Applied Project:
Motivations for Implementing Corporate Social Responsibility

By
Margaret Clappison
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Photo overlooking Elora Gorge from the city park in Elora Ontario. Source: Author.
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Margaret Clappison, BIS, DIM, CGA
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Preface

Social responsibility has been an important lifestyle attribute since university. Therefore, this study on the motivations for Corporate Social Responsibility (CSR) has resulted from exploring diverse aspects of responsible citizenship that merged personal and CSR views with the rigor of the professional ethics, standards and governance.

It began on the first chemistry work term in an environmental laboratory when potassium chloride used to sterilize beakers was washed down the drain. This prompted a transfer to independent studies to study another interest regarding the problems of small businesses. After university, groups such as the woman’s movement highlighted implementing constructive change in society to achieve equality were more constructive than blaming others. The new age movement emphasized tolerance can change in the world. Finally, certifying two organic farms in the Okanagan Valley of British Columbia provided an opportunity to create change ultimately transforming the personal outlook.

Becoming a Certified General Accountant (CGA) strengthened personal social responsibility and solidified both ethics and governance. It also reinforced the duty of community leaders to encourage businesses to be socially responsible. The Athabasca MBA re-enforced ethics while the executive leadership program offered by CGA-BC provided the catalyst that fused interests of ethics, CSR and governance into a cohesive image.

Therefore, this study is the culmination of a journey encompassing ethics and governance imperative in professional and personal life where CSR is emerging as the new cornerstone of business. It goes beyond individuals or companies to new society’s expectations of business where corporations require a conscious to do the right thing because it is the right thing to do.
Executive Summary

The intent of this pilot study was to discover how and why individuals in Canadian companies are motivated to implement, practice and encourage corporate social responsibility (CSR) in the business community. The objective was to increase knowledge of CSR issues from a uniquely Canadian perspective.

The research study is in five parts. Part 1: A literature Review on CSR issues and possible motives. Part 2: The research purpose, questions and relevance for CSR is considered. Part 3: The research design section includes a literature review of grounded theory methodology. Part 4: The results section discusses the findings from the pilot study. Part 5: The final section provides a conclusion about possible corporation’s motives to implement social responsibility.

The Modern concept of corporate social responsibility probably began when Bowmen (1953) reflected that business people had obligations to make their decisions using society’s values (as cited in Carroll, 1999). This was an indication social responsibility could be considered more important than profit. Later McGuire (1963) expanded the CSR concept for business to include all responsibilities of a private citizen such as the obligation to help rectify social problems in society (as cited in Carroll, 1999). In 1973 business had a new definition in plain language that was easy to understand and implement which equated the concept of social responsibility to being a good neighbour by not doing harm and helping to solve neighborhood problems (Eilbert & Parket, 1973, as cited in Carroll, 1999). The CSR pyramid created by Carroll gave a visual representation to the CSR concepts and divided them into levels of economic, legal, ethical and philanthropic responsibilities which became an accepted corporate social responsibility outlook (Carroll, 1999).
Dentchev (2004) considered many different financial and economic measures including the firm and its resources, society and linking stakeholders to strategic business opportunities which allowed researchers to begin the study of CSR motivations. Since Canada has a strong social security net it took decreased governmental funding to non-profits before philanthropy become prevalent in our society (as cited in Foster, Meinhard, Berger, & Krpan, 2009). Solomon and Lewis (2002) and Minoja & Zollo (2012, table 2, p.13) provided many reasons for CSR motives including economic profit; marketing or improving a company’s image; legal requirements such as compliance with regulations; ethical acceptance of the changing societal norms or internal business ethics; and philanthropic responsibilities to protect and support society’s needs. This was complemented by Halme’s (2009) assertion that CSR must integrate into the social, ethical and culture of the business to be effective. This indicates effective CSR requires transparency, openness and full disclosure. Therefore, this pilot study will interview upper management that engage in CSR to discover the motives for implementing corporate social responsibility.

The research is designed to interview employees working for companies engaged in CSR activities to ascertain their underlying CSR motivations. This may provide a greater understanding of emerging trends and managerial issues facing companies for instance transparency and accountability in governance and sustainable development. The main question focuses on motives that prompt the corporation to engage in social responsibility. Since this used the open-ended interviewing approach, secondary questions were used to help the participant provide additional information as required. The research design used was Grounded Theory (GT) which is a qualitative conceptual framework that requires asking open-ended questions, suspending preconceived ideas and keeping the mind open (Glaser, 2010). It uses the constant
comparative method to analyse the data by first categorizing, comparing incidents and examining data for participant intent after which concepts are then proposed from the data (Glaser, 1992 cited in Wartick & Cochran, 1985).

The literature provides stimulating questions about CSR motivations and its relationships to corporate strategy, how it permeates through an organization, how it affects corporate social and financial performance relationship (Minoja & Zollo, 2012) and how it may be affected by changing society’s moral views (Graaffland & van de Ven, 2006) and therefore potentially transform the role of leaders in business.

Potential companies were those practicing CSR and listed on the Toronto Stock Exchange (TSX) or had subsidiaries listed on the TSX.

Data was gathered by interviewing senior management from six companies who were acknowledged as practicing CSR in Corporate Knights ‘Best 50 Corporate Citizens’ in at least once of the years 2010-2012.

The analysis of the interview data suggested the companies had many similarities; most were concentrated on using communication, openness, honestly and transparency to create change in society and were often actively engaged to solve societal problems (Eilbert & Parket, 1973, as cited in Carroll, 1999). Indeed, the companies were engaged at multiple levels of CSR simultaneously (Carroll 1993, as cited in Schwatz and Carroll, 2003). This illuminated a convergence of the research data towards increased motivations and interest in pursuing CSR on Carroll’s (1993) ethical and philanthropic level where volunteering and being responsible to communities and society was starting to be integrated into the business culture. Further it showed
recognition that society’s acceptable norms are continually evolving and emerging as society begins to contemplate ethics and philanthropic responsibilities as the new business standards.

This pilot research provides a Canadian perspective on CSR that shows senior management were highly engaged to promote CSR objectives because they want to be good neighbours and support their communities (Eilbert & Parket, 1973, as cited in Carroll, 1999). This demonstrates companies’ willingness to accept their responsibility to move to an integrated business culture model centered on ethics rather than legal requirements and gives the opportunity to increase philanthropy by working to better society while also maintaining business profitability. Despite the limitations of a pilot study it does suggest a trend toward collaboration between society and business as the model of business behaviour converges to higher levels of corporate social responsibility.

   Thus the findings would seem to suggest:

   Societies’ priorities are shifting’ from concentrating on economic and legal responsibilities to the more inclusive and comprehensive responsibilities of ethics and philanthropy.
**Introduction**

This pilot research study is about discovering what motivates Canadian companies to undertake Corporate Social Responsibility (CSR) and thereby assisting managers in implementing CSR in their company.

The literature provides revealing questions about CSR such as:

- “What are the motivations for engaging in CSR?
- How motivations for CSR affect its relationships with corporate strategy?
- How motivations for CSR affect how it is spread within an organization?

Other questions in the literature concentrate on whether managers have the strategic perspective that CSR will affect financial performance and/or the moral views that businesses have a duty to behave responsibly (Graaffland & van de Ven, 2006). An extension not directly addressed in the literature is whether there are other leadership reasons for choosing corporate socially responsible actions and if this is growing trend in business.

This research study will be in five main parts. Part 1: A literature Review considers the corporate social responsibility issues and the possible motivates for CSR. Part 2: The research purpose and questions describe the relevance of CSR. There are no hypotheses in this section since Grounded Theory is the chosen methodology and it specifically avoids hypotheses so that the researcher can avoid possible preconceived outcomes (Urquhart, Lehmann, & Myers, 2009).
Broad based open-ended and flexible questions provide further insight into the field of study to support the research’s purpose (Ng & Hase, 2008). Part 3: The research design section has a literature review of grounded theory. The review of grounded theory is important to understand its concepts, strengths, criticisms and methods. It then provides an overall design, a research method and a description of sample size and composition. Part 4: The discussion section considers the results from the pilot study. The results are examined to discover common categories and themes and consider their possible implications. Part 5: The final section extrapolates the results to provide a conclusion about corporation’s motives to implement social responsibility.

**Literature Review**

**History of Corporate Social Responsibility 1950’s to Present**

Before the 1950s, the highest economic profit was the most important goal of businesses with low wages, long hours and poor working conditions justifying the need for large profits. However, social responsibility came to the forefront when Bowmen contemplated what responsibilities society could expect of businesses in his definition:

“... *social responsibility* refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Bowen, 1953, p. 6, as cited in Carroll, 1999, p.270).

This implied businesses needed to consider how the consequences of their actions related to social responsibility rather than considering economic profit and providing employment. This
started the creation of numerous social responsibility definitions for businesses and countless research studies over the next few decades.

Davis (1960) took the definition further when he stated managers had to consider how the implications of social responsibility decisions aligned with providing a long-term payback for the company (as cited in Carroll, 1999). He also believed the social power of business was directly determined by its level of social responsibility to society (Carroll, 1999). This interpretation provided a limited understanding of social responsibilities since he only considered a managerial viewpoint without reflecting how company actions would affect other stakeholders. In the 1960’s both Fredrick and McGuire refined the corporate social responsibility definition specifically to mention social responsibilities were requirements in addition to economic and legal obligations (as cited in Carroll, 1999). In fact, McGuire in 1963 extended the concept further and stated businesses must act like citizens and take an interest in the community, politics, education, employee’s happiness and social concerns of society (as cited in Carroll, 1999). This implies corporations must have similar obligations to society as doctors, accountants or lawyers and have a fiduciary duty to the public. It was a giant step towards businesses accepting corporate social responsibility.

The Committee for Economic Development changed the definition of the purpose of business in 1971 when it stated,

“Business functions by public consent and its basic purpose to constructively the serve the needs of society – to the satisfaction of society” (Committee for Economic Development, 1971, p.11 as cited in Carroll, Definition Construct, 1999, p. 275).
Then Eilbert & Parket (1973) provided the definition below in everyday language, which explains why socially responsible activities are essential for businesses to (as cited in Carroll, 1999).

“Perhaps the best way to understand social responsibility is to think of it as ‘good neighborliness.’ The concept involves two phases. On one hand, it means not doing things that spoil the neighborhood. On the other, it may be expressed as the voluntary assumption of the obligation to help solve neighborhood problems.

Those who find neighborliness an awkward or coy concept may substitute the idea that social responsibility means the commitment of a business or Business, in general, to an active role in the solution of broad social problems, such as racial discrimination, pollution, transportation or urban decay” (Eilbert & Parket, 1973, p.7, as cited in Carroll, 1999, p.278).

With the definition clarified by Davis (1973), (Eilbert & Parket (1973) and Sethi (1975), corporate social responsibility expanded to include the expectation corporate citizens must follow prevailing social norms of society and act as ethically as private individual citizens (Carroll, 1999). For the first time the role and definition of business changed from serving their own economic interests to serving society.

Even though the CSR definition was more complete, it still did not consider all of the complex issues such as sustainability, stakeholder concerns and community needs surrounding corporate social responsibility. As well without a conceptual model, there was no way to demonstrate how to create social responsible activities. However, it did create an atmosphere
where increased businesses’ expectations forced companies to listen and act on the concerns from stakeholders such as the community and government and took CSR a step further to becoming a mainstream reality.

In 1985, Wartick and Cochran developed a corporate social performance model that provided a framework consisting of responsibility (ethics), responsiveness (processes) and social issues (policies) (Wartick & Cochran, 1985). Although this reframed Carroll’s CSR definition into a framework, it had no easy way for managers of businesses to understand and/or apply the framework.

However, Donna J. Wood in 1981 further built on Carroll (1979) and Wartick and Cochran (1985) models. She clarified Wartick and Cochran’s three principles of social responsibility by showing these principles can motivate behaviour and emphasized the importance of actual performance as well as identified some of the processes such as stakeholder and social issues where management must interact with its external environment and then created a template for CSR research (Wood, 1991). Further, the article also synthesized and then conceptually extrapolated the basic model to help researchers and managers understand the complex relationship between business and society by corresponding Carroll’s domains of economic, legal, ethical and discretionary to social legitimacy, public responsibility and managerial discretion (Wood, 1991). Although Wood’s main contribution is recognized as the CSR framework, which links all aspects of the CSR model together, the unsung achievement was her emphasis on human behaviour being motivated by CSR principles. This highlights that using these principles enables a company to change corporate behaviour and culture to embrace CSR activities.
In 1991 Carroll created the CSR pyramid that provides a visual picture of the CSR concepts from the absence of CSR at the base of the pyramid to the corporate citizens at the top who practice CSR without any consideration of a direct benefit simply because it is the right thing to do (Carroll, 1991). This visualization pyramid has increased the corporate social responsibility understanding by researchers, corporate employees and students in university business programs. All of this research and discussion culminated in a generally accepted view of CSR.

Although the Dahlsrud study analyses 37 definitions it was discovered most of the definitions considered the relationships between business and community which included volunteerism, environment, social, economic, and stakeholders interests (Dahlsrud, 2008). Godfrey extended these finding by asking five questions which concerned the possible link between corporate social responsibility and financial performance, the managerial need to balance social involvement with strategic investment, the constructive approach to responding to stakeholders, the difficulty of determining which social responsible activity to pursue and the difficulty of following CSR in a non-Western country (Godfrey & Hatch, 2007). This set of questions have advanced CSR as it provided an outline for corporations to follow when reflecting and pursuing socially responsible issues and obligations to act as a good citizen. Even though the definition of CSR has improved, there is still no commonly accepted definition (Carroll, 1999). However, there is a common understanding that the

“... concepts of CSR share is that it involves a balancing of values” (Jorgensen & Pedersen, 2012, p. 4).
In 2011, the European Union (EU) created the corporate social responsibility comprehensive definition below which states:

“The Commission puts forward a new definition of CSR as the responsibility of enterprises for their impacts on society. Respect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting that responsibility. To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of:

- maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;
- identifying, preventing and mitigating their possible adverse impacts” (EU, 2011, p. 6).

This definition shows that businesses are now required to be responsible to society for their actions and expected to participate as good citizens to make the world a better place for all people.

The European definition is the most comprehensive definition of Corporate Social Responsibility. It has considered all the different CSR aspects and themes needed to make corporate social responsible vibrant and concrete in a corporation and can be a good model to follow. Its strength is its intellectual definition which really states clearly the qualities needed for those committed to CSR; however it does not provide mental images that cause people to
remember and emotionally relate to CSR. In contrast the “good neighbour” concept is much more simplistic yet because it grabs the mental and emotional attention of the individual the imagery created allows individuals to easily remember what CSR means and how to implement it by following the “good neighbour” principles. Relating the data provided from the interviews in the pilot study, it was found the concepts of a good neighbour were expressed many ways including:

“We develop and maintain a social license to operate” (C: 4).

“People talk to their neighbours and find out we treat people fairly and so they can do business with us (C: 1).”

“Internal values extend to the way you work with . . . your stakeholders. It starts with do unto others as you want them to do unto yourself” (C: 2).

Therefore the “good neighbour definition is superior since it spurs individuals and their companies to take action and implement CSR due to the staying power of the emotional impact created by the “good neighbour concept.

**Corporate Motivations for pursuing Corporate Social Responsibility**

Early studies on corporate social responsibility provided very mixed results with positive, negative and neutral findings thus not providing any clear decision on the relationships between corporate social responsibility and business performance or philanthropy. The Griffin and Mahon (1997) compiled 51 studies to evaluate the relationship between CSR and corporate financial performance. They discovered that out of 80 different financial measures used, over 70% were
only used once thus questioning the validity of the results (Griffin & Mahon, 1997).

Disagreements about methodology, meanings of correlations and measures by Cochran and Wood (1984) with other researchers such as Roman, Hayibor, & Agle (1999) and Mahon & Griffin (1999) ended up in papers written in refutations of the other’s results. Although the differences were interesting, the use of dissimilar financial measures prevented comparisons between studies and therefore did not address the wide variation of correlations making it very difficult to determine the CSR relationship to financial performance.

In 2000, McWilliams and Seigel criticized other studies for being flawed due to the prior studies lack of control on research and development (R&D) investment and advertising. This article stressed quantitative means of determining a correlation between CSR and financial performance. While the components it considered include size, risk, and industry the study disregards qualitative considerations such as reputation and culture that can often be more engaging than the numbers. Although the Dentchev (2004) study also used different financial measures to determine the effect CSR has on corporate financial performance, it included a competitive advantage approach with broader measures such as company resources and capabilities, stakeholder concerns, and strategic opportunities. This gave the opportunity for considering possible motivations because the study asks questions that require linking strategic business opportunities with other stakeholder interests to give value for all concerned.

This Canadian perspective on the motivations that cause businesses to pursue corporate social responsibility activities is quite different from the United States. This is because Canada has strong history and belief in providing a social security net so business philanthropy was not strong in this country for a long time (Foster, Meinhard, Berger, & Krpan, 2009). However as
CSR became more common and government decreased funding to non-profits, corporations began to increase their philanthropy towards the non-profit sector (Foster, et al., 2009) which allowed corporations to demonstrate they actively were conducting CSR activities. In fact, some companies used their market position to include strategic philanthropy (Foster, et al., 2009). A good example of strategic philanthropy is Natures Path which sells organic cereal where they donate 1% of the sale of each box of Envirokidz cereal purchased (Natures Path, 2007-2012). The company is attaining higher sales and then donating a portion to conservation or education programs for children (Natures Path, 2007-2012). This can result in increased reputation, brand image and sales; it is considered a marketing strategy that also supports a particular philanthropy project.

Because of the diverse ways corporations implement CSR, understanding different motivations that prompt companies to engage in this practice is important. In the 1997 Waddock and Graves study it concluded,

“Better corporate social performance (CSP) may lead to improved financial performance and . . . may in fact be a competitive advantage” (Waddock & Graves, 1997, p. 314).

and suggested research shows

CSR “is a way of doing business” (Waddock & Graves, 1997, p. 316).

The study by Solomon and Lewis provided extensive reasons for CSR motives, which included:

- To improve company’s image
• To market the company
• To market the company’s products
• Pressure for customers/consumers
• To comply with regulations
• To attract investment
• Peer pressure from companies in the same industry
• As an acceptance of a change in society’s ethics
• As a form of political lobbying
• To meet the demand for environmental information
• To acknowledge social responsibility
• As a result of company ethics (Solomon & Lewis, 2002, p. 161).

The Graafland and van de Ven (2006) study from the Netherlands found similar motives for CSR which included a positive influence on financial performance, an improvement in the company’s reputation, an attraction of high quality employees due to an ethical work environment, an improvement of employee productivity, a decrease in employee turnover and an increase in moral commitment to society. In addition, Minoja and Zollo provided motivations for companies engaging in CSR including:

• the preservation of the firm’s reputation,
• the avoidance of guilt,
• the enhancement of corporate financial performance,
• the enhancement of competitive and/or strategic advantage,
• the effect on shareholder risk and
the enjoyment gained by providing value to stakeholders and to service society


This shows that various studies and articles on corporate social responsibility illustrate there are numerous possible motivations for CSR in the literature.

Bruch and Walter (2005) identified four categories of philanthropy called peripheral (CSR activities do not affect society), constricted (minimal CSR does not consider stakeholders), dispersed (CSR arbitrary activities tend to provide minimal social relief) and strategic (CSR activities used for economic benefits while also insuring social rewards) (as cited in Foster, et al., 2009). This framework excluded the possibility of companies engaging in philanthropy for altruistic motives and only considered how the philanthropy related to their market and company core competencies. Zadek (2004) provides a more practical perspective on corporate philanthropy by categorizing companies into five stages:

- defensive; includes denial of CSR responsibility and defense of reputation,
- compliance - views CSR as avoidance of risk and protection of reputation,
- managerial - uses responsible business practices,
- strategic - uses CSR as strategic competitive advantage and

In fact Varadaragan and Menon’s (1998) study states,

“the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a
designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives” (as cited in Foster, et al., 2009, p. 60).

However Varadaragan and Menon’s (1998) assumption seems to assume companies always act in their own self-interest and only will consider philanthropy if it benefits the company rather than consider there could sometimes be altruistic motives driving corporate social responsibility (as cited in Foster, et al., 2009). In contrast, the Zadek study (2004) extends the definition to include a fifth category of civil responsibility where the company starts advocating for CSR (as cited in Foster, et al., 2009). This study provides circumstances that are more realistic by including support for broader social issues, less concern for financial outcomes, and a willingness to integrate CSR into the company’s culture.

The Halme (2009) study recognizes that some companies have integrated CSR into the social and cultural fabric of the corporation such that they consider that business ethics and responsibility extends past the operations of the firm to become actively involved in supporting and solving social problems. Although, supporting and solving social problems is important, CSR must also consider transparency and disclosure of business activities and management’s commitments to ethical and responsible behaviour. This lack of willingness to produce data and other information voluntarily on their social responsibility performance shows there is a need for further education of business executives and owners to understand the importance for corporate social responsibility (Solomon & Lewis, 2002). By promoting motivations for CSR activities, a company has the possibility to improve the wellbeing of all stakeholders.
The past studies have shown that CSR has increasingly become more prevalent. Eilbert & Parket (1973) suggested the good neighbour concept provides a more down to earth understanding of CSR because it relates to the individual’s personal life of treating their neighbours fairly and with respect. Dentchev (2004) furthered the concept of creating value for all stakeholders when he linked the company’s motivations and financial performance together. This was the first time that business opportunities and the interests of the stakeholder’s were considered to be related and possibly complimentary. New studies started considering companies motives to engage in CSR with Solomon and Lewis (2002) generating an extensive list of motivations for engaging in CSR. This has increased the understanding of why a company might what to practice CSR. Halme (2009) considered CSR really must be part of the cultural, ethical and social milieu of an organization to effectively implement CSR. The interesting part of CSR is to be effective it requires an openness, transparency and willingness to disclose not only the favourable yearly results but also plans for the following year, company results that fell short of expectations with explanations and a discussion what could be done to improve in the following year. This pilot research study will interview upper management in companies considered to engage in corporate social responsibility and discover what their motives are for engaging the company in CSR and encouraging its employees to also engage in CSR.

Research purpose and research questions

Research Purpose

The purpose of this research is to interview employees of companies that consider themselves practisitioners of CSR to ascertain their motives for pursuing CSR activities. Using data from interviewing participants the researcher will analyse patterns and sub-patterns in the
data to reveal the underlying core concepts that can generate substantive theory or theories. This may provide an understanding of the CSR trend and the new managerial issues facing these individuals in their companies.

This research is in the management domains of sustainable development and good corporate governance. The Brundtland Report stated,

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”

It consists of insuring environmental, social and economic viability for all people now and in the future (Sustainable, 2012). Good governance is an accountable and transparent process where an organization can realize its goals through a process of making decisions and then implementing them using a coordinated set of practices (Governance, 2011). Therefore, these two management areas are both an integral part of a research project that is about corporate social responsibility.

**Suggested General Questions**

The questions below are samples of open-ended questions introduced in the first set of interview, which may be modified as the study progresses.

**Main Question:**

What are the motives prompt individuals in corporations to engage the company in Corporate Social Responsibility activities and why?
Both the Minoja and Zollo (2012) and Kumar & Tiwari (2011) studies explored motives for CSR with the former asking the question

“What are the motivations for engaging in CSR?” (Minoja & Zollo, 2012, p. 3).

They even suggested motivations based on morals might lead companies to comply with societal norms despite the outcomes (Minoja & Zollo, 2012). Thus, the main question is likely to discover motivations for CSR.

*Secondary Questions:*

These questions can be used to direct the conversation if a participant is unsure where to begin answering the main question or to ask for further depth of a participant's comments.

1. How does the perception of CSR motivations affect your working environment?

2. How does your motives to engage in corporate social responsibility activities relate to leadership and the company’s strategy and why?

Both the above questions consider the employee’s CSR motives in relation to the company. Hine and Lutz (2009) explored how managers perceive their company’s CSR programs (cited in Kumar & Tiwari, 2011). The potential to discover additional insights or reasons for manager perceptions may provide clues to any underlying motivations.

3. If the CSR activities motivate the employees, how are they accomplished, what are the motivations and why is it effective?

In the Murillo and Lozano study, one of the questions related to the
“...ability to communicate both internally and externally with regards to the practices and the results” of CSR (Murillo & Lozano, 2006, p. 228).

Further Minoja and Zollo speculate that enjoyable motivations for CSR may improve employee-company relationships (Minoja & Zollo, 2012). This shows that this question may be able to discover underlying employee motives to participate in company CSR activities. Examples of questions used in the interviews are in Appendix 3.

**Research design**

**Literature Review of Grounded Theory**

Grounded Theory (GT) is a method of research that allows the individual to collect data used to create a publishable conceptual theory (Glaser, 2010). What is unique about this theory is that there are no hypotheses generated at the beginning of the study because the intent of the methodology is to discover the inherent meaning from the data (Goulding, 2002). In fact, Glaser also believes that a literature review at the beginning of a study is a waste of time (Glasser & Holton, 2004). However, many postgraduate candidates who use grounded theory often have a very limited knowledge of their area of study. Therefore, without a basic literature review providing a significant understanding of the topic the researcher would have difficulty determining what kinds of questions to ask even though open-ended questions are used. It requires the suspension of preconceived ideas, keeping the mind open, avoid generating likely outcomes and only ask open ended questions for grounded theory to work well (Glaser, 2010). This can be very difficult for those researchers that use conventional qualitative or quantitative methodologies to understand. This is because grounded theory is a conceptual framework that
takes advantage of the inner workings of the mind. The interesting component of grounded theory is that a researcher must be able to conceptualize, tolerate confusion and willing to wait for the concepts to emerge from the data (Glaser, 2010). Glaser further states:

“All that GT is the generation of emergent conceptualizations into integrated patterns, which are denoted by categories and their properties. This is accomplished by the many rigorous steps of GT woven together by the constant comparison process, which is designed to generate concepts from all data. Most frequent qualitative data incidents are used” (Glaser, 2002, p. 23).

Thus, a key critical component of grounded theory research is conceptualization where the objective is to discover underlying patterns in the data gained from participants diverse viewpoints. It is a theory that probably frightens many people because in its simplicity of method and coding it is really tremendously complex.

Grounded theory seems to tap into "unknowable knowledge" (defined here as knowledge that is at a subconscious or unconscious level for which the person cannot provide a written or spoken definition). This is what Glaser has called ‘discovery’ of the participants main concerns and used to uncover the underlying core patterns and sub-patterns that generate categories and enables creation of the core concepts which address these concerns to formulate substantive and formal theories (Glaser, 2002). This is very much like when a person meditates or sits quietly in the outdoors absorbing without words the energy / atmosphere around but cannot say how it affects them. Conceptualizing the experience allows participants to understand the process and then use it effectively.
Glaser makes a vital distinction that behavior is a pattern that people exhibit and is not the person and further stresses these concepts are timeless in application while descriptions apply to specific situations (Glaser, 2002). Grounded theory allows the researcher to go beyond the descriptions to generate concepts that meaningfully explain behaviour in an area by organizing separated incidents together and creating generalizations that hold true in many different times and places for many different people (Glaser, 2002). These generalizations could realistically be called underlying truths of society that now are being given exposure through the methodology of grounded theory.

What is very interesting is the split between Glaser and Strauss which was due to Strauss making a framework for systematic coding while downplaying the intuition and "discovery" that Glaser considers a critical part of the theory (Goulding, 2002). In the Glaser, definition of coding is


The idea is to create categories by comparing incidents in the data, examine data by questioning its intent and create memos to record the process and allows the discovery of the categories properties (Walker & Myrick, 2006). Glaser (1992, p.42) sums up his method by stating,

“Using the constant comparison method gets the analyst to the desired conceptual power quickly with ease and joy. Categories emerge upon comparison and
properties emerge upon more comparison. And that is all there is to it” (as cited in Wartick & Cochran, 1985, p. 551).

In contrast the (Strauss and Corbin (1990, p. 42) define coding as

“... the process of analyzing data” (as cited Walker & Myrick, 2006, p. 551).

The Strauss version “divides the coding process into three phases and labels them open, axial, and selective” (Walker & Myrick, 2006, p. 551). The detailed and strict process has each phase with its own distinct research interventions, comparative methods and questions, which causes the whole process to become very complex (Walker & Myrick, 2006). The difference between Glaser and Strauss’s versions is similar to the difference between the person who creates the strategy and someone who ‘does the accounting’. The former understands the data details within the context of the larger world view and has the ability to conceptualize this information allowing for the discovery and creation of alternative options and opportunities. However Strauss’s version is over grounded in the minute details in the data which may over shadow the themes making it difficult to view the larger picture. Therefore, the version of grounded theory chosen is the Glaser model.

The article by Thomas & James (2006) provides a viewpoint which does not support grounded theory research. The interesting point is the authors acknowledge grounded theory helped to make qualitative data analysis an established and reputable method but now that it is reputable, they think grounded theory is out of date and no longer useful (Thomas & James, 2006). The authors further refute grounded theory is a theory that can be used to discover theories from the data but rather state it relies on inquiry methods that are inconsistent (Thomas
This article is from authors that consider logic the only way to make a theory and the only way of doing research. However, inductive reasoning arrives through experience where humans find answers to everyday problems that help them to survive (Gasson, 2004). Thomas & James further contend,

“grounded theory oversimplifies complex meanings and interrelationships in data; it constrains analysis, putting the cart (procedure) before the horse (interpretation)” (Thomas & James, 2006, p. 3).

In fact, this is exactly why grounded theory is so powerful – it avoids interpretations and preconceived ideas that can cause misleading procedures to be developed in order to prove the hypotheses (Ng & Hase, 2008). Humans are the sum total of all of their experiences and learning. Therefore purging a theory that made qualitative data analysis research acceptable because the authors decide research must be more scientific to create and prove hypotheses seems like fuzzy thinking.

Another interesting debate about grounded theory is the one that considers the objective viewpoint against the subjective. Both have a very different worldview – the objective researcher believes that reality is outside themselves and so

“... universal laws, and objective, replicable and scientific methods ... need to be applied...” (Gasson, 2004, p. 87).

In contrast, the subjective researchers’ outlook
“of reality is an inner socially constructed view” (Lincoln and Guba, 2000, cited in Gasson, 2004, p. 87).

The different reality viewpoints of researchers suggest...

“the existence of multiple perspectives is an important issue for interpretive research” (Klien and Myers, 1999, cited in Gasson, 2004, p. 88).

This ability to see multiple perspectives provides the research with flexibility and rigor.

However, those opposing grounded theory believe it is

“. . . narrative and nothing else. . .” and can “. . . enable no prediction or explanation” (Thomas & James, 2006, p. 14).

In contrast, Miles and Hberman (1994) noted

“. . . qualitative research considers the meanings of words in language” (as cited in Walker & Myrick, 2006, p. 549).

Therefore the data analysis of the information from interviews and surveys in grounded theory has

“. . . the capacity to create rich descriptions and understandings of life” (Walker & Myrick, 2006, p. 549).

This illustrates word meanings can be collected into themes, patterns and categories from the descriptive narrative, transformed into concepts and ultimately discover theory. Thus, grounded theory allows the researcher to use data to discover emerging theory.
It is interesting that those that oppose to Grounded Theory do so based on the idea that it is only a narrative and discount the underlying meaning created from the context of words in a sentence or the complex meaning that interviewee’s convey when allowed to speak freely without the oppressiveness of very structured questions. This actually creates not only the complex description but also provides underlying concepts used by companies to create their policies and activities. Therefore GT is a very useful and vibrant tool used in this research study.

The two distinct models of GT - the Glaser model and the Straus and Corbin model have different ways of implementing the research. The Straus and Corbin model has a strict procedure which looks at individual words to create categories and is very methodical and almost clinical in its outlook. In contrast the Glaser model uses word grouping and sentence meanings to create the categories, compare the information from the different interviews and conceptualize to discover a synergy or convergence that can arise from the interviews. This provides a greater understanding of data since it does not just rely on words but can capture the underlying meanings inherent in the complexity of language to analyse the data. Thus the Glaser model of Grounded Theory is the method used in this research study.

**Overall Design**

The basic design of this research was to use the qualitative methodology of Grounded Theory. The overall design was to gather data by interviewing high ranking officials in companies that pursue CSR activities as recorded in Corporate Knights best corporate citizens for 2010, 2011 and 2012 (Lappano, 2010; Runnalls, 2011, 2012) to discover their motivations.

The CEO, CSR director or CFO of each company were invited to partake in the survey. It was possible that the CEO would designate a management team member to participate in the
interview. In fact, the individuals actually providing the interviews were in the positions of: President and Chief Executive Officer, Vice President of Capital Markets, Vice President of Community Investments, Vice President of Public Affairs, Director of Sustainability and Corporate Citizenship, and Senior Manager of Investor Relations. All data was confidential and no company or individual identified so that there was complete anonymity. Interviews were expected to be either in person, by phone or via Skype but in practice all were phone interviews. The expectation was to interview and then analyse between six and nine company executives. Due to time limitations and the difficulty of obtaining interviews in the summer months, the final number of interviews conducted was six.

The six interviews allowed both coding of each interview separately and comparing the different interviews to discover similarities, differences and patterns in the data. It also provided ideas how to change the questions for the next set of interviews. Inquiries why and how the individuals questioned believe the companies choose to engage in CSR activities were the focus of the interviews. The questions in the research purpose section titled ‘suggested general questions’ typify the kind of open-ended questions expected in the interview. Secondary data from company websites confirmed that the sample companies actually do follow CSR activities and are on the Toronto Stock Exchange. In one case a parent company of a major subsidiary listed on the Toronto Stock Exchange was interviewed.

The research will consider Carroll’s principles of philanthropy, social, community, legal and ethical aspects of corporate social responsibility (Carroll, 1999). The sample was going to be separated into low, medium and high levels of CSR practices. However, with a smaller sample this was not as practical since the majority of the companies interviewed already were at a high
medium to high level of CSR practices. Because this involves interviewing company representatives, an ethics application was required and completed.

**Method of Research**

The pilot study will use the constant comparative method of analysis. This consists

*of comparing each succeeding interview against the previous interviews “... to look for emerging patterns and themes”* (Ng & Hase, 2008, p. 157).

The expectation was to have interviews completed in groups of three with coding analysis done between groups. However due to the difficulties of obtaining interviews, coding analysis was done in a sequential basis where the first two interviews were compared after which the third was compared against the results of the first pair and this was continued until all comparisons were completed. Based on the information received, refining questions are designed before executing the next set of interviews. It was originally determined there would be three sets of interviews and analysis with two opportunities to create refining questions for the next interview set. In actual practice it was discovered refining interviews was done after each interview with the understanding some participants needed somewhat more direction as their answers were either shorter or leaned to a particular topic. The refining of questions and the constant comparison method of analysis allows for an emergence of concepts as the information previously obtained can clarify and expand the data received. Due to time restrictions in the research project it is possible that the data will not reach saturation point and so the study must be read with this possible limitation in mind.
The grounded theory method of qualitative research will be used to create conceptual hypotheses or theories from the research data by finding patterns in the ideas, beliefs or reasons of interviewees that permits the data to group into categories (Ng & Hase, 2008). This method permits the data to be relevant to many different situations and can therefore explain the behaviours exhibited in the interview data. Therefore is it possible to generalize the results and consider areas such as who has power in the situation, how power is manifested and what kinds of situations are applicable (Glaser, 2002). Since it operates at the conceptual level, it can reach the latent underlying structure that really drives and organizes the behavior and social aspects of a business (Glaser, 2002). The purpose is to discover patterns in the data that converge together which allows the researcher to conceptualize the data analysis and create a theory.

**Interviewing**

To achieve data that is ‘indicator rich’ open-ended interviews are used to avoid interviewer preconceptions influencing the respondents (Simmons, 2010). This requires keeping opinions, leading questions and slanted comments out of the conversation so the interviewer discovers the participant’s ideas and beliefs. A main feature of the interviewing process is to allow the participant to do the majority of the talking after asking an open-ended question while the interviewer simply takes notes and asks for further clarification. Therefore, general and non-leading questions give the most accurate data.

(Dey, 1993) mentions,

“Through successive sampling according to emergent theory (Glaser, 1992), the research questions gradually become more refined, as dimensions of the research
problem become clearer through analysis” (as cited in Urquhart, Lehmann, & Myers, 2009, p. 371).

Thus, the research questions become modified as the study progresses to discover more detail about the emerging categories and patterns.

**Data Analysis**

The purpose of qualitative research is to

“. . . organize and reduce data into themes or essences which it turn, can be fed into descriptions, models or theories” (Walker & Myrick, 2006).

In particular, the data analysis is conducted by performing coding (substantive and theoretical aspects), writing memos, asking questions, constant comparison of the data and theoretical sampling. It involves the following steps in order - gather data, coding, compare, categorize, theoretically sample, develop a core category and finally generate a theory (Walker & Myrick, 2006). Glaser explains the beginning of data analysis is done by asking questions that include:

“What is this data a study of? What categories does this incident indicate? What is actually happening in the data? What is the main concern being faced by the participants? and What accounts for the continual resolving of this concern?” (Glasser & Holton, 2004, section 3.6).

Therefore coding in grounded theory is a way to explore the information in the data where the researcher looks to find similarities and differences starting with the description from
interviews, categorizing and labeling the data and then moving on to conceptual ordering and the discovery of theory (Walker & Myrick, 2006). This means the researcher must be willing to

“. . . listen to participants venting issues rather than encouraging them to talk about a subject of little interest” (Glasser & Holton, 2004, section 3.2).

Although easy in theory, suspending judgement and listening to the participant talk can be very difficult in practice, which requires the researcher to constantly remember to accept the data given without providing any prompting.

Sample Size and Composition

Since the object of this pilot study was to determine the motivations for companies to implement corporate social responsibility it was important to use a population that was already considered by an outside source as practicing corporate social responsibility. In a review of the possible surveys available “CSR Trends 2008” and “CSR Trends 2011” were eliminated to use as a population because they were using companies from around the world (25 companies comprising 25% of the sample were companies in Canada) and it was mainly considering sustainability and CSR reporting standards. Another survey released in 2005 by The Certified General Accountants Association of Canada called ‘Measuring-up: A study on Sustainability Reporting in Canada” also dealt with the reporting aspects of corporate social responsibility. This study used companies on the Toronto Stock Exchange (TSX) and on the TSX Ventures exchange and asked them about their external reporting practice, future expectations, key stakeholders and driving forces in their company disclosed in the study report (The Certified General Accountants Association of Canada, 2005). This study considered such information of interest to stakeholders in areas such as communities, employees, customers, and investors (The
Certified General Accountants Association of Canada, 2005). It confirmed there is a “growing trend in sustainability reporting in Canada as companies realize improved reputation can arise by demonstrating to stakeholders a commitment to corporate social responsibility (CSR)” (The Certified General Accountants Association of Canada, 2005). However this study was not repeated in later years and considered as the reporting of activities rather than actual engagement in CSR activities.

Corporate Knights had the only annual survey of companies that rated companies based on key indicators as best corporate citizens. When it was discovered that some companies were extremely hard to contact this suggested Corporate Knights’ categories to rate companies may not provide the best determination of corporate social responsible companies. However it currently is the only company that does a Canadian study to rate companies for corporate social responsibility. Therefore, the sample will consist of CSR companies listed on the Toronto Stock Exchange (TSX). Corporate Knights determine the best 50 corporate citizens in Canada each year (Runnalls, 2011, 2012) and so its data will be used to extract the sample. This methodology is based on public information using different criteria such as environmental, social, governance, transparency and relative core business impact to rate the companies (Runnalls, 2011). A list will be extracted from the three years data 2010-2012 by removing any duplicate company names to create a potential sample of companies considered best corporate citizens listed on the Toronto Stock Exchange. This will create a possible sample population of up to 150 companies. Six companies were interviewed using the methodology described above.
Evolution of methodology

A table was created to compile the Corporate Knights’ “Best 50 Corporate citizens” in the years 2010-2012, which includes public and private companies, to determine the number of actual companies represented over the three year period. When compiling the data it was discovered 80 companies representing 53% (Appendix 1, Table 1) of the total companies (both private and public) had been selected as “Best Corporate Citizens” more than once in the three years considered in the study. Figure 1 below indicates this split between private and public companies of Corporate Knights “Best 50 Corporate Citizens” list. It also illustrates that there were only 17 companies that were able to quality for the Corporate Knight’s list three years in a row. This separated the “Best Corporate Citizens” into 63 (79%) unique companies on the Toronto Stock Exchange (TSX) as well as 17 (21%) unique private companies (see Figure 1).

Figure 1: From data in Corporate Knights “Best 50 Corporate Citizens” (Lappano, 2010) and (Runnalls, 2011, 2012). (See Apendix 1, Table 1). Source: Author.
Further 83% of the selections for Best Corporate Citizen over the three years were on the TSX (See Appendix 1, Table 1). Figure 2 demonstrates only 42% of the companies were on the TSX in the three year period with 11% achieving best corporate citizen in all three years. This means only 63 of the total companies in the 150 sample from the three years were on the TSX with 44 or 29% of those achieving the status two or three times on Corporate Knights “Best Corporate Citizens list” (See Appendix 2).

![Percentage of Best Corporate Citizens in the TSX Sample in the 2010 - 2012 years](image)

**Figure 2:** Analysed From data in Corporate Knights “Best 50 Corporate Citizens” (Lappano, 2010) and (Runnalls, 2011, 2012). (See Appendix 1, Table 1). Source: Author.

**Sample**

A table of a random sample of 16 companies was created and matched to company data to permit contact information for sending e-mails. For purposes of this sample all identifiable company information was removed to maintain confidentiality. During the process of checking for e-mail addresses and generating the sample it was discovered one of the companies was a parent company of another in this population and so it was not included in the sample. A
spreadsheet was created to tabulate findings and contact times during the phase of asking for interviews. There were 15 initial requests for interviews sent by e-mail and followed up e-mail and/or by phone.

Interviews started on August 8th with the vice-president of a company in the energy sector. It was followed by companies in the energy sector, in the industrial sector, and in the forestry sector. The last two interviews in October were in the communications and insurance sectors. The broad base of different industries sectors clearly provided resulted from interviews that portray very different outlooks on corporate social responsibility. Because of this it was necessary to modify questions during some of the interviews to include questions which provided understanding of their key CSR objectives and their secondary company CSR motivations. As well, a few were not as comfortable with the open question method and so required additional questions to help them talk about their companies’ CSR motivations. During the interview analysis process it was discovered the Corporate Knight’s study may have some problem tracking identifiers that actually capture the CSR of a company accurately. For example they are looking at activities and equating that with CSR excellence but rating actions as simple as how responsive, accessible and transparent top management is to the general public seems to have been missed. Yet this is critical to being a corporate socially responsible company.

Non-Responses

Two companies that declined interviews were in the financial sector. In both of these it was difficult to reach top management and both declined an interview. These two companies simply referred to a website where they claimed all the information could be gathered. In both of these cases there was significant information on their corporate social responsibilities but none
on the motives that would cause management to engage in corporate social responsibility.
Although one stated its reason as prioritizing their use of time and did respond within four business days, the other was almost impossible to reach. Considering the financial sector provides an outward image of corporate social responsibility it is rather surprising that those who were asked for an interview in the financial services sector all refused an interview. In one instance it took phone calls to a few different people before finding a phone number that may reach an individual who could at least pass on the request. Upon reaching someone at head office the response provided was top management phone numbers were not given out for security reasons and the researcher was referred to media relations! Since contacting top management with other companies was easy by e-mail and /or phone it seems this company unnecessarily insulates its top management from the public. When they asked for an example of the questions and then mentioned they did not do students interviews since all the information was on a website it suggested they wanted to protect their image. In fact the suggestion was their information website was more than satisfactory for a student’s MBA project. Perhaps they are scared of an open-ended question format because they cannot then control their public image. This attitude does not provide a good impression especially since they first asked for the questions and then refused base on the reason of receiving many requests. However it provides the perception they are shielding themselves creating potential concerns about a lack of transparency. Also implied is an attitude that CSR is meant to project a company image rather than be an integrated part of the company culture and a have concerned interest the community.
It would be interesting to determine in future study if this was common to the financial industry.
Interview Issues

A few companies responded by asking for a resume or the type of questions to be asked so they could prepare in advance. This was usually when they had expertise in only one area of corporate social responsibility and wanted to gather information from colleagues. In one case the person was busy for a number of weeks and was to schedule a time later while another had many rescheduled interviews due to the person’s busy schedule but both were still committed to participate in the study and kept in touch about the interview.

The first interview went fairly well. It showed the need for a few more specific questions to encourage the participant to continue to talk when they do not talk expansively and extensively. The next five interviews showed different companies and different industries have very different approaches for management implementing corporate social responsibility. The participants allowed me to tape the interview in five of six interviews.

Limitations and Suggested Improvements

This is a pilot survey and the conclusion is to be regarded with the understanding that there was a time limitation for the project. The pilot study many not have had sufficient data to get to saturation point due to the MBA limitations.

Many of the companies no longer have receptionists so there is no general number to call and it took a considerable number of phone calls to actually find a person. The e-mails were sent to the CEO’s or top management personal. Two companies in the sample do not provide e-mails to the public. Further, one of these has all private e-mails, would not even provide an e-mail
when phoned and employees’ e-mails could not be found on the web. This company was in the financial sector and when this happened it was dropped from the sample.

It seems making phone calls tend to work better than sending e-mails. In fact contacting executive assistance often provided better responses for initial contact than contacting the CEO or vice-presidents. This is most likely due to executive assistants being better equipped and have more time to consider the e-mail and direct it to the best person than most CEO’s or the top management staff. However, in two situations initial responses were received from the CEO directly within twenty-four hours of sending out the e-mail with an initial favourable view towards an interview. It is interesting that the only two CEO’s that actually answered the e-mails were both were women. In another situation, there was a direct e-mail address available on line for the CEO and an e-mail response was provided quickly with a time frame for a further response. Others took over two weeks after they were contacted by e-mail to respond and required numerous follow-up phone calls. Some followed up with an e-mail or phone call to ask for further clarification of the research study.

Two interviews were conducted in August, two in September with the last two in October. This was due to the participant’s busy schedules, sickness or holidays. In retrospect it is very difficult procure interviews in the summer with employees taking vacations since others must take on extra work to cover for those on holiday.

The time that it takes to e-mail and phone for interviews is enormous and shows that this kind of research study is very dependent on the good will and work load of top management individuals. This is an area that is time intensive and requires more than two months to even interview a few participants. In addition, the time to transcribe an hour interview can range from
five to ten hours and so either additional time must be set aside for this purpose or someone hired who is an expert at transcribing interviews.

**Results Discussion**

The results of the pilot study were obtained using Grounded Theory as the framework for interviewing participants and analysing the data. The method of constant comparison where the findings from each interview were compared against the previous interviews provided an opportunity to reveal the common underlying themes companies considered important. Perceptions about these themes and motivations for implementing CSR varied among the companies. All the comments received were classified into themes for each company and complied and tabulated using Carroll’s pyramid levels of CSR responsibilities (economics, legal, ethical and philanthropic responsibilities). An example page of the table of the CSR themes for the different companies is in the appendices (see Appendix 4). Some comments applied to more than one level of CSR due to a company having more than one motivation simultaneously.

The population consisted of a relatively small number of companies considered best citizens by Corporate Knight’s survey of the best 50 corporate citizens in the years 2010-2012 which resulted in some industry sectors with as few as two companies in the population. Since the sample is significantly smaller classifying by industry could potentially identify individual companies. Therefore, the industry sectors were grouped broadly into products and services to prevent quotes from identifying individual companies (see Table 1 below).
Table to Group companies into Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Industry sectors included</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>Energy, Utilities and Forestry</td>
<td>C:1, C:2, C:4</td>
</tr>
<tr>
<td>Services</td>
<td>Communications, Insurance and Industrial Services</td>
<td>C:3, C:5, C:6</td>
</tr>
</tbody>
</table>

Table 1: Industry Sectors for interviews grouped by products and services.

The themes represent some of the areas of corporate social responsibility found in sustainability reporting frameworks such as the Global Reporting Initiative (GRI).\(^1\) In fact the companies mentioned,

“*We have reported GRI standards which are more globally recognized*” (C: 1),

and

“*We transferred to GRI last year*” (C: 3).

This reporting standard emphasises numerous aspects of a business that can be affected when beginning to embrace CSR. An analysis of the interviews suggested the following CSR themes:

- **Community:** To be a contributing member of the community
- **Stakeholders:** To attract or yield to pressure from groups or individuals such as customers or consumers with an interest in the company activities

\(^1\) GRI is an organization that provides a global sustainability framework of reporting guidelines for companies to enhance CSR performance transparency and accountability. It is a non-profit organization based in the Netherlands and used by companies around the world (www/globalreporting.org).
Shareholder: To attract investment and provide return on investment for this subgroup of stakeholders

- Environment: To comply with regulations, the demand for environmental sustainability and the expectation of protecting the natural environment
- Good Neighbour: To be a good neighbour that adapts to society’s changing standards of ethics and who acknowledges, practices and promotes social responsibility
- Employees: To retain employees who have ability to move companies easily
- Leadership: To support employees and be a catalyst for positive change.
- Disclosure: The extent of commitment to full openness and transparency,
- Communication: How the company interacts with interested stakeholders, improves the company’s image / brand and create a strong reputation
- Company Culture: The values the company practices,

These themes were very similar to those in the studies by Solomon and Lewis (2002), (Minoja & Zollo, 2012 and the Zadek (2004) concepts of compliance to protect reputation, managerial responsible business practices, strategic competitive advantage and civil integration of CSR into business (Zadek, 2004, as cited in Foster, et al., 2009).

The Carroll pyramid of corporate social responsibility has been applied to the generalized themes extracted from the interviews in this study (see Figure 3 below). It is possible for themes to be located in more than one level of Carroll’s pyramid since there can be conflicting motives for actions a company may take. Figure 3 shows Carroll’s original pyramid and the themes paired with the themes from the data. Level one in the pyramid often considered to be exclusively centered on businesses profits is economic responsibilities. This can be seen in the
comments about improving a company’s brand and/or image. The communication theme concentrates on creating a strong reputation in the community.

However Carroll suggested:

“... economic viability is something that business does for society as well”

(Carroll, 1999, p. 284).

The stakeholder theme with its subset of shareholders tends to yield to pressure from customers and/or consumers or to attract investment. These three themes demonstrate the economic model of earning profits is affected by society’s view and expectations of business. It can be particularly relevant for the communication theme because the way the company interacts with stakeholders can affect the company’s ability to operate. Carroll’s second level called legal responsibilities involves the legal and societal acceptance of right and wrong matched with the environment theme where compliance with regulations and the demand for environmental sustainability can be crucial to survival. The Third level of the pyramid is ethical responsibilities where acting in a fair and just manner by following behaviours and practices beyond legal requirements is expected by society (Carroll, 1999). This is illustrated with the company culture, employee and leadership themes to comply with a change in society’s ethics and ability to retain employees who have the capability to move companies easily. Then at the top of the corporate social responsibility pyramid (level four) are the themes of being a good neighbour, being a contributing member of the community, acknowledging and practicing social responsibility relating to Carroll’s philanthropic responsibilities.
In summary the data analysis at each level of the pyramid will consider the different themes of community, stakeholders, shareholders, environment, good neighbours, employees, company culture, leadership, disclosure, communication and measure of CSR effectiveness as it relates to that level; not all themes will pertain to all of Carroll’s CSR levels.

**Carroll’s CSR Levels and Pilot Study Themes**

The following section compares Carroll’s CSR levels with the themes from the pilot study interviews to determine how the CSR levels and research data relate together.

**Level 1: Economic Responsibilities**

These are Carroll’s lowest level of corporate social activities and responsibilities which relate to companies’ profitability currently and future earning potential. Carroll’s starts off the corporate social responsibility pyramid with economic responsibilities. The concentration is on the maximization of profitability and both current and future returns on investment. The diagram provides a summary of the necessary components for this lowest CSR level (see Figure 3 below).

**Economic responsibilities and Community**

The community theme at the economic level of CSR tends to be oriented towards business profitability. This was apparent by comments concerning the importance to have corporate social responsibility activities that engage customers or community members to operate effectively and make a profit. Company C: 4 is in a regulated industry and considered a CSR business since cooperation and consultation with public and government was critical. In the interview with Company C:4 they stated it was necessary to create a situation where society would accept their
operations because public opinion (negative or positive) determines if they can work in particular area. This suggests that its welfare depends on the general public accepting its business practices:

“We develop and maintain a social licence to operate” (C: 4).

The goal was to be responsible to ensure Company C: 4 would prosper. This concurs with the 1950’s view expressed by Bowen (Carroll, 1999) that business people pursue policies to increase profit and also consider society’s values. Brown and Dacin (1997) and Alexander (2002) agree consumers prefer to make their purchases from a business that has a good social reputation (as cited in Graafland and van de Ven, 2006).

**Economic responsibilities and Stakeholders**

The theme of stakeholders at the economic responsibility level has an emphasis on doing what is necessary to operate profitably. This suggests the concentration is on fulfilling stakeholder interests if it will either decrease a business risk of a bad reputation or provide an opportunity to increase profits while improving its image. For example, Company C: 4 tends to have very few comments from the public about their CSR activities; the comments that are received generally are from paid special interest groups (C: 4). Therefore this suggests a limited interest in most stakeholder’s interests; rather the importance is to provide shareholders a good return to insure the maintenance and growth of investment in the Companies C: 1 and C: 4.

This is indicative of the following outlook from companies C: 1 and C: 4
“It is public opinion - negative or positive - that depends if they can work in a particular areas … and negative comments and opinions may not provide them the needed social licence so it’s important to receive positive opinions” (C: 4).

This opinion seems to suggest following required activities is more important than soliciting feedback from external stakeholders. This it is similar to reasons such as compliance with government regulations and meeting the demand for environmental information found in the Solomon and Lewis study (2002) in order to continue to operate and the possible increased effect on shareholder risk mentioned by Minoja and Zollo (2012).

Shareholders, a subset of stakeholders, traditionally held businesses accountable to ensure an adequate return on their investment. Three sample companies had a very pragmatic approach to shareholder concerns; they acknowledged shareholders were vital to continued investment and most considered profitability much more important than CSR. This indicated that there was little CSR activity at this level that was not easily connected to a deliverable profit. Minimal CSR activities such as hearing the public’s concerns were used to placate shareholders and communicated with reported operations and profit. This demonstrated at least some interest and concern about social responsibility. Company C: 2 indicated some shareholders were beginning to expect a small amount of CSR provided there was profitability. However profits at all costs still exemplifies Carroll’s CSR at the economic responsibility level (Carroll’s, 1999).
Interpretation of Carroll’s Corporate Social Responsibility Pyramid using research results

- **Philanthropic Responsibilities**
  - Community: contribute to community and help fund projects needed in community
  - Stakeholders: be responsible, open, transparent and also cultivate good relationships in local community
  - Environment: must be part of solution to protect environment
  - Good Neighbour: considerate of others, be transparent, treat people with respect
  - Employees: provide support, opportunities and follow values so employees can be proud of leadership
  - Disclosure: full transparent CSR and financial disclosure and follow good governance
  - Communication: be open and transparent in both external and internal relationships
  - Company Culture: be a catalyst for change in industry with customers, suppliers and public

- **Ethical Responsibilities**
  - Community: Consumers want to patronize companies with same values
  - Stakeholders: need to listen, respect and have stakeholder transparency
  - Environment: respect, fairness and need to be socially/environmentally responsible to attract talent

- **Legal Responsibilities**
  - Community: CSR almost a legal expectation of companies
  - Community: must follow human rights and employment equity government laws
  - Stakeholders: board of directors must be independent, have increased liability
  - Stakeholders: new expectation of companies to follow same laws as private citizen rather than to maximize profit at the expense of society

- **Economic Responsibilities**
  - Community: difficult to operate in community if not seen as caring about its interests; to be profitable need CSR for reputation, brand affinity and customer engagement
  - Stakeholders: society has new expectations of business to support communities in a tangible manner in exchange for supporting company (thus generating profit)
  - Shareholders: Must provide return on investment for shareholders to remain
  - Environment: must listen to public concerns to be able to operate

Figure 3: Carroll's Pyramid (Carroll, 1993) and Interpretation of Carroll's Pyramid from Themes derived from data. (Source: Author).
The comment below was indicative of half of the sample companies:

“If there is not exchange of value \textit{or} if it cannot make money, most \textit{shareholders} are not interested since the expectation of a return must be there and the CSR is on top of that” (C: 2).

It was discussed in Davis’s study (1960 in Carroll, 1999) how these CSR decisions that companies are making must align with economic interests. However, this is a case where misalignment is likely if companies must meet legal minimum demands and maximum profits. Despite the imperative to align with economic interests, the majority of the companies were interested in finding a way to satisfy and align CSR with their economic responsibilities.

Company’s C: 1 and C: 2 both demonstrated this concern in the remarks below:

“How you think about corporate social responsibility reflects on…you wish to engage the stakeholders around you and your business” (C: 2).

“Corporations have responsibilities to a lot of different stakeholders and not just your shareholders” (C: 1).

There was recognition among the sample companies that ethical, social and environmental issues can greatly impact a corporation’s future sustainability (Brock, 2005). If this is not addressed it could severely impact the shareholders ability to continue to reap returns on their investments. The Bruch and Walter (2005) study indicates the tug between the two opposing attitudes of constricted CSR (only consider shareholder profitability) and strategic CSR (consider both economic and social purposes) seems apparent in sample companies comments.
Economic responsibilities and Environment

The environment theme at the economic level was mainly from two companies in the sample that were in regulated industries. They tended to create marketing materials to ensure their plans would be accepted by the public because its public acceptance was required by law. This implies that changes to company polices tended to reflect public opinion of their operations as shown by Company C: 4 that follows best practice suggested by government and considers public expectations.

Company C: 4 comments below show the requirement for CSR:

“We listen to comments and consider making changes to accommodate public concerns” (C: 4).

“We develop and maintain … real and accurate communication to the shareholders about the environment” (C: 4).

Few CEO’s accept CSR benefits as reasons to engage in CSR activities but when the benefits such as those associated with becoming environmentally friendly include direct cost savings measures then this makes top management more willing to promote CSR activities (Brock, 2005). It was evident that CSR compliance in Company C: 4 was required to ensure the continuation of operations. The comments by Company C: 4 suggest it was at Zadek’s compliance strategy level where CSR is considered a way to avoid business risk and also protect their reputation (Zadek, 2004, as cited in Foster et al., 2009).
Economic Responsibilities and Employees

At the economic level Company C: 4 considered CSR for employees unimportant as the employees were professionals from self-regulating associations. This shows that they are interested in the legal and quasi-legal self-regulation and that they have not engaged their employees in CSR and indicates a possible lack of commitment.

The lack of employee engagement is evident:

“There's not a lot of interest from employees on corporate social responsibility” (C: 4).

The lack of CSR engagement of employees further confirms an avoidance of CSR practices that are not legally required and collaborates Varadaragan and Menon’s study (1998, as cited in Foster, 2009) that company C: 4 is really acting in its own best interest. Further it illustrates complying with legal regulations is done to ensure the highest economic profit remains its main priority. This concurs with the research in Solomon and Lewis’s study (2002) that companies’ need to protect their image because it will also help to retain employees.

The economic level of Carroll’s corporate social responsibility is considered to be the first level where little or no consideration is given to CSR and profit is the main motivation. This level had the least data responses as most of the companies had progressed further in the CSR framework. This demonstrates the tendency that CSR perspectives in business are growing because only 1 of six interviews which equates to 16% of the sample had economic responses in more than one category. Further two others (Companies C: 1 and C: 3) were acknowledging the shareholder economic reality of the CSR level yet striving to move shareholders beyond it.
Interestingly even Company C: 4 did not have all of its CSR tendencies in the lowest economic responsibilities level of Carroll’s pyramid.

**Level 2: Legal Responsibilities**

Carroll’s next highest level in the corporate social responsibility pyramid is the legal responsibilities. Here the law and societies norms relate to a company’s adherence to right over wrong. Changing society values are tending to increase its society’s expectations of businesses which could include exceeding legal requirements. Carroll’s pyramid (see Figure 3 above) above provides examples of CSR at the legal level.

*Legal responsibilities and Community*

The community theme in the legal responsibility level relates mostly to following government transparency guidelines to provide the public information on their plans and accept responses in order to comply with minimum standards by law. This suggests that listening and considering public concerns would occur because of “forced obligation”. Being in a regulated industry, Company C: 4 must follow “best practices” as required by government and therefore has minimum social and environmental standards and activities that must be performed. This included a focus on relationships, transparency with community members and contributing to the local communities which was evident by Company C: 4’s comments related to the need to have corporate social responsibility activities to comply with government regulations and community expectations.
“Government plays a big part as they require all companies in the industry to follow certain minimum standards. Plans are made available to the public for comment and we address the public's concerns” (C: 4).

This agrees with Carroll who suggests society expects businesses to operate within the law framework (Carroll, 1991, see also Solomon and Lewis, 2002). This is evident in the sample where regulation compliance was an important main reason for engaging in CSR activities in the regulated industries.

**Legal responsibilities and Stakeholders**

The stakeholder theme applied to Carroll’s legal responsibilities level includes legal issues, disclosure and activities that provide proof operations will benefit and not harm the local community. A prerequisite would be transparency to provide all interested parties information about their operational plans. Company C: 4 followed government regulated CSR practices such as town hall meetings and public dissemination of Company C: 4 plans to cement its continued existence and profitability which would otherwise be jeopardized if sufficient sustainability practices were not accomplished. However the overriding reason these activities were accomplished was due to regulations; no encouragement was given and no input solicited from stakeholders.

This was evident from the comment:

“The level of customer or investor assurances is not expected or helpful as it does not consider the GRI set of formal requirements” (C: 4).
The suggestion is that anything above the minimum reporting is not considered important since it is not required. Therefore the belief is law is the basis of what is fair (Carroll, 1991). This corresponds to the Solomon and Lewis (2002) where they discuss complying with industry regulations as reason for CSR activities and shows an insignificant commitment to stakeholders beyond those of legal requirements.

The legal responsibility level of Carroll’s pyramid only had one Company C: 4 with comments in the two themes community and stakeholders. Since Company C: 4 had other themes such as communication and leadership in the ethical and/or philanthropic levels of Carroll’s pyramid, this may suggest Company C: 4 is not following a pure profit model. Further, it may also suggest attitudes within the business community are changing towards increased corporate social responsibility.

**Level 3: Ethical Responsibilities**

Carroll’s third level of corporate social responsibility deals with ethical responsibilities. This is the level where fairness, justice and ‘doing the right thing’ are important CSR considerations. Businesses are expected to consider the rights of society since it is not possible for business to be in isolation and still operate in the community. Listening to stakeholders and transparency are an integral part of this CSR level (see Figure 3 above).

**Ethical responsibilities and Community**

The community theme at the ethical responsibilities level was included in of all of the six interview responses with varying responses from needing a social license to operate for the business to a CSR integrated response to the community. The importance was on cultivating
lasting relationships, being open and transparent so that community members can trust companies to be contributing to the local communities in significant ways with a focus on environmental and community sustainability. This manifests itself in how companies operate in the community.

The comment below exemplifies the view of most of the sample:

“We continue to monitor what is out there; what’s good for sustainability. We are heavily involved in community developments” (C: 3).

This shows a willing to accept new values of society and incorporate them into the business environment (Carroll, 1991). Thus Company C: 3 would be considered in the Zadek’s managerial category for their commitment to using responsible business practices (Zadek, 2004 as cited in Foster, 2009). Further, Company C: 3 is acting in response to ethical concerns to help the community (Solomon and Lewis, 2002).

**Ethical responsibilities and Stakeholders**

The stakeholder theme at the ethical responsibilities level considers the importance of considering the views of stakeholders who have an interest in the business. This is may be undertaken because it is important to show that companies have some interest in the welfare of the community. Further this perception will preserve and improve on a company’s reputation (Minoja and Zollo, 2012) and show that a sense of fairness drives them to perform CSR activities in the communities where they work.

Company C: 1 CSR motivation comments were indicative of the sample:
“They stakeholders have to have the perception of us as a caring company otherwise they can make it more difficult for us to operate our business” (C: 1).

“They have found . . . we’re a company that treats people fairly that they can do business with” (C: 1).

This shows a respect for stakeholder’s rights, opinions and concerns as well as a commitment to the ethical standards and expectation of society (Carroll, 1991). Therefore this demonstrates that CSR at a compliance level has progressed to an ethical responsibility stance. The CSR activities to protect their reputation and avoid the risk of public discontent or anger are being modified as Company C: 1 wants to be seen as a caring company in the community. This follows the Zadek managerial perspective of corporate philanthropy of using responsible business practices (Zadek, 2004, as cited in Foster, 2009).

**Ethical responsibilities and Environment**

The environmental theme at the ethical responsibilities level considers the importance of protecting the environment not only for current and future generations but because it the right thing to do. This implies it is an ethical obligation that people would support because it affects everyone and everything on the planet. While the theme of protecting the environment was in every interview to some extent, it was the companies that had a greater potential to have an impact on the environment that really stressed the need to protect it.
Both Companies C: 1 and C: 3 showed the concern in the comments below:

“As a responsible operator you are doing what you can to protect the environment” (C: 1).

“It’s important that we need to think about our future generations and we have to be careful in the scares resources that we have and make sure we protect them as much as we can” (C:3).

This is a combination of acknowledging the companies role in social responsibility, as well as the willingness to provide environmental information to interested parties. It promotes the perspective that behaving morally and responsibly in society is not only a corporation’s obligation but is also a fulfilling privilege to provide assistance to those in need (Graaftland & van de Ven, 2006, p. 5). This also concurs with the CSR motives of meeting environmental information demand and acceptance of changing societal ethics suggested by Solomon and Lewis (2002).

The level of ethical responsibilities was primarily exhibited by two companies who were involved in the three themes community, stakeholders and the environment. Further three companies had comments mainly relating to Carroll’s CSR levels economics, legal and ethics. However every company had at least one comment related to the forth CSR level philanthropic responsibilities. This demonstrates a shift may be occurring in the business community towards accepting their CSR responsibilities that society now expects.
Level 4: Philanthropic Responsibilities

Carroll’s Forth and highest level of corporate social responsibility is philanthropic responsibilities. This is the level where being a good neighbour, openness, transparency and becoming a catalyst for change in society are very important CSR considerations. Companies have internalized society’s expectations as part of their culture and want to be an active part of the community. Consulting and working with stakeholders to help the community prosper is an integral part of this CSR level (see Figure 3 above).

Philanthropic responsibilities and Community

The community theme at the philanthropic level involves businesses that are working for change in communities not because they have to but because they operate in the community and choose to contribute to its well-being. This is about providing funds for community projects, cultivating excellent relationships, total transparency and being responsible to the community.

Companies C: 1 and C: 5 below emphasized the ideal of giving back to the community which was shared by the majority of the sample companies:

“A piece of social responsibility is the charitable donations contributing either time or money to different organizations to help build your community. It’s just not about taking the benefits but about contributing to that community” (C: 1).

“We go into a community wanting people to be our customers in that community so that’s why it’s critical that we give back to that community and contribute positively to the social needs in that community” (C:5).
Most of the companies had determined that listening, respect, openness, transparent dialogue, and incorporating the views and concerns of the community in company planning was the best way to engage stakeholders and gain their respect. They showed concern for community issues and a willingness to be actively engaged in the community to aid in promoting programs to help others (Carroll, 1991). This suggested most companies were actively engaged in providing funding and/or volunteer time for social programs to help the communities where they were located.

This responsible definition from Company C: 2 is indicative of the majority of sample companies:

“…if you are open and transparent about who you are, what you believe and what you stand for, … proactive in your relationships, … really get to know the people, respect… and listen to what they have to say and … incorporate their input into your planning … then that's how you become a very responsible corporation” (C: 2).

It is in-line with the perception that businesses are expected to have a commitment to social responsibility and be an active role in the aid of solving social problems (Eilbert and Parket (1973 as cited in Carroll, 1999). Further this also suggests that Solomon and Lewis’s (2002) CSR reason of acknowledging the responsibility and duty owed to society seems to becoming more prevalent in the business community.
Philanthropic responsibilities and Stakeholders

The stakeholder theme at the philanthropic level also includes shareholders who are often considered separate and more important than other stakeholders. Therefore interests of all stakeholders will be considered after which the specific issues relating to the company shareholders will be discussed. This theme was prevalent in all but one company’s responses. Concerns in this theme include responsibilities to stakeholders, stakeholder’s perception of the company and creating lasting relationships. It has increased levels of engagement in CSR and has even caused some companies such as Company C: 6 (see comment below) to become a catalyst for CSR change in its industry while Company C: 5 has chosen to be a leader in community giving.

“So we’re a catalyst here in North America to get companies in our industry . . . to sign on to sustainability principles”(C: 6).

Some of the companies were actively changing the way they do business to include CSR as an integral part of their culture. This shows that they are committed to a long-standing sustainable commitment to the communities where they operate.

Companies C: 5 and C: 6 explained this viewpoint:

“. . . we were . . . literally changing the way we do business integrating [CSR] into our culture and . . . our work processes – it’s all about giving back” (C: 5).

“We are realizing that more and more society has an enhanced expectation to the business” (C: 6).
These comments indicate that companies at the philanthropic level of CSR tend to prefer to enter into dialogue, respond to stakeholder questions and concerns as well as practice transparency (Graaftland & van de Ven, 2006). When a company’s main consideration (for example Companies C: 2, C: 5 and C: 6) is to incorporate the stakeholders in the planning process that shows the company is respectful and considers their concerns important. This indicates these companies are accepting the changing societal ethics and social responsibility (Solomon and Lewis, 2002).

Shareholders are stakeholders with economic interests in companies who increasingly are more concerned with how companies operate rather than pure economic profit. The findings from the pilot study suggest the new expectation for companies is to merge business and CSR strategies together as indicated:

“Doing what we do in the community and from a CSR perspective it’s almost an expectation that people have” (C: 5) of us.

“Today there is a much more increase in engagement expected from consumers” (C: 6).

This allows greater a focus on corporate social responsibility activities because they have been integrated in and therefore are supported by all of the business activities.
The responses from shareholders show increasing transparency:

“*We receive comments back* all the time *about* how proud they are to be shareholders because of what we do *and this is because* we’re doing well in business but we’re doing good in the community all at the same time” (C: 5, emphasis added).

The recognition of multiply responsibilities being important is clear:

“Corporations have responsibilities to a lot of different stakeholders and not just your shareholders” (C: 1).

The above comments came from almost all companies which suggests this is may be a trend among the most CSR aware companies in Canada rather than an isolated incidence. Freeman (1984) indicates companies are required to consider the multitude of stakeholder interests, how these interests affect the business and how to balance many distinct and often opposing views of the stakeholder (Freeman, 1987, as cited in Graaftland & van de Ven indicate, 2006). This takes considerable effort and time so companies would have to be committed to CSR integration into their business practices in order to be an example for other businesses (Zadek, 2004 as cited in Foster, et al., 2009; Minoja & Zollo, 2012).

**Philanthropic responsibilities and Environment**

The environment theme at the philanthropic level includes the notion that some activities must be done even if they add costs rather than income to a corporation. This is particularly relevant when protecting the environment or when providing aid to clean up environmental disasters. The concept of not always maximizing profit at all costs is relatively new and is
beginning to gain popularity which indicates a shift towards businesses acceptance of CSR at the philanthropic level. The next two comments (C: 1, C: 2) illustrate this CSR shift.

   It’s not always about making…the most money but making the decisions that are right” (C: 1).

The idea of participating in environmental solutions is clearly indicated below:

   “I think where leaders get challenged is many things become trade-offs and you can’t always get the least environmental impact and the lowest cost centre; sometimes you have to pay more” (C: 2).

   “You’ve got to be part of the solutions whether it’s around climate change, your social issues in our communities or globalization” (C: 6).

The evidence from this pilot study suggests that the companies were interested and concerned for the environment; almost all operated from a philanthropic viewpoint. When Companies C: 2 and C: 6 are willing to acknowledge that social responsibility means making important decisions that do not maximize profits this is an acknowledgement that they have an moral obligation to society to be corporately socially responsible (Solomon and Lewis, 2002, Graafland and van de Ven, 2006) and it is considered the highest level of philanthropy. Considering the sample companies had attained the status of Corporate Knights’ 50 best corporate citizen, this result is not surprising; however it may not be indicative in the general population of companies.
**Philanthropic responsibilities and Good neighbour**

In the good neighbour theme from the philanthropic viewpoint companies considered what being a good neighbour meant. It included being open minded, listening to people’s concerns, giving to the community and helping others. The tendency was for the majority of companies to implement philosophical changes within the business which manifested into helping customers to be competitive, protecting the environment and being corporately responsible and concerned for the community.

The importance to share customer’s values was stated:

“We are finding that more and more consumers . . . want to do business with a company that shares their values for community and environmental well-being”

(C: 5).

Being responsible and fair earns customer’s trust:

“The way you perform your business shows you want to be a good neighbour. It’s how … you treat people fairly and … there are things you can do to minimize that impact to be a good corporate citizen” (C: 1).

There were five companies that had instilled the good neighbour concept into their way of doing business. It was believed important for businesses to have the values of a private citizen and treat others the way they want to be treated. At the same time this meant large reputable sample companies would provide volunteer time and donations for community events. The interesting part of being a good neighbour is that although all of these companies communicated it differently, they all considered the CSR as a partnership between the company and the
community where both were concerned for the community’s well-being. There was a belief in win-win situations and an interest in providing the greatest possible impact in every community.

The concept of the greatest good was articulated by three of the companies:

“We don’t just think CSR is the right thing to do for the community but it’s the right thing to do for the business. Empowerment is a key part of our business and … our CSR strategy. The “community board decisions take away from us making the decision but will be the best decision that local community” (C: 5).

Being a good neighbour is the concept of Eilbert and Parket (1973) which discussions about companies helping to solve local community problems and avoiding harm to the neighbourhood. This section shows how companies are really embracing this concept as five of the six interviewees are either at the Carroll’s philanthropy or ethical level of CSR for the good neighbour theme. This also indicates the companies’ business cultures tended to demonstrate motivation to behave morally and make a commitment to help society (Graaftland & van de Ven, 2006).

**Philanthropic responsibilities and Employees**

The employee theme at the philanthropic level involves providing the opportunity for employees to work in an environment which shares their CSR values, where they are respected, considered and provided opportunities for growth. Employees are a special class of stakeholders engaged in daily company operations and depending on the culture and environment can either stay or leave. This means that attracting and retaining employees can be crucial. Some of the interview
comments about employees included having similar values, expecting company management to ‘walk the talk’, have interesting and fulfilling work and be supported in their career.

The approach was to display CSR values important to employees:

“We feel it is important to support our people in the work… if they are … giving their time and energy to the charity then…we look at it as a corporation. If you want to retain good people …you require…an environment where they are happy to come to work …for a company that has their … same values” (C: 1).

“We want our employees to feel proud to work for the company and we want to attract top talent . . . and we think one of the great ways to do that will be to showcase what a social responsible company we are and how much we can give back to the community” (C: 5).

The recognition of the majority of companies was that only by embedding society’s ethical and philanthropic values into a company is it possible to attract high quality employees. This demonstrates it is important to empower and engage employees to retain and hire committed individuals that will have the same values of the organization and be proud to work for the company. McGuire (1963 as cited in Carroll, 1999) suggested businesses should take an interest in the employee’s happiness and Graafland and van de Ven (2006) found CSR practices could improve employee productivity, attract high quality employees and decrease turnover. These company comments supported the Graafland and van de Ven (2006) and McGuire (1963 as cited in Carroll, 1999) studies.
Philanthropic responsibilities and Company Culture

The theme of company culture at the philanthropic level includes giving back to the community, treating employees with respect and supporting employees in their personal volunteer activities. The company culture varied between those in the sample however all have in common some of the ideals of being open, respectful, providing opportunities to employees and supported their employee’s volunteer activities.

Company C: 1 exemplifies most of the companies stating:

“we are… caring respectful culture that people appreciate. It’s the way we run our business . . . that we treat people with respect . . . we promote people internally and provide mentorship opportunities” (C: 1).

Company C: 5 is indicative of CSR becoming impregnated it the culture:

“It was literally changing the way we do business integrating CSR it into our culture and integrating into our work processes all about giving back and all about putting the customer first . . .” (C:5).

Company C: 6 mentioned the importance to be an example for other businesses

“We amended our corporate vision to say we want to be a catalyst for a sustainable society and now we feel we are doing enough internally that we feel comfortable going out and influencing others” (C: 6).
Carroll (1991) explains that companies at the philanthropic level tend to want to be actively contributing either financially or time to the community for social, cultural or educational purposes. The majority of the sample companies were conscious of being good citizens and so demonstrated Carroll’s expected attributes at the philanthropic level. These companies also choose to participate in humanitarian programs. Zadek (2004) mentions that particularly at the highest level of corporate philanthropy were companies, such as the majority of those in the sample that integrated CSR into the core of their businesses (as cited in Foster, et al, 2009).

**Philanthropic responsibilities and Leadership**

This theme of leadership at the philanthropic level considered leadership not as a privilege but as a responsibility to the employees in a company and to the community at large. The entire sample exhibited leadership at this level. Leadership was considered by all to be not only top management but throughout the company. In fact some companies provided leadership opportunities either through volunteer work or within the position itself. This allowed the employee to have some autonomy and control over their work which can increase satisfaction and productivity.

It was noted that being a leader was challenging:

“… I think where leaders get challenged is that many things become conflicting trade-offs … so how they learn how to resolve them is incredibly important … leadership … at the top… have to live the values… understand what the customers
want and … work hard to help the staff create the options and opportunities to achieve that “(C: 2).

The concept of giving was evident in all companies:

”Our…executive leadership team are incredibly passionate about giving back to the community … and are the catalysts behind … why I think we’re such leaders in community giving … any role at the company you can potentially show … leadership.” (C: 5).

These leadership activities according to Zadek are in the category called ‘civil’ where CSR is integrated into the business (Zadek, 2004, as cited in Foster et al., 2009). The leadership can chooses to entrench CSR into the business culture and practices and then encourage others to embrace it. Leadership is a key to acknowledging CSR because without its acceptance of responsibility to actively champion for creating positive changes in society and a culture of ethics CSR would not occur. This indicates the two most important motives for CSR at Carroll’s philanthropic level may be companies’ ethics and recognition of social responsibility as suggested by Solomon and Lewis (2002).

**Philanthropic responsibilities and Disclosure**

The theme of Disclosure at the level of philanthropic responsibilities provides complete openness and transparency to the business affairs. Disclosure is an area that has many different meaning depending on the viewpoint. In this section we have information that demonstrates different types of disclosure such as executive compensation or performance based pay. Even though not stated, generally the companies were using Canadian accounting standards and other
reporting standards such as the GRI. Every company suggested their CSR report be viewed as they were all proud of their CSR disclosure.

This pride evident below was indicative of all companies:

“Because we view ourselves as a leader we take pride in our in our corporate disclosure, our corporate governance, and our financial disclosure” (C: 1).

Further three of the companies used their reports for stating objectives, achievements, failures and challenges as indicated below:

“We . . . produce a CSR report every year that . . . reports on how . . . and what we have done . . . our objectives . . . for the coming year and then we report on whether we achieved it or not. We choose to do CSR reporting annually because of the disclosure ethical piece of it” (C: 5).

However it was the description of one company’s CSR disclosure and a complaint that the disclosure expected is inadequate that highlights this discussion of disclosure.

“Companies need to report and . . . disclose all the activities that they do. . . . and they are not just financial activities. These are operational, . . . safety. . . . environmental . . . and . . . people activities . . . current disclosure reporting is just a bunch of advertising that . . . gives people a false sense of security around companies the way CSR disclosure is being done today” (C: 2).
Because of this comment all the CSR reports were reviewed\(^2\). Much of the information would be considered advertising and has an air of being overdone. Only in three reports was there any discussion of shortfalls, needed improvements or objectives for the future. Although companies indicated a willingness to be transparent it seems there is a tendency to promote the CSR activities rather than be transparent on all aspects of the CSR results. This section helps the researcher to understand the amount of -detailed information that companies are willing to provide in order to be open about their objectives, failings, successes and projects that still need completion. Therefore the disclosure which exceeds the required level by law allows an individual to more easily understand the company when there is full disclosure. This excess of disclosure would be considered to be at Zadek’s highest stage of philanthropy called “civil” where he mentions CSR is integrated into the company (2004 as cited in Foster, 2009). This matches with Carroll’s top level in the pyramid where philanthropy is considered to be good neighbours, transparency in business and helping the community.

**Philanthropic responsibilities and Communication**

The communication theme in the level of philanthropic responsibilities tends to be concerned with relationships and ensuring that people are heard and understood. The key is to avoid making assumptions and prejudging; rather it entails open and honest communication that indicates respect for others. The important key to successful organizations both internally and externally in order to operate smoothly is to gain cooperation and consideration without major friction. So it is critically important to consider this category when analysing the data.

\(^2\) This has not been referenced to keep anonymity
Communication Outside

Communication externally was general providing information about company activities and so had to consider the numerous potential stakeholders. This meant meetings, creating relationships and taking the time to understand stakeholder’s concerns and then looking for a solution that worked for both parties.

These comments below are indicative of most of the sample companies:

“You have to be fully transparent as to what you want to do . . . can do . . . and what you did or . . . didn’t do . . . . It just shows that you are trying to get better but you are not always perfect. On the business side we . . . may not . . . achieve what we want . . . and we have to be . . . open and honest” (C: 5).

“Communication is the key to this - if you don’t communicate it well then how do you build the momentum? I think that’s a key component” (C: 6).

These comments support Wood (1981) who identified management’s interaction with their environment as critical when she emphasised how CSR motivates behaviour. The ideas suggested above show a willingness to explain their motives and actions while also listening to external stakeholders.

Communication Inside

Similarly internal communications are also very important because it can create a culture of CSR perception and an open, friendly and considerate work place which is critical for retaining high quality employees. Company C: 2 expressed their communication style within the company as open, holistic and respectful.
The importance of excellent internal communications evident in most companies:

“Communication with our employees is frequent so employees understand the corporate plan, what are overreaching goals and have advanced notice of events or changes” (C: 1).

“Superb communication is how we bind people together to create and open organization based on respect, listening and learning how to work together to make something stronger. This causes a better run corporation with less waste, able to do the work and will cost less over time” (C: 2).

All of these leaders understood the importance of a quality environment where their external reputation and their internal culture can attract employees that will be fully engaged and productive at work who will likely remain at the company because they share its values. This aspect of CSR was evident in the Graafland and van de Ven (2006) study and provided motivations for companies to engage in CSR. This also supports Halme (2009) in recognizing that some companies have integrated CSR into their culture and how they do business.

This last area of Carroll’s pyramid has had the majority of the comments from the companies. There were three companies exclusively practicing philanthropy with two other companies moderately engaged at the same level. Company C: 4 in the pilot study had considerable CSR activities but its motivations were largely in the lowest levels although there seemed to be some movement to increase the company’s commitment with one comment at the philanthropic level.
Summary of themes

Although the themes were in multiple CSR levels, each theme had slightly different responses in each CSR level. For example the community theme was evident in all four levels of Carroll’s pyramid. At the economic level, activities in the community were due strictly to self-interest as it was needed in order to run the business. The legal level for the community theme required public consultation due to government regulations. Both of these were done because the company had no choice. However at the ethical level the company has an internal conscience that causes it to help the community because it is the right thing to do while at the philanthropic level helping the community is seen as part of their activities as responsible business within society and an obligation to help other businesses to also become socially responsible.

Analysis of Responses Using Carroll’s Pyramid

A matrix was designed to track company responses against Carroll’s CSR levels economic, legal, ethical and philanthropic responsibilities (see Appendix 5 for example page). There were numerous comments in common among the companies with a distinct skewing towards the ethic and philanthropic levels of Carroll’s corporate social responsibility pyramid. Ethical responsibilities (see Figure 4 above) had the highest responses with Company C: 5 had the most responses at 61 responses (20.9%) while Company C: 2 was close behind at 59 responses (20.2%). Figure 4 also illustrates four companies had response values between 55-61 (or 79.8% of responses) showing most of the companies’ practices heavily at the ethical level. Further the graph (see Figure 4 above) shows Company C: 5 was also heavily into philanthropic practices with 54 responses (37.2%) with Company C: 2 and C: 6 at approximately half the responses (C: 2 – 27; C: 6 – 30) (see Appendix 6). This means 76.6% or 111 philanthropic
responses were from three companies. In contrast, legal responsibilities were the lowest with 9.9% of the responses (see Figure 5). This was unexpected since half the companies were operating in government regulated industries. However the low percentage was most likely caused due to one of the regulated companies exhibiting a high level of ethical behaviour. The

![Company Responses by CSR levels](image)

**Figure 4: Company Interviews categorized by Carroll's CSR levels. See Appendix 6. Source: Author.**
data also suggests (see Figure 4) that all companies have some level of operations at every CSR level with Company C: 4 having only one philanthropic response but the highest legal responses (22 responses) while Company C: 5 had two legal responses with the highest philanthropic responses (see Appendix 6).

Figure 5: Percentage of Interview Responses per Carroll's Pyramid of CSR. See Appendix 6. Source: Author.

Overall 64.7% of the responses (see Figure 5) were either ethical or philanthropic with 43.2% the percentage of ethical and 21.5% philanthropic responses (see Appendix 6). In addition, the economic responses were 25.4% (see Figure 5) or only 3.9% more than the philanthropic responses but 17.8% less than ethical responses (see Appendix 6). This indicates a trend towards ethics and philanthropic behaviour and away from the lower two levels of Carroll’s CSR pyramid.
The data was also segmented by product or services and was discovered the service sector tended to have a higher level of both ethical (17 responses or 59.6%) and philanthropic responses (102 responses or 70.3%) demonstrated below in Figure 6, than the product sector by 67.8% and 42.2% respectively (see Appendix 6). This indicates the distribution between the sector levels of was higher by 16.4% for ethical responses and 48.8% for philanthropic responses. This verifies the service sector tends to be moving further into CSR practices than the sectors regulated by government. A possible cause for the higher level of CSR engagement in a service company could be due to the immediate impact on decreased consumer patronage from

Figure 6: Percentage of Interview Responses per Carroll's Pyramid of CSR. See Appendix 6. Source: Author.
poor responses to customers or inappropriate actions. In contrast product companies are only
directly linked to customers through regulatory compliance required. Interestingly five out of six
responses (see Figure 7) had ethics as their top response in contrast to only one at the economic

Figure 7: Percentage of CSR Interview Responses per Company. Carroll's Pyramid of CSR. See
Appendix 6. Source: Author.
responsibility level (see Appendix 6). Similarly legal concerns were the lowest for the same five
companies. Considering ethics precludes the idea of not following statutory law by including
new emerging acceptable modes of behaviour this is logical. It demonstrates that society is
beginning to expect best practices to include ethics suggesting a new standard developing based
on ethics and philanthropic principles rather than the strictly legal expectations.
Summary

From the analyses above it is possible to consider there is a convergence towards increased motivations and interest in pursuing CSR on ethical and philanthropic level. In all these concepts, the companies were merging the ideas of responsibility, giving back, volunteering and being responsible to communities and society into an integrated business culture model centered on ethics with the understanding that as their level of CSR increases, the profitability of the business increases which then provides them the opportunity to increase their ability to help society. Conceptually the pilot study results suggest:

There is an emerging shift of priorities in society towards contemplating ethics and philanthropic responsibilities away from those of economic and legal.

The diagram (see Figure 8 below) illustrates the proposed change in CSR implementation resulting from the shift of priorities. The pyramid of Carroll’s actually shifts into a rhombus shape signifying the move towards ethics and philanthropy in the business community. The concepts of constant improvement, recognition and respect of stakeholders have been themes throughout the study. Therefore the sample companies have chosen a never-ending path because society’s acceptable norms are continually evolving and they are willing to accept and work under constant change.

The three companies below are immersed in ethical and philanthropic behaviour; they consider relationships and communication critical to business success as indicated:

“We will always be learning things are always changing so much that we are always learning and you are always trying to improve and be the best that you can be so I think that journey of learning never ends” (C:5, C: 6).
Adaptation of Carroll’s Pyramid from Research Data

Philanthropic Responsibilities

Ethical Responsibilities

Legal Responsibilities

Economic Responsibilities

Figure 8: Adaptation from Carroll’s pyramid (1991) using results of research data from this pilot study. New diagram Source: Author.

“. . . what makes people tick is that they have a place in the world . . . people know who they are . . . and they are recognized and respected for that. If you can get to the heart of that you’ll find that you’ll get the very best people working for you”

(C: 2).

Bearing in mind there are limitations with a pilot study, this still provides an illustration of a model of business behaviour that allows for a triple wining situation – the customer and suppliers, the business itself and the community are all tied for a first place win.
Concluding Discussion

This research paper contributes to corporate social responsibility literature by delivering a pilot study from a Canadian perspective on using large Canadian companies either on or having a subsidiary on the Toronto Stock Exchange. The analysis suggests that there is a shift towards implementing corporate social responsibility at the ethical and philanthropic responsibility levels rather than at those at the economic and legal levels in leading Canadian companies. In particular it was discovered management employees at the senior manager to CEO levels were highly engaged in promoting the objectives inherent in corporate social responsibility. They are motivated to contribute to society, protect the environment and work with all stakeholders to make a positive difference in the communities where they operate and live. In terms of employees they have discovered an increasing number are highly engaged in social and environmental responsibility and expect the companies where they choose to work demonstrate the same values. These finding coincide with the ‘good neighbourliness’ concept by Eilbert & Parket (1973, as cited in Carroll, 1999) along with businesses willingness to support broad social issues and integrate CSR into their company’s culture (Zadek, 2004 as cited in Forster, et al., 2009).

The interviews had many similarities however the concepts most prevalent concentrated on becoming society’s stewards and catalysts of change using communication, openness, honestly and transparency. Indeed almost all the sample had high responses in either the ethical or philanthropic responses. These companies tended to be actively engaged to solve societal problems (Eilbert and Parket (1973 as cited in Carroll, 1999). Even companies’ whose motivations were more self-motivated still engaged in donations and philanthropy activities in their communities, were engaged in protecting the environment because they depended on a
good reputation in order to continue to operate (C:4). The data analysis (see Figure 7) illustrated that a company with low legal responses tends to have high philanthropic responses and vice versa. This supports the notion that companies tend to be actively engaged in more than one level of CSR simultaneously because they not mutually exclusive (Carroll 1993 as cited in Schwartz and Carroll, 2003).

It was discovered the terms corporate social responsibility, environmental sustainability and sustainability were interchanged regularly in some interviews as though all have the same meaning. This caused the need to listen for context in every interview to understand which meaning was meant and to prevent skewing the study results. The lack of preciseness in definition is a limiting factor prevalent in all CSR discussions. This can be best seen by the three CSR definitions by Eilbert and Parket (1973 as cited in Carroll, 1999) and Committee for Economic Development (1971) and the European Union (EU, 2011).

This suggests there is a convergence towards increased pursuance of CSR motivations and practices at the ethical and philanthropic level. With the companies embracing their responsibility by working with communities through volunteer activities and financial support it moves them into an integrated business culture model centered on ethical imperatives rather than legal requirements. This provides the opportunity to further philanthropic endeavours thus creating an ongoing cycle of increasing CSR projects which generates business profitability finally culminating with increased ability to help society:

“To actually see the final project from our contributions and to see it put to good use in that particular community has been really fulfilling” (C: 5).
The acceptance and internal expectation of continually respecting and therefore aiding communities’ in society is demonstrated throughout the study. This suggests society’s priorities are shifting’ from concentrating on economic and legal responsibilities to the more inclusive and comprehensive responsibilities of ethics and philanthropy. Although this is a pilot study it does illustrate a possible trend towards a model of business behaviour that expects all facets of society to triumph together.
### Appendix 1 - Applied Project Preliminary Timeline

<table>
<thead>
<tr>
<th>Description</th>
<th>Preliminary</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Draft Proposal</td>
<td>April 15- June 7(^{th})</td>
<td>April 15- June 8(^{th})</td>
</tr>
<tr>
<td>Revise Draft Proposal</td>
<td>June 8-24(^{th})</td>
<td>June 8-29(^{th})</td>
</tr>
<tr>
<td>Submit Final proposal and ethic documents to Professor</td>
<td>June 24(^{th})</td>
<td>June 29(^{th})</td>
</tr>
<tr>
<td>Submit Final proposal to Coordinator</td>
<td>June 29(^{th})</td>
<td>June 29(^{th})</td>
</tr>
<tr>
<td>Apply for ethics approval</td>
<td>June 29(^{th})</td>
<td>June 29(^{th})</td>
</tr>
<tr>
<td>Waiting for ethics approval</td>
<td>June 30th to July 12(^{th})</td>
<td>Jun 30(^{th}) to July 10(^{th})</td>
</tr>
<tr>
<td>1. Review Sample company websites for CSR statement and activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Review Sample company websites for CSR disclosure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Tabulate above information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethics Approval</td>
<td>July 13(^{th})</td>
<td>July 18(^{th})</td>
</tr>
<tr>
<td>Contact first set of random sample = 3</td>
<td>July 30-Aug 3(^{rd})</td>
<td>July 24-29(^{th})</td>
</tr>
<tr>
<td>Interview, data analysis, write / discuss / submit results</td>
<td>Aug 4- 6(^{th})</td>
<td>Aug 8 – 14(^{th}) (1)</td>
</tr>
<tr>
<td>Contact second set of sample = 3</td>
<td>Aug 7-12(^{th})</td>
<td>July 24 - 31(^{th})</td>
</tr>
<tr>
<td>Interview, data analysis, write / discuss / submit results</td>
<td>Aug 13-19(^{th})</td>
<td>Sept 7 – 29(^{th}) (2)</td>
</tr>
<tr>
<td>Contact second set of sample = 3</td>
<td>Aug 20-24(^{th})</td>
<td>Aug 1 – Oct 9(^{th})</td>
</tr>
<tr>
<td>Interview, data analysis, write / discuss / submit results</td>
<td>Aug 25-27(^{th})</td>
<td>Sept 30 –Oct29(^{th}) (3)</td>
</tr>
<tr>
<td>Analysis of all results</td>
<td>Aug 28-Sept 3(^{rd})</td>
<td>Oct30(^{th}) – Nov 15(^{th})</td>
</tr>
<tr>
<td>Write up of findings and potential theories</td>
<td>Sept 4-9(^{th})</td>
<td>Nov16- Oct25</td>
</tr>
<tr>
<td>Submit drafts to professor</td>
<td>Sept 10th</td>
<td>Oct1(^{th}), Oct15(^{th}), Oct22(^{nd}), Nov11(^{th}), Nov19(^{th}), Nov23(^{rd})</td>
</tr>
<tr>
<td>Revisions and resubmissions of draft paper to professor</td>
<td>Sept 11-29(^{th})</td>
<td>Nov 26(^{th}), Dec 3(^{nd}), Dec 6(^{th}), Dec 7(^{th})</td>
</tr>
<tr>
<td>Submit Final paper to professor and coordinator</td>
<td>Sept 30(^{th})</td>
<td>Nov 30(^{th})</td>
</tr>
</tbody>
</table>

(1) – one interview  (2) – two interviews  (2) – three interviews
Appendix 2 – Analysis of population and sample

Analysis of Unique Companies from Corporate Knight Best 50 Citizens 2012-2012

<table>
<thead>
<tr>
<th>Description</th>
<th># of companies</th>
<th>% of companies</th>
<th># entries</th>
<th>% companies versus # years</th>
<th>% sample over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best Corporate citizen one year out of three years</td>
<td>19</td>
<td>13%</td>
<td>19</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Best Corporate citizen two years out of three years</td>
<td>27</td>
<td>18%</td>
<td>54</td>
<td>44%</td>
<td>36%</td>
</tr>
<tr>
<td>Best Corporate citizen in all three years</td>
<td>17</td>
<td>11%</td>
<td>51</td>
<td>41%</td>
<td>34%</td>
</tr>
<tr>
<td>Total on TSX</td>
<td>63</td>
<td>42%</td>
<td>124</td>
<td>100%</td>
<td>83%</td>
</tr>
<tr>
<td>Best Corporate citizen one year out of three years</td>
<td>8</td>
<td>5%</td>
<td>8</td>
<td>31%</td>
<td>5%</td>
</tr>
<tr>
<td>Best Corporate citizen two years out of three years</td>
<td>9</td>
<td>6%</td>
<td>18</td>
<td>69%</td>
<td>12%</td>
</tr>
<tr>
<td>Best Corporate citizen in all three years</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Total not on TSX</td>
<td>17</td>
<td>11%</td>
<td>26</td>
<td>100%</td>
<td>17%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th># of companies</th>
<th>% of companies</th>
<th># entries</th>
<th>% companies versus # years</th>
<th>% sample over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number duplicate companies in two/three years on TSX</td>
<td>44</td>
<td>29%</td>
<td>105</td>
<td>70%</td>
<td>29%</td>
</tr>
<tr>
<td>Number duplicate companies in two/three years off TSX</td>
<td>9</td>
<td>6%</td>
<td>18</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>Total number of duplicate companies in sample</td>
<td>53</td>
<td>35%</td>
<td>123</td>
<td>82%</td>
<td>35%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th># of companies</th>
<th>% of companies</th>
<th># entries</th>
<th>% companies versus # years</th>
<th>% sample over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of unique companies in two/three years on TSX</td>
<td>19</td>
<td>13%</td>
<td>19</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Number of unique companies in two/three years off TSX</td>
<td>8</td>
<td>5%</td>
<td>8</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Total number of unique companies in sample</td>
<td>27</td>
<td>18%</td>
<td>27</td>
<td>18%</td>
<td>18%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th># of companies</th>
<th>% of companies</th>
<th># entries</th>
<th>% companies versus # years</th>
<th>% sample over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of unique companies in sample</td>
<td>80</td>
<td>53%</td>
<td>123</td>
<td>83%</td>
<td>53%</td>
</tr>
<tr>
<td>Total number of duplicate companies in sample</td>
<td>70</td>
<td>47%</td>
<td>27</td>
<td>17%</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Analyised From data in Corporate Knights“Best 50 Corporate Citizens” (Lappano, 2010) and (Runnalls, 2011, 2012). Source: Author.
Appendix 3 – Original and Actual Interview Questions

The interviews all had the same basic questions answered although do to the expansiveness of some of the answers, not all the questions were actually asked. Below is first the original set of anticipated questions followed by the actual ones asked in each interview.

Original Interview Questions

1. What are the motives that prompt you in your corporation to engage the company in Corporate Social Responsibility (CSR) activities and CSR reporting disclosure and why?

2. How does the perception of CSR motivations by employees affect your working environment within the company?

3. How is the company strategy related to the CSR (corporate social responsibility) leadership role?

4. How do your motives to engage in corporate social responsibility relate to the overall company strategy?

5. How does your motives to engage in corporate social responsibility activities relate to leadership and why?

6. If the CSR activities motivate the employees, how are they accomplished, what are the motivations and why is it effective?

7. When you consider leadership roles and differing activities what kind and at what level are the leadership roles and how would this affect the activities undertaken?
8. When you hire new employees how do you spread the company motivation for corporate social responsibility to these new people? How do you encourage other people who are not involved to participate? How do you actually spread CSR through the organization?

9. How does corporate social responsibility fit with you having leadership in all different areas? How does it work when all these people are at different levels – what binds everything together?

10. How effective has your CSR activities been in your organization?

Other Interview Questions

1. How do you bind everyone together with these ideas of CSR?

2. How about leadership and CSR at your level and down - is there any other kind of leadership that's helping CSR?

3. Your CSR activities how are they accomplished within work time or after work? How do they actually get accomplished and how effective are they when you are actually doing them?

4. When you say your staff is very motivated because they follow social responsibility in their own life how has that changed your environment for motivating your employees?

5. You mentioned before you have leaders in all areas of the company. So when you say grass roots support what type and extent of support is this?
Appendix 4 – Theme Analysis for all Company Responses

<table>
<thead>
<tr>
<th>Themes</th>
<th>Company 1</th>
<th>Company 2</th>
<th>Company 3</th>
<th>Company 4</th>
<th>Company 5</th>
<th>Company 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>member of community, part of community over many years</td>
<td>employee, communities, environmental groups, regulators and government and local community have a stake</td>
<td>last couple years has definitely had more focus on the social responsibility</td>
<td>public perceives company as good citizen</td>
<td>Believe we have a responsibility to give back to communities where we offer our products and services.</td>
<td>always had a very strong economic and social mandate and well known in communities</td>
</tr>
<tr>
<td></td>
<td>community likes that they think it important to contribute and care about the community</td>
<td>how you treat others is how you experience it</td>
<td>Heavily involved in the community.</td>
<td>public opinion negative/positive determines if they can work in a particular area</td>
<td>have been doing community investment and CSR I for many years in the past</td>
<td>two volunteer paid days per year - used by committees for community work</td>
</tr>
<tr>
<td></td>
<td>providing something to community because we are getting something from it</td>
<td>company affecting communities and amenities in communities, environment, jobs</td>
<td>involved with the community and we have a lot of charity events and programs in community</td>
<td>now have good reputation</td>
<td>Really believe there needs to be a symbiotic relationship that develops between our company and the community.</td>
<td>Staff voluntarily create committees in their regions or their department to engage in the sustainability strategy more increase in engagement expected from consumers about social issues in our communities</td>
</tr>
<tr>
<td></td>
<td>charitable donations from company and our people are also involved in charitable work</td>
<td>help communities - development fund for projects such as library, soccer field etc.</td>
<td>Corporation donates but employees can donate too. It’s a fund where everybody contributes but I am sure that the company probably contributes good part of that.</td>
<td>consulting broadly with local I people and show how protective they will be in the area</td>
<td>want people in the community be our customers so it’s critical we give back to and contribute positively to the social needs in that community</td>
<td></td>
</tr>
<tr>
<td></td>
<td>support our people in charitable work - providing something to community because we are getting something from it</td>
<td>cultivate relationships with in local communities where they work</td>
<td>put together a fund where employee donation is matched by company</td>
<td>plans made available to public for comment and will address public, government official and regulations concerns</td>
<td>Community boards takes away from us making the decision but means the decision is going to be making in the best way for that local community from a CSR perspective what we do in the community is almost an expectation people have of us to give back and be responsible</td>
<td></td>
</tr>
<tr>
<td>time and/or money to organizations to build your community</td>
<td>be open and transparent with community so they are part of milieu of local company operation</td>
<td>Employee and Family assistance program (EFAP) where any issues employee has with threat management, relationships, legal issues and can actually meet somebody in person</td>
<td>then do comments, talking and listening and considering making changes to accommodate public concerns</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1: A Comparison of company interview response information. Source: Author.

Note: 1. The final list of companies in the population has not been identified, as this would make accreditation of comments to a company feasible due to small population size.

2. This is an example page of layout used to classify comments by themes for all companies.
### Appendix 5 – Matrix of CSR levels by Theme Comments

<table>
<thead>
<tr>
<th>Themes</th>
<th>Concepts expressed in Interviews</th>
<th>Company 1</th>
<th>Company 2</th>
<th>Company 3</th>
<th>Company 4</th>
<th>Company 5</th>
<th>Company 6</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>help communities with time and / or money to build projects such as library, soccer field</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>provide charitable donations, events and programs in community; our people are also involved in charitable work</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>x</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>not just about gaining benefits and/or customers from community but responsible to contribute to its social needs</td>
<td>x</td>
<td></td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>important to be responsible members of community - be a good citizen - have good reputation</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
<td>x</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>cultivate superb relationships on ongoing basis, contribute and care about local communities where they work</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>x</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>be open and transparent with community</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>respect what they have to say and you listen to what they have to say and incorporate their input into your planning</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>x</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>public opinion negative/positive determines if they can work in a particular area</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>government plays big part since it is regulated industry with minimum standards</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Totals per interview per category</td>
<td>39</td>
<td>14</td>
<td>41</td>
<td>15</td>
<td>33</td>
<td>11</td>
<td>59</td>
<td>27</td>
</tr>
</tbody>
</table>

**Table 2: Matrix of companies’ responses against Carroll’s CSR. The four CSR are: Levels: 1 – economic; 2 – legal; 3 – ethical; 4 - philanthropic**

**Note:**
1. The final list of companies in the population has not been identified, as this would make accreditation of comments to a company feasible due to small population size.
2. This is an example page of the matrix used to classify comments by company into Carroll’s CSR levels. The Totals above relate to the complete research data.
Appendix 6 – Analysis of CSR levels in Data

<table>
<thead>
<tr>
<th>Company</th>
<th>Economic</th>
<th>Legal</th>
<th>Ethical</th>
<th>Philanthropic</th>
<th>Totals</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>C:1</td>
<td>39</td>
<td>14</td>
<td>41</td>
<td>15</td>
<td>109</td>
<td>16.1%</td>
</tr>
<tr>
<td>C: 2</td>
<td>33</td>
<td>11</td>
<td>59</td>
<td>27</td>
<td>130</td>
<td>19.2%</td>
</tr>
<tr>
<td>C: 3</td>
<td>27</td>
<td>15</td>
<td>58</td>
<td>18</td>
<td>118</td>
<td>17.5%</td>
</tr>
<tr>
<td>C: 4</td>
<td>45</td>
<td>22</td>
<td>18</td>
<td>1</td>
<td>86</td>
<td>12.7%</td>
</tr>
<tr>
<td>C: 5</td>
<td>16</td>
<td>2</td>
<td>61</td>
<td>54</td>
<td>133</td>
<td>19.7%</td>
</tr>
<tr>
<td>C: 6</td>
<td>12</td>
<td>3</td>
<td>55</td>
<td>30</td>
<td>100</td>
<td>14.8%</td>
</tr>
<tr>
<td>Totals</td>
<td>172</td>
<td>67</td>
<td>292</td>
<td>145</td>
<td>676</td>
<td>100%</td>
</tr>
<tr>
<td>% Total</td>
<td>25.4%</td>
<td>9.9%</td>
<td>43.2%</td>
<td>21.5%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

Table 3: CSR analysis of data by CSR levels and total company

<table>
<thead>
<tr>
<th>Sector</th>
<th>Economic</th>
<th>Legal</th>
<th>Ethical</th>
<th>Philanthropic</th>
<th>Totals</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>117</td>
<td>47</td>
<td>118</td>
<td>43</td>
<td>325</td>
<td>48.1%</td>
</tr>
<tr>
<td>Service</td>
<td>55</td>
<td>20</td>
<td>174</td>
<td>102</td>
<td>351</td>
<td>51.9%</td>
</tr>
<tr>
<td>Total</td>
<td>172</td>
<td>67</td>
<td>292</td>
<td>145</td>
<td>676</td>
<td>100%</td>
</tr>
<tr>
<td>% Total</td>
<td>25.4%</td>
<td>9.9%</td>
<td>43.2%</td>
<td>21.5%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

Table 4: CSR analysis of data by CSR levels and broad sector groups
References


