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FACULTY OF BUSINESS ECONOMICS
Master of Management

Master's thesis
Corporate social responsibility in automotive industry

Supervisor :
Prof. dr. Anna ROIJAKKERS

Radka Sabikova
Thesis presented in fulfillment of the requirements for the degree of Master of Management

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Summary

This master thesis explored what impact does implementation of CSR into the company have and what benefits/drawbacks it could bring. The term CSR has more definitions, but the most recent one was from 2009 stated by European Commission and it states that CSR tries to integrate social and environmental welfare with the company's operations. As the CSR is still pretty young field, the definitions still vary and one defines it as businesses' responsibility to act as a vehicle for economic progress while making contribution to the social welfare (Henderson, 2009). Other definitions are very similar and vary only in small details.

During the implementation process, only a few companies set concrete targets what they want to achieve (Graafland & Zhang, 2014). One reason for this can be that CSR has different significance for different companies (Hack, Kenyon & Wood, 2014) and thus they do not know how much role and significance in operations CSR should have. It can also be problematic to manage CSR in the company, as there can arise high pressure from the market (Doherty, Haugh & Lyon, 2014). Even though companies do not have to have clear goal at place from the beginning, some of them can see only the economic progress that will come with implementation of CSR. As mentioned by Henderson (2009), it should not be the case. As many given definitions state that CSR should regard people at the first place, companies have to follow it and do not think only about their personal welfare.

The literature provided the insights into the CSR and what it can bring, and the purpose of this thesis was to find out whether it applies also in the car industry and in which terms the literature differs from the research in this industry. To do so, three case studies were researched to find those similarities and differences. In this master thesis, the focus was done on the benefits and drawbacks themselves, but also on the organization, approach, success measures or companies' plans for the future. Firstly, the existing literature about corporate social responsibility was examined to address those topics. Afterwards, three interviews were held with the companies that implemented CSR. The companies were Ford Motor Company, BMW Group and Kia Motors, that are all companies from car industry that operate globally.

In the most companies, their objective was to make the world a better place for living, not only for now, but for the future generations as well. They all want to affect social life in a positive way, and same applies for the environmental changes, which they want to decrease as much as possible. To support their goals, some of the companies created whole plans how they want to do it and achieve it. In the organization of CSR, different approaches were visible, while some of the companies have independency from the headquarters and some have not. But still they were willing to involve as much employees as possible in their CSR activities. Also their approaches differ. In this case, Ford should change their approach, as they are defensive now and it would be better to have similar approach as BMW, which is very successful in their activities. There were also visible differences in perceived benefits and drawbacks. In this case, it is quite difficult to get rid of the drawbacks,

mainly for Ford. As they do not have independency from headquarters, they are not able to do what they want and they cannot control those drawbacks (and get rid of them). Companies also have to be careful when dividing financial resources, as many stakeholders (and shareholders) are involved and they do not want to damage the relations they have with them and that were built over the long period of time. For the companies, it is difficult (and most of the time very costly) to measure the success. Even though they are doing research regularly, the direct connection of reputation and brand image to CSR is hard to define. To be able to assess the connection of CSR to brand image or reputation, companies should make more efforts. For example, they could make research more often or they could communicate more directly with the customers. As their set goals are very concrete, they know what to do next with them. Mostly, they just want to continue with them and improve them as much as possible, and to adapt their goals to different locations to address even more people all over the world.

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List of Abbreviations

CSiR	Corporate Social Irresponsibility
CSR	Corporate Social Responsibility
DSFL	Driving Skills for Life
HR	Human Resources
HQ	Headquarters
NGO	Non-governmental Organizations
NPM	New Public Management
PR	Public Relations
R&D	Research and Development
SE	Social Enterprises
SME	Small and Medium-Sized Enterprise
WISE	Work Integration Social Enterprise

Chapter 1: Introduction

The purpose of this master thesis is to find out what benefits and drawbacks implementation of CSR can bring to the company. Being a kind of hybrid organization, CSR can have many forms and definitions. It can be referred to as corporate citizenship or conscience and others, as mentioned by Nair and Sodhi (2012). CSR can also work as a mechanism to monitor whether activities of the company are within the law, or to embrace responsibility for the actions and to have positive impact on the stakeholders and environment, as mentioned by the authors. To do so, all practices that could be harmful should be eliminated. CSR within the company is the combination of doing business in a traditional way and serving public interests in a good way. Another definition by European Commission is that it tries to integrate social and environmental welfare with the company's operations. Regarding SMEs, they have to be very careful and consider the implementation of CSR, because it is very long process and most of the time very costly as well. It is long run process, but it will pay-off in the future and it can bring many benefits.

As new trends concerning environmental issues are arising more and more, governments are willing to encourage companies to learn about CSR and implement it. For some companies, it can be difficult to do so due to the already mentioned costs connected to the implementation. Also, instruments of implementation are not same in every country and companies should adjust them to the local needs. In China, for example, companies cooperate with NGOs, professional training institutes to make CSR work better, but they often lack environmental or social certificates, as written by Graafland and Zhang (2014). The problems in China are that CSR reports are rarely published, and that the companies are more concerned about business well-being rather than social welfare, as the authors claim. They faced pressure, strong competition and problems with implementation of CSR, because they lack the support from government. In general, companies decided not to implement CSR not only because they did not have enough financial resources, but they also missed environmental and social management system that make the implementation and management of CSR easier. There are more ways to successfully implement CSR, from which most important is the support from the government's side. Companies also have to be aware of the possible threats of CSR, because it was shown that it can have negative effects on power. As stated by Bondy (2008), people responsible for CSR are often faced with increase of their personal power and thus it can attract opportunistic actors. Thus, they will not care so much about benefits of CSR for the company and stakeholders, but look at only personal benefits.

In a today's world in ever changing environment, it is hard to be fully responsible without making compromises on a businesses' profit (Hack, Kenyon & Wood, 2014). As there was not exact definition (or the definition was changing constantly) of CSR until 2009, people were seeing companies as 'socially responsible' even though it was not pure CSR yet. And it is also not true that with improvements of business social welfare will go up as well. It is true that CSR can bring competitive advantage, but if the company does not understand the meaning of CSR it is not responsible to implement it, but companies can see it as a moral duty for society, as written by

authors. The contribution of business to society should act as a vehicle for economic progress of the organization, while contributing good to the social welfare as well (Henderson, 2009).

CSR at place is playing more important role, as global market is more connected and due to important environmental changes. Even though it needs a lot of financial resources to implement it, companies often see it as a tool to improve economies and innovation. They still need to be aware of some challenges that can occur, including pressure from competition or stakeholders. To overcome the struggles, one option is an involvement of the government, but it is also crucial to consider strategic implications. Further, there are also issues connected to the implementation of CSR. It was recommended by Asif et al. (2013) to make balanced mix of approaches, to be ready to satisfy the needs of stakeholders, and interact with them. The research showed there are also problems regarding misuse of the power that can occur and CSR can be used for personal goals of managers. The articles also showed a different set of advantages and drawbacks they can face after the implementation of CSR, and they include turning CSR into irresponsible behavior as negative, seeing it as a marketing, or providing a lot of benefits for society and environment.

Case studies used in the research can be considered as part of qualitative research and in the research itself any number of cases can be used. It is used to generate theory and provide results for research question. Case studies will be used to provide more insights into CSR and its implementation within the companies. To proceed further, research design should be drawn. It should contain research question together with sub-questions. To get more information, school database was mostly used for this purpose together with academic articles from Google Scholar. To have stronger and more accurate results, analysis will include three cases. Each object is being part of the car industry, two of them interviewed locally in Belgium and one in Slovakia. Each company has different origin to see if the approach differs or not. BMW is German, Ford American and Kia Korean company. Each one of them gains a lot of revenues, but they differ in the size and number of employees. From every company, one person was interviewed and mostly they were from managerial positions, which provide more accurate information.

As was shown, implementation is not something easy and it takes a lot of resources, but in a long run, it can bring many benefits (or even drawbacks). In the literature, there was shown what are the issues connected to CSR, its implementation and governance. The missing point in all researches done is focus on a single industry, and for this purpose I decided to focus on automotive industry. The further research is needed to find out whether the same patterns can be applied into the car industry as well, and what the differences between theory and practice are. The purpose of this thesis is to find benefits and drawbacks that implementation of CSR can bring. Thus, the central research question is formulated as:

- *What benefits and drawbacks does CSR bring to the companies in car industry?*

To support the central research question, several sub-questions are added. They were added after the literature scanning and they are as follows:

- *What is the role of CSR?*
- *How is CSR implemented and organized?*
- *What are the benefits CSR brings to company?*
- *What difficulties does company face?*
- *How does it help in company's brand reputation? Or does it damage it?*
- *What goal does your company want to achieve with the help of CSR?*
- *How the company measures the success of CSR?*
- *How does the company deal with negative news?*
- *What are the plans with CSR for the future?*

These questions should help to come up to better conclusions and answers to the central research question and find out how CSR can make companies prosperous. As a research until now shown, there is lack of studies concerning single industries. Therefore, the objective of this thesis is to find answers with the help of case study research. The focus will lay on the role of a CSR as such, how it is implemented within the company and how it is organized. At the end, it will provide better understanding of the benefits and drawbacks connected to CSR. Apart from that, the research also looks at the goals company want to achieve and how the success is measured. Negative news regarding CSR are also very important to investigate in order to find what society thinks about the company. Additionally, to give more insights into the thinking of the company it will be useful to look at the plans for the future company has with CSR, what they want to change and in what they want to continue. The results from this research can help companies in other industries that are considering CSR implementation and decision making process and scholars to have closer look at CSR in one particular industry.

The thesis consists of six main chapters. In chapter one, the main problem is defined together with central research question. In the second chapter, the emphasis is on the already existing literature on hybrid organizations as one kind of CSR and CSR itself. Chapter three explains which research methodology will be used within the thesis. Fourth chapter describes case study research and all other parts directly connected to the research itself. It also includes analysis of each case together with cross analysis. Chapter five provides final conclusions that are drawn from the research of case studies together with the answers to main research question. Last chapter, six, provides implications for managers of this thesis, plus it gives possible ideas for future research and limitations of the research.

Chapter 2: Literature review

Before proceeding to the next steps, a review of the already written literature about CSR as one kind of hybrid form has to be done. It will provide a basic insights and understanding of CSR, what it is and what it is doing for the company and society. After the review, the main research question, with the sub sequent questions were developed. First, the definition of hybrids is given, following with the historical view. Even though the literature mainly takes hybrids as such into consideration, it is important to include it for the purposes of CSR to give more detailed and deep information about the topic, and to give the ideas behind it.

2.1 What are hybrid organizations?

There are many definitions of hybrids that vary from source to source, and one of them defines it as organizations created to address needs of public and produce public services. At the same time, the way in which they are organized resembles private corporations. According to Kickert (2001), they can be found everywhere, ranging from government agencies to commercial companies. Rather than applying to specific type of organizations, phenomenon of hybrids emerge together with NPM, and they can differ one from another in terms of finances, or dissimilar purposes and history as mentioned by Thomasson (2009). Hybrids differ from traditional models with its purpose and that they do “ordinarily work within the capitalist structure by operating a business, their goals are not purely financial and their primary duty extends beyond serving shareholder interest” (Sertial, 2012). In other words succeed financially while serving good for the society.

The ‘hybrid’ as an expression was firstly used in the biology, but was transformed to other sciences later.

Organizations as hybrids in the business field can have more forms; first one is enterprising nonprofits, which is organization that sells products or services and use the profit for social mission. Second one is Socially Responsible Businesses/Corporate Social Responsibility (CSR). Similarly to first form, they are profit oriented but more concerned to the company’s actions and how they can be socially responsible. Companies nowadays are more aware of the issue of social responsibility, but still keep orientation to profits. Next, social enterprises were founded to create jobs for disabled people (in Europe) and to fulfill traditional social mission of nonprofits (USA). Similarly, there are social businesses, but they are focusing on the people as clients and they try to meet the needs of poor (Jager & Schroer, 2014). Together with entrepreneurship and innovation, they are positioned in the extremes between markets and civil society, and it is hard to theoretically define their position. Last, hybrid organizations constitute the nonprofit sector, also called third sector. Traditionally, hybrids are seen as association of volunteers and non-distribution constraints working for social purpose. The author argues that hybrid forms are present when logics from other sectors have significant impact on the initial identity of the organization. Being highly oriented to civil society, three types of organizations can be distinguished: social innovation, enterprising nonprofits and socially responsible enterprises. The weakest relations with market and

civil society were discovered within social innovation (or entrepreneurship). Building stronger relations with market, organization can become socially responsible and enterprising nonprofit if there is strong relation with civil society achieved. Socially responsible organizations are responding “to social issues, but does not build them into its culture and structure” (Jager & Schroer, 2014). They are doing so mainly for the customers who expect products with labels and thus connecting the brand with such identification. Last one, hybrid, is being strongly oriented to both: civil society and market, while implementing characteristics from both enterprising nonprofits and CSR businesses. They create functional solidarity while supporting SMEs from the given example of FUNDES organization. Hybrids are per definition “characterized by an organizational identity (member’s identification with the organization, organizational structures, and member’s practices) that systematically integrates civil society and markets. They calculate the market value of communal solidarity and trade this solidarity for financial and non-financial resources,” as written by authors in 2014. Also, they stated that hybrids work as an exchange of their impact on social issues for market resources.

2.1.1 Historical view on hybrids

During the past centuries, hybrids were formed and they were forming historical layers as a core for hybrid organizations in today’s world. Analyzing the trend in the history why such organizations were formed can help understand the reasons why they are being formed even in constantly changing environments. Over the past, hybrid organizations (scientific academies, institutions for higher vocational education, and industrial research institutes) all have something in common: they have been formed as a solution to specific problem. Continuous epistemic authority, being important condition for hybrids, will help organizations to drift, either academically or epistemically. It is perceived to be closely connected to reliability, relevance and social robustness, all needed for the transfer and thus hybridity (Kaiserfeld, 2013). In other words, hybrids have to be dynamic to preserve epistemic authority while maintaining social robustness. There can be several strategies used to achieve it, for example, seek recognition in academic hierarchies or within professional organizations, another include access to material resources. The direction of the drift itself can be determined by several factors, including current position of the organization, its location and financial and political implications. Specifically, organizations with moderate or high academic status and enrollment in local activities are more likely to drift academically, as mentioned by Kaiserfeld (2013). On the other hand, those with low academic status but that are involved locally will drift epistemically, as mentioned by the author. The study provides the results why hybrids are formed now. Results show that it is due to the epistemic drift (“the valuation of research problems and results according to their relevance to politically and administratively determined goals”) and that they can be created on the layers previously set with the hybrids formed in the past.

2.1.2 Formation of possible organizational forms with different instruments

Most of the time hybrids blend market-like and hierarchy-like instruments together and create third form of organizations, displaying also some unique attributes. Together with markets and hierarchies they form group of possible organizational forms. As mentioned in the article by Chaddad (2012), each of those forms are “defined by ‘syndrome of attributes’ that bear a supporting relation to one another,” as explained by Williamson (1991). He also mentioned that there are differences between the forms in how fast they are able to adapt to changes in the use of incentive and administrative control. The approach of attributes can be useful in studying economic organizations, including authority, incentives, and job design and asset ownership as governance. Most recent study showed that hybrids “form a ‘specific class’ of governance structures combining contractual agreements and administrative entities or ‘authorities’” (Chaddad, 2012), which have a purpose of coordinating patterns and their “effort to generate rents from mutual dependence,” as written by the author. He also stated that contracts are crucial in hybrids in coordinating partner, and thus it is important to select reliable partners, determine how long will the relations last, specify requirements, lay out the procedures and specify rules how expected gains will be distributed. It is recommended to have private governance present in the hybrids to coordinate actions of the partners (or authorities). They vary according to level of formalization and centralization, from trust to formal government. Hybrids, as cooperatives, can be also understood as independent governance mechanism.

Hybrids, displaying intermediate values, are characterized by “semi-strong incentives, an intermediate degree of administrative apparatus, they display semi-strong adaptations of both kinds, and work out of semi-legalistic contract law regime” (Chaddad, 2012). Based on the work of Menard (2004), hybrids can be arranged to networks, supply chains or franchise agreements, partnerships and cooperatives, whiel three forms are identified: pooling, contracting and competing. He also classified arrangements of hybrids in four generic configurations: formal government, leadership, trust and relational network, which are seen to be governance modes between markets and hierarchies. It is suggested that in some dimensions hybrids are market-like and hierarchy-like in others, and they combine mechanisms from both forms in various degrees which distinct them from markets and hierarchies.

Now, we can look at some forms of cooperative hybrids. One of them can be bargaining association, which combines both market-like and hierarchy-like features and it also follows democratic principles and features equal property rights among all members. Next one is processing (or marketing) cooperative. In this form, commodities are further stored, sorted and marketed by the cooperative and thus it can be seen as joint venture, including open membership policy. In this case, property rights among members are not equally distributed. This structure “combines autonomous with coordinated adaptation” (Chaddad, 2012), both occurring at different levels in the organization. In decision and strategy making, it follows democracy principles and the use of several instruments is used to “reconcile legal autonomy, interdependence and equal control rights of cooperative members” (Chaddad, 2012). Third form, new generation cooperative, “introduces ownership rights in the form

of delivery right assets that are tradable among a well-defined member-patron group,” as the author mentioned and they are defined by several characteristics, including restriction of property rights to member-patron, definition of membership, requirement of up-front investments by members and controlling of supply by marketing agreements. In its basics, it adheres the principle of democracy and equal property rights.

In summary, “the cooperative blends market-like with hierarchy-like instruments and thus may be viewed as a ‘true hybrid’ mode” (Chaddad, 2012), and it adopts unique attributes that cannot be seen in market-like or hierarchy-like forms. A lot of questions considering trust have to be answered in the further research.

2.1.3 Logics incorporated with hybrids

Hybrids are not using only different types of instruments; they are many times facing problems with the legitimacy and they also face a lot of contradictions because of the elements from different logics they incorporate. Many organizations are given the question whether they should work as profit or not-for-profit organizations, if the profit should be invested further and others. As they choose to operate as hybrid, even more dilemmas concerning the operations will arise. As mentioned by Pache and Santos (2013), hybrids can have many forms such as “public-private partnerships incorporating elements from state, market, and civil society logics, biotechnology companies incorporating science and market logics and medical schools incorporating health care and academic logics.” There are different reasons for choosing hybrids, one including constant changes in institutional environments and their logics, describing “what goals are appropriate and what means are legitimate to achieve these goals.” As hybrids incorporate various elements, they are likely to operate well in such environments. Main feature of those organizations is that the logics they use are not always compatible and thus the challenges they are facing are growing. Because of the incompatible logics used, the coalitions representing the logics are emerging inside the organizations (Pache & Santos, 2013), and they can create conflicts within the organization. To deal with the conflicts, Pache and Santos (2013) suggest to keep “logics separate or by attempting to reconcile them internally.” To find out more, the authors are focusing on how the organizations are incorporating such competing logics. The study of four work integration social enterprises (WISEs) firstly “highlights that hybrid organizations combine competing logics in a systemic fashion by selectively coupling” and that the implementation of selective coupling is affected by the origin of the organization. Findings suggest that “WISEs with a commercial origin drew more from the social welfare logic than WISEs with a social origin, which contradicts predictions from the imprinting literature” (Pache & Santos, 2013). In the past, decoupling and compromising were used among the hybrids as a strategies and nowadays their combination is mostly used.

First process, decoupling, refers to the structure in which organizations separate their normative logics from operational ones. It is mostly adapted while “policy prescribed by external institutional referents conflicts with an institutionalized practice promoted internally by an organization’s members,” as mentioned by Pache and

Santos (2013). Thus, they implement strategies coherent with internal influences while promoted policy is adopted only symbolically. They do so to increase the chance of survival and it works as a mechanism to prevent legitimacy threats (Pache & Santos, 2013). Decoupling was seen mostly during the periods of quality management, audit reporting, CEO compensation, stock repurchasing and fund allocation between subsidiaries, as they mention. Furthermore, several assumptions done were challenged over the long term, because coalitions can emerge and thus consensus would be hardly achieved, making it hard to sustain decoupling as a strategy.

Secondly, compromising, facing competing logics, involves finding the balance between the “conflicting expectations of external constituents,” stated by Pache and Santos (2013). Compromising can help to avoid risk of losing the endorsement of actors and their prescriptions that will be ignored otherwise. One example mentioned by the authors stated that medical care and fiscal controls were set to required minimum to secure political, as well as professional support. The shortcoming of this strategy is that over the long run, the organizations could not be secured with support from important institutions, and it is not always available while logic’s practices are difficult to modify.

Combining can be described as an organization strategy with broader repertoire of different behaviors drawn from each logic. The study shows that there are other challenges that can occur; for example perceived competition between the logics and other challenges associated with their combination. To understand how hybrids can survive, it is important to understand the process how the combination of logics is achieved at intra-organizational level.

Research showed that there is also another strategy that should be adapted and it is selective coupling, explained by SOCYCLE organization. It works as a combination of profit and nonprofit while new sites are launched. Original sites working as profit are giving the profits for the new, nonprofit sites, which are using them for further operations. This organization, adapting five social demands and four commercial ones, managed to create strong brand name with the help of selective combining of logics. Other companies (TEMPORG, WORK&CO, BUSITECH), adapting similar strategy of adaptive coupling, were also able to build a very strong name. The usage of patterns of logics is determined by the origin of the organization that is in contrast to traditional institutional arguments. Selective coupling has many advantages, including safety, superiority to practice-level strategies, less costly and more accessible to resource constrained organizations. Hybrid organizations are showing “ability to work around institutional constraints and use them to their advantage, thus demonstrating a fair amount of agency” (Pache & Santos, 2013), while on the other hand they remain constrained by the need for legitimacy, and given freedom “can only be leveraged by those whose legitimacy is secure in the first place,” as the authors mention.

2.1.4 Different management styles of hybrids

Hybrids can also be seen as a concept that “captures the complexity of SE management processes and creates a space for theory development to explain their emergence, management and performance” (Doherty, Haugh & Lyon, 2014), and they will focus on the impact of hybridity on management styles and processes. Another definition is that hybrids are offspring of two different forms, as a form that span institutional boundaries and operate in multiple domains, and in the case of SEs “relate to the emergence of novel institutional forms that challenge traditional conceptions of economic organizing,” as written by authors (2014). Hybrid is a form in which idealized categorical characteristics are not outlined and in which there are properties present from all organizational forms: private, public and nonprofit. Hybridity was shown as a fundamental to SEs and it creates useful lens to analyze challenges associated with managing institutional logics that are in conflict. They are able to create both opportunities and challenges which influence their mission and resource mobilization. Challenges of mission include achieving business and social goals, manage the demands of stakeholders and maintain legitimacy and build relationships with partners. Financial resource mobilization threats are connected to viability as clients and lack of understanding by those who control financial resources and access to them. Mobilization in HR and connected challenges include limited financial resources, skill and competences shortages and attracting and retaining volunteers who have appropriate skills.

Their mission is to find the balance between social and welfare logics, and market and commercial logics, while they pursue dual missions and operate in resource-scarce environments. Often, they need to manage arising conflicts and competing logics and demands of the stakeholders. To manage those tensions, there are two possible ways: “the use of the social mission as a force for strategic direction; and finding the optimum conditions where the generation of commercial revenue can be linked successfully to the creation of social value,” as recommended by the authors. The biggest financial problem is that SEs are often less attractive for banks and venture capital organizations due to the less profitability and they are often less understood, which often lead to prioritization of commercial objectives. “Dual pricing strategies and generating social returns at the expense of financial return on investment” can be used to resolve the tension (Doherty, Haugh & Lyon, 2014). Management of HR has to overcome some barriers as well. Paying lower than average wages, they are lacking the skilled workforce and they highly rely on volunteers and trustees who are giving their knowledge for free. While SE would like to pay higher salaries to skilled employees, it will make rid of (or reduce) other resources needed to create social value. To cope with the tensions, hybrids should include “skills based trustee recruitment, explicit use of social mission to motivate stakeholder groups and cross-training of employees, volunteers and trustees,” as Doherty, Haugh and Lyon (2014) mentions. As a summary, all challenges discussed before have to be addressed at the same time as maintaining commitment to social mission and keeping relations with stakeholders. In many cases, strategic choices of SEs are driven mainly with social and ethical values rather than economic. Strategy development in practice have to involve “time and resources devoted to networking,

communicating, lobbying and negotiating with stakeholders to achieve a consensus on key issues to avoid mission drift, build and retain legitimacy contemporaneously with developing new approaches to mobilizing financial resources and managing people” (Doherty, Haugh & Lyon, 2014). Their work presented challenges, tensions and trade-off that are associated with SEs and offers framework for practitioners.

2.1.5 Advantages of hybrids in organizing public services

One question is how to find more efficient ways of organizing the public services, and hybrids can be one answer to this question. Their main advantage is that “they are autonomous and often exempted from laws and regulations that normally apply to public sector organizations, which gives them a flexibility in terms of methods for providing services that cannot be achieved in public agencies” (Koppell, 2003). On the other hand, they are often criticized for not being transparent and that they lack securing liability. Combining public and private characteristics in one organization is very complicated, thus some already mentioned difficulties can occur. It can also be caused by different wants and needs (occurring from both public and private sectors) of stakeholders in the environment in which they operate. Since the sectors are different, hybrids face demands that are contradictory and they generate ambiguity. Because of the big amount of stakeholders, hybrids are exposed to managerial challenges (Thomasson, 2009), and it is the task of managers to find the balance between interests of all stakeholders. Thus, it is necessary to understand all goals and demands set from different stakeholders within the organization. To know the demands, stakeholders have to be identified firstly. This can be sometimes hard since not one clear definition is given. One of the definitions, most frequently used, is that stakeholder is “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman, 1984). More precise definition gives distinction between stakeholders and those who are not, but still have ability to influence the organization (Thomasson, 2009). One problem is that the relations and interests are often changing, which makes it harder to divide stakeholders into different groups, as she stated.

Given framework of Swedish hybrid organizations operating in public sector, it is clear how the organization was changing due to the imposed demands by stakeholders and how the combination of public and private characteristics created ambiguity, which affects strategic objectives and the structure of the organization itself. Structure ambiguity was generated due to the combination of public and private characteristics, having combined publicly owned and financed liability corporation, as stated by Thomasson (2009). Such ambiguity was the reason for the conflicts of interests in various corporate levels. The ambiguity has implications for both managers and owners and it imposes demands on management as well as governance. The ambiguity could be reduced by the way the organization is governed and managed, and it could avoid or suppress conflicts of interests, as the author mentions. In a summary, hybrids differ one from each other in terms of their history, purpose and combination of characteristics, so a lot of forms can fit into the definition of hybrid organization. Thus, different reasons for ambiguity can be found.

To proceed further, it was important to understand how hybrids work, how they are organized and what logics they combine in order to understand better the task of CSR, as it is also one type of hybrid. Next part of the literature review will concern CSR itself and its different attributes.

2.2 CSR and its definition

CSR, as a kind of hybrid, can also be referred as corporate conscience, corporate citizenship, social performance of sustainable responsible business and others, and it is a “form of corporate self-regulation integrated into a business model” (Nair & Sodhi, 2012). Also, it works as a mechanism while business is monitored whether its activities are within the law, ethical standards and international norms, as mentioned by the authors. Not only this, but CSR works as a tool to embrace responsibility for the actions of the company and to positively impact the consumers, employees, environment, communities and all publicly involved. To promote interests of public, community growth and development should be encouraged and all harmful practices should be eliminated. As Nair and Sodhi (2012) stated, CSR is also inclusion of public interests into the corporate decision making, core business and it honors people and planet. Another definition by European Commission is that it integrates social and environmental efforts in the operations of company. Corporate social responsibility as a term was mainly used within the big companies, and not so much by SMEs. Within SMEs, CSR is being done more on an intuitive basis than big enterprises, even though it is not always called CSR. It should be carefully considered whether CSR will be implemented by the company, since it is not something that will be there only for one or two years. But on the other hand, its implementations will pay-off in a long run. One of the benefits it can bring is that customers will be more loyal and more importantly the visibility will be achieved, but the second one is mainly important for SMEs. As a size of enterprise increases, there is a higher chance that the companies will be more willing to implement CSR because perceived benefits as one motivator also increases. Thus, CSR can be viewed as an opportunity to strengthen and improve already existing company’s business. On the other hand, it can attract unwanted and sometimes negative attention from media and government when something will go wrong and not according to set CSR standards (Nair & Sodhi, 2012).

2.2.1 Implementation of CSR

As the world is more globally connected, it is important to have CSR implemented because many times we saw controversial business practices, for example within foot wear companies such as Nike or Reebok in China. Also, serious issues about environmental pollution and ecological crises arose concerning the Chinese market. Because of such issues, the government wants to encourage companies to learn more about CSR and implement it. As mentioned by Graafland and Zhang (2014) it is still a big challenge to do so mainly because of the high costs connected to the implementation and lack of needed resources. Another problem arises when the company wants to implement CSR and the instruments used for it are those that were used in the West and they are not applicable to the Chinese market (or other markets). Most often, many CSR instruments were present within

Chinese companies, including Global Compact or dialogue with NGOs. They partnered with professional training institutes and use ISO quality standards, however many still lack social and environmental certificates, as mentioned by Graafland and Zhang (2014). Most often, companies are keen to CSR mainly to improve economics and innovation, while they are not thinking about environmental aspects. Another fact is that CSR reports in China are rarely published and it is organized in loose way which makes it difficult to improve, as authors mentioned.

It was shown in the research that Chinese companies are faced with many challenges. Most common one was pressure from the strong competition, second is that implementation of CSR is very costly (mainly for SMEs) and most often there are also problems to survive in a highly competitive market and they do not have any reasons to consider CSR. Thirdly, they lack support from the side of government. Next, there is no independent NGO that will be helpful in development of suitable CSR policy, as written by Graafland and Zhang (2014). Also, companies complaint that they do not have enough human resources to implement CSR, which is connected mainly to SMEs. According to authors, companies need to implement CSR, address the interests of stakeholders and promote sustainable social and economic growth and development.

Even though the companies know about CSR, most of them still did not fully implement it and they mostly miss social and environmental management systems. The study found that concrete targets are used within the economic goals and not for social and environmental. They are facing many challenges to implement CSR, but almost none of them see not caring customers about CSR as a challenge. Regarding the study, it shows what should be done to make CSR successfully implemented. First, government should be more involved and it should “improve inspections and enforcement of Chinese law with regard to social and environmental issues” as stated by Graafland and Zhang (2014), it could offer more help for the companies to improve quality of CSR and to publish more CSR reports. To support smaller companies, big transnational corporations should help with implementation by supporting suppliers or subcontractors in the supply chain, but they have to be aware of cultural differences that also play a role in CSR implementation.

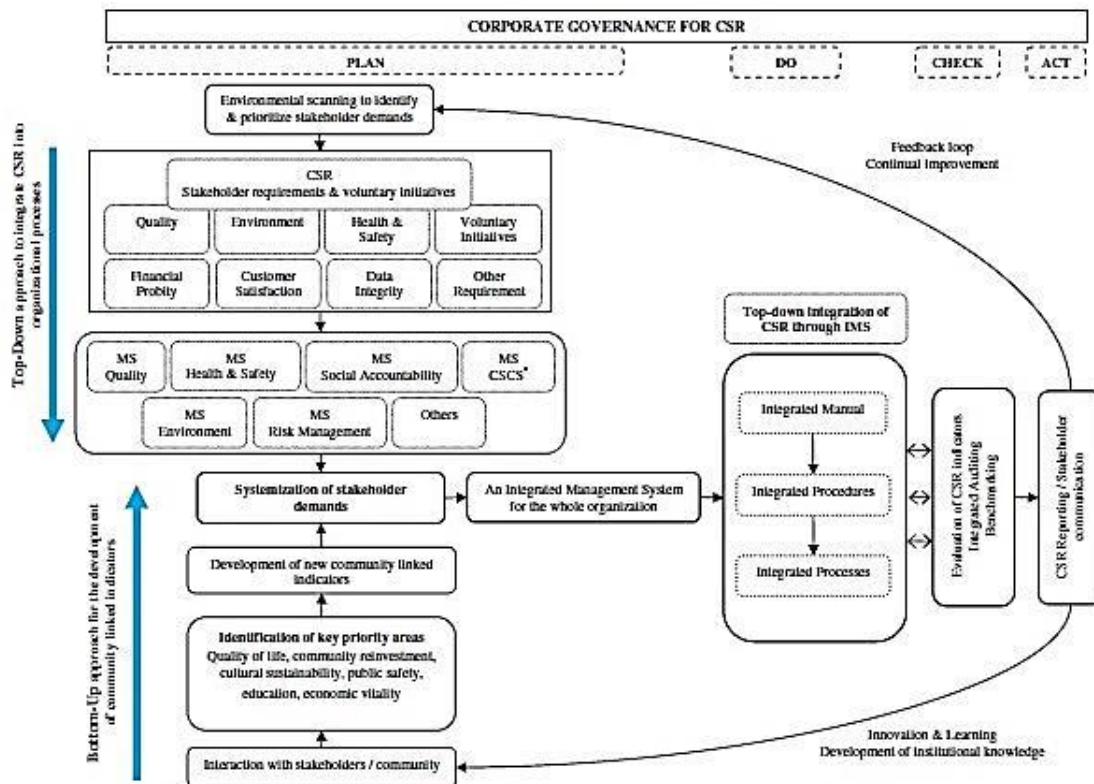
Another important thing that needs to be considered is strategic implication in different regions. As mentioned by McWilliams, Siegel and Wright (2006), corporate leaders are mindful about the fact that “business norms and standards, regulatory frameworks, and stakeholder demand for CSR can vary substantially across nations, regions, and lines of business.” They need to be careful as well, because there is constant pressure on them from the side of employees, suppliers, government and others to increase their involvement in CSR. It also can have several implications within the company. While being part as an integral element, it can be considered as strategic investment in a long run, even though it does not have to be tied to the production as such. CSR can play a role in building and maintaining reputation as well, as mentioned by the authors.

Further, there are much more issues that need to be considered while considering implementation of CSR within the company. First of all, companies have to be ready to interact with stakeholders, as a lot of requests can occur immediately, and as Asif, Searcy, Zutshi and Fisscher (2013) claim, CSR can be easily integrated within the existing management system. To make CSR effective, it was recommended to have a strong corporate governance structure at place and it should take few very important steps to implement it successfully. The authors also mention that it can be beneficial if partners in the supply chain will be involved as well, to make it easier to implement and be successful with CSR. There can be two different approaches used: one includes “internally focused approaches dealing with corporate mission, values, culture and desired business behavior” or “externally focused approaches dealing with social, or external stakeholder issues, i.e. social accountability programs” Asif, Searcy, Zutshi and Fisscher (2013). After reviewing both approaches, they suggest to make a balanced mixture during the implementation of CSR. To make management of CSR more efficient, effective and practical, an enhanced understanding of the dynamic CSR implementation is needed.

To be able to measure the success of CSR activities, it is important firstly to set dimensions according to which it will be measured and after it is possible to identify and prioritize areas that will need improvement. It is possible to measure it along five dimensions, as stated by the authors, and they include environmental, economic, social, stakeholder, and voluntariness. More specifically, those five dimensions can include 79 different indicators to have more accurate results. With so many dimensions, it makes it easier and more systematic to measure the success and compare more organizations according to them. After the measurement is done, it is required to report the results (even externally or internally) and there are more reasons why it is necessary. It is either required by the regulations, it can be done to develop company’s image or to ensure continuous cooperation with the stakeholders. It also helps company to assess their performance and strategy used and there are more possibilities which means of communication will be used Asif, Searcy, Zutshi and Fisscher (2013).

For the purpose of CSR governance in the company, Figure 2.1 shows how it should look (or is recommended). It explains two approaches: top-down integration and bottom-up community-related indicators-development. First approach is used to identify need of stakeholders and integration of CSR in internal management system, as mentioned by Asif, Searcy, Zutshi and Fisscher (2013). It also considers other important issues, such as health of the employees, their safety, impact on the environment and others. It is required at all levels of organization and it is helpful in translating CSR goals. Second approach, bottom-up, works as a communication tool with the stakeholders and as a tool for discussing needs with them. There is a need to communicate with less powerful and involved stakeholders as well, including local communities. It works as a tool for interaction with stakeholders and possibility to express all their ideas how to improve living standards, quality of life and mostly it involves also stakeholders that were mostly overlooked, as stated by authors.

Figure 2.1: CSR integration framework (Asif, Searcy, Zutshi & Fisscher, 2013)



2.2.2 CSR and power

Most of the time it is assumed that increase in the power associated with CSR is positive because of the benefits it brings to stakeholders, but this research showed that it is not always the case. As Bondy (2008) stated, “In fact in some organizations, the more powerful CSR becomes, the more this power becomes an obstacle to implementing CSR systems, processes and initiatives that will generate these benefits. Therefore, an increase in power of CSR can be either of no benefit, or negatively impact the vast majority of stakeholders when this power causes stagnation in its development and implementation.” Most often, when the power associated with CSR increases, also power of individuals responsible for it increases, and then those people are using it only for their personal well-being. After, it can cause difficulties in improvements and implementation of CSR as priorities of managers do not have to concern CSR only. The study showed that the literature about power was not 100 percent true. It was shown that when CSR became more powerful, “work on CSR planning and initiatives virtually ceased while actors struggled to position themselves more favorably within the organization based on the new opportunities presented by CSR. And, there is the paradox – as CSR becomes more powerful, the rewards that this power creates within organizations may in fact subvert efforts to move CSR forward, and therefore subvert the benefits to stakeholders that this power is assumed to provide” (Bondy, 2008). Another

problem is that even though CSR can provide business opportunities, it is mostly ignored and it results in less support from senior levels within the organization, as the author mentions. Since CSR is very complex, it creates uncertainty and attracts motivated individuals because it creates opportunities at individual level and it can cause corruption. To have control over the issues, CSR has to be well managed to ensure “that its formation within the organization reflects an understanding of the resources needed to engage effectively across a range of issues” as Bondy (2008) stated. She adds that with the appropriate people responsible for CSR, there is a chance to limit usage of CSR for personal purposes and gain.

This research showed that the power connected to CSR, which was studied in the previous literature, can also have negative impacts in some circumstances. It can cause opportunistic behavior of some individuals, which can cause, as stated by Bondy (2008), “subversion of CSR and its benefits for stakeholders. CSR may be particularly susceptible to this type of behavior due to the high degree of uncertainty surrounding it, and therefore the difficulty in identifying appropriate resources for responding to it.” The study showed how individual can benefit from CSR, how it can decrease its development and how it is important to be aware of the possible conflicts that could occur regarding the controlling of CSR, and stress out the most important one which is already mentioned influence on development and implementation of CSR.

2.2.3 CSR in 21st century

In the 21st century, term stakeholder (including people and environment) is being used more often, and CSR becomes an entity to involve ethical and responsible way of doing business. In the society today, it is more difficult to be fully socially responsible without making compromises on profit, as mentioned by Hack, Kenyon and Wood (2014). Because there is no exact definition of CSR, businesses tend to make false claims and are seen as ‘socially responsible’ even though their actions are not very connected to CSR. It is claimed that with the well-being of business, the social welfare will go up as well, but it is not always rule and businesses could not play a role in community and social development, as mentioned by authors. The implementation of CSR can bring competitive advantage, but if the company does not see its meaning, its implementation is irresponsible and the business cannot be taken seriously. Over the last decades, definition of CSR was changing as the social and political developments were changing as well. As it can be seen as non-traditional management tool, business should take it as a moral duty towards the society (Hack, Kenyon & Wood, 2014).

But another study showed that previous article about not having definition of CSR is not that true. It was shown in 2009 by Henderson that the doctrine of corporate social responsibility was accepted across the world, by businesses, NGOs and governments. Event though, the author claims that it is not sufficient in the recent development and it can make the world even poorer and over-regulated. As the previous authors claim that CSR can also have negative impact, Henderson (2009) supports it as well. Adoption of CSR will make cost go up, and there is a need for changes in accounting, auditing and monitoring systems connected to it. Another cause of

higher costs can be various forms of over-regulations, together with the efforts “by governments or by businesses in the name of CSR and global corporate citizenship, to impose uniform environmental or social norms and standards across the world as a whole” (Henderson, 2009). This is not good because conditions differ in every country. To make better contribution to the public welfare, the author suggests five main propositions. He stated that contribution of businesses should be to act as a vehicle for economic progress, however it is not part of their mission, and in summary “contribution to general welfare takes the form of innovative profit-oriented activity within the framework of a competitive market economy” (Henderson, 2009).

2.2.4 Benefits and drawbacks of CSR in company

As the description was already given, some people see CSR as not something good and they claim it is only something “hippies could dream of” (Epstein-Reeves, 2012). In my opinion it is not all true. It is true that a lot of money is needed to change at least something, but why not try that? There are a lot of powerful companies that can do that and if they will join together it is possible, as Balsamo (2013) also thinks in a same way. And after all, it can bring benefits not only to the society, but to the company as well. First of all, innovation also plays a role, as mentioned by the author in *Forbes*. Without CSR, companies would not spend a lot of money on research and development to find products that are using for example less water, as given the example of Unilever’s hair conditioner. So CSR and innovation go hand in hand and together they can achieve better environmentally friendly products. The author also mentioned that with the willingness to be more eco-friendly, company can cut costs, for example by using less packages or energy. Even by installing energy monitoring meters, one company was able to save \$600,000. More in the past than now, CSR was helping companies to differentiate from others by something different they did and it was primary reason why they were doing it. Today, it can also play a role in differentiation, but not so big anymore because CSR is more common nowadays. Epstein-Reeves (2012) also said that CSR provides long-term thinking; companies will stop to worry about next quarter’s financial results and switch to impact that the decisions can have on finance and society 10 years from now. Next benefit is that through the well-set campaign, you can raise awareness and thus the company can be more engaged with the customers in a new, easier way as claimed by the author. Another author, Balsamo (2013) claims it is true because CSR can create positive image and increase amount of customers and it can also attract investors that will want to invest in the company that has high ethical standards and strong customer base. Similarly, you can change communication with the employees and make them work for communities’ services and other prosperous things. And at the end, they will be happy that they have an opportunity to work for the company that cares about the society or environment and they claim they will have no problem to receive pay decrease (Balsamo, 2013), which will reduce costs for the company.

Even though there should be more reasons why company implements CSR, but those few can be said to be basic ones.

On the other hand, there are drawbacks as well that CEOs need to know about and consider. The study showed that when companies are so keen on pursuing a socially responsible behavior, they are likely to behave in an irresponsible way more than other businesses. It is more visible when bosses are the ones that incline most to such behavior (Belsky, 2013). The study was done by Wong and Ormiston and they were examining two subjects: corporate social responsibility itself and self (moral) licensing, which is “the non-conscious way in which behaving and/or thinking morally frees people to worry less about the consequences of being immoral in the future. (In other words, being good or simply talking about being good leads many individuals to subsequently be bad)” (Belsky, 2013). After researching 49 companies from Fortune 500 list of 2002, they found out that when company did 5 good CSR actions, the expectation is that they will also make one CSiR act. As Belsky (2013) mentioned, they also found out that “The relationship is stronger for CEOs who are high on moral identity symbolization rather than low on moral identity symbolization,” so if the CEO publicly behave to enhance the reputation of company acting good, their bad behavior can be overseen easily. Not to allow such things happening, all of us “should react to socially responsible behavior and posturing by raising our threat-level awareness in regards to future instances of CSiR,” as said by Belsky (2013), thus CEOs should be monitored in a way it will not occur.

McWilliams, Siegel and Wright (2006) wrote that regarding agency theory perspective, CSR can be misused in a way that resources needed for CSR can be used in a different way. They could be spent better on different internal project or they could be returned to shareholders, thus make sure that their invested money will not be used inadequately. Next thing is that it is not always true that companies which implemented CSR will gain more profits, as was shown in the research. It was found that “firms that engage in CSR will earn the same rate of profit as firms that do not engage in CSR,” which is one drawback as well because company which is spending millions on CSR will have equal profit rate that those who does not. Companies have to be careful with its implementation not only because CSR can turn into irresponsible behavior, but it can turn into marketing thing only. Many big companies publish annual reports, but most of the time they are perceived as form of advertising and information used in them may be perceived as biased, “since it is filtered through senior management” McWilliams, Siegel and Wright (2006).

2.3 Presentation of findings

In the table below, the findings from the 13 reviewed articles that are used as a basis for the research itself are provided. The oldest publication retrieved dates from 2006 when the topic about CSR was still at the beginning, and the most recent from 2014. Most of the publications were published from 2012 to 2014, giving the fact that the topic is still attractive, which can be caused by the constantly changing environment. Another reason can be that this topic is still in its early stages and needs a lot of research.

Table 2.1: Overview of empirical papers included in the literature review

Author(s)	Year	Research aim/objective	Theoretical perspective/framework	Method (empirical/theoretical)	Main findings	Journal
McWilliams, Siegel and Wright	2006	Further the CSR research agenda by bringing together multiple perspectives.	Putting greater attention to strategic implications of CSR and examining its strategic role within the organization.	Review of the 32 papers related to the issue.	Strategic implications have to be considered when implementing CSR, because pressure from the side of stakeholders can occur. CSR can be viewed as long run investment and it can work to build and maintain reputation. Companies should know that it does not guarantee profit increase and that it can be perceived as marketing.	<i>Journal of Management Studies</i>
Bondy	2008	Increase in power associated with CSR can lead to conflict within organizations resulting in inactivity of CSR.	Use of empirical evidence to demonstrate the use of CSR within the actors to improve position within the organization.	A single in-depth case study focusing on power as an embedded concept.	Increasing power for CSR has the potential to offer actors associated with it increased personal power, and thus can attract opportunistic actors with little interest in realizing the benefits of CSR for the company and its	<i>Journal of Business Ethics</i>

					stakeholders.	
Henderson	2009	Doctrine of CSR is wrong and putting it into effect can be harmful, and it can led to worse world.	Argumentation about the negative aspects of CSR	n/a	Economic progress could not be part of the mission, but businesses have to act as its vehicle and that implementation of CSR can increase the cost.	<i>Economic Affairs</i>
Thomasson	2009	Contribution to the research of hybrids by exploring their ambiguity and demand it imposes on management.	Stakeholder theory used and applied to a case study of hybrid organizations in Sweden.	Qualitatively oriented case study methodology and analysis of several aspects.	Ambiguity is generated by combination of public and private characteristics in the organization that is having publicly owned and financed liability that generates ambiguity.	<i>Financial Accountability & Management</i>
Chaddad	2012	Economic theory of cooperative organization from a comparative economic perspective.	Based on the work of Williamson on one-dimensional continuum of governance structures, while adopting different dimensions.	Review of the literature, and the further development of the ideas about the 'true hybrids'.	Cooperatives blend market-like and hierarchy-like instruments and create 'true hybrid', and it adopts a unique	<i>Annals Of Public And Cooperative Economics</i>

					governance attribute.	
Nair, Sodhi	2012	Research on best CSR practices among Indian SMEs.	n/a	Analysis of CSR practices in five Indian SMEs.	It provides more definitions of CSR and what is its main purpose with the connection to the society.	<i>The Indian Journal of Industrial Relations</i>
Asif, Searcy, Zutshi & Fisscher	2013	Present a framework that can be used to integrate CSR into business processes.	The implementation and practice of CSR principles are key indicators for measuring society and stakeholder expectations. CSR is based on the premise that organizations need to behave in a socially responsible manner.	Usage of two case studies.	CSR can be implemented into already existing management system and partners can be involved to make implementation easier. It should use balanced mix of two approaches and set dimensions to easily measure the success and publish results in reports. Company can use bottom-up or top-down organization of CSR for communication.	<i>Journal of Cleaner Production</i>
Kaiserfeld	2013	Find answer to the question why new hybrid organizations are formed.	Application of epistemic and academic drifts is being used, while putting importance to organizational dynamics.	Comparison of three types of hybrids that were formed in the Sweden during 18 th , 19 th and 20 th century.	Foundation of new hybrids is a result of epistemic drift, while they are exposed to academic drift as well and they often form layers for new	<i>A Review Of Science, Learning And Policy</i>

					organization.	
Pache & Santos	2013	Explore how hybrid organizations internally manage the social welfare and commercial logics they embody.	Literature related to competing institutional logics within the hybrid organization.	Comparative case study design research of 4 independent French work integration social enterprises (WISEs).	When hybrids lack legitimacy, they can manipulate the templates from different logics to gain acceptance.	<i>Academy Of Management Journal</i>
Doherty, Haugh & Lyon	2014	Social enterprises are defined by hybridity, the pursuit of dual mission of financial sustainability and social purpose, and what is the impact of hybridity on SE's management.	Influence of dual mission and conflicting institutional logics on SE management.	Investigation of mission, financial resources and human resource mobilization build on previous SE reviews.	Review clarified the need to consider the development of a wider range of HR, competences and skills in SE management. Social enterprise managers face challenges in managing the identity of a hybrid organization, responding to market pressures from customers and competitors, and integrating the typical mix of employees and volunteers.	<i>International Journal Of Management Reviews</i>
Graafland & Zhang	2014	The implementation of instruments for dimensions of CSR that are relevant for the	Studies showing the low level of knowledge of codes and its implementation process, and how they should be utilized.	Survey among 109 Chinese companies and the regression analysis.	Formal instruments to implement CSR are rather common. Companies spend most effort in	<i>Business Ethics: A European Review</i>

		Chinese context and the challenges that Chinese companies face.			improving the economic aspects of CSR, such as competitiveness, product innovation and process innovation. Only a small minority of the companies set concrete targets and report the realization of these targets for social and environmental goals.	
Hack, Kenyon & Wood	2014	Critique of the definition of CSR, to ascertain the changing dynamics.	n/a	Critical view on the literature about CSR from 1950s until now.	Having many definitions, CSR has also different significance for different corporations and the view of CSR differs as well.	<i>International Journal of Management Cases</i>
Jager & Schroer	2014	Characterization of hybrids as an organizational identity systematically integrating civil society and markets and trading social solidarity for financial and non-financial resources.	How hybrids balance the tension between social and economic issues.	Integration of different streams including social entrepreneurship, enterprising nonprofits, CSR, social enterprises and hybrid organizations.	Given the new definition of hybrids, they are trying to be socially responsible, respond to social issues, but their culture is not build on in.	<i>International Journal Of Voluntary And Nonprofit Organizations</i>

2.4 Conclusions and gaps in the literature

In the history, hybrids were formed mainly as a response to new research problem or in educational institutes. They are creating ambiguity as they combine public and private characteristics, while they are publicly owned. Since they involve different kinds of instruments, they create 'true hybrid' that adopts unique attributes. To gain acceptance, hybrids can manipulate templates from different logics to gain the acceptance and they need to be prepared for the possible challenges that can occur. The organizations have to be able to respond to market pressure from different stakeholders and integrate different employees and volunteers.

Similar approaches apply to CSR organizations as well, as they are considered hybrids, too. The already reviewed literature gives more insights into the field of CSR as well, but did not provide one exact definition. Even though, many authors claim what it should bring for the people and how it should be done. In the next part of the work I will examine whether the statements are true and if they apply for all analyzed companies. Since CSR is also defined as one type of hybrid organization, it was stated by Jager and Schroer (2014) that company's operations should not be built only on CSR and this will be examined as well; to what extent does CSR affect operations. Other authors also gave the idea what should be the task of CSR and how it should be connected to the society. Next, it was found that companies mostly do not set concrete goals they want to achieve with CSR and that the companies should improve all economic aspects that are connected to it. In contradiction, economic wealth should not be a part of the goals that the company will set. To find the answers to the research question(s), it is needed to analyze each company separately to see whether the assumptions from literature review are present in each of them and whether those findings are connected to each other. What is clear from the literature is that power of the CSR can also have negative effects and it can be connected to the opportunistic behavior of some individuals that want to gain power for their personal well-being. It will be seen afterwards if the assumptions are true and whether they can be applied in the real life business. Finally, it should be found out if it is hard to manage it, because as was mentioned by Doherty, Haugh and Lyon (2014), it sometimes could be problematic because market pressure can easily arise.

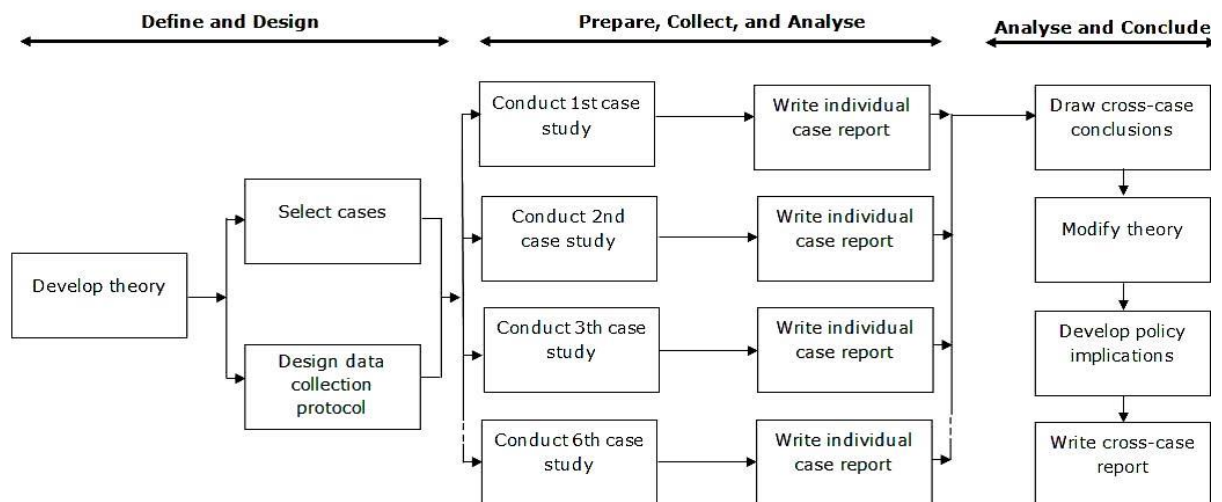
In the reviewed literature, the main emphasis is on the organizations in general, or on the SMEs. Next part includes the deep insights into the hybrid organizations and its structures. Because of the general implementation only, I decided to focus on CSR only in one industry and in this case it will be automotive industry. Above mentioned theory will be examined whether it still applies in today's environment and more importantly if it applies at all. In the next chapter, we will take a look at the methodology used in this research and introduce three different companies that have implemented CSR.

Chapter 3: Methodology

The research methodology that is using case studies can be considered qualitative. It can contain either small or bigger number of cases used (or even only single case), and for this purpose we can divide such research into two categories: idiographic/differentiation and nomothetic/generalization. Since case studies are not linked to systematic theory construction, they cannot be used in the quantitative research (Murakami, 2013). Due to the small number of observations, it would be difficult to use quantitative method. Neither there is exact definition on both research methods, nor is the explanation how they should be used well defined, as Murakami (2013) mentioned. Also, sometimes it could be difficult to distinguish in which category research should belong, because it can include elements of both qualitative and quantitative (Merriam, 1998), and also both of them are not clearly defined so this division stands as a basis for the further research development. There are different aims such method can bring and most important for this purpose is to generate theory (Gersick, 1988) and to provide results for the research question. To be more precise, more case studies will be investigated. Given the explanation of CSR from the literature, the research can provide the broader perspective on CSR; spread already developed theory of CSR and its better understanding.

The case studies can provide insights how CSR and its implementation can help companies, and more specifically what benefits and drawbacks it can bring. There are several authors who describe the case studies research process, and for the purpose of this thesis I will base my research on the work of Yin (2009). He provided very good explanation how case study research should be conducted, and his approach can be found in Figure 3.1.

Figure 3.1: Multiple case studies approach (Yin, 2009).



First of all, a research design has to be developed to proceed further. The design was developed according to Yin (2009) and it links collection of data to the conclusion that will be drawn from the study. The developed research

design itself can be found in Appendix A. First step was development of the research question, but it is necessary to keep in mind that it could change during the research itself. The question, and possible sub questions were developed after the review of the literature on CSR as one kind of hybrid, which provided a theoretical framework to the topic to which I will be focus on throughout the whole research. The purpose of the case study research is to find more insightful information about the CSR and to elaborate on the existing literature, as proposed by Yin (2009). To find academic material that could be used, mostly school databases and Google Scholar were used, to be provided with the more reliable information. As there are more options, single or multiple case design can be consider. But to have more accurate results and more benefits, multi-case design is favorable. To have two or more cases, findings can be stronger than analyzing only one case, as Yin (2009) stated and thus better conclusions can be drawn. The author is also considering time issues. Since there is limited time frame, not more than six cases are recommended. Even the considerably lower amount of cases, some conclusions and generalizations can be made across the cases. The random selection of cases is neither preferred nor necessary, thus theoretical sampling can take place to find cases that can be used in the research. The companies that implemented CSR can be easily found through the internet and they can be contacted in order to ask them for the cooperation.

In conducting the multiple-case study research, replication logic has to be used and cases have to be selected to predict similar results, as Yin (2009) mentioned. Having result of maximum quality at the end, four tests have to be considered during the research: construct validity, internal validity, external validity, and reliability (Yin, 2009). The recommended tactics and three most relevant tests, and cross-reference in the phase of research are all listed in the Table 2.1. Very importantly, development of a protocol is needed to ensure the reliability of the research (Yin, 2009). To guide the researcher through carrying out the data collection and the template how to do it can be found in APPENDIX B.

Table 3.1: Tactics used and three relevant tests (Yin, 2009)

Tests	Case study Tactic	Phase of research
Construct validity	• Use multiple sources of evidence	Data collection
	• Establish chain of evidence	Data collection
External validity	• Use replication logic in multiple case studies	Research design
Reliability	• Use case study protocol	Data collection
	• Develop case study database	Data collection

There can be three main principles of data collection used explained by Yin (2009). They include using multiple sources of evidence, creating a case study database and maintaining a chain of evidence. Much information can be gathered also through the personal interviews, which can be found in APPENDIX C. As recommended by

Yin (2009), it is better to have multiple respondents to reduce the risk of different biases. In all cases, only one respondent was interviewed, but other secondary data were gathered on the websites of the companies and in the annual reports they published to increase construct validity, as recommended also by Yin (2009). Very helpful tool is case database, as he mentioned as well. It should include the data recorded through the interview, but also other notes made to increase reliability even more. To allow reader to follow the derivation of the evidence from the initial research question until the conclusions, a chain of evidence should be maintained, according to Yin (2009). Thus, they will be able to connect conclusions to the gained evidence. At the end, each case will be analyzed separately and consequently cross case analysis will be conducted to gain insights and possible generalizations. An attempt to answer the research question will be made in the conclusion, after which limitations from the research will be mentioned together with the recommendations for the future research on CSR.

The research itself consists of three objects (companies). First research object is Ford Motor Company, which was incorporated in 1919, but it was founded already in 1903. Together with its subsidiaries it is engaged in other business activities, such as financing. Automotive segment includes North America, South America, Europe, Middle East and Africa and Asia Pacific divisions. Financial services are divided into Ford Motor Credit Company and Other Financial Service. The company operates across six continents and its brands also include Lincoln, which is sold only through North America and Middle East and Africa. In 2014, company sold more than 6.3 million cars worldwide and it holds about 30,400 patents. The main competitors include Fiat, General Motors, Honda, as well as many others. Through its financial subsidiary, they are providing financing of the cars to and through dealers worldwide, and they offer many services in this segment, ranging from contract installments to direct leases of new cars. The company is also fully engaged in research and development, while they are trying to improve performance, safety and customer satisfaction of the products and in 2014 they spent \$6.9 million for those purposes.

Jo Declercq was contacted via email and we set the personal meeting on 24.03.2015 to talk about CSR in Ford Motor Company. Jo started to work for Ford in 1998, so he is working for the company already 16 years. He started at sales and marketing position, continued as a market research manager and later on as a marketing manager. Starting from 2005, he is working as a manager of communication and public affairs and he is dealing with corporate PR, product PR and motorsport marketing and PR.

Second object, BMW, with the full name of Bayerische Motoren Werke AG, is a German holding company and automobile manufacturer that focuses on the automobile and motorcycle markets founded in 1916. The company owns three brands (BMW, MINI, Rolls-Royce) and operates in three main sectors: automobile, motorcycle and financial. BMW's automobile range encompasses the 1 Series, the 3 Series, the 5 Series, the 6 Series, the 7 Series large sedan, and different sport cars, SUVs and electric cars. It also offers cars under the MINI brand and motorcycles under the BMW brand. The Rolls-Royce brand offers three luxury cars, Phantom, Coupe and Ghost being sold in the USA through a subsidiary and worldwide by independent dealers. It has producing, assembly,

service and sales subsidiaries throughout the world. In January 2013, it sold its Husqvarna brand. In both car and motorbike segments, BMW is developing, manufacturing, assembling them and they also produce and sell spare parts and accessories. The BMW Group has 22 plants and big research and development network, which is also in cooperation with Deutsche Telekom AG, as well as with Mercedes-Benz Cars (or Daimler AG). Similarly to Ford, BMW also has financial services segment; they provide loan finance for retailers and dealers.

After being recommended to contact Christophe Weerts, I made a call with him and we both agreed to meet at 25.03.2015 at BMW brand store in Brussels. He started to work as a managing director and external relations manager in different companies. He joined BMW in 1999 and is working now as a corporate communication manager for Belux region. He works for the company already 16 years and has really good knowledge about CSR, which was the main topic of our meeting.

Lastly, Kia Motors Corporation is a Korea-based company principally engaged in the automobile manufacturing. The Company's products include passenger vehicles, recreational vehicles, taxi/bus/commercial vehicles as well as hybrid vehicles such as Cadenza, Forte, K900, Optima, Rio, Soul and others. The Company distributes its products within domestic market and to overseas markets, such as North America, Europe and other Asian countries, among others (Reuters, 2015). In 2004, corporation held signing ceremony in Bratislava, and officially authorizes construction of the first company's plant in Europe in Slovakia. The decision was based on continued and projected sales and European market share growth. After the end of the construction, the production itself started in December of 2006. Nowadays, company employs more than 3,900 workers, produces 300,000 units of 3 car models in the plant of the size of 166ha (Kia Motors Corporation, 2015).

Juraj Hammer, as an employee of Kia, was contacted via email and afterwards he answered my questions. He is working for the company since 2007. As a manager and head of education and training team in Kia, he is responsible for the training center operations, its building, and also for the events organized by Kia. He has been working in the company for 8 years now.

Chapter 4: Findings

4.1 Introduction to the case study research

For the purpose of investigation of CSR and its presence and tasks in the companies, companies that have implemented it were identified. Out of all contacted companies, three of them were willing to cooperate and do an interview about CSR in their company. All three companies are from the car industry, but they were from different locations. Two of them were from Belgium and one from Slovakia. Table 4.1 provides overview of the companies that will be investigated. Data were collected from the corporate websites or annual reports. Investigated companies include Ford, BMW and Kia.

For every case, semi-structured interviews were completed for each people dealing with CSR in the company. All the interviews were recorded and transcribed later on and they can be seen in Appendix C. different questions were asked during the interviews and they can be found in Appendix B in case study protocol. To find the answer to main research question, each case study subject will be analyzed separately in an individual case study report. The structure of each report will include introduction of the companies, description of CSR, what makes it successful and finally conclusions will be drawn. The purpose of each case study is mainly descriptive and it also contains information from both interviews and corporate websites and reports. After the individual case study reports, cross case analysis will be completed to make conclusions and create generalizations across the cases.

Table 4.1: Overview of case study subjects

	Ford Motor Company	BMW Group	Kia Motors Slovakia
Employees	224,000	116,324	3,649 (2013, Slovakia)
Revenue	\$146.9 billion (2013)	\$80.4 billion (2014)	€4.45 million (2013, Slovakia)
Interviewee	Jo Declercq – Director Public Affairs Brussels-Genk-Lommel	Christophe Weerts – Corporate Communication Manager	Juraj Hammer - Education and Training Team / Assistant Manager

The cross-case analysis will be based on Table 4.2 (below) that provides key themes and issues regarding each company. Also, separate analyses of each company from Appendix D will be used and from which the analysis will be based on.

Table 4.2: Overview of individual case study reports

	Ford	BMW	Kia
Objectives	Make the world a better place, not only to make money, as it is mission of the CEO, be more environmentally conscious and to affect social life in a positive way, decrease CO ₂ production, save resources, help with basic needs of people, lower impact on the climate.	“For us, a broad social commitment is an integral part of how we define ourselves as a company,” committed towards the society, make world a better place, produce sustainable cars and motorcycles, care about environment and society, be efficient and effective in CSR is their goal, adapt different strategies worldwide, customers at the center of all activities, use in-house and renewable energy.	Supporting communities and environment in regions where they operate, where help is most necessary and needed, become respected CSR partner, to “Connect...People, Life, World, and the Future,” CSR as guide for all activities and strategic decisions, decrease impact on climate.
Organization of CSR	Involvement of every employee, Ford Belgium not independent from HQ, not having their own financial resources (HQ control them).	Independency from HQ in Munich, ‘helicopter’ approach, having information from all departments, biggest cooperation with marketing department.	Through Kia Motors resources, Pontis foundation and through coming 2% of corporate taxes, ‘Nadacia Kia Motors’.
Approach	Defensive in a communication with the media and public, doing small projects without HQs’ approval, focusing in producing cars with low CO ₂ .	Concentrating on improvement of regions where they operate, big portfolio of projects (social and cultural commitment, intercultural innovation), involving partners in value and supply chain.	Following ‘ <i>Action plan</i> ’, three main domains, supporting partners in CSR activities, communication with clever and right arguments.

Benefits	Supporting employees in finding new jobs, caring about their education, educating young people about dangers of driving (DSFL), decreasing fatal accidents rate.	Acknowledging people about health and conflict issues, supporting students in their education, provide possible future employment, bonuses for employees, ‘Attractive employer awards’, increasing brand image and reputation – many events and projects supported, protection management system created, sustainable development of the society, pursuing partners to use same approaches.	Gained positive view about the company, see Kia’s involvement & increase perception of the brand, involving employees in activities – more volunteers at place, supporting local economies – receive benefits from government, better conditions for employees – make them satisfied (efficient work force), implementing ‘ <i>Action plan</i> ’, using less resources for production (lower costs).
Drawbacks	Control of HQ, need to ask them for permission, stop of big projects 10 years ago, negative effect on brand awareness, government not able to decide whether diesel or petrol is better – Ford cannot set clear goals, CRS can turn to be seen as marketing only (if too much emphasis is put into it), negative media coverage caused by Genk closure, people forgetting about 50 years of prosperity, loss of people’s trust.	Hard to find some, careful usage of financial resources, many shareholders are involved, keep good relations with them that was built over time.	Skepticism from the side of people about the projects, respect had to be gained, a lot of money needed to finance the projects.
Measuring success	Sustainability reports are published to see where the company is now and what can be improved, success is not able to be measured locally in Belgium, research once every three years about brand image and reputation among people.	Very important for HQ in Munich, research done once every three years.	According to internally set measures – number of volunteers, success of projects, media coverage.

Plans for the future	Continue in the goals they set, in lowering energy consumption and CO ₂ production, make life of people easier, continue in commitment.	Continuous improvements, adapting strategy to the locations where we are present including Europe, Asia and South and North America.	Starting ' <i>Nadacia Kia Motors</i> '.
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4.2 Cross Case Analysis

After each case was analyzed separately (see Appendix D), the cross-case analysis will follow. It will consider similarities and differences between each companies and it will show the patterns in the data obtained. From the start it was visible that there will be differences in CSR within companies (approach, measuring success and others). In the companies' objectives, some similarities and differences were seen. Ford's objective is to make the world a better place and not only to make money while doing business. It is the mission of the CEO to be more environmentally conscious and to effect society in a positive way. Their production objective regarding CSR is to produce cars that will produce as least CO₂ as possible, to save resources and make production impacting the climate only at the low amount. Concerning people, they are willing to help and provide them with basic needs and make their lives easier at least a bit. Similarly to Ford, BMW also want to make better world, but more they want to show their commitment to the society, as stated also with the quote "For us, a broad social commitment is an integral part of how we define ourselves as a company." Furthermore, they want to produce sustainable cars and motorcycles while care about the environment and society. They want to do CSR efficiently and effectively as much as possible, which is also one of their goals. To make their CSR activities more successful, they want to adapt different strategies in different regions worldwide where BMW operates. Also, they are putting customers and people in the center of all their activities, and their purpose is to use more renewable and in-house energy, which is similar to Ford. In Kia, their main objective is to "Connect...People, Life, World, and the Future," which shows that their range of CSR activities is big. Similarly to BMW, they are willing to support communities and environment in the regions where they operate and where help is needed the most and is most necessary. What they have in common with other two companies is that they want to decrease the impact on the climate and what is different a bit is that all their activities and strategic decisions are guided by CSR as such.

When it comes to organization of CSR, it can be said that each company is different, even though there are still some similarities. In Ford and BMW, they try to involve all employees in the CSR activities, but what is most important is the connection to headquarters. Ford in Belgium is completely dependent on the headquarters that provide financial resources for different projects, while BMW have its own independency. In BMW they work as some 'helicopter' to involve employees from all departments and they have information about all activities. Mostly marketing department is involved, as it provides financial support. Kia does not mention anything about connection to the headquarters, but the finance for CSR projects came from their own resources, from Pontis

foundation and from 2% of corporate taxes provided to the company. Furthermore, they plan to come with their own foundation, Nadacia Kia Motors, that will be responsible for all financial resources and CSR activities in the future.

The companies also differ when talking about the approach. In Ford, they use defensive approach in the communication with media and they want to stay distant from all the news in media, but they also do some small projects without approval of headquarters, but still they focus mostly on car production with low CO₂. The approach in BMW is different. They are doing it in a 'big' way and they have a lot more bigger portfolio of CSR activities, even though they do it for Belux region. The activities range from social and cultural commitment to intercultural innovation. They also want their partner to be conscious about environmental issues and BMW try to involve them in CSR activities as well. This is similar to Kia, that wants to do the same and they also follow their 'Action plan' that they created. In opposite to Ford, Kia is communicating their activities with right and clever arguments, while Ford is staying defensive.

There are also differences when talking about benefits CSR brings. After closure of plant in Genk, Ford is very helpful when employees want to find new jobs and they were successful with 25% of them already employed again. Ford also provides them with further education to make sure they will be able to find suitable jobs. One project that they are able to do themselves (Ford driving skills for life) is trying to decrease amount of fatal accidents on the roads among the drivers aged 18-24. As I was present during the event as well, I saw how employees care about young people, even though it does not have to mean direct purchases of the cars. It was good that also higher managers were involved in this event, as my interviewee was there as well, which shows their commitment. In the case of BMW, they try to acknowledge people about serious health issues, as they are present in Africa as well. Here, they want to overcome issues between blacks and whites and they educate people also about this issue. They support students in their studies and later, they can be employed in the company that will lead to higher number of well-educated work force for BMW. They also provide a lot of bonuses and benefits for workers and they received a lot of awards as 'Attractive employer'. Since they support a lot of events in different fields, they can receive positive outcomes from customers and other people and their brand image and reputation can increase. They can become more successful and achieve more with the help of their partners that should also follow some rules to protect environment and pursue development of the society. Kia wants to do the same with their partners and involvement of the employees as volunteers to have more of them when needed during the events. Next similar thing with BMW is that they created 'Action plan' they are following to reduce consumption of resources, decrease costs and thus lower impact on the environment. Differently from other companies, Kia is supporting local economies and citizens and as they do more and more CSR projects, the brand perception is increasing together with Kia's involvement.

On the other hand, there are some drawbacks companies are facing regarding implementation of CSR. They were mostly faced with Ford. Most important one is that they are controlled by headquarters and they always

need to ask for permission to organize some project. Ten years ago, they were forced to stop big project, which had negative effect on brand awareness. The company cannot set clear goals as government is not able to decide whether diesel or petrol is more dangerous for the environment. Due to the closure of the plant in Genk, Ford received a lot of negative media coverage and company is losing trust of people, even though they brought prosperity for the region since they were present there for 50 years. Next drawback can be present in each case. CSR and activities connected to it can turn into negative while too much emphasis is put into it and people can see it as marketing only. In the case of BMW, it is hard to find some drawbacks. The most important one is that they need to be careful while using financial resources because there are a lot of shareholders involved and they do not want to disappoint them and lose their trust, because it was being built over a long period of time. The financial issues are similar for Kia as well, as they need to carefully distribute them for CSR activities. Also, they had problems with the gain of trust because they were faced with initial skepticism and they needed to gain the respect while organizing different events.

It is usual for each company that they are publishing sustainability reports each year, but still there are some differences while measuring success of CSR projects and activities. In Ford, the report is used to review where the company is and what they can improve in the future, but this cannot be done locally in Belgium. Ford is doing researches once every three years internationally to see the reputation and brand image among people, and BMW is doing same. For BMW, it is very important to know opinion of people not only locally in Belux region, but in Munich (where headquarters are) as well. Kia uses a bit different approach, as they measure the success according to locally set criteria such as number of volunteers involved, media coverage or the success of projects themselves. The plans for the future are similar for every company: they want to continue in their projects in a better, improved way; to produce cars with less CO₂, consume less energy and resources, and start with 'Nadacia Kia Motors' foundation in the case of Kia.

Chapter 5: Discussion and Conclusions

In the last part of the thesis, the final conclusions and results will be reported. First, theory will be connected to the analysis of the cases to find out what are the similarities and differences between them and to see if the rules apply also in the car industry. Secondly, practical implications for the managers, together with the guidelines will be drawn to make some recommendations for them. Lastly, limitations and recommendations for the future research will be summarized.

5.1 Theoretical implications

To start with the theory, it gave the definition that CSR (or hybrids) are present to serve good for society while succeed financially and it can work as a tool to build strong relations with the market. It was also shown by the companies, as all of them want to provide better world for the society to live in, while they still do a lot of money. It was mentioned as well that most of the time CSR is not build into the culture and structure of the company, but the research showed the opposite. In the case of Kia, CSR stands as a basis for all their business activities and decisions they do, and in Ford and BMW it also plays a very important role. In the beginning of the implementations of CSR, Chaddad (2012) recommended that good relationship with the partners is very important and their reliability together with specific requirements can be very helpful in the implementation. What is even better is that all car companies from the cases are still very keen on their partners and they want to involve them as much as possible in CSR activities to implement the changes in a bigger way. Pache and Santos in 2013 claimed that for the building of strong brand name and identity, it would be good if the organizations will implement combination of different logics, which refers to selective coupling. It is hard to say if companies use such approach because all of them have strong brand name globally, but direct connection is not clear. It was stated by Doherty, Haugh and Lyon (2014) that some conflicts can occur and managers have to be ready to solve them and also they need to satisfy the demands of the stakeholders. In the case of Ford, it was mentioned that a lot of requests are coming to the company for different kinds of support, but it is not always possible to satisfy needs of all of them, and it can cause many complaints. But it is connected to the CSR, as company is not able to satisfy them all because their interests and demands are constantly changing; and it is even not possible as Ford in Belgium has only limited financial resources and is controlled by the headquarters. Managers' task is to find balance between them and to satisfy the needs of those most important and keep good relations with them, which all companies do. The relationship with their stakeholders (and shareholders even more) is very important for them and it plays crucial role in their businesses. In some cases, companies can be criticized for not being transparent when providing information or publishing annual reports. This can easily occur while companies publish their reports as the information included in the report is made only by the company. McWilliams, Siegel and Wright (2006) claimed as well that there is a big chance that information provided will be biased. This can happen also to the reviewed companies, but the good thing is they (Ford & BMW) are publishing their reports

only once in three years so they can be faced with criticism during that time only. Other author stated that CSR can work as a tool for ethical conduct, and this was visible in the case of BMW. They are not willing to support any events or projects that will show any signs or violence or will be against the human rights. Other companies can have similar approach, but they did not mention it directly. Next, it can work as a promotion of interests of public, community growth and development in corporate decision making and this is mostly clear in Kia's case, as they are putting the CSR into the center of the business activities they are doing. On the other hand, Nair and Sodhi (2012) said that CSR activities can easily turn into the negatives, when it can attract negative and unwanted attention of media and government when something goes wrong. Ford had (and still has) to deal with such issue as they closed the plant in Genk recently and a lot of negative news arise. Even though it is very big and serious issue, the media did not have to publish the news in so negative way, but that is something company cannot influence. It is just to show that this can occur easily and that Nair and Sodhi were right.

All companies did claim that there is a possibility to receive some help from the government, but they do not do their CSR activities for this purpose. However, Graafland and Zhang (2014) claimed that the help of government could be beneficial and the help does not have to be financial only. The authors also stated that companies' initial idea to implement CSR is improvement of finance and innovation and not environmental improvement, but as was shown companies care a lot, as they do many activities to decrease negative impact on environment. And it is also not true that companies are missing social and environmental management systems (Graafland & Zhang, 2014). Even though Ford did not mention anything about their systems, Kia and BMW have different plans for social and environmental changes at place. It is for sure that different countries and regions have to follow different norms and standards and companies know this fact and they follow it. They plan to adjust their strategies in the different regions, mostly in those where they are present or have production plant. As the companies start with the implementation of CSR, it was recommended to interact and collaborate with the partners to make the implementation easier. Even though this was considering start of the implementation only, companies still do that and they are cooperating with their partners to continue in making the world better place. Same authors (Asif, Searcy, Zutshi & Fisscher, 2013) wrote that the dimensions have to be set while measuring success of CSR activities, but it differs across the companies. Ford and BMW are doing researches about customers' satisfaction and opinion, while Kia is measuring success according to their internally set measuring tools, but what is similar to the article of the authors is that the results of the measuring are published in the reports of the companies (as all are doing so).

When comparing benefits and drawback from the literature and research itself, it can be concluded that in most cases it was very similar. First of all, it was mentioned by Bondy (2008) that there is connection between CSR and strong power and its possible misuse. In the case of the companies, it is hard to conclude if this is true because they did not provide any information about it, whether they saw something like this happening in their companies. The reason for it can be that companies just do not want such information go public. As the author mentioned, with the increase of the power the opportunistic behavior of some individuals can arise. Another

author claimed that without CSR innovation would not be possible. It is hard to say if this is completely true, but researched companies have CSR at place and they are spending a lot for R&D as well, mainly to produce cars with low CO₂ production. Balsamo (2013) also said that CSR can increase brand awareness and image, and engage more with the customers. In this case, companies are measuring how people perceive them and they can have exact numbers of how they see brand and how they can make some improvements. In Kia, it was mostly visible that they want to include their employees in CSR activities, which can be beneficial for both company and workers. The worse thing is that implementation of CSR does not guarantee profit increase more than in the companies without it, and it can also easily turn into CSiR. Again, it is hard to compare reality with the theory since companies will not publish anything they did (or are doing) in a bad way, not to disappoint their stakeholder.

5.2 Practical implications

In the field of CSR, there are more companies doing comparison how companies perform in this field. According to such charts, it is possible to see how companies do and if they need to improve their activities a lot or only a bit. First index, Dow Jones Sustainability index, is the most influential stock index for sustainability-driven companies worldwide and it shows that clearly BMW is leader since 2005. BMW is awarded as the world's most sustainable premium automobile manufacturer. It shows that BMW is doing their CSR activities at the top level, but other companies (Kia and Ford) have to make improvements, as there are huge gaps in the list of Forbes as well. In the list of 100 companies, BMW scored 4th, Ford 72nd and Kia even did not get it into the list. As shown in the Table 5.2, according to CSRHUB the differences are not so significant, but the previously mentioned lists play more important role.

Table 5.2: Scores of CSR in each company (CSRHUB, 2015).

	Overall	Community	Employees	Environment	Governance
BMW	63	58	68	68	58
Ford Motor Company	58	52	62	65	53
Kia Motors	56	57	57	65	44

The table provides information in four different segments, and it is clear where the improvements are needed the most. BMW should increase their efforts in community and governance, same applies for Ford, and Kia is bad at governance, but should improve community and employees as well. Making the numbers similar in each field will give the opportunity to satisfy more stakeholders and their involvement. The help from the side of the government should help to achieve it, as the biggest drawback is the lack of financial resources and I would suggest for the companies to cooperate more with the government, if it would be possible. I would also recommend not being afraid to take the risks, especially for Ford to get rid of their defensive approach, as it was clear that it would pay off. They do not have to be afraid to invest a lot in CSR activities, because people will

see their involvement and they will have better opinion about the company. At the end, doing well can only be beneficial for the business itself.

As with the help of CSR, companies can gain more brand awareness, but there is also a big possibility to have personal connections with the customers and all stakeholders. Within the personal communication with them, companies can receive information and feedback from the first hand. As such, companies will be able to immediately respond to different requests and ideas about improvements, what companies could improve, do in a different way or what they are not doing so well. Even though they do not have to be able to respond quickly, the personal contact with stakeholders is much better than some researches about customer satisfaction. It is better because research itself does not have to be taken very seriously by interviewees and personal communication is more accurate, even though it is done on a non-formal basis.

5.3 Limitations and future research

One drawback of this study is the amount of the case study researched (3). With the higher number, the results will be more accurate. Another problem is that only one person was interviewed in each company, which could cause biased information and the results at the end (Yin, 2009). To support the results, quantitative research could be used, to support the results and to find out if the implications from this research are valid, too. In the case of Kia, the interviewee provided very vague information. Thus, the research could not be done more deeply and the answers were connected only to Slovakia, so general conclusions could not be done regarding one region only. The results were not so supported by the fact that interview with Ford was very influenced by the recent events and the company is now seen as bad. It will take long time to change it as it was in the past. Another problem was the lack of time. With the higher amount of time available for the research, more companies could be involved and final conclusions and generalizations could be more accurate.

In the research, there were companies from different regions involved, and it will be better to use companies from one region only or to do a research at a broader range and involve much more countries. The results could be more accurate, if the research regarding CSR in Ford would be done before the closure of the plant in Genk. Thus, the outcome of the results will be more precise and there will be no biases. Now, the information was highly influenced and it does not create more accurate results.

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Appendices

Appendix A: Research design

Before the case study research itself will be conducted, it is necessary to develop a research design that can be seen as a blueprint or a basis for the research that deals with four main problems, according to Yin (2009): what questions to study, which data is relevant, what data should be collected and how to analyze the results. The design itself is a tool how to proceed within the research, how to get from one point (answering the questions) to the finish (make conclusions). According to Yin (2009), there are five main components of the research design:

- (1) a questions of a study,
- (2) its proposition,
- (3) its units of analysis,
- (4) a logic linking the data to the proportions,
- (5) the criteria for interpreting the findings.

First step is to develop main research question, which have been done in chapter 1. In this chapter, also related sub-questions were developed. The central research question is as follows:

- *What benefits and drawbacks does CSR bring to the companies in car industry?*

To support main research question, following sub-questions were developed:

- *What is the role of CSR?*
- *How is CSR implemented and organized?*
- *What are the benefits CSR brings to company?*
- *What difficulties does company face?*
- *How does it help in company's brand reputation? Or does it damage it?*
- *What goal does your company want to achieve with the help of CSR?*
- *How the company measures the success of CSR?*
- *How does the company deal with negative news?*
- *What are the plans with CSR for the future?*

The next step is to develop study proposition, which will direct the attention to the topic that should be examined within the study's scope (Yin, 2009). Even though the proposition should play a role, it is not that important to focus on it since the research is exploratory, and the focus should be kept mainly on tasks, problems, measures of success and plans for the future of CSR in the company.

Next, the unit of analysis itself will take place, investigating CSR inside the organization, its implementation and tasks.

Fourth step is to link data with the proposition and what will be the criteria for the interpretation of the findings. Data analysis steps and the analysis itself are connected to it and they create fifth component. In this phase, analyzing technique will be chosen and as recommended by Yin (2009), it is crucial during the design to be aware of the choices and how they will fit into the research method to come up with the more solid basis for the further analysis. There are different techniques from which cross-case analysis will be picked and used for the purposes of this thesis.

Finally, the criteria for interpretation of the findings have to take place. Since no statistical analyses with statistical significance will be used, I have to keep attention to other ways of thinking, proposed by Yin (2009). A major strategy is to address and identify findings' explanations. In my opinion, rivals are not so important in this study and there is a need to look at other important factors. Those can include for example influence from the stakeholders, including customers and top management. For the purpose of this thesis, I will not be studying the causes that can affect successful CSR, but to find what are the obstacles and benefits it can bring to the company. Yin (2009) stated that it is important to develop a theoretical framework within the case study design and it will be constructed with the help of literature review that can be found in chapter 3 of this thesis.

Appendix B: Case Study Protocol

1. Change Record

- First version completed: 27.04.2015
- First Modified version:17.05.2015
- Second Modified version:28.05.2015

2. Background

There is significant shortage of the research about benefits and drawbacks of Corporate Social Responsibility in one particular industry. The most literature about CSR was written by Nair and Sodhi (2012) and Graafland and Zhang (2014). There is also a lot of literature about hybrid organization, from which CSR is also one kind and they were written by many authors (Pache& Santos (2013), Kaiserfeld (2013), Koppell (2003)and others).

3. Design

Can be found in the research design (see Appendix A)

4. Data Collection

In this research most of the information is gathered through personal interviews. All of them are recorded and transcribed later on. To reduce risk of interpretation and other biases, it is recommended to include multiple respondents, as mentioned by Yin (2009). In the case of Ford and BMW, only one person was interviewed (we will see other companies), and the same applies also for Kia. The data that will be collected include all information needed to answer central research question and the above mentioned sub-questions to go deeper into the field.

5. Data Analysis

After all data from interviews and further from the companies' websites, each case study will be analyzed separately. And reports will be done. Each report will include brief company introduction, overview of their CSR activities, organization of CSR within the company, goals they want to achieve and benefits it brings. After, conclusions for each case study will be drawn based on the insights coming from reports. Afterwards, across case analysis is done to look for patterns or interesting conclusions visible. Generalconclusions are drawn at the end of the case study research linking the results back tothe literature and formulating an answer to the research questions.

6. General structure of the questions asked during the case study interviews

Phase 1: Introduction & general questions

- Introduction - explain what is the purpose of thesis
- Ask permission to record the interview and use all the information in the thesis
- Can you give a short introduction about yourself and your role within the company?
- Can you briefly introduce CSR in your company?
- How is CSR organized in the company?
 - Does company have independency from headquarters?

Phase 2: Information about CSR

- What is purpose of CSR in the company?
- What goals and objectives company want to achieve?
 - Is the company successful in achieving them?
 - How is success measured?
- What are benefits of implementation of CSR?
 - Does it help do increase brand image and reputation?
- What are the drawbacks?
- Are there any boundaries beyond which the company would not go?
- Was the company faced with negative news?
 - How did you deal with them? What is purpose of CSR in the company?
- What are the plans for the future?
 - Do you want to change or improve something?

Phase 3: Closing

- Do you maybe have some other information about CSR that you would like to add? Can you provide some reports or PowerPoint presentations?
- Thank words and closing

Appendix C: Transcription Interviews

Interview Case study subject 1: Ford Motor Company

Date: 24.03.2015

Organization: Ford Motor Company

Interviewer: Radka Sabikova

Interviewee: Jo Declercq – Director Public Affairs Brussels-Genk-Lommel

Location: Personal interview at Ford Motor Company Belgium

RS: Would you like to mention something at the start of the interview?

J.D.: I can say a few things initially. It is nice saying, the founder of the company who said it. He somewhere said “A business that only makes money is a poor business,” which is very nice and this sentence of him was used by unions and media in the Limburg province when it was decided to close Genk plant. It was also in a news recently because so many people are still unemployed. Bill Ford, who is still chairman of the company, also is quite involved in trying to make a world a better world and not just business as usual, not just money. That is probably also that Ford is one of the companies that does most efforts in ensuring that the world, from the environmental side, is getting better. Ford is the only automotive company which regularly publishes a report on how we are doing in all parameters of environment. So Ford has objectives every year and measure every year where we are and how we have been doing and then the report is published. It is called ‘Sustainability report’ and it is published once every three years. Those are couple of introductory things to see how Ford is really committed to a better world.

RS: What is the role of CSR in your company?

J.D.: For us the key thing towards the future is indeed trying to be environmental conscious. Maybe more environmental than pure social responsibility, it is not the same of course, but at the end taking care of environment means that you also take care of the people living on the Earth. I think just like all the other automotive companies on the local level, we try to maximize decreasing of what is environmentally unfriendly: CO₂, fine dust etc. Ford Europe is a company that, apart from all the efforts, developed small petrol engines that have lower displacement and are environmentally far better than previous engines. This engine also won international engine of the year three times in a row which has never happened before. So this is just an example, together with making cars lighter etc. And on the local level of course we try to use what is being developed to sell more cars. If we sell more cars that are more environmentally friendly, then we do a good job. So we try to promote these cars. And if we are lucky the government does incentives on environmentally friendly cars, and that is even better.

RS: So you also receive a help from a side of government locally?

J.D.: Yes and no. The taxation system is somehow based on how much CO₂ car does produce, to some extent. Separately, there have been massive government incentives in period of 2009-2011. The incentives were for cars with low CO₂ that are normally diesel engines. And recently, there is public opinion that diesel is worse than petrol (in terms of fine dust etc.). So the problem in Belgium is that they still have not decided really what they believe is best way: more diesel or more petrol. The thing with diesel is that since many decades, the taxation on diesel, that is cheaper than petrol in Belgium, is advantageous to buy, and yes, they are thinking to change this system. Most people in business people in Belgium are driving diesel, so if taxation would heavily increase that would also create an economic problem. And there arise question whether to support economy or society.

RS: Do you cooperate with any NGOs here in Belgium?

J.D.: Not specifically.

RS: Does CSR in Belgium have independency or is it organized and implemented by the headquarters?

J.D.: That is headquarters. Everything is organized by headquarters because we are not allowed to separately invest in CSR. What we do, however, something very small and very easy to do in our department, since we are PR department, we have press cars. We give them to automotive media continuously to make them right about our cars. We also include a mini bus, which we do not give to media because they do not like to ride buses. But we give it to organizations that support handicapped people that go for weekend or holidays trips. That is, in a very small way, something we try to do to have CSR. We are doing it without any allowances from above. But apart from that, we are not allowed to invest by ourselves separately.

RS: Is there separate department for CSR here in Belgium?

J.D.: To some extent, everyone is involved in CSR; everyone tries to do the best thing he/she can. We do not have financial tools ourselves to say we will do this and that.

RS: But it can also help somehow to the society.

J.D.: Yes, of course. I can give you one more example that was organized by headquarters in the times Ford was still making a lot of money. When I arrived in this job 10 years ago, we still were allowed to encourage and spend money on special projects, for example investing an old museum, or old theater and organize contests and reward the nicest project, which got x amount of money to be able to develop this project further.

RS: What was the reason to stop those activities?

J.D.: I think the company just stopped it because they were losing a lot of money and a lot of time needed to organize the events. So we do not do it anymore. But until 2005 the Ford Foundation spent on those projects in totals 4 x €15,000 to just give a check to these organizations who made great projects to protect a certain historical buildings or whatever.

RS: So what benefits does it bring to the company?

J.D.: You do not try to make publicity around it, because if you try to do that, then often it is then viewed as the opposite of trying to do the right thing. If you try to put too much emphasis on the efforts that you do, then a public turns it around a say that the company is making only marketing. And when you do these efforts, you have to be very cautious about how you communicate about it. You have to always play it low

RS: You also faced some negative news or some negative news media came up with?

J.D.: In this respect, not necessarily but looking at the case that we have closed the plant in Genk, which is a very typical case, Ford is discussing with unions during months and months so at the end everyone agrees on a social package for all the employees that lost their job. Which means you spends a lot of money just to make sure that all these people that lose their jobs get somehow a reward, or a decent compensation for it, also according to Belgian law. But as a company, you want to do the right thing, but then you get all the negative comments anyway, even if you have done all you have to do. Even if during the 50 years you as a company have brought prosperity to the whole region, because Ford Genk was there 50 years and made the province wealthy. People only concentrate on closing plant, employees losing jobs and we try to do it the best possible way.

RS: So how do you try to overcome the negatives?

J.D.: Yes, but in a very defensive way. When you get crazy media coverage and reactions, which happens every day, even now (at the day of interview), but we cannot tell the journalists that he is negative. So we have to be very humble towards whatever happens, to all the remarks and negative comments we get every day.

RS: Basically, you are still defensive and keep that strategy.

J.D.: Yes, because we are responsible for the unemployment of so many people and therefore we have to take responsibility and we support them in trying to find new job and in training, but we are still seen as a bad boys and those 50 years of prosperity are forgotten.

RS: How is communication with media done?

J.D.: When they write a negative article, we cannot complain. We have no defense and our headquarters also tell us that we cannot do anything.

RS: Does CSR also have some drawbacks while implemented?

J.D.: When you close a plant your brand image goes down because you close a plant in country where 11 million people live. Ford will be seen as bad company and then you have no defense. So whatever the media write you can only stay silent and play low. There have been one organization of employers and its president wrote exactly what we would hope, that people will think. He said that plant is being closed, it is a drama, it is emotions for so many families, but if we look at it from another side Ford in Genk gave work to thousands and thousands of people over the 50 years. He also said we should be thankful and grateful for Ford. But besides this one guy there are hundreds of negative articles so the only think we can do is to try to focus on the other side of our job. And that is trying to increase our brand image through our products.

RS: Is CSR helping brand image to increase?

J.D.: Not really, because things you are trying to do right are always seen as your duty. The things you do right nobody writes about it. In newspapers, the only interesting thing is bad news. That is always the case so the media will continue to spread bad news because it fills their newspaper and people like to read it. We cannot do anything about this, we focus mainly on our products and new products and try to increase brand image through those products. During the first 6 months of Genk plant closure negative news were 100 times worse than the positive news and now the positive news about our products is more important than negative articles about Genk plant.

RS: Do you see any direct effect connected to CSR?

J.D.: No. Also, there is no direct effect on finance.

RS: What are the main goals you want to achieve with the help of CSR?

J.D.: That is not something I can personally say because that is headquarters' strategy.

RS: What is the mission and vision with CSR?

J.D.: The mission of the CEO is to make the world a better place to live and mainly in U.S. because there they are more busy with CSR than here. They do all kinds of activities to support communities but in Europe there have been few activities going around helping with the community, with all the employees. These are typical things you see in every country and company. But these are very small things and also things you do not communicate. Again, if you communicate, the positive effect can easily turn in a negative effect.

RS: Can you measure the success?

J.D.: No. Not locally here in Belgium. And I am only talking about Belgium of course.

RS: Also there are no local plans for the future; it is all going from headquarters.

J.D.: Yes. But I also forget to mention one project we are doing now. It is called “Ford driving skills for life” and we are in the middle of it. Back in 2003, when research demonstrated that young people between 18 and 24 have much higher risk than other age categories to be killed in the accident, the risk in this category is twice as high. In USA, there start a training system for young people to make them more conscious about all danger on the road 12 years ago. It started in Belgium last year; we trained 460 young people to become more conscious. And we did that in our European test center here in Belgium and we will have full weekend of training there. You can also find information about it on UK website since this project is global. The main goal of it is corporate responsibility, trying to make sure young people have less accident risk. We do things they do not learn when they go for a driving license. And this is the project we concentrate on locally. The problem is that you firstly need to ensure a budget reserve is there, because the training is for free (cost of €3 million euros).

RS: Do you already know some plans of headquarters for the future?

J.D.: Apart from one of their emphasis, which is sustainability, no, which is then translating things into better, more environmental friendly products. And their main goal is to take care of environment.

RS: Do you have something else to say regarding CSR?

J.D.: No. I think we have said all the important things, as far as I am aware of them, of course.

RS: So in general the main player is the headquarters and everything is connected to them.

J.D.: Yes, and we also cannot plan for ourselves and also it is not possible to measure how successful we are here in Belgium.

Interview Case Study Subject 2: BMW Group

Date: 25.03.2015

Organization: BMW Group Belux

Interviewer: Radka Sabikova

Interviewee: Christophe Weerts – Corporate Communication Manager

Location: Personal interview at BMW Brand Store, Brussel

RS: Can you please firstly introduce yourself briefly?

CH.W.:I am working at BMW since 1999, which is already 16 years. Previously I was also working in PR departments in the steel industry and in event organization.

RS: What is role of CSR in your company?

CH.W.:The CSR in our company has a long history. It started in South Africa where we settled down our first factory outside Germany during the times of ‘apartheid’ when there were issues connected to blacks and whites. Also, we are concerned a lot about AIDS issues and we are trying to acknowledge people about it as much as possible. Similarly, there are also a lot done towards CSR issues in South Carolina where BMW opened a production factory. There are also many religious issues because this region is very sensitive to it and also to

relations between black and white people. Being present in South Africa for about 30 years clearly shows how much BMW is carrying about such sensitive issues and having so long history it somehow shows the success of CSR.

RS: How is it implemented and organized? Do you have independency from headquarters?

CH.W.:We are fully independent from the headquarters in Munich. Even though we do not have a separate department for CSR in BELUX, we are working as a kind of 'helicopter'; we have information about activities of all departments and we are directly connected and rely on marketing department since they are responsible for all financing of the events we support. We also have information what other subsidiaries are doing (Mini, BMW Motorrad, and Rolls Royce) and we are reporting our activities to Munich's headquarters.

RS: What is its purpose?

CH.W.:It's part of the company's vision to make the world a better place for living and one part of this is producing cars with the production of CO₂ as low as possible. It is also our one goal to support students, provide the world more educated generation and try to make better place for the future citizens. Part of this is also support of students at technical schools with which BMW is cooperating. From the financial point of view, there is sometimes possibility to receive tax benefits from the government, but it is not our main goal or purpose of CSR to have such benefits. We are doing good for the society, and if we receive some benefits from the government it's only a bonus for us.

RS: What goals company wants to achieve?

CH.W.:Our main purpose is to provide our customers with premium sustainable individual mobility cars and bikes. We therefore want to act as a good citizen wherever we are located. We are involved in many activities, from sports events to culture and education in many countries. Regarding the environment, not only we want to produce cars with least possible CO₂ production, but we want our plants to be eco-friendly. Our factory that is producing electric cars in Leipzig is already 10% supplied with green electricity; there were wind mills built for this purpose and we are able to use green energy here. We also expect this number of factory supplied by green electricity to even increase in the future years.

RS: Is the company successful in achieving those goals?

CH.W.:Having CSR in the company present for so many years, I can say it is. If the company would not be successful, it will not continue with CSR and it will not have so many areas and events covered through so many years. We support event such as car races, golf tournaments with the charity help, and also many art events. We also organize regular competitions where arts of young people are presented and thus support also young talents.

RS: How is success measured?

CH.W.:In headquarters they are really keen on this; even maybe they do not have exact tools for measures, they are taking care of it and they want to know as much as possible, whether they are doing good or bad, and whether people see them as 'good' company.

RS: What benefits does CSR bring to the company?

CH.W.:Of course when people see what we are doing, in which events we are involved they will have better opinion about the company, and brand image and reputation is effected by CSR and what we are doing.

RS: So it does help in brand image and reputation?

CH.W.:It does for sure. We are also measuring how people perceive our brand. There are researches done regularly (once in 3 years here in Belgium) because for the company it is very important to know what people think about us. As we support many different fields, people can perceive our company as highly involved in society and we can get high rating from them. Supporting also culture, for example Bozar in Brussel people can say that the company is not supporting only some sports event but also something not that traditional and special.

RS: Are there also some drawbacks (disadvantages)?

CH.W.:The only thing I can think of is that it is not possible to satisfy all requests we are receiving. There are many of them going from every side. And it is for sure that people will be disappointed and will make complaints about the company not supporting their event or idea, so we can say it is one disadvantage we face. It takes a lot of money to support and organize many activities we are doing and we have to consider staying profitable because we have certain responsibilities towards our shareholders.

RS: Are there any boundaries beyond which you wouldn't go?

CH.W.:Of course there is a lot of finance involved in the activities, and we can invest only if we stay profitable. Since we have responsibilities towards our shareholder (they invest money in our company) we have to be sure it will not have negative impact on the relations with them and we will be still able to pay them dividends. We also do not want to disappoint them, and they will be for sure if they will not see their money coming back. Second thing is that we are not willing to support any activity that will show any signs of violence or those that will be against human rights.

RS: Were there also some negative news regarding CSR in the company?

CH.W.:I cannot think of any.

RS: So we can say the company is perceived efficient in what it does?

CH.W.:Yes, we can say that. But we are not doing it for the purpose of the positive media coverage. It is our goal to provide better place for living (not only from environmental point) and we are trying to do it as efficiently and effectively as possible.

RS: Are there already some plans for changes or improvements?

CH.W.:In the company, we are continuously thinking about improvements; how we can improve things we are doing and how to adapt our strategy to the locations where we are present including Europe, Asia and South and North America.

RS: You can add any comments connected to CSR you find important or interesting.

CH.W.:CSR was there already many years ago, even though companies were not calling it so. It was seen also in coal mines where employees were taking care of the workers and providing them different benefits, such as different kinds of trainings and education. Also SMEs are doing good for the society and sometimes they even do not know it is CSR. Even this field is pretty young; historically it was there a long time ago. It just got more popular in 20th century and we cannot predict what future trends will bring; if we will be still talking about CSR or something new will be used.

Interview Case study subject 3: Kia Motors Slovakia

Date: 15.04.2015

Organization: Kia Motors Slovakia

Interviewer: Radka Sabikova

Interviewee: Juraj Hammer - Education and Training Team / Assistant Manager

Location: Online interview through e-mail

RS: What is the role of CSR in your company?

J.H.: The main role of CSR in our company is to help in the fields where it is most necessary. We are targeting our help mainly in the region of Zilina, so it means in a region where we are operating and from which most of our employees came.

RS: How is CSR implemented and organized?

J.H.: CSR is divided into more parts. First one included direct help which means the resources directly from Kia Motors Slovakia. Secondly, help is done through our fund from Pontis foundation where we receive resources from 2% of corporate taxes here in Slovakia and from taxes of our employees. Next, the help is also being done through our volunteering activities and our employees also support those activities as volunteers.

RS: What are the benefits CSR is bringing to company?

J.H.: Thanks to our CSR activities, the company got more into the minds of people as a company that is helping in supporting regional activities, different organizations and institutes. Another advantage is when our employees see our company very positive while we are offering them opportunities for help or support in different events or when they are faced with any difficulties.

RS: What difficulties connected to CSR did your company face?

J.H.: We faced initial skepticism about our projects and maybe a less willingness to help people or region. Further, with the more and more projects and many successful activities, the problems we are facing are decreasing and there is much fewer of them.

RS: What goal did your company want to achieve with the help of CSR?

J.H.: Kia Motors Slovakia wants to be respected partner in the field of CSR and support and for now the company is successful in achieving this goal.

RS: How does it help in your brand image and reputation? Did it damage it?

J.H.: The reputation increased for sure and our brand in the region is not connected only with the production of the cars, but also with the successfully realized projects in the CSR field.

RS: How the company measures the success of CSR?

J.H.: We are measuring success internally according to our internal criteria, which is for example number of the volunteers, number and success of our projects, or according to the positive media outcomes.

RS: How did the company deal with negative news?

J.H.: We do not have any information that we needed to face any important negative publicity. In the case that any negative publicity will arise, we are always trying to get things at the right place with the clever arguments.

RS: What are the plans for the future?

J.H.: Nowadays, we are starting with our own foundation 'NadáciaKia Motors Slovakia' and all CSR activities, that were realized directly through Kia Motors Slovakia, will be now held by the new foundation. Thus, everything will be centralized to one place.

Appendix D: Individual Case Study Analysis

Ford Motor Company

- Introduction

The history of the CSR in the company has started already from the beginning, since Henry Ford was thinking what effect will have production and cars themselves on the society. Being far behind the times, he was hiring blacks and handicapped in large numbers, provide nice and modern work environment and provide the workers with decent pay. Even though Ford was making economic progress, it also meant for the people to be able to travel to the country, which was seen again as big progress. Ford was also taking care of the employees, as he was walking through the plant on a daily basis and asking workers if everything is ok. As the company claims, they want to continue in being committed in improvements of the world through volunteering, charitable giving and supporting global community. As Jim Vella stated, “We will continue to focus on education—our number-one priority—creating and implementing innovative new programs that cultivate the skills needed to create tomorrow’s innovations.” They already achieved a lot, but they want to continue and do even better. They brought music back to neighborhood of Detroit together with Detroit Symphony, gave away \$280,000 in grants for students’ projects or worked with employees on volunteering events in 26 countries.

- Description of CSR

Saying “A business that only makes money is poor business” should be a part of vision of every company and Ford is trying to act according to it as much as possible. It is also no intention of Bill Ford to make money only, but to make a world a better place, too. It is also the main mission of the CEO. Although most of the CSR activities are done in the USA, Ford in Belgium is also trying to do their best. The sustainability reports are published once in every three years to see where the company is and how they perform in CSR activities. Their main goal is to be more environmentally conscious (more than socially) now and in the future as well, but taking care of the environment also has an effect on the social life of people at the end. Being concerned a lot about the environment, Ford is decreasing CO₂ (during production and life cycle of the cars) and fine dust. Even though they are trying to involve government as well, the company’s initial intention is not to receive bonuses from it. In Ford Belgium, everybody is involved in the CSR activities because they want to do it in the best possible way, even though they do not have full independency from the headquarters; they do only a few projects themselves. Headquarters are responsible for financing as well and they control all activities. But they are able to do some small things even without financial support of headquarters and without asking them for the allowance. They provide press cars to different magazines, or they provide mini busses to the organizations that are working with handicapped and the busses are used for some trips and different events. Even though it is not much, they are able to do at least something by themselves without being controlled by headquarters. Since everything is organized by the headquarters, it is not possible to measure success locally in Belgium.

Global sustainability report from 2013/2014 showed the results and what they want to do next. They were able to decrease CO₂ in Europe to 116 (from 130 in 2011), increased number of sustainability management system employees to 2920 and they reach 75% employee satisfaction. In Europe, the manufacturing was using 10% less energy, started with eco-driving education which concerns fuel savings while driving and from 2012 they started 'Operation Better World'. They work with NGOs on the issues such as education, automobile safety, community needs and sustainability itself. In 2013, they also organized Ford Global Week of Caring. Overall, the company's foundation spent on the projects \$26.3 million. Regarding environment, they are using allergy-free and sustainable materials in their cars and they cut water spending by 30%. The company will continue in this and they want to have positive impact on the society as well. They build many partnerships to work on community services and to help people overcome the challenges they are facing in their lives. Ford is trying to help in meeting basic needs of people, developing programs, improving education and they want to be helpful while disaster and emergency response is needed. Not only they want to continue in those things in the future, but they also want to continuously decrease CO₂ production and reduce potential environmental, economic and social harm that could possibly create climate changes. The changes are already happening and Ford wants to do anything to make the impact on climate change as low as possible.

- Effects of CSR

The worst thing for Ford Belgium is that headquarters control every activity and as they also provide finance, they have to ask permission for every activity they want to start. Ten years ago, they organized and support big projects themselves, such as protecting old buildings of museums or theatres, but due to the financial issues they stopped to do it. The company was losing a lot of money so they decided to stop it. The brand awareness rise from only 46% in 2004 to 87% in 2012 and the trend is clearly that the number is rising, but since there is no direct connection of end of the support to brand image and awareness, we cannot conclude how it affected it. We can only assume that it had negative effect on it, because they were supporting the society much more in the past than they are doing it now. For the people it will be better if they will continue in those activities, but in this case money played very crucial role. Another problem is that governments still cannot decide which engines are better in terms of CO₂ production and there are regular law changes; thus Ford does not know if they should support environment, society or economy. If they will know, they can easily set goals and create strategy how to achieve them and how to continue in their initial mission: to make the world a better place for living.

As was mentioned in the literature review, it is hard to make things right, because when too much emphasis is put on it, it can turn into negative and people will see it as marketing only and it is also seen as the duty of the company. It is the main reason why Ford is now focused on the cars and their environmental impact mostly. Make people right about the company, it should be well communicated with the public in order to assure that they will be seen as company that is doing right. This is highly connected to the recent events here in Belgium –

the closure of the plant in Genk. Even though Ford is spending so much on social packages and to assure that the employees are well –educated for their future jobs, the company is covered in the media negatively even though they are doing right, but Ford was aware this will be happening and they knew it will not be easy to overcome struggles. People and media forgot about the past 50 years of wealth and prosperity the company brought to the region and it is gone with the closure of the plant. The problem is that Ford is reacting to the media coverage in a defensive way and headquarters know they cannot do anything about it. In this case, communication improvements could possibly help to make people trust Ford more and make brand image not declining so much. Brand image is another thing highly affected by the closure, because people are losing trust in the company much after the events. And again, 50 years of prosperity are gone fast.

But CSR in Ford does not have only negative aspects. From the employees' perspective, Ford wants to be sure that they will receive as much support as possible and to decrease the impact on their lives as much as possible. Since a lot of workers lost their jobs, the company is providing training to them and also they are helping them to find new jobs, which was already successful for 25% of them. The employees' organization is supportive to Ford in the way that they are at the side of Ford. They know that Ford brought prosperity to employees and their families, and that they have to be thankful for such opportunity. The organization understands that it is difficult for Ford, but they know they are doing everything they can for the employees that lost their jobs recently.

Not only its employees, but also young people are very important for Ford. This is the main reason why the company came up with the special project for young people between 18 and 24 years old and the project is called 'Driving Skills for Life'. Even though it started already in 2003, it came to Belgium in 2014 and the company spent on this project €1.5 million to educate young people about the risks and safety on the road and to decrease the number of fatal accidents in this age group. The aim of the project is to provide knowledge and experience to become a safer driver, affect their behavior on the road and raise awareness about the crashes and reasons why they happen. After the event, 97.9% of participants said they feel more confident to drive safely after the event. Being a part of it personally, I saw how employees care about young people and how they were willing to help with every issue and answer all questions. It is one way how to increase brand image and awareness, and it will go up for sure. To find out whether the project is successful or not, we will need to wait because there are not published statistics about the fatal accidents yet. The trend in Belgium from 2010 was that the amount of such accidents was decreasing in the age group 18-24. I can only predict that the number in 2014 will also go down, but it is hard to say if Ford's project will have a direct/indirect effect on it or not. Seeing what Ford is doing and how much emphasis they put into the project, it is sure there will be an effect. Even though it does not have to directly decrease the number of crashes, but starting with education of young people can be already a lot; not only for themselves, but also for others on the road affected by their behavior.

- Conclusions

Ford in Belgium wants to follow saying that ‘A business that only makes money is a poor business’ and even though they does not have independency from headquarters, they are trying to do as much as they can locally and they try to involve as much employees as possible to make the things right. Ford wants to follow its mission to make the world a better place, but they can do it only to a certain extent (that headquarters will allow them and provide finance needed for the projects), but they also do a couple of things themselves without approval of the headquarters. Being controlled is not so good, because they always have to ask for permission and cannot organize big projects that could help society, as they did ten years ago. Also, people are suffering for not receiving so much support anymore. Being environmentally conscious will also have effect on the society, so their main priority is society. Doing many things to produce cars with low CO₂ is their plan for the future years, decrease consumption of energy and cut water usage to reduce harm to climate to minimum. Ford was faced with closure of Genk plant lately and a lot of negative media coverage occurred. They were prepared for it, but they still believed people will not forget about the prosperity that was in the region for 50 years. Maybe the change in their attitude from defensive to offensive could help, because communication is crucial in such cases not to lose so much trust of people. Even the negatives occurred, Ford is doing anything to assure employees will have enough education for their future jobs, or even find jobs for them. Caring about young people (18-24 years old) is now their biggest project with top priority. It teaches young people about possible dangers on the road and decrease number of fatal accidents on the roads in Belgium in the future. We can predict that the project will be successful, because in the past year when project was going on as well, 97.9% of the participants said they were satisfied and many of them said it exceeds their expectations. Even the big control from headquarters, such big project is very prosperous to help society become more aware of the driving dangers that young people can forward further to other people, too. On one hand it can help to achieve higher reputation, but on the other hand Ford’s purpose should not be increase of the sales because young people do not often have so much money to afford a new car, but they also know that. This is their other way of showing commitment: caring about young people more than about the sales itself.

BMW Group

- Introduction

The sentence at BMW webpage, “For us, a broad social commitment is an integral part of how we define ourselves as a company,” shows the commitment of the company towards the society because they feel that it is their desire and obligation. They try to concentrate on projects that are directly connected to the regions where they operate and they try to improve them. They want to find long-term solutions for different global challenges and to achieve substantial effect. One example is that in 2013, 97% of the waste produced in German plants was recycled and that they are using 13.5 million reusable containers together with the suppliers. The portfolio of the events and projects they organize is very big; it includes different kinds of project connected to social commitment, intercultural innovation, cultural commitment and they are also responsible for several foundations for solving social problems.

- Description of CSR

History of CSR in BMW Group started a long time ago, while first factory was build outside the Germany in South Africa 30 years ago. Being there for so many years, it shows how committed BMW is in very serious society issues such as disagreements between blacks and whites. They started to care about it in the era of 'apartheid', and same issues are being carried in South Carolina as well. Not only issues about black and white people, but in this area there are very sensitive religion issues that BMW cares about and the company is trying to deal with them in a careful way. Unlike Ford, BMW Belux has complete independence from the headquarters in Munich. Although they do not have separate department for CSR, they are working as a kind of 'helicopter': everybody is involved in the activities and people that are responsible for CSR activities have information from all the departments and they are directly connected to the marketing department, which is responsible for financing and support. They also know about the activities of all BMW's subsidiaries. Their vision is to make better world and to produce cars with low CO₂. It is also their goal to provide sustainable cars and motorcycles for the customers, while caring about the environment and supporting society with many activities and projects. Their plant in Leipzig is already using 10% of green energy and BMW wants this number to increase in the future. BMW is successful in their CSR activities; without achieving success, they will not continue. However BMW Belux has independency, headquarters in Munich want to know about activities and their success, because they are very keen on the opinion of the people, how they see the company. Because the opinion of people is very important, the research is done once every three years to find out what is the level of the reputation and brand image among the people.

Their main goal is to be as efficient and effective as possible in their activities that other things are not so important for them. Even though there is possibility to receive some bonuses from the government, they are not doing it for such purpose. Same applies for media coverage: they are not doing activities to receive positive publicity. What they are continuously thinking of is how they can make things better and how to improve and adapt different strategies to different places or regions (Europe, Asia and North and South America). To show seriousness, they are increasing budget for donations each year; expenditures on donations increased by 20% and expenditures on corporate citizenship by 19.3% (from year 2013). Another good thing is that they were able to decrease spending on politics from 223.701 (2013) to only 31.499 (2014), which is a big difference. They also spend a lot in anti-corruption training for employees and they trained 25,400 of them. Putting customers at the center of all activities is their top priority and key to success, together with respecting and observing human rights within the company and value chain, too.

Providing better environment is also part of it, so BMW is continuously reducing energy consumption and they try to use more in-house power and renewable energy and to become leader in it. They are building sustainable objects and using photovoltaic system in Oxford. Using such energy, they are decreasing CO₂ in production, but

they want to reduce it at logistics and value chain as well. To reduce waste management, they created the plan how to achieve as less waste as possible (Figure 4.1), and they want to do the similar thing with the water: to reuse process waste water.

Figure d.1:Plan for waste decrease (BMW Sustainable Value Report, 2014)



To help achieve the goals, they work with the whole chain. They support suppliers, work with the stakeholders, collaborate with industry initiatives and networks and work hand in hand with all of them to make whole network sustainable and achieve overall success. To help achieving it, BMW is promoting innovative ideas, increasing awareness about the sustainability and protection of valuable resources. Employees are big part of it, thus BMW are taking care of them. They have access to above average remuneration and social benefits and company is encouraging their life balance. They have health and safety management at place and they are taking preventive measures once in a time and BMW won a lot of ‘Attractive employer’ awards.

- Effects of CSR

In the case of BMW, it is hard to come up with some negative aspects, but still there are some. Since there is a lot of money involved, company need to carefully consider which events and projects they will support, and then there can be some of them that will be rejected. BMW is receiving a lot of requests for the support from the company and it is hard to choose which one will be supported and which will be not. BMW is doing projects in a way that they will stay profitable. The reason for that is of course that do not want to lose money, but they also have a big responsibility towards the shareholders. Since they are investing their money into the company, BMW does not want to disappoint them and does not want to negatively impact the relations they have together that were built for long time.

BMW is doing a lot for the society and it brings a lot of benefits. Starting in South Africa 30 years ago, they are still acknowledging citizens about very serious issues such as conflicts between black and white people and about health issues such as AIDS and others. Not only they are educating people, but they want to deal with the issues themselves because those issues are very crucial and most important to solve. Caring about the people, they support students as well, to create more educated generation for the future world and they are cooperating with technical schools for the same reason and for the possibility of students’ future employment in BMW. Talking about the employees, BMW is trying to do their best to satisfy the workers and the results are clearly visible. Employees are receiving above average bonuses and social benefits and company wants to be sure their life balance is at the right place. They are also helping minorities with employment, they have aging and disabled workforce with different culture, age and experience at the place and the success is also shown by the amount of

awards BMW received. In 2014, the company won 9 'Attractive employer awards' and end within top 5 in each of the award.

Company's success in achieving the goals they set is huge, because if they won't be successful they would not continue in their activities. They are covering many areas and events, ranging from sport and charity to art and different competitions. Being present in different fields, people see what the company is doing and their opinion about BMW will be better. Brand image and reputation are affected by the events as well, and because the those measures are important for the company they are making market research once in three years, as was already mentioned. People see BMW as a company highly involved in the society; they support traditional events such as sport races and tournament, but also some of the non-traditional. Non-traditional include Bozar in Brussel or different competitions of young artists. On the other hand, it is clear that they do not want to continue to support politics at the level they did in the past. There is a huge decline in money spent on it: it decreased from \$223.701 in 2013 to only 31.499 in 2014. BMW also want big changes because they educate employees about lawful and responsible acting and they provided 25,400 of them anti-corruption training. Thus, people will like BMW even more since they want to decrease corruption and not supporting politics so much than before. People from the regions are happy that BMW is so supportive and the reason for that is that BMW is putting people as the top priority. They are committed to respecting and observing human rights not only within the company, but within the value chain as well; and their customers are seen as a key to success. Doing CSR efficiently and effectively in BMW is visible and people also see the results of BMW's intentions to make the world a better place.

Being efficient and effective in environmental issues is also one of theirs goals and incentives. They are continuously helping to protect environment not only with lowering CO₂, but with other things as well. They try to continually reduce energy consumption and produce more energy in-house and become a leader in renewable energy usage. For the protection of the environment, their whole protection management system is very efficient and it does what it should. As shown in Figure 4.1, they have a plan how to decrease waste as much as possible and how to decrease water consumption, which will make impact on the planet lower. Their commitment to environment is also translated into their whole value chain, while they are assuring every partner in the network has similar thinking about the protection of the environment. Their goal is sustainable development of a society as a whole and they work hand-in-hand with the whole chain to achieve the goals, they are engaged with stakeholders and they collaborate with all of them and they share different ideas, how to increase awareness about the sustainability and protection of resources. This will impact the environment in a positive way, since the chain is huge and together they can achieve a lot. The amount of money they spent on those issues show their seriousness about the changes they want to do, and same apply for the society itself. In the past year, the spending on corporate citizenship and different projects exceed €35 million; which is not small amount and it clearly shows their care about people and environment.

- Conclusions

BMW is actively doing CSR mostly in the parts where they have production facilities and this trend started already 30 years ago when first plant was built outside Germany. Since they still continue, it shows how committed they are to the certain issues in the regions. As they want to be very effective and efficient in what they do, being completely independent from headquarters can help achieve it; it gives them a lot of advantages, while they are trying to make good for society and environment. To achieve efficiency, the whole company is involved in CSR activities, but marketing department is the one most important since it gives financial resources needed for the projects. They are continuously thinking about improvements and strategy to implement in different regions. As people and customers are at the center of all activities and company's top priority, their ideas are also very important for BMW. Thus, company wants to make the environment healthier for them. They want to do it in by decreasing CO₂, waste and water usage in the whole value chain, thus they cooperate with the partners within the whole network. They are also educating people about health issues (such as AIDS) to make them now about the possible hazards. BMW also takes care about the health of the employees, so they are regularly taking preventive measures, and in any case they help with any issues that will occur. Workers also have access to many bonuses and social benefits to create their welfare and well-being.

Having responsibility among shareholders, they could not make CSR activities affect relations with them, so they need to be still profitable not to disappoint them. Looking at the results, it is clear that the company is successful in achieving the goals they set and they want to be even better. They have a big portfolio of the activities they support and all the stakeholders (not only shareholders) will see their commitment and they will know how much they are doing to protect environment, to help overcome struggle of the societies and to do as much as possible to satisfy their workers. It is clear BMW achieved last mentioned goal with the amount of awards they received in the year 2014. To do even more, they should continue in what BMW is doing because it is clear they are doing it in a right way, and people see them as a 'good' company.

Kia Motors Slovakia

- Introduction

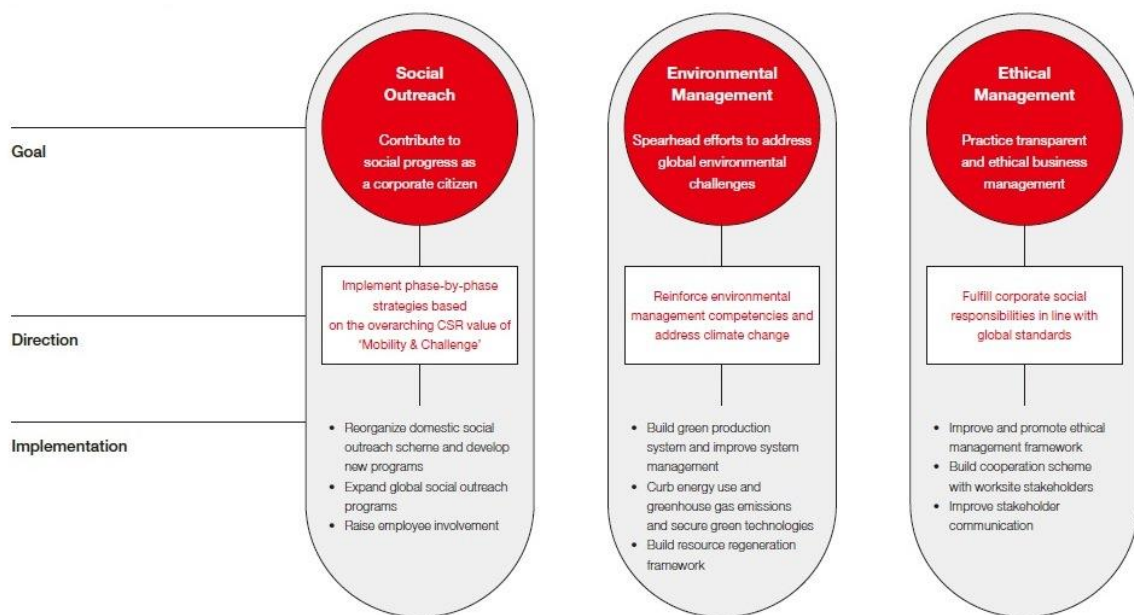
Right after they started with the construction of the plant in Slovakia, they were involved in CSR and support of the local society and environment. In 2004, they donated 1 million SKK to support forest revitalization after the biggest ecological disaster of last hundred years, when extremely strong windstorm hit High Tatras and cause severe damages. After this, they continued to support several events also connected to children, handicapped and young talents. The company was also supporting different sport events and it provides sponsorships for several sportsmen in different sports. In 2008, the company created new foundation fund, from which the environmental, social and educational activities will be supported mainly in Zilina region. Not only this, but their CSR is including many other activities, including blood donation or different program for its employees. In 2011, Kia

spent amount of €400,000 to support philanthropic projects and activities of non-profit organizations mainly in Zilina and in neighboring villages, where focus is mainly on quality life increase.

- Description of CSR

The main purpose of CSR in Kia is to help in the regions where help is needed the most and where it is most necessary. Also, they want to become a respected partner in this field and for now they are successful in it. Kia Slovakia is helping mainly in the region of Zilina where the plant is built and from where most employees came. The company is helping through three ways: directly from the resources of Kia Motors, through Pontis foundation where 2% of corporate taxes are coming and through volunteering that is also supported by the employees. Kia is supporting different regional activities, organizations and institutes and supporting employees in their volunteering activities or when they are faced with some problem or difficulty. With the increasing amount of the projects and events supported and organized, the problems are decreasing, even though they were not faced with any. Due to the projects, Kia is no more connected only to production, but is now seen as a company that is doing good things in the field of CSR and for the society and environment. As was mentioned in their sustainability magazine ‘MOVE’ (2014), their idea is to “Connect...People, Life, World, and the Future.” CSR is guiding all their principles including activities and strategic decisions, too. The activities are divided into three main domains, including environmental management, social outreach and ethical management (Figure 4.2).

Figure d.2: Kia’s goals and strategies by domain (MOVE, 2014)



The purpose of each one of them is to find solutions to global environmental challenges, contribute to social progress and to do a business in an ethical manner, and mobility program called ‘*A better way to go*’ is regarding challenges in social outreach efforts (see also Figure 4.3). For now, it is considering mainly four African countries but they plan to expand the area more in the future.

Figure d.3: Social outreach plans (MOVE, 2014)



As the population is rapidly growing, they know there is a threat that it will impact the planet in a negative way a lot. There will be much higher energy consumption, climate will be changing more rapidly and there will be shortage of resources. Thus, Kia is already concerned about energy consumption and CO₂ emissions in every stage of the car's life cycle, but mostly while on the road because it counts for 80% of the whole lifecycle. They also want to improve fuel economy that is connected to CO₂ production as well. They created the whole strategic plan for it called *Action plan* concerning environmental management mainly and it includes different objectives and frameworks. The plan is including five different phases (see Figure 4.4) and in each of them there is different objective included. First phase includes green design and chemical management system, second include integrated energy management system, material balance (raw materials, water resources, waste, energy, greenhouse gases, environmental pollutants) is involved in phase three, supply, logistics and sales logistics in phase four and last phase includes recycling itself.

Figure d.4: Phases and tasks included in *Action plan* (MOVE, 2014)



Accepting job applicants from local region and to widen gaps in incomes is part of their social help. Together with the value chain, they try to sustain stability of employment and management. Thus, they support mutual and shared growth within the regions, support growth of local economies and help overcome difficult challenges. Whether they are successful or not is measure according to different internal criteria set by the company, including number of volunteers, success of the projects or positive media coverage. In case also some negative news will come in media, Kia is prepared to overcome the challenge with the clever and right arguments to overcome difficulties and make people sure they are always trying to do their best. To make it bit easier to organize, Kia recently decided to start with their own foundation called '*Nadácia Kia Motors*' that will cover all the activities and everything will be centralized at one place to have all information about CSR activities needed at one place.

- Effects of CSR

From the start of the operations in Slovakia, it was hard for the company to implement successful CSR activities because they were faced with a lot of skepticism from the side of people and society. People thought that Kia is not willing to support the region and they were not willing to be part of the project and thus improve the region with their help as well. But it is good they were able to overcome this struggle since now they are efficient in their activities and skepticism is almost gone. Now, people have more positive view and they see how much Kia is helping the region. On the other hand, there is still a lot of money involved, and as was the case in previous two companies, it is not possible to organize events without sufficient financial resources. As the new foundation will take care of very CSR activity, it will be easier to take care of the resources because everything will go through the foundation only, and resources of Kia itself will be no more involved.

Kia is putting CSR into the center of all their business activities, thus people can be sure that the company cares a lot about the serious issues, or at least should be because they claim that it is their mission to make CSR a core of the business. As their activities are divided into three main domains, it is easier to recognize CSR activities Kia is doing and same apply for the people as they will see company's involvement in those fields and connect Kia to company that is trying to make improvements to the world as such. Being core of business, Kia is trying to involve their employees in the CSR activities as much as possible and thus make it beneficial for both: Kia and its employees. Employees will feel more involved in the activities of company and beneficial for the society while helping in the activities, and Kia will profit from it with the higher number of the volunteers involved.

Employment and people as such are also very important for Kia. Being present in Slovakia, they are trying to improve region in which they are operating. They are taking care of the region that has higher unemployment rate, so they are improving the current situation and they also try to decrease gaps in the incomes. People in the region will be glad that Kia provides them with the possibility of employment and they will see Kia's commitment to the region that is not often supported as much as other bigger regions in Slovakia. Not only regions in which Kia operates are important for them, but also others are important as well to provide better conditions for life. As seen in Figure 4.4, they want to improve African situation while building green facilities there, run different community programs or expand involvement of the employees overseas. Building facilities in the countries such as African ones can make the life of people there much better and easier together with support of Kia in different project and community services.

As was mentioned before, Kia is aware of the climate changes and it is good that they are doing a lot to improve the situation and to decrease the impact on planet as much as possible and they are doing it in every stage of the car. They are mostly concerned in the stage in which car is on the road, because it counts for 80% of life cycle. Publishing *Action plan*, people will see what Kia is doing for the environment, too, and this plan should allow

them to achieve the goals they set and to have lower impact on the planet. It can succeed as they want to use green energy, save water and resources and produce minimum amount of greenhouse gases. Implementing this plan into the supply, production and sales logistics will allow them to impact also the suppliers and other partners in the value chain (similar to what BMW is doing) and decrease damages together. It is good that Kia wants to involve other businesses as well, because together they can have more power to make the changes.

- Conclusions

CSR activities of Kia in Slovakia started with the construction of the plant. Since then, they supported a lot of events, ranging from environmental projects to sport, and even supporting single sportsmen. They are mostly committed to the regions where their plant is built and from where most employees came. They focus on increase of life quality while supporting many different regional activities. Organizing those activities, Kia is seen as respected partner in CSR field and no more as a producer of cars only. CSR is a basis for everything they do, including strategic decisions. Kia has divided its activities into three domains and each one is concerning different issues (social, environmental and ethical).

To deal with ecological issues connected also to rapid population growth, they created 'Action plan' to decrease threat and possible damages caused by the growth. The plan has five different phases and each includes different tasks and objectives connected mainly to lowering CO₂ and energy consumption. With big threat of climate change, they are mostly concerned about the car's lifecycle while being on the roads. Because this phase impacts the climate most while producing CO₂, Kia wants to decrease amount to minimum and impact the environment at the lowest possible way. Their 'Action plan' should let them achieve it, while they also want to save water resources, consume less energy and produce little greenhouse gases. They should be effective in this since they are trying to involve also their partners in the whole value chain and make them follow better environmental standards as well.

Being helpful for the society is important for Kia as well, and to make better conditions for life they are trying to decrease gaps in incomes and hiring also people from minorities or with some disability. To cover all CSR activities, 'Nadácia Kia Motors' was founded to centralize all activities at one place and to have information about resource flow. Even though there was initial skepticism and unwillingness of people to support Kia's CSR activities, they were able to overcome it and now they do it in an efficient way, even though they need to be careful about financial resources because there are a lot of them needed and Kia cannot spend more than it has. Putting CSR into the center of all business activities does not guarantee that the company will act accordingly; but not in a case of Kia. People can see their involvement and commitment in the three main domains and they also want their employees to be part of those activities and thus increase number of volunteers, too. Kia wants to improve situation not only in Europe, but the company wants to do it in other regions as well. Building green facilities in Africa will allow them to improve African situation with employment and other improvements

connected to living. They want to involve more employees overseas and use them in support of local projects and community services.

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Sabikova, Radka

Datum: **30/05/2015**