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Title	The Corporate Social Responsibility under stakeholder approach – An integrative framework for Finnish forest industry companies		
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<p>Abstract</p> <p>The role of Corporate Social Responsibility (CSR) in business has been growing rapidly recently due to the increase of demands from different stakeholders of a company. In addition, there have been many research link the literature of CSR to stakeholder management. Also, even though forest industry tends to receive lots of criticisms due to its nature, Finnish forest industry, in the contrary, has received positive feedback in term of CSR. Therefore, the main goal of this thesis is to advanced and strengthen the bond between CSR and stakeholder management under the context of Finnish forest industry. Three sub-questions are proposed in order to achieve the goal:</p> <ul style="list-style-type: none"> • How do the managers/directors from forest industry companies define the term ‘stakeholder’ and how do the companies identify their stakeholders? • How do forest industry companies engage their stakeholders? • How is CSR behavior formed based on stakeholder management in forest industry companies? <p>The method approach to this research is qualitative case study with the involve of three interviews with managers/directors from three different Finnish forest industry. Additionally, secondary data are also utilized in order to enrich the empirical data. The result of this study reveals that there is a special bond between CSR and stakeholder management in forest industry companies. CSR behavior in forestry industry companies highly emphasize stakeholder management and consider stakeholder issue as the center of the process.</p> <p>In addition, the research suggests a unique stakeholder, media. Media acts as a communication channel for stakeholder engagement in forest industry. Moreover, the result of this study also reveals a tool for the process of forming CSR behavior under stakeholder management: materiality analysis. It seems like this is a common-used tool among forest industry companies for their CSR behavior and reporting, which concentrates on analyzing and defining top stakeholder issue that companies focus on. This tool seems like a well-established bridge for CSR to be considered under stakeholder management approach.</p>			
Key words	Corporate social responsibility, stakeholder management, forest industry		
Further information			





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<p>Tóm lược</p> <p>Vai trò của trách nhiệm cộng đồng trong kinh doanh đang ngày càng phát triển do sự gia tăng về yêu cầu của các bên liên quan của công ty. Thêm vào đó, có rất nhiều nghiên cứu học thuật về mối liên quan giữa trách nhiệm cộng đồng và cách quản lý các bên liên quan. Mặc dù ngành công nghiệp rừng thường nhận được khá nhiều chỉ trích do bản chất của ngành, tuy nhiên công nghiệp rừng ở Phần Lan trái lại lại nhận được khá nhiều phản hồi tốt liên quan tới trách nhiệm cộng đồng. Do đó, mục tiêu chính của luận án này là nâng cao và làm vững chắc mối tương quan giữa trách nhiệm cộng đồng và việc quản lý bên liên quan trong bối cảnh công nghiệp rừng Phần Lan. Ba câu hỏi nghiên cứu phụ được đặt ra nhằm mục đích đạt được mục tiêu này:</p> <ul style="list-style-type: none"> • Giám đốc/Quản lý của các công ty rừng định nghĩa về ‘các bên liên quan’ như thế nào? Làm thế nào công ty nhận diện được ảnh hưởng của ‘các bên liên quan’ tới việc kinh doanh của họ? • Làm thế nào mà các công ty rừng thu hút và giao tiếp với ‘các bên liên quan’ này? • Hành vi trách nhiệm xã hội của công ty rừng được hình thành như thế nào dựa trên việc quản lý các bên liên quan? <p>Luận án sử dụng nghiên cứu định tính sử dụng đối tượng nghiên cứu bằng cách phỏng vấn ba giám đốc của ba công ty rừng tại Phần Lan. Dữ liệu thứ cấp cũng được sử dụng để bổ sung cho dữ liệu thực nghiệm. Kết quả của luận án chỉ ra sự liên kết chặt chẽ giữa trách nhiệm xã hội và việc quản lý các bên liên quan tại các công ty rừng. Hành vi trách nhiệm xã hội của công ty rừng đặt trọng tâm vào việc quản lý các bên liên quan và lấy những vấn đề mà các bên liên quan quan tâm làm trọng.</p> <p>Luận án còn chỉ ra sự đặc biệt quả truyền thông như một bên liên quan. Truyền thông là một kênh giao tiếp giúp cho công ty rừng gắn kết với các bên liên quan. Luận án còn chỉ ra một công cụ giúp cho việc hình thành hành vi trách nhiệm xã hội dựa trên quản lý các bên liên quan: materiality analysis. Đây là công cụ thường được sử dụng tại các công ty rừng trong trách nhiệm xã hội, tập trung vào việc phân tích và xác định những vấn đề then chốt của các bên liên quan. Công cụ này dường như là một cầu nối vững chắc giữa trách nhiệm xã hội và việc quản lý các bên liên quan.</p>			
Từ khoá	Trách nhiệm xã hội, quản lý các bên liên quan, ngành công nghiệp rừng		
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**UNIVERSITY
OF TURKU**

Turku School of
Economics

CORPORATE SOCIAL RESPONSIBILITY UN- DER STAKEHOLDER APPROACH

An integrative framework for Finnish forest industry

Master's Thesis
in International Business

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The originality of this thesis has been checked in accordance with the University of Turku quality assurance system using the Turnitin OriginalityCheck service.

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1 INTRODUCTION

1.1 Background and research gap

As personal experience of working in Standard Chartered Bank four years ago, the author joined “Seeing is Believing” – Standard Chartered Bank’s global community investment program. The mission of the program is to treat avoidable blindness and visual impairment by improving access to affordable and quality eye care. Even though the program, in general, and the targets of the program, to be more specific, have nothing to do with banking sector, it is noticeable that the bank has spent a huge amount of time, money and resources investing in it. The bank willingly spent a huge amount of money on this activity to help the society. In 2016, the bank has raised USD92.8 million for Seeing is Believing program. Why did an enormous banking enterprise has spent money and resources for these society-related activities? Supposedly, these activities could help the bank gain their reputation, then increase the trust from customers and other stakeholders. But how did the bank decide which stakeholders to target and which stakeholder’s problem that the bank needs to focus on while forming their corporate social responsibility strategy? Those questions emerged in many research about corporate social responsibility and stakeholder management and it has long been the topic discussed by many managers. In addition, nowadays, not doing harm for the society is not enough, the consumers require more from companies to show their responsibilities with the society. It is undeniable that this topic is very important for companies in order to survive and it is still the question that is opened fore more research. Therefore, the topic still needs to be studied further.

Corporate Social Responsibility (CSR) is not a new concept in marketing research. According to Carroll (2008, 20), the CSR practices could be traced back to the mid-to-late 1800s, however, not until 1950, responsibility of business started taking it form and moved to the ‘awareness’ era (Murphy 1978) when scholars acknowledged Social Responsibilities as a research field. The start of literature in this subjects was marked by the book of R. Bowen *Social Responsibilities of the Businessman* (1953). Since then, a tremendous amount of research toward CSR was published, and CSR becomes a mandatory subject in most business schools. Moreover, in practices, CSR is no longer pilot activities among big enterprises, for example Samsung invested their resources into several CSR annual campaigns: “Knowledge is Power for A Young Woman in New Delhi, India”, “Bringing Light to Ethiopia Improves Life for Youth”, “Building Libraries in Asia to Foster Appreciation for Arts”, and many other campaigns. Moreover, CSR activities are not only visible in big companies, SMEs, small companies and even Start-Up community also adopt CSR in their business.

Since the beginning, the literature about CSR has witnessed a focus on the relationship between CSR theory and stakeholder theory. Marketing scholars have studied and given evidences that CSR activities have the potential to create (or destruct) value for firms (Peloza & Shang 2011, 130) and with the extended stakeholder view of CSR, researchers have focused on value creation of CSR for other stakeholders, for example the potential of increase employee resources (Luce & Barber & Hillman 2001). Barnett (2007) described this relationship by the logic that the acts of CSR gain the trustworthiness for the company, hence, develop the relationship between a company and its stakeholders, which leads to a decrease in the transaction costs. Other researchers also contribute to this aspect of CSR such as Du et al. (2007) proves that consumers tend to have more loyalty and advocacy towards CSR brand and Siltaoja (2006) suggests a link between CSR and corporate reputation. In their systematic review, Peloza and Shang (2010) found 529 existing articles about CSR and its impacts on stakeholders (other than the firm). It is noticeable that the term “stakeholder” is mentioned in the majority of the CSR research. Even though CSR under stakeholder management approach is not a new topic, it is still a topic that is discussed frequently in the world of business academic nowadays. Therefore, again, this topic still needs more research to enrich and strengthen the bond between CSR and stakeholder management.

The purpose of this research is to advance and strengthen the bridge between stakeholder management and CSR. In order to achieve this goal, a sufficient knowledge of stakeholder theory and CSR literature are needed. Therefore, the study will start by reviewing the existing literature stakeholder theory, CSR theory as well as synthesis literature of CSR and stakeholder approach. From the literature review, the author proposes an integrative framework of CSR decision-making process under stakeholder approach. The integrative framework is the basis of this study, which will guide the author in the process of collecting and analyzing data. This study also emphasizes the role of the context, in this case Finnish forest industry, and how the contexts affect the result of this study.

1.2 Purpose of the study, the research questions and structure of the study

In order to reach the purpose of this study, three sub-questions are proposed. The main object of this research is to advance and strengthen the bond between CSR and stakeholder management under the context of forest industry. To achieve this object of the study, three sub-questions were proposed as below:

- How do the managers/directors from forest industry companies define the term ‘stakeholder’ and how do the companies identify their stakeholders?
- How do forest industry companies engage their stakeholders?

- How is CSR behavior formed based on stakeholder management in forest industry companies?

In order to achieve the main purpose, it is important to draw the stakeholders map of the case study companies. The first sub question's purpose is to find out how a company in forest industry decide who is their stakeholders and how they approach the stakeholder management. The example of a value network map for the global forest-based sector in the research of Matthies, B. et al. (2016) was used as a reference for a standard list of identified stakeholders of a forest-based company. Further, by examining the role of stakeholder management's role in CSR behavior of the company this research aims to find a bridge between CSR and stakeholder management under the context of forest industry.

This research is structured in six chapters (include this chapter) in order to, step-by-step, explore Corporate Social Responsibility under the stakeholder management approach. In the beginning of this study, Chapter 2 provides a literature review about two literature fields: CSR and stakeholder identification and management. Chapter 2 also contains a synthesis part to build an integrative framework between to fields of literature. In order to build the framework, a thorough knowledge of stakeholder identification and stakeholder management is needed. To further understand the topic, it is vital to have a strong theoretical basis about CSR and focus on the literature of CSR especially CSR under stakeholder approach. It also reviews the existing research about the boundaries between two fields of literature and the integrative framework the them. Next chapter (chapter 3) discusses the choice of methodology for the study. Chapter 3 explains used methods the author chose to conduct this research. To be more specific, chapter 3 contains the reason for choosing case study method and how the author collects data and analyzes that data. The result of this thesis is presented in chapter 4, which contains the interpret of the collected data, both primary and secondary data. Chapter 5 is the conclusion of the study. This chapter covers the final discussion of the study, the limitation and the implication for managers and future researchers. Finally, chapter 6 contains all references that the author has used in order to complete this study.

2 THEORETICAL FRAMEWORK

2.1 The stakeholder approach

2.1.1 *The stakeholder theory and dimensions*

Since Freeman's book *Strategic Management: A Stakeholder Approach* (1984) was published, the stakeholder theory has become the most widely used theoretical framework. Even though the term and the notion of stakeholder were mentioned before the book of Freeman (Friedman & Miles 2006), Freeman (1984) created a pivotal foundation for the stakeholder literature. In the management research, the stakeholder theory is widely accepted and the 'stakeholder' term has become a standard in business lexicon. After the blooming of the stakeholder theory, research across fields utilized stakeholder theory and considered a firm under an integrative system with internal and external stakeholders. Phillips (2003) used the term 'constituencies' to describe stakeholders. There is no controversy about the fact that a firm's success depends on these constituency groups. The stakeholder theory has been developed over time, it not only is dominant in academic study but also plays an importance role in management practice.

The first definition of stakeholder was coined by Freeman (1984) with a rather broad perspective. This definition of Freeman (1984, 46) suggested that "A stakeholder in an organization is (by its definition) any group or individual who can affect or is affected by the achievement of the organization's objective". After the appearance of stakeholder theory, the theory and related concepts were interpreted in various ways by different scholars (Donaldson & Preston 1995). In addition, Windsor (1992) also acknowledged the wide range of definition of stakeholder theory and the inconsistent perspectives of stakeholder definition, either broad perspectives or narrow perspective, by different scholars. Mitchel et al. (1997) advocated this view and divided the definitions of stakeholder under categories of broad or narrow definitions.

The definition of Freeman (1984) is a classic definition under a broader view. Other scholars joined Freeman in this rather broad perspective. Thompson et al. (1991, 209) took the view that stakeholders are groups that have relationship with a firm. Took a narrower approach, Clarkson (1994) considered stakeholders as risk-bearers, either voluntary or not. To be more specific, he defined stakeholders as someone, in the relationship with the company, has put something at risk. Mitchell et al. (1997) explained the difference between narrow and broad views based on the purpose of the stakeholder view. Narrow views are based on the reality that a firm has limited resources. The narrow view of

stakeholder theory focuses on the stakeholders who have direct connection with the company in term of interests related to finance (Mitchell et al. 1997, 857). This view is helpful when managers want to find core stakeholders to focus on. On the other hand, broad-perspective scholars hold the view that a firm can affect and be affected by almost anyone, hence, it gives managers a complete view of all stakeholders for company-centered purposes.

In the attempt to clarify the stakeholder theory, figure 1 summarizes three aspects, in which stakeholder theory can be used and presented: normative, instrumental and descriptive (Donaldson & Preston 1995).

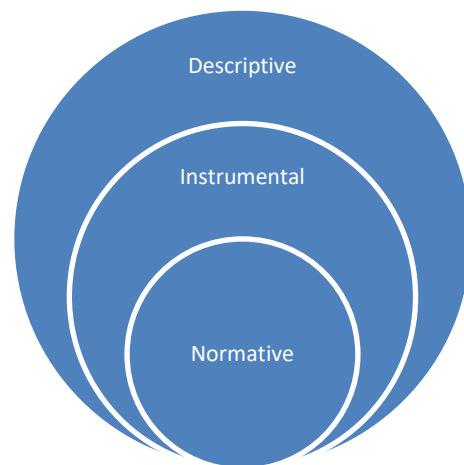


Figure 1: Three aspects of stakeholder theory (Donaldson & Preston 1995)

Under the descriptive aspect, the stakeholder theory is used to depict what the firm is (Donaldson & Preston 1995). To be more specific, by using the stakeholder theory, scholars can describe and explain the firm's behaviors and its character. In addition, Donaldson and Preston (1995, 70) gave some examples of how researchers have been using the stakeholder theory to describe the characteristics of firm. Under stakeholder orientation, Wang and Dewhirst (1992) did a survey on 2,361 directors to examine the reaction of them on different interest of different stakeholders. Other scholars used the stakeholder approach to describe the process of how firms are managed. For example, Clarkson (1991), using stakeholder management model, depicted how companies manage their corporate social performance.

The second aspect of stakeholder theory is instrumental. This aspect of stakeholder theory provides a framework for managers to examine the link between the company's normal goals with the stakeholder management (Donaldson & Preston 1995, 71). The research of Kotter and Heskett (1992) provided an observation of successful companies and most of these companies paid a lot of intention and effort on building the relationships with stakeholders.

Donaldson and Preston (1995) considered the last part of stakeholder theory – normative – as stakeholder research's fundamental basis, in which interprets the function of the

firm. Normative aspect provides guidelines, morally or philosophically, for the management of firms. This aspect dominated the stakeholder theory's research. Other researchers after Donaldson and Preston also emphasized the foundational role of normative stakeholder theory (Reed 2002; Friedman & Miles 2006).

As can be seen in figure 1, these aspects are nested within each other. This relationship was explained further by Jones and Wicks (1999) as follow. Normative aspect gives managers a guideline of behaviors, instrumental aspect provides a framework to identify certain outcome from those behaviors, and descriptive aspect describe the way manager actually behave. Aligned with the research of Donaldson and Preston (1995), Jones and Wicks (1999) proposed to categorize the research within the stakeholder literature into two big group: social science based and ethics based. The research in stakeholder theory based on social science includes instrumental and descriptive study, and the normative study belongs to ethics based theory. In addition, Jones and Wicks (1999) also formed a new category of stakeholder theory research: convergent research of stakeholder theory, which involves both social science based and ethics based.

The convergence of stakeholder theory was opposed by Freeman (1999). In his response to Jones and Wicks, he specifically wrote that "there is no need for anything like convergent stakeholder theory" (1999, 234). Phillips (2003) advocated Freeman with the argument that there is not much distinction between two streams of stakeholder theory research: social science based and ethics based. Nevertheless, Phillips (2003) still acknowledged the contribution of the typologies of stakeholder theory, especially the widely-cited research of Donaldson and Preston (1995).

2.1.2 Stakeholder identification and salience

The most controversial subject in stakeholder theory is the identification of stakeholders. There are two main schools of thought among scholars about the identification of stakeholder: a broader approach and a narrower approach. The broad view of Freeman (1984) considered almost everyone, who has even the slightest relationship with firms, is stakeholder. The book of Freeman (1984) outlined an ambiguous vision of who the stakeholders are, which embrace the broadest view of stakeholders. In the research in 1994, Freeman proposed the concept of "The Principle of Who and What Really Count" (1994, 411). Even though Freeman definitely took a broad view when discussing about stakeholder identification, in that research, he proposed a map for the identification of stakeholder of a large company. There are twelve stakeholders in his diagram, which are: employees, unions, customer advocate groups, customers, activist groups, financial community, own-

ers, political groups, government, suppliers, competitors, and trade association. Nevertheless, Freeman (1984) still argued that this map is still oversimplified and each stakeholder in the map can be broken down into smaller stakeholders.

After Freeman's map, there were several attempts to narrow down the view of stakeholders, especially among scholars with narrow view of stakeholder theory. Most of the arguments of narrow-view scholars were based on the fact that all firms have limited resources (Mitchell et al. 1997). As one of the attempts, the research of Donaldson and Preston (1995) provided a narrower view of stakeholder identification (figure 2).

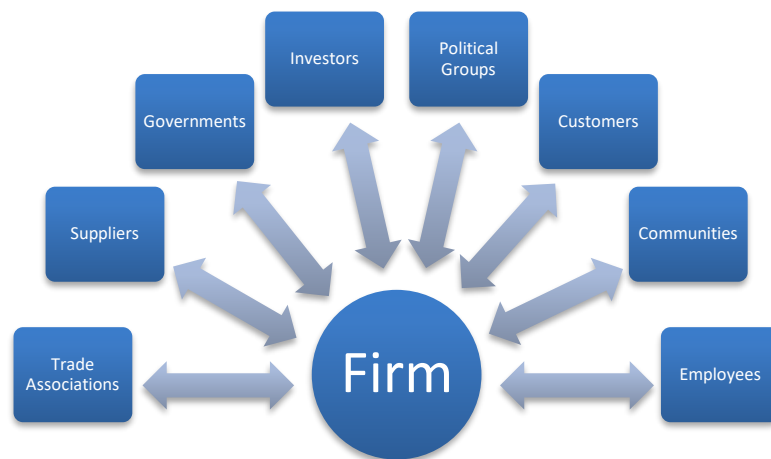


Figure 2: The Stakeholder Model (Donaldson & Preston 1995)

The model proposed by Donaldson and Preston (1995, 69) recognizes eight fundamental stakeholders of a firm: Employees, Communities, Customers, Political Groups, Investors, Governments, Suppliers, and Trade Associations and the relationships between those stakeholders and the firm were illustrated in figure 2. In this figure, the relationships between the firm and stakeholders are demonstrated by two-way arrows. It means that not only the stakeholders have the ability to affect the firm, but also the firm could harm or benefit the stakeholder through the firm's operation and performance (Donaldson & Preston 1995). Donaldson and Preston (1995) also addressed that the identification of stakeholders, and the influence of each stakeholder toward firms and vice versa are different in different corporate settings. Moreover, they (1995) emphasized the distinction between stakeholders and influencers, however, this distinction raised some controversy because based on their argument, competitors and media are considered as influencers, hence, are not stakeholders. Taking another view, Mitchell et al. (1997) considered powerful constituencies as stakeholders. There is no doubt that competitors and media are powerful constituencies, therefore, under the view of Mitchell et al. (1997), they are considered as stakeholders. In addition, Phillips (2003) also responded that if an individual or a group is not the stakeholder of the firm, it does not mean that the firm has nothing to do with that individual or group.

After that, Freeman, Harrison and Wicks (2007, 51) proposed a more complex, two-tier stakeholder model (figure 3).

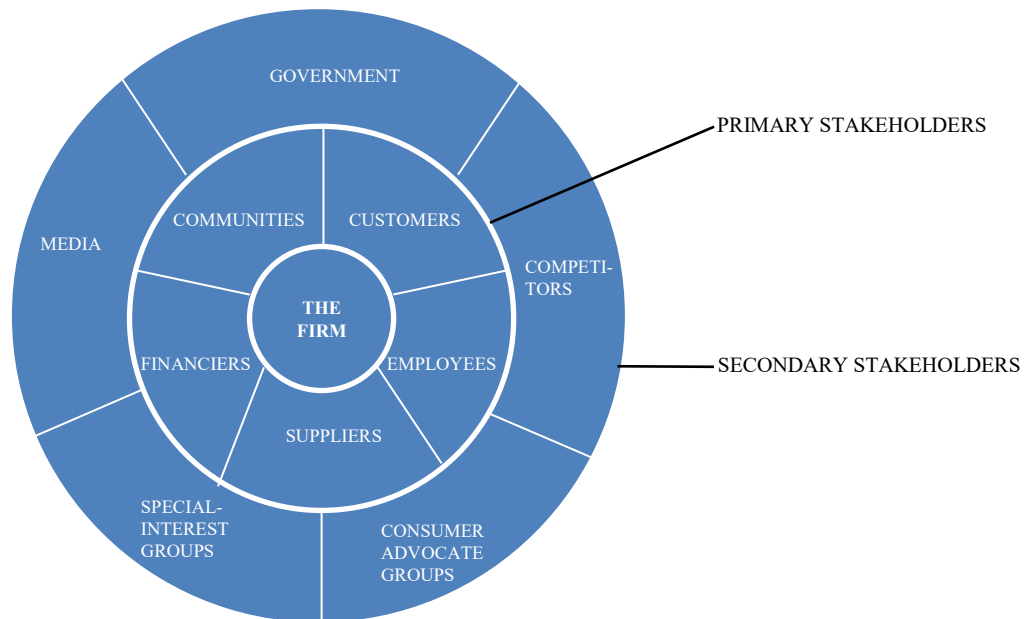


Figure 3: Two-tier stakeholder model (Freeman, Harrison, and Wicks 2007, 51)

The model in figure 3 divided stakeholders into 2 big groups: primary stakeholders and secondary stakeholders. Even though Freeman, Harrison, and Wicks (2007) and Donaldson and Preston (1995) took different points of view in identifying stakeholders, they had one thing in common: their approaches are all firm-centric approaches with the role of the company put in the middle of the model. Some scholars (Phillips 2011; Stormer 2003) do not support this firm-centric map. They suggested that by putting the firm in the center and stakeholders around, somehow researchers, unintentionally, externalized and marginalized the role of the firm. Phillips (2011) proposed the ‘names and faces’ stakeholder approach, in which a particular individual stakeholder is put in the center with the firm and other stakeholders surrounding to emphasize the role of that stakeholder with the firm as well as with other stakeholders. Phillips’ approach is very well-rounded by taking in to account the distinct relationships that each stakeholder has with the company and other stakeholders. However, research with ‘names and faces’ approach require more resources than the firm-centric approach and not many researchers have the access to those resources. Due to the limitation of that access, this research will focus more on the firm-centric approach. With that consideration, this research was conducted surrounding the company’s point of view. Nevertheless, it does not mean that the author will refuse the role of a stakeholder with other stakeholders. This study also takes into account the relationship among stakeholders themselves.

In figure 2, all stakeholder boxes are in the same size and shape in purpose of indicating the equal role of each stakeholder to the company (Donaldson & Preston 1995). In another words, Donaldson and Preston (1995) considered the interests and benefits of all stakeholders equally. In sharp contrast, the study of Wang and Dewhirst (1992) on 2,361 directors showed the distinction in the importance of different stakeholders in manager's point of view. The majority of directors perceived customers and government as the most important stakeholders. The next important stakeholders were, in the order of their importance, stockholders, employees, and society. In addition, the two-tier stakeholder map (Freeman et al. 2007, 51) in figure 3 showed that the roles of stakeholder are not the same and the company should not treat them equally. They put stakeholders under two categories: primary stakeholders (which are more important to the firm) and secondary stakeholders (which are less important). In accordance with that view, Mitchell et al. (1997) suggest the concept of stakeholder salience. According to Mitchel et al. (1997, 854), a stakeholder salience is "the degree to which managers give priority to competing stakeholder claims". They also claimed that not all stakeholders have the same power and influence on the firm (Mitchel et al. 1997). A firm has limited resources and those resources are not enough to please all stakeholders at the same time, that's why most managers take a narrower view in stakeholder management. That means the question is not only about the identification of stakeholders but also about the stakeholder salience, the degree to which the manager should prioritize a stakeholder over the others. Based on the view of Mitchel et al. (1997) not all stakeholders should and needed to be treated the same. In the process of managing stakeholders, the managers need to decide the company's approach towards the salience of each stakeholder. The approach towards the salience of each stakeholder is different in different contextual settings

To further explain the stakeholder salience as well as help managers in the process of stakeholder management, Mitchell et al. (1997) proposed three stakeholder attributes (power, legitimacy, and urgency) as criteria in the evaluation of stakeholder-manager relationship, which is illustrated in figure 4. In order for a party to become a stakeholder, all or some of those attributes should be present in the relationship of that party with the firm. The presence and degree of those attributes in a stakeholder determine the salience of that stakeholder.

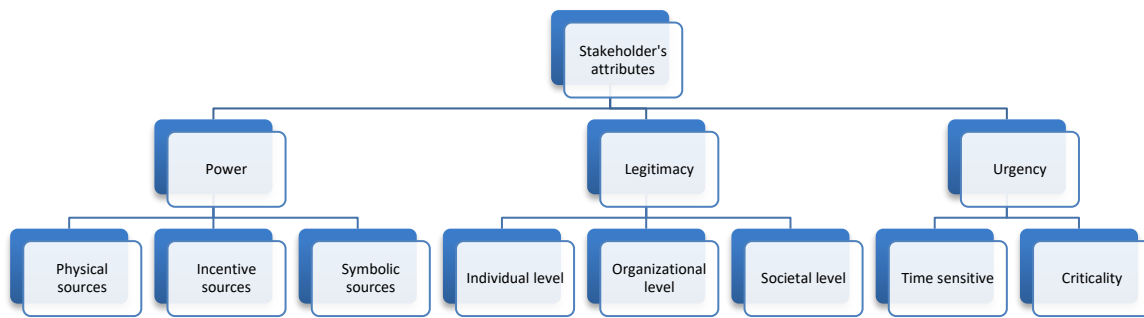


Figure 4: Three stakeholder's attributes (Mitchell et al., 1997)

The first and very important attribute discussed in Mitchell et al.'s research (1997) is 'power'. Most of the definitions of 'power' refer it as the ability to influence others to do something despite of their willingness. According to Mitchell et al. (1997), 'power' was divided into three kinds based on their resources: coercive power (physical resources), utilitarian power (material or financial resources), and normative power (symbolic resources). Coercive power is derived from physical forces. A party has coercive power when it has the violent or restrained forces towards others to coerce them to do what it wants. To gain utilitarian power, an individual or a company has to have the ability to use incentive force, financially or materially, to impact others. The last type of power, normative power, could be obtained from symbolic forces, for example: popularity or social acceptance. In a relationship, if one party can obtain one or all of three types of power, that party has the ability to influence others. However, because the access of the three resources above are temporary, the power of stakeholders to influence the firm is temporary as well (Mitchell et al. 1997, 886).

Even though 'power' plays such an important role in the process of classification of stakeholders, there are some cases when the stakeholder does not have the power over the company but still is an important stakeholder. That is when the other attributes, legitimacy and urgency, come into the play to explain why some powerless stakeholders also matter. Mitchell et al (1997) considered legitimacy under three level: individual, organizational, and societal. As one of three attributes, 'legitimacy' has a significant role in stakeholder salience. Even though 'legitimacy' plays a major role in stakeholder salience, the research of Mitchell et al. (1997) admitted that the available definitions of 'legitimacy' were quite loosely. 'Legitimacy', in this research, is defined as behaviors that are accepted and desired within social constructed system. It is important to notice that a social system has multiple levels. Adapted to the research of Wood (1991) about the levels of analysis in a social system, 'legitimacy' should be considered differently at individual level, organizational level, and societal level of a social system. In the research about 'legitimacy', schol-

ars such as Davis (1973) linked ‘legitimacy’ with ‘power’ in a sense that ‘power’ is necessary notion for a stakeholder to be legitimate. Take another view, Mitchell et al. (1997) and Weber (1947) suggest the distinction between ‘power’ and ‘legitimacy’. Based on their view, ‘legitimacy’ is an independent attribute. ‘Legitimacy’ has the ability to establish a relationship with ‘power’. However, these two attributes can stand alone as an independent attribute.

The last attributed mentioned by Mitchell et al. (1997) is ‘urgency’. As suggested from the name of the attribute itself, the definitions of ‘urgency’ focus on the need for attention immediately. Mitchell et al. (1997) also added two elements that construct ‘urgency’: time sensitivity and criticality. Time sensitivity shows the degree to which stakeholders cannot accept the delay of managerial actions towards the relationship between stakeholders and the company. Criticality indicates how important the relationship is to the stakeholders.

2.2 Corporate Social Responsibility (CSR) – Definitions and dimensions

The footprint of CSR’s definitions can be traced back to 1950s (Carroll 1999). Throughout the history of CSR research, an abundance of definitions of CSR has been developed. It is worth noting that most of CSR’s definitions have bias toward the interests of the authors (Dahlsrud 2008). Moreover, there are many different directions, different definitions and different conceptual entities in studying CSR. Nevertheless, the research of Dahlsrud (2008) gives evidences to prove that there is a congruence among the existing definitions of CSR. This part of the literature review will briefly examine the development of research about CSR, CSR definitions and dimensions through time.

At the early age of CSR literature, scholars, most of the time, referred CSR as social responsibility (SR) because at that time the concept of corporate was not popular. Bowen (1953) defines SR as ‘the obligations of businessmen’ and it is probably the first official definition of SR. Due to the context of that time, this definition addresses SR only as the ‘obligations’ and refers only to ‘businessmen’ because in the 1950s, the business sector was formed mostly by businessmen and the concepts of businesswomen, company, or corporate were not popular. Apparently, Bowen considers social responsibility as a person’s responsibility.

By 1960s, some scholars (Keith Davis 1960; Joseph W. McGuire 1963) started examining the social responsibility beyond the company’s direct interests. To be more specific, Davis (1960) explained the effects of social responsibility on the company by the connection between social responsibility and their power related to business. McGuire (1963) suggested to expand the view of SR to more than just ‘economic and legal obligations’

(p.144). The definition of SR was broadened from the obligations of a person to the obligations of an entity towards the society (Davis 1967, 46).

In the time of 1970s, there notion of corporate social enterprise started appearing and forming the concept of Corporate Social Responsibility (CSR). Nonetheless, in the 1970s, there were several sceptics that went against the meaning of CSR. They started the debates surrounding the goals of CSR activities. There were two schools of thought in that debate. The first school of thought's representatives are Milton Friedman with his most famous debated papers in 1970 titled 'The social responsibility of business is to increase its profits' and Johnson's second view in his research that "Social responsibility states that businesses carry out social programs to add profits to their organization" (Johnson 1971, 54). Friedman (1970) argued that the solely purpose of business and its actions is to improve the profit. The other thoughts of CSR advocated the social purposes of CSR activities. While CED proposed that CSR's "basic purpose is to serve constructively the needs of society" (CED 1971, 11), Davis also added to that school of thought a very famous statement: "social responsibility begins where the law ends."

There is no doubt that there was a considerable fragmentation in the definitions of CSR at this time. Votaw (1973, 11) addressed this issue in his study that different people may perceive CSR differently. To be more specific, Sethi (1975) added the acknowledgement of the inconsistency in CSR understanding not only among academic scholars but also among business actors, for example: business managers, social activists, or government regulators. One of the first research to solve this inconsistency is the research of the Committee for Economic Development CED (1971). CED proposed the "three concentric circles" (Figure 5).

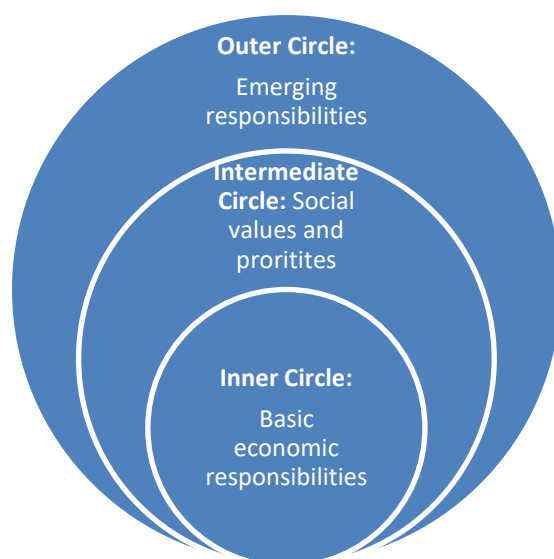


Figure 5: Three concentric circles of Social Responsibility (CED 1971)

The three concentric circles include the spectrum of CSR from economic purposes of corporations to non-economic concerns. The inside of the circle is the most basic responsibility explained that a company needs to produce economic value. The outer layers of this circle represents different aspects of CSR more than just increasing profit: abiding to the laws to being responsible to society (CED 1971).



Figure 6: Three-State Schema for Classifying Corporate Behavior (Sethi 1975)

Taking different approach, Sethi (1975) developed a three-state schema to classify corporate behaviors in term of social responsibility (Figure 6). Figure 6 shows three states that indicate three levels of behaviors that a company can adapt to social needs (Sethi 1975). The idea of Sethi is based on the notion of corporate's legitimacy and that notion is broadened from stage 1 to stage 3. The first stage of corporate behavior is Social Obligation. This stage involves the corporate behavior that abides to economic and legal criteria only. Sethi (1975, 62) postulated that the economic and legal levels of behavior are necessary for a company to survive, however, it is not a sufficient state for the legitimacy of a company. Companies who do not follow the social obligation would survive, however, only behave in stage one does not guarantee the long-time survival of the companies. The next level of corporate behavior is Social Responsibility. This category of corporate behavior moves a step ahead in the notion of corporate legitimacy. The behavior in this category is expected to be comparable with not only the existing norms and values of the society but also the expectations of the society (Sethi 1975, 62). In other words, it does not mean that companies need to take radical change in their normal behavior. Companies simply need to follow the social norms, social expectations before they become legal requirements. The final state of corporate behavior is Social Responsiveness (Sethi 1975). In this category, corporations not only follow the expectations from society but also be actively in charge of the changes to prevent the social problems in the future. In other

words, corporations should establish a long-run role in the society by preparing themselves and developing their capabilities to face the challenges ahead. The research of Sethi (1975) combined the different views of CSR and extended it further. In order to develop the business in the long term, corporations, when considering CSR behavior, should take into account three states. Behaving in one category only cannot guarantee the survival of corporations.

In 1979, the research of Carroll combined various points of view of CSR under a corporate social performance (CSP) framework. The CSP framework includes social responsibility categories, social issues involved and philosophy of responsiveness (Carroll 1979). The social responsibility in Carroll's definition "encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point of time" (Carroll 1979, 500). Later, Carroll (1991) developed the definition into a pyramid of Corporate Social Responsibility, in which he classified CSR into four different categories of social responsibilities: Economic responsibilities, Legal responsibilities, Ethical Responsibilities and Philanthropic Responsibilities (Figure 7).

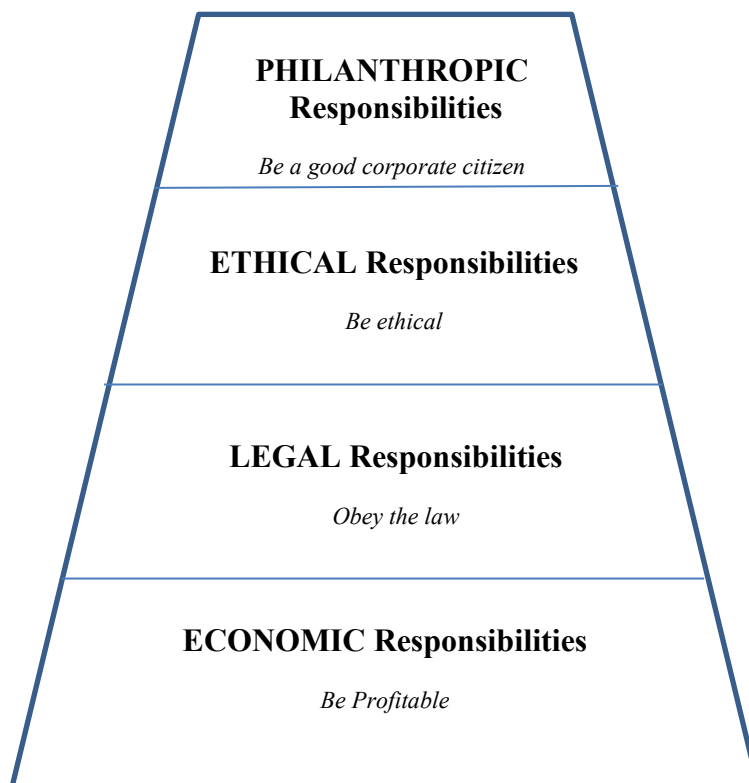


Figure 7: The Pyramid of Corporate Social Responsibility (Carroll, 1991, p. 42)

In this framework, CSR is divided into four components. Economic component means that a firm has the responsibility to produce profit. Legal responsibilities require the firm to obey the law, and with ethical component, the firm is expected to operate ethically. Finally, philanthropy encompasses the firm's actions to become a good corporate citizen.

In addition, economic and legal responsibilities are obligatory and are the base of the pyramid. The pyramid of CSR (Carroll 1991) has been widely used as foundation for CSR definition until now.

Later decades have witnessed an accumulation of knowledge and integration of findings in CSR literature. The research of Maignan and Ferrell (2004) indicated that the focus of CSR research has changed over time. The conceptualization of CSR has been evolving to the direction toward willingness because of wanting to do well, be good citizen as well as a willing act because of the benefits rather than obligations.

Using the definition and the metaphor of corporations as ‘citizens’ first proposed by Carroll (1991), Windsor (2006) proposed three key approaches of CSR: Ethical Conception, Corporate Citizenship Conception, and Economic Conception (Figure 8).

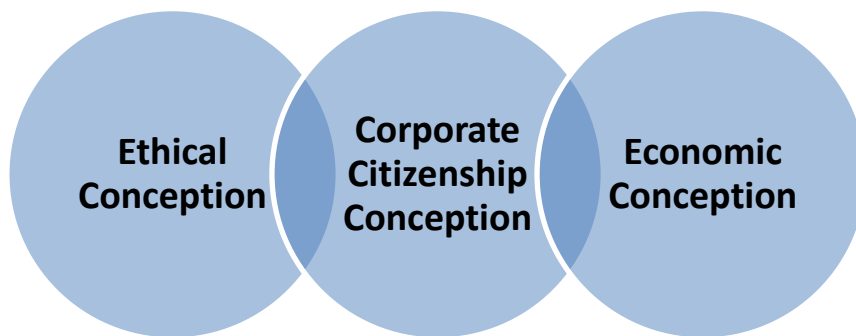


Figure 8: Three key competing approaches to CSR (Windsor, 2006)

Windsor (2006) exemplified the opposition of ethical approach and economic approach. These two points of view do not overlap each other and “citizenship metaphor falls into the conceptual gap between ethical and economic perspectives” (Windsor 2006, 97). In addition, Windsor (2006) pointed out that each approach has different views on one specific CSR activity. For example, ethical approach considers philanthropy as ideal and desirable activities. Economic viewpoint sees philanthropy as ‘discretionary altruism’ or ‘prudent altruism’. The contribution of this research is the citizen metaphor. Corporations are considered as citizens and stand between Ethical conception and Economic conception. In other words, as a citizen, a corporation has rights and duties and managers have to choose their approach and balance between ethical and economic viewpoints at a given point of time.

In the context of the broad array of CSR research, the research of Dahlsrud (2008) examined 37 CSR definitions and analyzed the similarities and the differences between them by using frequency counts based on five dimensions: the environmental, social, eco-

nomic, stakeholder and voluntariness dimensions. The study shows that the analyzed definitions use those dimensions of consistently and 97% of the analyzed definitions contain at least three out of five dimensions. That research also indicates that the criticism in CSR literature is due to the fact that CSR is a socially constructed, hence, different contexts tend to have different interpretations of CSR (Dahlsrud 2008, 1).

In this research, the author will focus on the pyramid of CSR (Carroll 1991) as the definition of CSR since this is the most acknowledged definition in the academic world. This paper also utilizes the ‘corporate citizen’ concept and three key approaches to CSR from the research of Windsor (2006) to enrich the information. The next part of this chapter is going to discuss about one of the recent focuses of CSR literature: the link with stakeholder management.

2.3 CSR theory and Stakeholder theory – The boundaries between two literatures

2.3.1 *The established boundaries*

Among highly cited articles in CSR literature, many of them mentioned stakeholder perspective as a foundational approach (Carroll 1989 & 1991; Maignan & Ferrell 2004). Phillips (2011, 9) found around 400 articles related to responsibility which have the article of Freeman (1984) about stakeholder management in the citation. To be more specific, there have been a lot of cross references between two fields of study. The boundary between two literatures is blur and it created mischaracterizations in CSR as well as stakeholder theory literature (Phillips 2011). In 2011, the book of Robert Phillips put an attempt to set “possible boundary markers” to separate stakeholder theory and CSR as two fundamentally different academic research fields (2011, 10). Phillips (2011) also pointed out that even though there are boundaries between two theories that does not mean two fields are not related. Instead, the boundaries were set to emphasize the complementary character of one for another. Phillips set four boundaries to separate CSR and stakeholder theory.

The first boundary marker is the primary difference between two theories: the centric intention of each theory. The final goal of stakeholder theory is to develop the company, not to develop the society (not directly). Freeman (1984) and Donaldson and Preston (1995) emphasized this matter by considering stakeholder theory as managerial theory. The intention of stakeholder theory is to provide the directions for managers to improve the firm-stakeholder relationships with business-centric purpose. The contribution to so-

ciety achieved in stakeholder theory is a by-product of improving firm's strategic management (Walsh, Weber and Margolis 2003). In contrast, the focus of CSR research does not primarily focus on business activities or the improvement of business. Some CSR research proved the positive relationship between CSR and firm's financial performance (e.g., Du et al. 2007; Creyer & Ross 1996), however, the concerned outcome of CSR literature is to solve social issues. To be more specific, the core focus of CSR literature is societal betterment.

The second boundary between two literatures is the ways each theory identified actors who have legitimate claims to the firm. In stakeholder literature, there are different views of stakeholder identification (narrower views and broader views). Nonetheless, as one of the broader-view stakeholder theorists, Freeman (1984) also acknowledged the need for monitoring stakeholders and choosing the priority one due to the fact that all companies have limited resources and energy. Freeman (1984) also raised the question of "legitimate claim" of stakeholders to the firm, however, he did not discuss the matter further. Phillips defined legitimacy under managerial sense as "legitimate to spend time and resources on stakeholders" (Phillips 2003, 94). He also discussed about the differences between normative and derivative perspective of legitimacy in stakeholder research. However, overall, no matter of what perspective stakeholder theorists stand, the legitimacy in stakeholder theory is firm-centric. By contrast, CSR theorists take another approach of actor identification. The legitimacy of CSR stakeholder identification is toward the society. According to Carroll (1979), CSR research include 'stakeholder issues' that have nothing to do with firm's operation and those stakeholders do not have legitimacy to firm. However, the company still took action and solved the 'stakeholder issues' and their action cannot be understood with stakeholder theory. Therefore, the term "stakeholder" under CSR literature has very broad view.

Phillips (2003) pointed out another distinguished feature between CSR and stakeholder theory: the texture of research in the field of study. The research in stakeholder field of study has the tendency to aim toward the particular understanding of the subject. As mentioned above, even broad-view stakeholder theorist emphasize the importance of naming and managing stakeholders (Freeman 1984). Moreover, stakeholder theory direction gear toward managerial theory (Donaldson & Preston 1995). Hence, the research of stakeholder theory gravitates toward particular stakeholders, particular stakeholder management strategy in particular contexts. Meanwhile, CSR research is dominant with universal conception. For example, the expectation of society with companies in term of CSR could be listed in several types of responsibility and those types are applicable for most companies (Bowen 1953). This difference in the texture of two literature exists due to the difference in motivation of two different field of literatures. While stakeholder theory aims for more managerial purpose, for specific cases and practices, CSR study aims to establish a standard for business in term of social responsibility for a better world.

The last boundary in Phillips's book (2011) is the source of normative claims. Phillips defined normative claims as the guidance for the firm about how they should interact with stakeholders and with the society. The source of normative claims answers the question of why firms should do that. In the stakeholder theory, the normative claims lie in the virtue of relationships between the firm and stakeholders. Those relationships are obliged to value other party's autonomy and dignity (Donaldson & Preston 1995). To be more specific, if a firm wants to establish a relationship with its stakeholder, the firm is abided to certain obligations based on virtue of this collaboration. By contrast, in CSR literature, the source of normative claims is the moral obligations in the relationship of the firm with society (Bowen 1953). CSR literature also considers a firm as a citizenship in society (e.g. Waddock 2006; Scherer, Plazzo & Baumann 2006), hence, the company owns the obligation to the society as a whole in return for the privileges and protection granted by society (e.g. freedom to trade, liability protection, and so on). While the moral link in stakeholder theory is between firm and stakeholders, which is business-centric, the moral link in CSR is toward the society, therefore, is social-centric.

If we put the literature of stakeholder theory and CSR side by side, there is no doubt that the two concepts intertwine with each other. However, the four boundaries above prove that CSR and Stakeholder theory are two different fields of study with some overlap. Once we set the boundaries clear, each field's study can complement the other. The next part of this thesis will discuss about the impact of stakeholder theory on CSR.

2.3.2 CSR under Stakeholder approach

As Donaldson & Preston mentioned in their research (1995), the majority of instrumental CSR research has a notion of stakeholder perspective. Before the blooming of stakeholder theory, most of CSR research had been referring to the moral obligations to the society as a whole. At first, the CSP model proposed by Carroll (1979) has some similarity with the stakeholder perspective in the sense that it takes into account the role of other actors (for examples: government, society) who do not have direct contact with the firm. After the book of Freeman (1984), Ullman (1985) started incorporating the stakeholder concept in the research explaining the relationship between social disclosure and social and economic performance. After the appearance of stakeholder theory in CSR literature, stakeholder theory "has emerged as the dominant paradigm in CSR" (McWilliams and Siegel 2001, 118).

According to McWilliams and Siegel (2001), the sources of demands for CSR of a firm are its stakeholders. Maignan and Ferrell also suggested that "CSR designates the duty (motivated by both instrumental and moral arguments) to meet or exceed stakeholder norms dictating desirable organizational behavior" (2004, 5). Most of the researchers

about CSR relies on the stakeholder theory for their arguments to justify attention to the social actors. Moreover, in the process of embedding stakeholder approach in CSR literature, the concept of stakeholder community was proposed to indicate the group of individual stakeholders who share the similar norms and goals and they have some interaction with each other (Maignan & Ferrell 2004; and Etzioni 1996). According to Phillips (2011), the stakeholder theory provides a “convenient list of relationships” that could help to describe the dimensions of a company’s relationship with society. He considered stakeholder as a useful explanation tool for the “societal outcomes of business behavior” (Phillips 2011, 28)

The book of Phillips (2011) also mentioned another way that the stakeholder theory can advance the study of CSR. Stakeholder theory has the potential to enhance the normative theorizing in CSR study. However, due to the limitation of time, energy and research materials, this study will focus mainly on the view of stakeholder as explanation tool for CSR study. The next section will go further on this view and review how existing research of CSR have built an integrative framework using stakeholder approach.

2.4 Literature synthesis – An integrative framework

Clarkson (1995) brought out a problem in applying CSR into the management world. According to the author, most of business managers, in their everyday working routine, do not think or take action based on corporate social responsibility *jargon*. Therefore, he proposed a framework using the relationship between firm and its stakeholders to analyze and evaluate corporate social performance. His argument was that it’s difficult to measure the performance of CSR based on the model of Carroll (1991) especially the ethical and philanthropy responsibilities. There was no standard of CSR or CSP or social responsiveness to measure them and social issues were also broad and ambiguous, hence, it is difficult not only to accumulate the data but also to test and define them. The research of Clarkson (1995, 99) has developed a new framework, in which the author chose “the management of corporate relationships with these constituencies or stakeholder groups” to analyze and evaluate CSP. Based on his argument, there are three reasons of choosing the relationships with stakeholders to evaluate CSR, which are: (1) the data is available, (2) the concepts of stakeholder management is easy for managers to understand, and (3) several important *social issues* are embedded in *stakeholder issues*. In addition, as Clarkson (1995, 105) noticed, not all *stakeholder issues* are *social issues* and, vice versa, not all social issues are stakeholder issues.

The research of Clarkson (1995) emphasized the importance of distinguishing between *social issues* and *stakeholder issues*. He proposed a *Levels of Analysis* framework (table

1) that helps researchers consider which type of issues the researchers should focus on based on their chosen level of analysis. Based on this framework and due to the limitation of resources, knowledge and skills of the author, this research's scope has been narrowed to the *organizational* level, which focus on the firms and its stakeholder groups in order to analyze and evaluate the firms' CSP.

Table 1: An adaptation of CSR levels of analysis framework (Clarkson 1995, 104)

Levels of Analysis			
Corporate social responsibility and responsiveness	Institutional	Business	Society
Corporate social performance	Organizational	Corporations	Stakeholder groups
Stakeholder management	Individual	Managers	Issues/relationship

Among the broad array of CSR literature, Maignan and Ferrell's research (2004), taking *organizational* level, provided a conceptual framework for further understanding of CSR behaviors in firms. This framework conceptualized CSR management using the stakeholder approach. The authors proposed that CSR, as a behavior of a firm, "can be understood and predicted based on (a) the nature of its diverse stakeholders, (b) the norms defining right or wrong adopted by these stakeholders, and (c) stakeholders' relative influence on organizational decisions" (Maignan & Ferrell 2004, 5). To be more specific, under stakeholder approach, a firm's CSR could be explained by examining its stakeholders, their norms and the extent of their influence on the firm. This part of the research of Maignan and Ferrell (2004) is valuable and relevant to the topic of this research. Therefore, the integrative framework of Maignan and Ferrell will be reviewed here in detail.

As mentioned above, a company is social responsible when it behaves in alignment with its stakeholder interests. Based on this argument, Maignan and Ferrell used 'stakeholder norms', 'organizational norms', and 'stakeholder issues' to explain corporations' CSR behavior. The 'stakeholder' in Maignan and Ferrell's research is more integrated than the 'stakeholder' in the stakeholder model from Donaldson and Preston's research (1995) in a sense that the 'stakeholder' of Maignan and Ferrell can come together to form a 'stakeholder community'. A stakeholder community can be formed if the individual stakeholders interact with each other and they share some common norms.

According to Maignan and Ferrell, stakeholder norms is "the common set of rules and behavioral expectations" (2004, 7) that most of the members of a stakeholder community

agree on. It is important to understand that different stakeholders and stakeholder communities have different interests, hence, their norms can be different. Moreover, not only stakeholder or stakeholder community has its own norms, but also organizations. Organizational norms, most of the time, embed in organization's codes of conduct and mission statements, which are sent to employees, managers and founders to avoid behavioral conflict among three groups inside organizations.

To evaluate the businesses' commitment to CSR, the concept of stakeholder issues was defined as the concerns and interests of one or more stakeholder groups that requires the company action (Maignan & Ferrell 2004, 8). This *stakeholder issues* concept aligns with the *stakeholder issues* in the research of Clarkson (1995). Clarkson (1995) formulated a table with the list of, in his opinion, primary stakeholders and typical stakeholder issues. Table 2 is an adaptation of Clarkson's list (1995, 101-102) with a few examples of the stakeholder issues taken from his list. It is important to note from *The stakeholder approach* chapter that a company's primary stakeholder identification should be considered case-by-case depending on the company's industry and its context. Moreover, different companies have different *stakeholder issues*. Therefore, table 2 should only be used as an example of typical, general stakeholder groups and their issues.

Table 2: Typical primary Stakeholder groups and Stakeholder issues (Adapted from Clarkson 1995, 101-102)

	Stakeholder group	Issues
Company	Employee	Benefit
		Rewards and Compensate
		Other employee issues
	Shareholders	Complaints
		Rights
		Other shareholder issues
	Customers	Communications
		Product safety
		Other customer issues
	Suppliers	Relative power
		Pricing
		Other supplier issues
	Public Stakeholders	Environmental production
		Public health and safety
		Other social issues

An organization can commit to CSR by examine carefully its impact on the issues of concern to its stakeholders and stakeholder communities. Nevertheless, because each stakeholder and stakeholder community have different issues, having positive impact on one specific stakeholder issue does not mean that the organization could have the same positive impact on different stakeholder issues. In addition, the prioritization of stakeholder issues depends largely on the industrial context the company operates in. Therefore, it is the manager's job to decide that which stakeholder issues they need to prioritize. In the CSR and stakeholder management research literature, there are some frameworks that could provide guidelines or supports for the managers in the process of decision making. This study focuses on a famous framework of Maignan and Ferrell (2004), which emphasized the two stakeholder's factors that managers should consider: stakeholder power and stakeholder's ability to cooperate.

According to stakeholder theory, stakeholders have potential to harm or benefit the firm (Donaldson & Preston 1995). In addition, March and Simon (1958) and Hill and Jones (1992) agreed on the view that each stakeholder, more or less, provides the firm with critical resources, which are important for the firm in order to have long-run success. Moreover, stakeholder norms and organizational norms do not overlap all the time. In some cases, stakeholder norms can contradict organizational norms. Therefore, stakeholders and stakeholder communities can use their ability to withdraw the resources to demand the firm to satisfy their interests. The more important stakeholders' resources, the higher power they have over the firm and the more powerful stakeholders, the more positive impact of the firm on the issues. (Maignan & Ferrell 2004, 8).

Another factor of stakeholder's characteristics that could affect the impact of firms on stakeholder issues is stakeholders' ability to cooperate (Maignan & Ferrell 2004). As mentioned before, stakeholders with interaction and common norms can come together and form a stakeholder community and a stakeholder community join other stakeholder communities to increase their power over firms. Maignan and Ferrell (2004, 9) proposed three aspects to evaluate the stakeholders' ability to cooperate: the convergence of stakeholder norms, the density of the network of stakeholders and the centrality of the organization in the network of stakeholders. The research of Maignan and Ferrell (2004, 9) suggested three propositions of the correlation between stakeholders' ability to cooperate. Firstly, two authors proposed that the better degree of convergence of norms to an issue across different stakeholder communities, the more positive the impacts the firm has on the issue. Next, the denser network of stakeholder communities shared concern about an issue, the more positive impact the firm has on the issue and the greater network centrality of the firm, the less positive the impact the firm has on the issue. To be more specific, the network centrality refers to "the extent to which an actor has control over other actors'

access to various regions of the network” (Maignan & Ferrell 2004, 9). Finally, the research of Maignan and Ferrell (2004) implicated that managers can use CSR as an instrument to increase stakeholder resources.

Maignan and Ferrell (2004) also proposed a framework to explain which elements have the potential to influence the CSR behaviors of a company.

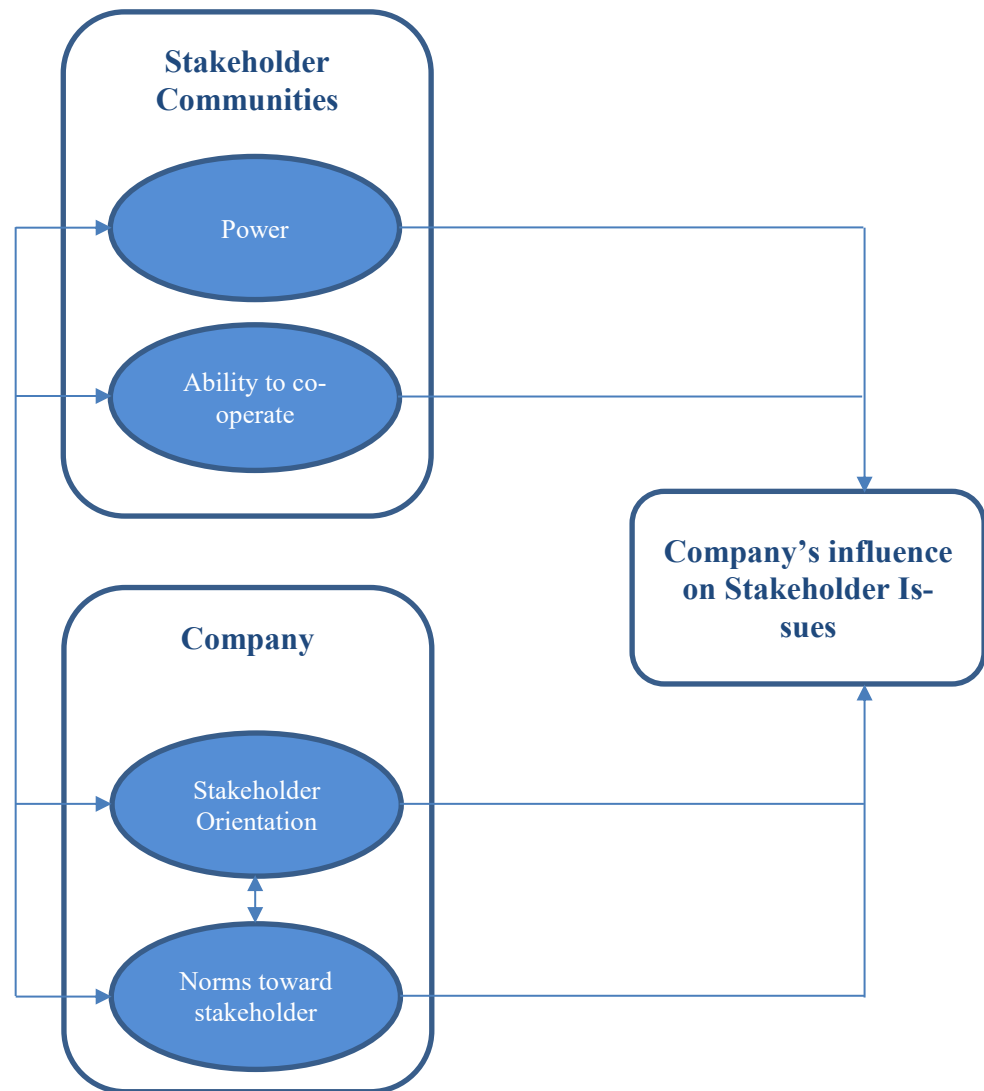


Figure 9: Antecedents of Corporate Social Responsibility behaviors (Adapted from Maignan & Ferrell 2004, 7)

Figure 9 summarizes the theory proposed by Maignan and Ferrell (2004) to explain the CSR behaviors towards stakeholder issues. This theory not only takes into account the characteristics of stakeholders and stakeholder communities but also consider the company’s approach when it comes to stakeholder management. This model is an explanation of how CSR behaviors was form using the stakeholder approach. However, it is noteworthy that this framework does not consider the influence of the context towards

the elements inside. Mitchell et al. (1997) proposed the concept of stakeholder salience and three stakeholder attributes (power, legitimacy, and urgency) with a note that the stakeholder salience and stakeholder attributes are temporary and could change based on the context and the change in the context where the company is operating in. The model of Mitchell et al. (1997) not only added more characteristics to stakeholders (legitimacy and urgency) in the framework of Maignan and Ferrell (2004) but also, by aligning stakeholder attributes with stakeholder issues, put an emphasis on the impact of the context on Maignan and Ferrell's framework (2004).

The conceptual framework of this research was built upon the framework of Maignan and Ferrell (2004) combining with the concepts of stakeholder salience and stakeholder attributes of Mitchell et al. (1997) to elaborate the framework. This integrative framework also emphasizes the role of the industrial context. Figure 10 below illustrates the conceptual framework of CSR under Stakeholder Management approach with the consideration of industrial context.

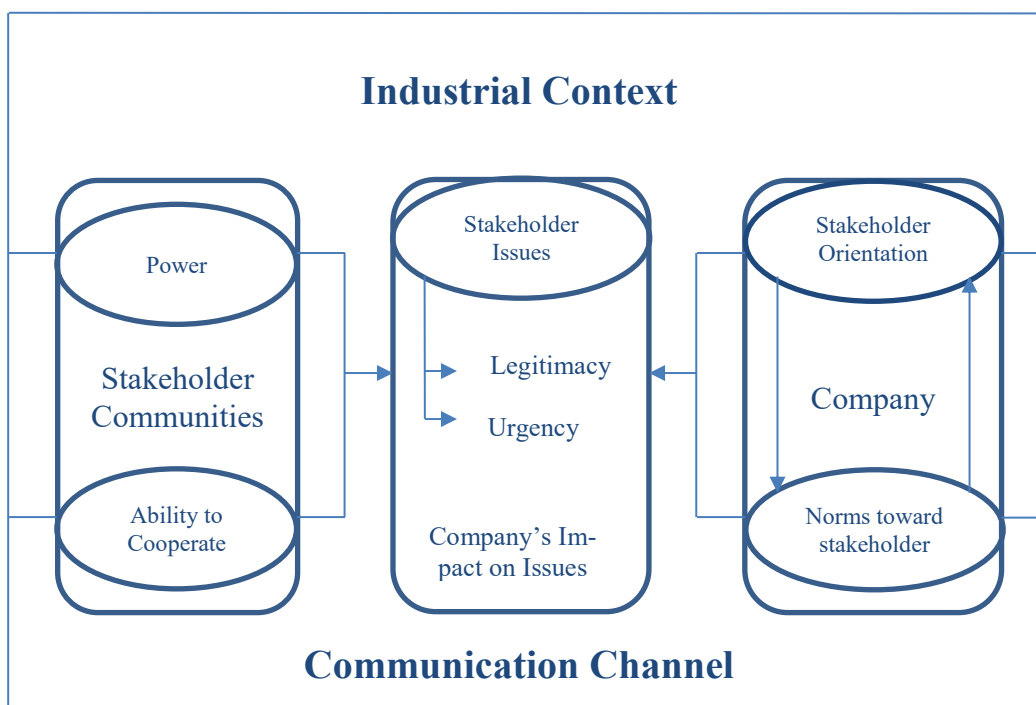


Figure 10: CSR management under Stakeholder approach influenced by Industrial Context

The conceptual framework of this study specifically accentuates the appearance of industrial context. Also in a highly contextual environment, the communication channel is emphasized as an agent who not only connect stakeholder groups with each other but also connect forest industry companies with its stakeholder groups. It is vital to note that the industrial context mentioned in this research is the company's industrial context. This

framework highlights the necessity of industrial context consideration in process of CSR decision making under Stakeholder approach for several reasons.

A stakeholder or a stakeholder group could have an appearance and play a major role in stakeholder list of different companies in different industries, nevertheless, its characteristics and its salience are dissimilar in different industries. For example, the 'power' of the 'Government' towards a company operating in retailer industry is very different with the 'power' of the same 'Government' stakeholder of a company operating in petroleum industry. Also the 'legitimacy' and 'urgency' of a same stakeholder issue could be different among companies and industries. For example, the 'legitimacy' and 'urgency' of climate change are slightly different between the point of view of a forestry company and the point of view of a technology company.

In addition, the framework put a highlight on how characteristics of stakeholder/stakeholder communities and company's approach affect the legitimacy and urgency of each stakeholder issue under the influence of industrial context. And those elements also affect the company's decisions on CSR behavior and the impact of those decisions on stakeholder issues. This framework is a step forward from the research of Maignan and Ferrell (2004) especially in the context of current economical environment where there are more and more new industries emerging and the distinction among industries is various. Overall, the integrative framework of this research explained the CSR behavior under stakeholder management approach with stakeholder issue as the center of the model and with the consideration of the context of the business.

This chapter provides a conceptual framework of CSR under Stakeholder approach taking into account the influence of the industrial context. This framework is considered as a basis for the empirical aspect of this research. To analyze this framework, the author put this study under the context of forest industry. The next chapter of this thesis will go into detail about the methodology and how this research was conducted.

3 METHODOLOGY

As mentioned in the introduction chapter, the purpose of this research is to study the role of stakeholder management in companies' CSR under the context of forest industry. To be more specific, this study was concerned three interrelated sub-objectives: the stakeholder identification and management approach of the company, the way companies engage their stakeholder, and the CSR behavior under the influence of stakeholder management. The literature review chapter above explored certain literature about CSR and Stakeholder theory, and outlined a synthesis framework that connects stakeholder management with CSR literature. This chapter focuses on the research approach, to be more specific, this chapter identifies the methodology and method using in this study and reasons behind that choice.

In the discussion of research methodology and research method, it is important to distinguish between two terms 'methodology' and 'method'. The term 'methodology' is used to indicate the philosophical position of the researcher, which frames the way researchers doing their study (Byrne 2006). Meanwhile, Byrne (2006) defined method as the way researchers choose to do their research. In another words, the philosophical position of a researcher will affect the way he/she chooses his/her method. Therefore, this methodology chapter will firstly provide details on the position of the author in the philosophical stance before laying out the method of choice, the industry context, and the reliability and validity of the research.

3.1 Research philosophy and approach

3.1.1 *Research philosophy: Epistemology and Ontology*

It is not necessary to think about research philosophy before starting the research, however, it is useful for researchers to understand their stance in the philosophical position first, especially in the process of choosing proper research approach and methods (Eriksson & Kovalainen 2008, 11). Saunders et al. (2007) clarified further that the philosophical stance of a researcher explains how the researcher assumes about the surrounding world, thus, researcher's stance in the research philosophy affects his/her choice of research method. This part of the study will discuss the main existing research philosophies and the author's position in the research philosophy in order to justify the choice of research method of the author.

Research philosophy is defined as researchers' perception about the nature of knowledge, the way knowledge is developed, and the nature of reality (Saunders et al.

2007, 101). Fisher (2010) explained the different research philosophies as the difference in the possible results of research. When mentioned research philosophy, most researcher use two main ways of thinking to explain the research philosophy: epistemology and ontology (Fisher 2010, 15; Saunders et al. 2007; Eriksson & Kovalainen 2008). To be more specific, the epistemological and ontological assumptions of each research play a vital role in explaining the author's philosophical stance and method of choice.

Ontology reflects the assumption of the researchers about the nature of reality. To be specific, ontological setting of a researcher is his/her answer for the question about the origin of the outside world in relation with people (Eriksson & Kovalainen 2008, 13). In ontological philosophy, different researchers have different philosophical aspect of ontology. This research mainly focuses on the Eriksson & Kovalainen's discussion (2008) about a philosophical aspect of ontology: subjectivism vs objectivism, which is a dispute of whether to recognize the relevance of human subjectivity towards the reality. The two main themes of this research, corporate social responsibility and stakeholders, are the basis for the author to determine the ontological assumption of this research. CSR and stakeholder are both socially constructed, especially under management approach. Different managers have their unique view of CSR and their stakeholder approaches based on their experiences and value. Therefore, this study ontological setting follows the subjectivism, in which the author considers the reality as subjective, which means that people perceive the world differently due to the differences in their perceptions, experience and values and their perceptions are context-based.

Epistemological stance of a researcher shows his/her point of view on the possible result from doing research. In other words, epistemology reflects the researcher's view on the nature of knowledge. This research's epistemological position is the epistemological critical realist position. As in the stance of an epistemological critical realist, the author holds a belief in three levels of reality: *experiences*, *events* and *mechanisms*, which are proposed by Bhaskar (Johnson and Duberley 2000, 150–156). *Experiences* are “what we see and experience of the world”, which is not necessary the true reflection of reality. This level belongs to nominalism. *Events* are “the things that happen in the world that we perceive through our experiences of them”. This is the second level of reality, or the reflection of “physical reality”. Also, the final and deepest level of reality is *mechanisms*, which are “the causes of events”. Johnson and Duberley (2000, 150–156) believe that events do not happen out of nowhere. There must be a cause, a *mechanism*, that triggers the event. With the mindset of a critical realist, the author believes that there are certain events in CSR and behind those events, there must be underlying mechanisms (potentially could be the Stakeholder Management approach) that cause them. It is important to note that people cannot experience mechanisms directly (Johnson and Duberley 2000, 150–156). In order to find out the *mechanisms* behind, the researchers have to use a specific logic to infer the *mechanisms* from the events.

3.1.2 *Qualitative research approach*

In term of research approach, the role of methodological argument should be emphasized because it influences all aspects of a research (Fisher 2010). Qualitative and quantitative approaches are two main research paradigms. While quantitative approach was used mostly to explain and test hypothesis using variables and statistical analysis, qualitative research focus more on “understanding reality as socially constructed” (Eriksson & Kovalainen 2008, 4). Silverman (2001, 29) also argued that qualitative approach is more suitable when dealing with social and cultural construction. The topic of this research, CSR, has long been studied under both quantitative and qualitative approaches, however, due to the author’s epistemological stance as well as the ontological setting of the study, qualitative approach was chosen for this research.

Follow critical realism, the purposes of this study are to find the *mechanisms* underlying of existing *events* of the topic and what have triggered those *mechanisms*. This research also follows the configuration-mechanism-outcome configuration model (CMOC) proposed by Pawson and Tilley (1997). Based on this model, there are several underlying mechanisms of certain events and those mechanisms are hidden. Some contexts may trigger some mechanisms, not the other. There would be outcomes, desirable or undesirable, of mechanisms, which are triggered by the circumstance. Hence, to study CSR with critical realist setting, the author needs to deal with interpretation and understanding and as proposed by Eriksson and Kovalainen (2008, 4), many qualitative approaches are more suitable for research dealing with interpretation and understanding.

In the study of Jamali et al. (2008) about CSR, the authors emphasized the important of qualitative approach in CSR interpretations, especially in the research that needed detailed insights about the phenomena of CSR. Ghauri and Gronhaug (2005, 202) also highlighted the relevance of qualitative approach in exploratory research, which is very common in business research. Since this thesis gears more towards exploration of *mechanisms* underlying some certain *events* of CSR, qualitative approach is a proper choice for this study.

3.2 **Research’s method**

Sachdeva (2009, 2) depicted business research as “a process of planning, acquiring, analyzing, and disseminating relevant data, information, and insights to decision makers”. This part explains step-by-step this process of the thesis.

3.2.1 Case study

Even though the author decided to go forward with qualitative research, this approach is still very broad. Qualitative research approach is divided into nine different strategies to perform qualitative research (Eriksson & Kovalainen 2008). In the process of considering the best suited strategies to execute this research, the author has to take into account the purpose of the research and the research questions. The purpose of this research is to find the behind *mechanisms* from the *events*, which is to find the answers for the questions “what” happened and “how” it happened. Many researchers have discussed and supported the suitability of the case study strategy in answering the “how” research questions, especially in a real-life context of the *events* (Saunders, Lewis & Thornhill 2007; Yin 2003, 3–9).

In consideration of the best suited approach to this research, the author chose case study strategies to conduct this study. The case study method gives the author the ability to have an intensive and in-depth view into the CSR and stakeholder approach of the company. Most of the definitions of case study strategy highlighted the result of holistic knowledge that is related to real-life contexts (social, cultural, industrial and economic aspects) (Tellis 1997; Eriksson & Kovalainen 2008). This holistic knowledge is the aim of this study, hence, the choice of case study is appropriate in this circumstance.

However, it is also important to understand that general knowledge is not the goal of the case study. The majority of case study research aims towards a comprehensive understanding about the research’s subjects, in which, the contexts surrounding the research’s subjects play a vital role. In real life, there are some complex managerial, organizational and business problems that are, sometimes, impossible for quantitative research to study and this study subject is an example of those organizational subjects. Therefore, from a methodological point of view, the choice of case study strategy is well-suited the purpose as well as methodological stance of this research.

The reasons above explain the justification of the author in choosing case study strategy. However, like any other research strategies, case study has some weaknesses that are still the debating subjects of criticism. Most of criticism about case study focuses on the context-related characters of case study because it means that the knowledge from the case study studies is not applicable for every organizations or managers out there. However, if the context is similar, case study research can provide a very detailed look into the studied subjects, the events to find out the *mechanism*, patterns underlying beneath. In addition, the case study strategy provides the most intensive and comprehensive view of the research’s subjects that other research strategies cannot provide. Hence, in the case of this research, the advantages of case study outweigh the disadvantages.

3.2.2 *Research context – Forest industry*

As a matter of fact, human depends on forest for their survival. Forest plays a vital role in our everyday life, from the air that we breathe to the food that we eat, the products that we use daily, especially wood products. As the world's population is growing steadily, the need for natural resources, including forest resources, increases. The forest industry has a long history and it is a well-established industry, which has a vital role in many countries' economics all over the world. However, in term of CSR, forest-based sector has been always facing some controversy and criticism surrounding the impact of the industry on the environment and the forest ecosystem. The forest industry is blamed for the over exploitation of resources, for deforestation, and for the air, noise and water pollution surrounding the mills. Moreover, the ecosystem of forest industry includes many stakeholders surrounding the forest company. After consideration, the forest industry is chosen for this research. To be more specific, this study chose Finnish forest industry as a context for the thesis.

First of all, the forest industry plays an important part in global economics, especially in Finnish economics. There is no doubt that the role of forest-based sector is especially important in Finland. According to Finnish Forest Industries website, in Finland, Forest is the most valuable natural resource. The forest coverage in Finland in 2016 is 73.1% of land area (The World Bank Data). Forest industry products occupy 20 percent of Finnish total export (Bioeconomy website). Along with the importance of the forest industry to the economics, this industry relies heavily on the raw material from the forest and this source of material does not last forever. Therefore, environmental sustainability has a vital role in forest industry and CSR has been a part of forest industry for a long time.

In term of environmental and social issues related to forest industry, with the fast increase of the need for forest product, the amount of wood material required increases as well. This increasing need comes along with many concerns from society about deforestation, the impacts towards the environment and society, the sustainability of the forest industry, and how forest-based sector manages the environmental issues. While many forest industry companies are facing backlash from the society towards those problems, despite of the production growth, Finland has done a great job in reducing waste and emissions. According to Hekkinen's materials on Finnish Forest Industries Federation (2018), from 1992 to 2016, the production of chemical pulp and paper & board increased approximately 28% while the landfill waste reduced 89%. The number indicates a huge improvement in the effort of Finnish forest industry to reduce the environmental issues. Moreover, the appearance of the forest companies in Finland in media is very clean and innovative.

Moreover, the forest industry involves many players. A forest-based company, just like other companies, has its own stakeholders, however, the stakeholder identity and

stakeholder's roles of a forest-based company has some distinct features to compare with other industries. Matthies et al. (2016) proposed a *value network map* of the global forest industry with the participation of six main actors (figure 11).

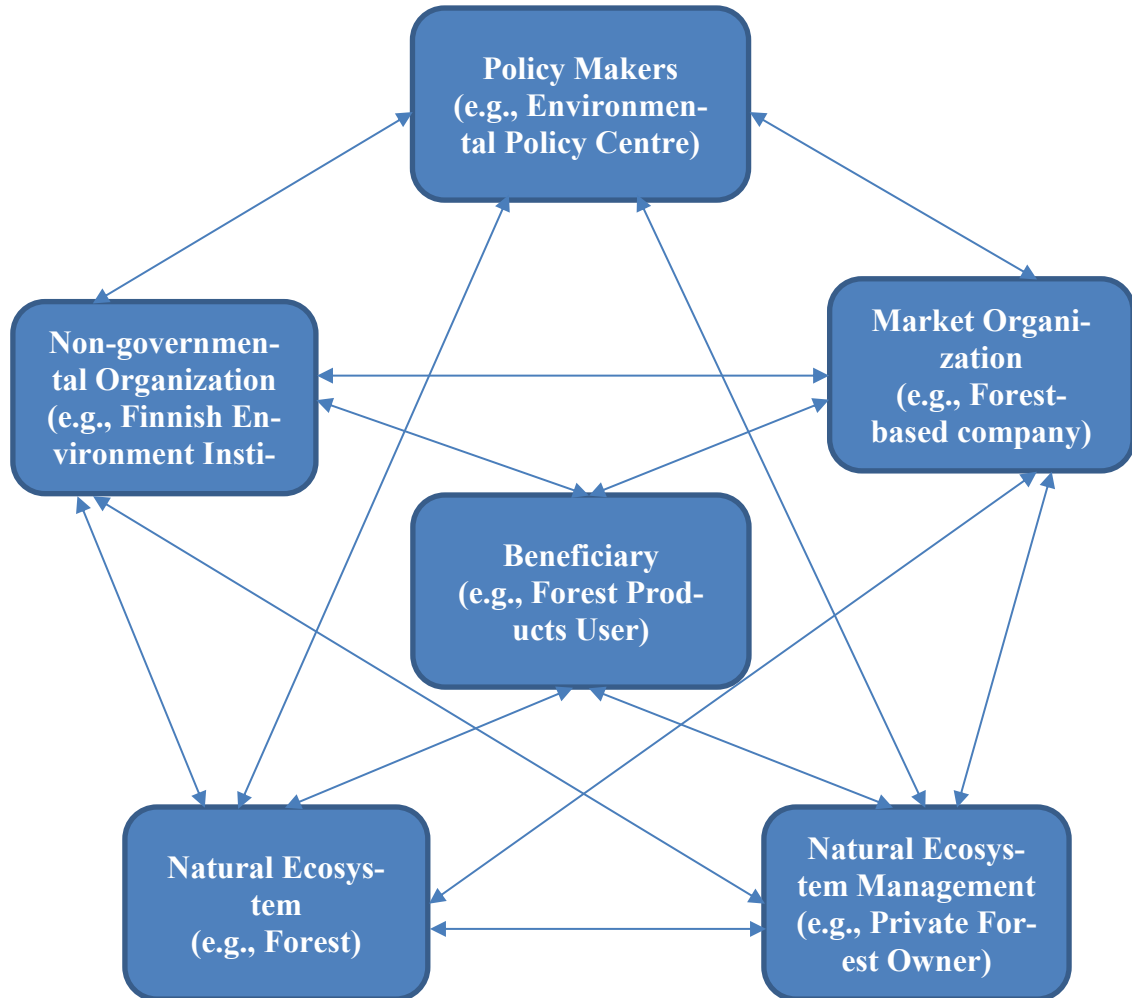


Figure 11: An adaptation of a value network map for the global forest-based sector (Matthies et al. 2016, 59)

This map provides a detailed view into the forest industry with the identity of actors and their relationships. From the view of a forest industry company (Market Organization), other actors in this map are particularly important stakeholders in term of social issues as well as stakeholder issues.

In addition, Finnish forest industry context provides the convenience for the author in collecting empirical data due to the fact that this research was conducted in Finland. To be more specific, Finland was chosen to be the geographical context due to its great reputation of strict regulations and higher standard of *norms* in the forest industry. Finnish forest industry focuses a lot on sustainability. In 2013, Finnish forest industry published its first voluntary sustainability commitment, which concentrate on social, financial and

ecological aspects of responsibility in forest industry (Finnish Forest Industries website). In 2018, Finnish forest industry continued to publish the renewed Finnish forest industry sustainability commitments 2025 to further guide the industry into a next stage of sustainability. Many Finnish forest industry companies have been voluntarily publishing annual responsibility and sustainability reports for transparency in their progress towards CSR and sustainability. While select the companies in Finnish forest industry, the author also considered about the richness of the context related to the topic of case companies based on their responsibility and sustainability reports and other secondary information. Since the topic of this research focus on CSR and stakeholders, the selected companies need to have a rich background in CSR and a strong awareness as well as strategic interactions towards stakeholders.

The numbers and facts of Finnish forest industry created an interest towards the author of how Finnish forest companies manage their CSR as well as their stakeholders to have a well-developed business as well as a clean image towards the society.

From all the reasons above, forest industry is a unique and suitable context for the research involved CSR and stakeholders. The forest industry in Finland is suited for this research with well-established forest policies, a lot of private forest owners and very active non-governmental environment organizations. There are also enough existing studies about CSR and stakeholders with the context of forest industry for this research to utilize as secondary data.

3.2.3 Case companies

One of the most important process in conducting case study research is choosing the case companies, especially with the intensive case study research using only a small amount of cases. Bad choice in the process of case selection in case study research can create worse consequences in the result and conclusion of the research than other research strategies and research approach. Hence, while choosing case companies for this research, the author has to consider different aspects and elements of the research to make sure that the chosen case companies are the proper samples.

The selected cases for data sampling in qualitative research are mostly theoretically driven (Miles & Huberman 1994, 27), therefore, the research question as well as the literature review and theoretical framework developed in chapter two have a vital role in the process of choosing the companies as samples for this research. In addition, as agreed by some researchers in qualitative research (Morse 1991; Miles & Huberman 1994), the case companies of this research were selected deliberately, not randomly. Moreover, this study is multiple case study research, which means that it contains three case companies (the reason for the number of case will be explained below). With multiple-case sampling

approach, the author has at more than a single case to look for the similarity as well as the contrast in those cases. Nevertheless, this amount of case companies comes along with the pressure of choosing proper companies for the case study.

While selecting case companies, the author also needs to think about the availability of secondary material related to the companies to support the study. The data collection of this study will be discussed more detailed in the next chapter but in short, along with primary data from interviews, this research also utilizes the secondary data. Due to the limited resources, the empirical data produced from data collection process alone may not be comprehensive enough to conduct a thorough analysis. Therefore, the secondary data is needed to enrich the result of this study. In addition, as mentioned above, secondary data also acts as a filter for the author in the process of selecting case companies.

With all above consideration in mind, the author approached five different multinational companies operating in Finland that fit above criteria, however, only three of them answered the email and want to be a part of the research. To get a bigger view about forest industry firms' CSR and stakeholder management, the author made the effort to reach out to some Finnish environmental institutes, however, the author has not received any replies from those institutes. To proceed with the research, the author decided to focus on the company's point of view in this research and use secondary data to more information about the companies to enrich the data.

Due to the agreement between the interviewees and the interviewer, the name of companies and the interviewees remain anonymous. By not revealing the identity of the companies and interviewees, the author has the possibility to get sensitive information. Three chosen companies (companies A, B, and C) are among big players in Finnish forest industry. All three companies have contracts with Finnish forest owners and have mills located in Finland. The interviewees from three companies are all in the positions of Manager or Directors in the department of Sustainability or Responsibility Reporting. With their positions inside the companies, the interviewees possess a very rich knowledge and information of the company's CSR and Stakeholder management approach. Also, companies A, B, and C are listed companies and all three of them have been publishing sustainability report or responsibility report for a long time. Their websites contain sufficient amount of information about their views on CSR and Stakeholder Management.

With the chosen companies and sources for secondary data, the author proceeded to the next phase of the research: preparing and collecting data. The detail of the data collection method and process will be discussed in the next part.

3.2.4 *Data collection method*

As mentioned above, this study is conducted with qualitative approach, which means that some specific qualitative materials are needed (Eriksson & Kovalainen 2008, 77). Unlike data collection method in quantitative research, the data collection method in qualitative research is more purposive. There are various data collecting methods that could be used specifically in order to acquire qualitative material and it is the author's job to decide which data collecting methods should be utilize. This decision is vital for the study because it affects the quality of the research material and from that it could affect the reliability of the result. In other words, it affects the reliability and validity of the thesis. The decision about data collection method of this study was made by taking into account the aims of this study and limitation of resources and only some of the existing methods are chosen by the author with the purpose of obtaining empirical data.

Most of the research pointed out two types of qualitative research empirical data: primary data and secondary data and in this study, the author decided to put both primary data and secondary data into use to get a more comprehensive set of materials. In the process of data collection, it is important to know that each type of empirical data requires some specific methods to obtain. Table 3 summarizes the empirical data used in this research to answer the basic questions of this chapter: what the data is, where the data is from, how it is collected and why it is collected.

The first type of empirical data that the author aimed for is primary data. Primary data is the data that researchers obtains by themselves by using data collection methods (Eriksson & Kovalainen 2008, 77). The primary materials of this research was obtain using the material collecting method of interviews, in which the author chose from three case companies three employees with suited position.

Table 3: Summary of collected empirical data

Types of data	Collecting method	Data collection process	Data description	Purpose of the data
Primary data	Interview	Three semi-structured interviews with Director, Manager, and Executive Vice President from company A, B, C. Each interview lasts approximately 1 hour. All the interviews were transcribed into a 30-page file.	<p>Company A: 50-minute interview via Skype with Director, Sustainability Communication and Reporting</p> <p>Company B: 80-minute face-to-face interview with Manager, Reporting and Standards</p> <p>Company C: 45-minute interview via Skype with Director, Sustainability</p>	Collecting the information about the company's point of view (in the past, at the present and plan for the future) regards CSR and stakeholder management. Obtain the information about how stakeholder management has been affected the company's CSR.
Secondary data	Firm's textual data	Material such as reports, website published by company A, B, and C.	Three companies have long history in sustainability and responsibility reporting. Each company has a good source of reporting on their website. Also on the websites of three companies, there is a big section with rich information about the company's CSR and sustainability. There are also materials provided by the companies	Gather additional information about the view of the companies towards CSR and stakeholder managements to support the primary data.
	Third parties' textual data	Published studies related to the topic or the case companies	This study utilizes the existing research with related topic or the research used one or some of the case companies as data collection subjects.	Obtain additional information especially the information related to stakeholder's point of view about CSR and sustainability of case companies.

Among all data collection methods for qualitative research, interviews are the most suitable method for this study. Interview method is a very popular method of qualitative data collection due to its ability to achieve more in-depth responses from interviewees. Interviews are defined as talks that have “a series of questions and answers” (Eriksson & Kovalainen 2008, 79). Nevertheless, the fact is that interviews are not popular for its simplification. Prior to the execution of interview, a long process of planning is needed in order to have efficient interviews and get the most information out of the interviewees (Fisher 2010, 183). While Eriksson and Kovalainen (2008) pointed out the similarity between qualitative interviews and everyday conversation, Brinkmann (2013) distinguished qualitative interviews from normal conversation based on its advancement on planning and reflecting.

In qualitative research, there are some different ways of conducting interviews and they are divided into three types of interviews: structured interviews, semi-structured interviews, and unstructured interviews (Fisher 2010, Eriksson & Kovalainen 2008). After considered between three ways of conducting interviews and based on their advantages and disadvantages, the author chose to use semi-structured interviews to collection the primary data for this study. As its name indicates, semi-structured interviews lie between structured interviews and unstructured interviews. Since CSR is a sensitive topic towards a company, an open interview, in which the interviewee has the power of leading the conversation, may not give the author enough information/data that he/she needs. Moreover, a structured interview may limit the amount of information that the author has not thought of while creating the questions and the responses. By using the semi-structured interviews method, the author not only has the ability to get in-depth, and sometimes sensitive, information/data from the interviewees, but also has the control over the interviews and could steer the interview to the direction that the author wants by using the prepared questions list with all the themes that needed to cover.

The planning process of interviewing in this research is based on the instruction for interviewing planning and organizing of Fisher (2010, 183) in consideration with the purpose and the themes of this research’s topic. The timeline and milestone set up help the author effectively manage the time using for the process of data collection. Follow Fisher’s instruction, a plan for conducting interviews was created with four steps as below:

- **Step 1:** Build the questions list, edit and reorganize the list.
- **Step 2:** Think about the information that could be obtained from the questions and how to analyze them.
- **Step 3:** Choose the type of interview questions (open, structure or semi-structured) could be used to obtain the desirable information.
- **Step 4:** Recheck the questions, cross out the irrelevant questions and put them into order.

These four steps should not be considered as a discrete step-by-step process but they overlap each other. The author decided to use the semi-structured interviews, hence, there was a need for a question list to guide semi-structured interviews. Based on above plan, the data collection process was started with creating a question list. In this process, it is vital for the author to understand that the questions should be derived from the research questions. However, Eriksson and Kovalainen (2008) warned the researchers that the interview questions have to be related to the research questions, not to be equal with the research questions. Based on the research questions, the author put out the list of three main topics that needed to be covered in the interviews:

Topic 1: Definition of ‘stakeholder’ and stakeholder identification (How do the interviewees define the term ‘stakeholder’ and how do forest industry companies identify who is their stakeholder?).

Topic 2: Stakeholder engagement (How do the forest industry companies engage with their stakeholders?).

Topic 3: The link between CSR behavior and stakeholder management approach (How is the CSR behavior formed based on the companies’ stakeholder management approach?).

These three main topics were derived from the three research questions of this study. It is necessary to understand that these topics are not fixed to topics discussing in the interviews. Some open questions were integrated in the interviews to explore the topics further that could potentially yield new information. This phase is vital to the quality of the study. The four steps above were not followed step-by-step. By moving back and forth between the steps and keeping all steps rechecked as well as with the help of the thesis instructor, the author kept building and refining the research questions list to get sufficient amount of primary data for analyzing phase.

In order supporting the process of creating the research questions list, the author built a research operationalization table (Appendix B) to make sure that the questions list for the interviews covers all main topics needed. Moreover, the operationalization table was also created with the purpose of getting enough information to answer sub research questions of this study. The questions list was also sent to the thesis instructor for feedback and advice. With the operationalization chart and a process of creating and refining, the questions list (Appendix A) was created to prepare the author for the semi-structured interviews.

After the stage of planning the interviews, Fisher (2010, 183) suggests researchers move to the next stage: conducting the interviews. At this stage, the author had sufficient preparation to start scheduling the interviews. In the beginning of this stage, the author created a plan with several steps in order to organize the interviews in the most effective way. It is noteworthy that all the steps below were executed, rechecked and redone until

the result is good enough. These steps were created by the author based on the suggestion of Fisher (2010, 183).

Step 1: Recheck the questions list. Make sure the language used in each question is simple and easy for interviewees to understand.

Step 2: Rehearse the interview with friends.

Step 3: Select the interviewees and send the invitations.

Step 4: Schedule with the interviewees the time and place for the interview. Agree with the interviewees about the method of recording.

As mentioned above, the qualitative data collection method is purposive, hence, the three case companies were purposefully chosen. Moreover, it is noteworthy that the interviewees were chosen purposefully as well in order to obtain sufficient data. From three chosen case companies, the author sent out interview invitations to the top managers with suitable positions inside the companies. In order to get sufficient primary data in the fields of CSR and Stakeholder management, the interviewees have to be in the position that involved managing CSR behavior and understand the strategy of the company in term stakeholder management to give out the most accurate and sufficient information needed for this study. In the end, the author successfully approached directors and managers working in the field of CSR and Stakeholder Management from three case companies. In addition, the names of companies, and the names of the interviewees remain anonymous in this study to make sure that the interviewees feel comfortable sharing information with the author, especially sensitive information. Therefore, in this study, the three interviewees are named as Interviewee A, Interviewee B, and Interviewee C according to the company they are working on (Company A, Company B, and Company C respectively).

With the acceptance of three interviewees, the schedules for three interviews were established with the agreement between the interviewees and the interviewer. Due to the difference in geographical distance, two out of three interviews were conducted via Skype because it is the most convenient way for the author to save travelling time and resources. The process of data collection of this research took a considerable amount of time. The process from approaching case companies and interviewees to preparing and conducting interviews took four months, from March 2019 to June 2019. The actual interviews were conducted between May 2019 and June 2019. Before the official interviews were started, several pilot sections of the interview were conducted with the help of fellow thesis writers. As the author does not have much interviewing experience, the pilot sections are the opportunity for the author to practice and improve interview skills with the feedback from the fellow thesis writers. The pilot interviews also helped the author check the conciseness and accuracy of words and sentences using in the questions list by looking at the feedback to recognize the ambiguity in the wording. Moreover, the pilot sections helped the author test the structure of the interview. In addition to pilot interviews, the author sent a lot of time researching about the case companies as well as backgrounds of the interviewees

(most of the information about the backgrounds of the interviewees was found on their personal LinkedIn page).

Moving forward to the next step of the data collecting process, the author finalized the list of topics that needed to cover and questions to explore those topics. The list of topics and which aspects inside each topic that would be discussed in the interview were sent to the interviewees three days before the date of the interview to make sure they have time to reflect and prepare for the interviews. The method of recording was also discussed with the interviewees around this time to find a suitable recording method. All three interviewees agreed with using mobile phone to tape record the whole interviews. Note writing was also utilized during the interviews to help the author follow and keep track of the interviews, especially when there would be any mentioned potential information.

The first interview with the Interviewee A represented several problems with the questions list, especially from the professional CSR director's perspective. The words and sentences using in the questions list were still not precise enough. The author was nervous during the first interview and it affected the smoothness of the interview. Thanks to the professional, patience, and storytelling style of the Interviewee A, the author had finished the first interview with sufficient amount of information as well as valuable feedback. The problems that the author got during the first interview would obviously have some negative impact on the reliability of this thesis, however, it also provided the author a valuable lesson with useful feedback from a professional source. The feedback from the first interview had proven to be extremely useful in improving the quality of the next two interviews.

The next interview with Interviewee B went smoothly. The author had a deep conversation lasted 80 minutes face-to-face with a manager in Standard and Reporting department from company B. The interview revealed several vital information for the study and was recorded with the acceptance of the interviewee. The note taking method was very much well utilized in this interview. The success of this interview has built in the author the confidence that is needed to keep proceeding with this study. The interview with Interviewee C was operated via Skype due to geographical distance and lasted for about 45 minutes. Even though this interview is the shortest interview among three, with the experience gotten from the previous two interviews, the author was able to go directly to the desirable topics and still got enough data.

The lack of experience of the author in interviewing is obviously affected the quality of the interview, however, with the thorough preparation, this flaw was alleviated. In the end of data collection process, the author got three audio records from three interviews. Those records were transcribed and ready for analyze. The method of choice for data analysis of this study is discussed in the next part of the thesis.

3.2.5 *Data analysis method*

After data collection process, the next big step that the author has to take is to think about which method will be used to interpret and analyse the data. Eriksson and Kovalainen (2008, 127) reminded the researchers about the possibility of the appearance of new and useful ideas that could jump in every steps, phases of a study process, hence, just like every other phases in a research, data analysis phase is not a stand alone phase but it overlaps with other steps, especially with data collection process. With that in mind, the data analysis method of this study started to be considered during the time of data collection, however, it only started getting clear after the data collection process.

To split up the data analysis process into smaller durable steps, Miles and Huberman (1994) proposed the three steps into data analysis: data diminution, data assortment and presentation, and final conclusion. Data analysis process is the process to make sense of the data, hence, the first action of the data diminution step that the author took was to put the data in to a presentable, manageable, and easier-to-analyze form, in this case, transcribe and simplify the enormous amount of recording data from the interviews. There are three interviews that needed to be transcribed with the total amount of record time is 175 minutes. There is not specific guideline of which is the best way to present the recording data, however, Mariampolski and Hy (2001, 248) suggested that the researcher should either transcribe the recording tape in a detailed way (word-by-word) or use noting technique to summarize the tape. Even though the word-by-word transcribing technique is the most time-consuming and frustrated way to present the data, the author chose this technique for its accuracy and non-bias manner. However, to deal with the frustration from word-by-word transcribing, it is crucial for the author to put on self-discipline and have a clear schedule to keep up with. After days of concentration, the author managed to transcribe three interviews into 39 pages of transcripts.

The next part of the data diminution process was to simplify those pages to make it manageable and compact. Right after the transcribing process, read and reread the transcripts for several times are necessary for the author to familiarize herself with the transcribed data. In the process of simplifying the data, the author not only eliminated unnecessary raw material but also started sorting out the data based on the topics of the interviews. As mentioned above, there are three topics of the research, which were separated into smaller units (Research operationalization chart, Appendix B). As a matter of fact, in the transcripts, the information related to three topics was distributed unevenly throughout the interviews, hence, it is a part of the author's tasks to pick out which information belong to which topic. The author used color code technique by taking three different-color highlighting pens to represent three different topics. The pink marker represents topic number 1, the yellow one for topic number 2 and the blue highlighting pen for topic number 3. When reading the transcripts, the author used the pens to highlight the

part of the data related to each topic. The first topic focuses on the definition of stakeholder and stakeholder identification. The pink pen was used for marking all relevant information in the transcripts that related to the first topic. The next topic is about stakeholder engagement, which was highlighted with yellow pen. And the last topic involved information CSR behavior and the link with stakeholder management and all of those information was marked with blue ink. It is noteworthy that there were some overlaps in themes, which means that one part of information may belong to more than one theme and were marked by more than one color. This process of marking the topics created a solid foundation for the researcher to start the next step of data analysis. Moreover, as the author kept rereading the transcripts, the simplification by highlighting process was re-examined and refined. In the end of this process, the author managed to reduce huge amount of data to a relevant amount of raw material for the research organized by discussed topics.

The data diminution stage not only condensed the primary raw material to a proper and usable size for analysis but also, by reading and highlighting, prepared the data for the assortment and presentation process. The goal of data assortment and presentation process is to arrange and display the data in a systematic way for the analysis step. In order to do so, it is essential to take the analysis method into consideration. With the operationalization chart (Appendix B) in hand, the author decided to use thematic analysis as the data analysis method for this research. Thematic networks analysis was chosen as a tool for the author to display the data for the thematic analysis (Attride-Stirling 2001, 387). Attride-Stirling (2001, 387) emphasized the suitability of thematic networks especially with the research concentrating on exploring the issue to get a thorough understanding of the topic. This method focuses on building a system structured with three main levels: Basic Theme, Organizing Theme, and Global Theme. This structure was proposed and illustrated by Attride-Stirling (2001, 388) using the figure below (Figure 12).

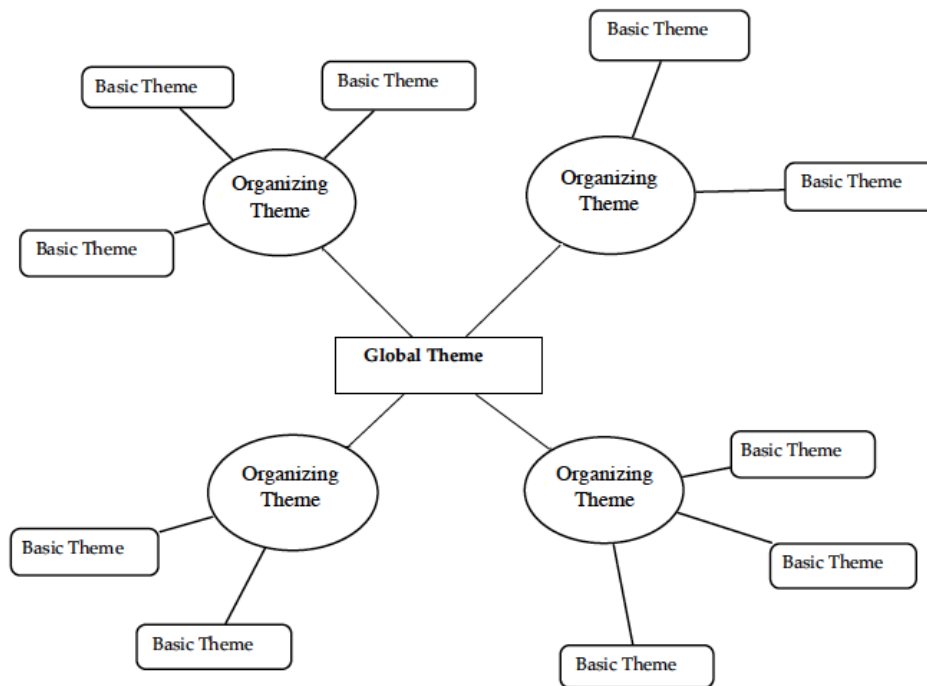


Figure 11. Structure of a thematic network (by Attride-Stirling 2001, 388)

As indicated by the name, Basic Theme is formed from the transcribed data and is the simple and smallest components of data, in other words, Basic Theme is the lowest level of themes. Similar basic themes group together as a unit, which is called Organizing Theme. And finally, Global Theme is the most macro theme, which is constructed by uniting similar organizing themes together. A global theme contains the main argument of the research and a research can have more than one global theme. Global themes of a set of raw material tell a summary of the story about the raw material. Three levels of themes interconnect with each other in a web-like network represented in Figure 12. As reminded by the author (Attride-Stirling 2001), thematic network is just a tool, a way towards data analysis. In other words, thematic network helps researcher with data display and it is not data analysis as a whole.

In order to build a thematic network, Attride-Stirling (2001, 389) suggested researchers to move from the lowest-level themes (basic theme) towards the macro themes. The research of Attride-Stirling (2001, 390-394) also provided a guideline of suggested steps that researchers could take to analyse data using thematic networks. This guideline is incredibly valuable and useful for the author while coping with the difficulties of qualitative data analysis. It is noteworthy that the data analysis process did not only use scrutinized transcripts of raw primary data. The secondary data was added to enrich the data before the data analysis process started.

3.3 Evaluation of the research

Evaluation of the research is an evitable part of every study and research. Self-evaluating of a research means that the author put the research under a more transparent light. Follow the advice of Eriksson and Kovalainen (2008, 290), the author started considering about the quality of this study since the beginning and kept putting it into consideration throughout each step of the research process, especially in the process of methodology consideration.

To be able to evaluate the research, some explicit criteria needed to be picked out. The choice of criteria must be made based on the goals of the research and the chosen methodology (Eriksson & Kovalainen 2008, 290). It is important to note that due to the distinction between quantitative and qualitative research, the criteria used for quantitative study may not be suitable for qualitative research.

Even when narrow to qualitative research evaluation criteria only, there are various approaches in qualitative research methodology, hence, the criteria for qualitative study is diverse as well. Eriksson and Kovalainen (2008, 291) proposed three fundamental criteria for qualitative research evaluation: reliability, validity, and generalizability. Nonetheless, as mention in the previous chapter, this study follows qualitative approach with case study strategy, therefore, the extent of generalizability of this research was interpreted differently comparing with quantitative approach. In qualitative research, especially case study research, the criterion of generalizability is understood, not as whether the result could be extended to other samples, but as how well the study with specific context support the theory from literature (Eriksson & Kovalainen 2008, 294). However, among the case study scholars, some researchers intentionally dismiss the criterion of generalizability (Welch et al. 2010, 755). Their aim is ‘localised explanation’ embracing rich context. Moreover, as this study took the stance of a critical realist, the focus of the study is not about general knowledge but concentrating on contextual richness. Due to that reason, in this chapter, to evaluate this research, the author focus on two main criteria: reliability and validity.

Reliability and validity are two particularly common criteria used for qualitative research evaluation. Reliability is a criterion representing the consistency in the research. In other words, if other researchers could conduct similar studies, they should yield alike conclusion (Eriksson & Kovalainen 2008, 292). Meanwhile, if a research is valid, its conclusion is accurate based on the studied phenomenon. To be more specific, the results of the study are proved by accurate evidences. The phenomenon should be described correctly. The literature used as evidence must be explained accurately. Eriksson and Kovalainen (2008, 292) mentioned the distinction in the meaning of ‘validity’ in qualitative research evaluation. Validity should be understood as an aim, a guarantee for the correctness of how the author describes the phenomenon and writes up the study. This research

was evaluated throughout the processes with reliability and validity as a framework for comparison.

In qualitative research, it is evaluated firstly by the choice of literature used in literature review chapter and how precise they were interpreted by the researcher. By taking different perspective, the author was able to take different theories, different views into consideration in order to refine the literature review and make sure the chosen theories are the most relevant literature for the topic. In addition, in the process of writing literature review, outside feedback (from thesis supervisor and fellow students) was seeking in order to reduce the mistakes of misinterpretation of developed theories used in the research.

The next important phrase of the research that is needed to be evaluated is the process of choosing research method and methodology. In other words, it is important that the author starts evaluating the choice of research method and the approach to that research method and how relevant and suitable this choice is comparing with the topic and the aims of the research as soon as possible. As mentioned above, there are several research methods that qualitative researcher could use such as interviews, observations, documents. Each method has its own advantages and disadvantages and an appropriate decision in research method contributes to the increase of reliability of the research. By carefully explained the reasons behind research method decision (which can be seen in the previous chapter), this research becomes more transparent and it is easy for the reader and other researchers to understand the choice in case they want to conduct a similar study. This explanation is an effort of the author to make sure the reliability of the research.

In case study research, Eriksson and Kovalainen (2008, 292) argued that the quality of a case study research does not rely on the number of cases or the number of interviews conducted. It is emphasized that the quality of a case study research depends on the quality of the empirical data collected from interviews, the choice of the cases and the choice of interviewees. As explained in the previous chapter, the number of cases was decided on a basis of the complexity of the cases. The interviewees were chosen intentionally with the purpose of increasing the validity of the research. The reason to select specific interviewees was discussed in-depth in the data collection method chapter. In addition, the quality of the recording tapes of the interview is just a small technical aspect but it has immense effect on the precise of the transcribed data, hence, it affects the validity of the research (Fisher 2010). To further evaluate the data collection process, triangulation technique was once again applied to make sure the reliability of the research. By crossed check with other interviews conducted by third party and other similar articles, the primary data was evaluated to make sure that they are reliable. The triangulation of data also contributes to the minimization of misinterpretations and bias.

Last but not least, the quality of a research depends on how the researcher interpret and analyse the research material. Among the literature about how to conduct a qualitative

research, there are a variety of tools and techniques proposed by scholars to help researchers interpret and analyse data (Fisher 2010; Eriksson & Kovalainen 2008). It is the author's job to decide which tool and technique are suitable for this research and this decision affect the result's quality of this research. The argument for the choice was carefully formed and communicated in methodology chapter. Feedbacks were also sought at this point in order to reduce the personal preference and bias.

4 FINDINGS

With raw material collected and data analysis method sorted out, this chapter goes into detail about the most important part of a study: interpret the result of the research. To be more specific, this chapter explains in-detail the finding of this thesis organized in themes. The themes of this research are divided into two categories. The first category belongs to themes based operationalization chart. The other category is the themes emerged in the process of data analysis. It is important to note that there are two different types of data in this research: primary data and secondary data. Two chunks of data were analyzed separately at first and later, the secondary data was mixed in to the analysis in order to support the analysis of primary data. The result of this thesis will be set forth thoroughly in this chapter. The result is an analysis of this study in order to obtaining a better understanding of how stakeholder management affects CSR behavior in forest industry companies using the analysis of raw material. The interviews after the coding process and analyzing process in addition with secondary data reveal three main themes related to the link between CSR behavior and stakeholder management in forest industry companies. Furthermore, after the process of data analysis, there is one new theme emerging from the data, which was not anticipated by the author and was not included in the operationalization chart. The first part of this chapter will discuss about the themes which have been identified through the operationalization chart and the chapter after that will focus on the emerged theme.

4.1 Stakeholder management approach as a basis for Forest industry company's corporate social responsibility

The first theme of this study is focusing on stakeholder and stakeholder management in Forestry industry. As mentioned in literature review, the history of stakeholder management literature has to be dated back in 1984 with Freeman's book and since then, the term 'stakeholder' has been widely accepted and used among managers. A big part of research about business management mentions stakeholders and stakeholder management as a key part to strategy. With the context of this study, stakeholder management approach of companies operating in forestry industry was examined.

Stakeholder management approach is not a new theme, however, this theme in the specific context three case companies was interestingly highly emphasized. The ways three interviewees identified the term 'stakeholder' are similar to each other. Their approach on stakeholders focuses mostly on individuals/groups that have close contact with the business.

Our stakeholders were identified by tracing through our value chain. They are the individuals/groups that, in some way, have interacted with us and they could have some impacts on our business. (Director, Sustainability, Company C)

The terms ‘stakeholder’ and ‘stakeholder management’ are well-known among all three managers/directors of three case companies even though the definitions of the term given by different manager/director was interpreted slightly different. Because of this modest difference, there is a small distinction between the lists of stakeholder of case companies. Among three companies, company A took a wider approach when it comes to the definition of their stakeholder.

Stakeholder is the term that I’m very familiar with. At our company, we consider all parties that are in touch with us as our stakeholders. Overall, we have 15 parties that we officially consider as our stakeholder, which was stated in our annual report. (Director, Sustainability Communication and Reporting, Company A)

With this wider approach, company A is the company has the longest list of stakeholders among three case companies. The stakeholder list of company A consists fifteen different stakeholder/stakeholder group. Company B only considers nine parties as their most important stakeholders. Meanwhile, company C put their emphasis on eleven significant stakeholder groups. For the most part, the identified stakeholders and stakeholder groups of company A, B, and C are quite similar to the stakeholder model of Donaldson and Preston (1995). The stakeholder list of company B is the closest one to the Donaldson and Preston’s model (1995).

	Company B	Donaldson and Preston’s model
Stakeholders	Customers	Customers
	Communities	Communities
	Employees	Employees
	Investors	Investors
	Governments and Regulators	Governments
	Suppliers	Suppliers
	NGOs	Political Groups
	Researchers	Trade Associations
	Media	

Table 4: Comparison of company B’s stakeholder list with stakeholder model of Donaldson and Preston (1995).

The main variation between the stakeholder lists of three companies in forestry industry and Donaldson and Preston's model (1995) is the appearance of media in the lists of three forest industry companies. Moreover, some stakeholders in the lists are appeared to be the specific stakeholders of the forest industry, for example: forest owners. In addition, company A and company B have researchers or research organizations as a significant stakeholder. Company C does not list researchers as a stakeholder group, however, during the interview, researching and utilizing new technology were mentioned several times and the director from company C especially emphasized the important of technology and research in the sustainability and CSR of a forestry company.

Our company invests quite a lot of in R&D and new technology in order to reduce our carbon footprint. This investment is not only about the environment protection but also build a sustainable and renewable future for our business. (Director, Sustainability, Company C)

The emerging of researchers as a stakeholder groups presents in several companies from different industry, nevertheless, the researchers stakeholder group is probably concentrated more in forest industry due to the pressure from communities on forest industry companies to be more sustainable in using natural resources and in their mills production and operation. In addition, the interviews reveal a stakeholder group of three case companies that was not mentioned in Donaldson and Preston's model (1995), which is media.

I would say that media is a quite important and very interesting stakeholder of our company. I have been working with media for nearly 20 years and it is really interesting how important and influential media is as a stakeholder. (Director, Sustainability Communication and Reporting, Company A)

In the time of Donaldson and Preston's model (1995), media has not yet become a thing, hence, most of companies do not consider media as a stakeholder. Even in the time of Freeman, Harrison, and Wicks' two-tier stakeholder model (2007), media was listed as a stakeholder, but only as a secondary one. On a contrary, all three interviewed forest industry companies considered media as a very special stakeholder. The special role of media will be discussed in more detail in the next chapter.

When it comes to stakeholder management approach, the author decided to use the two-tier stakeholder model of Freeman, Harrison, and Wicks (2007) during the interviews since the concept of primary and secondary stakeholder in this model are easy to under-

stand for interviewees and they are well-known among a lot of managers. In the interviews, the interviewees were asked if they understand the concept of primary and secondary stakeholder and they were asked to classify their company's stakeholders into two groups of primary and secondary stakeholder. With these questions, the author not only paid attention on the responses of the interviewees but also observed the tone of voice and body language (in face-to-face interview) of the interviewees. Initially, the director from company A was hesitated when the author started mentioning the classification of primary and secondary stakeholder. Nonetheless, after a few minutes of consideration, the director from company A eventually came up with the classification of primary and secondary stakeholders of company A herself. One thing worth to notice is that the interviewee from company A altered the classification a bit during the interview. It shows that the interviewee was not confident with the list and it also indicates that while working at company A, the interviewee has not been using the approach of Freeman, Harrison, and Wicks (2007). Meanwhile, the response from the manager from company B is straight forward.

We don't classify our stakeholders as primary or secondary. They are all our stakeholders and they are all taken into account in our stakeholder engagement strategy. How we take each stakeholder into account depends on recent focus areas and top focus topics in responsibility. (Manager, Reporting and Standards, Company B)

Manager B did not hesitate or confuse about the concept of primary and secondary stakeholder. The answer from manager B shows clearly that company B knows the existence of Freeman, Harrison, and Wicks' stakeholder approach (2007), however, the company intentionally decided not to follow this approach. The company B finds this approach as not suitable for their business. The similar response applied for company C. The director of company C was very much knowledgeable with the approach.

In our company, we keep the amount of emphasized stakeholders relatively small so we have the ability to take all of our stakeholders' problems equally without having to separate them into primary group and secondary group. (Director, Sustainability, Company C)

All three forest industry companies involved in this research acknowledge the vital role of stakeholder management in their business. Three forest industry company A, B, and C also consider stakeholder management as the core of their Corporate Social Responsibility behavior. Moreover, the stakeholder lists of three companies in the forest industry are the adapted versions of Donaldson and Preston's model (1995). They are not

entirely similar to each other, however, they have a comparable vibe to each other, which could be due to the characteristics of the industry they are operating in. Researchers and media are two stakeholder groups that are highly emphasized in all three company A, B, and C.

The stakeholder management approach of three companies are significantly similar to each other. All three case companies, whether or not knowing about Freeman, Harrison, and Wicks' stakeholder approach model (2007), have not been using this approach in their stakeholder management. The interviews revealed the emphasized of three forest industry company on treating their stakeholder equally and responding to stakeholder's problems and issues based on the problem itself. The three companies chose the same stakeholder management approach which not only was mentioned during all three interviews but also was highlighted on the sustainability report of three companies. This approach is using materiality analysis to find the list of most important stakeholder's issues to react on it. And the stakeholder management approach focusing on stakeholder's issues was mentioned in both three interviews as the central and guideline for the company's CSR behavior, which will be discuss further in the next part of this chapter as the second theme of this research.

4.2 Stakeholder's issue as a central focus of CSR behavior

As discussed on literature review chapter, the research of Maignan and Ferrell (2004) explained corporate social responsibility behavior using a model with the stakeholder's issue put in the center of the model. The previous part of this chapter provides an insight to three forest industry companies in Finland and in all three companies, stakeholder management has been highly emphasized and used as a basis for CSR behavior. Based on the model of Maignan and Ferrell (2004), by concentrating on stakeholder's issue, the second theme of this research focuses on how stakeholder management and the company's stakeholder management approach impact its CSR behavior in the context of forest industry.

The special emphasis on stakeholder's issue of forest industry is noticeable as the websites of three companies are full with identified stakeholder's current issue and the solution from the company. In the sustainability reports of three companies, even though there was hardly any 'issue' word to be found, the words such as 'central topics', 'focus topics', and 'defined topics' appear frequently. These kind of 'topic' words refer to the concerns and interests of stakeholders and stakeholder groups, in other words, stakeholder's issues. It shows in three interviewed forest industry companies that each of three companies' CSR behavior was based on identifying and solving top 'defined topics', in other words, top stakeholder's issues. During the interview with interviewee A, an interesting story

emerged about an example of how a stakeholder's issue pushed company A to make changes in their CSR behavior.

As you may know, the legislation in Finland, when it comes to forests and environment, is very strict. However, it was not the case in the past. In 1960s, to be honest, the environmental performance of the mills of company A was quite bad. We did not have technologies that we have today. The lake near our mills was in bad shape, the acidification factor has gone to the water even though our mills at that time was still follow Finnish legislation. The neighbors surrounding the lake were not happy about it. It had become a big problem. People living in this area gave demonstrations, demanding the environmental legislation to be tighter. It got the attention of media. With media coverage, the demand was spreading to other neighbors and the government as well. However, before the government took action, our company has considered this as the most important topic at that time and immediately, we focus our CSR on this problem and invest more heavily on technology to significantly reduce the hazardous substance we emit to the water. And since then, the surrounding neighbors of our mills have been fine with our production units. (Director, Sustainability Communication and Reporting, Company A)

This story reveals some interesting information related to stakeholder's issue and how company A dealt with that stakeholder's issue. First of all, this was the issue from the neighbor near the production. They had a problem with company's emission to the water. At first, this was the issue of only one stakeholder. And this was only a small group of neighbor near one production unit of company A. However, through time, after the demonstration, this issue had become the issue of media, then government, and then regulators came into the scene as well. It means that this issue of one small stakeholder group has become a common issue of several stakeholders. This is when company A started jumping in and classifying this stakeholder's issue as a 'focus topic'. When this stakeholder's issue became a topic, it was put under an intense consideration in company A's CSR behavior. Because of that, company A was able to react quickly with the stakeholder's issue and gain back the trust from several stakeholder groups. In addition, in company A's sustainability report in 2018, a governance model was represented to illustrate how company form their responsibility actions.

The Group Executive Management Team has the responsibility to prepare initiatives to the Board of Directors and decide of topics elaborated from

the sustainability process management team. (Company A's sustainability report 2018)

Company A is the not only one in forest industry focusing on 'important topics' as their CSR behavior. As mentioned above, during the interview, the manager from company B decisively acknowledged that company B has not been using the primary and secondary stakeholders type of approach to their stakeholder management. The manager from company B gave a very detailed process of how company B come up with their 'most important topics' for their CSR behavior.

With stakeholder engagement, we start from materiality analysis. It has been done manually. Our material analysis is based on the follow up of interests and concerns of our stakeholder groups. We follow our stakeholder groups via their statements, their news. With some stakeholder groups, for example our customers, we can follow their interests and concerns by their questions and we could contact them directly. On the other hand, with some other stakeholder groups, for example NGOs, sometimes we contact them directly, sometimes media speaks NGOs' interests and concerns on their behalf. We also, at least in every second year, conduct a wide stakeholder's survey. We ask our stakeholder groups to give feedback to us about what we are doing and what is important from their perspective. All those information was combine systematically. Currently, we have 3 categories of topic: economic, social, and environmental topics. Under each category, we have around 8 most important smaller topics. All of the topics are reconsider annually. Our CSR is based on those topics, and we form our CSR's action to solve those topics either now or in the long run. (Manager, Reporting and Standard, Company B)

Just like company A, the sustainability part of company B's annual report highly focuses on 'materiality analysis' and 'topics'. (Company B has a more integrative approach to their annual report, hence, their sustainability report is a part of their annual report). For this part of the thesis, the author will not focus much detail about 'material analysis' and how companies define their most important topics. This theme concentrates more on the role of those topics, in order words: stakeholder's issues, in company's CSR behavior. As the manager from company B explained, those topics represent the interests and concerns of different stakeholder groups. Company B sustainability report has a separate section discussion about sustainability and stability through stakeholder engagement, in which, the section focuses on materiality analysis as a tool to define the topics.

The materiality analysis of the company's responsibility issues covers topics that directly or indirectly influence the ability to create, maintain or acquire economic, environmental or social value for company B, its stakeholders and society. (Annual report 2018, Company B)

Company B believes that stakeholder engagement is the key for sustainability and company's responsibility issues. It is noteworthy that during the interview and also in their annual report mention three categories/value aspects of company B: economic, environmental, and social. These three value aspects are reminiscent of the pyramid of Corporate Social Responsibility of Carroll (1991) and three key competing approaches to Corporate Social Responsibility of Windsor (2006). Also, all the 'defined topics' of company B were put on a scale of how significant that topic for stakeholders as well as for company B. By covering all the issues in three aspects, company B is able to engage with its stakeholder groups and fulfill most of the dimensions of Corporate Social Responsibility.

Even though the director from company C has more knowledge about the stakeholder approach of Freeman, Harrison, and Wicks (2007), company C considers this approach as not suitable for their current strategy. Their goal is to treat their stakeholders equally. And similar to company A and B, company C has the stakeholder's issue approach when it comes to engaging stakeholders and acting on Corporate Social Responsibility.

It is not like we do not know or do not understand how to divide our stakeholder groups into primary and secondary groups, however, we always want to be there to all of our stakeholders as soon as we could. Especially in this digital world, a small stakeholder could create a huge impact on our business. That is why we constantly gather the information about the need and the expectation of our stakeholders for us. Our company has built a list of most important topics that we need to tackle and we constantly update this list in order to engage more with our stakeholders. To build this list, we use materiality analysis, if you familiar with this term. In 2018, we have 10 meetings for Sustainability Council to discuss and revise the materiality review that we did in 2017. (Director, Sustainability, Company C)

The response of the director from company C reveals an interesting point of a reason why company C prefers focusing on various 'defined topics' from different stakeholder groups than only focusing on primary stakeholders. The director explained that even though some stakeholders may be small and do not seem like they have much impact on the business, however, if their problems with them company is severe enough, they could

use media to spread the news and it could create negative impact on the company. That explains why company C, and maybe many other companies as well, is trying take into account all of their important stakeholders and stakeholder groups. The approach to stakeholder's issue allows company C to take a boarder list of company's most important stakeholders. Moreover, a more stakeholder's issue central approach on stakeholder engagement gives company C more diverse perspectives of what stakeholders' interests and concerns are and which one needs the company's attention the most.

The stakeholder's issue centric approach was chosen by all three case companies as a stakeholder engagement tool to build the list of focused topics. In all three companies, those topics was considered a basis for CSR behavior of each company. From the company's perspective, those kind of topics could indicate the power of stakeholder, stakeholder's legitimacy and urgency.

As mention in literature review chapter above, the sources of demand for CSR of a firm are its stakeholders (McWilliams and Siegel 2001). In the case of three forest industry companies of this thesis, those identified topics represent the demands of a company's stakeholders on the company's CSR. In other words, in three forest industry companies, the stakeholder's issues indicate the central focus of CSR behavior.

4.3 Communication among stakeholders and from companies to stakeholders – Media as a communication channel for stakeholder engagement

As mentioned in previous part of this thesis, media was emerged as a new stakeholder group that appears in the stakeholder lists of three interviewed companies even though media is not a part of the stakeholder model by Donaldson and Preston (1995). After the blooming of internet, media has become more influential than ever before. Nowadays, media can reach to the majority of the society and it has really special role when it comes to corporate social responsibility. It has been the communicating channel of not citizens but also government, companies and many other groups. Many companies have been using media as the communication channel for their CSR. And during the interviews, the interviewees from three case companies have highly emphasized the special role of media in stakeholder management and corporate social responsibility strategy.

Among three interviewees, the director from company A is the one who has the most experience with media.

In all of our stakeholders, I would say that media is a very interesting one. I have been working with media for nearly 20 years and it is really really

interesting how important and influential stakeholder it is. And it is amazing how they can formulate other stakeholder's opinions about a company and how wide spread an opinion of a stakeholder could be with the help of media. A very special relationship with media is needed from our company's point of view, of course. Media has a super power in delivering key messages of the industry, not matter what industry it is. In forestry industry, to be specific with company A, media is there to deliver the messages of whether our company is successful in financial term, whether our company is providing jobs, whether we are doing good in term of corporate social responsibility and sustainability. In short, media is delivering the image of our company and media has the power to influent people's perspective about the image of not only our companies but also many companies out there. (Director, Sustainability Communication and Reporting, Company A)

With twenty years working with media, the director from company A is very knowledgeable about the role of media as a stakeholder group. The director pointed out two major roles of media. First of all, media has the ability to formulate other stakeholder's opinions about the company. Secondly, with the help of technology, media nowadays is not only printing media but also digital medial. Digital media has the ability to spread the news widely and instantly. Since media does not speak for a company or a stakeholder only, it absorbs the information from different sides, whether from big stakeholders like government or small stakeholders like a neighbor of the production unit. The story of company A in the previous part of this chapter illustrates how media used its power to help other small stakeholder (the neighbor near the mills) raise their problem. Also in that story, the director from company A emphasized how media influenced government and the neighbors of other mills. By putting more coverage on this stakeholder issue in favor for the neighbor of company A's mill, media created fume among citizens and eventually, the government cannot ignore the problem anymore. The information of company A doing went among different stakeholder groups and were discussed via media.

Without denial, the manager from company B also acknowledged the unique role of media in the list of their stakeholder.

I do not work with media directly, therefore, it is not my expertise. However, through my experience with reporting for company B, media always has a special role in our business and our stakeholder engagement. In our strategy, we always emphasize the strong engagements with key media channels. We understand that a positive media coverage could take us really far in term of advertising our brand and media could help us be more

engaging with other stakeholders. We always welcome media to visit our mills and we also did some mills event in 2018. We use media, both traditional one and social media, to gather information about what other stakeholders, the one we do not contact and interact frequently, want us to do. I would say that our company has quite good relationship with media. Of course we do not expect media to say all good things about us. Sometimes their negative report could be an alert for us to know what we need to focus on more. We also consider that information while we do our materiality analysis. (Manager, Reporting and Standard, Company B)

Even though the manager from company B does not have much experience working with media, the manager works in a more managerial level building strategy of company B in stakeholder engagement, to be more specific, media engagement. Manager reveals a lot of effort company B put into engaging with media, especially to get more positive media coverage. By constantly updating media on the progress of their business, their sustainability projects, and their value, company B has been effectively letting other stakeholder groups know about who they are, what they are doing, and how it will help its stakeholder groups. A good positive media coverage could bring the company reputation from different stakeholder groups. In addition, media could bring the news of company B to the most distant stakeholders group. Company B does not only work with traditional media channels (print and online newspapers), they are also active on social media. Social media has become more and more popular in recently year. Company B has their own social media channel and they make sure to keep their social media up-to-date with their activities and projects. For example, their Twitter page got 10.1 thousand followers with new posts from company B several times per day. Also another key word about media of the interview with manager from company B is ‘information’. This is the information about the interests and needs of other stakeholders reflecting through media. In other words, media has influence on how company B perceives stakeholder’s issue of different stakeholder groups. Therefore, media plays an important role in helping company B communicate with different variety of stakeholder groups and helping various stakeholder groups express their interests and needs on company B. To be more concise, media plays a communicational role in facilitating stakeholder engagement.

Just like two other forest industry companies, company C also admitted the importance of media as a stakeholder group. However, company C takes a more active approach when it comes to engaging with media.

To us, media is a very important stakeholder just other stakeholders of our company. Maybe media is a little more special than others. And our way of engaging with media has some difference than with other stakeholders.

Actually we divided our media into two sub groups. With normal printed newspaper and online news channels, our company keeps a neutral relationship with them. We try to keep this relationship not too close but also not too distant. We are always opened to them if they need any information from us. The second sub group that we have is social media, this is where we are most actively working on. We have our pages at most of the popular social media channels. We use our social media pages as a tool to engage with other stakeholders. Our social media pages were closely monitored to get stakeholders' opinions about us. We are there to hear their concerns, their needs and to respond and interact with our stakeholders in the same time. We also use our social media pages to show our stakeholders how it is inside of our company, our vision, the things that we are working on, and how it feels working for us. It is incredible how helpful social media is in helping us reach to and connect with so many stakeholders, individuals and groups. (Director, Sustainability, Company C)

Company C is not only interacting with media as a normal stakeholder that needed to be engage but also harnessing the power of media to actively interact with other stakeholder groups. Also in the case of company C, the flow of information about the stakeholder's issue goes from stakeholders to the forest industry company in the most effective way via media. There is another flow of information about the company that goes from companies to various stakeholder groups via media as well. Therefore, media plays an important role when it comes to the ability to cooperate of a stakeholder (Maignan and Ferrell 2004).

Three interviews with three forest industry companies reveals media as a player who orchestrates and connects information not only between forest industry companies and their stakeholder groups but also among stakeholder groups. Media has unique power to influence the opinions of different stakeholder groups about the company based on the information about the company it chooses to cover. Media also helps smaller stakeholder groups with legitimate interest speak up their needs to get the attention of not only forest industry companies but also other more powerful stakeholder groups, for example: the government. Therefore, in the case of three forest industry companies in this research, media is not only an influential stakeholder group but also a communication channel in the industry for companies and different stakeholder groups to reach to and interact with each other.

4.4 Theme emerged from data – Materiality analysis as tool for the process of CSR behavior under stakeholder management approach

During the process of coding and analyzing the data, the term ‘materiality analysis’ appears frequently not only in interviews but also in three case companies’ sustainability reports. Throughout the analysis above, this term emerged several times, especially during the themes of stakeholder management and stakeholder’s issue. The author did not anticipate the appearance of this term and this is an entirely new concept with the author. This concept was not a part of operationalization chart in the beginning, however, this concept is not a new one in the academic world. There have been several articles mentioned materiality analysis as a part of sustainability reporting. Materiality is a term that comes from financial reporting. This concept was firstly introduced to sustainability reporting by GRI (Global Reporting Initiative), which is an organization provides global standards for sustainability reporting (Hsu et al. 2013, 144). Marimon et al. (2012) explained materiality as ‘indicators’ that reflect the impact of company on social, economic, and environmental aspects, therefore, it indicates the topics that should be put in the sustainability report.

Nevertheless, all three interviewees of this research were very familiar with the concept and they refer to ‘materiality analysis’ several times during the interviews.

Materiality analysis is steering our sustainability works because we want to focus the topics, which are the most significant for us from business point of view but also from impact to the environment and society point of view. Materiality analysis helps us stay up-to-date with the needs and the concern from different stakeholders from the business side as well as environmental and social sides. (Director, Sustainability Communication and Reporting, Company A)

The director from company A mentioned ‘materiality analysis’ during the later part of the interview. ‘Materiality analysis’ emerged when the director was asked about the strategy of CSR behavior and stakeholder engagement of company A in the future and how they would deal with the possible change of stakeholder issues in the future. Even though materiality analysis did not appear in the beginning of the interview, the director put materiality analysis at the role of steering their CSR behavior and stakeholder engagement. The director did not go further into detail about how company A has been using materiality analysis to guide their sustainability works, however, it is undeniable that materiality plays a vital role in company A’s CSR and stakeholder management.

Unlike company A, the manager from company B mentioned materiality analysis in the very beginning of the interview. The manager in the interview was very knowledgeable about this term and explained in detailed how company B has been using it.

With stakeholder engagement, we start with materiality analysis. [...] . Our material analysis is based on the follow up of interests and concerns of our stakeholder groups. (Manager, Reporting and Standard, Company B)

Company B based their stakeholder engagement surrounding materiality analysis. In other words, materiality analysis is the basis of how company B identifies their focus topics. In their annual report in 2018, company B emphasized they way they have been doing their stakeholder engagement.

Every year, company B updates a materiality analysis that highlights the most important responsibility issues for company B and its stakeholders. (Company B's annual report, 2018)

During the interview, the manager from company B also described in detail the process of how company B executes their materiality analysis. The materiality analysis of company B was based on three main sources of information: widely stakeholders survey (which is conducted at least every two years), customer enquiries, and the feedback from a tool on their website. All information was gathered together and analyzed by a third party. This analysis was sent to company B for the process of evaluation and identifying the most relevant topics under three responsibility focus areas of company B: economic, environmental, and social responsibility. Those raw topics were put under a consideration of how significant it is for the stakeholders and how significant it is for company B. After that, the final list of the most relevant material topics was formed. According to the manager from company B, all topics in the final list were treated equally by company B. Those topics were considered the backbone of the responsibility strategy and stakeholder engagement of company B.

Under the author's surprise, the director from company C, again, mentioned materiality analysis and the director has an excellent academic knowledge about materiality analysis and reporting. The director spent a fair amount of time explaining about the concept of materiality analysis.

Materiality analysis is a popular term recently, especially in Reporting department. Our company has been using materiality analysis for some years now and I have been working on materiality analysis for some times

as well. I could say that materiality analysis is our approach to corporate social responsibility. (Director, Sustainability, Company C)

Materiality analysis has been the tool that was utilized by company C as a foundation to steer their CSR behavior. The report from materiality analysis serves as the basis for stakeholder management and CSR behavior.

By conducting materiality analysis, we get a list of topics that we need to focus on in order to be responsible with our stakeholders. Through materiality analysis, we make sure that the topics we identified represent the needs and concerns of our stakeholders and even of our potential stakeholders. By updating the materiality report every year, we make sure that the topics we choose every year are relevant and up-to-date. (Director, Sustainability, Company C)

Company C relies on materiality analysis for the process of identification of stakeholder issues. Since they update the materiality analysis once a year, they are able to follow up with not only stakeholders but also the potential players who could become their important stakeholders in the future, and their needs and interests.

Since materiality analysis has become a part of GRI standards for sustainability report, it is not unusual that all three forest industry companies in this research integrate that tool into their sustainability works. In all three case companies, material analysis tool works well in conjunction with the stakeholder issue approach to CSR behavior of three companies.

5 CONCLUSIONS

5.1 Limitations

First of all, the methodology chosen for this research is case study, therefore, it is encouraged by the author that the limitation of case study should be taken into account while reading this research. With three case companies in forest industry, this thesis is highly contextual and the generalizability is considered as a limit of this research. Even though the result was driven from data gathering from three case companies, it is important to note that three companies' backgrounds are similar. They are all multinational companies working in the same industry with headquarters located in Finland. Hence, in order to improve the generalizability of this research, more studied will be needed in different type of companies and industry.

As mentioned in previous chapter, the author's intention at the beginning is to get a bigger view of forest industry companies CSR and stakeholder management from the point of view of environmental institutes as well. However, the author did not receive any reply from Finnish environmental institutes, hence, the author went for plan B and focused solely on the forest industry companies' perspective. With limited time and resources, this is the most suitable plan for the author based on the author's situation. Therefore, one of the research's limitations is that it only stands on the perspective a forest industry company without various views from other stakeholders.

Furthermore, corporate social responsibility is always a sensitive topic, especially from forest industry company's point of view. Most companies prefer talking about their good-doing and not many company willing to talk about the time when things went wrong. Therefore, the data getting from interviews with managers and directors of companies may be polished by the interviewees. The author anticipated about this problem in the beginning. In order to get a more genuine answers, interviewees were all informed that their name and the name of the company are anonymous from the beginning of the interviews. Even though there were stories about things that were not particularly great from the case companies, at some degree, the interviewees may still polish their answers, especially when talking about the company's CSR behavior.

5.2 Theoretical and practical contributions

This thesis was conducted with the purpose of advancing and strengthening the bridge between stakeholder management and CSR. The main purpose was broken down into

sub-research questions in order to get an approachable view into how to conduct the thesis.

- How do the managers/directors from forest industry companies define the term 'stakeholder' and how do the companies identify their stakeholders?
- How do forest industry companies engage their stakeholders?
- How is CSR behavior formed based on stakeholder management in forest industry companies?

The sub research questions were the backbone of the operationalization chart of this thesis in order to figure out the main themes for the thesis.

In term of theoretical contributions, the view of CSR under stakeholder management approach is not a new topic in the academic world, however, this thesis put the topic under the scrutiny with a specific context of forest industry with the aim to strengthen the existing research. The literature review of this research goes through some classic theories about stakeholder identification and stakeholder approach. The model proposed by Donaldson and Preston (1995, 69) is a one of some very first research involved stakeholder identification. Even though this model includes some typical stakeholders that are still valid within the context of forest industry, three forest industry companies have a longer list of stakeholder. Some stakeholders, for example media, emerged due to the drastic change in the business environment. In the time of Donaldson and Preston (1995), media was not a big thing and it did not appear in the model of them as a stakeholder of a company. Since the booming of digital technology, media has emerged as one of the influential stakeholders and media appears in the list of all three case companies. Some stakeholders, for example forest owners or researchers, appears in some of the case companies due to their unique role in the forest industry. This thesis put a more dynamic view at the stakeholder identification with the industrial context and the changes in external environment put under consideration.

The literature review of this thesis also focuses on some of the most popular research towards the approach to stakeholder management. The most basic approach was reviewed in this thesis is the two-tier approach by Freeman, Harrison, and Wicks (2007). With this approach, the stakeholders are managed by dividing into secondary and primary stakeholders. None of three case companies in the forest industry context chooses this approach for their stakeholder management. The second approach reviewed in this thesis was the approach not focusing on stakeholder itself but focusing on the stakeholder issues. Maignan and Ferrell's research (2004) explained stakeholder issues as the concerns and interests of stakeholders. The three forest industry case companies in this thesis take the stakeholder issues approach in stakeholder management. Unlike the model of Clarkson (1995), which only focus on primary stakeholders, three case companies in this thesis take into account the stakeholder issues of all of their stakeholders and based on the importance of the issue itself.

The next sub question of this research is about the stakeholder engagement. The research of Mitchell et al. (1997) proposed three stakeholder attributes (power, legitimacy, and urgency) that define the relationship of the stakeholder with the company. The study found an interesting role of media as an influential stakeholder that has the ability to formulate not only forest industry companies' opinion about a stakeholder issue but also other stakeholders' opinion about that issue as well. It proves that a stakeholder has the power to make a forest industry company take their concerns and interests as stakeholder issues. A stakeholder that has a special power of distributing information, formulating stakeholders and companies' opinion is media. In the case of three forest industry companies, media is a communication stakeholder and share and gather information from different stakeholders and companies. Media also has the legitimacy that makes other stakeholders and companies believe in their articles. Most of the time, media could reach to the most urgent information that other parties did not know about. With the help of a communicating stakeholder like media, different stakeholders with the same concerns could empower each other to get more attention to the stakeholder issue. Moreover, in a case company, media was able to help a small stakeholder raise their voice and get attention to their issues. This study shows that a concentration to the influential stakeholder is always needed since they have great impact on the most important stakeholder issues list of the company, therefore, they have influence on the ability of a company to engage with their stakeholders.

The final sub question of this study focus on how CSR behavior was form in three case companies. Since the beginning while mentioning the stakeholder management approach, all three case companies aligned their stakeholder engagement as the main part of their CSR behavior. Their CSR behavior mainly focuses on improving and solving defined topics (stakeholder issues) that they get from materiality analysis. Materiality analysis is an emerged term during the research. In plain words, materiality analysis is the process of identifying the most important stakeholder issues that the company needs to focus on in order to stay engaging with their stakeholders. According to Marimon et al. (2012) materiality analysis is the process with the purpose of finding the indicators that reflect the impact of company on social, economic, and environmental aspects. Those three aspects cover most of Carroll's pyramid (1991) about the components of corporate social responsibility (except the philanthropy part were not clearly indicate by those three aspects). In other words, materiality analysis is the tool for managers to formulate CSR behavior using stakeholder issue approach to stakeholder management.

This research has put a comprehensive view into the old topic of CSR under stakeholder management approach under the context of forest industry. The data from three forest industry case companies in this study contains some similarity in the strategic level of CSR and stakeholder management approach. This study indicates a shift from stakeholder-focused approach to issue-focused approach of stakeholder management in the

context of forest industry when it comes to CSR behavior. In addition, the move to materiality analysis as a tool to formulate CSR behavior strengthens the bonds between CSR and stakeholder management more than ever.

5.3 Summary

Forest industry has always been the in the focus of public concerning their CSR since forest industry companies work directly and utilize natural resources. Therefore, research related to CSR and stakeholder management in this industry is always requested by business managers. In addition, even though CSR and stakeholder management are among the most classic managerial research topics, they are still nowadays the subjects to many current studies and research. Hence, this thesis's main purpose is to contribute a part to the CSR and stakeholder management literature and also to provide some practical contributions to managers, especially those working for forest industry companies. In order to achieve the main goal, this study goes into detailed of stakeholder identification, stakeholder engagement, and CSR behavior of three forest industry case companies based in Finland.

In order to get a more theoretical view into the case study, a theoretical framework was built based on the review of existing literature about CSR and stakeholder management. The review of CSR literature focused on some of the most classic theory of CSR. Even though those research are old, the validity of them is still undoubtedly accepted. The literature review on CSR focuses on some of the most basic way a company can use to approach to CSR. In addition to that, this study also review literature involved stakeholder definition, identification, and stakeholder engagement approach. Literature review chapter has revealed an integrative framework to strengthen the link between CSR under stakeholder management approach. This connection has been studied for quite a long time by many other scholars. The integrative framework of this study is aimed to enrich the existing research of this matter under a contextual environment of forest industry.

The result of this thesis strengthens the bond between CSR and stakeholder management approach. The result suggests that in the specific context of this study, well-doing companies are taking a wider approach to stakeholder management. By treating stakeholders equally and attending more to the needs of stakeholders, companies in forest industry fulfills different aspects of their corporate social responsibility. Companies in this thesis put stakeholder issue at the center to steer their corporate social responsibility behavior. This study also reveals that there is communication happening not only between companies and its stakeholders but also between stakeholders. One communication channel stood out from the data is media. The result suggests that media has become one of the most influential stakeholders that facilitate the communication in the forest industry.

Companies have their own way of evaluating and defining what stakeholder issues to focus on and the main tool emerged from this study is materiality analysis. Materiality analysis is not a new tool in sustainability report, however, this study put more emphasis of this tool in engaging stakeholders and building thriving corporate social responsibility in forest industry context.

The result of this research is not ground-breaking, nevertheless, it enriches the literature of CSR and stakeholder management. Moreover, this study added the emphasis on the link between CSR and stakeholder management under a specific context of forest industry. Three case companies in this research are doing very well in term of sustainability and stakeholder engagement. With them as case study, this research provides constructive suggestions of focal points for companies in similar context. With the growing importance of sustainability in doing business, this topic will need further research in order to go deeper into the subject and to be applicable in different context.

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APPENDIX 1 INTERVIEW GUIDELINE

Theme 1: Stakeholder identification and management

1. Are you familiar with the term ‘Stakeholders’? How would you define a stakeholder?
2. (Show the two-tier stakeholder model by Freeman, Harrison, and Wicks (2007 as an example) Who do you think are the stakeholders of the firm?
3. Do you familiar with the term primary stakeholders and secondary stakeholders?
4. Does your company use these terms to manage your stakeholders? If not, how does your company manage its stakeholders?
5. Can you please describe the current relationship between the firm and each stakeholder? How does your company engage with stakeholder?
6. Does each stakeholder provide any unique resources for the firm?
7. How important are those resources to the firm? Why are they so important?
8. Does each stakeholder demand anything from the firm? What are their demands?
9. Do you think those demands are appropriate?
10. Which stakeholders’ demands do you think that needed the firm to take action urgently?
11. How is the network surrounding the stakeholder? Does this stakeholder have dense network with other stakeholders? Does the firm have any voice or controlling over that network?
12. In your assessment, how easy is it for that stakeholder to influence and cooperate with other stakeholders?

Theme 2: CSR approach

13. How does your company define CSR?
14. (Show Carroll’s pyramid of CSR) Which kinds of responsibilities in these 4 kinds does the firm value and operate toward? Why?
15. What are the main purposes of company’s CSR behavior?
16. How has the firm been integrating its CSR behavior into its business practices?
17. Can you please describe the process how your company decided its CSR behavior?
18. What is the firm’s plan for CSR behavior in the future? Can you give me some examples?

Theme 3: Stakeholder approach in CSR behavior

19. In your opinion, in which dimensions in the Carroll’s pyramid does each stakeholder expect the firm act on?
20. Under those dimensions, what does each stakeholder expect the firm to do in term of CSR?

21. How do stakeholders react when the firm is doing good in term of CSR?
22. How does the company know about the needs and interest of each stakeholder?
23. In the firm's CSR behavior, does your company focus on some stakeholders more than other?
24. Why does the firm choose to focus on those stakeholders? Is there any tools or frameworks that the firm follow to pick out which stakeholders to focus on?
25. Has the firm changed its stakeholders focus before? If yes, would you please describe the process of the change?
26. Has the firm had experiences of negative reaction from stakeholders due to unfulfilled expectation and how did it affect company's CSR behavior?
27. In your opinion, what are the roles each stakeholder's needs and interests in the process of CSR decision making? How does the firm incorporate those stakeholder issue into its CSR behavior?

APPENDIX 2 RESEARCH OPERATIONALIZATION TABLE

The sub research questions	The operational equivalents	The main topics	Question number (Appendix 1)
How do the managers/directors from forest industry companies define the term 'stakeholder' and how do the companies identify their stakeholders?	What is stakeholder?	Stakeholders definition	1
	Who are they	Stakeholder identification	2
		Company's approach to stakeholder	3,4,5
How do forest industry companies engage their stakeholders?	Stakeholder salience	Power of stakeholder	6,7,11,12
		Legitimacy of relationship	8,9
		Urgency of the claim	10
How is CSR behavior formed based on stakeholder management in forest industry companies?	CSR approach of the company	Company's definition of CSR	13,14,15
		Company's approach to CSR	16,18,19
	Stakeholder management as antecedent of CSR	The process of forming CSR behavior	17,23,25,26,27
		The central role of stakeholder issue	20,21
		Tools used in CSR under stakeholder approach	22,24,27