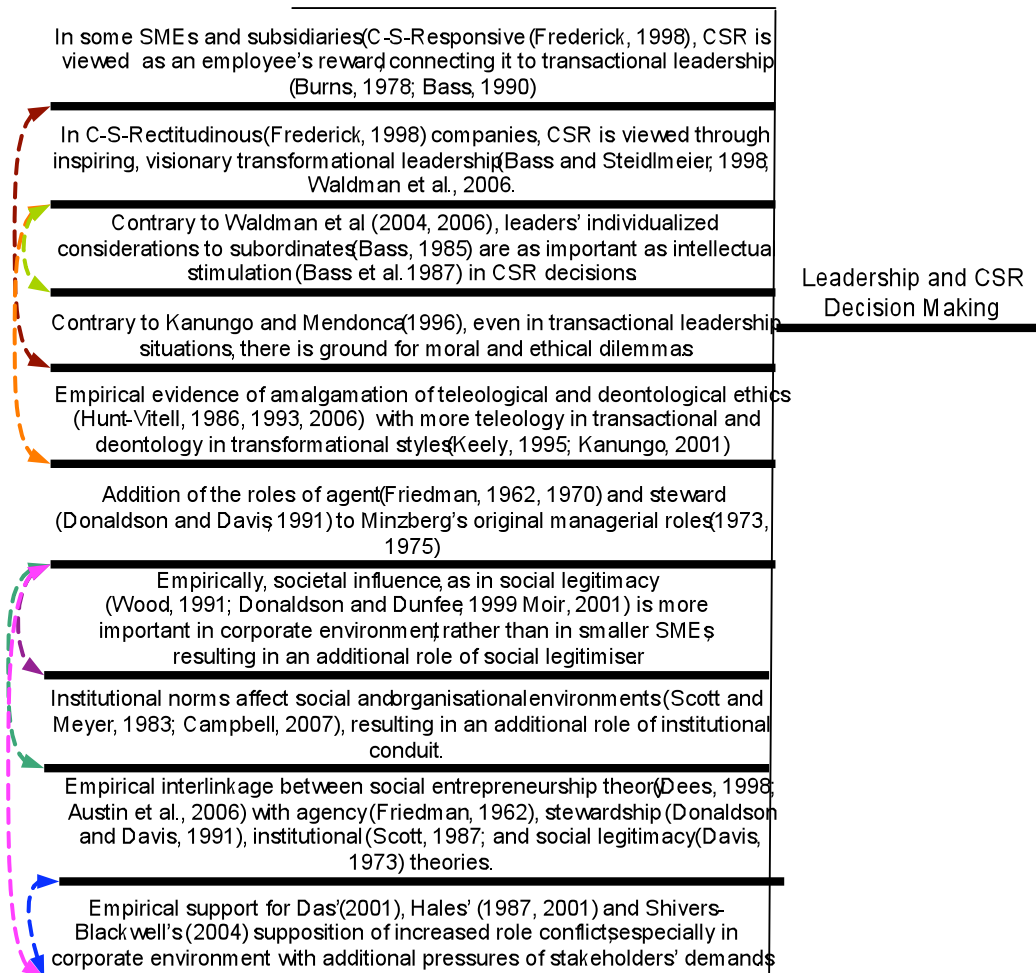
Demsetz, 1972; Jensen and Mekling, 1976; Eisenhardt, 1985, 1989), against stewardship theory (Donaldson and Davis, 1991; Davis et al., 1997) within the scope of this research, the following observations emerged. The empirical data suggest that, in the case of corporate leaders, at times divergent agendas of allocating funds for CSR expenditures and profit maximisation affect corporate businesses leaders to fluctuate between carrying out roles of agents (Alchian and Demsetz, 1972; Jensen and Mekling, 1976; Eisenhardt, 1985, 1989, Friedman, 1962, 1970) and stewards (Donaldson and Davis, 1991; Davis et al., 1997) with all of the associated economic, sociological and psychological differences in these approaches (Davis, et al., 1997: 20). In corporate and subsidiaries' environments, their principal-agent affiliation with share- and stakeholders predominantly governs their economical relationships, leading to prevailing agent roles in balancing CSR expenditures and profit maximisation. This, in its own right, in addition to such expectations from wider stakeholders, can create conflicting intrinsic pressures on leaders, depending on either agreement or disagreement between leaders' and their principals' expectations of these roles, which echoes Davis et al.' (1997) and Sanchez' (2008) suppositions.

This intricacy of inter-connectedness of various theories and previously conducted studies, correlated with the empirical findings of this research, can be conceptualised in Figure 21 Leadership and CSR Decision Making.

Figure 21: Leadership and CSR Decision Making – Theoretical Framework and Empirical Findings

Key: Each topic in this diagram represents empirical variation or conformance with underpinning theoretical concepts.

Arrows demonstrate interconnectivity between various concepts.

In some SMEs and subsidiaries (C-S-Responsive (Frederick, 1998), CSR is viewed as an employee's reward, connecting it to transactional leadership (Burns, 1978; Bass, 1990)

In C-S-Rectitudinous (Frederick, 1998) companies, CSR is viewed through inspiring, visionary transformational leadership (Bass and Steidlmeier, 1998; Waldman et al., 2006.

Contrary to Waldman et al (2004, 2006), leaders' individualized considerations to subordinates (Bass, 1985) are as important as intellectual stimulation (Bass et al. 1987) in CSR decisions

Contrary to Kanungo and Mendonca (1996), even in transactional leadership situations, there is ground for moral and ethical dilemmas

Empirical evidence of amalgamation of teleological and deontological ethics (Hunt-Vitell, 1986, 1993, 2006) with more teleology in transactional and deontology in transformational styles (Keely, 1995; Kanungo, 2001)

Addition of the roles of agent (Friedman, 1962, 1970) and steward (Donaldson and Davis, 1991) to Minzberg's original managerial roles (1973, 1975)

Empirically, societal influence, as in social legitimacy (Wood, 1991; Donaldson and Dunfee, 1999 Moir, 2001) is more important in corporate environment, rather than in smaller SMEs, resulting in an additional role of social legitimiser

Institutional norms affect social and organisational environments (Scott and Meyer, 1983; Campbell, 2007), resulting in an additional role of institutional conduit.

Empirical interlinkage between social entrepreneurship theory (Dees, 1998; Austin et al., 2006) with agency (Friedman, 1962), stewardship (Donaldson and Davis, 1991), institutional (Scott, 1987; and social legitimacy (Davis, 1973) theories.

Empirical support for Das' (2001), Hales' (1987, 2001) and Shivers-Blackwell's (2004) supposition of increased role conflicts, especially in corporate environment with additional pressures of stakeholders' demands

Leadership and CSR Decision Making

Source: Compiled by the author.

Echoing Frederick's (1998) gradation of CSR development in organisations, it is possible to conceptualise the relationships between leaders' inspiring, visionary, transformational leadership style (as suggested by Bass and Steidlmeier, 1998; and Waldman et al., 2006) with C-S-Rectitudinous (Frederick, 1998) approaches; or C-S-Responsive and – Responsible approaches (ibid.) to transactional leadership approaches (as described by Burns, 1978, and Bass (1990), and echoed in Waldman et al., 2004). This can be further connected to an amalgamation of deontological and teleological ethics (as suggested by Hunt-Vitell, 1986, 1993) in strategically (as in Baron, 2001) implemented CSR; or their skewing toward

teleology in transactional leadership, echoing Keely's (1995) and Kanungo's (2001) suggestions.

Furthermore, the empirical evidence suggests that the complexity of sets of business leaders' responsibilities, resulting in their managerial and leadership roles, the demands they impose and the influences affecting CSR decision-making processes are more complicated in corporations when compared to the SMEs' organisational structures, resources, and relationships with share- and stakeholders, somewhat different to corporations' (as in Spence, 1999; Jenkins, 2005) within the oil and gas industry. Having much less complex share- and stakeholder environment with associated pressures and influences, SMEs' leaders, although also carrying out a combination of agent and steward roles, and having more autonomy in their resource allocations, are predominantly leaning toward steward roles.

Increased societal calls for socially responsible actions introduce even greater pressure on corporate business leaders when reconciling the roles of agents and stewards with share- and stakeholders' demands and expectations. Empirically, this study confirms that the increase of the importance of social legitimacy (Davis, 1973; Wood, 1991; Moir, 2001; Deegan et al, 2002) of business operations, recognised both internally by business organisations and externally by stakeholders, is affecting corporate and subsidiaries' leaders' adoption of yet another role in CSR decision-making process, which can be called the role of "social legitimaser". Although the overall importance of social legitimacy is on the rise, SMEs demonstrate much less recognition of, and conformance with, the effects of social legitimacy, resulting in much less pronounced examples of leaders carrying out the role of social legitimaser.

Moreover, business leaders' actions can be looked at through the suppositions of institutional theory, where institutional norms affect wider social and cultural norms of organisations' operational environments (Scott and Meyer, 1983; Scott, 1987; DiMaggio, 1988; Meyer and Scott, 1992; Campbell, 2007). In the cases of the participants acquiring and disseminating CSR knowledge through relating with their peers or from osmosis of evolving industry CSR values, corporate business leaders also carry out roles of what can be called "institutional conduits". Such inter-

organisations' relational activity further adds to the complexity of corporate business leaders' CSR decision making.

In addition, as pointed out before, the participants were faced with societal calls for their organisations' resource allocation for solving social problems, the activities which lay within the scope of social enterprises, rather than commercial organisations. With this regard, the empirical analysis yields further complexities in the process of CSR decision-making when social entrepreneurship theory (Dees, 1998; Austin et al., 2006; Mair and Marti, 2006; Certo and Miller, 2008) is intertwined with agency, stewardship, institutional, and social legitimacy theories, particularly when the role of social entrepreneur collides with the role of agent, or does not fit with institutional norms of an organisation.

This echoes Hales' (1987, 2001), Das (2001), and Shivers-Blackwell's (2004) suppositions that managers may be subject to role conflicts when faced with contradictory role demands, both from internal and external sources. As was presumed by the author in the beginning of the research, it is clearly demonstrated by the empirical analysis that these suppositions can be confirmed with respect to business leaders' CSR decision-making processes. Within the corporate environment, corporate and subsidiaries' leaders face a more complex set of roles and intrinsic (e.g. personal values, or understanding of CSR) or extrinsic (e.g. stakeholders' demands) role expectations. Whereas SMEs' leaders, although also carrying out multifaceted roles, are subject to a different set of roles and role expectations highly dependent on the leaders' personal, organisational, situational and circumstantial approaches. This, and previously discussed findings, are summarised as contributions to knowledge in this area in Table 35.

Table 35: Contributions to Knowledge in CSR Decision Making and Leadership.

Theories / Concepts / Empirical Findings	Corporate CSR Decision Making and Leadership	Corporate Subsidiaries' CSR Decision Making and Leadership	SMEs' CSR Decision Making and Leadership
Empirical Findings			
CSR Decision-Making Processes and Leadership	In addition to carrying out daily managerial duties resulting in short-term performance measurements, business leaders face additional complexities of combining the responsibilities for creating long-term mutual benefits in conjunction with share- and stakeholders' pressures, and other intrinsic and extrinsic factors. This adds to an elevated level of intricacy of combining various roles, inevitably resulting in internal conflicts caused by diversity of such role-sets.		
	The majority of the participating leaders demonstrated that they cannot fully engage in CSR implementation under only one set of either teleological or deontological ethics. Various financial, social, organisational or personal considerations add to the complexity of leaders' CSR decisions. Although there is evidence suggesting a divide between approaches to CSR decision making, which can be attributed to transactional, authentic or transformational leadership styles, further studies are needed to deepen the understanding of associations between leadership styles and CSR decision-making processes.		
Theoretical Findings			
Transactional leadership style as a reward-punishment interaction between a leader and followers (Burns, 1978; Bass, 1990); and a "Telling" approach (Hersey and Blanchard (1988) in Situational Leadership theory).		In C-S-Responsible and C-S-Responsive organisations, various CSR activities are being viewed by leaders as a reward for employees' performance, correlating to one of the characteristics of transactional leadership styles. This approach was particularly evident in several corporate subsidiaries and SMEs.	
Transformational leadership, as an inspiring, visionary, or "Selling" style (as in Hersey and Blanchard's, 1988 Situational Leadership theory); and Waldman et al.'s (2004; 2006) findings of leaders' intellectual stimulations (Bass, 1985)	C-S-Rectitudinous organisations' activities directly correlate with their leaders' demonstrations of the highest level of commitment to CSR implementation and its further development, echoing with transformational leadership style. This observation echoes Waldman et al.'s (2004; 2006) findings of leaders' intellectual stimulations (Bass, 1985) being the most influential factors in CSR implementation.		
Waldman et al.'s (2004; 2006) suppositions of the least influential factors regarding individualised considerations of subordinates (Bass, 1985; Bass et al., 1987).	Empirical findings are somewhat contradictory to Waldman et al.'s (2004; 2006). Where they found this characteristic being less influential on strategic CSR (Baron, 2001) implementation, this research' findings suggest that in some cases, business leaders' individualised considerations to subordinates (Bass, 1985; Bass et al., 1987) were as significant in CSR implementation as leaders' intellectual stimulation.		
Suppositions of	Contrary to Kanungo and Mendonca's (1996) advocating that		

teleological (consequences-driven) versus deontological (ethics of duty) nature of transactional and transformational leadership styles (Melden, 1967; Helms & Hutchins, 1992; Kant, 1994; Keely, 1995; Kanungo and Mendonca, 1996; Kanungo, 2001).	transactional leadership, through its actions of control-reward and self-interest, is void of any moral and ethical standards, this research suggests that the fact that the studied organisations implement CSR, does emphasise ethical conflicts these leaders face. On one hand, they are pressured into functioning under bottom-line driven performance measures, whereas, on the other hand, they are scrutinised for implementing socially responsible actions, which are at times considered by said leaders as profit-draining exercises. This leads to the supposition that, since the original research was conducted by Kanungo and Mendonca (1996), transactional leadership is currently exhibiting an increased incorporation of moral stands and ethical standards into the leadership styles.	
Prevalence of teleological ethics in transactional leadership and deontological ethics in transformational leadership (Keely, 1995; Kanungo, 2001).	The examples of CSR implementation within the studied organisations point to the hybrid of teleological and deontological ethics these leaders are intrinsically and extrinsically guided by, although in the case of transactional leadership, skewed towards teleological, and in the case of transactional leadership, tilted toward deontological ethics, as previously suggested by Keely (1995) and studied by Kanungo (2001).	
Managerial roles (Mintzberg, 1973, 1975); agency theory (Alchian and Demsetz (1972), Eisenhardt (1985, 1989), Jensen and Mekling (1976), and social responsibility (Friedman, 1962, 1970); and stewardship theory (Donaldson and Davis, 1991; Davis et al., 1997)	In addition to Minzberg's managerial roles (1973, 1975) corporate and subsidiary leaders carry out roles of agents (Friedman, 1962, 1970) and stewards (Donaldson and Davis, 1991; Davis et al., 1997) with predominance of agent role.	Considering SMEs' organisational structures, resources, and relationships with share- and stakeholders, different to corporations' (e.g. Spence, 1999; Jenkins, 2005), SMEs' leaders, although also carrying out both roles of agent and steward, lean toward steward role.
Social legitimacy and the increase of societal pressures (Davis, 1973; Wood, 1991; Donaldson and Dunfee, 1999; Moir, 2001; Deegan et al, 2002)	Empirically, this study confirms that the increase of the importance of social legitimacy of business operations, recognised both internally by business organisations and externally by stakeholders, is affecting corporate and subsidiaries' leaders' adoption of a role of "social legitimaser" in CSR decision-making processes.	Although the importance of social legitimacy is on the rise, SMEs demonstrate much less recognition of and conformance with the effects of social legitimacy, resulting in a much less pronounces leaders carrying out the role of social legitimaser.
Effects of institutional norms on wider social and cultural norms of organisations' operational environments stemming from institutional theory	In the cases of the participants acquiring and disseminating CSR knowledge through relating with their peers or from osmosis of evolving industry CSR values, corporate business leaders also carry out roles of what can be called "institutional conduits". Such inter-organisations' relational activity further adds to the complexity of corporate business leaders' CSR	

(Scott and Meyer, 1983; Scott, 1987; DiMaggio, 1988; Meyer and Scott, 1992; Campbell, 2007).	decision making.	
Demonstrations of social entrepreneurship theory (Dees, 1998; Austin et al., 2006; Mair and Marti, 2006; Certo and Miller, 2008; Diochon et al., 2008) interlinking with agency, stewardship, institutional, and social legitimacy theories.	Leaders are faced with societal calls for their organisations' resource allocation to solving social problems, the activities which lay within the scope of social enterprises, rather than commercial organisations. With this regard, the empirical analysis yields further complexities in the process of CSR decision-making, particularly when the role of social entrepreneur collides with the role of agent, or does not fit with institutional norms of an organisation.	
Hales' (1987, 2001), Das (2001), and Shivers-Blackwell's (2004) suppositions that managers may be subject to role conflicts when faced with contradictory role demands, both from internal and external sources.	The empirical evidence clearly demonstrates that these suppositions can be confirmed with respect to business leaders' CSR decision-making processes. Within the corporate environment, corporate and subsidiaries' leaders face a more complex set of roles and intrinsic (e.g. personal values, or understanding of CSR) or extrinsic (e.g. stakeholders' demands) role expectations.	SMEs' leaders, although also carrying out multifaceted roles, are subject to a different set of roles and role expectations highly dependent on the leaders' personal, organisational, situational and circumstantial approaches.

Source: Compiled by the author.

As can be seen from this table, the majority of corporate leaders are much more exposed to the extrinsic pressures, which results in the eminent status of their agent and institutional conduit roles. Whereas SMEs' leaders' duties are more exposed to the intrinsic pressures of being a good steward and a social entrepreneur. In the case of the subsidiaries' leaders, there is evidence of an amalgamation of these roles as these leaders are being equally exposed to all previously mentioned extrinsic and intrinsic pressures.

In addition, the empirical evidence suggests an agreement with Das's (2001) suppositions that leaders respond differently to varied role expectations. Although other influences, e.g. economic, or legislative requirements leading to such changes should not be underestimated, the empirical evidence of adjustments in CSR-related decision-making processes confirm that role players may face role conflict at both institutional and personal levels. Depending on changes in leaders' prioritising extrinsic or intrinsic pressures, or a replacement of a CSR decision-maker altogether, also point in the direction of further exploration

of personal factors affecting leaders' CSR implementation, which are rooted in decision makers' ethical stands. This is analysed in the following section.

7.2.8 CSR Decision Making and Ethics

As stated before, researchers agree that there is a lack of clarity in defining CSR, which can result in interchangeable employment of other terms, including, inter alia, socially responsible actions and business ethics (Lockett et al., 2006; McWilliams et al., 2006; Worthington et al., 2008; Blowfield and Murray, 2008). Although the issues of reconciling business ethics and CSR decision-making process are not the main focus of the research, it is important to the scope of this study to advance the empirical understanding of the relationships between the two.

As one of the most prominent models of ethical decision making (developed by Hunt-Vitell, 1986, 1993, 2006) supposes, any ethics-based decision would normally involve an approach incorporating and balancing Cultural, Industry, Professional and Organisational Environments, and Personal Experiences through deontological and teleological evaluations, ethical judgements, and intentions resulting in amalgamation of behaviours, actions, and consequences. Although originally based on marketing ethics, Hunt-Vitell's model (1986, 1993; 2006) shows probably the most holistic method of interpretation of individuals either solving ethical dilemmas or making ethical decisions, with a particular stress on managerial context (Hunt and Vitell, 2006).

However, perhaps due to the fact that this model was originally developed in the USA, and incorporated largely US executives' and business studies students' perceptions, the empirical data collected as part of this research shows one contradiction. With regard to both corporate and SMEs' leaders, religion as an element in Cultural Environment and Personal Characteristics (Hunt and Vitell, 1986, 1993; 2006) has not been identified as an influencing factor in CSR decision making. This, as mentioned before, corresponds with Worthington et al.'s (2006a) suppositions of a diminished effect of religion in non-Asian UK firms' CSR decisions.

When comparing corporate and SMEs' leaders CSR decision making, the following variations emerged between deontological (application of

behavioural norms to different alternatives (Hunt and Vitell, 2006) and teleological evaluations (assessment of total "goodness versus badness" in each alternative for each stakeholder (Hunt and Vitell, 2006: 145)). In the case of corporate leaders, a more complex set of stakeholders and their increased societal pressure affect ethical approach to CSR decision-making processes skewing it towards more teleological context. In contrast, the less exposed to social pressures environment of SMEs skews ethical side of CSR decision making towards deontological context. Whereas in the case of corporate subsidiaries, which combine CSR decision-making approaches from both corporate and SMEs' environments, Hunt-Vitell's model of theory of ethics (2006) can be used to illustrate a more intricate approach to CSR decision-making that corporate subsidiaries' leaders adopt.

From another point of view, the empirical evidence of this research echoes with Longenecker et al.'s (2006) suggestions that there are no significant differences between corporate and SMEs' higher ethical standards, which are predominantly based on personal factors (e.g. reputational and social capital, locus of control, need for achievement, and cognitive moral development). However, in contrast with Longenecker et al.'s (2006) suggestions on more pronounced differences in situational factors (e.g. institutional, agency and environmental) between corporate and SMEs' environments, there was no strong empirical evidence to suggest lower ethical standards in SMEs. This is possibly due to the fact that the comparison between corporate organisations and SMEs was made within the same industry, with similar pressures of situational factors, identified by Longenecker et al. (2006). Similarly, Machiavellian and non-Machiavellian attitudes to CSR decision making were demonstrated in both corporate and SMEs' leaders' behaviours. Although, it must be said that it is increasingly difficult to identify purely non-Machiavellian attitudes to CSR in these economically challenging times. After close analysis, examples of what the participants called "altruistic" CSR activities almost always reveal either a business case or a personal, at times deeply emotional, reaction to a social stimulus.

Continuing the theme of CSR decisions in SMEs, in contrast with Jenkins' (2004; 2006) suggestions on SMEs recognition of improving image and reputation as a result and not a motivator for CSR implementation, the

empirical evidence of this research suggests that in some cases SMEs and corporate subsidiaries' leaders are inclined to implement further CSR after being motivated by the recognition of the affects of improved or maintained reputation, or increased networking through their CSR implementation. This can be due to the increased societal scrutiny in enterprises' conducts, in addition to the increased understanding of benefits of wider CSR implementation within the SMEs environment. The empirical data show that increased visibility is one of the main drivers for CSR implementation, particularly in SMEs, emphasising business leaders' awareness of long-term economic benefits of CSR.

One of the highlighted influences on CSR decision-making processes in the form of cost-benefit analysis, suggested by McWilliams and Siegel (2001), empirically was not confirmed. There is a distinctive lack of references by the participants to a direct application of cost-benefit analysis in evaluation of CSR options, neither in SMEs, nor in corporate organisations. However, this does not mean that such activity does not take place within the studied organisations, or within the studied industry. There is evidence of ethical dilemmas between utilitarianism and individualism in CSR decision making, particularly in SMEs. Taking this into considerations, it is possible to suggest that the lack of the participants' references to cost-benefit analyses is caused either by the respondents' potential biases, discussed in this thesis in section 5.8 Ethical Considerations, or by the fact that final CSR decision making takes place after such analysis was conducted prior to their involvement, or by the overall increased awareness of benefits from CSR implementation.

This is particularly peculiar, considering the disparity between CSR rhetoric and economic bottom-line indications exhibited by absolute majority of the participants. Furthermore, Donaldson and Davis' (1991) and Davis et al.'s (1997) stewardship theory view that managers, being driven by their morality, would make CSR-oriented decisions without reference to the consequences to the financial performance, was opposed by the empirical evidence of the majority of participating business leaders emphasising their companies' bottom line as their primary consideration. Since CSR decision making is not systematic, further studies in this area may improve the understanding of the relationship between these factors.

However, a set of relationships between various theories, previous studies, and empirical findings of this research can be conceptualised, showing their inter-connections and shaping the overall understanding of this area of research, as presented in Figure 22 Ethics and CSR Decision Making.

Figure 22: Ethics and CSR Decision Making – Theoretical Framework and Empirical Findings.

Key: Each topic in this diagram represents empirical variation or conformance with underpinning theoretical concepts.

Arrows demonstrate interconnectivity between various concepts.
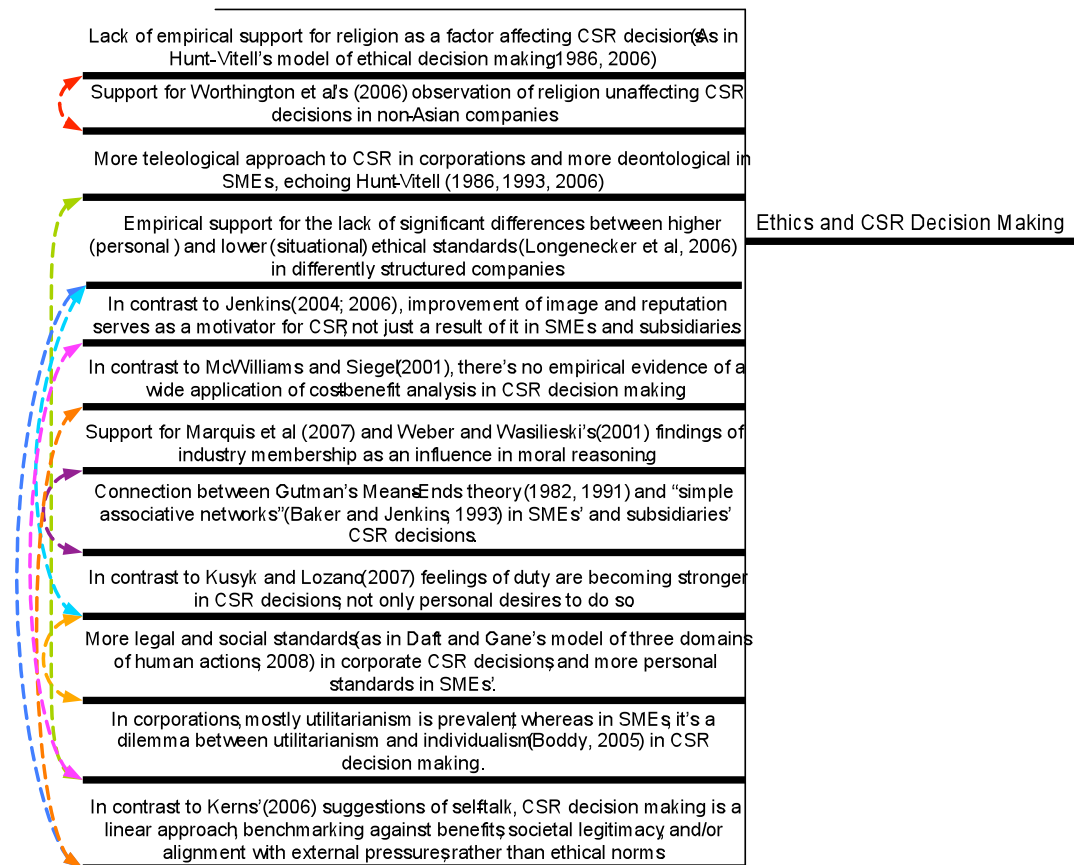
Source: Compiled by the author.

Although religion was not confirmed as a key influence in CSR decision making, (based on Hunt-Vitell's model of ethical decisions (1986, 2006); and echoing Worthington et al.'s (2006a and b) suggestions), when considering ethical dimensions of CSR decision making, the empirical evidence suggested other key influence. This was previously referred to by Marquis et al. (2007) in their research as examples of local peers, and

which echoes the findings of previous studies (e.g. Weber and Wasieleski, 2001) into the issue of industry membership influencing companies' leaders in moral reasoning, which can be connected with Baker and Jenkins' (1993) propositions of "simple associative networks" between CSR decisions, their implementation, and implications, particularly considering benchmarking against industry peers' CSR. The examples of the studied business leaders suggest that, when faced with CSR options, at times the overall CSR decision-making process is circumvented in favour of a quick decision to conform to the standards and expectations of their peers. Especially in the cases of SMEs, this raises a question of ethicality of such approaches, particularly if these decisions are based on close networking, or direct influences by local communities, share- or stakeholders. The lack of uniform benchmarking and scrutiny in CSR implementation emphasises ethical dilemmas SMEs' leaders face when making uninformed and potentially unethical decisions, which they may refer to as CSR, but which in fact lack in "responsible" nature of such actions. Although not all actions implemented based on peers' examples are unethical, the wide-spread nature of this approach leaves business leaders, particularly SMEs', exposed to potential legislative scrutiny or social criticism.

With regard to balancing personal versus organisational values in CSR decision making, the empirical findings can be evaluated through the postulates of Means-Ends theory (Gutman, 1982; 1991). Although originally developed based on consumers' behavioural studies, Means-Ends theory can shed more light on the process of CSR decision-makers' choosing between various options. As part of CSR implementation, just like in consumers' choice-making processes, CSR decision makers form their "simple, associative network" (Baker and Jenkins, 1993: 9) to connect attributes of a choice, its benefits and satisfiers, through the consequences to values of the final choice or decision.

The empirical data, particularly in the cases of personally driven CSR choices, confirm that in some instances CSR decisions were made by the participants based on this association between benefits, satisfiers and consequences of the decision, rather than on reconciling dilemmas of business and personal ethics and values. This chain of thought in "associative networks" (Baker and Jenkins, 1993: 9) between attributes,

consequences and values (Gutman, 1982; 1991) seems to be much shorter in SMEs leaders' decisions rather than in large corporations. This can be explained by a much wider and more complex set of extrinsic and intrinsic factors affecting corporate leaders' understanding and assessing consequences and values associated with CSR decisions' attributes, some of which were discussed in the previous sections.

Regarding corporate subsidiaries data, these "associative networks" (Baker and Jenkins, 1993: 9) can vary between simple, similar to the ones exhibited in SMEs, and more complex ones, as exhibited in large corporations environment. This can be explained by subsidiaries' leaders fluctuating between assessing and applying larger, more complex attributes and perceived benefits to expectedly larger CSR demands in some cases. However, in other instances smaller CSR decisions may require a much less involved network of attributes and benefits associated with a CSR decision, potentially leading to an application of satisfiers only with regard to Consequences and Values of CSR decision making process, as was demonstrated in the cases of both, SMEs' and subsidiaries' leaders.

However, it must be said that, contrary to Kusyk and Lozano's (2007) emphases of SMEs' leaders' prevalence of personal desires of these leaders to implement CSR versus feelings of duty to do so, the empirical data suggest that there is no one clear-cut approach to CSR implementation within the studied organisations. The evidence suggests that with the increase of societal scrutiny and SMEs' leaders' understanding of benefits of implementing CSR, the feeling of duty (Kusyk and Lozano, 2007) begins to play a much more important role than just leaders' personal desires as in satisfiers in Gutman's Means-Ends theory (1982, 1991). This characteristic seems to be similar also in other organisations where leaders' personal considerations play an increasingly important part in CSR decisions (e.g. in corporate subsidiaries).

Going back to the level of complexity of "associative networks" (Baker and Jenkins, 1993: 9) in Gutman's theory (1982, 1991), these can be explored further by relating the empirical evidence to the Daft and Gane's model of Three domains of human actions (2008: 140). Depending on the amount of explicit control (Daft and Gane, 2008) individuals are subject to

during decision-making processes, the emphasis on either attributes, consequences or values (Gutman, 1982, 1991) shifts between domains of human actions (Daft and Gane, 2008). The amount of explicit control is dependant on either corporate, SMEs, or subsidiary environment and respective extrinsic and intrinsic factors, as supported by the empirical data. However, in contrast to Daft and Gane's linear progression within the domains, the author believes in a more layered framework of correlations between individuals' determinants in CSR decision-making and domains of human actions. This is summarised in the following Figure 23.

Figure 23: Correlations between Domains of Human Actions and Means-End Theory
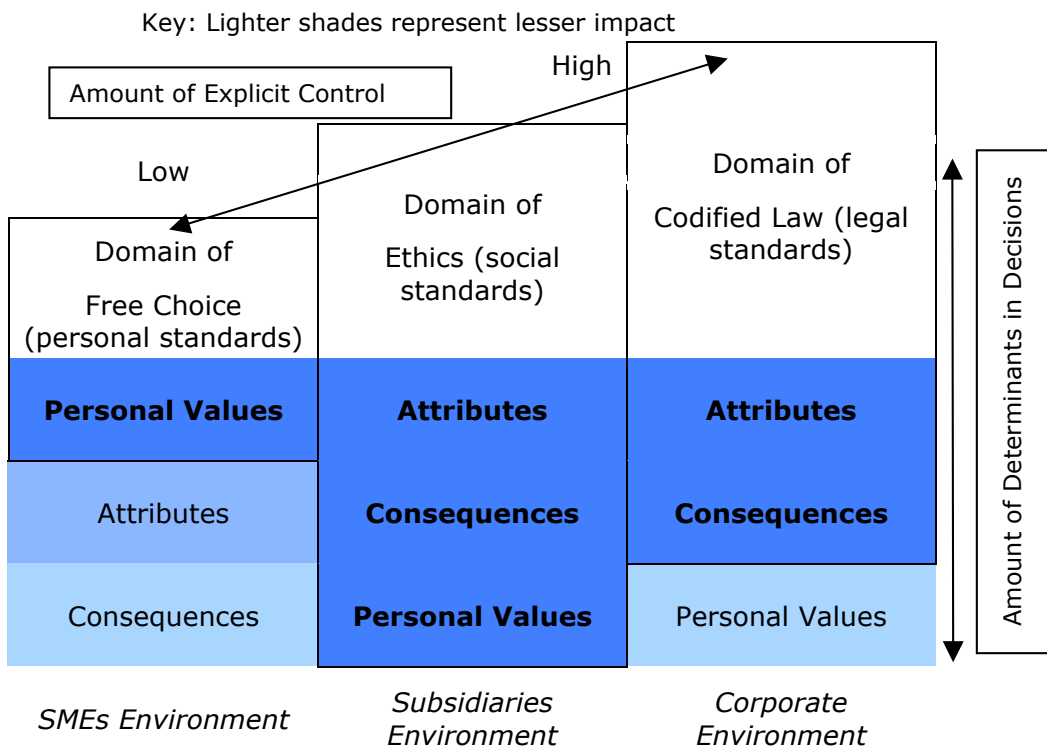
Source: Compiled by the author, based on Gutman (1982, 1991) and Daft and Gane (2008).

As previously discussed, the empirical evidence suggests that in the case of SMEs, business leaders face a lesser amount of explicit control when making CSR decisions. They are affected predominantly by personal standards, values and legal standards, with lesser emphasis on social standards or consequences in this framework. However, in the case of corporate leaders, their personal standards are much less manifest (disregarding examples of private corporate philanthropists, as mentioned before), due to the prevalence of legal and social standards affecting their determinants as in attributes and consequences of CSR decisions. Once

again, the empirical data suggest that corporate subsidiaries, positioned in the middle of the amount of explicit control, exhibit holistic, equally emphasised amounts of determinants in their CSR decision-making processes.

These findings echo Boddy's (2005) characteristics of an ethically acceptable business decision, which should comply with both legal and societal ethical standards. However, in some instances, as supported by the empirical findings, business leaders are faced with such ethical dilemmas in making CSR decisions that position their personal, societal, or organisational standards at odds. Although having no formal process of evaluating ethicality of their decisions, almost all participants exhibited at least preliminary considerations of whether a particular CSR decision meets the doctrine of human rights, or moral principles.

It must be noted, thought, that in far more cases, as illustrated by the participants, they are faced with efforts to reconcile utilitarianism and individualism when considering CSR implementation. In some SMEs cases, it is not individualism in terms of the participants' personal long-term interests (Boddy, 2005), but with regard to their organisation's interest. Whereas in the cases of corporations, it is mostly utilitarianism that is affecting those leaders' decisions on CSR implementation. This can be explained by an elevated profile of such organisations and an increased societal scrutiny of their operations. Notably, corporate subsidiaries' leaders demonstrate the most flexibility in evaluating their CSR implementation, once again resorting to either their corporate headquarters' directives, resulting in utilitarian considerations, or to their local office' standards of practise, at times resulting in their organisational or leaders' personal individualistic considerations. This is summarised in Figure 24.

Figure 24: Moral Considerations in CSR Decisions

Key: Lighter shades represent lesser impact

Moral Considerations in CSR Decisions - SMEs Environment	Moral Considerations in CSR Decisions - Subsidiaries Environment	Moral Considerations in CSR Decisions - Corporate Environment
Moral Principles	Moral Principles	Moral Principles
Human Rights	Human Rights	Human Rights
Utilitarianism	Utilitarianism	Utilitarianism
Individualism	Individualism	Individualism

Source: Compiled by the author, based on Boddy (2005)

As can be seen from this table, SMEs' leaders face the most difficult ethical dilemmas reconciling utilitarianism and individualism, particularly when faced with increased societal calls for spending businesses' profits on alleviating social problems. This is reminiscent of Aristotle's argument on Dichotomy, where one is divided into two contradicting elements (Code, 1991; Bostock, 2006; Lofting, 2009) particularly when considering the challenging nature of such calls on commercial, not social, enterprises in terms of resource allocation in *serving others* versus *serving self*. On one hand, SMEs are characterised as having less resources (Jenkins and Hines, 2003; Jenkins, 2004) available to commit to CSR, driving business leaders to abide to individualistic principles, as illustrated by the empirical findings. On the other hand, faced with growing share- and stakeholders' demands, and seeing long-term benefits of CSR, SMEs' business leaders are forced to consider CSR from a utilitarian approach, thus undermining their enterprises' foremost purpose of generating value through business opportunities.

The theme of moral discourse can be continued through the reconciling of the empirical findings and Kerns' (2006) suppositions of business leaders resorting to what he suggested as a self-talk in benchmarking their decisions against virtuous values. One notable dissonance with Kerns' suppositions, highlighted by the data, is that none of the participants described their decision making as a linear process of evaluating all possible circumstances involved in CSR decision making against associated values, particularly when faced with decisions which might have been considered as the ones made without regard to public liking (Kerns, 2006). In the majority of the empirical cases, the participants referred to three major areas of

"checklists", such as business benefit; societal legitimacy; and/or alignment with organisational governance or external regulations and legislation.

As can be seen from this comparison, there seems to be no widely adopted practise of undertaking a thorough ethical evaluation of values versus attributes of CSR decisions demonstrated by the interviewees within the studied organisations. Perhaps this can be explained by the dynamic nature of business environment where too much deviation from the main business operations can be considered non-beneficial to the overall purpose, therefore undermining the importance of other factors impacting business ethical decision making processes. This and other abovementioned business practices emphasise dilemmas between business goals and ethical considerations, which business leaders must resolve as part of successfully running their organisations and implementing CSR.

To summarise corporations', corporate subsidiaries' and SMEs' business leaders' ethical considerations in CSR decision-making processes, the following table (Table 36) presents a comparison between empirical findings and available literature as contributions of this study in this area of knowledge.

Table 36: Contributions to Knowledge in Ethical Considerations

Theories / Concepts / Empirical Findings	Corporate Ethical Considerations in CSR Decision Making	Corporate Subsidiaries' Ethical Considerations in CSR Decision Making	SMEs' Ethical Considerations in CSR Decision Making
Empirical Findings			
CSR Decision-Making Processes and Ethical Considerations	Distinctive lack of empirical evidence in leaders' implementing a thorough ethical evaluation of values versus attributes of CSR decisions strongly affected by the commercial nature of organisational processes and measurements of success. This, in turn, adds to the emphasise on dilemmas between business goals and ethical considerations, which business leaders must resolve as part of successfully running their organisations and implementing CSR.		
	Personal values and ethical norms are much less prevalent in corporate leaders' CSR considerations, with more emphasis on organisational and societal external and internal	Corporate subsidiaries' leaders demonstrated an equal emphasis on personal, organisational and societal values and ethical norms as external and	Personal and organisational values and ethical norms are much more prevalent in SMEs' leaders CSR considerations, with less emphasis on societal external attributes and

	attributes and consequences of CSR implementation.	internal attributes and consequences of CSR implementation.	consequences of CSR implementation.

Theoretical Findings			
Hunt-Vitell models of ethical decision making (1986, 1993, 2006) incorporating and balancing Cultural, Industry, Professional and Organisational Environments, and Personal Experiences through deontological and teleological evaluations, ethical judgements, and intentions resulting in amalgamation of behaviours, actions, and consequences.	Empirical evidence supports most of the elements of Hunt-Vitell's model, but with one contradiction. Both corporate and SMEs' leaders did not identify religion as an influencing factor in CSR decision making. This corresponds with Worthington et al.'s (2006 a) suppositions of a diminished effect of religion in non-Asian UK firms' CSR decisions.		
	In the case of corporate leaders, more complex set of stakeholders and their increased societal pressure affect ethical approach to CSR decision-making processes skewing it towards more teleological context (assessment of total "goodness versus badness" in each alternative for each stakeholder (Hunt and Vitell, 2006).	In the case of corporate subsidiaries, which combine CSR decision-making approaches from both corporate and SMEs' environments, Hunt-Vitell's model of theory of ethics (2006) can be used to illustrate a more intricate approach to CSR decision-making that corporate subsidiaries' leaders adopt.	In contrast, less exposed to social pressures environment of SMEs skews ethical side of CSR decision making towards deontological context (application of behavioural norms to different alternatives (Hunt and Vitell, 2006).
Longenecker et L. (2006) - Similar higher ethical standards, based on personal factors (e.g. reputational and social capital, locus of control, need for achievement, and cognitive moral development); but different lower ethical standards based on situational factors (e.g. institutional, agency and environmental) between corporate and SMEs' environments.	The empirical evidence of this research echoes with Longenecker et al.'s (2006) suggestions that there are no significant differences between higher (personal) and lower (situational) ethical standards in corporate and SMEs' environments, thus progressively merging into a cross-sectional representation of ethical standards within the oil and gas companies.		
Jenkins' (2004; 2006) suggestions on SMEs recognition of improving image and reputation as a result and not a motivator		In contrast, the empirical evidence of this research suggests that in some cases SMEs and corporate subsidiaries' leaders are inclined to implement further CSR after being motivated by the recognition of the affects of improved or maintained reputation, or increased networking	

for CSR implementation.		through their CSR implementation.	
Cost-benefit analysis as an influence in CSR decision-making processes, as suggested by McWilliams and Siegel's (2001).	There was no empirical evidence gathered to confirm a wide use of cost-benefit analysis within the studied organisations. There is a distinctive lack of references by the participants to a direct application of cost-benefit analysis in evaluation of CSR options, neither in SMEs, nor in corporate organisations.		
Marquis et al.'s. (2007) and Weber and Wasieleski's (2001) findings of industry membership influencing companies' leaders in moral reasoning.	The empirical evidence concurs with these suggestions, ever more so in the case of SMEs, when faced with CSR options, at times the overall CSR decision-making process is circumvented in favour of a quick decision to conform to the peers' standards and expectations.		
Means-Ends theory (Gutman, 1982; 1991), where CSR decision makers form their "simple, associative network" (Baker and Jenkins, 1993: 9) to connect attributes of a choice, its benefits and satisfiers, through the consequences to values of the final choice or decision.		The empirical findings, particularly in the cases of personally driven CSR choices, confirm that in some instances CSR decisions were made by the participants based on this association between benefits, satisfiers and consequences of the decision, rather than on reconciling dilemmas of business and personal ethics and values. This chain of thought in "associative networks" (Baker and Jenkins, 1993: 9) between attributes, consequences and values (Gutman, 1982; 1991) seems to be much shorter in SMEs leaders' decisions rather than in large corporations, and is at times present in corporate subsidiaries' environment.	
Kusyk and Lozano's (2007) emphases of SMEs' leaders' prevalence of personal desires to implement CSR versus feelings of duty to do so.			In contrast, the evidence suggests that with the increase of societal scrutiny and SMEs' leaders' understanding of benefits of implementing CSR, the feeling of duty (Kusyk and Lozano, 2007) begins to play a much more important role than just leaders' personal desires as in satisfiers in Gutman's Means-Ends theory (1982, 1991).

355

Daft and Gane's model of Three domains of human actions (2008: 140).	The empirical evidence suggests that in the case of corporate leaders, their personal standards are much less manifested, due to the prevalence of legal and social standards affecting their determinants as in attributes and consequences of CSR decisions.	Once again, the empirical data suggest that corporate subsidiaries, positioned in the middle of the amount of explicit control, exhibit holistic, equally emphasised amounts of determinants in their CSR decision-making processes.	In the case of SMEs, business leaders face a lesser amount of explicit control when making CSR decisions. They are affected predominantly by personal standards, values and legal standards, with lesser emphasis on social standards or consequences in this framework.
Boddy's (2005) characteristics of an ethically acceptable business decision, which should comply with both legal and societal ethical standards, as in individualism, utilitarianism, human rights, moral principles.	The empirical findings show that at times business leaders are faced with such ethical dilemmas in making CSR decisions that position their personal, societal, or organisational standards at odds. Almost all participants exhibited at least preliminary considerations of whether a particular CSR decision meets the doctrine of human rights, or moral principles.		
	In the cases of corporations, it is mostly utilitarianism that is affecting those leaders' decisions on CSR implementation.	Corporate subsidiaries' leaders demonstrate the most flexibility in evaluating their CSR implementation, once again resorting to either their corporate headquarters' directives, resulting in utilitarian considerations, or to their local office' standards of practise, at times resulting in their organisational or leaders' personal individualistic considerations.	In some SMEs cases, it is not individualism in terms of the participants' personal long-term interests (Boddy, 2005), but with regard to their organisation's interest. SMEs' leaders face the most difficult ethical dilemmas reconciling utilitarianism and individualism, particularly when faced with increased societal calls for spending businesses' profits on alleviating social problems.
Kerns' (2006) suppositions of business leaders resorting to what he suggested as a self-talk in benchmarking their decisions against virtuous values.	In contrast, none of the participants described their decision making as a linear process of evaluating all possible circumstances involved in CSR decision making against associated values. In the majority of the empirical cases, the participants referred to three major areas of "checklists", such as business benefit; societal legitimacy; and/or alignment with organisational governance or external regulations and legislation, rather than evaluating it against ethical norms.		

Source: Compiled by the author.

Once again, by comparing corporate, subsidiaries' and SMEs' empirical evidence, it became clear that there is a noticeable difference in evaluation

of CSR decisions through the prism of ethical considerations. Where in the case of SMEs, personal ethical norms and standards are prevalent, these benchmarks play the least influential role in the case of corporate leaders' CSR implementation. However, in the environment of local corporate subsidiaries, a combination of organisational and societal influences adds to the subsidiaries' leaders' personal considerations, thus resulting in an equal application and evaluation of ethical norms and standards, although not on a formal and elaborate level.

Another level of ethical standards that business' leaders evaluate their CSR implementation arises from their considerations of peers' examples of either succeeding, or avoiding wider CSR. These industry norms and standards of CSR implementation are analysed in the following section.

7.2.9 CSR in the Oil and Gas Industry

One of advantages of conducting this study at this time is that it gave a unique opportunity to compare CSR implementation in the oil and gas industry during the years of the highest oil prices resulting in tremendous profits for oil companies (Williams, 2008), and then rapidly moving into the economic downturn with drastic changes in resource allocation and future plans (Baker, 2009a).

Previously reported global corporations' initiatives in research and development of renewable energy sources may be curtailed or abandoned altogether, which is already signalled in Royal Dutch Shell's decision to limit its investments in clean wind and solar power energy sources and switch to a controversial strategy of investing in biofuels (Baker, 2009b). According to Lord Browne, the former CEO of BP, this is the result of oil companies reacting to economic changes, feeling under pressure from high costs, credit difficulties, and unfavourable market mechanisms, unless "…there is urgent rethink of energy policy" (Rusbridger and Adam, 2009: online).

Large corporations' retreat from their commitments to the development of clean energy sources angered Greenpeace campaigners, who cited that it will undermine efforts to tackle climate change and puts Shell among the most irresponsible global companies (Baker, 2009b).

However, from Shell's perspective, the decision to end wind and solar energy investments and support biofuels emphasises company's commitment and responsibility to its shareholders in returning the highest profits to them (ibid.), rather than to wider stakeholders.

Comparing this development within the industry's commitment to CSR in this particular aspect with the findings of previous research by Brinkman et al. (2008), Frederick's (1998) propositions on CSR development, and the empirical findings of this research, an unclear picture emerges. On the one hand, there are signs of a wider acceptance by the oil and gas business leaders of scientifically supported arguments for more socially responsible operations in order to reduce carbon emissions and prevent climate change, as was illustrated by this study's findings, and conforming with expansion of CSR understanding through the scientific angle proposed by Frederick (1998). On the other hand, these backtracking activities conform to Brinkman et al.'s (2008) findings of oil industry's business leaders' inability to accept direct detrimental effects of their operation on the environment and climate change, even if it affects their companies' market valuations and associated profits. Perhaps this can be explained by current turbulent economic times and the oil industry's attempts to find its direction navigating between increasing societal pressure for its more sustainable and responsible operations and more bottom-line driven results, which are ultimately a matter of balancing short-term CSR expenditures and companies' profits versus long-term benefits and sustainability.

Together with the previously discussed recent case of the admission by Shell of breaching human rights principles (Pilkington, 2009), this development in corporate CSR implementation, albeit based on limited examples, accentuates the debate on the balance of power of shareholders versus stakeholders in corporate CSR decision making. It can be argued that during the economically challenging times short-term, bottom-line driven interests of increasing corporate shareholder value would outweigh socially responsible investments based on environmental and social considerations. This is somewhat at odds with Godfrey's (2007) suppositions of endogenous (in-house policies) and exogenous (stakeholders' demands) effects on CSR implementation in large oil corporations. Perhaps due to the abovementioned impacts of the economic

downturn, corporations are reacting even less to stakeholders' "squeaky wheels" (Godfrey, 2007: 221) not exceeding but matching their expectations, as in "mimetic isomorphism...in stakeholder matching model" (ibid.).

In the current environment, this "mimetic isomorphism" (ibid.) is skewing towards matching more of shareholders', rather than stakeholders' expectations, thus ultimately serving corporations individualistic purpose of generating and retaining profits. Such a shift in the approaches suggests that a further research of CSR decision-making processes may be beneficial, particularly if it is structured longitudinally.

In reference to the increase or decrease of the impact of stakeholders' versus shareholders' demands, the empirical evidence confirms the increase of the importance of stakeholders' impact with regard to corporations', through their subsidiaries, complex responses in both complex and simple stakeholder environments (as Godfrey (2007) suggested), particularly when corporate and subsidiaries' CSR was classified by the participants as one of their core competences. However, follow-up studies are required to explore whether this is to reverse to the decrease of stakeholders' and increase of shareholders' impacts, as was pointed out before.

If corporations' complex response results in their adoption of CSR as a core competence to differentiate themselves from other corporations, what happens to this response when CSR, or some of its elements, is curtailed or terminated by corporations in question? Will this result in adjusting corporate CSR and continuing its proclamation as a core competence, or its abandonment as a core competence and switching to an even more compartmentalised and C-S-reactive implementation? Will this produce an increase in corporate communication regarding its CSR commitments to manage stakeholders' expectations in terms of their prevention rather than responding to their "squeaks"? All these questions can form an area of future research to coincide with the developments in the economic downturn and oil and gas industry's attitude to CSR.

With regard to SMEs' simple CSR responses in simple stakeholder environments, illustrated by the empirical data, there is strong evidence of applicability of Godfrey's mimetic isomorphism in stakeholders' matching model (Godfrey, 2007). The majority of SMEs clearly do not exceed but

match their stakeholders' expectations, although with an underlining individualistic agenda, as was discussed before. However, as in the case of corporate changes, it is expected to see adjustments in SMEs' CSR commitments, which can be studied further within the environment of either continued or easing recession, or changing societal pressures. As the empirical evidence suggests, already there are worrying examples of SMEs leaders' attitudes to CSR as obstacles to successful running of their enterprises. This, in the light of economic difficulties, can put the implementation of CSR further back on SMEs' agendas.

Tying these findings in with the theoretical framework, it is clear that, albeit after many years of CSR development and increased recognition, these sentiments are still in line with agency theory perspectives. What Levitt (1958) and Friedman (1970) were advocating decades ago was that businesses are not supposed to do government's job; that, although some executives do allocate resources to CSR, it is limited to mediating stakeholders' pressures (Levitt, 1958); that resources spent on CSR are misused or taken away from shareholders (Friedman, 1962, 1970); and that CSR can be considered as an executive perk to satisfy personal partiality (McWilliams et al, 2006). These attitudes, particularly present within the CS-reactive organisations, raise further concerns over the future of CSR implementation.

Drawing on Baron's (2001) division into socially responsible actions, driven by benefiting society disregarding firms' expenses, and privately responsible actions, motivated by organisations' goals of profit maximisation, the empirical evidence suggests that, with the exception of a few CS-Rectitudinous actions, the majority of the studied organisations' leaders, albeit expectedly, expressed their foremost driver for commercially successfully running their companies, which is ultimately measured in financial accomplishments, rather than social commitments. The author believes that, with the societal, legal, and peer-to-peer increase of the recognition of individual liability in corporate CSR decision making, either punitively or rewardingly, personally responsible actions eventually will take an equal place as an additional dimension to Baron's (2001) classification of responsible actions.

360

These and other empirical findings, and their correlations with underpinning key theories and previously conducted studies, can suggest conceptual relationships, which are summarised in Figure 25 CSR and the Oil and Gas Industry.

Figure 25: CSR and the Oil and Gas Industry – Theoretical Framework and Empirical Findings.

Key: Each topic in this diagram represents empirical variation or conformance with underpinning theoretical concepts.

Arrows demonstrate interconnectivity between various concepts.
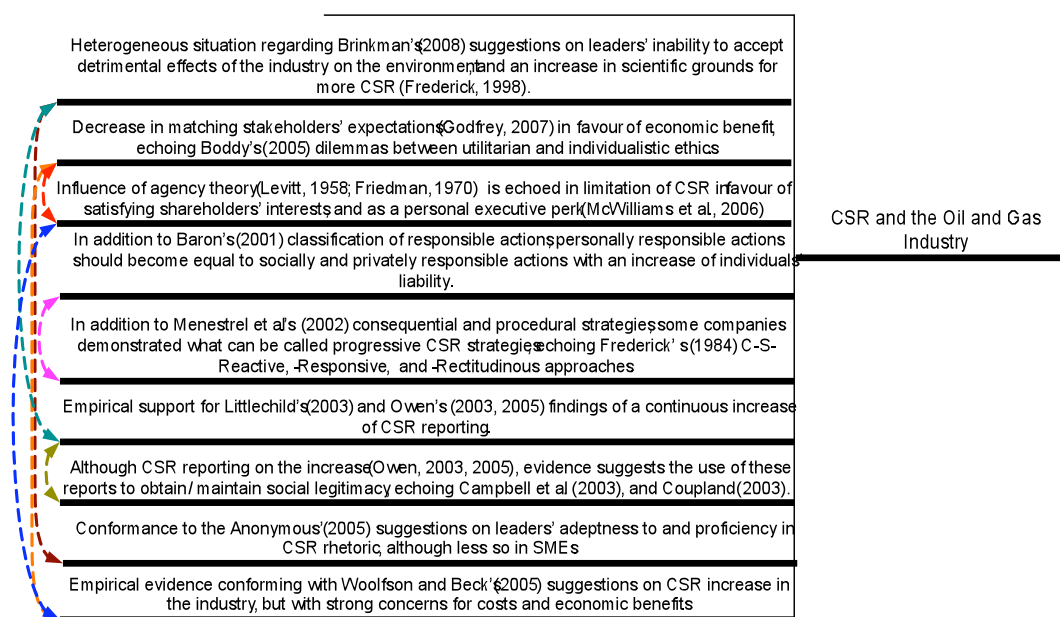
Source: Compiled by the author.

In addition to the previously discussed analysis of a decrease in organisations' efforts in matching their stakeholders' social expectations (as was suggested by Godfrey (2007)) in favour of companies' economic benefits, particularly emphasised by the recent economic downturn, it is possible to conceptualise a link with agency theory perspective on corporate funds allocation for CSR (Levitt, 1958; Friedman, 1970), strengthening its position in explaining the growing emphasis on satisfying share- rather than stakeholders' interests in CSR implementation. This, in turn, echoes empirical findings of business leaders' attempts to reconcile organisational and personal dilemmas between utilitarian and individualistic ethics (as pointed out by Boddy (2005)) in balancing organisational CSR allocations and overall profit maximisation.

Another facet of the empirical understanding of CSR in the oil and gas industry can be analysed through reconciling previous research by Menestrel et al. (2002) and current study findings. As was previously pointed out, although Menestrel et al.'s (2002) model of rational behaviour seems to be comprehensive in describing the oil and gas industry's trade-offs between organisations' self-interest in profit maximisation, and generating greenhouse gases harmful to society, it analysed only two major oil corporations; did not consider industry supply chain operations; and completely overlooked SMEs in this industry.

Menestrel et al.'s (2002) consequential and procedural strategies of dealing with business-driven decisions versus ethical choices, which fittingly describe some of the participating organisations' approaches to CSR, can be also extrapolated to the understanding of various aspects of CSR implementation. As the empirical data illustrate, in corporations, subsidiaries and SMEs, there is a mix of various strategies. The examples of the studied organisations suggest consequential or reactive CSR, and more nominal, procedural CSR responses. Other empirical findings suggest that, at least for the timeframe of this research, there are oil and gas companies that exhibit CS-Rectitudinous, or the next level of proactive socially responsible actions. Their CSR strategies can be characterised as pack-leading, pioneering, and inventive, which in turn can be classified as progressive CSR strategies. Although this CSR implementation strategy is exhibited in large corporations and their subsidiaries, there are examples of SMEs' adherence to this progressive approach in CSR development as well. Furthermore, there are also examples of approaches that could be classified using Menestrel et al.'s (2002) model of rational behaviour, i.e. consequential and procedural strategies in CSR implementation within SMEs. As was discussed earlier, these can be correlated as CS-Responsive and CS-Responsible actions (as in Frederick, 1984), whereas proposed progressive strategy can be correlated with CS-Rectitudinous actions (Frederick, 1984).

With regard to the studied supply chain organisations, it could have been expected of them to be less burdened by business ethical dilemmas since they do not directly produce greenhouse gases through their operations, therefore implementing CSR only consequentially or

procedurally. However, the empirical data suggest that, even in the supply chain SMEs, which are removed from the direct impact on climate change, there are examples of CS-Rectitudinous (ibid.), or progressive CSR strategies.

Perhaps, this can be explained by a combination of factors, including business leaders' greater understanding of CSR, its benefits, and or external and internal calls for its wider implementation, which continued to take place since the original publication of Menestrel et al.'s (2002) research. Other factors may lie in an increase in business leaders' awareness of a higher level of responsibility for participating in the oil and gas industry operations, including its supply chain; and the fact that Menestrel et al.'s (2002) research was conducted within only two global corporations, whereas, as was pointed out before, the studied UK subsidiaries and SMEs are more exposed to local societal pressure, which significantly affects their CSR implementation strategies.

With regard to CSR reporting, there is strong empirical evidence that the majority of the studied organisations currently produce such documentation, with the exception of few SMEs. Although this is a positive sign, a closer examination reveals that not all reports bearing a CSR title actually contain full spectrum of CSR activities. The most widely exhibited aspect addressed in these reports is companies' environment protection activities. However, considering that these activities form part of compliance with legislative requirements, strictly speaking it is not CSR on its own. The rest of the CSR aspects addressed in these reports are predominantly restricted to charitable or other type of donations, community projects and, research into sustainable and alternative energy sources.

Although with a limited progress, this increase in CSR reporting is in line with previous research findings as was suggested by Littlechild (2003) and Owen (2003, 2005). Further comparing with Owen's (2003, 2005) suggestion on these reports lacking significant impact on stakeholder's potential to increase business leaders' liability for CSR actions, the empirical findings demonstrate that in some corporate cases the reports are developed either in line with share- and stakeholders' expectations, or as part of stakeholder management to influence such expectations. These findings are in direct correlation with other research suggestions on

companies' utilisation of CSR-related reporting in order to obtain or maintain their social legitimacy (Hooghiemstra, 2000; Campbell, et al., 2003; Coupland, 2003).

Regarding the relationship between oil companies and their stakeholders, particularly in the case of their CSR reporting, there is a clear evidence of companies' leaders' increased attention to stakeholders' expectations on CSR-related decisions, which is a new development in comparison with Owen's findings (2003, 2005). This can be explained by the strengthening of societal scrutiny and pressure applied onto business leaders to act exceedingly responsibly, rather than produce reports on limited activities dressed as CSR.

This is particularly interesting considering earlier suggestion of an increase in oil and gas business leaders' overall adeptness to and proficiency in talking about CSR, reported in 2005 by the researchers at the Petroleum Economist (Anonymous, 2005). The findings of this research conform to those suggestions, as was illustrated in previous sections. The majority of the participants exhibited an increased familiarity with CSR as a concept, albeit with prominent gaps in their interpretations, understanding or knowledge about its aspects and issues, which can be correlated with Brinkman's (2008) findings. In a corporate environment, including corporate subsidiaries, the majority of the participants' CSR knowledge, as the empirical data demonstrate, is dependent on their headquarters' governing policies and guidelines with a limited personal interpretation and adaptation. Whereas in SMEs, having a much less complicated organisational and institutional structure, business leaders' adeptness to talking about CSR as a subject is a direct demonstration of their personal understanding and knowledge, guided by personal moral principles.

To avoid such variations in interpretations of CSR requirements and outputs, some participants advocated an overall increase and uniformity in CSR legislation. Whereas others argued that the voluntary nature of CSR should not be regulated and therefore limited to pre-approved structures. However, despite these differences in the participants' opinions, the predominant theme is that CSR is considered to be a subject to various adaptations to companies' agendas and their leaders' interpretations, resulting in a greater differentiation in its instrumental understanding,

implementation, and companies' benefit. This is somewhat in line with previously suggested conceptual link with agency theory (Levitt, 1958; Friedman, 1970); and with Woolfson and Beck's (2005: vii) suggestions on the oil and gas industry's increase of interest in CSR, although with an ultimate driver by "…cost concerns…", and being left to its own devices due to inadequate governmental and regulatory control and responses to the industry's actions (ibid.).

To summarise oil and gas industry's CSR implementation, the following table (Table 37) presents a comparison between empirical findings and available literature as contributions of this study in this area of knowledge.

Table 37: Contributions to Knowledge in Oil and Gas Industry and CSR Implementation

Theories / Concepts / Empirical Findings	Corporate CSR Implementation and Oil and Gas Industry	Corporate Subsidiaries' CSR Implementation and Oil and Gas Industry	SMEs' CSR Implementation and Oil and Gas Industry
Empirical Findings			
CSR Implementation and Oil and Gas Industry	The empirical evidence shows a highly heterogeneous set of approaches to CSR implementation, based on organisational and individuals' interpretations of and commitments to CSR. Some participants advocated an overall increase and uniformity in CSR legislation. Whereas others argued that the voluntary nature of CSR should not be regulated and therefore limited to pre-approved structures.		
	CSR implementation is highly affected by the oil industry standards and practices; is largely based on promoting corporate image and assuring social legitimacy, particularly in international operations; with an evident recent decline in progressive initiatives in alternative energy sources; equal recognition and responsiveness to share-and stakeholders' expectations; however, current economic conditions skew	Positioned within corporate environment with exposure to organisational and industrial influences, subsidiaries' CSR implementation combines it with SMEs' approaches, relying on localised context, and leaders' personal understanding and interpretations of CSR standards and practices, particularly in the cases of lacking corporate CSR guidelines.	CSR implementation is highly localised, largely based on limited exposure to stakeholders' expectations, and is predominantly oriented towards owners' and shareholders' understanding and interpretations of CSR context.

	this balance towards shareholders' demands.		
Theoretical Findings			
Brinkman et al.'s (2008) findings of oil industry's business leaders' inability to accept direct detrimental effects of their operation on the environment and climate change; and Frederick's (1998) propositions on CSR development through a scientific angle	Empirical data highlighted a heterogenic situation in the industry. On one hand, there are signs of a wider acceptance by the oil and gas business leaders of scientifically supported arguments for more socially responsible operations in order to reduce carbon emissions and prevent climate change, which is in disagreement with Brinkman et al.'s findings but in conformance with expansion of CSR understanding through science proposed by Frederick (1998). On the other hand, activities in reducing alternative fuels development conform to Brinkman et al.'s (2008) findings, and disagree with Frederick's (1998) proposal to increase CSR scientific understanding.	
Godfrey's (2007) suppositions of endogenous (in-house policies) and exogenous (stakeholders' demands) effects on CSR implementation in large oil corporations; and Boddy's (2005) classification of ethical decisions (e.g. individualistic vs utilitarian).	There is an unwelcome precedent developing during the economically challenging times, where short-term, bottom-line driven interests of increasing corporate shareholder value would outweigh socially responsible investments based on environmental and social considerations. This is at odds with Godfrey's (2007) suppositions. Corporations and their subsidiaries are beginning to react even less to stakeholders' "squeaky wheels" (Godfrey, 2007: 221) not exceeding but matching their expectations.	
	In the current environment, this "mimetic isomorphism" of matching but not exceeding stakeholders' expectations and demands (ibid.) is skewing towards matching more of shareholders', rather than stakeholders' expectations, thus ultimately serving corporations individualistic purpose of generating and retaining profits. This, in turn, is bringing corporate CSR implementation closer to SMEs' CSR practices, and bridging the gap between leading and lagging CSR activities.	
Increase or decrease of the impact of stakeholders' versus shareholders' demands and mimetic isomorphism in stakeholders' matching model (Godfrey, 2007)	The empirical evidence confirms the increase of the importance of stakeholders' impact with regard to corporations', through their subsidiaries, complex responses in both complex and simple stakeholder environments (Godfrey, 2007), particularly when corporate and subsidiaries' CSR was classified by the participants as one of their core competences. However, follow-up studies are required to explore if this is to reverse to the decrease of stakeholders' and increase of	There is a strong evidence of applicability of Godfrey's mimetic isomorphism in stakeholders' matching model. The majority of SMEs clearly do not exceed but match their stakeholders' expectations, although with an

	shareholders' impacts, as was pointed out before.	underlining individualistic agenda, as was discussed before. However, as in the case of corporate changes, it is expected to see adjustments in SMEs' CSR commitments.
Agency theory perspectives (as in Levitt (1958) and Friedman (1970))	Albeit after many years of CSR development and increased recognition, sentiments of limiting CSR commitments are still in line with agency theory perspectives (Levitt, 1958; and Friedman, 1970) where businesses are not supposed to do government's job, that resources spent on CSR are limited to mediating social pressures (Levitt, 1958), misused or taken away from shareholders (Friedman, 1962, 1970), and that CSR can be considered as an executive perk to satisfy personal partiality (McWilliams et al, 2006). These attitudes, particularly present within the CS-reactive organisations, raise further concerns over the future of CSR implementation.
Baron's (2001) division into socially responsible actions, driven by benefiting society disregarding firms' expenses, and privately responsible actions, motivated by organisations' goals of profit maximisation	The empirical evidence suggests that, with the exception of few CS-Rectitudinous actions, the majority of the studied organisations' leaders, albeit expectedly, expressed their foremost driver for commercially successfully running their companies, which is ultimately measured in financial accomplishments, rather than social commitments. As an additional dimension to Baron's (2001) classification of responsible actions, personally responsible actions should eventually take an equal place with the societal, legal, and peer-to-peer increase of the recognition of individual liability in corporate CSR decision making.
Menestrel et al.'s (2002) consequential and procedural strategies of dealing with business-driven decisions versus ethical choices; and Frederick's (1984) CS-Responsive, Responsible, and Rectitudinous actions.	The empirical data suggest consequential or reactive CSR, and more nominal, procedural CSR responses, echoing Menestrel et al.'s (2002) suppositions. Other empirical findings suggest that, at least for the timeframe of this research, there are oil and gas companies that exhibit CS-Rectitudinous, or the next level of proactive socially responsible actions. Their CSR strategies can be classified as progressive CSR strategies, demonstrated in corporations, subsidiaries, and SMEs, including supply chain. Furthermore, there are also examples of approaches that could be classified using Menestrel et al.'s (2002) model of rational behaviour, i.e. consequential and procedural strategies in CSR implementation within SMEs. These can be correlated as CS-Responsive and CS-Responsible actions (as in Frederick, 1984), whereas proposed progressive strategy can be correlated with CS-Rectitudinous actions (Frederick, 1984).

Littlechild (2003) and Owen's (2003, 2005) findings of the increase in CSR reporting; and Owen's (2003, 2005) suggestion of these reports lacking significant impact on stakeholder's potential to increase business leaders' liability for CSR actions; and obtaining or maintaining social legitimacy (Hooghiemstra, 2000; Campbell, et al., 2003; Coupland, 2003).	Although with a limited progress, this increase in CSR reporting is in line with previous research findings by Littlechild (2003) and Owen (2003, 2005). Furthermore, the empirical findings demonstrate that in some corporate cases the reports are developed either in line with share- and stakeholders' expectations, or as part of stakeholder management to influence such expectations. These findings are in direct correlation with other research suggestions on companies' utilisation of CSR-related reporting in order to obtain or maintain their social legitimacy (Hooghiemstra, 2000; Campbell, et al., 2003; Coupland, 2003).	Although on the increase, CSR reporting in SMEs is limited in its context and content, particularly with regard to obtaining or maintaining social legitimacy. These reports primarily address small firms' charitable and other donating type activities, and overall compliance with environment protection initiatives within the oil industry.
Increase in oil and gas business leaders' overall adeptness to and proficiency in talking about CSR (Anonymous, 2005)	The findings of this research conform to those suggestions. The majority of the participants exhibited an increased familiarity with CSR as a concept, albeit with prominent gaps in their interpretations, understanding or knowledge about its aspects and issues.	
	In a corporate environment, including corporate subsidiaries, the majority of the participants' CSR knowledge is dependent on their headquarters' governing policies and guidelines with a limited personal interpretation and adaptation.	In SMEs, having a much less complicated organisational and institutional structure, business leaders' adeptness to talking about CSR as a subject is a direct demonstration of their personal understanding and knowledge, guided by personal moral principles.
Woolfson and Beck's (2005: vii) suggestions on the oil and gas industry's increase of interest in CSR, although with an ultimate driver by "…cost concerns…".	The empirical evidence largely conforms to these suppositions. However, as was pointed out before, there is a growing concern that the economic downturn may negatively affect CSR implementation due to limiting availability of financial and other resources in organisations, leading to overall cuts in CSR allocations and initiatives.	

Source: Compiled by the author.

The findings of this study clearly show that, although sharing common industry practices and benchmarking against peers' examples of CSR implementation, there are significant differences in corporate and SMEs' approaches in CSR implementation in oil and gas companies. In the corporate environment, large organisations are implementing CSR strategically, not only matching stakeholders' expectations, but actually

influencing them to assure corporate short-and long-term profits through social legitimacy of their operations, continuous supply of workforce and customer loyalty, and corporate reputation among existing and future shareholders. In contrast, CSR is implemented in SMEs in a much less structured and non-strategic manner, primarily as small firms' leaders' response to either highly localised demands and expectations, as opportunities to increase potential profit through their business' exposure, or as a demonstration of leaders' personal inclinations and increased CSR knowledge.

In the case of corporate subsidiaries, their embeddedness within corporate structures, with associated global share- and stakeholders' pressures and expectations, organisational policies and guidelines, and corporate CSR culture, is mixed with their localised context, immediate stakeholders, confined resources, and personalised understanding and interpretation of CSR requirements and opportunities. This makes it even more complicated for subsidiaries' managers to implement wide CSR, particularly in cases of lagging, not leading, corporate headquarters' CSR policies.

These empirical findings and their theoretical underpinnings are integrated in the following section.

7.3 Chapter Summary

7.3.1 Synthesis of Theoretical Framework and Empirical Findings

Upon the completion of the empirical data collection, its organisation, interpretation, and analytical synthesising with the theoretical framework, presented in chapters 6 - Data Analysis and 7 – Discussion, the overall understanding of CSR in the oil and gas industry, and its leaders' involvement in its formulation and implementation transpired as a dynamic interconnection of the areas analysed. This is presented in Figure 26 CSR Nexus Model.

Figure 26: CSR Nexus Model: Theoretical Framework and Empirical Findings.
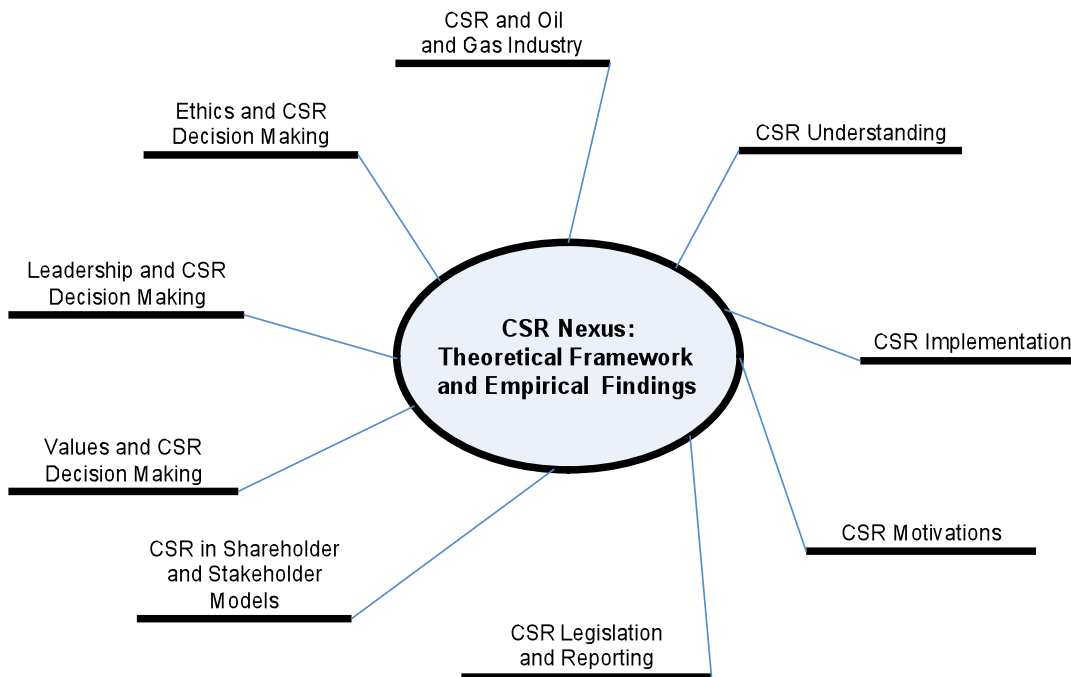
Source: Compiled by the author.

This study originally set out to explore CSR within four key theoretical areas, the details of which are presented in the Theoretical Framework Model (see section 1.7 and Figure 1 for details). However, as part of the research process, with the incremental expansion of knowledge of the field, additional questions began to emerge, which highlighted further gaps as opportunities for mapping out a comprehensive empirical understanding of CSR. Building on the initial areas of exploration, and led by the data, the study ventured into the following areas of research: CSR legislation and reporting; specifics of CSR in the oil and gas industry; motivations in CSR decisions; and structured analyses of the initially identified key areas of the theoretical framework model (originally shown in Figure 1).

This resulted in a more complex examination of CSR through its conceptual understanding by academia and practical understanding by business leaders; CSR institutional implementation, with its interpretations and implications; and a closer look at leaders' influence on CSR decision making, specifically with regard to their systems of values, and ethical beliefs affecting CSR formulation.

370

Based on the detailed analyses of each segment of this nexus, elaborated in sections 7.2.1 – 7.2.9, it is possible to envisage conceptual inter-relations and inter-influences between these segments, as suggested in Figure 27 CSR Dynamics Model.

Figure 27: CSR Dynamics Model: Theoretical Framework and Empirical Findings.
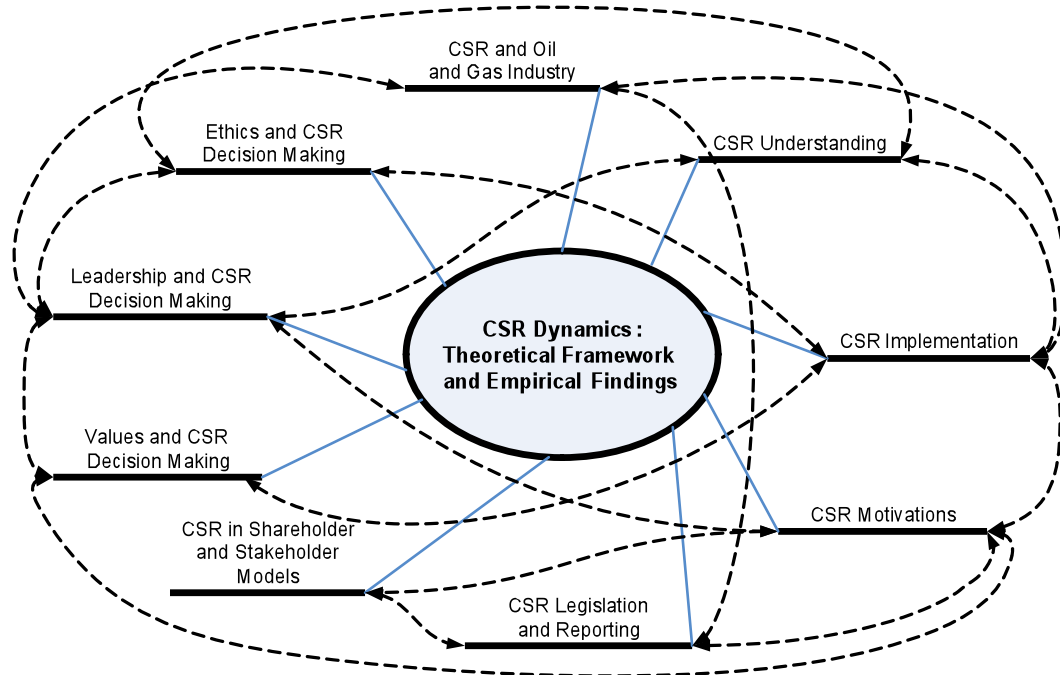
Source: Compiled by the author.

As this study suggests, individual areas of research, although enlightening in their own right, can produce a holistic typology of CSR only if they are considered in their interconnectedness. From a theoretical perspective, the empirical evidence emphasises that in order to comprehend business leaders' understanding of CSR, it is necessary to include the evaluation of their ethical beliefs, traced through leadership approaches and system of values, which are connected to individuals' motivations, resulting in CSR formulation and implementation strategies. As shown in Figure 27 CSR Dynamics Model, the following key theories and studies can be applied to illustrate this example. Empirically, the understanding of CSR by business leaders is suggested as being sensible, applied and practical, echoing Levinas' (1991) suppositions of individuals' responsibilities being based on persons' sensibilities towards their surroundings, and Roberts' (2003) suggestions that individuals' ethical grounds for responsibilities are

rooted in sensible decisions, rather than in philosophical dilemmas. Depending on individual business leaders' institutional and societal environments, affecting the determinants in decisions (as per Gutman's application of Means-Ends theory to decision making (1982, 1991)), the amount of explicit control (as per Daft and Gane's domains of human actions (2008)), and prevailing influence of share- or stakeholders' interests, these ethical beliefs can be based on moral principles, utilitarian, or individualistic ethics (as summarised in Boddy's moral considerations in ethical business decisions (2005)).

A further conceptual link can be traced between ethics, particularly utilitarian or individualistic, and leadership approaches, considering authentic, transformational, or transactional view on CSR leadership (as suggested by Kanungo and Mendonca (1996); Waldman (2004, 2006); and Kanungo (2001)). This, in turn affects, and is affected by, the hierarchy of importance of meeting share- or stakeholders' expectations, depending on the influence of leaders' individual or institutional system of values, in specific either personal, societal, organisational (per Agle and Caldwell, 1999), or industry values (as in Weber and Wasieleski (2001) and Hemingway (2005)). These factors, in turn, can affect the overall CSR formulation and implementation, either from a business needs perspective (as supposed by Friedman, 1962, 1970)), or stakeholders viewpoint (in connection with Freeman's (1984) and Donaldson and Preston's (1991) suppositions of stakeholders considerations).

Referring to the CSR Dynamics model again (in Figure 27), from a practical perspective, the exploration of CSR in the oil and gas industry would not be complete without an examination of CSR legislation and reporting issues, which directly affect, and are affected by, organisational relationships with respective share- and stakeholders. These factors, in turn, are reflected in institutional motivations for CSR curtailment or development; and incorporated into the overall CSR understanding by business leaders, including their attitudes toward authentic, transactional, or transformational leadership aspect of CSR formulation and implementation.

This relationship can be demonstrated through conceptual links between empirical findings of an increase in CSR reporting in the oil and gas

industry (supporting Owen's (2003, 2005) and Littlechild's (2003) findings), which reflects an increase in societal pressure of stakeholders (supporting McWilliams et al.'s (2006) suppositions) through granting businesses their social legitimacy (echoing Freeman (1984) and Donaldson and Preston (1995)). Businesses' responses, in turn, can be exhibited through meeting or exceeding their stakeholders' expectations (echoing Carroll, 2004; and Godfrey, 2007); implementing CSR as a core competence for competitive advantage (in line with Wernerfield (1995); and McWilliams et al. (2002)); or using CSR as recognition of an employee exceeding performance.

The latter can be correlated with a transactional leadership approach (which draws a parallel with Waldman et al.'s studies (2004, 2006)), with a specific focus on a reward-punishment structure of leaders-followers' relationships (as originally suggested by Burns (1978) and Bass (1990)). Leaders' development from transactional to transformational approaches to CSR decisions can be further connected to the overall CSR understanding and implementation, in particular through Frederick's (1998) gradation of evolution of organisational actions from C-S-Responsive, –Responsible, to – Rectitudinous; implementation of a progressive CSR strategy (which is in addition to the consequentialistic and procedural strategies, suggested by Menestrel et al. (2002)); and a balanced incorporation of Carroll's four-tiered CSR construct (1979, 1998, 2004).

In addition, the empirical findings can be applied in closing a gap in CSR knowledge with regard to institutional perspective of its implementation, where this study argues for firms' structure playing a key role in overall CSR formulation and development. References to this discussion can be found in sections 7.2.1 - 7.2.9, with a summary of the findings in this aspect presented in the next section 7.3.2.

7.3.2 CSR Formulation – Leaders' Perspective

In addition to highlighting the importance of the recognition of the influence of stakeholders' expectations; the impact of meeting shareholder's interests; and the importance of business leaders' personal considerations in making CSR decisions, this study suggests that CSR formulation and institutionalisation are highly dependent on leaders recognising their firm's

positioning within its operational and social environments (as summarised in figures 28; 29; 30).

The process of CSR formulation in a corporate environment can be summarised as containing three key contributing factors, affecting corporate business leaders' CSR decision making (as shown in Figure 28).

Figure 28: CSR Formulation in Corporations.
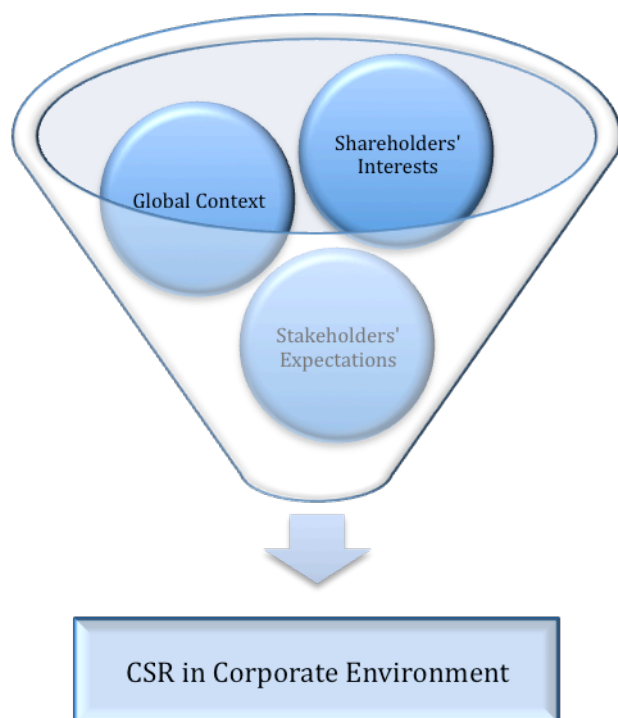
Source: Compiled by the author.

As can be seen from this figure, these key factors (suggested by amalgamating the theoretical framework and the empirical findings) consist of three factors. The first factor, grouped under the heading Shareholders' Interests (see Figure 28), incorporates leaders' focus on fulfilling shareholders' expectations (in line with Friedman's suppositions (1962, 1970)); meeting shareholders' fiscal interests (in contrast with Wilson's (2005: 20) suggestions of "service-as-purpose" rather than "profit-as-purpose" rationale); and addressing shareholders' societal influences (e.g. through their investment decisions (Schepers and Sethi, 2003)) as a reflection of the overall increase of shareholders' social awareness and activism in environmental and CSR issues (O'Rourke, 2002).

The second factor consists of incorporating considerations in the following spheres, grouped under the heading of Global Context:

operational issues (as in balancing traditional business objectives, such as, inter alia, profit maximisation and CSR commitments through, for example, cost-benefit analysis (as supposed by McWilliams and Siegel, 2001); influences of industry membership and, furthermore, industry values (in addition to Agle and Caldwell's (1999) classifications of systems of values); maintaining financial and market positioning (the influences of which were suggested by Doane (2004), and Feddersen and Gilligan (2004)). Additional elements comprising the second factor in corporate CSR formulation include: organisational environment and its development in correlation with effects of institutional norms (Scott and Meyer, 1983; Campbell, 2007); legislative environment based on the relationship between CSR regulation, auditing, and reporting (the increase of the importance of which is in line with Owen's suggestions (2003, 2005); technological research and development with a specific stress on the oil and gas industry's involvement in environmental issues (highlighted by Menestrel et al., 2002; and Woolfson and Beck, 2005); and reconciling social and business performance pressures in ethical decisions, particularly with regard to balancing utilitarian and individualistic ethical dilemmas (as summarised by Boddy, 2005).

The third element takes into account stakeholders' expectations (the incorporation of which was highlighted by Carroll, 1998, 2004; and Kakabadse et al., 2005), pointing to firms' dependence on their stakeholders' support and loyalty (through incorporating CSR as a competitive advantage (McWilliams et al., 2002), which culminates in obtaining or maintaining organisations' social legitimacy (Wood, 1991; Donaldson and Dunfee, 1999; Moir, 2001).

Compared to corporations', SMEs' leaders are exposed to somewhat different set of key factors affecting CSR decisions (as shown in Figure 29).

Figure 29: CSR Formulation in SMEs.
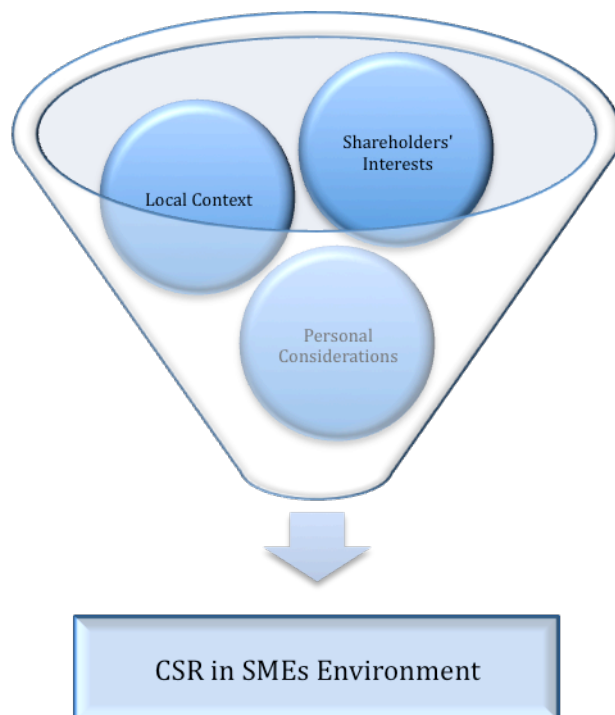
Source: Compiled by the author.

Although the first set of elements affecting SMEs' leaders' CSR formulation, grouped under the heading Shareholders' Interests, is similar to the one discussed with regard to corporate environment (see Figure 28), the distinction is highlighted with regard to the Local Context and leaders' Personal Considerations.

The Local Context is suggested as comprising the following elements: leaders' close proximity (Jones, 1991) to, and direct relationship with (as in the Names-and-Faces concept (by McVea and Freeman, 2005)), their stakeholders; locally confined actions (Weber and Wasieleski, 2001; Jenkins and Hines, 2003); influences of peers' close network (Lechner and Dowling, 2003; Jenkins, 2006); fragmented CSR, and limited to selective approaches (applying Perera's (2003) classification of CSR actions); predominantly two-tiered CSR (using Carroll's (1979, 1998, 2004) CSR Pyramid), dictated by the recognition, and prioritising, of local stakeholders' importance (Jenkins, 2005); and affects of local supply-chain relationships (as highlighted by Jenkins, 2004; Worthington et al., 2006a, b; Baden, 2007).

With regard to Personal Considerations, this factor comprises the following elements: personal motivations, as suggested by Hemingway

(2002, 2005) and Worthington (2006a), except for religious beliefs (also supposed by Worthington 2006a in non-Asian UK firms); leaders' personal influence on the development of CSR legislation, auditing, and reporting (in line with Deegan, 2002; Feddersen and Gilligan, 2004); personal connections and associations with stakeholders (in general supporting McVea and Freeman, 2005); CSR knowledge accumulation from individual relationships with shareholders and immediate stakeholders (incorporating Dex and Scheibl's (2001), Burns' (2001), Jenkins' (2005), and Freeman and McVea's (2001) suppositions); and the increase in conformance between societal values and leader's personal ethical beliefs (in line with McVea and Freeman's (2005) suppositions) due to the rise in social awareness and empowerment of share- and stakeholders in firms' CSR decisions (O'Rourke, 2002).

When analysing CSR formulation in corporate subsidiaries, it came to light that their leaders are exposed to a set of factors, which can be described as a hybrid of the elements listed under corporate and SME environments, as summarised in Figure 30.

Figure 30: CSR Formulation in Corporate Subsidiaries.
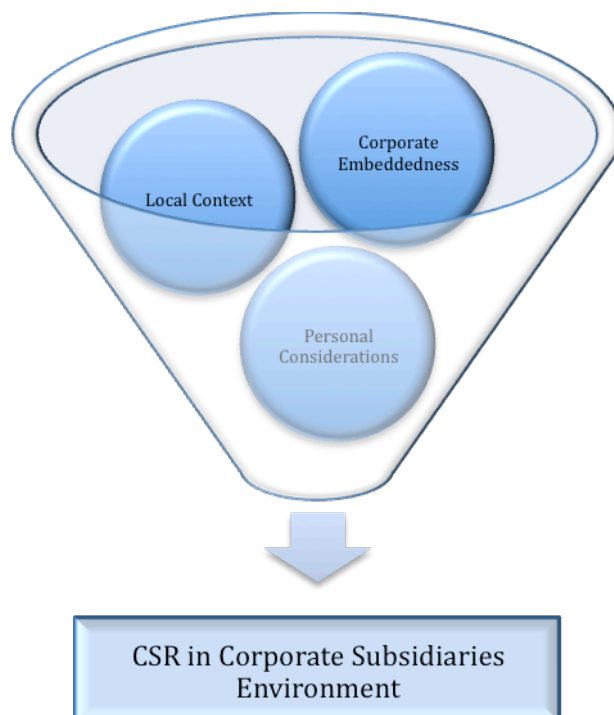
Source: Compiled by the author.

As can be seen from this figure, corporate subsidiaries' structural positioning within the corporate embeddedness environment affects subsidiaries' leaders CSR formulation in a way that would allow them to borrow elements from the Local Context, Personal Considerations or Global Context factors, which were previously described and summarised in Figures 28 and 29.

Regarding the Corporate Embeddedness factor, it is comprised of the following elements: the global context, as reflected in corporate headquarters' CSR strategies, and which is filtered through appropriate localised approaches in CSR formulation and implementation by local subsidiaries (in line with Marquis et al., 2007); localised lobbying for CSR regulation, auditing and reporting, which is suited for respective corporate expectations, particularly in terms of CSR as a competitive advantage (highlighted by McWilliams et al., 2002); and an increase in complexity in managerial roles and responsibilities (in line with Das' (2001, Hales' (1987, 2001) and Shivers-Blackwell's (2004) suppositions), brought on by reconciling local and corporate CSR formulation and implementation. Other elements can include: balancing personal values in CSR decisions on a macro level (suggested by Desai and Rittenberg, 1997) in SMEs' environment versus on a micro level (ibid.) in a corporate environment; in addition to leaders' personal development and influences from peers' network (Jenkins, 2006), the accumulation and assimilation of subsidiaries' leaders' CSR knowledge, generated endogenously or exogenously (echoing Andersson et al., 2001, 2005), which, in turn, is highly dependent on corporate headquarters' CSR interpretation and development.

Further analysis into the positioning of corporate subsidiaries' CSR from the institutional perspective is presented in section 7.3.3.

7.3.3 CSR Implementation – Institutional Perspective

In addition to McWilliams and Siegel's (2001: 117) suppositions of the importance of a firm's "…size, level of diversification, research and development, advertising, government sales, consumer income, labour market conditions, and stage in the industry life cycle" in its CSR practices, the findings of this study also argue for organisations' structural make-up

(e.g. corporations, corporate subsidiaries, or SMEs) directly affecting overall CSR development and implementation. An incorporation of the previous discussion sections suggests that corporate subsidiaries' CSR, in the situational environment of weak or unclear CSR policies, standards and guidelines (as summarised by Kakabadse et al., 2005), can be determined by either its fluctuation between corporations' and SMEs' approaches, or by a combination of the two.

The empirical findings showed strategic and instrumental divergences between approaches in corporate and SMEs' CSR understanding, interpretation, formulation, implementation, and development. However, with regard to corporate subsidiaries, this study found that their CSR decision-making and implementation processes have features of a convergence of the two approaches (as summarised in Figure 31).

Figure 31: A Hybrid Model of CSR Institutionalisation in the UK Oil and Gas Industry
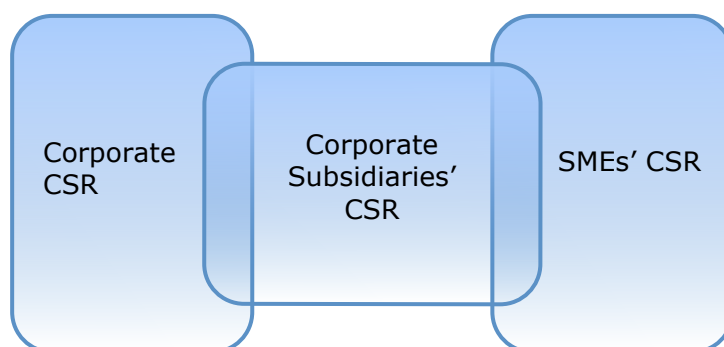
Source: Compiled by the author.

The empirical evidence corroborates theoretical concepts (e.g. Prahalad and Doz, 1987; Bartlett and Ghoshal, 2002; Paton and Siegel, 2005) in that subsidiaries' embeddedness in corporate networks serves as a basis for their adoption of corporate headquarters' CSR policies, guidelines, and practices, along with other traditional business policies, such as operational, fiscal, and marketing (echoing Cray, 1984). However, subsidiaries' embeddedness in local business and social networks makes them predisposed to adapt to local stakeholders' CSR expectations, local peer pressure, and local socially legitimised CSR practices (in line with Muller's (2006) discussion of centralised and decentralised CSR

implementation in local contexts). In addition, this research shows that the majority of subsidiaries' managers amalgamate various features of both corporate and SMEs' leaders' CSR understanding and implementation. The proposed conceptual model addresses the hybrid approach of subsidiaries' leaders to CSR.

From the point of view of subsidiaries' leaders' input into corporate CSR formulation, as the empirical findings show, their local embeddedness, which attributes to situational adaptation and operationalisation of pertinent corporate strategies (Birkingshaw, 1997; Birkingshaw and Fry, 1998; Muller, 2006), is demonstrated in innovative, dynamic, and indigenous CSR formulation and implementation. Since relationships between a corporation and its subsidiaries are inter-dependent (Cray, 1984; Birkingshaw and Hood, 1998; Birkingshaw et al, 2005), the subsidiaries' affect on corporate CSR formulation, as was empirically highlighted by this study, echoes Garcia-Pont et al.'s (2009) suppositions of subsidiaries' playing part in multi-level corporate strategy formulation, including operational, competitive, and strategic levels (ibid.).

This process, which is influenced by local social and environmental determinants (Birkingshaw, 2000:86) in subsidiaries' leaders' CSR decisions, in turn can be characterised as an entrepreneurial approach within the corporate environment (Birkingshaw et al, 2005). More research into the entrepreneurial characteristics of CSR within the corporate environment can be beneficial to this area of CSR knowledge. Other suggestions for future studies, along with this research' conclusions and implications, are presented in the next chapter 8.

Chapter 8: Conclusions and Implications

8.1 Chapter Introduction

This study has presented an empirically substantiated analysis of the field of CSR, its understanding, implementation and development by business leaders. It has focused on the research aims and objectives outlined in chapter 1. These include: the analysis of business leaders' balancing profit maximisation and corporate – community engagement; contribution to contemporary managerial theories in the field of CSR knowledge, and the advancement of education and training of business leaders; with the further objective of bridging the gap in theoretical and practical understanding of CSR within the UK oil and gas industry.

The following sections summarise contributions to knowledge in this field; significance, implications, and limitations of the research; and suggestions for future studies.

8.2 Knowledge Gained

Completing the research cycle, as a result of conducting this study, it is possible to summarise several milestones of gained understanding, contributing to the field of knowledge in this area.

Building on the findings of previous research, the first area of gained knowledge shows that CSR as a phenomenon, with all of its multifaceted examples and historical developments (as suggested by, inter alia, Pava, 1996; Lantos, 2001; BRASS, 2003; Entine, 2003; Molyneaux, 2003), is changing its nature from being driven by a few wealthy philanthropists (Morris, 2005), to becoming an integral part of business operations (Williams, 2003). This is a demonstration of organisations' responses to growing societal pressures, and to an incremental understanding by business leaders of the long-term benefits of conducting business with CSR in mind.

The second area of gained knowledge demonstrates that, in addition to charitable and philanthropic principles (Frederick et al., 1992) and activities, current CSR practices incorporate increasingly expanding actions aiming at corporate governance, sustainable development, human rights, environment protection, new technology, and educational and

developmental programmes, with a particular increase in a discretionary area of CSR, changing the layout of Carroll's (1991, 2004) CSR Pyramid with regard to the expansion of this tier. However, there is scope for a much wider CSR implementation, such as, inter alia, in supply chain relationships, remuneration programmes, equality, transparency, reporting, ethicality of business decisions, and closer engagement with stakeholders, rather than purely managing their expectations.

The third area summarises heterogeneous approaches to CSR in various businesses with regard to their social responsibilities (Friedman, 1962, 1970). Based on the prevalence of serving the interests of share- or stakeholders in organisational goals, characterised by either predominance of agency (Alchian and Demsetz, 1972; Jensen and Mekling, 1976; Eisenhardt, 1985, 1989) or stewardship (Donaldson and Davis, 1991; Davis et al., 1997) approaches to resource allocations, there is an apparent divergence between companies' attitudes to addressing social and societal demands and expectations. This research shows that limited engagement with stakeholders results in narrow, self-serving, deficient CSR, implemented as part of short-term profit maximisation; whereas in organisations with a wider engagement of stakeholders, there is evidence of a growing understanding of mutual long-term benefits.

In contrast to embryonic, tactical, or responsive approaches, predominantly demonstrated by CSR-lagging organisations, there are examples of a wider and more strategic CSR implementation in organisations more dependent on their stakeholders, rather than just on shareholders. This variation emphasises that Carroll's CSR model (1979, 1991, 2004) cannot be applied uniformly and universally. The empirical evidence shows that only a few organisations incorporate all four blocks of Carroll's CSR construct, with a high regard to their stakeholders. Specifically, before the emerging effects of the first stage of the economic downturn, there were clear signs of the development of CSR from responsive, reactive, to progressive CSR strategies, forming part of core competencies and competitive advantage of a limited number of C-S-Rectitudinous (Frederick, 1986, 1998) organisations, supporting the suggestions by McWilliams et al. (2002) of this development.

As a result of conducting fieldwork for this research, the breakdown between companies exhibiting various CSR approaches can be demonstrated in the following Figure 32.

Figure 32: CSR Approaches within Studied Organisations.

Key: □ – Corporate Subsidiary; △ - SME;

C-S-R gradation is based on Frederick (1986, 1998).

| C-S-Responsible Actions | C-S-Responsive Actions | C-S-Rectitudinous Actions |
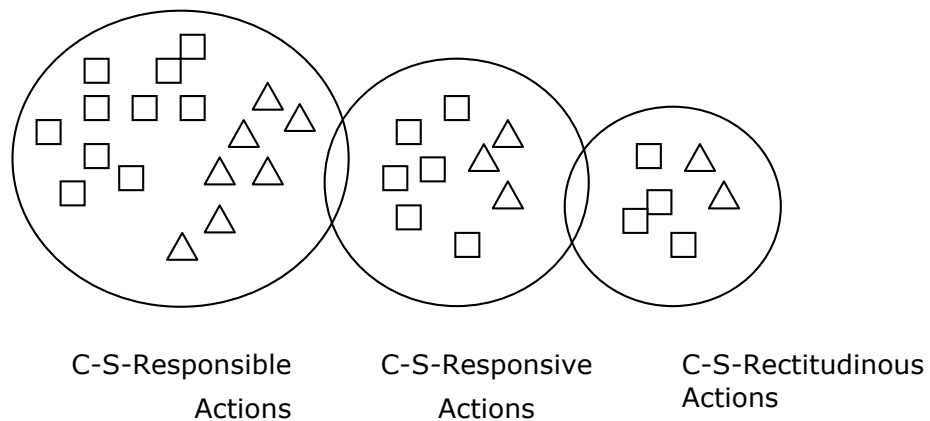
Source: Compiled by the author.

Although there are examples of companies that conduct all three types of C-S-Responsive, -Responsible, and –Rectitudinous actions (Frederick, 1986, 1998), as can be seen from this figure, the majority of the studied organisations fall into either C-S-Responsive, or C-S-Responsible (ibid.) organisations (a detailed analysis of these data can be found in section 6.3.2 – CSR Implementation). This can be explained by the fact that in the environment of commercial enterprises, where success is ascertained by financial measures, it is nearly impossible for business leaders to implement CSR on a wider scale without regard to their organisations' operational objectives. The research shows that when balancing profit maximisation and CSR commitments, shareholders' interests, almost without exclusion, prevail over stakeholders' needs and expectations. This highlights an inherent dilemma for leaders reconciling societal, industry, organisational, or personal systems of values and ethical norms. By adopting entrepreneurial, innovative CSR strategies, which combine short-term profit measurements with long-term sustainability measures, organisations of various structures and sizes will be getting closer to achieving mutually-beneficial implementation of CSR.

With regard to CSR regulation, its auditing and reporting, the research, although supporting Owen's (2005) supposition of their incremental growth, also demonstrated a variety of the participants' attitudes. Leaders' thoughts, reflected in their organisations' activities, range from total rejection of CSR regulation, auditing and reporting, basing it on the voluntary nature of CSR, to partial acceptance of the necessity to include CSR reporting in business operations. However, considering the inevitability of the increase of social scrutiny, some leaders advocated a significant, if not responsive, increase in CSR auditing and reporting, whereas others actively supported businesses' direct involvement in, and influencing on, CSR regulation, legislation, auditing, transparency and reporting. This, as the research shows, is in direct connection with organisational overall CSR strategies, demonstrating a much more intentional, multi-angled approach to managing CSR, rather than following its development.

The next area of gained knowledge concerns the overall understanding of CSR shaped by business leaders, their leadership approaches, knowledge exchange, balancing personal and other systems of values, and motivations for CSR implementation. As this research established, demonstrations of purely altruistic actions (as emphasised by Maclagan, 1998; Moon, 2001; and Molyneaux, 2003), detached from operational and economic performance measurements, are exceptional. Even in the case of SMEs' leaders, where their individual considerations, based on personal values, play arguably the most important role in shaping their companies' CSR (as previously suggested by Jenkins and Hines, 2003; and McVea and Freeman, 2005), the findings point to a combination of moral considerations affecting CSR decisions, which is in line with Agle and Caldwell's (1999), and Freeman and Velamuri's (2008) suppositions. These moral considerations, according to Honderich (1995) and Boddy (2005) can be summarised into, starting from the most influential, universal moral principles, individualism, human rights and utilitarianism. A similar combination of moral considerations, although with a differing hierarchy of importance, is shown by this research as affecting corporate leaders' CSR decision processes, this time with the least importance placed on individualism. However, in the case of corporate subsidiaries' leaders, this research demonstrated that

those leaders are shaping CSR under the influence of an amalgamation of all of these considerations.

This intricacy of balancing various moral considerations is more complicated for CSR decision-makers to navigate through when taking into account correlations between personal values, CSR decisions' attributes and considerations (per Gutman's Means-End theory (1982, 1991), and the amount of explicit control as per Daft and Gane' Domains of Human Actions (2008), implied in various organisational environments. As this research demonstrated, the most complex set of determinants in CSR decision making is experienced by corporate subsidiaries' leaders. Having no adequate CSR knowledge and/or experience, and facing difficult dilemmas as a result of the effects of local embeddedness and corporate performance requirements, these leaders, at times, resort to simplification of this process, significantly limiting their CSR development and implementation. As a result, CSR knowledge and practices exchange between peers, industry members, and other subsidiaries as part of corporate embeddedness structure, are limited as well, restricting the overall CSR development.

With regard to leadership approaches and motivations for CSR implementation, and conceptualising the relationships between transactional, transformational, authentic leadership styles, and CSR demonstrations, the following issues were highlighted by this research. This study points out that, despite growing societal pressure for CSR enhancement, transactional leadership, without appropriate adaptations, can significantly curtail wider CSR institutionalisation. Transactional leadership, characterised by Burns (1978) and Bass (1985; 1990) as a reward-punishment interaction between leaders and followers, is predominantly echoed in responsive, reactive, and limited CSR actions, particularly in the cases of awarding CSR allocation to exceptionally performing employees.

However, considering the empirical evidence of the resistance to CSR regulating, auditing and reporting, self-benchmarking conducted by authentic leaders has its problematic implications, as well. The most effective environment for CSR development, as suggested by this research, is provided in the existence of transformational leadership, with a visionary leader, who can demonstrate a long-term committed approach to CSR

implementation. Although this research' findings are in line with previous suggestions by Waldman et al. (2004), one important difference became apparent. Since Waldman et al. (2004) originally supported the relationship between leaders' responsible actions and their transformational approach, this research incrementally highlighted growing emphasis on leaders' individualised consideration of subordinates (Bass, 1985; Bass et al., 1987) in CSR formulation, originally downplayed by Waldman et al. (2004).

In addition, this research accentuates that even if a leader exhibits transformational characteristics with regard to CSR implementation, that individual needs to be educated and experienced in reconciling personal, industry, organisational, and societal values (as suggested by Agle and Caldwell (1999) and Hemingway (2005)), as part of a wider picture of balancing intrinsic, i.e. individual and organisational, and extrinsic, i.e. social and societal, pressures and demands. The author offers some thoughts on achieving this balance as part of implications of this research, which are presented further in this chapter.

The final area of gained knowledge lies in the understanding of the nature of corporate, SMEs', and corporate subsidiaries' leaders' CSR decision-making processes, demonstrating their balancing profit maximisation with CSR allocations. As discussed before, corporate leaders are affecting, and are affected by, a much more formalised, strategic, four-tiered CSR (as in Carroll's CSR Pyramid (1979, 1991, 2000). Effective balancing of economic, legal, ethical and discretionary responsibilities (ibid.) requires an educated, wide-spectrum understanding of CSR construct, its aspects, and benefits. In order to achieve this, C-S Rectitudinous (Frederick, 1986, 1998) organisations and their leaders employ internal and external measures to accumulate and assimilate CSR knowledge and practices, passing them down hierarchy chains to their subsidiaries.

In the case of SMEs', the evidence shows a much simpler accumulation and assimilation of CSR, predominantly based on local situational environment and business leaders' individualised CSR understanding and acceptance, which is in line with previous research (e.g. Jenkins and Hines, 2003; Jenkins, 2004; McVea and Freeman, 2005; Worthington et al., 2006a; Osseichuk et al., 2007; Freeman and Velamuri, 2008). These attitudes result, as the research demonstrates, predominantly in a two-

tiered CSR (i.e. with more emphasis on economic, and legal responsibilities, and not on all four types of responsibilities as was suggested by Carroll (1979, 1991, 2004)), with much less evident strategic alignment between all four types of responsibilities (referring to Carroll's pyramid (1979, 1991, 2004).

Subsidiaries' leaders' CSR decision making, on the other hand, features a hybrid of these activities, which can be characterised as ever-changing, fluctuating between, or amalgamating both, corporate headquarters' approaches and localised SMEs' characteristics of CSR implementation. However, unless there is a robust system of educating, maintaining and promoting the highest benchmarking of CSR, business leaders are left to revert to the easiest options, thus implementing the least taxing principles.

From a theoretical perspective, this study highlights a gap in existing CSR research, where the issues of CSR formulation and implementation are predominantly studied within either large corporations, or SMEs, principally marginalising corporate subsidiaries as specific entities, and their business leaders as CSR decision-makers. According to the proposed hybrid model, CSR approach is directly associated with a firm's structural make-up, which determines not only its resource allocation, but its strategic implications. Although research into CSR in SMEs is on the rise (the details of which can be found in sections 2.8 – 2.10 of this thesis), it appears to lack the distinctive recognition of corporate subsidiaries and their business leaders as a significant area of overall CSR instrumental development.

As this research demonstrates, the application of existing CSR knowledge obtained from either corporations, or SMEs, to corporate subsidiaries, can represent neither their true identity, nor their impact on CSR institutionalisation. This research provides an incremental progress in addressing these issues; argues for further exploration of corporate subsidiaries' CSR in order to complete bridging the gap between theoretical conceptualisation and applied understanding of CSR; and offers several theoretical and practical implications, the details of which can be found in the following section.

8.3 Research Implications

According to the McKinsey Global Survey (2008c), 70% of global business leaders emphasised an increasing importance of business, environmental and social developments. However, only 17% of the companies that act on these developments, report seeing significant benefits. Considering these trends, and the findings of this research, the implications can be multi-fold.

The first implication can be applied to educational institutions. It is based on the findings regarding the educational background of the majority of the participants in this research (for details, see section 6.2 Participants Overview). Considering the quandary between the lack of the participants' specialised managerial education, highlighted by the prevalence of engineering backgrounds, and a continuous pressure on business leaders to implement CSR, it is imperative to deepen the teaching of business ethics, practices and long-term benefits of CSR into a wider range of disciplines in college- and higher-level educational institutions. Without a better understanding and appreciation of these subjects, technical professions, and future business leaders, will continue to be unprepared for the increase of the importance of social and societal interactions. The enhancement of CSR training and education should result in wider-reaching and more effective CSR programmes, rather than approaching them from a narrow perspective of managing stakeholders' expectations.

Secondly, considering the lack of the full understanding of CSR by current business leaders, it can be useful to imply other findings of this research in a sense of offering practical training programmes in CSR. These programmes can be provided by educational institutions through their spinoff companies or directly by universities. This would increase academic and practical support and encouragement to business leaders, who are either still completely unaware of, or considering their membership in the UN Global Compact initiative (2008), through the introduction and promotion of its Principles for Responsible Management Education (PRME, 2008).

A combination of academic, theoretical, and conceptual frameworks with practical, instrumental approaches to CSR, studied as part of this research, can result in a beneficial training for CSR practitioners and for

388

business leaders. Considering European Multistakeholder Forum's calls for a wider inclusion of SMEs into the development and implementation of CSR (EMSF, 2004; 2006), these findings can be combined with the latest academic research in CSR institutionalisation (e.g. Grayson and Hodges' (2004) propositions of promoting CSR in companies and in SMEs in particular (as in Jenkins, 2009), through its business model opportunities (ibid.).

Again, there is an opportunity for educational institutions and universities in particular, to offer short CSR courses to business leaders to educate these decision makers. This collaboration can serve as a vehicle for involving corporate, subsidiaries' and SMEs' leaders, who are looking for ways to improve both the need to balance their CSR expenditures and profit-maximisation, and to strategically implement CSR to assure long-term stability. To make these courses attractive, particularly to SMEs' owners and managers, they can be offered for free, as government-subsidised, or arranged online, to ease the financial burden on small firms. These educational programmes could form a compulsory requirement in organisations' participating in CSR auditing, indexing, and reporting. This initiative can be connected with the next implication.

Regarding the increase in societal calls for improved and increased reporting, Palter and Rehm (2009) accentuate the importance of businesses embracing more transparency in their operations and financial performance, particularly for the purpose of ensuring investors' commitment, vital for companies' economic growth. In addition to necessary improvements in transparency and, further, in CSR reporting, this study emphasises that not only reacting to stakeholders' demands through reports, but communicating in a transparent and collaborative manner with them, and becoming leaders in mutually-contributed CSR developments can assure investors', customers' and work-forces' loyalty, ensuing organisations' long-term economic stability and growth.

The findings of this research within the scope of the UK oil and gas industry can be also applied in assisting businesses to develop more supplier diversity initiatives as part of closer community engagement, going beyond philanthropic donations, echoing the findings of New (2004), Baden et al. (2007), Worthington et al. (2008), and Worthington (2009). The

proposed hybrid model of CSR in corporate subsidiaries, with local context playing one of the major roles in its formulation, emphasises opportunities for incorporating local suppliers into not only the operational value chain, but also into the CSR-creating chain.

With regard to generalisability of this model's application to other industries, the following arguments can be put forward. The comparison between the environmentally sensitive nature of the oil and gas industry and other industries with similar characteristics in this regard (e.g. tobacco, airline, and pharmaceuticals (BusinessWire, 2008)), and their respective CSR, yielded similarities in its formulation, implementation, and challenges (e.g. in the studies by, inter alia, Menestrel et al., 2002; Jenkins and Hines, 2003; Woolfson and Beck, 2005; Godfrey, 2007; Griffiths, 2008).

As this research shows, the main effect on CSR institutionalisation does not seem to originate from the oil and gas industry's direct influences, but from a structural make-up of firms, as in corporations, subsidiaries, or SMEs. Having comparable structures, organisations in other industries may exhibit similar characteristics in CSR formulation and implementation. However, in contrast, considering oil and gas managers' characteristics, in particular their background and education, as highlighted by this research, the model may be proved less applicable due to a possibility of the predominance of managers in other industries with backgrounds and educational characteristics drastically different to the ones studied as part of this study. Future research is needed to verify the implications and applicability of the proposed model within the context of various industries.

Other implications of this study can be used to highlight the intricacy, complexity and heterogeneous character of CSR as a phenomenon to policy-makers. Considering the voluntary and innovative nature of the majority of CSR actions, it is essential to emphasise the importance of the effective balance between an increase in regulating, educating, and rewarding for CSR-leading actions, rather than limiting CSR initiatives by introducing one-fits-all measures of CSR evaluation and standardisation. In addition to policies on pollutants, carbon emissions and other environmental issues, it can be beneficial if policy-makers considered the creation of wider legislative and fiscal settings to encourage businesses to embrace more progressive CSR. These initiatives can include: an improved commercial

viability of carbon capturing and its utilisation; commitment to further research into alternative energy sources; participation in educational and training programmes for business leaders incorporating communication and collaboration with share- and stakeholders; and support for business' initiatives in corporate-community engagement. This notion of a strategically structured approach, which should result in much more effective CSR, echoes the application of microeconomics to CSR benefits originally studied and supported by Husted and Salazar (2006).

Considering continuously mounting ethical dilemmas in reconciling emerging economies' growth, their need for energy, and associated global pollution, with domestic policies on environmental issues, it is imperative for regulatory bodies and businesses to recognise and address the necessity of improving the implementation of much wider, long-term CSR commitments, going beyond the limitation of emissions, paying penalties for pollutions, or curtailing resources extraction. The findings of this research join the calls for much needed support for UK industries in developing and maintaining a business culture of actively ethical and responsible conduct based on measures with long-term effects on global futures, rather than short-term financial measures, highlighted by this study.

Another implication of this research stems from considerations of Bonini et al.'s (2008) findings that business executives are less attuned to the growth of attention to social and environmental issues, than their NGO executive counterparts (i.e. in McKinsey, 2008a). This business leaders' position emphasises this study's suggestions that a more-researched and better educated dialogue between society and business should result in a wider and more long-term CSR institutionalisation, where mutual expectations are met on the grounds of a better understanding of each side's demands and responses. As Freeman and Velamuri (2008) highlighted, collaboration between businesses and stakeholders is needed to create an integrated approach to companies' stakeholder responsibility, aka CSR. Again, there is an opportunity for universities to establish conduit-type organisations to provide stakeholders with a way of communicating their needs to businesses; build three-way networks between academia, business, and society; and give businesses opportunities to explore and demonstrate CSR in a more knowledgeable and mutually-beneficial mode.

From a viewpoint of CSR involvement among small firms, and with considerations of the findings of this study, which suggest the SMEs' highly personalised and localised approach, it can also be helpful if educational organisations, e.g. universities, would go out into these small firms and their local communities to engage with individual SMEs' leaders, establish a dialogue between businesses and their stakeholders, and promote CSR.

8.4 Contributions to Knowledge

This research provides helpful additions to the existing understanding of CSR, its structure and implementation, and business leaders' involvement in its development and institutionalisation.

This study, as practical research, set out critically to examine the existing knowledge on CSR, and to explore the state of CSR in the oil and gas industry. As part of its journey, this research analyses the relationships between various theoretical concepts with empirical correlations in order to build a clearer picture in this field, and to bridge managerial theories and practices.

This study contributed a critical discussion of currently available frameworks for CSR implementation and assessment, explored through the prism of business leaders' understanding of these issues. The findings of this research can be used to advance the knowledge of challenges experienced by business leaders in terms of reconciling CSR demands, leaders' responses, and organisational actions in CSR institutionalisation.

The research also offers an insightful discussion of the relationships between various intrinsic and extrinsic factors and pressures faced by business leaders in CSR development and implementation, which can improve CSR teaching and training from the perspective of collaboration between theoretical, academic, and practical understanding of CSR as a phenomenon.

Methodologically, a combination of semi-structured, leading to in-depth, interviews, with the application of a mirroring approach (Myers and Newman, 2007), facilitated a much deeper, more personal and holistic level of comprehension of business leaders' approaches to CSR than has been

previously offered in literature, specifically in quantitative studies. This gives a rare opportunity to look at what affects and drives these difficult-to-access individuals as top-level managers, allowing a look at what really takes place behind CSR implementation, whether it is a "window dressing" exercise, or the exhibition of a true personal commitment.

In addition, this study implements a combination of various qualitative approaches, such as interpretative, phenomenological, and ethnomethodological processes. This approach allows the amalgamation of cross-disciplinary "analytic practices" (Miles and Huberman, 1994: 9) in primary and secondary data collection and analyses, through qualitative thick description (Ryle, 1949; Geertz, 1973; Lincoln and Guba, 1985; Blaikie, 2000; Cohen and Crabtree, 2006), analytic comparison (Neuman, 1991), and pattern coding (Miles and Huberman, 1994). This, in turn, adds to the depth and validity of the research.

Considering Blackburn and Kovalainen's (2009: 136) emphasis on the underdeveloped state of knowledge in the areas of SMEs' "…business ethics, societal perspectives and environmental practices…", the findings of this study can be considered as an incremental contribution to the research community's efforts to continue closing this identified gap.

8.5 Research Limitations

As with all studies, this research is not without limitations. First, the nature of this research' methodology, utilising in-depth interviews with business leaders, necessitates a restricted sample size of 17 participants. One can argue that this sample may affect the validity of the research. However, considering the data saturation effect, and a trade-off between the size of the sample and the depth of the conducted analysis, the author believes that this research provides a sound advancement of the knowledge of CSR decision-making processes by business leaders in the UK oil and gas industry.

The second limitation concerns the participants' biases, such as "Hawthorne or reactivity effect" (Sarantakos, 1994: 246); "being seen to be green" (Lyons, 2004); or social desirability bias (Edwards, 1953; Fisher, 1993); and the researcher's preunderstanding and selective perception

biases (Gummesson, 1991). Although various methodological tools are adopted in this research to counteract these biases, as was discussed in Methodology chapter, they need to be taken into account when generalising the findings of this research to other industries. In addition, as was pointed out earlier, generalisability of the results of this study, although argued for in section 8.3. Research Implications, needs to be verified through future studies.

The next limitation seems to lie in the lack of focus on the theoretical concept of social capital with regard to CSR knowledge generation and exchange. Although not concentrating on this theoretical perspective, the findings of the research suggest the importance of informational channels and knowledge-obtaining connections between business leaders and their institutional environments and social networks. This is particularly interesting with regard to building CSR knowledge between peers and industry members as part of leaders' embeddedness, where application of the concept of social capital may have shed more light on these processes. However, this area of research can be investigated further in future studies.

Another limitation of this research concerns the overall macro economic environment, which impacts the dynamics and the understanding of business leaders' balancing profit maximisation and CSR implementation. This research was initiated in relatively stable economic conditions, seemingly positively affecting CSR development. However, during the final stages of this research, at the peak of the financial slowdown, the situation has begun to change, highlighting uncertainty in future CSR understanding and implementation potentially being pushed back on organisations' agendas.

Considering these limitations, it is possible to address the identified constraints, and explore the abovementioned areas in future studies, the suggestions for which are proposed further in this chapter.

8.6 Suggestions for Future Research

Although this study adopted a multi-faceted approach, it raised some additional issues, which can serve as a basis for future research. A wider sample, for example comparing international subsidiaries of corporations,

perhaps could have improved the understanding of the proposed hybrid model of subsidiaries' amalgamation of corporate CSR embeddedness and local context. Furthermore, inter-industrial application of the model may add to reliability and generalisability of the proposed model, and other findings of the research, specifically in evaluation of industry values and their impact on CSR decision-making processes.

In his second study, Owen (2005) reported that there is an increase in the number of major companies reporting on their environmental sustainability. However, as was mentioned before, the latest developments within the oil industry emphasise a worrying possibility of research and development of sustainable and alternative energy sources being shelved by large corporations, ultimately affecting their overall CSR implementation, its disclosure and reporting. Future research may be conducted as a follow up study to allow a longitudinal comparison of this trend within the oil and gas industry.

In C-S-Rectitudinous organisations, as mentioned before, the rhetoric and demonstrations of progressive CSR developments suggest that those leaders are driven by deontological ethics, echoing Hunt and Vitell's model of ethical decision making (1986, 2006). However, when considering the changes in current CSR strategies by these companies in economically uncertain times, it is possible to speculate that authenticity and relative autonomy in leaders' CSR decision making may be reconsidered, and more teleological, or results- and consequences-oriented approaches be introduced. This presents an opportunity for further research in the field of the emergent relationships between organisational, personal, and societal ethics as part of CSR decision-making processes in the unstable economic conditions.

As was demonstrated before, the shifting nature of the context of CSR can be also considered as a basis for a longitudinal study, examining CSR constructs, potential changes in the hierarchy of strength of factors affecting CSR decision makers, and the participants' incremental attitude toward CSR implementation and institutionalisation.

Other areas for future research can include the following suggestions: exploration of CSR institutionalisation in International Joint Ventures with added complexity of reconciliation between business leaders' personal

understanding of and parental organisations' views on CSR; clarification of reciprocity between business leaders and their institutional environments and social networks from the view of social capital; determination of entrepreneurial characteristics of corporate CSR formulation and implementation; establishment of further connections between autonomous, transactional or transformational leadership styles and CSR decision-making processes; and empirical exploration of the relationships between cost-benefit analysis and organisational, personal and societal ethics in CSR implementation.

8.7 Summary and Conclusion

This study's contributions to knowledge have been based not only on empirical findings, but on their correlations with, and discussions in relation to, previously published theories and concepts, providing an enhancement in the overall understanding of CSR decision-making processes in the UK oil and gas industry.

The findings of this study suggest that the most effective method of promoting, implementing, and developing CSR through business leaders' education is by advocating a mixed approach combining various theories, concepts, and practices. These can be grouped in to the following three key categories: Business Needs; Societal Considerations; and Personal Responsibilities. Each of these categories is based upon key theoretical foundations, which are summarised in Figure 33 CSR Convergence Model.

Figure 33: CSR Convergence Model.
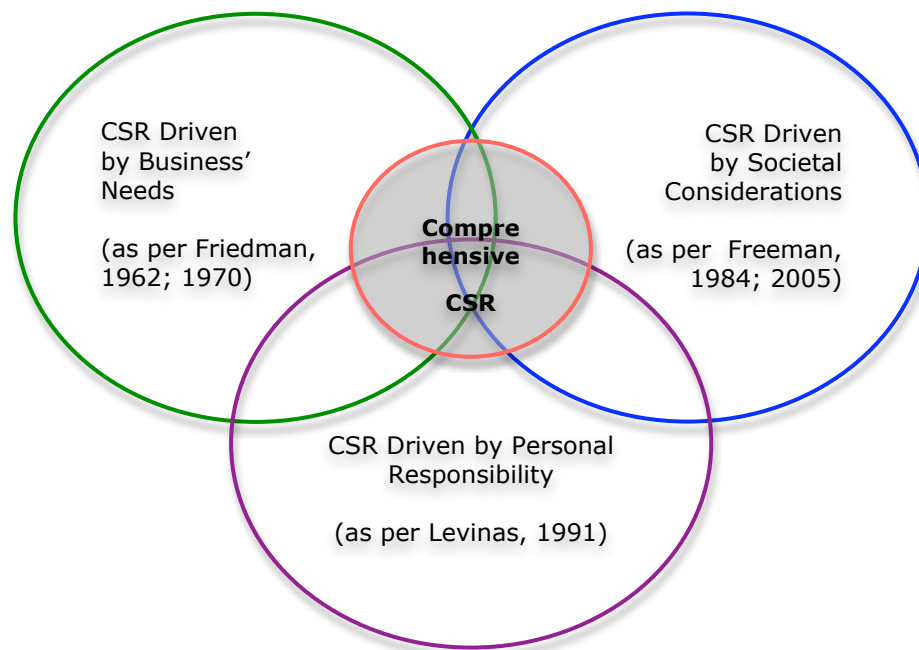
Although these blocks are believed to be at times opposing, this research shows that a comprehensive CSR programme can be built on these concepts complementing each other: CSR resulting from business needs to increase organisations' profits (Friedman, 1962; 1970); CSR as a demonstration of companies' responsibilities to stakeholders with regard to societal considerations (Freeman, 1984; 2001; 2005), and CSR as a commitment of business leaders through personal ethical responsibility for individuals' immediate surrounding (Levinas, 1991).

This study shows that the theory and practice of CSR can be compared to theory of light, both in their complexity, and evolving understanding of their natures, structures and components, contributing factors and mechanisms of delivery.

One of the approaches to explaining light is a modern interpretation of its particle and wave characteristics, or wave-particle duality, based on the works of Newton, Planck, Einstein and Bohr (Baierlein, 2001). Similar to a continuous debate on characterising light as a combination of both particles and waves (Afshar et al., 2007), and their irreconcilable but associated interactions, CSR can be debated as a phenomenon comprising non-exclusive, but coalescing and complementing intrinsic and extrinsic

components echoing the Principal of Complementarity of characteristics of light (Bohr, 1931).

Intrinsic factors in CSR progression represent business leaders' personal values and ethics; understanding of CSR; accumulation, assimilation and exchange of CSR knowledge of practices; and ability to see long-term benefits of CSR implementation. Whereas extrinsic factors stand for an increase in societal pressure and scrutiny; enhancement of legislation pertinent to socially responsible or irresponsible practices; and an improved system of encouraging of and rewarding for long-term CSR commitments and its progressive development.

The author believes that true Corporate Social Responsibility cannot stem from intrinsic, personal drivers of business leaders, alone. Neither can it be forced upon these leaders by extrinsic pressures. The prevalence of one or the other, as this research demonstrates, results in skewing of CSR programmes, or narrowing them down to serve either deeply personal or purely organisational purposes. Only a balanced approach in reconciling these spheres can produce holistic, comprehensive, and versatile CSR.

In contrast to Baker's (2008b) reflections on whether CSR is already dead, a continuously increasing number of countries signing the UN Global Compact initiative (currently more than 130, a third increase compared to 2007 (Hall, 2009)), and an increase in the number of participants in the ISO initiative to create ISO 26000 guidelines on socially responsible voluntary standards (currently more than 300 representatives from 60 countries, a significant increase since 2006 (ISO, 2006; 2009)) statistically show that the CSR debate is not dead. On the contrary, it is gaining momentum.

However, critically looking at these developments, it is necessary to analyse the intentions of some of the business leaders signing up for these initiatives. Is this a true commitment to CSR? Filling out surveys about implementing CSR may not necessarily show the true state of socially responsible actions. In fact, as Georg Kell, Executive Director of the UN Global Compact describes:

> "…there remain serious implementation gaps. Simply put, more companies need to engage more deeply on Environmental, Social and Governance (ESG) issues and comprehensively disclose their efforts. It is time to move from pilot programmes in select corporate departments to an integrated approach to implement all [UN] Global Compact principles throughout and

beyond headquarters, into subsidiaries and the supply chain" (Hall, 2009: 6).

In conclusion, Corporate Social Responsibility needs to be an economically and attitudinally embedded, further examined by qualitative researchers, well educated and thoroughly thought-out process that is not utilised by businesses as a self-promotion tool, but, rather, serves both business and society with long-term tangible and intangible benefits. This is where universities and other educational organisations can play a major role in bridging the gap between managerial theory and practices, establishing a mutually enriching dialogue between business and society, and developing CSR understanding and commitment to its implementation at every level, in every discipline.

References

ACCA (2007) The Association of Chartered Certified Accountants' UK Awards For Sustainability Reporting 2006 - Report of the Judges, [online]. Available from http://www.accaglobal.com/pubs/uk/publicinterest/sustainability/uk_archive/uk06_jud.pdf. [Accessed 10 November 2007].

Adams, C., Hill, W-Y., and Roberts, C. (1998) Corporate Social Reporting Practices In Western Europe: Legitimating Corporate Behaviour?, British Accounting Review, N. 30, pp.1–21

Adkins, S. (1999) 'The wider benefits of backing a good cause', Marketing, Vol. 2 September: pp. 20-21.

Afshar, S.S., Flores, E., McDonald, K.F., Knoesel, E. (2007) 'Paradox in wave-particle duality for non-perturbative measurements', *Foundation of Physics*, Vol. 37, pp.295-305.

Agle, B.R. and Caldwell, C.B. (1999) 'Understanding research on values in business', *Business and Society* 38 (3):326-387 [online]. Available from http://bas.sagepub.com/cgi/reprint/38/3/326. [Accessed 16 February 2009].

Alchian, A., and Demsetz, H. (1972). Production, information costs, and economic organization. American Economic Review, 62(5): 777-795 [online]. Available from
http://instituty.fsv.cuni.cz/~kabele/2008_Construction/Compulsory%20readings/CON_E_AlchDem72.pdf. Accessed 23 March 2006.

Aldag, J.A. and Jackson, D.W. (1984), "Measurement and correlates of social attitudes", *Journal of Business Ethics*, Vol. 3, pp. 143-51.

Alvord, S. H., Brown, L. D., & Letts, C. W. (2004). 'Social entrepreneurship and societal transformation'. *Journal of Applied Behavioral Science,* Vol.40, No.3, pp. 260–282

Amaeshi, K. and Amao, O. (2008) Corporate Social Responsibility (CSR) In Transnational Spaces: An Institutionalist Deconstruction Of MNCs' CSR Practices In The Nigerian Oil And Gas Sector [online], Centre for the Study of Globalisation and Regionalisation, Working Paper 248/08, University of Warwick. Available from http://www2.warwick.ac.uk/fac/soc/csgr/research/workingpapers/2008/24808.pdf. [Accessed 12 December 2008.

Amnesty International – Business Group (UK) (2003) CSR Statement [online]. Available from http://www.amnesty.org.uk/business/group/index.shtml. [[Accessed 27 December 2003].

Anderson, A., Park, J., Jack, S. (2007) 'Entrepreneurial Social Capital Conceptualizing Social Capital in New High-tech Firms', *International Small Business Journa*l, Vol. 25, No. 3, 245-272.

Anderson, C.L., Bieniaszewska, R. L. (2005) 'The Role Of Corporate Social Responsibility In An Oil Company's Expansion Into New Territories', *Corporate Social - Responsibility and Environmental Management*, Chichester: Mar 2005. Vol. 12, Iss. 1, p. 1-9 (9 pp.)

Andersson, U., Forsgen, M., and Holm, U. (2001) Subsidiary Embeddedness and Competence Development in MNCs A Multi-Level Analysis, *Organisational Studies*, 22; pp1013-1036 [online]. Available from http://oss.sagepub.com/cgi/reprint/22/6/1013?ck=nck. [Accessed 27 March 2009.

Andersson, U., Bjorkman, I, and Forsgren, M. (2005) 'Managing subsidiary knowledge creation: the effect of control mechanisms on subsidiary local embeddedness', International Business Review, 14, pp. 521-38.

Andrews, K. R. (1987) *The Concept of Corporate Strategy,* New York, NY: Richard D. Irwin, Inc.

Andrews, K.R. (1971) *The Concept of Corporate Strategy*, Homewood, IL: Dow Jones-Irwin.

Anonymous (2003) Shell Discovers The Paradox Of CSR, Strategic Direction: Special Issue: Corporate Social Responsibility Bradford: May 2003. Vol. 19, Iss. 6, p. 24-27 (4 pp.)

Anonymous (2005) CSR: some progress, but a long way to go, *Petroleum Economist*, London: Aug 2005. p. 18-20

Arlow, P. (1991), "Personal characteristics in college students' evaluations of business", *Journal of Business Ethics*, Vol. 10, pp. 63-9.

Arnold, V., Lampe, J.C., Andersen, A., Sutton, S.G. (1999) Understanding the Factors Underlying Ethical Organisations: Enabling Continuous Ethical Improvement, *The Journal of Applied Business Research*, Vol. 15, N. 3, pp. 1-20.

Arrow, K.J. (1974) *The Limits of Organization*. New York: W. W. Norton. In Radu, V. (2005) The ethical dimension of economic choices. Business Ethics: A European Review; Apr2005, Vol. 14 Issue 2, p94-107, 14p.

Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). Social and commercial entrepreneurship: Same, different, or both? *Entrepreneurship Theory and Practice*, 30(1), 1—22 [online]. Available from http://www3.interscience.wiley.com/journal/118605080/abstract. [Accessed 12 February 2009.

Avolio, B.J., Bass, B.M. & Jung, D.I. Re-examining the components of transformational and transactional leadership using the Multifactor Leadership Questionnaire. *Journal of Occupational and Organizational Psychology*, 1999, 72, 441-62.

Baden, D., Harwood, I., and Woodward, D. (2007) Attitudes of SME Owner/Managers Towards Supply Chain Pressures to Engage in CSR, *Proceedings of the British Academy of Management Annual Conference*, September 2007, Warwick Business School.

Baierlein, R. (2001) *Newton to Einstein – the Trail of Light, An Excursion to the Wave-particle Duality and the Special Theory of Relativity,* Cambridge University Press.

Baker, M. (2003) Corporate Social Responsibility – What does it mean? [online] MallenBaker.net, Available from http://www.mallenbaker.net/csr/CSRfiles/definition.html [Accessed 13 February 2005]

Baker, M. (2006) Business Respect - CSR Dispatches No#104 - 8 Oct 2006 [online]. Available from http://www.mallenbaker.net/csr/news.php?Issue_No=104&Inc_Summary=1. [Accessed 8 October 2006.

Baker, M. (2008 a) When the competent become the enemy of the good [online]. An Article from Business Respect, Issue Number 121, dated 17 Feb 2008. Available from Business Respect http://www.mallenbaker.net/csr/page.php?Story_ID=2001. [[Accessed 18 February 2008].

Baker, M. (2008 b) CSR is dead - part 412 [online]. Available from http://www.mallenbaker.net/blog/post.php?id=128. [Accessed on 28 December 2008.

Baker, M. (2009 a) UK: Former BP CEO says market is failing on clean energy, Business Respect - CSR Dispatches No#150 - 30 Mar 2009 [online]. Available

from http://www.mallenbaker.net/csr/page.php?Story_ID=2433. [Accessed 01April 2009.

Baker, M. (2009 b) UK: Shell angers campaigners with renewables shift to biofuels, Business Respect - CSR Dispatches No#150 - 30 Mar 2009 [online]. Available from http://www.mallenbaker.net/csr/page.php?Story_ID=2426. [Accessed 01 April 2009].

Baker, M. (2009 c) What companies tell the Global Compact they are doing, An Article from Business Respect, Issue Number 151, dated 20 Apr 2009 [online]. Available from http://www.mallenbaker.net/csr/page.php?Story_ID=2452. [Accessed 20 May 2009].

Baker, S. and Jenkins, M. (1993) The Role of Personal Values in the Design and Conduct of Management Research: Perspectives on Managerial and Consumer Cognition, Working Paper, Cranfield School of Management, SWP 4/93, ISBN 1 85905 004 2.

Barnard, C. I. (1938) *The Functions of the Executive*, Cambridge, MA: Harvard University Press.

Barnes, J.A. (1979) Who Should Know What?, Penguin, Harmondsworth. In May, T. (1997) Social Research. Issues, Methods and Process (2nd ed.), Open Buckingham, Philadelphia: University Press.

Barney, J. (1991). 'Firm resources and sustained competitive advantage'. *Journal of Management*, 17, 99–120 [online]. Available from http://jom.sagepub.com/cgi/content/abstract/17/1/99. [Accessed 4 January 2008].

Baron, D. (2001) Private Politics, Corporate Social Responsibility, and Integrated Strategy, *Journal of Economics & Management Strategy*, Volume 10, Number 1, Spring 2001, 7–45 [online]. Available from http://www3.interscience.wiley.com/cgi-bin/fulltext/119023367/PDFSTART. [Accessed 1 March 2009].

Baron, D. (2007) Corporate Social Responsibility and Social Entrepreneurship, *Journal of Economics & Management Strategy*, Volume 16, Number 3, Fall 2007, 683–717 [online]. Available from http://www3.interscience.wiley.com/cgi-bin/fulltext/118514155/PDFSTART. [Accessed 12 January 2009].

Bartlett, D. (2003) 'Management and Business Ethics: a Critique and Integration of Ethical Decision-Making Models', *British Journal of Management,* Vol. 14, No.3, pp.223-235.

Bartlett, C. A. & Ghoshal, S. (2002), *Managing Across Borders: The Transnational Solution*, Harvard Business Press.

Barton, A.H. and Lazarsfeld, P.F. (1979) 'Einige Functionen vov qualitativer Analyze in der Socialforschung'. In Sarantakos, S. (1994) *Social Research,* Hampshire: The Macmillan Press Ltd.

Basit, T.N. (2003) 'Manual or Electronic? The role of coding in qualitative data analysis', Educational Research, vol. 45, No. 2 Summer 2003 pp. 143-154 [online]. Available from http://ace.upm.edu.my/~lateef/Handouts%20-%20dce%205920/coding.pdf. [Accessed 09 April 2009].

Bass, B. M. (1985) *Leadership and performance beyond expectation*. New York: Free Press.

Bass, B.M., Waldman, D.A., Avolio, B.J. and Bebb, M. (1987) Transformational Leadership and the Falling Dominoes Effect, Group & Organization Management, Vol. 12, No. 1, 73-87 [online]. Available from

http://gom.sagepub.com/cgi/content/abstract/12/1/73. [Accessed 2 February 2009].

Bass, B. M. (1990) 'From transactional to transformational leadership: Learning to share the vision', *Organizational Dynamics*, (Winter): 19-31.

Bass, B. M. and Steidlmeier, P. (1998) Ethics, Character and Authentic Transformational Leadership, at: http://cls.binghamton.edu/BassSteid.html.

Bass, B.M. & Steidlmeier, P (1999). Ethics, character, and authentic transformational leadership behavior. *Leadership Quarterly*, 10, 181-217.

Behrman, J. N. (1988) *Essays on Ethics in Business and the Professions*. New Jersey: Prentice Hall Englewood cliffs.

Bell, N. and Staw, B. (1996) People as Sculptor versus Sculpture: The Roles of Personality and Personal Control in Organisations. In Arthur, M.B., Hall, D.T., and Lawrence, B.S. (ed.). Handbook of Career Theory, 5th Ed. (1996) Cambridge University Press.

Bennis, W.G. and Nannus, B. (1985) *Leaders: the Strategies for Taking Charge*, New York: Harper and Row.

Bernardi, R. (2006) Associations between Hofstede's Cultural Constructs and Social Desirability Response Bias, *Journal of Business Ethics* (2006) 65: pp. 43–53 [online]. Available from http://www.springerlink.com/content/j0427r34u1314360/fulltext.pdf. [Accessed 23 March 2008.

BERR (2009) Department for Business Enterprise and Regulatory Reform, Corporate Responsibility [online]. Available from http://www.berr.gov.uk/whatwedo/sectors/sustainability/corp-responsibility/page45192.html/. [Accessed 14 February 2009.

Beukman, T.L. (2005) The Effect of Selected Variables on Leadership Behaviour Within the Framework of a Transformational Organisation Paradigm, DC Thesis, University of Pretoria [online]. Available from http://upetd.up.ac.za/thesis/available/etd-11082005-083347/unrestricted/12references.pdf. [Accessed 18.04.06].

Bielak, D., Bonini, S., and Oppenheim, J. (2008) CEOs On Strategy And Social Issues [online]. Available from http://www.mckinseyquarterly.com/Strategy/Strategic_Thinking/CEOs_on_strategy_and_social_issues_2056. [Accessed 28 Jan 2008].

Birkinshaw, J. (1997) Entrepreneurship in multinational corporations: The characteristics of subsidiary initiatives. *Strategic Management Journal*, 18(3): 207-229

Birkingshaw, J. (2000) *Entrepreneurship in the Global Firm.* London: Sage.

Birkinshaw, J. and Hood, N. (1998) 'Multinational subsidiary evolution: Capability and charter change in foreign-owned subsidiary companies'. *Academy of Management Review*, 23(4): 773-795

Birkingshaw, J. and Fry, N. (1998) 'Subsidiary Initiatives to develop new markets', *Sloan Management Review,* 39, pp. 51-61.

Birkinshaw, J., Hood, N. and Young, S. (2005) Subsidiary entrepreneurship, internal and external competitive forces, and subsidiary performance. *International Business Review*, 14: 227-248.

BITC (2003) Business IN The Community - Engaging SMEs in Community and Social Issues [online]. Available from http://www.bitc.org.uk/resources/publications/engaging_smes.html. Accessed 23 March 2009.

Blackburn, R. and Kovalainen, A. (2009) Researching small firms and entrepreneurship: Past, present and future, *International Journal of Management Reviews*, Vol. 11, Iss 2, pp. 127-148.

Blaikie, N. (1993) *Approaches to Social Enquiry*, Cambridge: Polity Press.

Blaikie, N. (2000) *Designing Social Research,* USA: Polity Press/Blackwell.

Blake, R.R. and Mouton, J.S. (1961). Group dynamics - Key to decision making, Houston: Gulf Publishing Co [online]. Available from http://changingminds.org/disciplines/leadership/styles/managerial_grid.htm, [[Accessed 15 October 2006].

Blanchard, K. (1998) 'The New Bottom Line', *Entrepreneur* (February), pp.127-131.

Bliss, J., Monk, M. and Ogborn, J. (1983) *Qualitative Data Analysis for Educational Research.* London: Croom Helm.

Blowfield, M. and Murray, A. (2008) *Corporate Responsibility: A Critical Introduction,* Oxford University Press.

Blumberg, P. (1993) *The Multinational Challenge To Corporation Law: The Search For A New Corporate Personality*, Oxford University Press.

BNET.com (a) (2006) Heroes or Villains?: Corruption and the Charismatic Leader, [online]. Available from http://ct.bnet.com/clicks?t=9017814-047e7d9953301cadf2c2e1382a9dde42-bf&brand=BNET&s=5. [[Accessed 15.09.06].

BNET.com (b) (2006) Moral Leadership in a Postmodern World, [online]. Available from http://ct.bnet.com/clicks?t=9017817-047e7d9953301cadf2c2e1382a9dde42-bf&brand=BNET&s=5. [Accessed 20 September 2006.

Boddy, D. (2005) *Management: An Introduction,* 3rd ed., Harlow: Pearson Education.

Bohr, N. (1931) 'Maxwell and modern theoretical physics,' *Nature*, Vol. 128, No. 691, reprinted in 'Niels Bohr Collected Works', Vol. 6: *Foundations of Quantum Physics* I (1926–1932), ed. J. Kalckar, (1985), North-Holland, Amsterdam, pp. 359–360.

Bolton, J,E. (1971) Small Firms: Report of the Committee of Inquiry on Small Firm. HMSO, London.

Bonini, S., Mendonca, L., Rosenthal, M. (2008) From risk to opportunity—How global executives view sociopolitical issues: McKinsey Global Survey Results [online]. Available from http://www.mckinseyquarterly.com/Strategy/Strategic_Thinking/McKinsey_Global_Survey_Results_From_risk_to_opportunity_How_global_executives_view_sociopolitical_issues_2235?pagenum=3. [Accessed 02 November 2008].

Bostock, D., (2006) *Space, Time, Matter, and Form: Essays on Aristotle's Physics*, Oxford University Press.

Bourdieu, P., & Wacquant, L. J. D. (1992). An invitation to reflexive sociology. Cambridge, UK: Polity Press.

Bowen, H. R. (1953) *Social responsibilities of the businessman*, New York: Harper and Brothers.

BP (2006) Environment and Society Statement [online]. Available from http://www.bp.com/subsection.do?categoryId=4521&contentId=7014181 . [[Accessed 15 October 2006].

BPRI Group (2007) The Telegraph: Wake up call for firms doing the right thing [online]. Available from http://www.bprigroup.com/displayNews.php?ID=25. [Accessed January 7, 2009.

Brady, RN. (1996). Introduction: A typology of ethical theories. In RN. Brady (Ed.), Ethical universals in international business (pp. 1-14). Berlin: Springer-Verlag.

BRASS (2003) 'The History of Corporate Social Responsibility and Sustainability', [online] The Centre for Business Relationships, Accountability, Sustainability &

Society. Available from http://www.brass.cardiff.ac.uk. [Accessed 10 January 2004].

Brickley, J.A., Clifford, W.S. Jr. and Zimmerman, J.L. (2002) 'Business ethics and organizational architecture'. *Journal of Banking and Finance*, 26:9, pp.1821–1835.

Brinkman, M., Hoffman, N., and Oppenheim, J. (2008) How climate change could affect corporate valuations, The McKinsey Quarterly [online]. Available from http://www.mckinseyquarterly.com/Corporate_Finance/Valuation/How_climate_change_could_affect_corporate_valuations_2223#top. [Accessed 09 October, 2008.

British Sociological Association (1993) 'Statement of Ethical Practise', Durham: British Sociological Association.

Bryman, A. (2001) Social Research Methods, New York: Oxford University Press.

Burns, J. M. (1978) *Leadership*. New York: Harper & Row.

Burns, P. (2001) *Entrepreneurship and Small Business*. Hampshire: Palgrave.

Burton, B.K., and Hegarty, W.H. (1999) Some determinants of student corporate social responsibility orientation, *Business and Society*, Vol. 38, pp. 88-205.

Business Ethics Magazine (2006) 100 Best Corporate Citizens for 2006. *Business Ethics Magazine*, Spring 2006, Vol. 20, Issue 1, [online]. Available from http://www.business-ethics.com/whats_new/100best.html. [Accessed 15 September 2006.

Business Respect (2008a) Shell calls for government intervention over climate change - CSR Dispatches No#121 - 17 Feb 2008 [online]. Available from http://www.mallenbaker.net/csr/nl/121.html. [Accessed 18 February 2008.

Business Respect (2008b) Indonesia: Suit against ExxonMobil focuses on human rights abuse by Indonesian troops. Business Respect - CSR Dispatches No#135 - 31 Aug 2008 [online]. Available from http://www.mallenbaker.net/csr/CSRfiles/page.php?Story_ID=2207. [Accessed 01 September 2008.

Business Respect (2008c) UK: Advertising watchdog bans ExxonMobil ad over green claims. A News item from Business Respect, Issue Number 136, dated 7 Sep 2008 [online]. Available from http://www.mallenbaker.net/csr/CSRfiles/page.php?Story_ID=2216. [Accessed 16 September 2008.

Business Respect (2008d) Nigeria: Graduates group challenges Chevron - Business Respect - CSR Dispatches No#136 - 14 Sep 2008 [online]. Available from http://www.mallenbaker.net/csr/CSRfiles/page.php?Story_ID=2217. [Accessed 16 September 2008.

Business Respect (2008e) BP named in Kazakhstan bribery lawsuit - Business Respect - CSR Dispatches No#125 - 13 Apr 2008 [online]. Available from http://www.mallenbaker.net/csr/CSRfiles/page.php?Story_ID=2056. [Accessed 15 April 2008.

BusinessWire (2008) Big Changes in Public Attitudes Toward Different Industries Since Last Year [online]. Available from http://www.businesswire.com/portal/site/home/permalink/?ndmViewId=news_view&newsId=20080807005140&newsLang=en. [Accessed 09 August, 2008.

Campbell, D. (2003) Intra- and intersectoral effects in environmental disclosures: evidence for legitimacy theory? *Business Strategy and the Environment*, Volume 12, Issue 6 , pp. 357 – 371.

Campbell, J.L. (2006) "Institutional Analysis and the Paradox of Corporate Social Responsibility", American Behavioural Scientist, Vol. 49, No. 7, pp. 925-938.

Campbell, D., Craven, B., and Shrives, P. (2003) Voluntary social reporting in three FTSE sectors: a comment on perception and legitimacy, *Accounting, Auditing & Accountability Journal*; 2003, Vol. 16 Issue 4, pp. 558-581.

Campbell, D. and Slack, R. (2006) Public visibility as a determinant of the rate of corporate charitable donations, *Business Ethics: A European Review*, Jan2006, Vol. 15 Issue 1, p19-28.

Campbell, J. L. (2007) 'Why Would Corporations Behave In Socially Responsible Ways? An Institutional Theory Of Corporate Social Responsibility', *Academy of Management Review* 2007, Vol. 32, No. 3, pp. 946–967 [online]. Available from http://www.dartmouth.edu/~socy/pdfs/Corp%20Social%20Responsibility%20in%20AMR.pdf.pdf. [[Accessed 24 November 2008].

Carlyle, T. (1843) On Heroes, Hero-Worship and the Heroic in History. In Krygier, C. (2005) Great Men in Theory and Practice: A Study of Three Great Dons. in Hecht, U. (2006) *Historiography. Academic History*. [online]. Available from http://www.pediapress.com/dlpreview/curwyrckbiqxpavf/preview.pdf. [[Accessed 12.10.06]

Carroll, A. B. (1979) 'A Three-Dimensional Conceptual Model Of Corporate Social Performance', *Academy of Management Review*, Vol. 4, pp.497-505.

Carroll, A.B. (1991) 'The pyramid of corporate social responsibility', *Business Horizons*, July-August, pp 39-48.

Carroll, A. B. (1998) 'The Four Faces of Corporate Citizenship', *Business and Society Review*, 100[1], p. 1-7.

Carroll, A.B. (1999) 'Corporate Social Responsibility', *Business and Society*, Vol. 38, Iss. 3, pp. 268-295.

Carroll, A. B. (2000). 'Ethical Challenges for Business in the New Millennium: Corporate Social Responsibility and Models of Management Morality', *Business Ethics Quarterly*, 10[1], p. 33-42.

Carroll, A. B. (2004) 'Managing Ethically With Global Stakeholders: A Present and Future Challenge', *Academy of Management Executive*, 18[2], p. 114-120.

Carver, J. (1997) *Boards That Make a Difference: A New Design for Leadership in Non-profit and Public Organizations*, (2nd edition), San Francisco: Jossey-Bass.

Carver, J. (1999), 'Reinventing Governance', *Association Management*, Vol. 51, No. 8, pp. 70-76.

Cashore, B. (2003) 'Legitimacy and the Privatization of Environmental Governance: How Non–State Market–Driven (NSMD) Governance Systems Gain Rule–Making Authority', *Governance*, Volume 15 Issue 4, Pages 503 – 529, [online]. Available from http://www3.interscience.wiley.com/journal/118922237/abstract. Accessed on 17 September 2008.

Caulkin, S. (2002) Good thinking, bad practice, *The Observer*, 7 April: 11.

Certo, S.T., Miller, T. (2008) Social entrepreneurship: Key issues and concepts, Business Horizons (2008) 51, 267—271 [online]. Available from http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6W45-4SR0V1K-3&_user=7456521&_rdoc=1&_fmt=&_orig=search&_sort=d&view=c&_acct=C000011479&_version=1&_urlVersion=0&_userid=7456521&md5=8625134dfebc831967e9faf5fc2688dd. [Accessed 12 February 2009.

Chalmers, A.F. (1982) *What is This Thing Called Science?* St.Lucia, QLD: University of Queensland Press.

Chell, E. (1998) Critical Incident Technique. In Symon, G. and Cassell, C. (Eds.) *Qualitative Methods and Analysis in Organisational Research A Practical Guide,* London: SAGE Publications.

Chell, E. and Adam, E. (1994) 'Researching Culture and Entrepreneurship: a Qualitative Approach', Discussion Paper 94-9, School of Business Management, university of Newcastle upon Tyne. In Symon, G. and Cassell, C. (Eds.) *Qualitative Methods and Analysis in Organisational Research A Practical Guide,* London: SAGE Publications.

Chell, E., Haworth, J.M. an Brearley, S. (1991) *The Entrepreneurial Personality: Concepts, Cases and Categories,* London: Routledge. In Symon, G. and Cassell, C. (Eds.) *Qualitative Methods and Analysis in Organisational Research A Practical Guide,* London: SAGE Publications.

Chevron (2006) Social Responsibility Statement [online]. Available from http://www.chevron.com/social_responsibility/. [[Accessed 15 October 2006].

Child, J. (1972) Organizational structure, environment, and performance: The role of strategic choice, Sociology, Vol. 6, pp. 1-22.

Child, J. and Faulkner, D. (1998) *Strategies of Cooperation. Managing Alliances, Networks, and Joint Ventures*, Oxford University Press.

Cohen D., and Crabtree B. (2006) "Qualitative Research Guidelines Project" [online]. Available from http://qualres.org/HomeThic-3697.html. [Accessed 03 June 2009.

Code, L. (1991) *What can she know?: feminist theory and the construction of knowledge*, 2nd ed. Cornell University Press.

Coleman, J.S. (1990) *Foundations of Social Theory*. Cambridge, MA: Harvard University Press.

Cooke P., Wills D. (1999). Small Firms, Social Capital and the Enhancement of Business Performance through Innovation Programmes. *Small Business Economics* 13:219–234

Coupland, C. (2003) Corporate identities on the web: An exercise in the construction and deployment of 'morality', No. 02-2003 ICCSR Research Paper Series, International Centre for Corporate Social Responsibility, Nottingham University Business School, ISSN 1479-5124.

Covalence (2006) Ethical Quotation System, [online]. Available from http://www.covalence.ch/ethicalquote/index_uk.php?value=0. [Accessed 12 January 2007].

Craig, S.B. and Gustafson, S.B. (1998) 'Perceived leader integrity scale: An instrument for assessing employee perceptions of leader integrity", *Leadership Quarterly*, 1998, 9(2), 127-45.

Crane, A. & Matten, D. (2004). *Business Ethics*. Oxford: Oxford University Press.

Cray, D. (1984) 'Control and coordination in multinational corporations', Journal of International Business Studies 25 (1984), pp. 85–98.

Crockett, C. (2005) Grounding the Theory of Virtue, PhD Thesis, the Robert Gordon University.

Crook, C. (2005) 'The Good Company. A Survey of Corporate Social Responsibility', *The Economist*, Vol. 347, Iss. 8410, pp.3-22 (insert).

Daft, R.L. and Gane, P. (2008) *New Era of Management,* (2nd Ed.), Cengage Learning, EMEA.

Das, T.K. (2001) 'Training for Changing Managerial Role Behaviour: Experience in a Developing Country', *The Journal of Management Development,* Vol.20, No. 7, pp. 579-603.

Daugherty, E.L. (2001) 'Public relations and social responsibility', in R.L. Heath (ed.) *Handbook of Public Relations*, London: Sage Publications, pp.389-401.

Davidsson, P., Honig, B. (2003) The role of social and human capital among nascent entrepreneurs, *Journal of Business Venturing*, Volume 18, Issue 3, May 2003, Pages 301-331, [online]. Available from

http://www.sciencedirect.com/science/article/B6VDH-460M91Y-1/2/c95aae4b8ac81bca6d97bfaa94e7d7a9. [Accessed 23 March 2008.

Davis, K. (1960) 'Can Business Afford to Ignore Social Responsibilities?' *California Management Review*.

Davis, K. (1973) 'The case for and against business assumption of social responsibilities'. *Academy of Management Journal*. Vol.16, Iss.2, pp. 312-322.

Davis, K. and Blomstrom, R.L. (1966) Business and its Environment, New York: Harper & Row. In Rodriguez, M.A., Ricart, J.E. and Sanchez, P. (2004) 'Sustainable Development and Sustainability of Competitive Advantage: A Dynamic and Sustainable View of the Firm' [online]. Available from http://www.sses.com/public/events/euram/complete_tracks/strategy_theory_practice/rodriguez_ricart_sanchez.pdf [Accessed 13 February 2005).

Davis, J.H., Schoorman, F.D., Donaldson, L. (1997) "Toward a Stewardship Theory of Management", *The Academy of Management Review*, Vol. 22, No. 1 (Jan., 1997), pp. 20-47.

Dawkins, J., Lewis, S. (2003) CSR in Stakeholders Expectations: And Their Implication for Company Strategy, *Journal of Business Ethics*, Volume 44, Numbers 2-3 / May, 2003, pp. 185-193. Available from http://www.springerlink.com/content/t3456p6221570565/. [Accessed 27 January 2009.

de Bono, E. (1971) *The Use of Lateral Thinking,* London: Penguin.

Deegan, C. (2002) Introduction: The legitimising effect of social and environmental disclosures – a theoretical foundation, *Accounting, Auditing & Accountability Journa*l, Volume: 15 Issue: 3 Page: 282 – 311. [online]. Available from http://www.emeraldinsight.com/Insight/viewContentItem.do;jsessionid=360E105503D239F4DBF7134953AF975D?contentType=Article&contentId=869830. [Accessed 30 December 2008.

Deegan, C, Rankin, M, Tobin, J. (2002), "An examination of the corporate social and environmental disclosures of BHP from 1983-1997: a test of legitimacy theory", *Accounting, Auditing & Accountability Journal*, Vol. 15 No.3, pp.312-43. [online]. Available from http://www.emeraldinsight.com/Insight/viewPDF.jsp?contentType=Article&Filename=html/Output/Published/EmeraldFullTextArticle/Pdf/0590150302.pdf. [Accessed 30 December 2008.

Dees, J. G. (1998). The meaning of "social entrepreneurship." Center for the Advancement of Social Entrepreneurship, Fuqua School of Business, Duke University [online]. Available from http://www.fuqua.duke.edu/centers/case/documents/dees_sedf.pdf. [Accessed 12 February 2009.

de George, R., T., (1999) *Business Ethics*, Upper Saddle River, NJ: Simon & Schuster.

De Jongh, D. and Prinsloo, P. (2005). Why Teach Corporate Citizenship Differently? *Journal of Corporate Citizenship*, p. 18.

de Vaus, D.A. (2001) *Research Design in Social Research*, London: SAGE Publications.

Demb, A. and Neubauer, F.F. (1992) 'The Corporate Board: Confronting Paradoxes', *Long Range Planning*, Vol. 25, No. 3, pp. 9-20.

Denzin, N.K. and Lincoln, Y.S. (1998) *Collecting and Interpreting Qualitative Materials,* USA: SAGE Publications.

Denzin, N.K. and Lincoln, Y.S. (Ed.) (2005) *The SAGE handbook of qualitative research 3rd Edition*, Sage Publications, California, USA.

Desai, A.B. and Rittenburg, T. (1997) 'Global ethics: an integrative framework for MNEs', *Journal of Business Ethics* 16 (8):791-800.

Dex, S., and Scheibl, S. (2001) 'Flexible and Family-Friendly Working Arrangements in UK-Based SMEs: Business Cases'. *British Journal of Industrial Relations*, Vol. 39, No. 3, pp. 411-431.

DiMaggio, P. (1988) Interest and Agency in Institutional Theory, in Zucker, L (ed.) *Institutional Patterns and Organization: Culture and Environment*, Cambridge, MA: Ballinger), pp. 3-21.

Diochon, M.C., Anderson, A.R., Fulford, H. (2008) *Understanding Social Enterprise: A Typology of Organizational Types and the Entrepreneurial Implications*, paper presented at ICSB, Halifax, June.

Doane, D. (2004) 'Beyond corporate social responsibility: minnows, mammoths and markets', *New Economics Foundation*, Futures 37 (2005) 215–229, [online]. Available from www.sciencedirect.com. [[Accessed 10 November 2007].

Domini, A. L. (2001) *Socially Responsible Investing: Making A Difference And Making Money*, Chicago: Dearborn Trade Publishing.

Donaldson, L. and Davis, J. H. (1991). 'Stewardship theory or agency theory: CEO governance and shareholder returns'. *Australian Journal of Management*, 16, 49–64 [online]. Available from http://www.agsm.unsw.edu.au/eajm/9106/pdf/donaldson.pdf. [Accessed 2 February 2009.

Donaldson, T. and Dunfee, TW., (1999) *Ties That Bind: A Social Contract Approach to Business Ethics,* Boston, MA: Harvard Business School.

Donaldson, T and Preston, L.E., (1995) 'The Stakeholder Theory of the Corporation: Concepts, Evidence and Implications', Academy of Management Review 20 (1), 65-91.

Donaldson, T. (2005) 'Defining the value of doing good business: [SURVEYS EDITION], Financial Times, London (UK): Jun 3, 2005, p.4.

Donham, W., (1929) 'Address delivered at NorthWestern University'. In 'The History of Corporate Social Responsibility and Sustainability', [online] The Centre for Business Relationships, Accountability, Sustainability & Society. Available from http://www.brass.cardiff.ac.uk. [Accessed 10 January 2004].

Drucker, P F. (1954) *The Practice of Management*, New York, NY: Harper & Row Publishers.

Drucker, P F. (1984) 'The New Meaning Of Corporate Social Responsibility'*, California Management Review,* Vol. 26, pp. 53-63.

Easterby-Smith, M., Thorpe, R. and Lowe, A. (1991) *Management Research An Introduction,* London: SAGE Publications.

Echo Research (2006) 'CSR Enters Boardroom', [online]. Available from http://www.manifest.co.uk/manifest_i/2002/0206Jun/020611CSR%20enters%20boardroom.htm. [Accessed 10 March 2006.

Edwards, R. L. (1953) 'The Relationship between the Judged Desirability of a Trait and the Probability that the Trait will be Endorsed', *Journal of Applied Psychology* 37, 90–93.

Edvardsson, B. and Roos, I. (2001) 'Towards a framework for analysing the criticality of critical incidents', *International Journal of Service Industry Management*, Vol. 12, N. 3, pp. 251-268.

EFMD (2005) 'Globally Responsible Leadership – A Call for Engagement', [online] European Foundation for Management Development, Globally Responsible Leadership Initiative. Available from http://www.efmd.org/attachments/tmpl_1_art_051012qnis_att_051017tovb.pdf, [Accessed 03 November 2005].

EIRIS (2007) 'The state of responsible business: Global corporate response to environmental, social and governance (ESG) challenges' [online]. Available from

http://www.eiris.org/files/research%20publications/stateofrespbusinesssep07.pdf. [Accessed 07 January 2009.

Eisenhardt, K. M. (1985). 'Control: Organizational and economic approaches', *Management Science* (Pre-1986), 31(2), 134 [online]. Available from http://mansci.journal.informs.org/cgi/content/abstract/31/2/134. [Accessed 23 March 2006].

Eisenhardt, M, K. (1989). 'Agency theory: An assessment and review'. *Academy of Management Review*, 14(1), 57 [online]. Available from http://www.jstor.org/pss/258191. [Accessed on 23 March 2006].

Elash, D.D. (2003) 'Gaining An Edge: Authentic Leadership Lessons' [online]. Available from http://www.leader-values.com/Content/detail.asp?ContentDetailID=105. [Accessed 13 September 2006].

EMSF (2004) European MultiStakeholder Forum On CSR. Final Results & Recommendations. [online]. Available from http://ec.europa.eu/enterprise/csr/documents/29062004/EMSF_final_report.pdf. [Accessed 13 December 2008].

EMSF (2006) European Multistakeholder Forum on CSR, Review of recommendations December 2006 [online]. Available from http://ec.europa.eu/enterprise/csr/documents/stakeholder_forum/european_savings_banks_group.pdf. [Accessed on 15 February 2007].

Entine, J. (1995) 'In Search Of Saintly Stock Picks', *Toronto Globe and Mail Report on Business Magazine*, Vol. 12, Iss. 4, 45.

Entine, J. (2003) 'The Myth of Social Investing: A Critique of its Practice and Consequences for Corporate Social Performance Research', *Organization & Environment,* Vol.16, Iss. 3; pg. 352.

Erickson, F. (1977) 'Some Approaches to Inquiry in School-Community Ethnography', *Anthropology and Education Quarterly,* Vol. 8, No. 2, pp.58-69.

Ericson, R., Baranek, P. and Chan, J. (1991) *Representing Order: Crime, Law and Justice in the News Media*, Milton Keynes, UK: Open University Press.

Ernst & Young (2006) Entrepreneur of the Year Award scheme [online]. Available from http://www.ey.com/global/content.nsf/UK/Entrepreneur_Of_The_Year. [Accessed 15 January 2006.

Ethical Investors Group (EIG) (2006) Ethical Investors Group – About [online]. Available from http://www.ethicalinvestors.co.uk/about.htm. [Accessed 10 January 2006.

European Commission and Observatory of European SMEs (ECOE) (2002), European SMEs and social and environmental responsibility. Enterprise Publications.

European Commission (2001) Corporate Social Responsibility, Green Paper, [online]. Available from http://ec.europa.eu/employment_social/soc-dial/csr/greenpaper_en.pdf. [Accessed 23 April 2005.

European Commission (2003) Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (notified under document number C(2003) 1422), [online]. Available from http://europa.eu/eur-lex/pri/en/oj/dat/2003/l_124/l_12420030520en00360041.pdf. [Accessed 25 May 2006].

Evan, W.M. and Freeman, R.E. (1998) 'A Stakeholder Theory of the Modern Corporation', in T.L. Beauchamp and N.E. Bowie *Ethical Theory and Business*, New York: Prentice Hall, pp. 112-24.

ExxonMobil (2006) Corporate Responsibility Statement [online]. Available from http://www.exxonmobil.com/Europe-English/Citizen/Eu_VP_responsibility.asp . [[Accessed 15 October 2006].

Fatehi, K. (1996) *International Management, a Cross-cultural and Functional Perspective*, USA: Prentice Hall Inc.

Feddersen, T. and Gilligan, T. (2004). 'Saints and markets: activists and the supply of credence goods'. *Journal of Economics and Management Strategy*, 10, 149–71 [online]. Available from http://www3.interscience.wiley.com/journal/119023364/abstract?CRETRY=1& SRETRY=0. [Accessed 6 February 2009.

Ferrell, O.C., Gresham, C.G. and Fraedrich, J. (1989) A Synthesis of Ethical Decision Models for Marketing, SAGE Publications, *Journal of Macromarketing*, Vol. 9, No. 2, 55-64.

Fiedler, F.E. (1986) The contribution of cognitive resources of leadership performance. In L. Berkowitz (ed), *Advances in experimental social psychology*. NY: Academic Press.

Fiedler, F.E. and Chemers, M.M. (1984) *The Leader Match Concept,* New York: John Wiley.

Fiedler, F.E. and Garcia, J.E. (1987) *New approaches to leadership: Cognitive resources and organizational performance*, NY: Wiley.

Finkelstein, S., and Hambrick, D. C. (1996) Strategic leadership: Top executives and their effects. Minneapolis/St. Paul: West Publishing.

Fisher, K., Geenen, J., Jurcevic, M., McClintock, K. and Davis, G. (2008) Applying asset-based community development as a strategy for CSR: a Canadian perspective on a win–win for stakeholders and SMEs, Business Ethics: A European Review, Volume 18 Issue 1, Pages 66 - 82 [online]. Available from http://www3.interscience.wiley.com/journal/121581274/abstract?CRETRY=1& SRETRY=0. [Accessed 23 March 2008.

Fisher, R. J. (1993). Social desirability bias and the validity of indirect questioning. *Journal of Consumer Research*, 20, 303-315.

Fritzche, D.J. (1995) Personal values: potential keys to ethical decision-making, *Journal of Business Ethics* 14: 902-922.

Flanagan, J.C. (1954) 'The critical incident technique', *Psychological Bulletin*, Vol. 51, No. 4, pp. 327-58 [online]. Available from http://www.analytictech.com/mb870/Readings/flanagan.pdf. [Accessed 01 April 2008.

Fleishman, E.A. (1953). The description of supervisory behavior. Personnel Psychology, 37, 1-6. [online]. Available from http://changingminds.org/disciplines/leadership/actions/ohio_state.htm [[Accessed 15 October 2006].

Flick, U. (1999) *An Introduction to Qualitative Research*, Thousand Oaks London: SAGE Publications.

Fondas, N. and Stewart, R. (1994), 'Enactment in Managerial Jobs: a Role Analysis', *Journal of Management Studies*, Vol. 31, No.1, pp. 83-103.

Fowler, F.J. (1993) *Survey Research Methods.* London: Sage Publications.

Frederick, W. C. (1960) 'The Growing Concern Over Business Responsibility', *California Management Review*, Vol.2, pp. 54-61. n Carroll, A.B. (1999) 'Corporate Social Responsibility', *Business and Society*, Vol. 38, Iss. 3, pp. 268-295.

Frederick, W.C. (1978/1994) 'From CSR sub 1 to CSR sub 2: the maturing of business and society thought', Business and Society, Vol. 33, Iss. No. 2, pp.150–166.

Frederick, W.C. (1986) 'Toward CSR sub 3: why ethical analysis is indispensable and unavoidable in corporate affairs', California Management Review, Vol. 28, Iss. No. 2, pp.126–155.

Frederick, W.C. (1987) 'Theories of corporate social performance', in S.P. Sethi and M.C. Falbe (Eds.) Business and Society: Dimensions of Conflict and Cooperation, Lexington, MA: Lexington Books/D.C. Heath, pp.142–161.

Frederick, W.C. Post, J.E. and Davis, K.(1992) Business and Society: Corporate Strategy, Public Policy, Ethics, 7th. (McGraw Hill)

Frederick, W.C. (1998) Moving to CSR4: What to Pack for the Trip, *Business and Society,* March, Vol. 37, No. 1, pp. 40-59, ABI/INFORM Global, SAGE Publications Inc.

Freeman, R. E. (1984) *Strategic Management: A Stakeholder Approach*, Marshfield, MA: Pitman Publishing Inc.

Freeman, R.E., (2001) 'Stakeholder theory of the modern corporation' in Hoffman, W.M., Frederick, R.E. and Schwartz, M.S. (Eds.), Business Ethics: Readings and Cases in Corporate Morality, 4th ed., Boston: McGraw Hill.

Freeman, R. E. (2005) The Development of Stakeholder Theory: An Idiosyncratic Approach. In Ken G. Smith and Michael A. Hitt (eds.) The Oxford Handbook of Management Theory: The Process of Theory Development, Oxford: Oxford University Press.

Freeman, R. E. and McVea, J. (2001) Stakeholder Approach to Strategic Management, Darden Business School Working Paper No. 01-02. Available at SSRN: http://ssrn.com/abstract=263511 or DOI: 10.2139/ssrn.263511

Freeman, R. E. and McVea, J. (2001) A Stakeholder Approach to Strategic Management. In M. Hitt, R. E. Freeman, and J. Harrison (eds.), Handbook of Strategic Management, pp.189-207, Blackwell Publishing, Oxford, UK.

Freeman, R. E. and Velamuri, S. R. (2008) A New Approach to CSR: Company Stakeholder Responsibility (July 29, 2008). Available at SSRN: http://ssrn.com/abstract=1186223. [Accessed 13 February 2009.

Friedman, M. (1962) *Capitalism and Freedom*, Chicago: University of Chicago Press. Reprinted in 2002 by Chicago: University of Chicago Press.

Friedman, M. (1970) The Social Responsibility of Business is to Increase its Profits, *The New York Times Magazine*, September 13, 1970, The New York Times Company pp.153-156 [online]. Available from http://www.colorado.edu/studentgroups/libertarians/issues/friedman-soc-resp-business.html. [Accessed 30 December 2007.

Ftse4good (2007) Adding Values To Your Investment FTSE4Good Index Series - 5 Year Review [Online]. Available From Http://Www.Ftse.Com/Indices/Ftse4good_Index_Series/Downloads/F4g_5year_Review.Pdf. [Accessed 07 January, 2008.

Fuller, T. and Tian, Y. (2006) Social and Symbolic Capital and Responsible Entrepreneurship: An Empirical Investigation of SME Narratives, *Journal of Business Ethics*, Vol. 67, Iss. 3, pp. 287-304 [online]. Available from http://www.springerlink.com/content/220676342387q047. [Accessed 23 March 2008.

Gale Group (1998) West's Encyclopaedia of American Law, The Gale Group, Inc.

Garcia-Pont, C., Canales, J. I. and Noboa, F., (2009) 'Subsidiary Strategy: The Embeddedness Component'. *Journal of Management Studies*, Vol. 46, Issue 2, pp. 182-214, March 2009. Available at SSRN: http://ssrn.com/abstract=1330204 or DOI: 10.1111/j.1467-6486.2008.00797.x

Gates, J.B. (2004) The Ethics Commitment Process: Sustainability Through Value-Based Ethics. *Business & Society Review* (00453609); Winter2004, Vol. 109 Issue 4, p493-505, 13p.

Geiger, M. A. and B. T. O'Connell: 2000, An Examination of Using Surrogate Measures to Assess Social Desirability Response Bias, Research on Accounting Ethics 6, 107–120.

George, B (2004 a) "The Journey to Authenticity" Leader to Leader. The Economist, 31 (Winter 2004) pp. 29-35.

George, B. (2004 b) *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value*, Jossey-Bass Wiley Imprint. [online]. Available from http://books.google.com/books?id=ekW5B8Cngt8C&printsec=frontcover&source=gbs_summary_r&cad=0. [Accessed 04 January 2007.

Geertz, C. (1973) "Thick Description: Toward an Interpretive Theory of Culture". In *The Interpretation of Cultures: Selected Essays*. New York: Basic Books, pp. 3-30.

Gerson K. and Horowitz, R. (2002) "Observation and Interviewing: Options and Choices in Qualitative Research". In May, T. ed. (2002) *Qualitative Research in Action*, London: SAGE Publications.

Giacomino, D., Fujita, A. and Johnson, T.M. (2000) Are the effects of age and gender *changing the personal values of Japanese executives? Business* Forum 24 (1/2):15-20.

Gibb, A.A. (2000) 'SME Policy, Academic Research and the Growth of Ignorance, Mythical Concepts, Myths, Assumptions, Rituals and Confusions', *International Small Business Journal.* Vol. 18, No. 3, pp. 13-34.

Gladwin, T. N.,& Kennelly, J. J. (1995) 'Shifting paradigms for sustainable development: Implications for management theory and research', *Academy of Management Review*, *20*(4), 874-907.

Glaser, B. (1978) *Theoretical Sensitivity,* Mill Valley, CA: Sociology.

Glaser, B.G and Strauss, A.L. (1967) *The Discovery of Grounded Theory,* New York: Aldine.

Godfrey, P. (2007) 'The Dynamics of Social Responsibility: Processes, Positions, and Paths in the Oil and Gas Industry', *Schmalenbach Business Review* (SBR), July 2007, Vol. 59, Issue 3, pp. 208-224. [online. Available from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1005110. [Accessed 12 December 2007.

Ghoshal, S. & Bartlett, C.A. (1998) 'Creation, adoption and diffusion of innovations by subsidiaries of multinational corporations', *Journal of International Business Studies*, 19(3): 365- 388

Gosling, J. and Mintzberg, H. (2003) 'The Five Minds of a Manager', *Harvard Business Review*, 2003 Nov. Vol. 81, Iss. 11, pp. 54-63.

Gottlieb, J.Z. and Sanzgiri, J. (1996) 'Towards an ethical dimension of decision making in organizations', *Journal of Business Ethics*, Vol. 15, Iss. 12, pp. 1275-1286.

Graafland J., Van de Ven B., Stoffele N. (2003). 'Strategies and Instruments for Organising CSR by Small and Large Businesses in the Netherlands', *Journal of Business Ethics* 47(1):45–60

Grant Thornton (2007) Environmental and corporate responsibility number one investment priority for UK business [online]. Available from http://www.grant-thornton.com/press_room/environmental_and_corporate_re.aspx. [Accessed 07 January 2008.

Grayson, D. and Dodd, T. (2007) Small Is Sustainable (And Beautiful!) – Encouraging European Smaller Enterprises To Be Sustainable [online]. The Doughty Centre for Corporate Responsibility. Occasional Paper. Available from

http://www.som.cranfield.ac.uk/som/research/centres/ccr/downloads/Small_i s_%20Sustainable.pdf ([Accessed 23 Jan 2008)

Grayson, D. and Hodges, A. (2004) *Corporate Social Opportunity! 7 Steps to Make Corporate Social Responsibility Work for Your Business*. Sheffield: Greenleaf.

Griffiths, P. (2008) *CSR: Window dressing, smoke-screen or route to legitimacy*, Proceedings of the British Academy of Management Conference 2008 (BAM2008), The Majestic Hotel Harrogate, 9-11 September, Paper No. 10446.

Gulati, R., Nohria, N. and Zaheer, A. (2000) 'Strategic Networks', *Strategic Management Journal*, 21, 203-15.

Gulbrandsen, L. and Moe, A. (2005) Oil Company CSR Collaboration in 'New' Petro-States, *Journal of Corporate Citizenship*; Winter2005 Issue 20, pp. 52-64.

Gummesson, E. (1991) *Qualitative Methods in Management Research,* (revised ed.), Newbury Park, London, New Deli: SAGE Publications.

Gutman, J. (1982) A Means-End Chain Model Based on Consumer Categorisation Processes, *Journal of Marketing*, 46, 60-73 [online]. Available from http://www.jstor.org/pss/3203341. [Accessed 04 May 2007.

Gutman, J. (1991) Exploring the Nature of Linkages Between Consequences and Values, *Journal of Business Research*, 22, 143-148.

Haines, J. (2005) 'Corporate Governance, Business Ethics, and Individual Responsibility', [online] Lecture at The University of New Mexico. Available from http://news.mgt.unm.edu/HainesLecture.pdf. [[Accessed 26 October 2005].

Hambrick, D.C. and Brandon G.L. (1988) *Executive Values.* In Hambrick, D.C. (ed.) The Executive Effect: Concepts and Methods for Studying Top Managers. Greenwich, Connecticut: JAI Press, 3-34.

Hambrick, D. C., and Mason, P. A. (1984) Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, Vol. 9: 193-206.

Hales, C.P. (1986) 'What Do Managers Do? A Critical Review of the Evidence', *Journal of Management Studies*, Vol. 23, No. 1, pp. 88-115 [online]. Available from
http://www3.interscience.wiley.com/journal/119489949/abstract?CRETRY=1& SRETRY=0. [Accessed 26 August 2006.

Hales, C.P. (1987) 'The Manager's Work in Context: A Pilot Investigation of the Relationship Between Managerial Role Demands and Role Performance', *Personnel Review*, Vol. 16, No. 5, pp.26-34.

Hales, C.P. (2001) Does It Matter What Managers Do? *Business Strategy Review*, Vol. 2, Iss. 1, pp. 50-58.

Hall, C. (2009) United Nations Global Compact, Annual Review [online]. Available from
http://www.unglobalcompact.org/docs/news_events/9.1_news_archives/2009 _04_08/GC_2008AR_FINAL.pdf. [Accessed 20 May 2009.

Halpin, A.W. and Winer, B.J. (1957). A factorial study of the leader behaviour descriptions. In R.M. Stogdill and A.E. Coons (eds.), Leader behavior: Its description and measurement. Columbus, OH: Bureau of Business Research, Ohio State University. [online]. Available from http://changingminds.org/disciplines/leadership/actions/ohio_state.htm [[Accessed 15 October 2006].

Hanan, M. (2003) *Consultative Selling: The Hanan Formula for High-Margin Sales at High Levels*, NY: AMACOM.

Hamilton, F. and Bean, C. (2005) The importance of context, beliefs and values in leadership development. *Business Ethics: A European Review*; Oct2005, Vol. 14 Issue 4, p336-347, 12p

Harris, L.C. and Crane, A. (2002) 'The greening of organizational culture: management views on the depth, degree and diffusion of change', *Journal of Organizational Change Management* 15 (3):214-234.

Harris, J.R. and Sutton, C.D. (1995) 'Unravelling the Ethical Decision-Making Process: Clues from an Empirical Study Comparing Fortune 1000 Executives and MBA Students', *Journal of Business Ethics,* Vol. 14, pp. 805-817.

Harrison, E.F. (1975) *The managerial decision-making process*, Boston, USA: Houghton Mifflin.

Hart, S. (1995). "A natural resource-based view of the firm". *Academy of Management Review*, 20, pp.986–1014 [online]. Available from http://www.cbe.wwu.edu/dunn/rprnts.naturalresourceviewofthefirm.pdf. [Accessed 4 February 2009.

Harter, S. (2002). Authenticity. In C. R. Snyder and S. J. Lopez (Eds.), Handbook of Positive Psychology, (pp. 382-394). Oxford: Oxford University Press.

Hartman, L., Rubin, R. and Dhanda, K. (2007) The Communication of Corporate Social Responsibility: United States and European Union Multinational Corporations*, Journal of Business Ethics,* Oct 2007, Vol. 74 Issue 4, pp. 373-389.

Heidegger, M. (1997) *Being and Time*, Oxford: Blackwell.

Helms, M.M., & Hutchins, B.A. (1992) Poor quality products: Is their production unethical? *Management Decision*, 30: 35-46.

Hemingway, C.A. (2002) 'An Exploratory Analysis of Corporate Social Responsibility: Definitions, Motives and Values', Centre for Management and Organisational Learning Hull University Business School.

Hemingway, C.A. (2005) "Personal Values as a Catalyst for Corporate Social Entrepreneurship", *Journal of Business Ethics*, 60: 233-249.

Hemingway, C.A., Maclagan, P.W. (2004) Managers' Personal Values as Drivers of Corporate Social Responsibility, *Journal of Business Ethics*, Vol. 50, Number 1 / March 2004, pp. 30-44 [online]. Available from http://www.springerlink.com/content/q213213q8028gk25/. [Accessed 12 February 2009.

Hempel, C.E. (1966) *Philosophy of Natural Science*, Englewood Cliffs, NJ: Prentice-Hall. In Blaikie, N. (2000) *Designing Social Research,* USA: Polity Press/Blackwell.

Hersey, R. and Blanckard, K.H. (1988) *Management of Organisation Behaviour: utilising human resources.* Englewood Cliffs, NJ: Prentice-Hall.

Hess, D. (1999), "Social Reporting: A Reflexive Law Approach to Corporate Social Responsiveness", *Journal of Corporate Law*, Fall 25(1), 41–85 [online]. Available from http://scholar.google.com/scholar?hl=en&lr=&q=info:Hl7_YCMgUZEJ:scholar.google.com/&output=viewport&pg=1. [Accessed 7 February 2009.

Hess, D., Rogovsky, N. and Dunfee, T.W. (2002) 'The Next Wave Of Corporate Community Involvement: Corporate Social Initiatives', California Management Review, Vol. 44, No. 2, pp.110–125. Available from http://www.impactfdn.org/PDF/TheNextWaveofCorporateCommunityInvolvement.pdf. [[Accessed 16 October 2006].

Hillman, A.J., Keim, G.D. and Luce, R.A. (2001) 'Board composition and stakeholder performance: do stakeholder directors make a difference?', *Business and Society,* Vol. 40, Iss. No.3.

HMSO (1998) 'Data Protection Act', [online]. Available from http://www.hmso.gov.uk/acts/acts1998/ 19980029.htm. [Accessed 26 March 2004].

416

Hofstede, G. (2001) Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations, 2nd edition. Thousand Oaks, CA: Sage.

Hollender, J. (2004) What Matters Most: CORPORATE VALUES AND SOCIAL RESPONSIBILITY. *California Management Review*; Summer2004, Vol. 46 Issue 4, p111-119, 9p.

Holloway, I. (1997) *Basic Concepts for Qualitative Research*. London: Blackwell Science.

Holroyd, A. (2000) Saltaire and Its Founder, Piroisms P. [online]. Available from http://members.lycos.co.uk/saltaire/Saltaire_and_its_Founder.html. [[Accessed 03.04.2005].

Hooghiemstra, R. (2000) Corporate Communication and Impression Management—New Perspectives Why Companies Engage in Corporate Social Reporting, *Journal of Business Ethics*; Sep2000, Vol. 27 Issue ½, pp 55-68.

Honderich, T. (1995) The Oxford Companion to Philosophy. Oxford, Oxford University Press.

Hopkins, M. (2003) *The Planetary Bargain: Corporate Social Responsibility Matters,* London: Earthscan Publications Ltd.

Hopwood, B., Mellor, M., O'Brien, G. (2005) Sustainable development: mapping different approaches, *Sustainable Development* Vol. 13, no. 1, pp. 38-52. 2005 [online]. Available from http://md1.csa.com/partners/viewrecord.php?requester=gs&collection=ENV&recid=6987974&q=sustainable+development&uid=&setcookie=yes. [Accessed 27 January 2009.

Hosmer, L. T.: (1987) *The Ethics of Management*, Irwin, Homewood, IL.

House, R.J. (1971) 'A path-goal theory of leader effectiveness', *Administrative Science Quarterly*, 16, 321-339 [online]. Available from http://www.jstor.org/pss/2391905. [[Accessed 01.11.06].

House, R. J., and Aditya, R. (1997) The social scientific study of leadership: Quo vadis? *Journal of Management*, Vol. 23: 409-474.

House, R.J. and Mitchell, T.R. (1974) 'Path-goal theory of leadership', *Contemporary Business*, 3, Fall, 81-98 [online]. Available from http://www.jstor.org/pss/2391905. [[Accessed 01.11.06].

Hummels, H. (1998) 'Organizing ethics: A stakeholder debate', *Journal of Business Ethics*, Vol.17, Iss.13.

Hunt, S.D., and Vitell, S. (1986) 'A general theory of marketing ethics', *Journal of micromarketing*, Vol. 6, pp. 5-16.

Hunt, S.D. and Vitell, S.M. (1993) A general theory of marketing ethics: A retrospective and revision. In Smith, N.C. and Quelch, J.A. (eds.) *Ethics and Marketing,* 775-84. Homewood, IL: Irwin.

Hunt, B. (2004) Corporate Social Responsibility As A New Self Regulation [online]. Available from http://www.lse.ac.uk/collections/CARR/events/previousSeminars/hunt.htm. [[Accessed 12 December 2008].

Hunt, S.D. and Vitell, S.J (2006) The General Theory of Marketing Ethics: A Revision and Three Questions, *Journal of Macromarketing* , 2006; 26; 143 [online]. Available from http://jmk.sagepub.com/cgi/content/abstract/26/2/143. [[Accessed 24 November 2008].

Husted, B.W. and Salazar, J. de Jesus (2006) Taking Friedman Seriously: Maximizing Profits and Social Performance, *Journal of Management Studies*,

Vol. 43 Iss. 1, pp. 75 – 91 [online]. Available from http://www3.interscience.wiley.com/journal/118727312/abstract.

Hutton, B. R., D'Antonio, L., and Johnsen, T. (1998) 'Socially responsible investing' *Business & Society*, Vol.37, Iss.3, pp. 281-304.

International Labour Organisation (2006) In Focus Initiative on Corporate Social Responsibility: Strategic Orientations (GB.295/MNE/2/1) [online]. Available from http://www.ilo.org/public/english/standards/relm/gb/docs/gb295/pdf/mne-2-1.pdf. [Accessed 20 May 2009.

IoD (2008) Chartered Director Code of Professional Conduct [online]. Available from http://www.iod.com/intershoproot/eCS/Store/en/pdfs/training_Code_of_Professional_Conduct.pdf. [Accessed 16 February 2009.

Ireland, R.D., M.A. Hitt, S.M. Camp, and D.L. Sexton. (2001) Integrating entrepreneurship and strategic actions to create firm wealth. *Academy of Management Executive* 15 no.1: pp.49-63.

Irwin, D. (2002) 'Encouraging responsible business', Department of Trade & Industry report, by Small Business Service [online]. Available from www.sbs.gov.uk.

Ite, U.E. (2004) Multinationals And Corporate Social Responsibility In Developing Countries: A Case Study Of Nigeria, *Corporate Social Responsibility and Environmental Management*, Chichester: Mar 2004. Vol. 11, Iss. 1, pp. 1-11.

ISO (2006) ISO and Social Responsibility [online]. Available from http://isotc.iso.org/livelink/livelink/fetch/2000/2122/830949/3934883/3935837/3974906/Executive_summary_on_ISO_and_Social_Responsibility__SR_.pdf?nodeid=5285939&vernum=0. [Accessed on 18 February 2008].

ISO (2009) Extensive debate improves consensus on future ISO 26000 standard on social responsibility [online]. Available from http://www.iso.org/iso/pressrelease.htm?refid=Ref1229. [Accessed on 15 May 2009].

Jackall, R. (1988). Moral Mazes: *The World of Corporate Managers*. New York: Oxford University Press [online]. Available from http://www.springerlink.com/content/vw0m7607k4140315/. [Accessed 24 April 2007].

Jenkins, H. and Hines, F. (2003) Shouldering the Burden of Corporate Social Responsibility: What Makes Business Get Committed? The Centre For Business Relationships, Accountability, Sustainability and Society (BRASS). Working Paper Series No. 4 [online]. Available from http://www.brass.cf.ac.uk. [Accessed 13 February 2005].

Jenkins, H. (2004) 'Corporate Social Responsibility: Engaging Small and Medium Sized Enterprises in the Debate', The Centre For Business Relationships, Accountability, Sustainability and Society, Working Paper Series No. 18, ISBNs 1 904393 40 3 (print), 1 904393 41 1 (web).

Jenkins, H. (2005) 'Small Businesses and Stakeholders: Towards Successful, Sustainable Companies', The Centre For Business Relationships, Accountability, Sustainability and Society, Working Paper Series No. 24, ISBNs 1 904393 52 7 (print), 1 904393 53 5 (web).

Jenkins, H. (2006) Small Business Champions for Corporate Social Responsibility, *Journal or Business Ethics*, Vol. 67, Number 3 / September, 2006 [0nline]. Available from http://www.springerlink.com/content/93x458826862v802/. [Accessed 13 February 2009].

Jenkins, H. (2009) A 'business opportunity' model of corporate social responsibility for small- and medium-sized enterprises, *Business Ethics: A European Review*, Vol. 18 Iss. 1, pp. 21 – 36.Published Online: 22 Dec 2008 [online]. Available from

http://www3.interscience.wiley.com/journal/121581272/abstract. [Accessed 6 February 2009].

Jensen, M., and Meckling, W. (1976) Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics*, 3: 305-360 [online]. Available from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=94043. [Accessed 23 March 2006].

Jensen, M. and Meckling, W. (1983) Corporate Governance and 'Economic Democracy': An Attack on Freedom, Proceedings Of Corporate Governance: A Definitive Exploration Of The Issues, C.J. Huizenga, ed., UCLA Extension, [online]. Available from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=321521. [Accessed 07 January 2008].

Johnson, G. and Scholes, K. (2002) *Exploring Corporate Strategy: Text and Cases*, 6th ed., Harlow: FT/Prentice Hall.

Johnson, H. L. (1971) *Business in contemporary society: Framework and Issues*, Belmont, CA: Wadsworth.

Jones, T.M. (1980) 'Corporate Social Responsibility Revisited, Redefined', *California Management Review*, Spring, pp. 59-67.

Jones, T. M. (1991). 'Ethical decision making by individuals in organizations: An issue-contingent model', *Academy of Management Review*, Vol. 16, Iss. 2, pp.366-395.

Jones, T. M. (1995). 'Instrumental stakeholder theory: a synthesis of ethics and economics'. *Academy of Management Review*, 20, 404–37 [online]. Available from http://www.accessmylibrary.com/coms2/summary_0286-190744_ITM. [Accessed 6 February 2009.

Jones, T.M. (1999) 'The institutional determinants of social responsibility', *Journal of Business Ethics*, Vol.20, Issue 2, pp.163-179.

Jones, T.M. and Wicks, A. (1999) 'Convergent stakeholder theory', *Academy of Management Review*, Vol. 24, pp. 206 – 221.

Jones, T.M., Wicks, A.C. and Freeman, R.E. (2002) 'Stakeholder theory: the state of the art', in N.E.Bowie (Ed.) *The Blackwell Guide to Business Ethics,* Oxford: Blackwell.

Joni, S.A. (2006) Wanted: Authentic Leaders - The Third Opinion [online]. Available from http://www.forbes.com/leadership/managing/2006/09/22/leadership-harvard-cuban-lead-manage-cx_snj_0925opinion.html. [Accessed 03.10.06

Joyner, B. E. and Hofer, C.W. (1992) 'The Key Tasks of Successful Venture Creation and Development', in Douglas, N. and Jeffrey, H. (eds.), *Emerging Entrepreneurial Strategies in the 1990s*. *Conference Proceedings of the Seventh Annual National USASBE Conference*, Chicago, IL, Ball State University, pp. 239-253.

Joyner, E.B., and Payne, D. (2002) 'Evolution and implementation: A study of values, business ethics and corporate social responsibility', *Journal of Business Ethics Dordrecht:* December, Vol. 41, Iss. 4, Part 3 pp. 297-311.

Kahle, L.R., Poulos, B. and Sukhdial, A. (1988) Changes in social values in the United States during the past decade, *Journal of Advertising Research* February/March 35-41.

Kahn, R.L., Wolfe, D.M., Quinn, R.P. and Snoek, J.D. (1964), *Organizational Stress: Studies in Role Conflict and Ambiguity*, Wiley, New York, NY.

Kakabadse, N.K., Rozuel, C. and Lee-Davies, L. (2005) 'Corporate social responsibility and stakeholder approach: a conceptual review', *International Journal of Business Governance and Ethics*, Vol. 1, No. 4, pp.277–302 [online]. Available from

http://inderscience.metapress.com/media/56wgqlltlm21btm3ng86/contributions/v/5/k/a/v5kakp0n2d0546mq.pdf. [[Accessed 16 October 2006].

Kane, E. and O'Reilly-de Brun, M. (2001) *Doing Your Own Research*, London: Marion Boyars Publishers Inc.

Kant, I. (trans. 1994). *Ethical philosophy*. (Trans. J.W. Ellington). Indianapolis: Hackett Publishing (original published 1797).

Kanungo, R.N. (2001) 'Ethical values of transactional and transformational leaders', *Canadian Journal of Administrative Sciences*, Halifax: Dec 2001.Vol.18, Iss. 4; pg. 257, 9 pgs.

Kanungo, R.N. & Mendonca, M. (1996) *Ethical dimensions of leadership*. Thousand Oaks, CA: Sage Publications.

Kaplan, A. (1964) The *Conduct of Enquiry: Methodology for Behavioural Science.* San Francisco, CA: Chandler.

Kaptein, M. (2007) Ethical Guidelines for Compiling Corporate Social Reports. *Journal of Corporate Citizenship*, Issue 27 (Autumn), pp.71-90.

Katz, D. and Kahn, R.L. (1952). Some recent findings in human relations research, In E. Swanson, T. Newcombe and E. Hartley (eds.), Readings in social psychology, NY: Holt, Reinhart and Winston [online]. Available from http://changingminds.org/disciplines/leadership/actions/michigan.htm. [[Accessed 15 October 2006]

Keeley, M. (1995). The trouble with transformational leadership: Toward a federalist ethic for organizations. *Business Ethics Quarterly*, 5 (1), 67-96.

Kell, G. and Ruggie, J. (2001) Global markets and social legitimacy: the case of the 'global compact'. In: Drache, D., (Ed) The market or the public domain? Global governance and the asymmetry of power, 321-334. London: Routledge.

Keller, K.L. (1998) *Strategic brand management: building, measuring and managing brand equity*, New Jersey, USA: Prentice Hall.

Kendrick, D. T., J. K. Maner, J. Burner, N. P. Li, D. V. Becker, and M. Schaller (2002). "Dynamical Evolutionary Psychology: Mapping the Domains of the New Interactionist Paradigm," *Personality and Social Psychology Bulletin* 6(4), 347-356.

Kerns, C.D. (2006) Why Good Leaders Do Bad Things [online]. Available from http://gbr.pepperdine.edu/034/leaders.html, [Accessed 13.09.06

Kiddler, H.K. and Judd, C.M. (1986) *Research Methods in Social Relations*. New York: Holt Rinehart and Winston*.*

Kilcullen, M. and Ohles Kooistra, J. (1999) 'At least do no harm: sources on the changing role of business ethics and corporate social responsibility', *Reference Services Review*, Vol.27, No.2, pp.158-178 [online]. Available from http://www.emeraldinsight.com/Insight/viewContentItem.do;jsessionid=926C75FC1C2B16A7FF960EC713364280?contentType=Article&contentId=861583. [Accessed 04 June 2006].

King, N. (1998) Template Analysis. In Symon, G. and Cassell, C. (Eds.) *Qualitative Methods and Analysis in Organisational Research A Practical Guide,* London: SAGE Publications.

Kohlberg, L. (1976) "Moral Stages and Moralisation. The Cognitive-Develpmental Approach to Socialisation". In Moral Development and Behaviour, ed. T.Likona. New-York: Holt, Reinhart, and Winston.

Kostova, T. & Zaheer, S. (1999) Organizational legitimacy under conditions of complexity: The case of the multinational enterprise. *Academy of Management Review*, 24(1): 64-81

Kotler, P. and Lee, N. (2005) *Corporate social responsibility: doing good for your company and your cause,* New Jersey: John Wiley & Sons, Inc.

Kouzes, J.M. & Posner, B.Z. (1995) The leadership challenge. San Francisco: Jossey-Bass.

Kusyk, S.M., Lozano, J.M. (2007) 'SME social performance: a four-cell typology of key drivers and barriers on social issues and their implications for stakeholder theory', Corporate Governance, Year: 2007 Volume: 7 Issue: 4 Page: 502 – 515.

KPMG (2006) Global Sustainability Service [online]. Available from http://www.kpmg.com/Services/Advisory/RAS/Services/IAS/GSS.htm. [Accessed 17 January 2006].

L'Etang, J. (1995) 'Ethical corporate social responsibility: A framework for managers', *Journal of Business Ethics*, Vol.14, Iss.2 [online]. Available from http://www.springerlink.com/content/gu6002431u0w286x/. [Accessed 5 May 2006].

Lamnek, S. (1988) *Qualitative Sozialforschung.*Band 1.: Methodologie; Band 2. Methoden und Techniken, Minuch: Psychologie Verlags Union. In Sarantakos, S. (1994) *Social Research,* Hampshire: The Macmillan Press Ltd.

Lange, E.A., Fenwick, T.J. (2008) Moral commitments to community: mapping social responsibility and its ambiguities among small business owners, *Social Responsibility Journal*, Year: 2008 Volume: 4 Issue: 1/2 Page: 41 – 55 [online]. Available from http://www.emeraldinsight.com/Insight/viewContentItem.do?contentType=Article&contentId=1717914. [Accessed 13 February 2009.

Lantos, G.P. (2001) 'The boundaries of strategic corporate social responsibility', *Journal of Consumer Marketing*, Vol.18, No.7, pp.595-630.

Lechner, C. and Dowling M. (2003). 'Firm Networks: External Relationships as Sources for the Growth and Competitiveness of Entrepreneurial Firms', *Entrepreneurship & Regional Development,* Vol. 15, pp.1–26

Levinas, E. (1991) *Otherwise than Being or Beyond Essence*, Dordrecht: Kluwer Academic Publishers. In Roberts, J. (2003) 'The Manufacture of Corporate Social Responsibility: Constructing Corporate Sensibility', *Organization,* Vol.10, Iss. 2; pg. 249.

Levitt, T. (1958) 'The Dangers of Social Responsibility', *Harvard Business Review*, Vol. 36, No.5, pp. 41–50. In Miles, M.P., Munilla, L.S. and Covin, A.G. (2004) 'Innovation, Ethics, and Entrepreneurship', *Journal of Business Ethics,* Vol. 54, No.1, September 2004.

Lewin, K. (1944) *Constructs in Psychology and Psychological Ecology*, University of Iowa Studies of Child Welfare, 20, 1-29. In Baker, S. and Jenkins, M. (1993) The Role of Personal Values in the Design and Conduct of Management Research: Perspectives on Managerial and Consumer Cognition, Working Paper, Cranfield School of Management, SWP 4/93, ISBN 1 85905 004 2.

Lewis, M. (2004) 'The Irresponsible Investor', *The New York Times Magazine,* June 6, p. 70, [online]. Available from http://www.nytimes.com/2004/06/06/magazine/the-irresponsible-investor.html . (Accessed 26.10.05).

Liedtka, J. (1989). Value congruence: The interplay of individual and organizational value systems. *Journal of Business Ethics*, *8*, pp. 805-815 [online]. Available from http://www.springerlink.com/content/l7v14p31552086m1/. [Accessed 16 February 2009.

Liedtka, J.M. (1991) 'Organisational Value Contention and Managerial Mindsets', *Journal or Business Ethics,* Vol. 10, pp. 543-557 [online]. Available from http://www.springerlink.com/content/p46jh44352655656/. [Accessed 13 February 2007.

Lin, N., Cook, S.K., Burt, R.S. (2001) *Social capital: theory and research*, Aldine Transaction.

Lindblom, C.K (1994), "The implications of organizational legitimacy for corporate social performance and disclosure", presented at Critical Perspectives on Accounting Conference proceedings, New York, NY.

Lincoln, Y.S. and Guba, E.G. (1985). *Naturalistic Inquiry*. Newbury Park, CA: Sage Publications.

Lindgreen, A., Swaen, V. and Johnston, W.J. (2008) 'Corporate Social Responsibility: An Empirical Investigation of U.S. Organizations', *Journal of Business Ethics,* Vol. 85, Suppl. 2 / April, pp. 303-323.

Lipton, P. and Herzberg, A. (2004) *Understanding Company Law*, Law Book Company (12th ed. 2004), p.71.

Littig, B., Griessler, E. (2005) 'Social sustainability: a catchword between political pragmatism and social theory', *International Journal of Sustainable Development*, Vol. 8, N. 1-2, pp. 65 – 79 [online]. Available from http://inderscience.metapress.com/app/home/contribution.asp?referrer=parent&backto=issue,5,9;journal,11,35;linkingpublicationresults,1:110889,1. [Accessed 27 January 2009].

Littlechild, M. (2003) 'The reporting dilemma', *European Business Forum*; Dec 2003, Issue 16, pp. 76-78.

Loane, S., Bell, J., and McNaughton, R. (2006) 'Employing information communication technologies to enhance qualitative international marketing enquiry', *International Marketing Review,* Vol. 23, Iss. 4,pp. 438 – 455.

Lockett, A., Moon, J. Visser, W. (2006) Corporate Social Responsibility in Management Research: Focus, Nature, Salience and Sources of Influence, *Journal of Management Studies*, Vol. 43, Iss. 1, pp. 115-136 [online]. Available from http://www3.interscience.wiley.com/journal/118727314/abstract?CRETRY=1&SRETRY=0. [Accessed 16 February 2009.

Lofting, C.J. (2009) Integration, Differentiation, and Meaning (IDM) : an Abstract Domain Model [online]. Available from http://members.iimetro.com.au/~lofting/myweb/dicho.html. [Accessed 03 June, 2009.

Longenecker, J.G., Moore, C.W., Petty, J.W., Palich, L.E. and McKinney, J.A. (2006) 'Ethical Attitudes in Small Businesses and Large Corporations: Theory and Empirical Findings from a Tracking Study Spanning Three Decades', *Journal of Small Business Management*, Milwaukee: Apr 2006. Vol. 44, Iss. 2, pp. 167-183.

Longo, M., Mura, M. and Bonoli, A. (2005) 'Corporate social responsibility and corporate performance: the case of Italian SMEs', *Corporate Governance*, Bradford: 2005. Vol.5, Iss. 4; pg. 28-43.

Lyons, R. (2004) Being Seen to Be Green, [online]. Available from http://www.spiked-online.com/Articles/0000000CA6CC.htm. [[Accessed 7 June 2006].

Mair, J., and Martı, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41(1), 36—44 [online]. Available from http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6W5M-4H7TD4C-1&_user=7456521&_rdoc=1&_fmt=&_orig=search&_sort=d&view=c&_acct=C000011479&_version=1&_urlVersion=0&_userid=7456521&md5=a73f6add6bcbbf8cfdf65a19c1bc67f0. [Accessed 12 February 2009.

M&E (Management and Excellence) (2006) Oil Companies' Transparency Improving. *Business & the Environment with ISO 14000 Updates*; Jul2006, Vol. 17 Issue 7, pp. 7-7.

Macalister, T. (2001) Charity survey a wake up call, says CBI chief. The Guardian, 6 November: 2. In Hemingway, C.A. (2002) 'An Exploratory Analysis of Corporate Social Responsibility: Definitions, Motives and Values', Centre for Management and Organisational Learning Hull University Business School.

Maclagan, P.W. (1998) *Management and morality*, London: Sage Publications.

Macleans.ca (2007) Doing Business the right way. Corporate Social Responsibility Report [online]. Available from http://www.macleans.ca/article.jsp?content=20071130_114344_4508. [[Accessed 04 February 2008].

Malnight, T.W. (1996) 'The transition from decentralized to network-based MNC-structures. An evolutionary perspective'. *Journal of International Business Studies*, vol.27, iss. 1, pp. 43-65.

Mankelow, G. and Quazi, A. (2008) Factors affecting SMEs Motivations for Corporate Social Responsibility, University of Newcastle, [online]. Available from http://www.anzmac07.otago.ac.nz/anzmacCD/papers/G%20Mankelow_1a.pdf . [[Accessed 12 December 2008].

Market Research Society, (2003) 'Code of Conduct and Guidelines', http://www.mrs.org.uk/standards/downloads/revised/active/The%20Responsibilities%20of%20Interviewers.doc (Accessed 26.03.2004)

Margolis, J.D. and Walsh, J.P. (2003) 'Misery loves companies: rethinking social initiatives by business', *Administrative Science Quarterly,* Vol. 48, pp. 268-305. [online]. Available from http://www.jstor.org/pss/3556659. [Accessed 30 December 2007.

Marquis, C., Glynn, M.A. and Davis, G.F. (2007) 'Community Isomorphism and Corporate Social Action', *The Academy of Management Review*, Volume 32, Number 3 / 2007, pp. 925 – 945.

Maslow, A. H. (1957) *Motivation and Personality*, Harper & Row, New York, NY. 3rd edition (2000) by Pearson Education Asia.

Matten, D. & Crane, A. (2005). Corporate Citizenship: Towards an Extended Theoretical Conceptualization. *Academy of Management Review*, 30[1], p. 166-179.

May, T. (1997) *Social Research. Issues, Methods and Process* (2nd edition), Buckingham, Philadelphia: Open University Press.

May, T. (2001) *Social Research. Issues, Methods and Process* (3rd edition), Buckingham, Philadelphia: Open University Press.

Mayer, A.L., Thurston, H.W., and Pawlowski, C.W. (2004) The multidisciplinary influence of common sustainability indices [online]. *The Ecological Society of America*; 2(8): 419–426 Available from http://www.cfr.washington.edu/classes.mse.599b/mayer_sustain.pdf. [Accessed 27 January 2009.

McAdam, R. and Leonard, D. (2003) 'Corporate social responsibility in a total quality management context: opportunities for sustainable growth', *Corporate Governance,* Vol. 3, No. 4, pp. 36-45. [online]. Available from http://www.emeraldinsight.com/Insight/viewContentItem.do?contentType=Article&contentId=873185&ini=xref&StyleSheetView=all. [Accessed 16 October 2006].

McCall, M.W. Jr. and Lombardo, M.M. (1983). *Off the track: Why and how successful executives get derailed*. Greenboro, NC: Centre for Creative Leadership. In Leadership – The Trait Theory [online]. Available from http://changingminds.org/disciplines/leadership/theories/trait_theory.htm. [[Accessed 12.10.06].

McKinsey (2008a) Global Executives Survey Results [online]. Available from http://www.mckinseyquarterly.com/Strategy/Strategic_Thinking/McKinsey_Global_Survey_Results_From_risk_to_opportunity_How_global_executives_view_sociopolitical_issues_2235?pagenum=3. [Accessed 02 November 2008].

McKinsey (2008b) The state of corporate philanthropy: A McKinsey Global Survey [online]. Available from http://www.mckinseyquarterly.com/Strategy/Strategic_Thinking/The_state_of_corporate_philanthropy_A_McKinsey_Global_Survey_2106 . [Accessed 05 March 2008].

McKinsey (2008c) Global Survey: How companies act on global trends [online]. Available from http://www.mckinseyquarterly.com/Strategy/Globalization/How_companies_act_on_global_trends_A_McKinsey_Global_Survey_2130_abstract. [Accessed on 23 March, 2009]

McVea, J.F. and Freeman, R.E. (2005) 'A Names-and-Faces Approach to Stakeholder Management: How Focusing on Stakeholders as Individuals Can Bring Ethics and Entrepreneurial Strategy Together', *Journal of Management Inquiry*, Thousand Oaks: Mar 2005. Vol. 14, Iss. 1, p. 57-69 (13 pp.)

McWilliams, A. and Siegel, D. (2001) 'Corporate social responsibility: a theory of the firm perspective', *Academy of Management Review*, 26, pp.117–27.

McWilliams, A., Van Fleet, D. D. and Cory, K. (2002). 'Raising rivals' costs through political strategy: an extension of the resource-based theory'. *Journal of Management Studies*, 39, 707–23.

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

Meldon, A.I. (1967) *Ethical theories*. Englewood Cliffs, NJ: Prentice-Hall.

Menestrel, M. Le, Hove, S. van den, Bettignies, H-C. de (2002) 'Processes and consequences in business ethical dilemmas: The oil industry and climate change', *Journal of Business Ethics*. Dordrecht: Dec 2002. Vol. 41, Iss. 3, Part 2 p. 251-266 (16 pp.)

Meuser, M. and Nagel, U. (1991) ExpertInneninterviews: Vielfach erprobt, wenig bedacht: Ein Beitrag zur qualitativen Methodendiskussion. In: Garz, D., Kraimer, K. (Eds.), *Qualitativ-empirische Sozialforschung,* pp. 441-468. Opladen: Westdeutdcher Verlag. Cited in Flick, U. (1999) *An Introduction to Qualitative Research,* Thousand Oaks London: SAGE Publications.

Meyer, J. and Scott, W. (1992) Introduction, In Meyer. J and Scott, W (eds.) Organizational Environments: Ritual and Rationality (Beverly Hills, CA: Sage Publication) pp. 1-15.

Miles, M.B. and Huberman A.M. (1994) *Qualitative Data Analysis. An Expanded Sourcebook,* 2nd ed., Thousand Oaks, London: SAGE Publications.

Minkes, A.L., Small, M.W. and Chatterjee, S.R. (1999) 'Leadership and Business Ethics: Does it matter? Implications for Management', *Journal of Business Ethics*, Vol.20, Iss.4, pp.327-335.

Minzberg, H. (1973) *The Nature of Managerial Work,* Harper & Row, New York.

Mintzberg, H. (1975) The manager's job: Folklore and fact. *Harvard Business Review* 53: 49-61.

Mintzberg, H. (1998) Covert Leadership: Notes on Managing Professionals, *Harvard Business Review*, Vol. 76, Iss. 5, pp. 140-147.

Mischel, W. (1977) "The interaction of person and situation". In D. Magnusson and N. S. Ender (Eds.), Personality at the crossroads: Current issues in interactional psychology. Hillsdale, NJ: Erlbaum.

Mitnick, B.M. (1995) 'Systematics and CSR: The theory and processes of normative referencing', *Business and Society*, Vol.34, Iss.1.

Moir, L. (2001) 'What do we mean by Corporate Social Responsibility?', *Corporate Governance*, Vol.1, No.2, pp.16-22. [online] Available from http://www.emeraldinsight.com/Insight/viewContentItem.do?contentType=Article&hdAction=lnkpdf&contentId=873127. [Accessed 25 December 2006.

Molyneaux, D. (2003) 'Saints and CEOs: an historical experience of altruism, self-interest and compromise', *Business Ethics A European Review*, Vol.12, Iss. 2, pg. 133

Montiel, I. (2008) 'Corporate Social Responsibility and Corporate Sustainability: Separate Pasts, Common Futures', *Organization & Environment*, [online] Vol. 21; pp. 245-269. Available from http://oae.sagepub.com/cgi/content/abstract/21/3/245. [Accessed 27 January 2009.

Moon, J. (2001) 'Business Social Responsibility: a source of social capital?', *Philosophy of Management*, Vol. 1, Iss. 3, pp.35-45. [online]. Available from http://managementphilosophers.com/Article%20Summaries%20and%20Author%20Profiles.htm#Volume%201%20Number%203%20December. [Accessed 25 December 2006.

MORI (2005) 'SMEs' and the Environment: Research poll [online]. Available from http://www.ipsos-mori.com/content/smes-and-the-environment.ashx [[Accessed 13 February 2006].

MORI (2006) 'Attitudes Of Small And Medium Enterprises Toward Waste Management**:** Research poll [online]. Available from http://www.ipsos-mori.com/content/smes-and-the-environment.ashx [[Accessed 25 March 2007].

Morimoto, R., Ash, J., Hope, C. (2005) Corporate Social Responsibility Audit: From Theory to Practice, *Journal of Business Ethics* (2005) 62: 315–325 Ó Springer 2005 [online]. Available from http://www.springerlink.com/content/f36p6225u56h00x3/. [Accessed 7 February 2009.

Morley Fund Management (MFM) (2005) *Sustainable Future Funds: Oil and Gas Sector Guidelines*, [online]. Available from http://www.morleyfm.com/uk/morley/groups/internet/ documents/salessupportmaterial/pdf_000545.pdf ([Accessed 10.03.06)

Morris, C.R. (2005) *The Tycoons: How Andrew Carnegie, John D. Rockefeller, Jay Gould, and J. P. Morgan Invented the American Supereconomy*, Times Books.

Morris, M.H., D.L. Davis, and J.W. Allen. (1994) "Fostering Corporate Entrepreneurship: Cross-Cultural Comparisons of the Importance of Individualism versus Collectivism". *Journal of International Business Studies* 25, no. 1: 65-89.

Morris, S.A., Rehbein K.A., Hosselni, J.C., and Armacost, R.L. (1995) A Test of Environmental, Situational, and Personal Influences on the Ethical Intentions of CEOs, *Business & Society*, Vol. 34, No. 2, pp. 119-146.

Morrissey, C. (1970) `On Oral History Interviewing', in Lewis Anthony Dexter (ed.) *Elite and Specialised Interviewing*, pp. 109—18. Evanston, IL: Northwestern University Press .

Morsing, M. and Perrini, F. (2008) CSR in SMEs: do SMEs matter for the CSR agenda?, *Business Ethics: A European Review*, Volume 18 Issue 1, Pages 1 – 6. Published Online: 22 Dec 2008 [online]. Available from http://www3.interscience.wiley.com/journal/121581275/abstract. [Accessed 6 February 2009.

Muller, A. (2006) 'Global Versus Local CSR Strategies,' *European Management Journal,* Vol. 24, Issues 2-3, April-June 2006, Pages 189-198.

Murillo, D. and Lozano, J.M. (2006) 'SMEs and CSR: an approach to CSR in their own words'*. Journal of Business Ethics*, 67:3, 227–240.

Murray, R. (2005) *Writing for Academic Journals*, Maidenhead: Open University Press.

Myers, M.D., Newman, M. (2007) 'The qualitative Interview in IS research: Examining the Craft', *Information and Organization*, Vol. 17 (2007), pp. 2-26.

Nahapiet J., Ghoshal S. (1998). Social Capital, Intellectual Capital, and the Organizational Advantage. *Academy of Management Review*, Vol. 23. No.2, pp.242–266

Nederhof, A.J. (2006) Methods of coping with social desirability bias: A review, *European Journal of Social Psychology*, Volume 15 Issue 3, pp. 263 - 280 [online]. Available from http://www3.interscience.wiley.com/journal/112465019/abstract. Accessed 23 March 2008.

Neuman, W.L. (1991) *Social Research Methods,* London: Allyn and Bacon.

Nevins, M.D. and Stumpf, S.A. (1999) '21st-Century Leadership: Redefining Management Education', *Strategy, Management, Competition*, Iss. 16, Reprint # 99305, http://www.nevinsconsulting.com/publications/21cleadership.pdf (20.10.05)

New, S. (2004) 'The Ethical Supply Chain', in New, S. and Westbrook, R., (eds.), Understanding Supply Chains: Concepts, Critiques and Futures, Open University Press: Oxford , pp. 253-280.

Noreen, E. (1988) 'The economics of ethics: a new perspective on agency theory'. Accounting, Organizations and Society, 13:4, 359–369. In Radu, V. (2005) The ethical dimension of economic choices. Business Ethics: A European Review; Apr2005, Vol. 14 Issue 2, p94-107, 14p.

Nyaw, M. and I. Ng (1994) A Comparative Analysis of Ethical Beliefs: A Four Country Study, Journal of Business Ethics 13, 543–555.

Odendahl, T. and Shaw, A.M. (2002) `Interviewing Elites', in Jaber F. Gubrium and James A. Holstein (eds.) *Handbook of Interview Research: Context and Method* , pp. 299—316. Thousand Oaks, CA: Sage .

OECD (2000) The OECD Guidelines for Multinational Enterprises [online]. Available from http://www.oecd.org/dataoecd/56/36/1922428.pdf. [Accessed 16 February 2009.

OECD (2003) Corporate responsibility [online]. Available from http://www.oecd.org/about/0'2337,en_2649_33765_1_1_1_1_37439,00.html [[Accessed 27 December 2003].

OECD (2009) Business ethics and OECD principles: What can be done to avoid another crisis? [online]. Available from

http://www.oecd.org/document/3/0,3343,en_2649_34889_42033219_1_1_1_1,00.html. [Accessed 16 February 2009.

Oil and Gas UK (2008) 2007 UKCS Workforce Demographics Report [online]. Available from http://www.oilandgas.org.uk/ukooa/newpublications/pdfs/REF19b.pdf. [Accessed 08.12.08

Oliver, C. (1991) Oliver, Strategic responses to institutional processes, *Academy of Management Review* 16 (1991) (1), pp. 145–179 [online]. Available from http://www.jstor.org/pss/258610. [Accessed 30 December 2008.

Opdam, P., Steingröver , E., van Rooij, S. (2006) Ecological networks: A spatial concept for multi-actor planning of sustainable landscapes, *Landscape and Urban Planning,* Volume 75, Issues 3-4, 15 March 2006, Pages 322-332 [online]. Available from http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6V91-4GFV5CD-1&_user=10&_rdoc=1&_fmt=&_orig=search&_sort=d&view=c&_acct=C0000 50221&_version=1&_urlVersion=0&_userid=10&md5=10b0b1fc02d6a55fea4f 0ef8d04781ee. [Accessed 27 January 2009.

O'Rourke, A. (2002) 'A New Politics of Engagement: Shareholder Activism for Corporate Social Responsibility'. Proceedings of the "For the Greening of Industry" Conference, June 23-26, 2002, Göteborg.

Orlitzky, M., Schmidt, F.L. and Rynes, S.L. (2003) Corporate Social and Financial Performance: A Meta-analysis, *Organization Studies*, Vol. 24, Iss. 3, pp. 403–441, SAGE Publications [online]. Available from http://www.finanzasostenibile.it/finanza/moskowitz2004.pdf. [[Accessed 25 May, 2006].

Osseichuk, E., Strachan, P., McDonald, S., and Pinnington, A. (2007) CEO and CSR – Business Leaders' Roles in Corporate Social Responsibility, developmental paper. Proceedings of the Annual Conference of the British Academy of Management, Sep. 2007, Warwick Business School.

Owen, D. (2003) Recent Developments in European Social and Environmental Reporting and Auditing Practice: A Critical Evaluation and Tentative Prognosis No. 03-2003 ICCSR Research Paper Series, International Centre for Corporate Social Responsibility, Nottingham University, ISSN 1479-5124.

Owen, D. (2005) Corporate Social Reporting and Stakeholder Accountability The Missing Link, No. 32-2005 ICCSR Research Paper Series, International Centre for Corporate Social Responsibility, University of Nottingham Business School, ISSN 1479-5124

Palter, R.N. and Rehm, W. (2009) Opening up to investors, McKinsey Research [online]. Available from http://www.mckinseyquarterly.com/Corporate_Finance/Performance/Opening _up_to_investors_2246. [Accessed on 24 February 2009].

Parham, A.C. (1983) Basic Psychology for the Work Life. Concinnati, Ohio: Southwestern Publishing Co.

Parry, K.W. & Proctor-Thomson, S.B. Perceived integrity of transformational leaders in organizational settings, *Journal of Business Ethics, 2002*, 35, 75-96.

Paton, N. (2006) 'Boardrooms spending more time and energy on ethics compliance', Boardroom Issues. CSR & Governance, [online]. Available from http://www.management-issues.com/2006/10/16/research/boardrooms-spending-more-time-and-energy-on-ethics-compliance.asp.   [[Accessed 23 November 2006]

Paton, D. and Siegel, D. (2005) 'Editorial: The economics of corporate social responsibility: an overview of the special issue', *Structural Change and Economic Dynamics* 16 (2005), pp. 309–312.

Patton, M.Q. (1990) *Qualitative Evaluation and research Methods, 2nd ed.* Newbury Park, CA: Sage Publications.

Paul, J. (1996) 'Between-Method Triangulation In Organizational Diagnosis', *International Journal of Organizational Analysis*, Vol. 4, Iss. 2, pp. 135 - 153

Pavlov, I.I. (1927) *Conditioned Reflexes*, Translated by G.V. Anrep, London: Oxford University Press [online]. Cited in Academic References. Available from http://www.changingminds.org/explanations/theories/academic_references.htm#Pavlov%20(1927). [[Accessed 01.11.06].

Pava, M.L. (1996), 'The Talmudic concept of "beyond the letter of the law": Relevance to business social responsibilities', *Journal of Business Ethics*, Vol. 15, Iss. 9, pg. 941, 10 pgs.

Pearce, J. A., and S. A. Zahra (1992), 'Board Composition from a Strategic Contingency Perspective', *Journal of Management Studies*, Vol. 29, No. 4, July, pp. 411-438.

Peattie, K. (2004) 'In Search of Ethical Business Leadership: Time to Mix our Metaphors?', The Centre For Business Relationships, Accountability, Sustainability and Society, Working Paper Series No. 14, http://www.brass.cardiff.ac.uk/wpethicalbusinessleadershipKP0504.pdf, [Accessed 24.05.05.

Perera, L. (2003) *Social Report: The Fourth Basic Financial Statement*, PricewaterhouseCoopers, J.S. Servicios Graficos: Santiago de Chile. Cited in Griffiths, P. (2008) *CSR: Window dressing, smoke-screen or route to legitimacy*, Proceedings of the British Academy of Management Conference 2008 (BAM2008), The Majestic Hotel Harrogate, 9-11 September, Paper No. 10446.

Pestre, F. (2006) The Headquarters-Subsidiaries Relationships in Corporate Social Responsibility Practices: Lafarge Fights AIDS in Africa [online]. Georgia Tech Center for International Business Education and Research. Available from http://www.ciber.gatech.edu/workingpaper/2007/020-07-08.pdf. Accessed 27 March 2009.

Petro-Canada (2006) Corporate Responsibility Statement [online]. Available from http://www.petro-canada.com/eng/investor/9337.htm. [[Accessed 15 October 2006].

Pettigrew, A. M. (1979). On studying organizational cultures. *Administrative Science Quarterly*, *24*, 570-581 [online]. Available from http://eric.ed.gov:80/ERICWebPortal/custom/portlets/recordDetails/detailmini.jsp?_nfpb=true&_&ERICExtSearch_SearchValue_0=EJ212339&ERICExtSearch_SearchType_0=no&accno=EJ212339. [Accessed 16 February 2009.

Pilkington, E. (2009) Shell pays out $15.5m over Saro-Wiwa killing, guardian.co.uk, Tuesday 9 June 2009 00.07 BST [online]. Available from http://www.guardian.co.uk/world/2009/jun/08/nigeria-usa. [Accessed 09 June 2009.

Polkinghorne, D. E. (1991) 'Two conflicting calls for methodological reform', *Counselling Psychologist,* No.19, pp. 103-114.

Powell, J. and Lovelock, R. (1991) 'Negotiating with Agencies' in Allan, G. and Skinner, C. (Eds.) *Handbook for Research Students in the Social Sciences*, London-New York-Philadelphia: The Falmer Press.

Prahalad, C.K. and Doz, Y. (1987) *The Multinational Mission: Balancing Local Demands and Global Vision*, Free Press, New York.

Prasad, A. and Mir, R. (2002) 'Digging Deep for Meaning: A Critical Hermeneutic Analysis of CEO Letters to Shareholders in the Oil Industry', *Journal of Business Communication*; Vol. 39 N. 1; pp. 92-116 [online]. Available from

http://job.sagepub.com/cgi/content/abstract/39/1/92. [[Accessed 10 November 2007].

Press and Journal (2007) 'Sir Ian Wood's Charitable Trust' [online]. Available from http://www.pressandjournal.co.uk/displayNode.jsp?nodeId=149235&command=displayContent&sourceNode=149218&contentPK=16977232&moduleName=InternalSearch&formname=filtersearch. [[Accessed 28 April 2007].

PRME (2008) Principles of Responsible Management Education [online]. Available from http://www.unprme.org/. [[Accessed 02 June 2008].

Putnam, R.D. (1993) Making Democracy Work. Civic Traditions in Modern Italy. Princeton, NJ. Princeton University Press,.

Quazi, A.M. (2003) 'Identifying the determinants of corporate managers perceived social obligations', *Management Decision* London: 2003. Vol. 41, Iss. 9, pp. 822-831.

Radu, V. (2005) 'The ethical dimension of economic choices', *Business Ethics: A European Review*; Apr2005, Vol. 14 Issue 2, p94-107, 14p

Rallapalli, K.C., Vitell, S.J., and Barnes, J.H. (1998). 'The influence of norms on ethical judgments and intentions: An empirical study of marketing professionals', *Journal of Business research*, 43: 157-168.

Randall, D. M. and M. F. Fernandes (1991) 'The Social Desirability Response Bias in Ethics Research', *Journal of Business Ethics* 10, 805–817.

Raphael, D.D. (1994) *Moral philosophy*. (2nd edn.), Oxford: Oxford University Press.

Regan & Dean (2008) Men & Women In HR - A Balanced Mix? [online]. Available from http://www.regananddean.com/articles/recruitment-news/men-women-in-hr-a-balanced-mix/. [[Accessed 25 June 2008].

Ricoeur, P. (1980). Existence and hermeneutics. In J. Bleicher (Ed.), *Contemporary hermeneutics* (pp. 236-256). London: Routledge. In Prasad, A. and Mir, R. (2002) 'Digging Deep for Meaning: A Critical Hermeneutic Analysis of CEO Letters to Shareholders in the Oil Industry', *Journal of Business Communication*; Vol. 39 N. 1; pp. 92-116 [online]. Available from http://job.sagepub.com/cgi/content/abstract/39/1/92. [[Accessed 10 November 2007].

Ritchie, J. and Lewis, J. (2004) *Qualitative Research Practice. A Guide for Social Science Students and Researchers,* London, Thousand Oaks, New Delhi: SAGE Publications.

Roberts, J. (2003) 'The Manufacture of Corporate Social Responsibility: Constructing Corporate Sensibility', *Organization,* Vol.10, Iss. 2; pg. 249.

Roberts, S., Lawson, R., Nicholls, J. (2006) 'Generating Regional-Scale Improvements in SME Corporate Responsibility Performance: Lessons from Responsibility Northwest', *Journal of Business Ethics*, Vol. 67, Iss. 3, pp. 275 – 286 [online]. Available from http://www.springerlink.com/content/rq5870379u86j513. [Accessed 24 March 2008.

Rokeach, M.J. (1968) *Beliefs, Attitudes and Values,* San Francisco: Jossey Bass.

Rokeach, M.J. (1973) *The Nature of Human Values*, the Free Press, New York.

Rodriguez, M.A., Ricart, J.E. and Sanchez, P. (2004) 'Sustainable Development and Sustainability of Competitive Advantage: A Dynamic and Sustainable View of the Firm', http://www.sses.com/ public/events/ euram/ complete_tracks/strategy_theory_practice/rodriguez_ricart_sanchez.pdf ([Accessed 13.02.05).

Romano, C. and Smyrnios, K. (1996) 'Family Business Survey Findings', proceeding of the Family Business track, Business Law Education Centre conference (BLEC), Sydney, Australia.

Rondinelli, D., Berry, M. (2000) Environmental citizenship in multinational corporations: social responsibility and sustainable development, *European Management Journal,* Volume 18, Issue 1, February 2000, Pages 70-84 [online]. Available from http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6V9T-3YF4490-9&_user=10&_rdoc=1&_fmt=&_orig=search&_sort=d&view=c&_acct=C000050221&_version=1&_urlVersion=0&_userid=10&md5=391431eaa5cecdbda722b246fe3bc981. [Accessed 27 January 2009.

Rose, M. (2005) Do rising levels of qualification alter work ethic, work orientation and organizational commitment for the worse? Evidence from the UK, 1985–2001. *Journal of Education & Work*; Jun2005, Vol. 18 Issue 2, p131-164, 34p

Rozuel, C. (2004) Corporate Social Responsibility in a Local Hospital, MA Thesis, University College of Northampton.

Rudestam, K.E. and Newton. R.R. (2001) *Surviving your dissertation, a Comprehensive Guide to Content and Process,* 2nd ed., London: SAGE Publications.

Rusbridger, A. and Adam, A. (2009) State intervention vital if Britain is to meet its green energy targets, says former BP boss [online]. The Guardian, Wednesday 25 March 2009. Available from http://www.guardian.co.uk/environment/2009/mar/25/clean-energy-uk-browne. [Accessed 12 June 2009.

Ryle, G. (1949) *The Concept of Mind*. London: Hutchinson.

Sagawa, S., & Segal, E. (2000). Common interest, common good: Creating value through business and social sector partnership. California Management Review, 42(2): 105–122 [online]. Available from http://www.toorenburg.net/timbv/Adviesgebieden/shared-service-centers/Artikel%20Shared%20Service%20Center%202.pdf. [Accessed 12 February 2009.

Salls, M. (2004) 'An opposing view on corporate social responsibility', *Harvard Business School Working Knowledge*, [online]. Available from http://hbswk.hbs.edu/archive/4008.html [[Accessed 9 June 2006].

Sanches, A.V. (2008) Agency Theory versus Stewardship Theory [online]. Available from http://ww2.unime.it/fac_economia/docenti_fac/rupo/vargas/agent_steward.pdf. [Accessed 23 March 2009.

Santilli, P. (1984), 'Moral Fictions and Scientific Management', *Journal of Business Ethics* (Netherlands) 3(4), 279-277.

Sapsford, R. and Jupp, V. (Eds.) (1996) *Data Collection and Analysis,* London: SAGE Publications.

Saunders, M., Lewis, P., and Thornhill, A. (2000) *Research Methods for Business Students, 2nd Ed.* Prentice Hall: Financial Times; Pearson Education.

Sarantakos, S. (1994) *Social Research,* Hampshire: The Macmillan Press Ltd.

Schein, E.H. (1980) *Organisational Culture and Leadership*. San Francisco: Josey Bass.

Schepers, D. H., and Sethi, S. P. (2003) 'Do socially responsible funds actually deliver what they promise? Bridging the gap between the promise and performance of socially responsible funds', *Business and Society Review*, Vol. 108, Iss. 1, pp. 11-32.

Schermerhorn, J.R., Hunt, J.G. and Osborn, R.N. (1994) *Managing Organisational Behaviour*. New York : John Wiley & Sons.

Scholl, H.J. (2001) *Applying Stakeholder Theory to E-Government: Benefits and Limits,* [online]. Available from

http://www.ischool.washington.edu/jschool/Papers/School_IFIP_2001.pdf. [[Accessed 30 June 2004].

Schwartz, S.H. and Bilsky, W. (1987) 'Toward a universal psychological structure of human values', *Journal of Personality and Social Psychology* 53:550-562.

Scott, W. (1987) The adolescence of institutional theory, *Administrative Science Quarterly*, 32: 493-511.

Scott, W. and Meyer, J. (1983) The organisation of societal sectors, in Meyer J. and Scott, W. (eds.) Organizational Environment: Ritual and Rationality, Newbury Park, CA: Sage Publications.

Sen, A. and Williams, B. (Eds.) (1982) Utilitarianism and Beyond, Cambridge University Press.

Sethi, S. P. (1975) 'Dimensions of Corporate Social Responsibility', *California Management Review* 17(3), 58-64.

Sexty, R.W. (2006) 'Recognizing Saintly Business: Lessons From Saint Homobonus' Memorial University of Newfoundland [online]. Available from http://www.ucs.mun.ca/~rsexty/saintly.htm#top. [[Accessed 15.03.06].

Shaw, W (1999) *Contemporary Ethics: Taking Account of Utilitarianism*. Cambridge, MA: Blackwell Publishers.

Shell (2006) Environment and Society Statement [online]. Available from http://www.shell.com/home/Framework?siteId=envandsoc-en&FC2=/envandsoc-en/html/iwgen/leftnavs/zzz_lhn1_0_0.html&FC3=/envandsoc-en/html/iwgen/welcome.html . [[Accessed 15 October 2006].

Shivers-Blackwell, S.L. (2004) 'Using Role Theory to Examine Determinants of Transformational and Transactional Leader Behavior', *Journal of Leadership & Organizational Studies*, Vol. 10, Iss. 3, p. 41-50 (10 pp.).

Sieber, J.E. (1998) 'Planning Ethically Responsible Research'. In Bickman, L. and Rog, (Eds.) (1998) *Handbook of Applied Social Research Methods*, SAGE Publications, Thousand Oaks London.

Sikula, A.F. (1973) The Values and Value Systems of Government Executives. *Public Personnel Management*, 25, Jan/Feb, 16-22.

Silverman, D. (1993) *Interpreting Qualitative Data, Methods for Analysing Talk, Text and Interaction,* Thousand Oaks London: SAGE Publications .

Silverman, D. (2000) *Doing Qualitative Research. A Practical Handbook*, Thousand Oaks London: SAGE Publications.

Silverthorn, S. (2005) 'The Geography of Corporate Giving, Harvard Business School Working Knowledge', Pub. Date: Nov 21, 2005 [online]. Available from http://hbswk.hbs.edu/item.jhtml?id=5103&t=nonprofit. [[Accessed 24 November 2005].

Simon, H. A. (1945) *Administrative Behaviour,* New York, NY: Free Press.

Simons, T. L. (1999) 'Behavioral integrity as a critical ingredient for transformational leadership', *Journal of Organizational Change Management*, 12: 89-104.

Sims, G.C. (2003) 'Rethinking the political power of American business: The role of corporate social responsibility', Proquest Dissertations And Theses; Ph.D. dissertation. United States, California: Stanford University; Publication Number: AAT 3090679.

Singhapakdi, A., Vitell, S.J., Rallapalli, K.C. and Kraft, K.L. (1996) 'The perceived role of ethics and social responsibility: A scale development', *Journal of Business Ethics*, Vol.15, Iss.11, pp.1131-1140.

Skinner, B. F. (1935). Two types of conditioned reflex and a pseudo type. *Journal of General Psychology*, *12*, 66-77 [online]. Cited, Academic References. Available from http://www.changingminds.org/explanations/theories/academic_references.htm#s. [[Accessed 01.11.06].

Smart, N. (1989) *The World's Religions*, Cambridge: Cambridge University Press.

Smit, P.J. and Cronje, G.J. de J. (1999) Management Principles – a contemporary edition for Africa. Kenwyn: Luta and Co Ltd.

Smith, N. and Ward, H. (2007) Corporate Social Responsibility At A Crossroads?, *Business Strategy Review*; Spring2007, Vol. 18 Issue 1, pp.16-21.

Snyder, M, Ickes, W. (1985), "Personality and social behavior", in Lindzey, G., Aronson, E. (Eds.), Handbook of Social Psychology, 3rd ed., Random House, New York, NY,, Vol. 2 pp.883-947.

Social Research Association (2003), 'Ethical Guidelines', http://www.the-sra.org.uk/ethics03.pdf (23.03.2004)

SocialFunds.com (2007) Social Screening [online]. Available from http://www.socialfunds.com/media/index.cgi/screening.htm. [Accessed on 29 March, 2008].

Solomon, R. C. (1997) *It's Good Business*, Lanham, MD: Bowman & Littlefield Publishers, Inc.

Sorsa, V-P. (2008) "How to Explain Socially Responsible Corporate Actions Institutionally: Theoretical and Methodological Critique", *Electronic Journal of Business Ethics and Organization Studies,* Vol. 13, No.1 pp.32-41 [online]. Available from http://ejbo.jyu.fi/pdf/ejbo_vol13_no1_pages_32-41.pdf. [Accessed 27 November 2008.

Spence, L.J., (1999) 'Does size matter: The state of the art in small business ethics', *Business Ethics: A European Review* 8 (3), 163-174.

Spence L. J., Schmidpeter R., Habisch A. (2003). Assessing Social Capital: Small and Medium Sized Enterprises in the UK and Germany. *Journal of Business Ethics* 47(1):17–29

Springett, D. (2003). Business Conceptions of Sustainable Development: A Perspective from Critical Theory. *Business Strategy and the Environment*, Vol. 12, Iss. 2, p. 71-86.

Starik, M., and Rands, G. P. (1995). Weaving an integrated web: Multilevel and multisystem perspectives of ecologically sustainable organizations. *Academy of Management Review*, *20*(4), 908-935.

Steyaert, C. (2005) Entrepreneurship: in between what?: On the 'frontier' as a discourse of entrepreneurship research. *International Journal of Entrepreneurship and Small Business,* Vol. 2, Iss. 1, pp. 2-16.

Sten, J. and Tötterman, H. (2005) Start-ups Business Incubation and Social Capital, *International Small Business Journal*, Vol. 23, No. 5, 487-511 (2005)

Stephens, N. (2007) 'Collecting Data from Elites and Ultra Elites: Telephone and face-to-face interviews with macroeconomists', *Qualitative Research*, Vol. 7, Iss. 2, pp. 203-216. [online]. Available from http://qrj.sagepub.com/cgi/content/abstract/7/2/203. [Accessed 25 November, 2008.

Stogdill, R.M. (1974). *Handbook of leadership: A survey of the literature*, New York: Free Press. In Leadership – The Trait Theory [online]. Available from http://changingminds.org/disciplines/leadership/theories/trait_theory.htm. [[Accessed 12.10.06].

Stranberg, C. (2002) The Future of Corporate Social Responsibility, Report for VanCity Credit Union [online], Vancouver, B.C.. Available from

http://www.cbsr.bc.ca/files/ReportsandPapers/Future_of_CSR.pdf. [[Accessed 25.10.2005].

Stratling, R. (2007) The Legitimacy of Corporate Social Responsibility, *Corporate Ownership & Control,* Summer 2007, Vol. 4 Issue 4, pp. 65-73 [online]. Available from http://www.virtusinterpress.org/additional_files/journ_coc/issues/COC_(Volume_4_Issue_4_Summer_2007).pdf. [[Accessed 15 March 2008].

Strauss, A.L. (1987) *Qualitative Analysis for Social Scientists.* Cambridge: Cambridge University Press.

Strauss, A and Corbin, J. (1990) *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*. London: SAGE.

Strauss, A. and Corbin, J. (1998) *Basics of qualitative research: Grounded theory procedures and techniques,* Thousand Oaks, CA: Sage.

Swanson, D.L. (1995) Addressing a theoretical problem by reorienting the corporate social performance model, *Academy of management Review* 20 (1):43-64.

Symon, G. and Cassell, C. (1998) (Eds.) *Qualitative Methods and Analysis in Organisational Research A Practical Guide,* London: SAGE Publications.

Szwajkowski, E. (2000) 'Simplifying the principles of stakeholder management: The three most important principles', *Business and Society*, Vol.39, Iss.4. pp.379-396 [online]. Available from http://bas.sagepub.com/cgi/reprint/39/4/379. [Accessed 25 December 2007.

Taggart, J.H. and Hood, N. (1999) 'Determinants of autonomy in multinational corporation subsidiaries', *European Management Journal*, 17, pp. 226-36.

Tepper Marlin, A. and J. (2003) 'A Brief History of Social Reporting', *Business Respect*, Iss. 51, [online]. Available from http://www.mallenbaker.net/csr/CSRfiles/page.php?Story_ID=857 [[Accessed 16 January 2005].

Terry, G. (1960) *The Principles of Management*, Richard Irwin Inc, Homewood Ill, pg 5.

The Corporate Responsibility Coalition (CORE) (2003) CSR Statement [online]. Available from http://www.amnesty.org.uk/business/campaigns/core/index.shtml. [[Accessed 27 December 2003].

The Professional Marketing Forum (2008) 'CSR Survey in Marketing Industry: If not now, when? If not us, who?' [online]. Available from http://www.pmforum.co.uk/pmf.objects/documents/doc/snapshot/PMFSnapshot_CSR.doc [Accessed 10 April 2008].

Thomas, A.S. and Simerly, R.L. (1994), "The chief executive officers and corporate social performance: an interdisciplinary examination", *Journal of Business Ethics*, Vol. 3, pp. 959-68.

Thompson, E. R. and Phua, F. T. T. (2005). Reliability among senior managers of the Marlowe-Crowne short-form social desirability scale, *Journal of Business and Psychology*, 19(4): 541-554.

Thompson, J.K. and Smith, H.L., (1991) 'Social responsibility and small business: suggestions for research', *Journal of Small Business Management* 29 (1), 30-44.

Tilley, F., (2000) 'Small firm environmental ethics: how deep do they go?', *Business Ethics: A European Review* 9 (1), 31-41.

Transparency International (2007) Transparency International Annual Global Report. [online] Available from

http://www.transparency.org/publications/publications/annual_reports/annual_report_2007. [Accessed 02 January 2009.

Transparency International (2008) Report on Revenue Transparency of Oil and Gas Companies: Promoting Revenue Transparency [online]. Available from http://www.transparency.org/publications/publications/other/2008_report_on_revenue_transparency_of_oil_and_gas_companies. [Accessed 12 December 2009.

Travers, M. (2001) *Qualitative Research Through Case Studies*. London: SAGE Publications.

Trevino, L. K. (1986). "Ethical Decision Making in Organizations: A Person Situation Interactionist Model," *Academy of Management Review*, 11, 601-617.

Trevion, L.K., Brown, M. and Hartman, L.P. (2003) 'A qualitative investigation of perceived executive ethical leadership: Perceptions from inside and outside the executive suite', *Human Relations*, Vol. 56, Iss. 1; pg.5

Trevinio, L.K., Butterfield, K.B. & McCabe, D.L. The ethical context in organizations: Influences on employee attitudes and behaviors. *Business Ethics Quarterly*, 1998, 8(3), 447-76.

Turner, N., Barling, J., Epitopaki, O., Butcher, V. and Milner, C. (2002) 'Transformational Leadership and Moral Reasoning', *Journal of Applied Psychology*, Vol. 87, No. 2, pp. 304–311.

UK National Statistics (2008) Employee Jobs by Industries, UK Snapshot as of 17.09.08 [online]. Available from http://www.statistics.gov.uk/STATBASE/tsdataset.asp?vlnk=341&More=N&All=Y. [Accessed 08.12.08.

UN Global Compact (2008), The Ten Principles [online]. Available from http://www.unglobalcompact.org/AboutTheGC/index.html. [Accessed 02 June 2008].

US GAO (1990) United States General Accounting Office *Case Study Evaluations*, US General Accounting Office: Program Evaluation and Methodology Division, Washington.

Valenti, Q. (2005) 'Leadership and corporate social responsibility', *Transparency International Italia,* [online]. Available from http://www.transparency.it/leadership.htm. [Accessed 03 June 2005].

Van Marrewijk, M. (2003) 'Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion', *Journal of Business Ethics*, Volume 44, Numbers 2-3 / May, 2003, pp. 95-105 [online]. Available from http://www.springerlink.com/content/t7175m6131691452/. [Accessed 27 January 2009].

Velasquez, M.G. (1999) *Business Ethics: Cases and Concepts*, Englewood Cliffs NJ: Prentice Hall.

Victor, B. and Cullen, J.B. (1988) The organizational bases of ethical work climates, *Administrative Science Quarterly* 33 101-125.

Villiers, C. and van Staden, C. (2006) Can less environmental disclosure have a legitimising effect? Evidence from Africa, *Accounting, Organizations and Society* 31 (2006) 763–781 [online]. Available from http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6VCK-4JWFGSS-2&_user=10&_coverDate=11%2F30%2F2006&_rdoc=4&_fmt=high&_orig=browse&_srch=doc-info(%23toc%235957%232006%23999689991%23635436%23FLA%23display%23Volume)&_cdi=5957&_sort=d&_docanchor=&_ct=6&_acct=C000050221&_version=1&_urlVersion=0&_userid=10&md5=afa6e4b9f55b0ce6bb0d11987a5d27b4. [Accessed 01 March 2006].

Visser, W. (2005) Revisiting Carroll's CSR Pyramid: An African Perspective, [online]. Available from http://www.waynevisser.com/chapter_wvisser_africa_csr_pyramid.pdf. [Accessed 26 January 2009.

Vives, A. (2006) 'Social and environmental responsibility in small and medium enterprises in Latin America'. *The Journal of Corporate Citizenship*, 21:1, 39–50.

Waldman, D., Siegel, D. and Javidan, M. (2004) "CEO Transformational Leadership and Corporate Social Responsibility," Rensselaer Working Papers in Economics 0415, Rensselaer Polytechnic Institute, Department of Economics [online]. Available from http://www.economics.rpi.edu/workingpapers/rpi0415.pdf. [Accessed 2 February 2009.

Waldman, D., Siegel, D. and Javidan, M. (2006) "Components of CEO Transformational Leadership and Corporate Social Responsibility," *Journal of Management Studies*, Blackwell Publishing, vol. 43(8), pages 1703-1725, December.

Weaver, G. R., and B. R. Agle (2002). "Religiosity and Ethical Behavior in Organizations: A Symbolic Interactionist Perspective," *Academy of Management Review* 27(1), 77-97.

Weaver, G., Trevino, L.K. & Cochran, P. (1999) 'Corporate ethics programs as control systems: Influences of executive commitment and environmental factors'. *Academy of Management Journal*, 1999b, 42(1), 41-57.

Weber, J. (1990) 'Managers' moral reasoning: Assessing their responses to three moral dilemmas'. *Human Relations*, 1990, 43(7), 587-702.

Weber, J. and Wasieleski, D. (2001) 'Investigating Influences on Managers' Moral Reasoning, The Impact of Context and Personal and Organizational Factors', *Business & Society*, Vol. 40, No. 1, pp. 79-110 (2001) [online]. Available from http://bas.sagepub.com/cgi/content/abstract/40/1/79. [Accessed 6 February 2009.

WCED (1987). *Our common future*. Oxford, UK: Oxford University Press. World Commission on Environment and Development: Our Common Future [online]. Available from http://www.un-documents.net/ocf-02.htm#I. [Accessed 27 January 2009.

Weiss, J.W. (2003) *Business Ethics: A Stakeholder and Issues Management Approach*, Mason, OH: South-Western, Thomson Learning.

Weitzman, E. A. (2000) 'Software and qualitative research' in N.K. Denzin and Y.S. Lincoln (eds.) *Handbook of Qualitative Research*, 2nd edition, Thousand Oaks, CA: SAGE.

Weitzman, E.A. and Miles, M.B. (1995) C*omputer Programmes for Qualitative Data Analysis: A Software Sourcebook,* Thousand Oaks, CA: SAGE.

Welford, R., (1995), *Environmental Strategy and Sustainable Development*, Routledge, London.

Werner, A. and Spence, L. (2004) *Literature Review: Social Capital and SMEs*. In: Spence, L. et al. (eds.) *Responsibility and Social Capital – The World of Small and Medium-Sized Enterprises*. Houndmills: Palgrave Macmillan, 7-24.

Wernerfelt, B. (1995), "The resource-based view of the firm: ten years after", *Strategic Management Journal*, Vol. 16 pp.171-4.

Whetten, D. A. (1989) "What Constitutes a Theoretical Contribution?", *Academy of Management Review,* 1989, Vol. 14, No. 4, pp. 490-495.

Wheelock, J. and Chell, E. (1996) *The Business-owner Managed Family Unit: An Inter-Regional Comparison of Behavioural Dynamics.* Ref. No. R000234402. London: Economic and Social Research Council. In Symon, G. and Cassell, C.

(Eds.) *Qualitative Methods and Analysis in Organisational Research A Practical Guide,* London: SAGE Publications.

Wicks, A. C., Freeman, R. E., and Parmar, B. (2005) *Business Ethics in an Era of Corporate Crisis*. Darden School Working Paper.

WildLife (2008) 'Shell dissociates itself from wildlife photos', Date: February 7, 2008. Posted by WildlifeWatch Desk [online]. Available from http://www.wildlifewatch.in/news/1138. [Accessed 18 February 2008.

Wiley, C. (1998) 'Reexamining Perceived Ethics Issues and Ethics Roles among Employment Managers', *Journal of Business Ethics*, Vol. 17 (2), 147-161.

Williams, A (2003) 'Linking the Environmental and Social Dimensions of Corporate Social Responsibility', The Centre For Business Relationships, Accountability, Sustainability and Society, Working Paper Series No. 6 http://www.brass.cardiff.ac.uk/wplinkingdimensionsofcsrAW0603.pdf, [Accessed 24.05.05.

Williams, J. L. (2008) Oil Price History and Analysis [online]. Available from http://www.wtrg.com/prices.htm. [Accessed 12 June 2009.

Williams, M. (2002) 'Generalization in Interpretative Research'. In May, T. ed. (2002) *Qualitative Research in Action*, London: SAGE Publications.

Wilkinson, A. (1999) 'Employment relations in SMEs', *Employee Relations*, Vol. 21, No. 3, pp. 206-217.

Wilson, I. (2000) **'**The new rules: ethics, social responsibility and strategy' [online], *Strategy & Leadership*, Emerald Insight, Vol. 28 No 3, p.12.-16. Available from http://www.emeraldinsight.com/Insight/viewContentItem.do?contentType=Review&contentId=1346322. [[Accessed 12 December 2008].

Wilson, I. (2005) Institutional change in the corporation: the new social charter, *Journal On the Horizon, Emerald Insight*, Volume: 13 Issue: 1 Page: 20 – 23 [online]. Available from http://www.emeraldinsight.com/Insight/viewContentItem.do?contentType=Article&contentId=1502158. [[Accessed 12 December 2008].

Wolfe, D. M. (1988), 'Is There Integrity in the Bottom Line: Managing Obstacles to Executive Integrity'. In S. Srivastva & Associates, *Executive Integrity: The Search for High Human Values in Organizational Life*, Jossey-Bass, San Francisc., pp. 140-171.

Wood, D. J. (1991) 'Corporate social performance revisited', *Academy of Management Review*, Vol.16, pp.691-718. [online]. Available from http://jom.sagepub.com/cgi/reprint/17/2/383. [Accessed 30 December, 2008

Woolfson, C. and Beck., M. (2005) (Eds.) *Corporate Social Responsibility Failures in the Oil Industry*, New York: Baywood Publishing Company, Inc.

World Business Council for Sustainable Development (WBCSD) (2003) CSR Statement [online]. Available from www.wbcsd.org. [[Accessed 27 December 2003].

Worthington , I. (2009) 'Corporate Perceptions of the Business Case for Supplier Diversity: How Socially Responsible Purchasing can 'Pay', *Journal of Business Ethics* [online]. Available from http://www.springerlink.com/content/a31871ru043647r5/fulltext.pdf. [Accessed 23 March 2009.

Worthington, I., Ram, M., and Jones, T. (2006a) 'Giving something back': a study of corporate social responsibility in UK South Asian small enterprises, *Business Ethics: A European Review*, Vol. 15, N. 1, January 2006. pp.95-108.

Worthington, I., Ram, M., Jones, R. (2006b) 'Exploring Corporate Social Responsibility in the UK Asian Small Business Community', *Journal of Business Ethics* (2006) Vol. 67, pp. 201-217.

Worthington , I. , Ram, M., Boyal, H., Shan, M. (2008) 'Researching the Drivers of Socially Responsible Purchasing: A Cross-National Study of Supplier Diversity Initiatives', *Journal of Business Ethics*, Vol., 79, pp. 319-331.

Yin, R.K. (1989) *Case Study Research: Design and Method (*rev.edn), Newbury Park, USA: SAGE.

Yin, R.K. (1994) *Case Study Research: Design and Methods* (2nd edition), Thousand Oaks, CA: SAGE Publications.

Yin, R.K. (1998), 'The Abridged Version of Case Study Research. Design and Method'. In Bickman, L. and Rog, (Eds.) (1998) *Handbook of Applied Social Research Methods*, Thousand Oaks London: SAGE Publications.

Yukl, G. (1989). *Leadership in organizations* (4th Ed.). Upper Saddle River, NJ: Prentice-Hall.

Zahra, S.A, and Pearce, J.A II. (1989), 'Boards of Directors and Corporate Financial Performance: a Review and Integrative Model', *Journal of Management*, Vol.15, pp. 291-344.

Zahra, S.A., Jennings, D.F. and Kuratko, D.F. (1999) The antecedents and consequences of firm-level entrepreneurship: the state of the field. *Entrepreneurship Theory and Practice, Winter*, pp. 45-65.

Zerbe, W. J. and D. L. Paulhus (1987) Socially Desirable Responding in Organizational Behavior: A Reconception, *Academy of Management Journal* 12(2), 250–264.

Zhu, W., May, D.R. and Avolino, B.J. (2004) 'The Impact of Ethical Leadership Behavior on Employee Outcomes: The Roles of Psychological Empowerment and Authenticity', *Journal of Leadership & Organizational Studies*, Flint: 2004.Vol.11, Iss. 1; pg. 16, 11 pgs.

Zuckerman, H. (1996) *Scientific Elite*. New Brunswick, NJ : Transaction.

Bibliography

Amaeshi, K., Kingsley, O., and Nnodim, P. (2007) 'Corporate Control and Accountability in supply chains of Multinational Corporations: Clarifications and Managerial Implications', No. 46-2007 ICCSR Research Paper Series, International Centre for Corporate Social Responsibility, the University of Nottingham, ISSN 1479-5124.

CSR Europe (2006) 'How Companies Define CSR – Survey' [online]. Available from http://www.csreurope.org/whatwedo/EuropeanAcademy/Asurveyoncompanies /HowdocompaniesdefineCSR/. [Accessed 03 December 2006.

Cresswell, J. (1994) *Qualitative and Quantitative Approaches,* Sage Publications, Thousand Oaks, CA.

Denzin, N. K. and Lincoln, Y. S. (eds.) (2000) *Handbook of Qualitative Research*, 2nd ed. Sage Publications, Thousand Oaks, CA.

Eisenhardt, K M, (1989) 'Building Theories from Case Study Research', *Academy of Management Review*, 1989, Vol. 14, No 4 ,pp 532-550.

Grampian Awards for Business Enterprise (2006) http://www.grampianawards.com/Awards/Awards2007.asp [online]. [Accessed 14 February 2007.

Ledgerwood, G. (1997) 'The Global 500, Big Oil and Corporate Environmental Governance: How Shell Became Transparent in 1990s', in: G. Ledgerwood (Ed.), Greening The Boardroom: Corporate Governance and Business Sustainability, Greenleaf Publishing, Sheffield.

Logsdon, J.M. and Wood, D.J. (2005) Global Business Citizenship and Voluntary Codes of Ethical Conduct, *Journal of Business Ethics*, Dordrecht: Jun 2005. Vol. 59, Iss. 1-2, p. 55-67.

Montoya, I.D., Richard, A.J. (1994) A Comparative Study Of Codes Of Ethics In Health Care Facilities And Energy Companies, *Journal of Business Ethics*. Dordrecht: Sep 1994. Vol. 13, Iss. 9, p. 713 (5 pp.)

Murray, R. (2005) *Writing for Academic Journals.* Maidenhead: Open University Press.

Pfeffer, J. (2006) Management tips from Opus Dei - A leading Spanish business school founded by the group illustrates that Europeans have a firmer grip than Americans on how to succeed by caring for their own, *Business 2.0 Magazine* [online]. Available from http://money.cnn.com/magazines/business2/business2_archive/2006/08/01/ 8382249/index.htm. [Accessed 15 August 2006.

Steiner, G.A. and Miner, J. B. (1977) *Management Policy and Strategy*, New York: Macmillan Publishing Co.

van Tulder, R., van der Zwart, A. (2005) *International Business-Society Management*, UK: Routledge.

Wolcott, H.F. (2001) *Writing Up Qualitative Research*, 2nd Ed., Thousand Oaks, CA: SAGE Publications.

Appendices

Appendix A: Letter of Request to Participate in the Research.

Appendix B: Discussion / Interview Outline (structure).

Appendix C: Statement of Informed Consent.

Appendix D: Discussion / Interview Guide (questions).

Appendix E: Discussion Coding / Index.

Appendix F: Participants Overview.

Appendix G: Participants' Details.

Appendix H: Operationalisation of Sampling Approaches

Appendix I: Examples of Data Collection and Triangulation

Appendix A: Letter of Request to Participate in the Research

Company Name and Address

Re: Participating in Discussion

Date _____

Dear _____

My name is Ellina Osseichuk and I am a PhD research student at the Robert Gordon University. My interest revolves around business leaders and Corporate Social Responsibility (CSR). I believe that, although on the rise, CSR is a complex and under-researched area, particularly within the oil and gas industry.

The aim of this research is to explore the issues associated with making decisions with regard to Corporate Social Responsibility in order to provide further understanding of how business leaders balance socially responsible corporate practices within the context of the sometimes conflicting agenda of profit maximisation.

I am interested in the business leaders' real point of view on CSR implementation and its challenges. Your personal opinion on the subject would make an invaluable contribution to my studies and I would like to ask you to take part in the discussion.

The discussion is structured in 3 sections: Organisation Overview, CSR Overview and CSR Decision-Making, and should not take more than an hour. The outline of the discussion is attached for your review.

I guarantee that all responses will be treated confidentially without any reference to your name, position or company. Confidentiality and data protection issues are detailed in the Statement of Informed Consent (attached).

Please let me know if you would agree to participate in the discussion and I will proceed with arranging our meeting at your convenience.

Thank you for your time and co-operation,

Ellina Osseichuk,

PhD Research Student
Aberdeen Business School
The Robert Gordon University
Garthdee Road
Aberdeen
AB10 7QE
Tel. (01224) 263959
Mob. 07742 045047
prs.osseichuk@rgu.ac.uk

Appendix B: Discussion / Interview Outline (structure)

<div align="center">

CEO and CSR –

Business Leaders and

Corporate Social Responsibility

</div>

Discussion Outline

The aim of this research is to explore the issues associated with making decisions with regard to Corporate Social Responsibility (CSR). For example, environment protection policy, recycling, community involvement, sponsoring or the lack of such activities and whether or not they are relevant to your organisation. This research is conducted in order to provide further understanding of how business leaders balance responsible corporate practices within the context of the sometimes conflicting agenda of profit maximisation.

The discussion is structured in 3 sections: Organisation Overview, CSR Overview and CSR Decision-Making.

Organisation Overview

This part of the discussion is about the structure of your company and your position within the organisation.

Corporate Social Responsibility Overview

In this segment, the discussion focuses on CSR activities in your organisation.

CSR Decision-Making

In this section, it would be interesting to explore your experience in making CSR related decisions.

I guarantee that all responses will be treated confidentially without any reference to your name, position or company. Confidentiality and data protection issues are detailed in the Statement of Informed Consent (attached).

Thank you for your time and co-operation.

Appendix C: Statement of Informed Consent

<div align="center">

CEO and CSR –

Business Leaders and

Corporate Social Responsibility

Statement of Informed Consent

</div>

The aim of this research is to explore the issues associated with making decisions with regard to Corporate Social Responsibility (CSR) in order to provide further understanding of how business leaders balance socially responsible corporate practices within the context of the sometimes conflicting agenda of profit maximisation.

Due to the competitive nature of the oil and gas industry, confidentiality and data protection issues are particularly important. This Statement of Informed Consent summarises how the researcher aims to assure participants' anonymity and secure data collection, storage and usage.

- Participants' names, positions and companies are confidential and are coded in accordance with the following example:
  - o Each company will be given a code. For example, a small-and-medium size enterprise's (SME's) name will be replaced with a code and a consecutive number (e.g. S1), whereas a large company will be coded as C1.
  - o The first participating manager of the first SME will be referred to as S1M1, whereas C1M1 will refer to first participating manager of the first large company studied.
- Provided participant's consent, discussions will be tape-recorded.
- Tapes will be securely stored in a designated area with access limited to the researcher only.
- Recordings will be transcribed by the researcher only.
- Access to the transcripts is limited to the researcher and her immediate PhD supervisors only.
- Participants have the right to review the transcript of the discussion before it is used as part of this research.
- Transcripts will not be published or viewed by examiners.
- To illustrate data analysis process, only short direct quotes will be used without any reference to the participant's name, position or company. The above-mentioned coding will be used to attribute particular quotes.
- Participants have the right to withdraw from the research at any time.

Appendix D: Discussion / Interview Guide

(Semi-structured interview questions)

CEO and CSR –
Business Leaders and
Corporate Social Responsibility

Discussion Guide

The aim of this research is to explore the issues associated with making decisions with regard to Corporate Social Responsibility (CSR) in order to provide further understanding of how business leaders balance responsible corporate practices within the context of the sometimes conflicting agenda of profit maximisation.

The discussion is structured in 3 sections: Organisation Overview, CSR Overview and CSR Decision-Making.

I guarantee that all responses will be treated confidentially without any reference to your name, position or company. Confidentiality and data protection issues are detailed in the Statement of Informed Consent (attached).

Thank you for your time and co-operation.

Organisation Overview

Please tell me a little bit about your background and how you've reached this position in your organisation.

How would you describe the structure of your organisation?

How would you describe your responsibilities in approximate order of importance?

Corporate Social Responsibility Overview

What does the term Corporate Social Responsibility (CSR) mean to you?

When did you first hear of CSR?

Can you give me an example of your company's CSR last year?

How does this compare with the previous years?

In your view, who benefits from the CSR activity of your organisation?

How do you relate with these groups in terms of CSR?

Why did you choose these activities?

How do you see CSR developing?

In your view, please describe the situation with CSR in the oil and gas industry.

CSR Decision-Making

Recollecting any CSR activity, could you describe how that decision was made?

How much autonomy do you feel you have in making CSR decisions?

If having identified several options for CSR activities, how do you choose between them?

Please describe who has the most and the least effect on your CSR decision-making.

Please specify what you consider when making a CSR decision.

What are the biggest challenges and concerns you have with CSR development and implementation?

What, if anything, would you like to see being done to support business leaders in CSR implementation?

What is your opinion on CSR in the oil and gas industry?

Do you have any other comments you would like to make with respect to CSR and/or CSR leadership decision-making?

Appendix E: Discussion Coding / Index

CEO and CSR –
Business Leaders and
Corporate Social Responsibility

Discussion Coding

Organisation Overview

1. Participant's Details:
    1.1   Background in:
        1.1.1   Engineering
        1.1.2   Finance
        1.1.3   Geology
        1.1.4   Managerial
        1.1.5   Corporate Communication
        1.1.6   Marketing

    1.2   Additional studies:
        1.2.1   MBA / MSc
        1.2.2   PhD

    1.3   Managerial experience:
        1.3.1   Less than 5 years
        1.3.2   More than 5 years
        1.3.3   More than 10 years
        1.3.4   More than 15 years

    1.4   International experience:
        1.4.1   Yes
        1.4.2   No

    1.5   CSR experience:
        1.5.1   Less than a year
        1.5.2   Less than 5 years
        1.5.3   More than 5 years
        1.5.4   More than 10 years

    1.6   Position in organisation:
        1.6.1   CEO of Corporation
        1.6.2   Manager of Corporation
        1.6.3   CEO of Subsidiary
        1.6.4   Manager of Subsidiary
        1.6.5   CEO of SME
        1.6.6   Manager of SME
        1.6.7   Owner of SME

2. Organisation Overview:
    2.1 Structure of organisation:
        2.1.1   UK Subsidiary of global corporation;

      2.1.2   International subsidiary of global corporation;
      2.1.3   Scottish subsidiary of UK corporation;
      2.1.4   International subsidiary of UK corporation;
      2.1.5   SME;
      2.1.6   Service Provider to a larger company;
      2.1.7   Privately owned;
      2.1.8   Numerous shareholders and stakeholders;
      2.1.9   Limited shareholders and stakeholders;
      2.1.10 Headquarters of global corporation.

2.2   Number of Employees:
      2.2.1   Less than 50;
      2.2.2   More than 50;
      2.2.3   More than 100;
      2.2.4   More than 300;
      2.2.5   More than 500.

2.3   Capital Turnover:
      2.3.1   Less than 1million GBP;
      2.3.2   More than 1 million GBP;
      2.3.3   More than 10 million GBP.

2.4   CSR Implementation:
      2.4.1   CSR recognised;
      2.4.2   CSR leader;
      2.4.3   CSR novice;
      2.4.4   Limited CSR;
      2.4.5   No CSR.

3. Participant's responsibilities:
    3.1   Controlling an organisation's performance;
    3.2   Ensuring compliance with the organisation's targets;
    3.3   Remunerating employees;
    3.4   Rewarding employees in other ways;
    3.5   Meeting employees' needs outside work requirements;
    3.6   Empowering employees to make decisions;
    3.7   Encouraging new initiatives;
    3.8   Promoting an organisation's vision and mission;
    3.9   Improving an organisation's perception within society;
    3.10 Building closer relations with stakeholders / shareholders;
    3.11 Communicating with employees;
    3.12 Developing business strategy;
    3.13 Representing an organisation to authorities and society;
    3.14 Managing information flow within an organisation;
    3.15 Recognising and pursuing business opportunities;
    3.16 Resolving crises and conflicts;
    3.17 Analysing and responding to external changes;
    3.18 Managing resources;
    3.19 Overseeing financial issues;
    3.20 Reporting to headquarters or Board of Directors;
    3.21 Reporting to shareholders;

3.22   Coordinating staff issues;
3.23   Reviewing CSR involvement;
3.24   Assuring compliance with HSE standards;
3.25   Assuring compliance with legislation;
3.26   Managing communication with wider environment;
3.27   Taking care of employees / their welfare;
3.28   Motivating employees;
3.29   Improving working environment;
3.30   Implementing headquarters' CSR guidelines / criteria / historic approach;
3.31   Protecting company's reputation;
3.32   Raising CSR awareness;
3.33   Marketing CSR;
3.34   Marketing the development of relationships with people inside and outside the company;
3.35   Accurate Recording / Reporting;
3.36   Increasing shareholder value;
3.37   Creating CSR Report;
3.38   PR.

Corporate Social Responsibility Overview

4. Definition of CSR:
4.1   Philanthropy;
4.2   Societal responsibilities beyond the letter of the law;
4.3   Corporations as good citizens;
4.4   Giving back to community;
4.5   Altruism / Goodness of the heart;
4.6   Socially Responsible Investment;
4.7   Responsiveness to Stakeholders' needs;
4.8   Competitive Advantage / Economic Sustainability;
4.9   Personal or Organisational Morality / Rectitude / Goodness / Decency;
4.10   Not well defined;
4.11   Not associated with CSR as a defined term;
4.12   Environment protection;
4.13   HSE of personnel;
4.14   Community involvement;
4.15   Involvement in government spending;
4.16   Avoidance of corruption;
4.17   Recognition of and reward for an employee's work;
4.18   Being socially responsible is being accountable;
4.19   Company's reputation;
4.20   Fit in the framework of society and balance it with making money;
4.21   CSR is a part of doing business;
4.22   Doing the right thing;
4.23   Recycling;
4.24   Sustainability;
4.25   Never heard of it before as a term;
4.26   Organisation's Core Values.

5. Development of CSR:
    5.1   Growing;
    5.2   Levelled with previous years;
    5.3   On the decline;
    5.4   Inevitable;
    5.5   Natural part of business.

6. Examples of CSR:
    6.1   Projects in local communities;
    6.2   Environment protection;
    6.3   Employee volunteering;
    6.4   Donations to charities;
    6.5   Volunteering;
    6.6   Direct donations to organisations in need;
    6.7   Creating jobs / employing people;
    6.8   Developing local people;
    6.9   Paying taxes;
    6.10   Preventing corruption;
    6.11   Good governance;
    6.12   Training local personnel;
    6.13   Global investments;
    6.14   Supporting regional governments;
    6.15   Developing/implementing new technologies;
    6.16   Improving employees' and their families' wellbeing;
    6.17   Political actions;
    6.18   Creating / maintaining organisational ethics;
    6.19   Sponsorship;
    6.20   Assuring HSE standards;
    6.21   Providing benefits to employees;
    6.22   Recycling;
    6.23   Spending with local suppliers;
    6.24   Measuring CSR;
    6.25   Educating and developing youth;
    6.26   Remunerating employees fairly and timely;
    6.27   Honouring contracts;
    6.28   Respecting business partners / contractors;
    6.29   Behaving the way you say you would do;
    6.30   Measuring sustainability;
    6.31   Preventing illegal labour;
    6.32   Organise a better life;
    6.33   Looking after personnel;
    6.34   Protecting human rights;
    6.35   Compliance with legislation.

7. CSR Activities Overview:
    7.1   Reasons for choosing CSR activities:
        7.1.1   Improve quality of life;
        7.1.2   Benefit to the larges number of people;
        7.1.3   Improve relations with community;

       7.1.4   Benefit to the organisation's reputation;
       7.1.5   For the acceptance of the company in the society;
       7.1.6   Company's perception by the society/community.

   7.2   Purpose for CSR activities:
       7.2.1   Improving relations with communities;
       7.2.2   Improving the organisation's reputation;
       7.2.3   Achieving mutual benefit;
       7.2.4   Improving quality of life in local communities.
   7.3   Results of CSR activities:
       7.3.1   Direct help for organisations in need;
       7.3.2   Benefit for external and internal communication;
       7.3.3   Direct benefit to people;
       7.3.4   Bringing satisfaction and recognition to companies.

8. Beneficiaries of CSR:
   8.1   Customers;
   8.2   Employees;
   8.3   Families;
   8.4   Local communities;
   8.5   Government;
   8.6   Charities;
   8.7   Future generations;
   8.8   Company.

9. Communicating with beneficiaries:
   9.1   Meetings with communities;
   9.2   Meeting with heads of communities;
   9.3   Dealing with charities;
   9.4   PR department's activities;
   9.5   Relating with press, mass-media;
   9.6   Written correspondence;
   9.7   Discussions with employees;
   9.8   Discussions with regulatory bodies / government;
   9.9   Feedback from beneficiaries.

10. Disadvantaged by CSR:
   10.1   Customers;
   10.2   Employees;
   10.3   Families;
   10.4   Local communities;
   10.5   Government;
   10.6   Charities;
   10.7   Future generations;
   10.8   None;
   10.9   Organisation's financial performance;
   10.10 CSR Committee
   10.11 Company;
   10.12 CSR beneficiaries;
   10.13 Both, Company and CSR beneficiaries.

CSR Decision-Making

11. Autonomy in CSR decisions:
    11.1 Full autonomy;
    11.2 Separate CSR department;
    11.3 Directive from headquarters;
    11.4 Influence from Legal department;
    11.5 Influence from HR department;
    11.6 Influence from Finance department;
    11.7 Discussion with other shareholders;
    11.8 Influence from other departments;
    11.9 Only curtailed by the budget available;
    11.10 Influence from subsidiary's CSR department;
    11.11 Influence from HSE department.

12. Criteria for choosing CSR:
    12.1 Greatest impact on community;
    12.2 Connection to oil and gas industry;
    12.3 Proximity of community;
    12.4 Improving quality of life;
    12.5 Lasting impact;
    12.6 Costs;
    12.7 Sustainability by the local community;
    12.8 Meeting the needs of CSR beneficiaries;
    12.9 Reputation / structure of CSR beneficiaries;
    12.10 Sustainability by the business;
    12.11 Merits of individual employees;
    12.12 Making a difference;
    12.13 Staying neutral;
    12.14 Greater good
    12.15 Company's resources;
    12.16 Worthwhile cause;
    12.17 Company's investment criteria;
    12.18 Compliance with / creation of legislation.

13. Individuals/organisations most affecting CSR decisions:
    13.1 Communities;
    13.2 Heads of communities;
    13.3 Headquarters;
    13.4 Government;
    13.5 CSR department / practitioners;
    13.6 Other departments within the organisation;
    13.7 PR department;
    13.8 Individual Employees;
    13.9 CEO of company;
    13.10 Customers.

14. Individuals/organisations least affecting CSR decisions:

14.1   Employees not involved in CSR decisions;

14.2   Corrupt politicians.

15. Guidance in CSR decision:
- 15.1   Organisation's policies and guidelines;
- 15.2   Code of Conduct;
- 15.3   Example of industry members;
- 15.4   Organisation's Code of Ethics;
- 15.5   Analysis of business and societal environment;
- 15.6   Discussion with employees;
- 15.7   Directive from above within an organisation;
- 15.8   Organisational values, vision and mission / Corporate Ideals;
- 15.9   Discussion with shareholders;
- 15.10   Personal views;
- 15.11   Suggestions / inputs from CSR employees;
- 15.12   Research into CSR requests / beneficiaries;
- 15.13   Personal judgement call;
- 15.14   CSR Report;
- 15.15   Corporate governance;
- 15.16   Company's Charter.

16. Factors affecting CSR decisions:
- 16.1   Budget;
- 16.2   Level of impact;
- 16.3   Significance of customer loyalty;
- 16.4   Pressure groups;
- 16.5   Personal involvement / satisfaction;
- 16.6   Industry adopted practices and trends;
- 16.7   Consideration to financial performance;
- 16.8   Risk management;
- 16.9   Retaining or attracting better work force;
- 16.10   Reputation of an organisation;
- 16.11   Commitments to previous leaders' legacy;
- 16.12   Increase in profit due to social acceptance;
- 16.13   Accounting for the total impact of the operations on social and ecological environment;
- 16.14   Engaging in a debate on the role of business in society;
- 16.15   Following the trend;
- 16.16   Personal beliefs;
- 16.17   Commitment to shareholders;
- 16.18   Balancing CSR and operational costs;
- 16.19   Mutual benefit;
- 16.20   Profitability;
- 16.21   Sustainability;
- 16.22   Personal choice;
- 16.23   Beneficiaries' governance;
- 16.24   Merit of individual employees;
- 16.25   Company's desire to have CSR;
- 16.26   Company's exposure in return for CSR activities;

16.27   Benefit to the company for doing CSR;
16.28   Influence from the company's customers / clients;
16.29   Change in life style;
16.30   Level of CSR spread across projects.

17. Challenges in CSR decisions:
17.1   Managing expectations;
17.2   Financial situation;
17.3   Available resources;
17.4   Legislative position;
17.5   Adherence to corporate governance;
17.6   Lack of incentives;
17.7   Lack of transparency;
17.8   Lack of autonomy in CSR decisions;
17.9   Lack of government support for growing businesses;
17.10   Community's / society's expectations;
17.11   Understanding CSR needs and demands;
17.12   Being sought after by individuals/organisations in need;
17.13   Guarding against hidden agendas;
17.14   Responsibilities of receiving parties;
17.15   Lack of awareness;
17.16   Difficult to see where to spend money locally on CSR;
17.17   Business must benefit from CSR activities;
17.18   Small companies shy away from CSR;
17.19   Balance between CSR and profitability;
17.20   CSR professionals must be generalists;
17.21   Building trust internally;
17.22   Building trust externally.

18. Comments on business leaders and CSR:
18.1   More CSR education is needed;
18.2   More measured / regulated approach to CSR is needed;
18.3   Transparency for CSR implementation;
18.4   More ways for greater impact are needed;
18.5   Stronger companies make better CSR participants;
18.6   Encouraging business improves quality of life;
18.7   Make people think more about CSR;
18.8   Government needs to create incentives for CSR;
18.9   Increased CSR legislation may reduce UK O&G competitiveness;
18.10   Writing a cheque is easier than doing CSR;
18.11   Make people think more about sustainability;
18.12   Be an example: "I do as I say";
18.13   It all depends on you or your reputation;
18.14   CSR is a disruption to normal routine;
18.15   CSR can be a pain / burden;
18.16   Without CSR guidelines, it happens as it happens;
18.17   There is no time to be looking at peripheral issues;
18.18   CSR is low in priority;
18.19   Government has no say in CSR;
18.20   It's easier to have organisations doing CSR for you.

18.21　CSR is part of Public Relations;

18.22　It's more important to make business profitable;

18.23　Managers are obliged to discuss CSR with shareholders;

18.24　It's better to give to charity rather than to government;

18.25　CSR is an add-on, a bonus that you can throw out there;

18.26　CSR is not necessary;

18.27　CSR reporting is on the rise;

18.28　Dialogue about stakeholders' expectations is needed;

18.29　Codification / Indexing of CSR activities would assist companies;

18.30　Hope CSR becomes part of every company's activities;

18.31　Balanced approach to CSR activities is better than donating to one organisation;

18.32　CSR reporting must be improved;

18.33　Doing CSR brings personal satisfaction;

18.34　SMEs do not have to report on CSR to anyone;

18.35　CSR is a response to an opportunity;

18.36　Best practice in CSR is better than regulating it;

18.37　CSR should be a long-term benefit.

19. CSR in the Oil and Gas Industry:

19.1　O&G Industry is one of the most generous;

19.2　There is no discussion among O&G companies on CSR implementation;

19.3　There is an involved discussion among O&G companies on CSR implementation;

19.4　O&G is not interested in large CSR;

19.5　O&G CSR is glossy brochures and not much substance;

19.6　O&G is the leading CSR industry;

19.7　CSR in the UK O&G is behind other countries;

19.8　O&G is content with existing CSR;

19.9　O&G wants to be seen as socially responsible;

19.10　O&G is under intense scrutiny;

19.11　CSR in O&G is more about education of youth;

19.12　Government is thinking about introducing CSR legislation;

19.13　No CSR regulation is needed;

19.14　Although it helps transparency, CSR-regulated reporting needs to show as much as you need to show;

19.15　CSR-regulated reporting would bring up the things that make you look better;

19.16　Companies do CSR based on what it involves and what the implications are;

19.17　A lot of people are driven to work for ethical companies;

19.18　There are all sorts of things you could do if you have a budget and a margin;

19.19　Bigger scrutiny drives more CSR;

19.20　Best people work/are attracted to work for ethical companies;

19.21　There is a lot of isolated CSR work in the O&G industry;

19.22　Companies must work to make people understand they are CSR driven on all managerial levels;

19.23　Companies need to differentiate based on CSR activities;

19.24　Environmental reporting should not be mistaken for CSR reporting;

19.25 Bigger companies do much more in CSR than small ones;

19.26 CSR in O&G is bigger due to its direct global exposure to communities;

19.27 It's expected of O&G to act responsibly;

19.28 CSR in O&G is on the increase because of growing environmental concerns;

19.29 O&G needs to establish credibility with politicians about its future performance;

19.30 O&G is doing less CSR than it could or even causes problems;

19.31 Business should not be used for CSR instead of appropriate organisations;

19.32 CSR discussion is needed.

Appendix F: Participants Overview

CEO and CSR - Business Leaders and Corporate Social Responsibility

Participants Overview

	Participants	Organisation's Structure			Gender		Experience		CSR Institutionalisation	
	Code	Corporate Headquarters	Corporate Subsidiary Office	SME	Male	Female	Less than 5 yr	More than 5 yr	Recognised	Non-Recognised
1	CS1C1		1		1			1	1	
2	CS2M1		1		1			1		1
3	CS3C1		1		1			1		1
4	CS4M1		1		1			1		1
5	S1C1			1	1			1		1
6	CS5M1		1		1			1		1
7	S2M1			1	1			1		1
8	S3C1			1	1			1		1
9	CS6M1		1			1		1		1
10	C7M1	1			1		1		1	
11	CS8M1		1		1			1	1	
12	CS9C1		1		1			1	1	
13	CS10M1		1		1		1		1	
14	S4M1			1	1		1			1
15	S5C1			1		1	1			1
16	S6C1			1	1			1	1	
17	S7C1			1	1			1	1	
	Total	1	9	7	15	2	4	13	7	10

Appendix G: Participants' Details

CEO and CSR – Business Leaders and Corporate Social Responsibility

Participants' Details

Participants Code / Index	Code	Background 1.1.1 Engineering	1.1.2 Finance	1.1.3 Geology	1.1.4 Managerial	1.1.5 Corporate Communication	1.1.6 Marketing	Additional Studies 1.2.1 Masters	1.2.2 PhD	Managerial Experience 1.3.1 Less than 5 yr	1.3.2 More than 5 yr	1.3.3 More than 10 yr	International Experience 1.4.1 Yes	1.4.2 No	CSR Experience 1.5.1 More than 1 yr	1.5.2 More than 3 yr	1.5.3 More than 5 yr	Position in Organisation 1.6.1 CEO of Corporation	1.6.2 Manager of Corporation	1.6.3 CEO of Subsidiary	1.6.4 Manager of Subsidiary	1.6.5 CEO of SME	1.6.6 Manager of SME	Gender Male	Female	CSR Institutionalisation 2.4.1 Recognised	2.4.2 Non-Recognised
1	CS1C1	1						1			1		1				1			1				1		1	
2	CS2M1		1					1				1	1			1					1			1			1
3	CS3C1	1										1	1		1					1				1			1
4	CS4M1		1								1		1		1						1			1			1
5	S1C1	1										1		1		1						1		1			1
6	CS5M1	1									1		1			1					1			1			1
7	S2M1	1										1		1		1					1				1		1
8	S3C1	1									1		1				1					1		1			1
9	CS6M1					1	1				1			1		1							1	1			1
10	C7M1					1				1				1		1					1			1			1
11	CS8M1	1									1		1			1			1					1		1	
12	CS9C1	1										1		1			1			1				1		1	
13	CS10M1	1								1				1			1				1			1		1	
14	S4M1	1								1			1		1								1		1		1
15	S5C1	1						1			1		1			1						1		1		1	
16	S6C1			1					1			1	1				1					1		1		1	
17	S7C1	1										1	1				1					1		1		1	
	Total	12	2	1	0	2	1	3	1	3	7	7	11	6	3	8	6	0	1	3	6	5	2	15	2	7	10

Appendix H: Operationalisation of Sampling Approaches

As was noted in chapter 5 Methodology, the author experienced difficulties in obtaining access to participants, and building up the sample size. However, through using networking events organised by Aberdeen Chamber of Commerce and Oil and Gas UK, building on personal contacts, writing, sending e-mails, and telephoning them, in addition to analysing public documentation available in print or published online by targeted companies, it was possible to identify potential participants. The diagram below provides a graphical representation of this process of sample generation.

Figure 34: The Process of Sample Generation
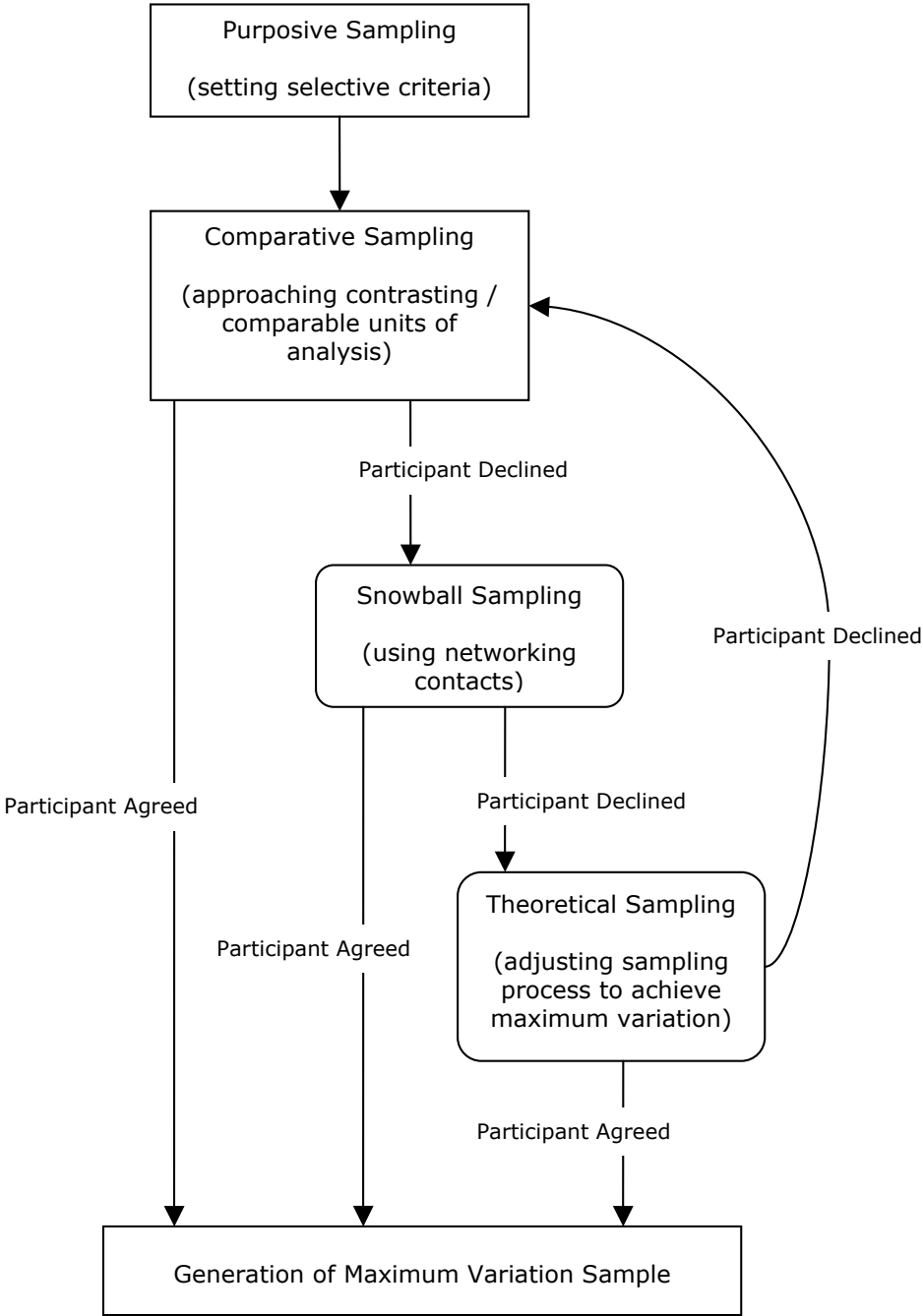
Source: Compiled by the author.

Although the search for participants was wide, it was governed by specific criteria. These criteria, established in order to select the participants, were described in section 5.6 Sample / Participants Selection, and formed part of a purposive sampling approach (Patton, 1990). This restricted potential participants to senior-level managers or CEOs of corporations and/or SMEs; that their company worked in the oil and gas industry; and that they were directly involved in CSR decision making.

Once these individuals were identified, and to assure application of a contrast-and-compare approach in data collection, the researcher then applied a method of comparative sampling (Glaser and Strauss, 1967), when attempts were made to secure agreement from participants with contrasting but comparable characteristics.

For example, in order to explore the state of CSR within the oil and gas industry, the researcher approached business leaders from:

- companies with different structural make-ups, such as corporations, corporate subsidiaries, and SMEs;

- companies operating in various sectors of the oil and gas industry, such as conducting up-stream, down-stream, and supply chain operations; and providing drilling, completion, or consulting services;

- companies with different levels of CSR implementation, such as organisations recognised in trade or research literature for their CSR activities, or implementing them on a limited basis.

After approaching these business leaders, if they agreed, and an interview did take place, a maximum variation sample (Saunders et al., 2006) began to build up. If these individuals initially agreed, but then either withdrew, or declined an interview, another approach, snowball sampling (Patton, 1990), was used to secure additional participants. This approach permitted requesting a participant, with whom the researcher has conducted an interview, to assist in further introductions to other business leaders, provided they matched purposive sampling (ibid.) criteria. An example of such request can be found in an excerpt from an interview with participant S3C1, Appendix I, comments 18-20. Once again, if this method secured an interview, a maximum variation sample (Saunders et al, 2006) continued to grow.

However, if a business leader did not agree to participate, then another method, theoretical sampling (Gummesson, 1991), was employed. This method allowed continuous adjustment of the sampling process based on already collected, coded and analysed data, consequently deciding what data and from where needed to be collected next. Interviews secured through this method continued to build the maximum variation sample (Saunders et al, 2006). However, if there was no agreement with a business leader to participate in the research, then the author went back to the comparative sampling approach (Glaser and Strauss, 1967), and increased the search for potential participants.

Although this mix of sampling methods is not without its limitations, the nature of qualitative research with its adaptable and evolving characteristics allowed a sample to be obtained through these methods, which reflected and exemplified the state of CSR within the UK oil and gas industry, thereby enabling the research questions to be answered. Sampling ended, as discussed in section 5.6 Sample / Participants Selection, when theoretical saturation (Glaser and Strauss, 1967) had been secured.

Appendix I: Example of Data Collection and Triangulation

This example is based on the analysis of a transcript of an interview with an SME's CEO, coded as S3C1. This participant was chosen based on matching the criteria for purposive sampling (Patton, 1990), and knowledge informally gathered by the author during one of several networking events, used by the researcher to generate information about potential participants. Prior to interview, the only public documentation accessible for the researcher was information about this SME available through its website.

Upon familiarisation with this SME's publicly available Charters, such as Business Ethics, Health and Safety, Environmental, and Social Responsibility Charters, the picture of its CSR formulation and implementation was still incomplete. However, as a result of an interview with the CEO, it was possible to compile a more comprehensive dataset about this SME's CSR, with the help of the additional documentation obtained during and post interview, as well as through contextual observation (Yin, 1994) of the participants' evaluation of the company's CSR programme; their engagement with stakeholders; and wider involvement of this company in overall CSR formulation and implementation.

The following diagram illustrates how, in this particular instance, a combination of different methods of data collection was used to assure a comprehensive dataset used for analysis and data triangulation, and aimed to enrich the understanding of CSR formulation and implementation taking place in this SME.

Figure 35: Combination of Data Collection Methods; the Case of S3C1, Discussion 8.
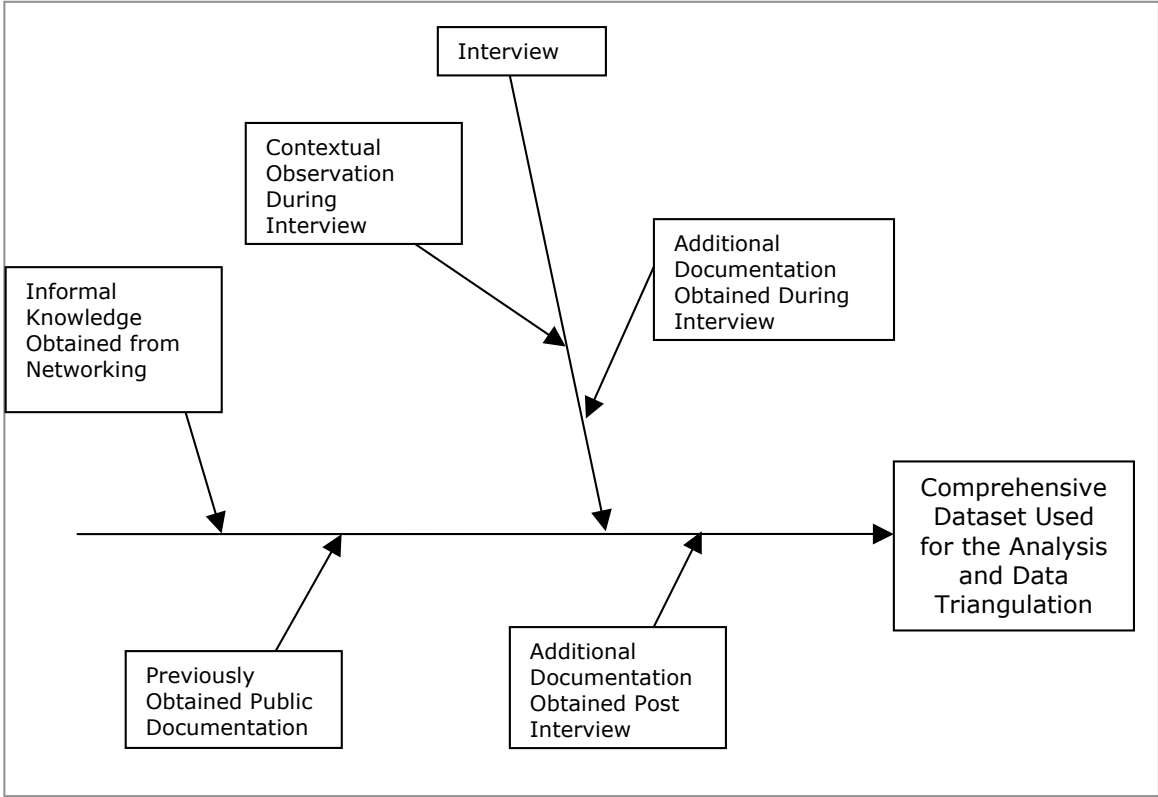
Source: Compiled by the author

To elaborate, the following excerpt from the above-mentioned interview illustrates a methodological approach of data collection through combining the analysis of the interview transcript, previously obtained publicly available documentation, additional documentation acquired during and post interview, and contextual observation as part of conducting an interview. Comparing and analysing these sources of information served as a basis for data triangulation.

The excerpt is sub-divided into respective comments, helping to demonstrate the occurrence of data collection methods, and includes the following examples:

- Obtaining of additional documentation, not publically available – comments 1-5, 7-8.

- Contextual observations (Yin, 1994) of:

    - the participant's evaluation of the company's CSR activity – comments 14, 17;

    - a wider involvement in CSR formulation and implementation - comments 6, 16;

    - and stakeholders' engagement in CSR development – comment 12.

- An example of a mirroring approach (Myers and Newman, 2007) in interviewing – comments 9-11;

- An example of data generation for supply chain relationships' effects on CSR – comments 13-15;

- An example of securing potential participants by employing a snowball sampling method (Patton, 1990) – comments 18-20.

Table 38: An Excerpt from an Interview with S3C1, Discussion 8: An Illustration of Data Collection and Triangulation

Q/R Nº	S3C1 Interview / Discussion 8 Transcript Note: To preserve confidentiality, some information is made anonymous and coded in square brackets by the researcher. This example is shortened, and only appropriate excerpts are included; this is not an entire interview transcript. The first few sentences are missing due to the equipment malfunction, but the researcher had asked those questions again to have complete information on tape.	Data Collection
……….	Well, if this is of interest, I can probably e-mail a PDF copy to you. [Interview continued].	1. An example of obtaining additional documentation, not publicly available.
Q5	From our earlier quite a brief introduction to each other, I understood that your core, not interest but responsibility, is sustainability. Is it correct?	2. An example of having limited information about this SME's CSR due to a lack of comprehensive publicly available

		documentation.
R5	No, that is one aspect of our business and this is what I was going to show you here. This is how we approach sustainability for our client companies. I thought it might be of interest to you.	3. An opportunity to see this SME's additional documentation.
Q6	Yes, absolutely. If you could just briefly introduce what we are talking about.	4. A request to expand on additional documentation.
R6	OK, I printed this off for you. That is a Petroleum Engineers Society paper that discusses the work that we've done.	5. An example of additional documentation, not available in public domain, but directly related to this SME's CSR.
Q7	Thank you.	
R7	The work was done… Initially sponsored by [a large oil and gas corporation / supply chain client], but we got interest from [one of the local universities'] Sustainability Accounting, from this lady A [name made anonymous for confidentiality]. Since then she's moved to [another local university] and they set up a Sustainability Centre in [that university]. [Interview continued]	6. An example of contextual observation regarding this SME's wider collaboration in developing their CSR programme.
Q8	Yes.	
R8	[Interview continued] What we did was develop a model of the Economic, Resources, Environmental Impact and Social Impact that would allow people to develop what we call an Environment Impact Evaluation model [models' name coded to assure confidentiality]. [Interview continued]	7. Another example of additional documentation not publicly available, but directly linked to this SME's CSR.
Q9	Yes. [Interview continued]	
R10	So, this is our Sustainability Model. This is SAM, as it's called.	8. An example of a piece of documentation, given at the interview, but not available in public domain.
Q11	This is very interesting because very often when I visit companies involved in Corporate Social Responsibilities and Sustainability as part of their programme, environment protection, social involvement, etc, there is no formalised way of choosing the involvement.	9. A prompt to add more information from the participant.

R11	Yes.	
Q12	And I think this is one of the most interesting… One of the leading-edge kinds of frameworks.	10. An example of mirroring the participant's opinion about their SME's CSR achievements.
R12	Well, we think… This is…	11. Mirroring achieved.
	This gets criticism. And it gets criticism because the way we've done this, we put a value on everything. We've put a value on a ton of CO_2 . And people have struggles with that. [Interview continued]	12. Another example of contextual observation in evaluating this SME's CSR against societal or stakeholders' benchmarks.
Q13	When you were developing this model, what kind of impact have you been receiving or feeling from your clients? I understand that these are major companies we are talking about.	13. An opportunity to explore supply chain relationships.
R13	Well, to be honest with you, it has not get the interest level I thought it would get. Um…	14. A negative evaluation of the CSR activity; however, later this participant says that it was well received by their supply chain client (in Comment 15).
	So… [a large oil and gas corporation / supply chain client] have used it a number of times. We've used in fairly diverse areas.	15. An example of supply chain relationships regarding this SME's CSR.
	We've used it on a fish farm, we've used it on a gas capture from a landfill site, we've used it on a forest that has been planted as part of a remediation. So, we've used in pretty diverse areas. The place that this has been used extensively is [in another country]… [Interview continued]	16. Examples of a wider CSR development, not available from public documentation.

	So, as I tell other people this, it is a method of doing things in a consistent manner and identifying the appropriate options. The other benefit that I see from it is not necessarily this, it's how far you get the teams that are working on various jobs thinking about sustainability, thinking about corporate responsibilities. The fact they get the number here. Yah. But it is more important that by engaging in this process it gets the people involved thinking about what impacts to this social fabric and to the resources. And not just looking at money, how much money we are going to make here.	17. An example of contextual observation of this participant's understanding of CSR, a wider involvement of employees in its implementation, and this SME's long-term approach to CSR.
Q14	[Interview continued].	
R45	I think, what… If you send me an e-mail, I will get you a PDF copy of this. Give you a copy of that paper. And I will give you some links to the academics at [a local university] University. I am sure you'll get some interesting sources of research.	18. An example of obtaining an additional documentation, not publicly available.
Q46	That would be fantastic. Yes.	
R46	Yes.	
Q47	[Interview continued] I would also appreciate if you, from the top of your head, or maybe later on, can come up with some names, some contacts for the introduction. [Interview continued].	19. A request for referring to other potential participants, an example of snowball sampling method.
R49	I will give you some links to [two companies]. [Interview continued].	20. Generation of further contacts for interviewing.

Source: Compiled by the author.