

The difference in CSR

- **a comparative analysis with focus on cultural differences in CSR practising in developing and developed countries.**

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Dansk resumé

Forskellen på CSR

– en komparativ analyse med fokus på kulturelle forskelle i praktiseringen af CSR i u- og i-lande.

For at illustrere vigtigheden af fokus på de kulturelle forskelle i forbindelse med tværkulturel CSR, har jeg lavet en komparativ analyse af u- og i-lande, sat i forhold til relevante faktorer inden for CSR.

Først har jeg opsat selve begrebet CSR ud fra henholdsvis u- og i-landes perspektiv. U-landenes perspektiv repræsenteres med baggrund i Wayne Visser (2008)'s ti bevæggrunde for CSR, mens i-landes perspektiv tager udgangspunkt i et fokus på standardisering, som er en fremherskende tendens i den vestlige verdens tilgang til CSR. Begrebet standardisering har jeg illustreret ved hjælp af International Organization for Standardization – ISO's strukturelle udfærdigelse af standarder, ISO's nyligt udgivne CSR standard: ISO 26000:2010 og deres materiale om strategi for udbredelse af standardisering i u-lande: "ISO Action Plan for Developing Countries 2011-2015." Resultaterne af denne analyse har givet et meget kulturelt differentieret syn på praktiseringen af CSR, og viser at CSR i u-lande ofte er motiveret af virksomheder fra i-landene, som ikke tager højde for lokale forhold. Derudover kunne jeg konkludere at i-lande, med deres udviklingsmæssige forspring og institutionalisering, har svært ved at se et andet udgangspunkt for CSR end deres egen kulturelle baggrund.

Jeg fortsætter den komparative analyse med afsæt i Trompenaars og Hampden-Turner (1997 + 2000)'s teorier om virksomhedskultur, da jeg ønsker at undersøge de forskellige paradigmer indenfor tværkulturel CSR i u- og i-lande. Kulturanalysen viser, at begrebet kultur er meget omfangsrigt og dermed svært at gøre konkret i forhold til u- og i-lande, men på trods af det, kunne jeg konkludere, at det er vigtigt at fokusere på kulturelle forskelle for at praktisere bæredygtigt og gunstig CSR.

Dernæst har jeg valgt at afgrænse begrebet CSR for at gøre det mere konkret og sætte emnet i en mere praktisk sammenhæng. Derfor har jeg taget udgangspunkt i problematikken omkring børnearbejde og har undersøgt u- og i-landes forskellige indfaldsvinkler til dette begreb. Resultaterne af denne analyse viser blandt andet, at forskellene bunder i forskellig adgang til ressourcer, forskellen på udviklingstrin og i høj grad forskellig kulturel baggrund.

For at gøre min analyse mere begribelig indeholder specialet herefter en case study af den svenske high street tøjkæde H&M. Denne case study forklarer, hvordan H&M i 1990'erne blev sat i dårligt lys med anklager om børnearbejde, og hvordan de herefter reagerede og forbedrede forhold. Denne proces har jeg valgt at illustrere ved en kommunikationsanalyse af H&M's sustainability report 2010 lavet ud fra IMK-modellen (Frandsen, Johansen og Nielsen, 2004). Konklusionen på denne case study er, at H&M er blevet frontløber indenfor CSR, men at de i denne funktion burde være bedre til at kommunikere mere direkte om bevidsthed omkring kulturelle forskelle i tværkulturel praktisering af CSR.

Inden den endelige konklusion afrunder specialet den komparative analyse med afsæt i en sammenligning af Archie. B. Carroll (1991)'s CSR pyramide og Visser (2008)'s modererede version af selvsamme pyramide. Denne sammenligning viser de forskellige opfattelser af CSR, og perspektiverer det manglende fokus på kulturelle forskelle indenfor CSR. Derudover kommer specialet her med forslag til hvordan situationen kan forbedres ud fra synspunkter af Visser (2008) og professor Idemudia (2011). Disse forslår mere kontekstuel fokus og mere research. Jeg konkluderer ud fra disse forslag, at det er kritisk, at de undlader at inddrage u-lande som initiativtagere.

Min endelige konklusion er, at implementeringen af vestlige CSR standarder kræver, at u-lande – men specielt i-lande - anerkender vigtigheden af kulturelle forskelle.

Index

1. Prologue.....	p. 6
1.1. Problem Statement.....	p. 6
1.2. Method.....	p. 8
1.3. Delimitation.....	p. 9
1.3.1. Developing and developed countries.....	p. 9
1.3.2. Developing countries.....	p. 10
1.3.3. Developed countries.....	p. 11
2. Corporate Social Responsibility – CSR.....	p. 11
2.1. CSR in Developing Countries.....	p. 12
2.1.1. Visser's ten drivers for CSR in developing countries.....	p. 13
2.1.2. Conclusion.....	p. 17
2.2. CSR in Developed Countries.....	p. 18
2.2.1. International Organization for Standardization – ISO.....	p. 19
2.2.2. The ISO 26000.....	p. 20
2.2.3. The ISO 26000 on child labour.....	p. 21
2.2.4. "ISO Action Plan for developing countries 2011-2015".....	p. 22
2.2.5. Conclusion.....	p. 24
3. Cultural analysis.....	p. 24
3.1. Defining culture.....	p. 24
3.1.1. Trompenaars and Hampden-Turner's three layers.....	p. 25
3.2. The cultural dilemmas.....	p. 27

3.3. Relationship with other people.....	p. 27
3.3.1. Universalism vs. Particularism.....	p. 28
3.3.2. Individualism vs. Communitarianism.....	p. 29
3.3.3. Neutral vs. Emotional.....	p. 31
3.3.4. Specific vs. Diffuse.....	p. 31
3.3.5. Achievement vs. Ascription.....	p. 33
3.4. Relationship to time.....	p. 34
3.4.1. Relationship to time in developing and developed countries.....	p. 35
3.5. Relationship to nature/the environment.....	p. 36
3.5.1. Relationship to nature/the environment in developing and developed countries.....	p. 37
3.6. Conclusion.....	p. 37
4. Child Labour.....	p. 38
4.1. The perspective of child labour in developed countries.....	p. 39
4.2. The perspective of child labour in developing countries.....	p. 39
4.3. Child labour in the Supply Chain.....	p. 41
4.4. Conclusion.....	p. 41
5. Case study.....	p. 42
5.1. H&M.....	p. 42
5.1.1. The H&M Sustainability Report 2010.....	p. 45
5.2. Communication analysis.....	p. 45
5.3. The IMK-model.....	p. 45
5.3.1. Sender.....	p. 46
5.3.2. Recipient.....	p. 47
5.3.3. Context.....	p. 47
5.3.4. Culture.....	p. 48

5.3.5. Media.....	p. 51
5.3.6. Genre.....	p. 52
5.3.7. Referent.....	p. 52
5.4. Conclusion.....	p. 53
6. With love from the western world.....	p. 53
6.1. Archie B. Carroll's Pyramid of Corporate Social Responsibility.....	p. 53
6.2. Wayne Visser's CSR Pyramid for Developing Countries.....	p. 55
6.3 What to do?.....	p. 60
6.4. Conclusion.....	p. 61
7. Main conclusion.....	p. 61
8. Literature.....	p. 64

1. Prologue

From the first time I heard about the concept of Corporate Social Responsibility (CSR) I have been fascinated by the combination of the fast changing corporate world with obligation of profit making and the idea of using these forces to change society and do good. After my first lecture on CSR I knew that this was going to be the focus of my thesis. It did not take me long to find out that I wanted to combine CSR with some aspect of culture since the concept of culture with its intangible extent influences every aspect of life. So, with an interest for two wide-ranging and broad concepts I began to narrow down what this interest was in fact about, and the process of delimitation began – here is what I arrived at.

1.1. Problem statement

It is possible to find traces of business community's concern for society centuries back. However, more formal writing about the concept is concentrated on 20th century and especially the past 50 years (Caroll 1999). During the last 20 years or so, the development of CSR has increased and become somewhat of a trend.

CSR has become an integrated part of all established organisations. Most organisations realise that the stakeholders demand action on the field of CSR. If you want satisfied stakeholders you have to follow – or even lead – the ever-growing field of CSR. But where do organisations start? How do they make sure that they live up to the newest demands? And how do they implement?

Several international bodies, such as the UN and the EU, have guidelines and definitions of CSR created to help organisations and stakeholders navigate in the jungle of CSR.

However, in 2010 a new initiative was realised to standardise CSR all over the world: the ISO 26000. The purpose of the ISO 26000 is to assimilate a common set of guidelines to organisations all over the world and help them implement sustainable CSR.

The value of having a worldwide standardisation of how you act responsible in the corporate world is noble. And in theory the idea seems to be an initiative to gather organisations in the world and create co-operation. But in my research I have found that an important and crucial factor in

standardising CSR practicing globally is underestimated or maybe even forgotten: the cultural differences.

Both differences within continents and wider regions, but in particular the differences between developing countries and developed countries need more attention, as these countries are often in the opposite end of the corporate value chain, far from each others everyday life and work practice, but still they are incontestably connected.

Our culture is such a big part of us that we rarely notice it. We become aware of it when we are confronted with other cultures different from our own. It is not often that we become aware of the cultural reasons that underlie our reactions. Generally, only the consequences of these reactions appear in front of us and often they are considered unexplainable.

There are numerous reasons why we ought to be more conscious about our culture and especially its relation to our surroundings and to other cultures. One of them is providing a better and safer work environment for all cultures. One of the key issues in relation to CSR and work environment is child labour. It is commonly known that developed countries strongly oppose to the use of child labour and have laws against it, whereas the situation in many developing countries is different and it is a necessity for a family that their children help support the family. So how can we implement the western standards and laws in the developing countries – should we implement them? How do you become aware of the cultural differences and integrate them in an implementation of a CSR strategy?

In the light of the above, the main question of my thesis is as follows:

Based on cultural theory, to what extent can Western CSR standards be applied to both developing and developed countries?

1.2. Method

The objective of this thesis is to examine the influence of cultural differences between developing and developed countries when practising CSR.

I will start out by examining and defining the concept of CSR. I will then relate the concept to developing countries by using Wayne Visser's ten drivers (Visser, 2008) in his chapter in "The Oxford Handbook of Corporate Social responsibility". I will use Visser (2008)'s drivers to represent CSR from the perspective of developing countries in the comparative analysis of developing and developed countries' culture that will be consistent through out the thesis.

Representing the perspective of developed countries, I will focus on standardisation, as this is a prevalent perspective on CSR in developed countries. To delimit and concretise the aspect of standardisation I will use the International Organization for Standardization – ISO, ISO's recent published standard on CSR; ISO 26000 and their material on standardisation in developing countries "ISO Action Plan for Developing Countries 2011-2015." The ISO material is to illustrate the structure and approach to CSR practising in developed countries and thereby form the contrast to Visser (2008)'s CSR perspective of developing countries. Furthermore, the outline of the two perspectives will lay the grounds of my further analysis of cultural differences.

I will proceed with my comparative analysis of the cultural differences between developing and developed countries by analysing the concept of culture in relation to the two different cultural perspectives. To do this I will use theory by Fons Trompenaars and Charles Hampden-Turner. I have chosen their books "*Riding the waves of culture*" (Trompenaars and Hampden-Turner, 1997) and "*Cross-Cultural Competence*" (Trompenaars and Hampden-Turner, 2000) as these books are based on several years of academic and empirical fieldwork. Trompenaars and Hampden-Turner will provide me with some of the different criterions that I will use further in my thesis.

The concept of CSR is too broad to cover entirely in this thesis, which is why I want to delimit it by concentrating on the subject of child labour. This subject will be treated with basis in the International Labour Organization - ILO's report on child labour. This report will provide me with information on how widespread child labour is as well as the standards on child labour. This

information together with various articles on the matter will give insight to an important aspect of CSR practising in connection with developing and developed countries and I will use it exemplify the cultural differences in CSR practising.

To bring the analyses into a more practical sphere, I will demonstrate the development of CSR in multinational companies after negative focus on their relation to child labour. This will be exemplified by a case study of the international high street clothes manufacturing company H&M. This case study contains a communication analysis based on the communication model IMK-model (Frandsen, Johansen and Nielsen, 2004), which I have chosen to use, seeing that it, contrary to other communication models, it involves the cultural aspect. The communication analysis will be carried out on H&M's sustainability report 2010 and serve as practical example of how multinational companies deal with allegations of child labour and how H&M changed their approach to CSR.

Finally, the last section in this thesis will be a comparison of Carroll's acknowledged four-part CSR pyramid (Carroll, 1991) and Wayne Visser's remake of this pyramid (Visser, 2008) in order to relate it to CSR in developing countries. This comparison will round off the illustration of the different perceptions of CSR and put into perspective the lack of focus on cultural differences in connection with practising CSR cross-culture. Furthermore, I will look into possible improvements on the basis of suggestions provided by Visser (2008) and African professor Uwafiokun Idemudia (Idemudia, 2011).

1.3. Delimitation

As I work with fairly large and general concepts in this thesis, I find it necessary to define and briefly state what are my thoughts behind the use of certain concepts, which I will do in the following section.

1.3.1. Developing and developed countries

When talking about CSR and cultural differences one needs to make a division in the view of cultures. In literature this is done in various ways with different arguments to follow. Some talk of the Western World, some of industrialised and some of developing and developed countries.

Moreover, there is a slight variation as to when a country is defined as developing, low-income, low-middle income, high income etc.

I have chosen to use the terms developing and developed countries on the basis of the classification of the World Bank (which is also very similar to the one of the UN) as it is in accordance with my subjective view on the terms before researching for this thesis.

The World Bank's main criterion for classifying economies – and thus 'label' countries – is gross national income (GNI) per capita (the concept was formerly called gross national product (GNP)) and it is classified into: low income, middle income (which has to sub divisions) or high income.

I do not find that the subject of this thesis requires me to list all developing or developed countries as it is not my purpose to make comparative analyses of isolated countries. I wish to focus on more general cultural aspects in relation to CSR, which finds relevance in how resourceful a country and/or region is.

In the following, I will give an overview to which countries the World Bank classifies as developing and developed, which will be the classification I will be referring to when using the concepts 'developing' and 'developed' country.

1.3.2. Developing countries

The World Bank has divided the world into the following regions and stated which countries in the regions are developing. The following is a list of these regions with examples of some of the developing countries:

- **East Asia & Pacific:** China, Mongolia, Vietnam, Thailand, Cambodia, Indonesia, Malaysia and more
- **Europe & Central Asia:** Russian Federation, Belarus, Lithuania, Romania, Ukraine, the countries of the former Yugoslavia, Turkey and more.
- **Latin America & Caribbean:** Practically all countries in Middle and South America.
- **Middle East & North Africa:** Morocco, Algeria, Egypt, Iraq, Syria, Iran, Yemen and more.

- **South Asia:** India, Bangladesh, Nepal, Pakistan and more.
- **Sub-Saharan Africa:** Practically all countries.

It is worth mentioning that the World Bank also refers to the least developed countries classified by the UN and these are highest represented in Africa and South Asia.

1.3.3. Developed countries

In the other end of the scale we find the high-income countries, which I will be referring to as developed countries. They consist of North America, Scandinavia, North and West Europe, Australia but also Japan and Korea¹.

2. Corporate Social Responsibility - CSR

To many the concept of CSR is a concept that entered their conceptual universe within the past decades, but as a matter of fact you can trace business community's concern for society centuries further back. However, formal writing about social responsibility and the concept as we know and work with it today has developed increasingly from the 20th century (Caroll, 1999).

What is behind this concept that every respected, well-reputed company work with and use many resources on?

A simple Google search will give you plenty of different definitions that are all something in the lines of: CSR signifies that companies acknowledge the fact that their being and their actions influence the society/community in which they exist and that they act consequentially in order to better the society/community. Definitions may not give much meaning on a concrete level and CSR is a hard concept to define and it contains numerous ways of practising.

¹ The information in this section is all based on data retrieved from the World Bank's website : <http://www.worldbank.org/> (26/3-2011).

In general, the motives of CSR are widely discussed. Is it acceptable that companies use CSR merely as a means to increase profit? Should one be indifferent to the motives as long as companies strive to improve society? Are consumers being deceived?

There are no exact answers to these questions as the concept of CSR continues to grow bigger and wider and thus become more and more intangible. However, the past years politicians and governmental as well as non-governmental authorities/institutions have opened their eyes – not only to the possibilities of CSR practising – but also to the need of definition, moralisation and making of demands on the area. This has resulted in CSR guidelines and recommendations but also legislation on how businesses have to report their actual CSR results.

One of these initiatives is the ISO 26000 standard, which was published in the end of 2010 by The International Organization of Standardization - ISO and standardisation in general has become a way to globalise CSR.

In the following section I want to outline the conditions of CSR in developing and developed countries respectively, and examine the motives behind practising CSR on a global level. What are the different views on CSR in developed and developing countries?

2.1. CSR in Developing countries

The book “The Oxford Handbook of Corporate Social Responsibility” gives a very broad and varied insight to the world of CSR. Chapter 21 in the book is written by, MSc in human Ecology Wayne Visser who has worked with and researched CSR for several years. The chapter is called “Corporate Social Responsibility in developing countries” and goes through many aspects of CSR in relation to developing countries. This chapter will be my starting point in the following section about CSR in developing countries.

Visser (2008) starts out by establishing why you should focus on CSR in developing countries separately from CSR in developed countries. He lists four reasons that argue why you cannot treat CSR as a general aspect in both developing and developed countries:

1. The economies of developing countries are the most rapidly expanding and hence the most lucrative markets for business.
2. Social and environmental crises in developing countries are often most acutely felt.
3. Aspects as globalisation, economic growth, investment and business activities are likely to have the most dramatic social and environmental impact in developing countries (both positive and negative).
4. The challenges of CSR practising in developing countries are distinctively different from the ones in the developed world (Visser, 2008).

2.1.1. Visser's Ten Drivers for CSR in Developing Countries

There is no doubt that both the view on and the practising of CSR in developing countries are very different from CSR seen in the resourceful developed countries. Visser (2008) finds that you can illustrate this by examining ten drivers (**Figure 1**) for CSR in developing countries. He states that they are not all unique for developing countries, but together they give a distinct perception of how CSR is conceived, motivated and practised in developing countries. Visser distinguishes between internal drivers, which refer to pressure from within the country and external drivers, which tend to come from the outside world (Visser, 2008).

Figure 1

Visser's ten drivers for CSR in Developing Countries

Internal drivers:	External drivers:
<ul style="list-style-type: none"> - Cultural tradition - Political reforms - Socio-economic priorities - Governance gaps - Crisis response - Market access 	<ul style="list-style-type: none"> - International standardisation - Investment incentives - Stakeholder activism - Supply chain

In the following I want to elaborate on the ten drivers.

Cultural tradition: Whereas CSR in its modern conception is regarded a western intervention, you can, however, also trace cultural traditions of CSR, though with a more philanthropic aspect to it, far back in the history of developing countries.

I will be going further into the aspect of cultural tradition in my cultural analysis in another section of this thesis.

Political reforms: CSR in developing countries is connected to the socio-political reform process. For instance, many developing countries that have started to develop or have developed democracy also change their view on business ethics and move towards becoming more environmentally and socially responsible just as social and economic changes in a developing country often gives more room for CSR. In countries that have developed even more, such as some Central European and several Eastern European countries, CSR practising have been an incentive to get a much desired membership of the European Union as EU has higher standards of responsibility (Visser, 2008).

Socio-economic priorities: The socio-economic environment that exists in a particular developing country contributes to a great extent to the shaping of the CSR concerns in the country. Which means that CSR needs are reflected by the problems that exist in the environment. In most developing countries this is, for instance, poverty, health care provision, infrastructure development and education. In many African countries HIV/AIDS is also an extensive challenge. As a contrast CSR priorities in developed countries are often of a different character. The western, and far more resourceful, world prioritise subjects such as consumer protecting, fair trade, green marketing, climate change concerns and socially responsible investments (Visser, 2008). The contrast is related to the difference in means and with this development level. This can create problems in globalised CSR practising as it calls for companies in developed countries that engage in CSR practising, in connection with sub-contracting companies in developing countries, to have certain considerations and be well-oriented about the socio-economic priorities and conditions in the developing country in question.

Governance gaps: CSR in relation to governance challenges in developing countries has at least two sides to it. Developing countries tend to have weak institutions and poor governments (Visser, 2008), which often results in responsibilities being delegated to the private sector. This gives many occasions for companies to fill out gaps in governance and contribute to improving society on different levels in developing countries – and sometimes to an extent where communities expect companies to step in where governments fall short (Visser, 2008). On one hand this gives possibilities and future prospects to developing countries that their governments simply cannot provide and hence CSR practising can develop welfare on issues that governments do not have resources to administer such as work conditions, schooling of worker's children, minimum wages and more. But on the other hand, the companies' CSR approach to governance gaps can also create dependency for many societies in developing countries, which again can lead to uncertainty as communities become reliant for the social services of the companies. Companies have economic, as well as other, responsibilities to their shareholders and thus situations can occur where companies have to reorder priorities and maybe disinvest in a region/community if they find other more profitable projects elsewhere (Visser, 2008).

Crisis response: Crises often catalyze CSR practising in developing countries. If a developing country experiences crises – be they economic, social, environmental, health-related, industrial or other – you quickly see a significant boom in CSR initiatives in the country. Also catastrophic events, such as the Asian tsunami, the earthquake in Haiti, create immediate CSR response especially the philanthropic kind (Visser, 2008).

Market access: As before mentioned, the downside of the socio-economic priorities driver is that human's unfulfilled needs risk being seen as a lucrative business market possibility. Companies in developed countries are frequently intrigued by option of making millions of poor people into consumers and thus make a profitable market access. A positive side to seeing market possibilities in relation to CSR may be when it goes the other way around and companies in developing countries use CSR as an enabler to try to access markets in the developed world (Visser, 2008). The relevance of this becomes especially distinct when more or less globalised companies from developing countries are asked to comply with international stock market listing requirements and therefore are obliged to make an effort to improve conditions in their home country.

International standardization: According to Visser (2008) there is no doubt that CSR codes and standards are an important factor and key driver for CSR in developing countries even though a majority of the codes and standards have been imposed by the Western developed countries. Standards can help developing countries address problems with work conditions, chemical use and, the issue in focus of this thesis, child labour to mention some. *“Often, CSR is driven by standardization imposed by multinationals striving to achieve global consistency among its subsidiaries and operations in developing countries”* (Visser, 2008, p. 486). In this way, multinational companies that operate outside their own home country are more likely to adopt CSR as opposed to the ones operating only in their own country. However, as Visser also notes, CSR tend to reflect the profile of the country in which the multinational company origins rather than the profile of the country operated in (which is typically a developing country). The issue of whether CSR practising lacks understanding of culture and context is the core issue of this thesis, so Visser makes a good point for my further work.

Investment incentives: The thought that social welfare in developing countries is inextricably linked to multinational investments is not new. The concept of socially responsible investments (SRI) has become another driver for CSR in developing countries and the market and the tendency of SRI is constantly expanding (Visser, 2008). With SRI multinational companies help developing countries financially, strengthen their political image and make profit.

Stakeholder activism: As before mentioned many developing countries lack governance control and resources for social, ethical and environmental performance of companies. Because of this, activism by stakeholder groups has become another critical driver for CSR (Visser, 2008). Visser (2008) lists four stakeholder groups as the most powerful in developing countries: development agencies, trade unions, international NGO's and business associations. These four groups form a platform for local NGO's, which are not always adequately structured or resourceful. Another actor as key stakeholder has become the media who can act as promoter for CSR in developing countries. Stakeholder activism manifests itself in various ways, among others, in what is called civil regulations, which in short could mean for instance the way civil society can be motivated to challenge companies on their ability to comply with and uphold constitutional rights of citizens.

Stakeholder activism can also function as critics of CSR and question if CSR in developing countries live up to the need of help in several social, environmental areas (Visser, 2008). This way, stakeholder activism can contribute to the ongoing development of CSR in developing countries.

Supply chain: Visser (2008)'s last driver for CSR in developing countries is the requirements that multinational companies impose on their supply chain, this being initiatives as fair trade awareness and development, observance of and control with labour conditions and human rights and the effort to avoid child labour and focus on children's education. This driver is especially related to standardisation and multinational companies use an assortment of standards to screen their suppliers in developing countries.

2.1.2. Conclusion

Together the ten drivers create a picture of the tendencies and factors that influence CSR in developing countries. In the context of this thesis, the external drivers are more relevant than the internal as it is external drivers that pose most questions as to whether the difference in culture is considered sufficiently by the developed world when practising CSR in developing countries. Particularly, the drivers 'International Standardization' and 'Supply Chain' are directly linked to the problem statement of this thesis and thus these subjects will also be relevant in other parts of the thesis.

Furthermore, Visser (2008) concludes that CSR in developing countries tends to be less institutionalised and that CSR codes and standards are less commonly integrated in procedures of companies in developing countries. If a more formal form of CSR is practised in a developing country, it is typically on the basis of initiatives of and/or in cooperation with a high profile multinational company – most likely one from the developed world. Moreover, CSR in developing countries is often associated with philanthropy or charity, which manifests itself in corporate social investment e.g. in education, health, sports development and other community services (Visser, 2008).

These conclusions live up to assumptions that CSR in developing countries is often motivated by developed countries' culture and primarily practised in the context of companies from the developed world with less understanding for the local functioning and circumstances.

2.2. CSR in developed countries

Although it is possible to trace CSR development throughout the world, the concept does mainly originate from developed countries and formal writings about CSR have been most evident in the United States where we find most literature on the concept (Carroll, 1999). This means that the concept of CSR right from the beginning has been influenced by the context, state and culture of the developed world.

When searching for literature on CSR, the difference of approach in relation to developing and developed countries rapidly becomes apparent. The difference in subjects ranges very wide and, furthermore, the subjects are comparatively far from each other. Literature in connection to developing countries is thematised by motives of companies in developed countries and include; whether the current effort is sufficient, poor companies being exploited, poor working conditions, child labour and so on. Literature about CSR in developed countries tends to have another approach as the subjects are more academic in terms of how to teach companies to practise CSR with an eye for both good management, consumer requests, profit, environment, supply chain, private or public sector, principles, codes, standards and several other so-called buzz words. In developed countries our industrialisation have taught us that structure, research, normalisation and generalisation make our development grow faster and therefore it is our approach to CSR. As a result, one of the significances about CSR in developed countries is standardisation. This is why I have chosen to focus my description and analysis on the one part of CSR in developed countries that is standardisation.

Standardisation has a great impact on the development of CSR around the world (Visser, 2008). There are various ways of standardising CSR and several different organisations that design standards. Many developed countries have more or less governmentally supported standardisation (e.g. Danish Standard, DS). Often, these national standardisation organisations translate and modify standards that have been developed on an international level by international standardisation

organisations. One of the most recognised international standardisation organisations is International Organization for Standardization - ISO, which is the organisation I have chosen to represent CSR and standardisation, from a perspective of developed countries, in this thesis.

The reason I have chosen ISO is that they published a recent standard on CSR (December 2010) so I find that their material is updated. In the following, I will give a short presentation to ISO and how they develop standards and then go on to give an insight to ISO 26000, and in particular what this standard says on the subject of child labour as this subject will be the object of my exemplifying the practises of CSR standardisation later on in the thesis. Furthermore, I will introduce ISO's plan on how to help developing countries become integrated in the world of standardisation called "ISO Action Plan for developing countries 2011-2015", which will give an impression of ISO's perspective on developing countries.

Together these three pieces of material will represent the view on and structure of CSR from the perspective of developed countries. In the light of the subject of this thesis, I will focus on developed countries' view on child labour and relation to integrating standardisation in developing countries.

2.2.1 International Organization for Standardization - ISO

The International Organization for Standardization (ISO) is the world's largest developer and publisher of international standards. Its main office is situated in Geneva, Switzerland. From 1947 and up till today ISO has published more than 18.000 standards. ISO is a network of 163 member countries around the world with one member per country. Most of the members are what ISO calls 'member bodies', which means that the member is the national body "most representative of standardization in its country". For instance, Denmark is a member by DS (Dansk Standard) and thus a member body. Other countries are 'corresponding members', which means that they do not yet have fully developed standardisation activity. Finally a few countries are 'subscriber members', these countries are poor countries that pay less in membership fee and do not have any privileges other than being in contact with the international standardisation.

The ISO standards are developed after an expressed need from sectors and stakeholders in the membership countries, and a standard follow several procedures in its development. For ISO to start developing a standard, a majority of the participating members of the ISO Technical Committee must support the proposed standardisation. Among others, one criterion is *“that it indeed respond to an international need and will eventually be suitable for implementation on as broad basis as possible worldwide.”* (26/1-11 Retrieved from http://www.iso.org/iso/about/how_iso_develops_standards.htm). The above quote is the explanation of “ISO’s Global Relevance Policy”, which is to make sure that all standards are relevant for as many countries around the world as possible and that the standards affect as many industries and stakeholders as possible. (26/1-11 Retrieved from <http://www.iso.org/iso/home.htm>)

In relation to the subject of this thesis, I find it relevant to get an impression of ISO’s view on CSR and in particular CSR in connection with child labour. ISO 26000 is ISO’s most recently published standard on CSR and contains standards and guidelines related to child labour.

2.2.2. ISO 26000

ISO 26000 is an international standard of approximately 100 pages. The standard is a production of guidelines of practising CSR internationally. All subjects in relation to practising CSR is treated in the standard, however, most of them in short. The core subjects of the standard are: organizational governance, human rights, labour practices, the environment, fair operating practices, consumer issues and community involvement. These subjects are, according to ISO 26000, treated within the frames of principles of accountability, transparency, ethical behaviour, respect for international norms and behaviour and respect for human rights (ISO 26000, 2010).

The subjects of the standard are all highly relevant and useful in relation to CSR and they are backed up by statements of several recognised international bodies such as the UN, the International Labour Organization (ILO), WTO, the Copenhagen Declaration and others, which provide credibility to the guidelines. ISO 26000 guides organisations on which considerations to make on every subject and supply with guidance for activities. The standard is current and applicable to international organisations, which have the means to consider and implement aspects of the standards.

2.2.3. ISO 26000 on child labour

As I have to delimit the subject of CSR I have chosen to exemplify by using the subject of child labour. Thus, I want to point out what is written about child labour in ISO 26000.

The issue of child labour can be found under ISO 26000's human rights issue 7: Economic, social and cultural rights, which begins with the statement that *"Every person, as a member of society, has economic, social and cultural rights necessary for his or her dignity and personal development."* (ISO 26000, p. 30, 2010). An information box on child labour provides factual information about child labour such as the minimum age for admission to employment or work, which must be less the age for completing compulsory schooling or no less than 15 years. However, in countries that are less developed economically and educationally the minimum age can be 14 years, just as "light work" can call for exceptions of children working down to the age of 12-13 years. All work with risk for health, safety or morals of a child has a minimum age of 18 years – for all countries (ISO 26000, 2010²).

ISO 26000 then describes the consequences of child labour, stating that child labour is a form of exploitation that violates human rights. It damages a child's physical, social, mental, psychological and spiritual development and deprives children of their childhood and dignity. Furthermore, child labour results in under-skilled workers and jeopardizes future improvements of skills in the workforce, just as child labour may deprive youths and adults of getting jobs and depress wages. This is why; ISO 26000 urges organisations to make efforts to eliminate all forms of child labour. Moreover, organisations should help children who have been removed from working places access adequate services, alternatives and education to the extent possible (ISO 26000, 2010).

The guidelines in ISO 26000 are somewhat general. More detailed and contemporary guidelines could have been expected of a standard published this recently. The standard does not provide any new information or new initiatives. This is why; I want to include ISO's strategy of how to implement standardisation in developing countries to my analysis.

² Based on information from the International Labour Organization – ILO.

2.2.4. “ISO Action Plan for developing countries 2011-2015”

Judging from the description of ISO’s work structure, it is well adapted to the western world and is familiar to us. ISO is, however, aware of the difference of structure and resources in developing countries, and among the plenty of information you can find on the ISO website is the “ISO Action Plan for Developing Countries 2011-2015“, which is a plan that deals with how to help the ISO members in the developing countries get more involved in standardization.

The plan gives a good impression of how ISO view developing countries and how they actively want to integrate developing countries in the world of standardisation, to strengthen developing countries’ economies and to broaden cooperation in all sectors and regions of the world. The “ISO Action Plan for Developing Countries 2011-2015” has plenty of great initiatives to enhance and strengthen both developing countries on their own as well as in relation to other ISO member countries with more resources (developed countries). The plan also contains ISO’s key objective for developing countries: *“The capacity and participation of developing countries in international standardization is significantly enhanced.”* (ISO Action Plan for developing countries 2011-2015, p. 2, 2010). Hence, the goal is the prevalence of standardisation.

“ISO Action Plan for developing countries 2011-2015” is build up by six outputs that represent the goals of the action plan. Each output describes the activities that are to realise these goals:

- **Output 1:** Increased participation in ISO technical work.
- **Output 2:** Capacity built in standardization and related matters for ISO members and their stakeholders.
- **Output 3:** Awareness improved on the role and benefits of international Standards and their use. International Standards are therefore increasingly used.
- **Output 4:** ISO members in developing countries strengthened at institutional level.
- **Output 5:** Regional cooperation strengthened.

- **Output 6:** Introduction of the subjects of standardization as part of educational curricula initiated.

Most of the activities are presented as identifying relevant subjects, needs, areas for discussion and skills needed to work from. Other activities are organisation contests, workshops, fora, meetings and conferences among other things. Furthermore, promotion of ISO is also included in the activities. Some activities are directly aimed at developing countries to conduct.

As opposed to CSR in developing countries, developed countries are far more structured in their approach to CSR because of a relative lead in development on many societal areas. Developed countries are aware of the opportunities that lay in CSR development in relation to developing countries and, hence, the focus and commitment to helping developing countries develop in the field of CSR is increasing. The means and the will are there and developed countries have the experience to know that standardisation is one of the key solutions to better development in relation to CSR and they wish to share this knowledge and cooperate with more developing countries. Regardless of the motives, the information and development of CSR in developing countries is needed and developed countries can help provide these factors.

From the conclusion of CSR in developing countries we know that developing countries tend to be less institutionalised. ISO, ISO 26000 and “ISO Action Plan for developing countries 2011-2015” as representatives for CSR perspective in developed countries do not take this into account. The ways in which the guidelines are expressed is based on the assumption that you have a – if not institutionalised then at least fairly structured - system to work from; cf. phrases such as: “Organizations should analyse the different circumstances” (ISO 26000, p. 33, 2010), “To the extent possible an organisation should help the child who has been removed from the working place and his or her family...” (ISO 26000, p. 33, 2010). These statements assume that you have means, possibilities and insight to conduct analyses and resources to help children out of child labour and are clearly directed at organisations in developed countries not taking the culture or background of developing countries into account. Furthermore, the activities in the “ISO Action Plan for developing countries 2011-2015” that are proposed to achieve the six outputs are first of all very

general and secondly related to a system and an approach that is well-known by the developed world but again does not account for the circumstances of CSR practising in developing countries – e.g. the activity present in almost all of the outputs: “developing countries identify relevant subject areas...” (ISO Action Plan for developing countries 2011-2015). The action plan, and thus the way in which the developed world wish to help developing countries, is to a certain extent concentrated on teaching developing countries the standardisation system we operate by in developed countries by setting up courses and workshops, having training sessions and educating in ISO’s standardisation system. The action plan is not an adapting size that you can modify the individual country – it is a complete plan that the individual country adjusts to.

2.2.5. Conclusion

The developed world is in many ways privileged to have an institutionalised society where CSR can continue to develop in many areas. However, the communication and the instructive involvement may lack understanding and ability to comprehend another starting point than the one we have in the Western world. The background of developing countries is often far from the one of developed countries and therefore requires a different cultural view and a different basis.

3. Cultural analysis

When dealing with so different cultures as the ones possible in CSR practising between developing and developed countries, a main point is that the difference in culture should have a certain focus. In order to elaborate on this, I want to bring clarity to the concept of culture and the relevant differences that may appear in relation to CSR practising, the subject of child labour in particular, between developing and developed countries. Why is culture important to CSR practising in developing and developed countries, respectively? How can cultural differences lead to challenges when practising CSR?

3.1. Defining culture

“A fish only discovers its need for water when it is no longer in it. Our own culture is like water to a fish.” (Trompenaars and Hampden-Turner, 1997, p.2)

It is not a simple task to define the concept of culture. Some might even think that it is impossible because everything, culture as no exception, is relative. A culture is most often defined in relation to another culture.

Among other things, the frame of reference can cause problems in defining culture as it is debatable whether an objective frame of reference can exist. Any cultural analysis will undoubtedly – more or less consciously - be influenced by the analyst's own cultural background. Complete objectivity is impossible.

In the following, I want to outline the Dutch cross-cultural consultant Fons Trompenaars and the British management philosopher Charles Hampden-Turner's empirical theories on culture. Their definition of culture will lay the grounds of explaining why CSR can have different meaning in different cultures and thus be viewed and practised with diversity.

3.1.1. Trompenaars and Hampden-Turner's three layers

Trompenaars and Hampden-Turner outlines the concept of culture by dividing it into three layers:

- **The outer layer: explicit products:** This layer consist of visible things – visible culture as for instance; language, food, buildings, houses, monuments, agriculture, fashion and art. Explicit culture is observable.
- **The middle layer: Norms and values:** According to Trompenaars and Hampden-Turner norms are the mutual sense a group has of what is “right” or “wrong.” Norms can be manifested in, for instance, the laws of a country or on a more informal level as social control. Values are an expression of the mutual definition of what is ‘good’ and ‘bad’ within a group and are therefore closely related to the shared ideals of a group. Norms give us a feeling of how we *should* behave while values give us a feeling of how we would *like* to behave.

- **The core: assumptions about existence:** It is in the core of human existence we can find basic differences in values between cultures. It is the solutions we find everyday that are so obvious to us that we are not conscious about them. The authors have noticed that a way to test if something is a basic assumption is if a question about a given subject causes irritation or confusion. One of their examples is to ask a Japanese why he or she respects authorities. To a Japanese *you just do* – if you question it they do not understand the meaning of the question, because it is basic assumption. Because different groups of people have developed in different geographic regions, they have also formed different sets of logical assumptions. (Trompenaars & Hampden-Turner, 1997)

The closer you get to the core, the more difficult it gets to find out exactly what culture is. Trompenaars and Hampden-Turner's middle layer and the core are of most relevance in connection to CSR as they involve norms, values and thus the influence on how we perceive and think and subsequently take action.

The middle layer is what makes us feel like we belong to a group, in the context of this thesis defined as either a developing or developed culture. Individually, we may feel what is 'right' or 'wrong' but if a large group agrees on this we immediately become certain that what we felt is in fact 'right' or 'wrong'. This applies to how a culture can relate to CSR as CSR is based on values, norms and moral. These concepts can have different meaning depending on which culture you live in. Thus when developed cultures want to practise CSR in a developing country, it cannot be assumed that the aspects that influence culture (values, norms, moral codex and what is found to be 'right' or 'wrong') are perceived and therefore practised from the same point of view. Common norms and values give us a sense of belonging. Other people that do not share the same norms and values very easily become alienated to us. History has given us plenty of examples of how we either try to convert people to our norms and values and if they will not, become our enemies.

The core is the element of Trompenaars and Hampden-Turner's layers that say the most about the culture(s) in which we exist in, but also what is the most hard for us to see through and to associate with our culture, because it is 'just the way things are'. We do not feel we need to explain this aspect, as it is so natural to us that we have difficulties seeing how things could be different. CSR is

to a great extent based on values, traditions and culture from developed countries, countries that have been through industrialisation. When a culture has developed it may not be conscious about the steps of the development, as they slowly become a part of its cultural core. Hence, developing countries may fall behind and cannot follow the CSR development imposed on their culture and developed countries may have difficulties accounting for the difference in development as their own development is too close to see. It is so basic to us that we, without thinking about it, assume that other people/cultures feel/think/act the same way, as alternatives hardly exist.

3.2. The cultural dilemmas

Trompenaars and Hampden-Turner's clarify the concept of culture further in their books; "Riding the waves of culture" and "Cross-Cultural Competence", which both treat the subject of cultural dilemmas. The conclusions of these books are based on 18 years of experience from courses and workshops they have held and more than 40.000 answers from questionnaires answered in more than 40 countries (Trompenaars and Hampden-Turner, 2000). Many of these answers serve as illustrative examples, which explain the authors' theories well. Trompenaars and Hampden-Turner believe that culture is based on the solutions different cultures have found to these three dilemmas: our relationship with other people, our relationship to time and our relationship to nature/the environment. Different choices of solutions related to these three subjects are the reason of many difficulties in cross-cultural communication. The authors deal with culture on a general level but also more specifically from a corporate point of view, and it is mainly these results and reflections that are in focus in this analysis.

3.3. Relationships with other people

Trompenaars and Hampden-Turner recognise five different sub-points that in different ways show how we relate to fellow human beings within different cultures:

1. Universalism vs. Particularism
2. Individualism vs. Communitarianism
3. Neutral vs. Emotional
4. Specific vs. Diffuse
5. Achievement vs. Ascription

It is important to mention that these points are often complementary rather than opposing, which means that a culture is rarely strictly one or the other but contains a preference.

In the following, I want to elaborate on these points by accounting for them on a general level and then relating them to CSR in developing and developed countries respectively.

3.3.1. Universalism vs. Particularism

This first point deals with how we relate to rules. Do the rules apply to everybody regardless of whom and in which situation? Or can certain situations call for exceptions – and if so which? Universalists are of the opinion that rules are the same for everybody and apply to all. On the contrary, particularists allow exceptions and regard specific situations. Universalists do not make exceptions or show special consideration to either family or friends, as this would be considered nepotism in the eyes of a universalist, whereas particularists will have a tendency to bend the rules in relation to family or friends. Trompenaars and Hampden-Turner (1997) clarify the difference between the two very well on page 31-32 in “Riding the Waves of Culture”: “A universalist will say of a particularist: “they cannot be trusted because they will always help their friends”; a particularist conversely will say of universalists: “you cannot trust them; they would not even help a friend.”” One’s perspective on these statements gives a good indication of whether a person is from a universalist-culture or a particularist-culture.

Universalism and Particularism in developed and developing countries

Trompenaars and Hampden-Turner do not operate with developing and developed countries in their fieldwork, their results do, however, show that western countries are high on universalism (Trompenaars and Hampden-Turner, 1997). Most of the highly universalist-cultures are democratic and Protestants, thus it is mainly developed countries with western norms and values. Far more developing countries have tendencies towards being particularist-cultures (Trompenaars and Hampden-Turner, 2000).

Furthermore, the authors make an account of why the American³ culture is Universalist. They make a list of historical events that have shaped universalism in America. This is of interest to this thesis because, as the authors point out, America has contributed disproportionately to the volume of business studies in the world (Trompenaars and Hampden-Turner, 2000, p. 17.) These business studies include the field of CSR where Americans have also had conducting influence on the development (Carroll, 1999).

Hence, a predominant part of CSR culture is based primarily on a Universalist culture, which per se is a problem when practising in countries that are not distinctly Universalist. And it supports the assumption that CSR culture often does not relate to the fact that the practicing of CSR cannot be streamlined across cultures. Therefore, this element of cultural analysis is important in relation to the development of CSR strategy and practicing in developed and developing countries respectively.

In the concept of standardisation lies the premise of rules that apply equally to everybody. This is consistent with developed countries' universalist point of view. Developing countries may have a different relationship to their working sphere and their colleagues. Given their more particularistic point of view, they may find it natural to differentiate between both persons and aspects. This is why the concept of standardisation can be difficult to integrate in particularistic cultures.

3.3.2. Individualism vs. Communitarianism

This point primarily deals with how people regard themselves: as an individual or as a part of a group? (Trompenaars and Hampden-Turner, 1997)

It is not necessarily the values you appreciate in a culture that determines whether you are individualistic or communitarian in your cultural orientation. Individualistic cultures can appreciate humanity and social commitment just as well as a communitarian culture can be highly competitive.

In the western world, individualism is often associated with modernised society while communitarianism reminds us of more traditional societies.

³ When Trompenaars and Hampden-Turner speak of American culture I must assume that they mean North American culture (western culture) as their results distinguish between USA and countries in South America – many of the countries in South America have results that are more in lines of particularism.

International management is highly impacted by individualism and communitarianism. Do you see the employees as a more homogeneous group and value and reward cooperation? Or do you focus on the individual performance and reward those that stand out from the group and try harder for better results on their own? In the corporate world, an individualist culture acclaims the individual effort. It is up to the individual to create his or her own success. Hereby, he will create competition, productivity and innovation. On the other hand individualist cultures might raise greed (Trompenaars and Hampden-Turner, 2000).

In communitarian cultures, the ideology is to focus more on society and see a company as a family that stands united at all times. The company is view as a whole and as a part of a larger unit as for instance an industry or the society. The employees will be motivated by ethical reasons and create prosperity for the community, which will result in financial progress for the company. (Trompenaars and Hampden-Turner, 2000).

Individualism and Communitarisanim in Developed and Developing Countries

Yet again Trompenaars and Hampden-Turner (1997) state that the majority of their knowledge on the subject in matter comes from Western developed material and theories. This result in a western perspective as dominant foundation of research, and in the West, we see individualism as a progress from communitarianism and so individualist cultures are higher developed from our perspective. This approach may come from the fact that an increasing part of western cultures is based on American values/culture. America is known as “the land of opportunities” – you can achieve anything you want if you work for it – “Every man is the architect of his own fortune.” (Trompenaars and Hampden-Turner, 1997).

Trompenaars and Hampden-Turner’s research do show a tendency in their research of the developing countries being more communitarian than most western/developing cultures. This is important, as many subcontractors to western companies are companies in developing countries, which have a different way of practising business than we have in the western world.

In relation to this thesis, this cultural aspect is interesting as it influences the view on family patterns in different cultures. In developed, and highly individualistic, countries we tend to see our children as individuals just as any other member of the family, whereas in developing and highly communitarian countries, the view on children is more as a part of a unit – the family. In the developed world, we want to give our children as many possibilities as possible to develop in the direction they wish and in the developed society education is what gives you options. Children in developing countries often have more responsibility in relation to their family and the functioning of the family. Parents in developing countries also wish for their children to be educated, they too want their children to have possibilities, but the difference in the individualistic and the communitarian perspective may give varying motives. In developing countries an educated child may also mean an increase in income for the family and thus more possibilities for the family.

As I have chosen to exemplify CSR practising in this thesis by concentrating on child labour, the role of the child in relation to the family is highly relevant. The view on the child as a providing part of the family contra an individual in the family makes the focus on cultural differences highly present in relation to child labour in the supply chain.

3.3.3. Neutral vs. Emotional

This point is about showing emotions and in which context. Do you show emotions in public? Do you show emotion in your working environment? To which degree can you use humour? It is about analysing both actual communication and also non-verbal communication, which constitutes at least 75 % of all communication (Trompenaars and Hampden-Turner, 1997).

This may have some influence on the differences forms of communication between different cultures, but in direct relation to the subject of this thesis this point is not of great relevance. Which is why, I will not be going further into it.

3.3.4. Specific vs. Diffuse

Specific vs. Diffuse is about how we divide our lives into zones and to which extent these zones overlap.

Furthermore, the specific vs. diffuse dimension is about how we get to know each other. Do we get to know each other as a result of a specific situation, for example a business meeting or a negotiation where we learn about each other during and after this situation? Or do we have to get to know each other before we can engage in a specific situation/meeting/negotiation? With a professional objective, you can distinguish between whether you think results will get better from a good cooperation, or if a good cooperation will get better from good results? Do we focus on each separate feature or on totality? (Trompenaars and Hampden-Turner, 1997).

How separate is our private sphere and our working sphere?

The fieldwork of Trompenaars and Hampden-Turner shows that a predominant part of developing countries are diffuse cultures, whereas developed countries have a tendency of being predominantly specific.

Specific and Diffuse in Developing and Developed countries

This element in the analysis regards the perception of how distinct working sphere and private sphere is divided. This is of relevance in connection with implementing standardisation. In the developed world CSR standardisation is viewed as rules that are to improve our working environment and in some cases the surrounding society. Even though work patterns in the developed countries have developed to become more integrated in our private sphere as we work more, work at different hours of the day and work from home, we still have the possibility of separating it if we wish. That our work takes up so much time of our life is mostly an expression of our self-image. Our perception of this is rarely directly connected to our private sphere.

In developing countries the distinction between private and work sphere is often perceived as less visible and, therefore standardisation may impact the workers in developing countries on a more personal level. Once again turning to the subject of child labour, standardisation in developed countries is implemented without complication, as the occurrence is no longer common in this point in time. However, the impact of child labour standardisation in developing countries may influence workers private sphere to a great extent – both because people in developing countries are dependent on their income to another extent than developed countries with unions are, but also because the perception of the line between working and private sphere is different.

3.3.5. Achievement vs. Ascription

Achievement vs. Ascription is about how you assign status. Do you obtain status through results and as such through something you do actively? If so you live in an achievement culture. Or do status come from what you are e.g. age, gender, class, education, or whom you know? This is the perspective in an ascription culture. In the corporate world this dimension has great influence on how a business is run and how the stakeholders are viewed (Trompenaars and Hampden-Turner, 1997).

In achievement cultures you will focus on a so-called “up or out” politic. You have to deliver results – the best results and you do it better and faster than the others, or you will be out. Trompenaars and Hampden-Turner relate to this phenomenon as “high fliers” – a status that you earn because you work harder and faster than the other “fliers” (Trompenaars and Hampden-Turner, 2000).

In ascription cultures a company will create good results by hiring employees that are well educated. If an employee with a good education from a well-reputed educational institution does not obtain the expected results the company will reproach themselves for not taking advantage of his or her potential. As a contrast to the “high fliers” concept, Trompenaars and Hampden-Turner talk about the concept “crown princes” within the ascription cultures. The concept covers the way a person arises in a company in an ascription culture. Here the management will choose persons to be educated for higher positions in the company (Trompenaars and Hampden-Turner, 2000).

Achievement and Ascription in Developing and Developed countries

Yet again Trompenaars and Hampden-Turner use America as an example, this time as a highly achievement-oriented culture. America is very relevant as it is the major association with Western culture and sets standards and trends for other western countries.

American culture is fairly young and based on immigration, which makes it difficult to ascribe status to a person’s individual national origins as the country consist of so many different cultures. This has created breeding ground for an achievement culture where it is what you do here and now and the results you can achieve as quickly as possible that is paramount (Trompenaars and

Hampden-Turner, 2000). This again indicates that achievement culture are dominant in the Western world and that American is the one to follow – the “High flier” of the Western world.

Developing countries are predominantly more ascriptive, which gives them another focus than quickly raising up in the corporate system. The metaphorical use of the term ‘crown prince’ shows that developing ascriptive cultures may attribute different value to the concept of ambition.

This difference in point of view could have relevance in connection with CSR practising between developing and developed countries if the level of ambition is not harmonised in the working procedure.

3.4. Relationship to time

The way in which a culture perceives the concept of time can differ considerably. Both the relationship to past, present and future, but also if a culture sees time as linear or circular, influences the perception of the time concept and can make a great difference in points of views in different cultures (Trompenaars and Hampden-Turner, 1997).

Trompenaars and Hampden-Turner outlines the different ways of perceiving the concept of time by distinguishing between sequential time perception and synchronic time perception.

In **sequential** time perception you see time as linear. You have a timeline where everything happens in a chronological order, where everything has a time and a place. Most sequences in time are scheduled and have a relation to what has come before or what comes after. Sequential time perception calls for punctuality.

Synchronic time perception sees time as cyclical and repetitive with no exact order to past, present or future. Activities occur in parallel. There may be a final ‘goal’ but the way to get there is not a straight line and punctuality is less important.

People of the different time perceptions have difficulties relating to each other’s perceptions and the encounter of these two perceptions may cause difficulties in communication.

Although you cannot avoid generalising to a certain extent, Trompenaars and Hampden-Turner's research on different cultures' time perception do show that North Western Europeans and especially North American time perception is sequential. Furthermore, their results show a tendency of many developing countries having a synchronic time perception (Trompenaars and Hampden-Turner, 1997).

But how does the different perception of time influence CSR practising in developing and developed countries?

3.4.1. Relationship to time in developing and developed countries

Firstly, time perception is relevant in connection to the terms 'developing' and 'developed'. The term 'developing' is with its grammatical name called a present participle. In this grammatical term lies the fact of being in the middle of a process. The grammatical term of 'developed', however, is called past participle, which indicates past or completed action. The terms 'developing' and 'developed' most often refer to the relationship a country has to the process of industrialisation. Thus, this observation concludes that developing and developed countries are at two different points in time in the process of industrialisation, which gives reason to the assumption of their cultures differing.

A question in relation to developing and developed countries' different time perception is where they see themselves in time in regards to a development towards industrialisation. Most developed countries do see themselves as being developed with regards to industrialisation. However, not excluding that they can develop further, the focus has changed, and development is now centred on IT and web based development. It is harder to get an impression of whether developing countries see themselves as being in the middle of an industrialisation process, among other things because the terms 'developing' and 'developed' are with all probability definitions from the developed world. But most of the countries do strive to become more resourceful, which also must be a development stage.

Moreover, this dimension of the view on time influences the different way in which developing and developed countries may perceive the concept of standardisation. The sequential time perception of the developed countries leads them to see standardisation as a more or less necessary step on the way to becoming developed/industrialised. This means that a country has to go through the process of integrating standardisation in order to become industrialised. This explains the approach to help developing countries implement standardisation that ISO has. ISO standardises the way in which you implement the concept of standardisation, this is seen in the “ISO Action Plan for Developing countries 2011-2015”, which is generalising in its structure of initiatives and points to follow in order to implement standardisation. This is an example of the Western sequential time perception: standardisation being a check point on a linear path to industrialisation.

With a more synchronic time perspective, developing countries may also see standardisation as an important step in development, but as their time line is not linear/sequential it is not necessarily an as essential step, as in a developed country, and it may not be viewed as a chronological point in order to get to the goal of industrialisation.

3.5. Relationship to nature/environment

Trompenaars and Hapden-Turner outline two orientations towards nature/the environment that societies that conduct business may have:

Inner-directed cultures believe that they can control nature by imposing their will on it. Inner-directed cultures also tend to identify with mechanisms and see an organisation as a machine that obey the will of its operators.

Outer-directed cultures believe that man is part of nature and that we have to go along with nature's directions and whims. Outer-directed cultures tend to see an organisation as a product of nature that exists and develops because of nutrients in its environment and ecological balance (Trompenaars and Hapden-Turner, 1997).

The orientation of being inner-directed or outer-directed has its origins in the relationship to nature, but also concerns a more general question of trying to control external factors or adapting to them.

America is the classical example of an inner-directed culture that believes that outer-directed people is “*offering an excuse for failure rather than a new wisdom*” (Trompenaars and Hampden-Turner, p. 145, 1997). In other cultures, the acceptance of the strengths of external factors is not seen as weakness.

3.5.1 Relationship to nature/the environment in developing and developed countries

This element of Trompenaars and Hampden-Turner’s analysis is not directly relevant to the subject of this thesis. Firstly, because their results does not show a division between developing and developed cultures, even though the view on the American culture is interesting as this culture has great influence on the concept of CSR. Secondly, there is aspects of CSR that is influenced by a cultures perspective on nature such as chemical use, sustainability and provision of energy, but these are not subjects that are in focus in this thesis.

However, Trompenaars and Hampden-Turner’s aspect of how a culture views the impact of external influences may have relevance. Most developed countries, being inner-directed, believe that you are the master of your own development. Other, more outer-directed, cultures may think that you have to let nature – and development – take its course. If such two cultures were to cooperate on practising CSR, it might lead to difficulties and misunderstanding, as they would in all probability not agree on how to do it.

3.6. Conclusion

This analysis does, by no means, create a black and white picture or a complete division of the differences of the cultures in developing and developed countries. Within the terms ‘developing’ or ‘developed’ country lie many different countries, regions, communities cultures and sub-cultures. This is why it is impossible to point out an exact difference that diversifies the cultural differences between developing and developed countries.

The analysis does, however, illustrate the important point that focus on cultural differences in relation to CSR is crucial to having a sustainable and beneficial relation between cultures. More or less consciously, we take action with our own culture as starting point because it a natural part of us and we do not see ourselves from the outside. But when practising CSR in a different culture the

starting point had best be the culture in which operated in, as this will provide a more objective point of view.

4. Child Labour

In order to make the concept of CSR and the problematic surrounding this concept when relating it to developing and developed countries more comprehensive, I wish to focus on child labour and the different and variable approaches that exist to this sub-topic within CSR.

The history of child labour goes far back. For centuries children have been working in informal frames such as agriculture and small-scale manufacturing. Actually, this kind of child labour is still the majority of the occurrences in the statistics (UNICEF, 1997, p.21 cited by Kolk and Tulder, 2002). However, in the corporate world the issue of child labour is concentrated on children doing labour on an industrial level and focus is often on child labour in the supply chains of big multinational companies. A key focus in relation to this is who needs to take responsibility for child labour? From the early 20th century child labour became an issue of more attention and focus now included targeted legislation and societal information. Most developed countries adopted laws that limited the minimum working age and there was a request that the international corporate world enforced these laws as well (Kolk and Tulder, 2002).

One of the main outcomes of this period was the establishment of the International Labour Organization - ILO in 1919 with abolishment of child labour as one of its primary targets (Kolk and Tulder, 2002). ILO is a specialised agency of the United Nations and today deals with all labour issues on an international level and still with great focus on child labour. ILO has produced two acknowledged standards in relation to child labour: C138 Minimum Age Convention, 1973, which sets standards for the minimum age of workers in compliance with the work conducted and C182 Worst Forms of Child Labour, 1999, that defines the worst forms of child labour a child can be exposed to. These conventions are also the basis of the numbers and the information in the ISO 26000:2010. ILO frequently publishes a global report on their work and achievements on child labour.

4.1. The perspective of child labour in developed countries

As developing countries become more and more industrialised and as a result of this co-operate more with multinational companies, children are drawn into industrial employment and become a link in the multinational supply chain (Hindman and Smith, 1999). In the process of this, the focus on child labour increases in the Western world as multinational companies are generally affected by the western educated and standardised dissociation with child labour. This, and the fact that a possibility of responsibility placement is more present in the form of a multinational company rather than a agricultural family in a developing country, makes consumers of developed countries open their eyes to the problem of child labour.

Developed countries, that have undergone industrialisation, tend to unanimously condemn child labour as children in our societal perspective need to grow up playing and being educated as they develop, and as before mentioned, we argue standardisation as a means to prevent child labour. Products that are produced by under aged children make us involved in the matter of child labour because they appeal to our conscience.

As a result of this, several multinational companies, especially in the 1990s, were exposed as users of child labour in their supply chain. This in some cases lead to boycotts and prohibition of products produced by children under the age of 15. Although, the intentions of these actions where good the consequences may have been fatal for many people in developing countries as massive dismissal of child workers in worst cases forced children into even more hazardous work with even lower pay such as prostitution (Hindman and Smith, 1999).

4.2. The perspective of child labour in developing countries

As described under the section “Individualism vs. Communitarianism” in the cultural analysis, the family pattern in most developing countries is often communitarian, which makes the child a part of the family, which is seen as a unit rather than being an individual in a family consisting of individuals.

Relating this cultural aspect to CSR and child labour is interesting, because it finds explanation to why parents depend on their children to provide an income to the family. It is frequently attempted

to concretise the issue of child labour by making it a question of ‘right’ or ‘wrong’. Taken to extremes: developed countries want to show developing countries that child labour is wrong. In the developed world the issue of child labour is often a question of doing damage to the child – to the individual. In developing, communitarian, countries they may be aware of the fact that child labour is not an optimal solution for any child but their family culture and resources give them another perspective. This difference in perspective between developing and developed countries influences the aspects of practising CSR and managing the issue of child labour in the supply chain and it calls for more focus on the cultural differences. Furthermore, the difference in perspective justifies the focus on cultural aspects as a part of a better solution to the problem of child labour.

According to the ILO report on child labour 2010, the number of children caught in child labour is 215 million worldwide. The main part of these children is from Africa and the Asian Pacific region and, generally, the predominant part of child labour take place in developing countries (ILO, 2010). This is due to the fact that these countries are poor and lack resources, which results in a their development being stalled. But is that the only reasons to children being exposed to child labour in developing countries?

In Africa children are considered a blessing and in some places even the goal of life to an extent where having several wives is prevalent in order to achieve this goal. This observation seems rather a paradox given the information of the ILO report, but it shows a point of this thesis, which is well put by Ike and Twumasi-Ankrah (p. 109, 1999), namely, that *“for the definition of child abuse and child labour to be meaningful, the definition should be culturally relevant.”* The lack of attention on the cultural dimension may be one of the reasons why developing countries are well represented in statistics of child labour. The complication seems to arise when the definition of child labour is approached from a one-dimensional cultural perspective (Ike and Twumasi-Ankrah, 1999). Developing countries’ relations to and definition of child labour are often seen and judge by the cultural perspective of the developed world.

In consistence with the occurrence of child labour being in coherence with how far along a country is in the development of industrialisation, the ILO report also presents statistics that shows that the majority of child labour is found in agriculture, 60 %, whereas the occurrence of child labour in

services and industry is 37,6 %. The problem of this division is that the children working in agriculture and their families are hard to reach and help. Hence, in the corporate world the issue of child labour is mostly addressed when finding child labour in the supply chain, as this is where it collides with multinational companies' developed values. This is why the most prominent practising of CSR in relation to child labour is dealing with child labour in the supply chain and this is also the perspective I wish to expound on.

4.3. Child labour in the supply chain

Globalisation has had a great impact on the corporate business world and has affected the ways in which products are being manufactured, promoted, the image of companies and the demands from consumers. Furthermore, globalisation changes the idea of access to resources (Collier, 2000 cited by Winstanley, Clark and Leeson, 2002). More resources are now available to companies as they can be found all over the world. A resource that expands the possibilities of multinational companies significantly is people. Access to an international labour market motivates many companies to reduce costs and improve economy. The context is fairly simple: labour is cheaper in some parts of the world than others. The reasons for this are many: lower wages, poorer working conditions and in some cases child labour. Once again, the difference in the culture of developing and developed countries becomes present as local cultural practises in developing countries reinforce practises that would not be accepted in the developed world. However, many companies make use of these practises by outsourcing part of or their entire production to suppliers in developing countries – the dilemma is how multinational companies create a balance between helping suppliers in developing countries by placing business in their factories but not exploiting them.

4.4. Conclusion

The question is not whether you make legislation, codes and guidelines in developed countries to prevent child labour, because in our part of the world we are both legislated and morally conscious about the fact that children should not work under a certain age – the question is how you deal with it in the supply chain, in developing countries, where they might be conscious about the fact that child labour is not ideal neither for their children nor for their society, but the resources, the moral

and the culture provide them different circumstance that does not always fit into international standardisation.

5. Case study

In order to render concrete the problematic of child labour in the supply chain and exemplify the strategies that companies use in relation to child labour, I have found a case study in one of the industries that have been criticised widely for use of child labour, namely clothes retail. Clothes retail is an industry that has become known for using factories and suppliers in developing countries because of the cheap labour and supplies. Several multinational companies in clothes retail was, especially during the 1990s, strongly criticised in the media for having suppliers that use child labour, including these are Swedish H&M. What was the response of H&M? And what is, in fact, their responsibility in relation to child labour?

5.1 H&M

H&M is a multinational cooperation founded in 1947 and based in Sweden. It produces clothes, makeup, accessories, shoes and much more under the philosophy: to bring you fashion and quality at the best price. H&M has no factories of its own but cooperates with around 700 independent suppliers around the world, primarily in Asia (Retrieved 18.04-11 from <http://www.hm.com/dk/#/start/>).

During the 1990s serious claims of illegal child labour were posed against several multinational companies among these H&M. This resulted in companies having to find an approach to deal with these accusations. Leeson (2000, cited by Winstanley, Clark and Leeson, 2002) identified three approaches that companies chose when tackling the problem of child labour in their supply chain:

1. **Ignorance.** Many companies were not even aware of the occurrence of child labour in their supply chain and did not see it as a business concern.
2. **Indifference.** Some companies were aware of the violations and occurrence of child labour but chose not to act.

- 3. Involvement.** Some companies are aware of the occurrence of child labour in their supply chain and also of a responsibility in connection to it. They chose to actively take steps against it, assessing the situation and defining their responsibility.

‘Involvement’ is the only approach relevant to CSR and to this thesis. Within ‘involvement’ companies can be divided into to categories depending on which strategy they respond with: ‘*disengagers*’ and ‘*engagers*’.

‘*Disengagers*’ are companies that get involved in specific problems and methodically try to contribute to solving these problems. If a solution is not found in a relatively short term the company will disengage from the country/project/supplier. The disengagement strategy brings less negative publicity to the company but also often have less impact on the solving the problem of child labour as focus is on eliminating child labour from the company’s supply chain rather than solving the problem of child labour.

‘*Engagers*’ are companies that address the problem of child labour in the supply chain in a wider context and also work for compromises if a satisfactory solution cannot be reached. Engaging companies become involved in the entire matter of tackling the issue of child labour and take a long-term approach to the problem. This strategy, of course, is the most noble and “politically correct”, which will strengthen the company’s image in relation to consumers. Disadvantages of the strategy are higher expenses, more risk of bad publicity and companies risking causing cultural offence when involving on so many levels of the problem (Winstanley, Clark and Leeson, 2002).

The past decade H&M has become more and more conscious about the concept of CSR and the company chose full involvement and engagement. This strategy is shown by various initiatives to incorporate CSR in their business philosophy, some of them are:

- A Code of Conduct that all suppliers must sign. The Code of Conduct sets up rules about legal requirements, child labour, safety, worker’s rights, factory conditions, housing conditions, environment and monitoring and enforcement. H&M’s paragraph on child

labour refers to UN Convention on the Rights of the Child and, before mentioned, ILO conventions 138 and 182.

- Full Audit Programme (FAP), which is a programme and set of rules that H&M uses to monitor their suppliers. The FAP involves everything from inspecting factories, interviewing workers, interviewing managers, checking safety and other facilities to check up on if working regulative are respected. In connection with the FAP, H&M also cooperates with NGO's in the different countries, which means that these organisations can also pay the factories visits on request of H&M. As a conclusion of the FAP, H&M has developed a five scale grading system that indicates, which actions should be taken towards the factory that has been monitored
- H&M is a member of several CSR related organisation e.g. Fair Labour Association (FLA), which they joined in January 2006. FLA is a multi stakeholder coalition of companies, universities and NGOs that is dedicated to protecting workers' rights and improving working conditions
- The resent initiative "H&M Conscious", which is H&M's newest vision about making their business run in a way that is economically, socially and environmentally sustainable. This includes, among other things, more organic clothes, clothes made of recycling material and the campaign "Fashion against AIDS." (29.04-11 Retrieved from http://www.hm.com/dk/corporateresponsibility/hmconscious_about_conscious.nhtml)

H&M is a classical example of how big multinational companies have responded to allegations of child labour and one of the reasons that CSR has gained currency to the present extent. When multinational companies try to take action against child labour they often become the focus of negative attention (Winstanley, Clark and Leeson, 2002). But H&M has become even more offensive and strive for a leading position in the field of CSR, which manifests itself in their frequently published and comprehensive CSR material.

In the context of this thesis and regarding H&M as case study, cultural understanding and good communication is inextricably linked to each other as H&M has subcontractors in many different cultures. H&M has in many ways been able to improve their image by various societal beneficial initiatives and broad communication. But the standard of this communication is important to the maintenance of this image. This is why it is interesting to find out whether H&M has taken the difference in culture in to consideration in their CSR material. To uncover this, I want to examine the newest version of H&M's CSR material, their sustainability report of 2010 by looking at the communication in the report.

5.1.1. The H&M Sustainability Report 2010

H&M's sustainability report 2010 is H&M's annual CSR report on what they have done the past year to make the organisation more sustainable. The report is more than 150 pages long and contains all from an introduction by H&M CEO, vision and strategy to information on the initiatives that H&M work with at the moment. Much of the information is illustrated with graphs and key numbers of results. Furthermore, the report is illustrated with several pictures of workers from H&M's subcontractors.

5.2. Communication analysis

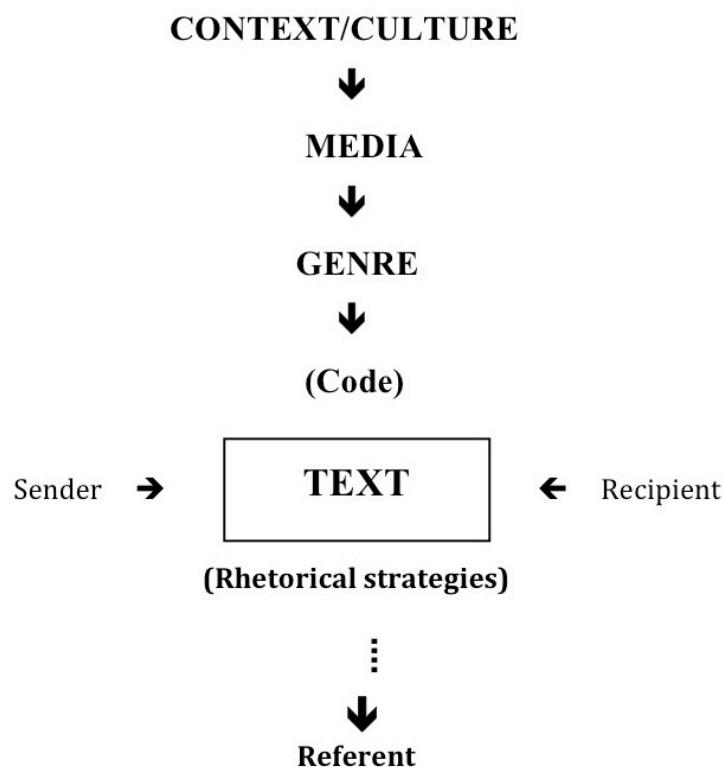
In the corporate world a big part of getting and maintaining a good and solid image is well-organised and well-formulated communication. An organisation needs to communicate clearly and without posing doubt in the minds of the consumers. You have to be able to administer communication at different levels both internal and external.

5.3. The IMK-model

I have chosen to use the communication model the IMK-model (**Figure 2**), as this communication model perceive communication as *two* actions – namely the sender's motivation behind the production of the message and the receiver's reception of the message – as oppose to many other communication models that only focus on the sent message and the requisites for this (Frandsen, Johansen, Nielsen, 2004). In this manner, IMK-model also analyses the reception of the message and even more important, it gives the possibility of analysing the cultural context from which the

message is sent and the cultural context it is received in. Consequently the IMK-model recognises that the context and cultural differences influence a message's communication outcome.

Figure 2
The IMK-model



5.3.1. Sender

The sender in the IMK model is the communicative authority that is responsible for the production of the communication in question. You distinguish between the text internal sender, which is the sender that is linguistically and visibly present in the text and often represented by a company name and/or logo and which is the sender that the text directly refers to, and the text external sender, which is not linguistically present or visually visible in the text. The external sender could for instance be an advertising agency that is hired to do marketing (Frandsen, Johansen, Nielsen, 2004).

The text internal sender is H&M, who is represented several places in the text both by logo but also linguistically made visible as main actor in the text. Furthermore, a distinction can be made between the primary sender, which is the actor who has decided for the communication to take place and who has a financial interest, and the secondary sender, which is a person used to give credibility to the communication by, for instance, expertise or attractiveness (Frandsen, Johansen and Nielsen, 2004). The primary sender is, obviously, H&M. but H&M does also use secondary senders consisting of the H&M CEO, the H&M CSR manager, the head of design at H&M and H&M's supply chain employees. These secondary senders are used to give faces and personality to the company and function as both experts in their field to give exact and direct information about the CSR activities going on in the company, but also to create a more personal kind of communication between the company and the stakeholders.

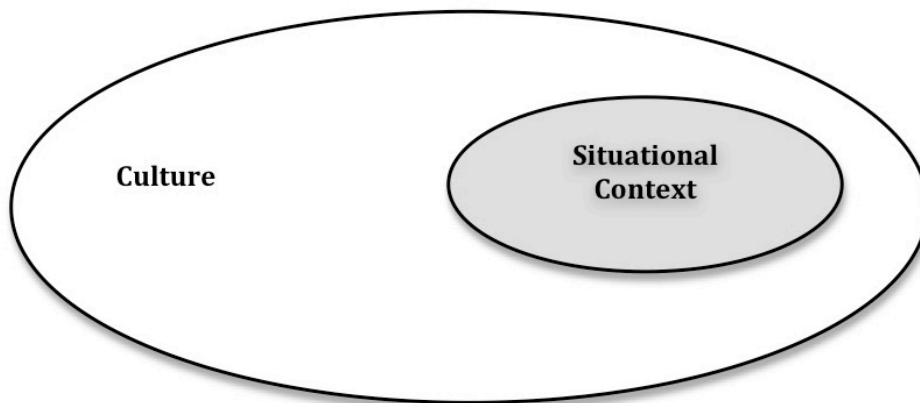
5.3.2. Recipient

The recipient is the communicative responsible for receiving the communication. The recipient is, partially, correspondent with the target group and the segment. Again it is possible to distinguish between text internal recipient and text external recipient (Frandsen, Johansen and Nielsen, 2004).

The receiver of H&M's sustainability report 2010 is very broadly defined. The recipient contains all of H&M's stakeholders such as: financial partners, employees, consumers and most important in this context: H&M's subcontractors.

5.3.3. Context

The IMK model relates to context as in the immediate context that is the present situation that communication takes place in. The context is a part of the culture (**Figure 3**).

Figure 3**Relation between culture and context**

The context can be established with questions of who, what, where and when? The context is related to several cultural aspects. Among others, the cultural aspects surrounding sender, receiver, referent and the communication form influence the context (Frandsen, Johansen, Nielsen, 2004).

The context of the H&M sustainability report 2010 is of interest as the sender and the receiver may have very different cultural backgrounds. Even though the linguistic textual communication is, offhand, directed at receivers with a developed point of view, as regards to the referent being a report, the structure and the use of language, a part of the shareholders/target group are subcontractors in developing countries. Additionally, the report is communicated through the Internet, which does not take less resourceful shareholders into account, as it cannot be assumed that all subcontractors have access to the Internet. So the immediate context does not consider the variation of cultural aspects that the communication may occur in.

5.3.4. Culture

As all that concern themselves with the concept of culture, Frandsen, Johansen and Nielsen (2004) also begin with defining the overall concept, noting what is their view and definition – and they find it just as hard as everybody else. As opposed to my cultural analysis, the concept of culture in this communication analysis is related directly to market communication and thus become more tangible. And as I will connect it to H&M and their CSR practising it will become more concrete.

Frandsen, Johansen and Nielsen (2004) start by exemplifying the importance of cultural focus in corporate marketing. It is an example of unsuccessful penetration of a market in one culture, attempted by a company with another cultural background. This leads the authors to two strategies that can be used in cross-cultural marketing and communication: **Global/standardisation strategy**, which means that you apply an already existing marketing/strategy directly to another culture. **Adaptation/Differentiation strategy**, which means that you adapt marketing/strategy to local and cultural conditions (Frandsen, Johansen and Nielsen, 2004).

These two strategies do not only apply to marketing. They are easily adapted to CSR practising as the foundation of choosing a strategy is simple: the more knowledge you have of a relevant market the better you will be able to plan your communication strategy. This makes the points of Trompenaars and Hampden-Turner (1997 + 2000)'s dilemmas current as these dilemmas contain the key points of how to analyse a market in a different culture. Knowing the difference in these cultural dilemmas and accounting for them in your market communication, be that the promotion of a product or practising of CSR, will give the best prerequisite of a successful strategy and a chance of a lucrative market relationship.

Looking at the subjects in the H&M sustainability report 2010, they are consistent with many of the points in the ISO 26000. This observation gives the impression that the report is a product of the Western standardisation structure. However, H&M does take it somewhat further and demonstrate their wish to be leading on the field of CSR. They do this with their supplier ownership programme among other things. An element in the programme is the "10 steps for strengthening supplier ownership"⁴, which are ten steps on how to assist H&M suppliers in becoming more independent. The first step states: "*Get to know the reality and issues in each factory through audits*" (H&M sustainability report 2010, p. 44). This indicates a motivation to learn about the cultures of the suppliers and an interest in their premises and requisites. At first, the report gave the impression that H&M CSR policy primarily reflects the globalised/standardisation strategy, but reading through the report it also reflects that H&M work towards the adaptation/differentiation strategy with their supplier ownership programme. However, the work will require a more direct focus on cultural differences and a more distinct acknowledgement of the relevance that the different approaches to

⁴ Found on p. 44 in the H&M sustainability report 2010

cultures can have according to, for instance, Trompenaars and Hampden-Turner (1997 + 2000), which H&M does not account for.

Child labour is also a subject of the H&M sustainability report 2010. H&M's has entered into a partnership with UNICEF in a five-year project called "All for Children", which is a project to improve conditions in Indian cotton production. The project is described in the H&M sustainability report 2010, but the report also refers to the project's own website that provides updates on the project⁵. The project is ambitious and commendable and the cooperation with UNICEF brings credibility to H&M's dissociation from child labour.

One thing that quickly draws attention, when reading both the section about the "All for Children" in H&M's sustainability report and on the project website, is that H&M states that: *"We take a clear stand against all use of child labour and, today, incidents of children working in our first-tire supply chain occur rarely. However, as we do not purchase cotton directly, we are not in a position to impose demands on cotton and cottonseed producers"* (H&M sustainability report 2010, p. 103). This statement poses some confusion as it communicatively sends a mixed message ranging between trying to disclaim responsibility and trying to prove that H&M take more action against child labour than they are actually obliged to. Whichever way you perceive it, the focus becomes the organisation of H&M instead of child labour.

The overall aim for the "All for Children" project is according to the project website to get children out of work and into school and improve access to health and nutrition care. This is to be done through five focus areas: child protection policy and structures, education, behavioural change communication, social protection and health and nutrition services. ("All for Children" website 27.05-11 retrieved: <http://www.hm.com/allforchildren/how-en/?lang=en>). All-important areas in the effort against child labour. Most of the initiatives within the five areas seem to be ambitious in accounting for societal cooperation with several stakeholders e.g. government, district administration, village leader, schools etc. However, the description of the area 'behavioural change communication' on the website causes questions when seen in the perspective of the prior analyses of Western standardisation lack of focus on cultural differences in CSR practising. It states:

⁵ « All for Children » website : <http://www.hm.com/allforchildren/?lang=en>

“To achieve the project goal it is also necessary to change the mindsets and attitudes towards child labour in the local communities. Parents who send their children to work and those who employ them do not always recognize the harm it is causing, especially if there is no effective social or moral sanction against the practice.” (“All for Children” website 27.05-11 retrieved: <http://www.hm.com/allforchildren/how-en/?lang=en>).

It may be relevant to change the mindsets and attitudes towards child labour in India, but the phrasing in this project portray Indian parents as ignorant, which also may be the case sometimes. Information and education of the local community on the negative impact of child labour is also relevant, but H&M and UNICEF do not regard neither poverty, the difference in family patterns nor different cultural perspective in their presentation of means to eliminate child labour in India. This indicates that standardisation in developed countries may have moved into Trompenaars and Hampden-Turner (1997)’s cultural core and become an assumption of what is the best perspective to work from. And it places H&M somewhat further away from the adaption/differentiation strategy that they seem to want to lead.

The initiatives and the goals of “All for Children” project are realistic and applicable, but the approaches to implementing them are streamlined with CSR material in developed countries. Material which to a certain extent is on the basis of developed countries’ culture and which only rarely, directly mentions cultural differences or acknowledges the relevance of this aspect in communication and practising of CSR in developing countries. Material like “ISO Action Plan for developing countries 2011-2015” that is based on a ‘formula’ of implementing CSR in developed countries.

5.3.5. Media

The media is what physically transmits the communication/the text (Frandsen, Johansen and Nielsen, 2004). In this case the media has two aspects: H&M’s sustainability report is transmitted in the form of a report. The form of a report is chosen to bring authority to the communication of the message. Furthermore, the report is distributed by H&M’s website, which makes it very accessible and easily communicated to the broad ranging group of shareholders.

5.3.6. Genre

Frandsen, Johnsen and Nielsen (2004) define the concept of genre as a group of texts with the same communicative purpose. H&M's sustainability report 2010 falls under the genre that the authors call image brochure. An image brochure illustrates a company's conditions with a view to profile the company image. The main purpose of the image brochure is to present general and permanent circumstances regarding the company to stakeholders. Secondly, the purpose can be to inform of the company's products, activities and development, encourage contact, attract investors and more. The overall objective is to present the company to the recipients (Frandsen, Johnsen and Nielsen, 2004).

The IMK model operates with three levels to determine a genre: the communicative purpose, the structure of features and rhetorical strategies (Frandsen, Johnsen and Nielsen, 2004). To make a complete genre analysis of the H&M sustainability report 2010, these levels should be analysed. A result of such an analysis would not be predominantly relevant for the subject of this thesis, as it would concern H&M's communication alone. This is why, I have chosen not to analyse the levels separately but concentrate on H&M's choice of genre.

H&M's sustainability report 2010 complies with the description of a standard design of an image brochure according to Frandsen, Johnsen and Nielsen (2004). As an image brochure, the report is a Western standard way for a company to brand itself. Regardless of the content, the report is a standardised way of communicating CSR even though the different target groups have varying cultural background.

5.3.7. Referent

The referent is the communicative objective, often a product, which is referred to in the text (Frandsen, Johnsen and Nielsen, 2004).

In the case of H&M's sustainability report, there is no physical referent. The direct objective of the report is not to sell H&M's products since it is not sales material. However, Frandsen et al. (2004) note that if a brand is strong it will in certain cases be able to dominate the products and thus have

an influence on how consumers view products. H&M is a strong brand and any usage of the brand will have direct connection to their products. It is apparent in the sustainability report that H&M is aware of this and it may be motivating for all of their CSR initiatives.

5.4. Conclusion

H&M is an example of how bad publicity becomes a driver for the development of CSR practising. The company changed their approach to subcontractors radically and moreover, H&M opened their eyes to the possibility of becoming a leading actor in the field of CSR and began a reorganisation of many aspects of the company.

H&M does much for cultural understanding in the field of CSR and they actually do more than required. Their history is a good example of how to address the cultural challenges within CSR. However, a more direct approach to showing others that the awareness of cultural differences is important would be an improvement. In their function of leading multinational company in the field of CSR, they have the possibility, the means and the authority to communicate the importance of implementing focus on cultural differences when working with CSR in developing countries. Their way of communicating the important aspects of their CSR could be as innovative as their CSR projects. H&M's leading position in CSR comes with the responsibility of maintaining and further develop on a broad level.

6. With love from the Western world

In order to put matters into further perspective, I want to look at some of the critic that has been projected on what is called the 'mainstream CSR agenda' (Idemudia, 2011) and the suggestions for improvement. How can focus on cultural differences become visible in the approach towards CSR in developing and developed countries?

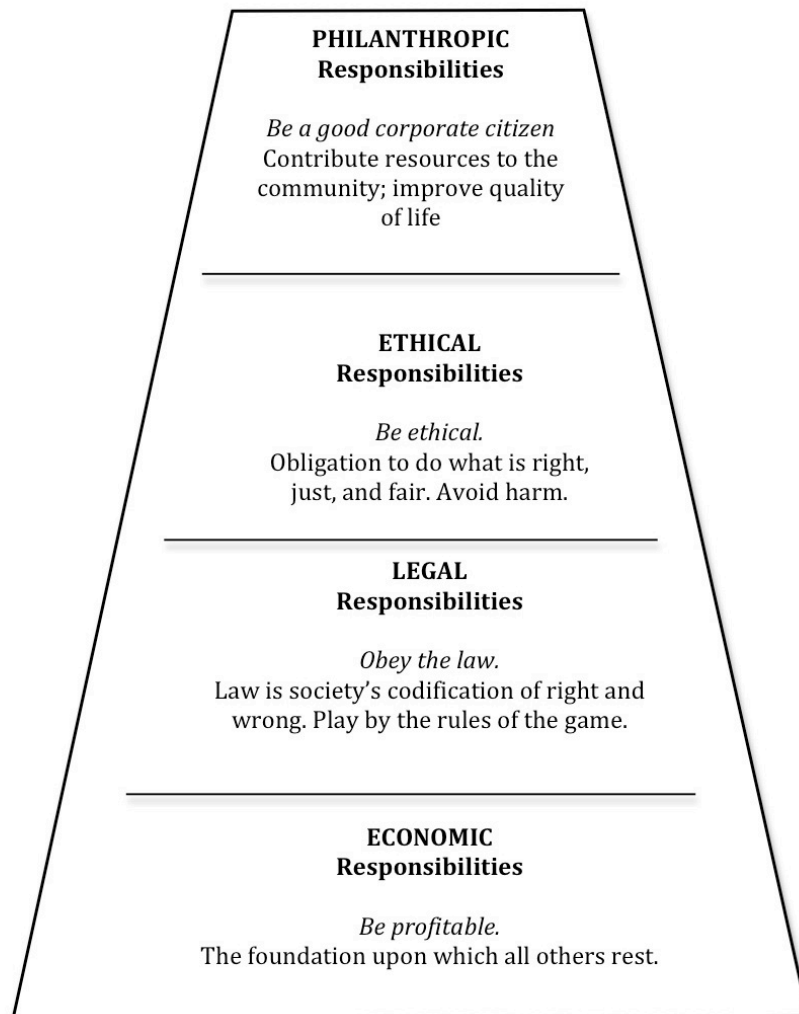
6.1. Archie B. Carroll's Pyramid for Corporate Social Responsibility

One of the most acknowledged models of CSR perception is professor Archie B. Carroll's pyramid of Corporate Social Responsibility (**Figure 4**). It was created (in the 1990s) to give an overview of which social responsibilities constitute total CSR and consists of four parts: economical, legal,

ethical and philanthropic responsibilities (Carroll, 1991). Carroll (1991) depicted it in the shape of a pyramid to categorise and prioritise the components.

Figure 4

Carroll's Pyramid of Corporate Social Responsibility



Carroll explained the components as follows:

Economic responsibility: Throughout history business organisations have been established to create products and services in order to gain profit. Before developing further, a company was the basic economic unit in the society. All other responsibilities are dependent on the economical responsibility.

Legal responsibilities: This element illustrates the fact that society expects companies to comply with laws and regulations formulated by federal, state and local government.

Ethical responsibilities: Economical and legal responsibilities do, in most cases, also include ethical responsibilities, so this element embodies the ethical responsibilities that are not necessarily incorporated in laws and regulations, and thus relates to moral. This might be standards, norms or expectations concerning consumers, employees, shareholders and the society as such.

Philanthropic responsibilities: Philanthropy encompasses the action by companies that are activated by society's expectations that companies are good to corporate citizens. This might include promoting and actively participating in human welfare and/or goodwill.

Carroll states that although he treats the components separately, the pyramid should mainly be seen as a whole with the purpose of the company to simultaneously fulfil all four responsibilities. The pyramid structure shows the emphasis on the components (Carroll, 1991).

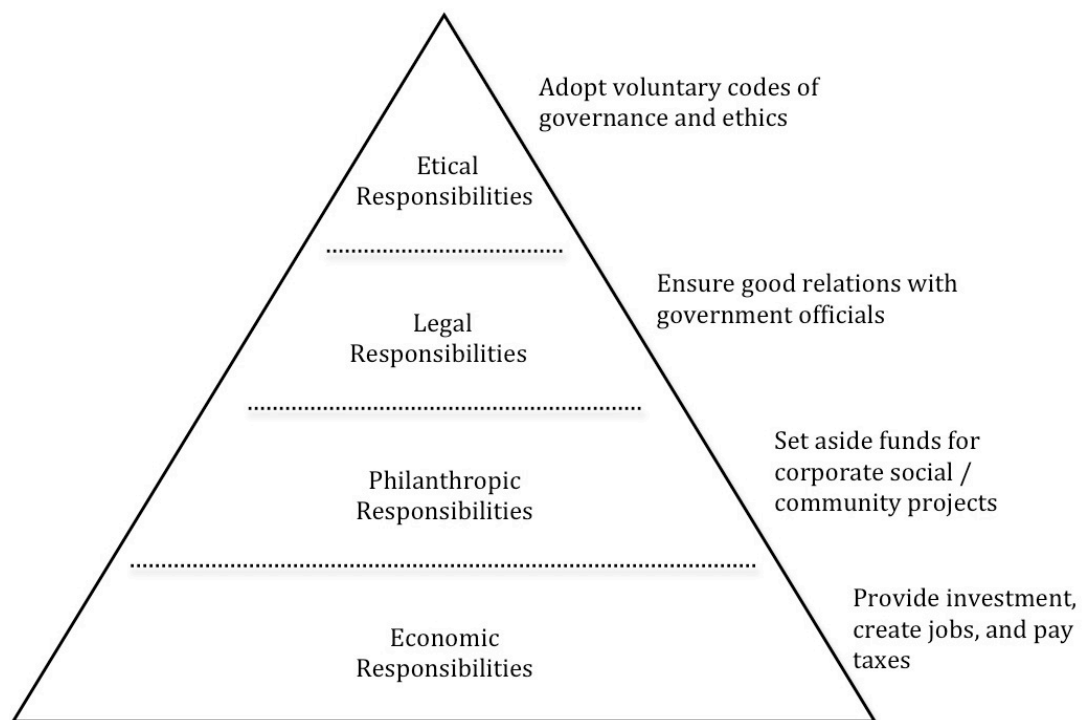
The pyramid model is made from the assumption that resources to fulfil these responsibilities are present, which indicates that it is composed based on a perspective from developed countries. Even though the model was created a decade ago where CSR was at a different stage of development, the pyramid is still referred to and used as a model of understanding CSR.

6.2. Wayne Visser's CSR Pyramid for Developing Countries

As CSR has developed and the perspective of humanistic motives has become complementary to the economical motives, Carroll's CSR pyramid has become a part of the critiqued 'mainstream CSR'. The critic especially charges cross-cultural CSR practising. Visser (2008) criticises Carroll's pyramid – and the Western conceptions and models of CSR in general – for being “almost entirely based on research in an American context” (Visser, 2008, p. 488). And goes on arguing that the importance of cultural influence on CSR practising is underestimated. However, Visser (2008) finds that Carroll (1991)'s pyramid in a moderated version (**Figure 5**) can be used to illustrate how CSR is manifested in developing countries. Hereby, Visser (2008) creates another foundation for

analysing the differences in CSR practising from perspectives of developing and developed countries, respectively. Visser (2008) has changed the order of the layers in the pyramid and moved about the emphasis assigned to the four responsibilities.

Figure 5
Visser's CSR Pyramid for Developing Countries



It is important to mention that Visser (2008)'s pyramid is to be viewed as a descriptive model of how CSR manifests itself in developing countries not a model of how it *should* be implemented. This lays the ground for the comparison of the two models illustrating cultural difference in CSR perception and practising.

Visser (2008) still gives **economical responsibilities** the most emphasis, however, from a completely different perspective. In developing countries, it is not about creating profit but about economic contributions from companies and dependency on companies placing their business and investments in developing countries (Visser, 2008). This held against Carroll (1991)'s version of economic responsibilities makes two one-sided versions of the element in the pyramids. In order to

get a full perspective on CSR and cross-cultural CSR practising in particular, you need focus on both sides and mainly on the differences in approaches and conditions.

Idemudia (2011) pins this down by saying:

Regardless of whether one accepts or rejects CSR premise, the idea of CSR presupposes that businesses have obligations to society that go beyond profit-making to include helping to solve societal social and ecological problems. However, while there is a tacit consensus that CSR will vary from region to region and even within regions, the mainstream CSR agenda failed to adequately reflect this diversity. (p. 1)

This shows the development of CSR practising, because even though Carroll (1991)'s pyramid is still being used today, it was constructed in a different decade and CSR has developed a great deal since then. Idemudia (2011) rejects Carroll's version of the economical responsibilities at least as standing alone. However, both Carroll and Idemudia acknowledge that profit is in fact a motive for CSR practising. Idemudia (2011)'s quote illustrates that most companies have changed their focus to some extent, but the quote also opens up for a debate about the motives of CSR. Would it not be naïve to think that multinational companies' strongest motive for CSR practising in developing countries is not profit increase? A clear answer to this question seems hard to find as the development in CSR has prompted a demand from consumers of more 'political correctness'. This is why it is few multinational companies that will declare profit alone as their main motive of CSR practising. As illustrated in the H&M case study, another motive is image change, which is again related to a demand from consumers. This may not be a directly profit-making motive but it is, however, still a relation that links profit to the companies, since consumers' view on a company and its image will control their urge to buy their products.

So, does Carroll (1991) make a point in saying that the economical responsibilities, seen as profit making, are the most important responsibilities seeing as they are to secure the survival of the companies that practise CSR? It could be argued that even though it is from a different perspective, Visser (2008)'s approach to the economical responsibilities is the same while the multinational companies profit making is a driver for the economical contribution in developing countries. And

even though Idemudia (2011) says that companies have obligations that go beyond profit making, these obligations may come from an incentive of profit. It might be a question of phrasing and perspective and once again emphasises the need for focus on the difference in perspective based on cultural background.

Philanthropic responsibilities are in developed countries often seen as voluntary charity that most multinational companies engage in for reasons that are related to image. But philanthropic responsibilities in developing countries have far more significance. Because, as before mentioned, the socio-economic needs in developing countries are great and the governmental authorities are rarely capable of taking care of these needs. Therefore, it has become a norm to expect philanthropy. In context to this, many multinational companies have become aware of the fact that their companies do better, the better the society it operates in functions. And an easy and immediate way to contribute to society is by philanthropy. Furthermore, developing countries are not as far along in the development of CSR practise, which often make them favour philanthropy over CSR, which is more educational and require self-help (Visser, 2008). So again we see a relationship of dependency between different approaches as a result of developing and cultural differences. The subject of philanthropic responsibility in Carroll (1991)'s pyramid is almost irrelevant to developing countries as the perspective is only from multinational companies and, hence, does not give a complete picture of CSR related philanthropic responsibilities. On the other hand, the same may be said for Visser (2008)'s philanthropic presentation and although Visser (2008) does state that his perspective is concentrated on developing countries, one could argue what point the perspectives separately can make if operating in developing countries?

As stated in Carroll (1991)'s pyramid, **Legal responsibilities** illustrate society's expectations of companies complying with laws and regulations. An area that has high focus in developed countries as companies risk public exposure, consumer boycott, fines and lawsuits if breaking the law. In developing countries legal responsibilities have a lower priority for the simple reason that the pressure on companies are lower. The reason for this is that the legal infra structure, and thus laws and regulations, are often far less developed than in developed countries. This also includes human rights and CSR legislation, which therefore gives yet another point of view to how standardisation is hard to adapt directly to developing countries. Developing countries' legal systems do not have

the same standards as developed countries and it might be too much to expect them to live up to standards based on legislation that does not exist in their own countries.

A recent initiative on the matter of legal responsibilities in relation to CSR in developed countries is legislation on annual CSR reporting. Several developed countries have passed laws that require large companies to report about their CSR achievements. In Denmark for instance, according to the Danish Financial Statements Acts, the 1.100 largest companies in Denmark have to report their CSR performances in the annual accounts. A similar law has been passed in France and the UK (Young, 2009). Legislation on this area sends a signal that developed countries wish to further develop CSR practising and the structure surrounding it. The thought behind the legislation is that companies should not only use their CSR policies as image branding but rather promote themselves by proving that they actually make the effort that is stated in their CSR policies (Young, 2009). While this may pressure many companies to actually take action in accordance with their CSR policies because they now have to account for their policies, the approach is, however, once again based primarily on the values of developed countries. It is the developed countries 'mainstream CSR agenda's' focus on the corporate world: what have companies done or failed to do? Idemudia (2011) criticises this focus for lack of contextual understanding and it could be argued that this is yet another way that Western standards overshadow developing standards. Because what does this kind of legislation change for developing countries? Who decides when a company have practised CSR and thus when their reporting is sufficient?

When Carroll refers to **Ethical responsibilities** as standards, norms or expectations concerning consumers, employees, shareholders and society, Visser (2008) finds these hard to apply to developing countries. Not meaning that developing countries may not be aware of ethical responsibilities, but the difference in developing stage is the reason why focus on ethical responsibilities is more the exception than the rule in developing countries (Visser, 2008). As described in Trompenaars and Hampden-Turner (1997)'s element of relationship to time, this links cultural differences between developing and developed countries to their respective developing stages. You cannot impose standards – be it on ethical responsibilities or in general – on a culture that is not socially capable of conducting them. An example is the international pressure to prohibit child labour in several developing countries. The intention might be good and very much in

accordance with the ethics of the Western world. Nonetheless, failure to consider contextual circumstances such as poverty alleviation lead to developed countries deteriorating conditions in developing countries (Utting, 2000).

6.3. What to do?

So what can be done to improve this situation? Both Visser (2008) and Idemudia (2011) make suggestions that have the same focal point. Idemudia (2011) phrases it as a need for more emphasis on contextual factors, meaning social, economic, cultural and political factors, more dynamic stakeholder relationships and a focus on contribution to sustainable development. He talks of a Southern-centred CSR agenda⁶ that is to make the ‘mainstream CSR agenda’ more attuned to realities and priorities in the developing countries.

Visser (2008) is somewhat more concrete in his suggestions and calls for more research of CSR in developing countries on international, regional, national and sectoral levels, both practically and theoretically as he calls the CSR research in developing countries underdeveloped. He finds that this research should be detailed and include comparative analyses, surveys and academic papers. Furthermore, he addresses the need for development of framework and models that are more applicable to developing countries.

Both Idemudia (2011) and Visser (2008)’s suggestions are relevant and essential. It is elements that would bring more equilibration to cross-cultural CSR practising. However, since the purpose is to bring more focus to the cultural aspect of CSR in developing countries, a perspective may be missing. Neither Idemudia (2011) nor Visser (2008) elaborate on *who* they see carrying this research and change of focus out, but the impression is that it is a change that developed countries need to make. And yes, there is a need for developed countries to change their focus, and yes developed countries *do* have more resources, possibilities and maybe even academic knowledge to conduct research and create more contextual focus, but would it not be another (all though improved) standardisation development from the Western world if developed countries was the driving force? The change in focus may have to be motivated by developed countries, but a change in perspective in the developing countries would also help the problematic. Developing countries

⁶ Idemudia uses the division of Southern or Northern CSR corresponding to developing and developed countries’ CSR.

need to take initiatives and be innovative letting the Western world know where the focus needs to be.

6.4. Conclusion

As Trompenaars and Hampden-Turner (1997) point out, a culture often becomes visible when related to another culture and the perspectives of CSR in developing and developed countries are originated in different cultures. The relevance of this becomes clear when you actually relate these cultures to each other, because then the possibilities of improving CSR practising appear. And then the real work begins. CSR practising between developing and developed countries are in need of innovation. And the initiatives need to come from both sides and with regards to both cultures.

7. Main conclusion

CSR has become a concept all companies have to commit themselves to. It is expected from stakeholders. With globalisation, the practising of CSR has become more complex since the factors that need to be accounted for have increased. One of the factors is culture – in all its shapes and sizes.

In this thesis I have addressed the two comprehensive concepts: CSR and culture in relation to developing and developed countries. My analysis of developing and developed countries' view on CSR shows a culturally differentiated perspective on how to practise CSR. Furthermore, the analysis shows that developing countries have very few means and thus easily become dependent on multinational companies' CSR practising in their societies.

One of the ways in which developed countries practise CSR in developing countries, is by implementing standardisation. Standardisation has proven to provide structure to CSR practising and by this improve conditions in several developing countries. However, I find that Western standardisation often becomes a code of practise that is rooted in Western culture. This leads to the conclusion that CSR in developing countries is often motivated by companies from the developed

countries, which do not account for local conditions. Moreover, I conclude that developed countries with their advanced development and industrialisation, lack the ability to see another starting point than their own cultural background.

To change conditions and build successful cross-cultural cooperations that will foster beneficial and sustainable societies, you need cultural understanding. In my cultural analysis I deduce that the concept of culture is extensive and hence difficult to make tangible in relation to developing and developed countries. The reason for this is that the countries hold different cultures and sub-cultures. With reservations for this, and aware of the fact that I have generalised I conclude that focus on cultural differences in relation to CSR between developing and developed countries is crucial.

The importance of the focus on cultural differences becomes present after I concentrated the concept of CSR by focussing on child labour. This focus makes the result of the cultural analysis relevant as it shows that developing and developed countries have different perspectives on child labour and that these differences originate in different access to resources, different stage in development and to a great extent the different cultural backgrounds.

When multinational companies are confronted with accusations of violations they often instantly take action, since consumers today are very preoccupied with how products are manufactured and being 'politically correct' in general. H&M is one of the multinational companies that took action after allegations of child labour in their supply chain. My case study of H&M and a communication analysis of their CSR report 2010 concluded that their actions have rewarded them with a leading position in the field of CSR. But more interestingly, I conclude that H&M in their function as frontrunner should be better at communicating direct awareness of the cultural differences in cross-cultural CSR practising, which my prior analyses showed a need for. And I am sure that H&M is not the only multinational company that ought to take more responsibility in this direction.

Finally, the analysis in this thesis shows that contextual focus and research in CSR practising in developing countries are under prioritised and that these elements could be the way to improve CSR

practising and hereby conditions in developing countries. I do, however, conclude that this also requires that developing countries be involved as initiators.

So, to what extent can Western CSR standards be applied to both developing and developed countries? That may depend on the eyes of the beholder. The developed world may think that if developing countries just implement the same standards as us the benefits of Western CSR is fully applicable to developing countries, since these standards apply well to developed countries. Developing countries may sometimes strive to become more 'western', but their cultural background provides them a different perspective and thus another way to approach the aspects of CSR. Western CSR standards may be applied to the extent that developing – but in particular – developed countries recognise the importance of cultural differences in implementation of CSR.

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Links:

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- The World Bank: <http://www.worldbank.org/>

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- H&M: <http://www.hm.com/dk/#/start/>

- H&M and UNICEF “All for Children”: <http://www.hm.com/allforchildren/tag/unicef/?lang=da>