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Corporate Social Responsibility

- In a Developing Country

A study by:

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Abstract

- Title:** Corporate Social Responsibility – In A Developing Country
- Subject:** Bachelor Thesis, SMT302, 10p
- Authors:** Lina Normark, Gabriella Urbán, Ida Wingård
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- Case Study:** Ericsson de Guatemala, S.A
- Keywords:** Corporate Social Responsibility, Age of Responsibility, Total Responsibility Management, developing countries, sustainability, responsibility
- Problem Formulation:** There are development implications of Corporate Social Responsibility in developing countries. Despite this, there has been little research concerning this work in companies established in these countries; the importance of it, implementation and challenges.
- Purpose:** The main purpose is to investigate a multinational corporation subsidiary established in a developing country and their current as well as their future work concerning CSR.
- Method:** To carry out our research, we performed a theoretical study as well as an empirical. Our empirical study consisted of a qualitative case study performed at the company stated above. We used semi-structured interviews, which were conducted with eight representatives from the selected company.
- Conclusions:** Our findings indicate that in developing countries the legislative and social systems are not formulated to restrict undue businesses. Due to this, Corporate Social Responsibility work among global companies established in these countries is important. When constructing these programmes the process has to start from the bottom and the local situation cannot be foreseen. The top-down approach to CSR is a fundamental problem. There are virtually no pressures for social responsibility on corporations in these countries, instead these pressures comes from the individuals within the organisation and from headquarters. We believe that collective corporate social responsibility-programmes are easier to balance with generating profit compared to the individual responsibility. Since corporate social responsibility is not only important for corporations to implement, in order to be effective and contribute to sustainable development in developing countries global corporations need to share the responsibility externally.

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1. Introduction

In this chapter we will provide the reader with an overall background to and development of the subject of research. Following our problem discussion, our specific research questions will be presented. Furthermore we state the purpose of our research, thesis outline that depicts the structure of our thesis, specifications and demarcations and finally we will present our target audience.

1.1 Background

There is indisputably a large difference between industrialised countries and developing countries both socially, culturally, economically and environmentally. When conducting our B-thesis last year in El Salvador this notion was confirmed, especially in one area. Our choice of subject and research last year was to investigate if and how culture and national identity influence the way companies are run across the world. One of our greatest findings from our research was that companies in developing countries seemed to have, and feel, a greater responsibility towards the country's development and well-being, compared to companies in Sweden. There was not only a concern for securing business profits and development but also a concern for securing positive development for the country. This caught our attention and drove us to investigate it further. Our main interest in this Bachelor thesis lie in the concept of Corporate Social Responsibility (further on in the theses we will use the abbreviation CSR) and how a Swedish global corporation established in a developing country implement these standards and principles and the importance of being a responsible and ethical corporation in today's society.

1.2 Why Corporate Social Responsibility?

Today's businesses are less rooted than they were before and they are willing to move in order to get cheap manpower and reduce tax liabilities (Lantos, 2001). Multinational companies (further on we will use the abbreviation MNCs) have already had a tremendous impact on foreign countries, and this impact will continue to grow and bring about long lasting changes. These corporations also often have subsidiaries in the Third World and people disagree whether this has a positive effect on developing countries or not. What is important for these corporations is to respect the countries law, culture and developmental

needs. In order to do this there is a need for ethical behavior and social responsibility from the corporation working in the host country (Brytting, 1999). The concept of CSR is based on the recognition that businesses are part of the society and that they have the potential to make a positive contribution to societal goals and aspirations, especially in developing countries (Twose & Rao, 2003).

Over many decades the debate surrounding CSR has been extensive. Utting, who is the Deputy Director of the United Nations Research Institute for Social Development (UNRISD) where he co-ordinates a research programme on CSR in developing countries, argues that as a response and reaction to increased globalisation several multinational and transnational companies have begun to evaluate their role and impact on countries around the world (Utting, 2004).

During the “World Economic Forum” in Davos 1999 the UN:s General Secretary, Kofi Annan, stressed the fact that MNCs must realise their global responsibility and act accordingly. Through this initiative the Global Compact and its principles regarding human rights, environment, the profile of labour and corruption, was formed (these can be found on UNs website). Along with these principles, OECD (Organisation for Economic Co-operation and Development) has, in cooperation with non-governmental organisations, unions and employers, developed recommended and voluntary guidelines for multinational corporations. The guidelines comprehensive policy is to contribute to economical, social and environmental development with the purpose of attaining sustainable development throughout the world. These guidelines were negotiated 1976 and were last updated in 2000 (Utrikesdepartementet, 2005). Many high profile companies have responded to this and have developed a new way of thinking on so-called “good governance”. The response to civil society has increased and the will to project an environmentally and social responsible image is greater than ever before. An increasing amount of MNCs have adapted these voluntary initiatives that, amongst others, the UN are trying to communicate (Utting, 2004).

Furthermore Utting (2004) mentions that there has been very little research concerning the implications of CSR, especially on developing countries. The issue today concerning CSR is that it is a hard-to-grasp concept and that the gap between expressed values and actual activities is vast, which contributes to increased difficulties in understanding and implementing these standards (Wilenius, 2004). The pressure on corporations across the

world has increased and they are not only expected to be honourable but also called to practice social responsibility and to be exemplary corporate citizens (Lantos, 2001). Wilenius (2004) argues that we are entering *the Age of Responsibility*. The foundation of CSR is sustainable development, namely the attempt to combine economical, social and environmental development. This is also referred to as the Triple Bottom Line, illustrated below (Position Paper, Svenskt Näringsliv, 2004).

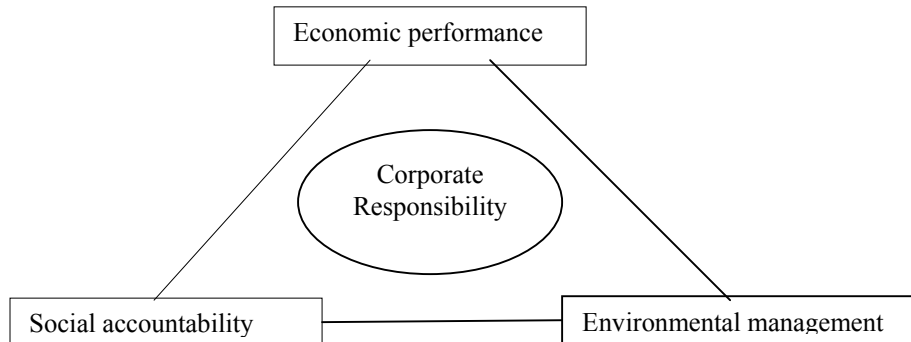


Figure 1. Somewhat modified illustration of the Triple Bottom Line (John Elkington, 2001 in Wilenius, 2004)

It is mentioned that CSR is a complex issue and the interest for it differs depending on country and the corporation's expansion around the world. There is an expectation on companies to answer to two aspects of their organisation; first there are the internal aspects of their business, quality of management, employees and processes. The second aspect is the nature and quantity of their impact on society. Many people consider CSR as a way for businesses to give something back to society, a way of contributing to economic development and quality of life both for employees as well as for the local community and society (Baker, 2006). CSR is often believed to be a competitive advantage and an effective contributor to sustainable development. The considerations for companies are substantial, social, economical, ethical and environmental aspects are all of the same importance, the difficulties and differences lie in the way the corporations choose to manage this. And if managed properly, CSR should enhance the competitiveness of business and maximise the value of wealth creation to society (Position Paper, Svenskt Näringsliv, 2004).

1.3 Problem Discussion

The CSR-agenda is undoubtedly a widely known concept throughout the world and corporations. And, as mentioned above, there has been a debate regarding corporation's

impact on developing countries and the need for social, economical and environmental responsibility, however, there has been little research on this topic. Despite the growing number of academic outputs in the field of CSR and the fact that CSR originates from the situation in developing countries, we feel that there is still an element of ambiguity regarding the role of this agenda in companies established in developing countries, the importance of it, how it is implemented and challenges concerning CSR in developing countries. The critical issue here is the fact that developing countries often are depending on investments, however, at the same time they often lack democratic institutions, independent media or a civil community that can control the activities of the multinational companies (Forsberg, 2003). Utting (2004) argues that there are wider development implications of CSR, in regards to developing countries, and it faces many challenges both for the corporation and the country in question (Utting, 2004). Boehm (2002) mentions that more research in the field of corporate social responsibility is needed in more countries and that “*it is particularly important to examine the issue in developing as opposed to developed countries*” (Boehm, 2002:189).

1.4 Purpose

The main purpose is to investigate a multinational corporation subsidiary established in a developing country and their current as well as their future work concerning CSR.

On the basis of our purpose, we have arrived at the questions, stated below.

- Is there a need for an extensive and different corporate CSR-programme in a developing country? If so, what factors might contribute this?
- How does a subsidiary established in a developing country balance their internal processes with their external work towards society? Can conflicts arise? If so, what are they?

In addition, we will also wish to discuss the future of CSR in developing countries by posing the following question:

- What are the challenges in the future concerning CSR in developing countries? How can these be met?

1.5 Thesis Outline

The first part of our thesis, Introduction, consists of three chapters where we present the logic and method behind our research. What we have done and why we have done it. In addition, we will also provide the reader with a company presentation of our object of research; this presentation will give a general idea of their CSR-programme, with the purpose of building a

base for the upcoming theoretical study and analysis. In addition, a short presentation of the country visited will also be provided.

The second part consists of a theoretical discussion divided into three main parts in order to make our discussions more comprehensible. In the first part, *Corporate Social Responsibility*, we will provide the reader with a general view concerning the concept of CSR and CSR in developing countries. The second part, *CSR in Practice*, deals with implementing and communicating CSR, and finally, the third part, *What will happen in the Age of Responsibility*, deals with future challenges and opportunities concerning CSR. Important to communicate is that we have chosen to analyse our empirical data according to our theoretical disposition, thus, we will analyse our empirical findings after each theoretical part. We believe that the chosen theoretical areas and disposition of analysis contribute to the quality of the study and also provide width and depth. Each part will end with a summary in order to make our discussions more comprehensible and clear.

In the third part, *Summarised Analysis and Conclusions*, we will provide the reader with a summarised analysis of the three parts and conclusion with the purpose of clearly stating our most relevant findings and results from our research. We will also provide the reader with a discussion where we discuss the findings of our research on a more general level. In addition, we will provide the reader with our own reflections and thoughts concerning our thesis and conclusions as well as suggestions for future research.

1.6 Specifications & Demarcations

The focus of this thesis is to expand the existing theoretical framework concerning CSR in developing countries. Subsequently, our study will not provide any generalisations concerning CSR but instead try to expand existing theoretical frameworks on the territory of CSR in developing countries.

In our theoretical framework we have chosen not to include the environmental aspect of CSR, however, it will be mentioned in our theoretical discussion with the purpose of creating a full theoretical understanding of the elements included in the concept. A model in our theoretical framework on page 25 illustrates this. Why we have chosen not to include the environmental aspect is due to the fact that it has received great attention in literature and research. Furthermore it is mentioned that the environment cannot be saved unless the social and

economical situation in countries around the world is developed, supported and maintained (Löhman & S Steinholtz, 2003). We believe that the economic and social aspects need to receive greater attention, especially in developing countries, and hopefully our thesis will increase the understanding of global corporations corporate social responsibility and their role in the economic and social development in developing societies. We are also aware of that the conditions in developing countries, for example insecurity and criminality, might affect the companies established there. In addition to our main focus, CSR, it would have been interesting and fruitful to study the risks in the country and how the company, through risk assessment, manages them since it is a part of CSR. However, due to time limitations and the magnitude of our thesis, we have chosen not to study this particular area.

We will in our study only conduct research in one company due to the magnitude of the research and the purpose of the thesis; our intention with our research is not to make a comparison between two companies but to provide a view of how a multinational corporation subsidiary established in a developing country work with CSR. Furthermore, our intention is not to make generalisations thus we have only chosen to visit one country. This is also due to the magnitude of the research and time limitations. Furthermore, the focus in our research lies on Ericsson de Guatemala as a subsidiary and not Ericsson as a whole, although background information concerning Ericssons global CSR-programme will be provided. Furthermore, it is important to note that when we analyse the material our focus is on how the company implement and employ CSR and what effect it may have on the business and the society. In this manner we will not explicitly analyse *how* the company generates profit and *how* they run their business in developing countries, since this is in our opinion another field of research. Furthermore, in a few places in our research we have used the word industrialised countries. By this we mean countries that are already highly developed both economically and socially.

1.7 Target audience

Our thesis mainly targets two groups. Regarding the theoretical relevance we identify teachers and students in organisation and management as well as business ethics. Concerning the practical relevance in our thesis we believe that the target groups mainly consist of companies and organisations established in developing countries interested in CSR and how it might affect their business. Our thesis may also be of interest to companies and organisations that are considering expanding in developing countries.

2. Research Approach

In this chapter we will present the methods we have used in order to be able to answer our research questions and to fulfil the purpose of our research. The chapter consists of two parts, in the first the overall approach is described; we will clarify and discuss the steps and decisions that have been taken during our work on our thesis. The second part discusses our practical approach, how we carried out our research and finally, we will provide the reader with reflections concerning our choice of method.

2.1 Overall Approach

2.1.1 Choice of Subject

In the field of service management we have studied many interesting and different theoretic areas. As mentioned in the previous chapter, we have learned how different cultures and situations in countries may influence the way businesses are run and managed. We became fascinated with the amount of responsibility experienced by companies established in developing countries. The UN and its Global Compact –principles argue the need for global responsibility by large multinational corporations in order to encourage sustainable development (Global Compact handbook, 2004). There is a pressure on companies to play a role in social issues, behave ethically and contribute to economic development; the will to make a positive impact is increasing.

As mentioned earlier, it is our impression that there is little research on the implications of CSR in developing countries. We felt that investigating how CSR is managed in global companies established in developing countries, the importance of it and what challenges the company might face in their responsibility, was our field of interest.

2.1.2 Choice of method

Our research was composed of both a theoretical and an empirical study. The purpose of our theoretical study was to increase our understanding of the selected area of research as well as form a theoretical frame of reference for our subsequent case study. Our theoretical

framework was collected from various published and electronic sources in the areas of CSR. We have tried to collect an extensive amount of literature on the subject to provide us with a better theoretical framework to be able to carry out a better and more fundamental research. We have also made extensive use of articles and websites since they often provide up-to-date information on the subject.

Our intention with the empirical study was for it to illustrate our theoretical framework as well as achieve greater understanding of how CSR work in practice in a developing country. Our empirical study, consisting of a qualitative case study, was conducted in Guatemala at Ericsson de Guatemala.

A qualitative case study requires, in our opinion, face-to-face interviews. Personal interviews are valuable for building an understanding of the way people think and talk about the topic at point and to be able to perform our case study in a qualitative way, having access to the company is essential. Warren argues that qualitative interviewing is based on conversation; qualitative interviewing and fieldwork are often classified together. "If we want to know the unique perspective of an individual, there is no better way to get this than in the person's own voice" (Atkinson, s 124-125 in Gubrium & Holstein (ed.), 2002). Due to this reason we felt that gathering data, by travelling to where we were going to conduct our case study, would contribute to a more qualitative case study and subsequently a more qualitative analysis. To be present both physically and mentally does, in our opinion, increase the validity of our analysis. The empirical material consists of interviews conducted with 8 respondents in Ericsson de Guatemala, information concerning CSR from Ericsson AB joint website and a power point presentation provided by Ericsson de Guatemala concerning their history, present and future in Guatemala. Important to mention is that Ericsson de Guatemala does not have an own website since Ericsson operates a joint website. A large part of our empirical data collected from our case study is thus based on the interviews conducted at Ericsson de Guatemala and provided material from their office.

The reason to why we chose Guatemala is that we have, since visiting El Salvador last year, created an interest for Central America and we wanted to return. Thus we had some knowledge of Central America however little knowledge about Guatemala as a country, all we knew was that it is a developing country and subsequently was in accordance with our purpose. The reason to why we chose Ericsson as our object of research is because it is a large

global corporation operating in 140 countries around the world and Ericsson de Guatemala is a subsidiary established in a developing country, which is one of the main topics of our research.

Furthermore we have chosen to write our thesis in English with the main purpose of being able to present it to the company studied in this research. Since the study was carried out in a company in a foreign country where Spanish and English were the spoken languages, writing it in English was an obvious choice since we are unfamiliar with the Spanish language.

2.1.3 Criticism of Sources and Literature

When evaluating our sources and literature, we reflected over four criteria: the *criterion of authenticity*, the *criterion of time consistency*, the *dependency criterion* and the *tendency criterion*. The criterion of authenticity is used to determine that the sources used are real and are who they claim they are (Thurén, 2001). We believe that there is always a risk with using electronic material such as websites. However, we have tried to use electronic material from legitimate websites such as the UN. Concerning our published sources, we have great confidence that these sources are real since they were mainly collected from the university library. Furthermore, we have no concerns concerning the authenticity of our respondents, primary sources.

The criterion of time consistency is used to determine the time passed between when the story of the source was written and when it actually happened (Thurén, 2001). We believe that we have met these criteria since most of the material used was up-to-date or written in the late 1990's or in the early 2000's. In regards to our primary sources we believe that we have met this criterion since transcription of our audible material took place shortly after the interviews were conducted.

The criterion of dependency is used to determine the sources interdependence (Thurén, 2001). This is, in our opinion, difficult to answer. We do believe that authors probably influence one another in certain ways and might use and review other authors' points of view in their own work; however this is usually clearly stated. In regards to our primary sources, the interviews we conducted took place in the time limit of two days in the same company. We cannot be sure that our respondents have not been influenced by one another since people do talk, especially during an ongoing investigation.

And finally, the tendency criterion is used to determine the authenticity of the reality that the source is trying to communicate. Moreover, it is used to determine a source's self-interest in the subject in question and how this might have affected the information (Thurén, 2001). To as far as possible remain objective and to avoid bias in literature we chose to use material from different authors representing different views and approaches to the phenomena. Another reason was to broaden our theoretical framework in order to provide us with a more qualitative foundation of research and subsequently a more valid and reliable outcome of our thesis. In regards to our primary sources there is always a risk with conducting interviews with individuals, namely subjectivity. Personal interest, background, culture, hierarchical position may have affected our empirical data. There is also a risk with conducting interviews within a large global corporation, respondents might have been instructed not to "give away" certain information or might have felt restricted to answer certain questions. This is also the interviewers' responsibility, not to behave in such a way that might make the respondent believe that he has to give certain specific answers to please the interviewer, this might include stress and nervousness. The human factor plays an evident part when conducting interviews and this may have affected the answers and the reliability and validity of the interviews and subsequently the outcome of our thesis. Furthermore, to broaden our empirical study and to avoid bias, we chose representatives on all levels of the company.

There is also a need to voice criticism towards ourselves as sources. We would like to communicate to the reader that we all have subjective conceptions of the world and that these individual perceptions may have influenced the outcome of our thesis. In the field of science and research there is an ideal way of conducting a research, which is for the researcher to remain objective and neutral and look at reality from outside. However there is also a need for the researcher to understand how this reality is perceived through other peoples perspective, that it is a matter of course that researchers cannot only view the reality from outside. The ideal way is to adopt both in order to not undermine objectivity as well as increase their understanding of the particular culture (Eliasson, 1995). This is something that we have tried to adopt in our research. We have remained objective and neutral considering our theoretical and empirical material and how we interpret our data. However, when trying to increase our understanding of the particular culture we visited through our own observations, subjectivity may have influenced our perceptions.

2.1.4 Reality is a social construction?

We believe that all of us researchers have different worldviews and our conception of the world differs depending on who we are and where we come from, which subsequently influences to a great extent the research conducted by him or her (Merriam, 1994). We believe and assume that reality is a social construction, that there is no measurable or objective reality; instead reality is determined by people's attitude towards it. This became increasingly evident when travelling to a foreign culture much different from our own. The perception of the world differs between people and societies and this perception guide our actions in different situations.

The idea of our research is to interpret people's different views on a certain phenomena, both in our theoretical discussion and in our empirical study, i.e. a qualitative study. The research interview is, according to Kvale, a conversation about the human world of life and where oral discourses transform to texts with the purpose of being interpreted (Kvale, 1997). It is important to communicate to the reader that our own subjective perception of the world and frame of reference may have influenced the direction of our research, concerning methods and techniques. When travelling to a different culture we all arrive with different perceptions and beliefs, many of the impressions and memories from our case study we share but many are individual and subjective. Moreover, a definite challenge for us was interviewing in a different culture where the language is very different from our own, not conducting the interviews in their native language, Spanish, might have derived us from useful information and increased misunderstandings when interpreting our interviews (Ryen in Gubrium & Holstein, 2002) further argues that researchers have pointed to the difficulties in transporting data across cultures; these difficulties include, amongst others, local nuances in the language and cultural influences.

In linguistic groups, words and language often express a definite world-view, our behaviour towards others and the way we act in certain situations, also called *Weltanschauung*, and that language often shape our view of the world (Usunier, 2000). The real world is largely built up on the language habits of a specific cultural group and that we all have a tendency to refer to our own thought framework, this is where the concept of ethnocentrism becomes evident. Ethnocentrism includes, amongst other things, that it lies in people's nature to refer themselves spontaneously to the values, ways of thinking and symbols of their own ethnic group and culture (ibid, 2000), especially when conducting a research in a different culture.

This is why it is important to communicate to the reader that our respondents and ourselves all have different world-views and ways of thinking based on language and cultural background. This may have influenced and affected the outcome of our thesis since posed questions and answers may not have been fully understood. This is always a problem when conducting interviews in a foreign context in a language other than the mother language since misunderstandings and misinterpretations may influence the questions and the answers and subsequently the research. Language barriers are a limitation when interpreting questions, answers and transcriptions and this is something that is important to stress.

2.2 Practical Approach

Considering what we aimed to study and the type of questions we focus on in this thesis we found that a qualitative research method was the obvious choice, in the form of case studies. Yin argues, “*Case study is a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence*” (Robson, 2002:178). Our case study was carried out during the course of two days in Ericsson de Guatemala in Guatemala City, Guatemala.

2.2.1 Case study

When choosing how to carry out our empirical study we considered interviews and written material about the company in question would provide us with the essential information needed to conduct our research. Interviews are widely known in social research and there are many different types to choose from when considering the purpose of the research and what information you wish to obtain (Robson, 2002). When conducting a qualitative research the most common way is to use a semi-structured interview. According to Kvale (1997), this type of interview contains several different themes and proposals to questions but the sequence is not determined in advance, this makes it possible for the researcher to adapt to the situation as it evolves to the respondents view of the world and to new ideas that come into mind. These types of less structured interviews give the researcher and the respondent much more flexibility (Robson, 2002), which subsequently creates a more relaxed and natural environment. This does, in our opinion, provide us with the best answers. To perform the interviews we constructed interview guides according to the chosen representatives’ position in the company. These can be found in appendix 1. The questions were formulated on the basis of our collected theoretical data, obtained knowledge about object of research and our purpose. The guides were generally alike with the purpose of discovering similarities and

differences in interpretation and answers. We also read about the country and its culture in advance to be able to ask more valid and sensible questions. This was important since we did not have much knowledge about the country beforehand. When choosing representatives from the company to be interviewed, in order to get a more balanced and broad picture, we decided to choose people both on floor level and manager level.

To increase the efficiency of the interviews the guides were sent to the respondents in advance with the purpose of giving the respondents an opportunity to go through the questions and prepare answers. At the same time as we wanted to keep the questions within our theoretical framework, we did not want to, as mentioned before, to control the interview too much, which might have prevented our respondents from being creative and innovative, hence the choice of a semi-structured interview. Atkinson and Silverman argue that the true, internal voice only comes through when it is not externally screened or communicatively constrained (Gubrium & Holstein, 2002). And due to the fact that we were interviewing people with a different cultural background and mother language, we felt the need to be even more flexible. We conducted eight interviews in total according to a schedule constructed by the General Manager and the interviews were performed during the course of two days at their office. The fact that our respondents were chosen by the General Manager may have influenced our case study since we did not make the selection ourselves based on what information we wished to obtain. However, the respondents chosen by the General Manager provided, in our opinion, us with good material for our upcoming research and analysis.

2.2.2 Interviews

The interviews were conducted in an informal manner where the questions were used rather as a guideline than being strictly followed. We started each interview with presenting ourselves and explaining the purpose of our research and asked if the respondent had any questions before starting the interview. Furthermore, Kvale (1997) argues that there are a number of criteria to follow when conducting a qualitative interview, which we aimed to follow. These criteria affect the quality of the interview and subsequently the outcome of the analysis. We tried to be open, structured and clear, and the questions were short and simple in order to attain longer answers. It is also important to use follow up questions and answers that might occur during the interview and this is something we aimed to follow. To increase the clarity in our questions and avoid confusion only one of us asked the questions,

the remaining two took notes and assisted the interviewer in case any questions may have been left out.

We chose to audio-tape our interviews, which according to Robson (2002) should be used whenever feasible in order to be able to concentrate on the interview and its dynamics as well as it provides a permanent record of the interview. Kvale (1997) mentions that using a tape-recorder makes it possible to record laughs, pauses and intonation, we could therefore recall all these feelings when transcribing the interviews which made our interpretation more valid and sensible. The printout is the most important process, it is considered to be the most reliable empirical material and the quality of the printout is crucial for the upcoming analysis (Kvale, 1997). However, as according to Poland (in Gubrium & Holstein, 2002) there are several challenges with transcriptions and its quality. These include quotations, question marks and mistaking of words for other similar words. This is why we chose to take notes as a complement to our tape recording. Furthermore we chose to transcribe the interview word for word as well as documenting all emotions, as we believe this would increase the accuracy in the interpretation and subsequently the validity of our analysis and conclusions. Kvale (1997) mentions that transcriptions are taken out its context and therefore it is important to transcribe the interviews word for word with the purpose of increasing the validity of the data. Furthermore we carried out the transcription shortly after we conducted the interviews with the purpose of meeting the criterion of time consistency and as well as having the interviews fresh in memory which subsequently increases, in our opinion, the validity of the data. It is important to let readers know that all interviews were conducted in English besides one, which was conducted in Swedish; hence the quoting of that interview person is our translation of his Swedish words into English.

When analysing our transcriptions, we chose to organise them according to themes consistent with our theoretical data and the outline of our thesis in order to make the method for analysis more manageable and give the transcriptions a more structured outline. During the analysis the respondents own understandings are demonstrated and the researcher is provided with new perspectives on the phenomena and the most common way of analysing the new perspectives and understandings are through “ad hoc”, where no standard method is used (Kvale, 1997). This method was in our opinion the best way when analysing our data. It gave us freedom to vary between methods and find new meanings and structures of the data that were not there the first time and which can have much significance for the research project.

2.2.3 Reflections of Case Study & Criticism

All research methods has its advantages and disadvantages, the methods you choose to use in your research should be the best way to find answers to the questions asked and to the overall research problem (Merriam, 1994). Case studies are various and the researcher chooses the case study method on the basis of the type of research problem and the questions being asked (Robson, 2002). The case study method provides insight and information that broadens the readers' knowledge within a particular phenomenon, case studies play an important part when expanding existing theoretical framework (Merriam, 1994). We chose case studies as research method as we believed this would be the best way to approach our problem. Our goal with our qualitative case study was, as mentioned, to illustrate our theoretical framework and provide us with new knowledge within the chosen research area and if possible also extend the existing theoretical studies in this particular area. However, there are limitations to consider. The strive for a rich and tight description and analysis within a particular phenomena may be restricted due to cost- and time limitations. The researcher aims to produce a qualitative case study however, the final product might be too long and detailed for others to have time to read and utilize. Furthermore, the qualitative case study is also limited by the researchers own sensibility and integrity where often the researcher himself is the principal instrument when conducting the case study. This can contribute to good insights in the phenomena however it may also result in a wrongful and sometimes doubtful analysis (Merriam, 1994). As mentioned before, there is always a great risk of the researchers own subjectivity and capability having an influence on the outcome of the thesis. Furthermore, we like to stress that due to time- and cost limitations, our strive for a rich and tight description might have been restricted. Another restriction is the question of reliability, validity and generalisations. These are important issues to consider since every researcher wish to contribute with valid and reliable knowledge. Since qualitative research often rests upon other basic assumptions and contains a different world-view compared to other traditional research it is often difficult to make generalisations that are statistical in nature (Merriam, 1994). As mentioned before our goal is not to make generalisations but hopefully to contribute to existing theory in this particular area of research. There are numerous aspects to consider when choosing how to carry out a research. Choosing a qualitative case study was, in our opinion, preferable in order to provide us with material with enough width and depth. However, as stated before, different worldviews, cultural background and language concerning all our sources may have affected the validity and reliability of our study.

The following chapter presents an overview of our object of research in our case study.



3. Company Presentation

In this chapter we will present the object of research in our case study. We will present Ericsson's CSR-programme, Code of Conduct and Code of Business Ethics. Further on we will also present background information about Ericsson de Guatemala and Guatemala as a country to provide the reader with essential material for the upcoming research. Since our purpose is to investigate how the conditions in a developing country might affect multinational corporations and their work with their CSR-programme, we believe that this information is necessary in order to create full understanding for the chosen subject. All information concerning Ericsson is collected from Ericsson's joint website, our interviews and provided written material from Ericsson de Guatemala.

The Swedish multinational corporation Ericsson has been a leading actor in the telecommunications market ever since their establishment 129 years ago. Ericsson has ever since achieved great success and is now the world-leading provider of telecommunications equipment and related services to mobile and fixed network operators globally. Over 140 countries around the world use Ericsson's network equipment. Recent information indicates that Ericsson has made an impressive recovery from a short downturn in the business cycle and is now showing outstanding sales growth and profit margins. However, as the CEO Carl-Henrik Svanberg mentions, this is not only due to skilful management of costs while selling more products and services. This remarkable recovery and success on the market is also generated by Ericsson's commitment to long-term sustainable development.

3.1 Ericsson - CSR

Ericsson follows a triple bottom line approach to sustainability in order to provide social benefits from their operations as well as contributing to a better environment and economic growth: *economic prosperity, environmental performance and social equity*. These are all important integral parts of Ericsson's values and their way of working. Ericsson's core values

are professionalism, respect and perseverance; these are illustrated by the three bars on the logotype. *“Corporate Responsibility encompasses everything we do to build an enduring value-creation capability for all of our stakeholders; customers, employees, investors and society as a whole.”* Stakeholder engagement is an essential part for Ericsson in promoting and supporting sustainable growth and one way to secure sustainable growth is to promote ethical investment. The Ericsson share is one of the most recognised in the world when it comes to ethical investments; Ericsson is for example included among the Global 100 Most Sustainable Corporations in the World and on the FTSE4Good Index Series which has been designed to measure the performance of companies that meet globally recognised CSR standards. Working in a socially responsible manner and being actively involved, through their units and employees, in the communities in which they operate is an important part of the value creation process for Ericsson’s stakeholders.

Being a responsible corporation does not mean increased costs, instead it should be seen as an investment and as the CEO mentions, *“We carry out our corporate social responsibilities diligently because we believe that they do not lower profits; quite conversely, they are essential to sustainable value creation”* (From the CEO at Ericsson, 2006). Moreover Ericsson was one of the first companies to sign the United Nations Global Compact. Ericsson’s CSR is on a daily basis managed by a corporate responsibility director, however in 2005 a Corporate Responsibility Steering committee was established as a complement with the purpose of steering the overall direction of the work as well as make sure that this responsibility is well anchored within the organisation. Ericsson also has an environmental management system managed by an environmental director and is supervised by the Ericsson Group Management System, whose main duties are to cover both the operational and legal dimensions of the company.

Ericsson believes that CSR is of increasing global importance and that conducting business in a socially responsible manner plays an important role in a company’s competitiveness and profitability. In order to be able to ensure that this responsibility is well anchored within the company, Ericsson established a Code of Conduct in May 2002. All Ericsson units, companies and employees must comply with the standards set in the code, which are based on Global Compact’s ten principles. The standards within the code include human rights, labour standards, environmental management and anti-corruption in the workplace. Ericsson also requires their suppliers and subcontractors to comply with the code or similar standards. This

is verified by information provided by these suppliers and subcontractors as well as allowing Ericsson access to their premises. In addition to this code, Ericsson also has a Code of Business Ethics, which contains rules and directives regarding responsibilities primarily towards Ericsson employees. These directives include, amongst others, compliance with local and global laws, rules and regulations, protecting Ericsson's confidential information, dealing with conflicts of interest and encouraging the reporting of unlawful or unethical behaviour. It is important for Ericsson to behave in a socially and ethically responsible way and to be good corporate citizens. (A more detailed outline of Ericsson's the Code of Conduct and the Code of Business Ethics can be found on Ericsson's official website). Ericsson believes that they are a role model in health and safety. As a Swedish company, Ericsson has high standards and requirements when it comes to the workplace and working conditions. Internationally it is Ericsson policy to implement these standards and requirements even if local regulations do not require this.

Furthermore as an addition to its established CSR-programme, Ericsson has developed a response programme called The Ericsson Response. This programme is a global initiative taken by Ericsson in order to develop a faster and better response to human suffering caused by disasters. The core parts include volunteers and equipment, research and technical reference group, partnerships with relief organisations and the private sector and support.

3.2 Ericsson de Guatemala

Ericsson has been present in Guatemala since 1938 and the office was established in 1986. Ericsson de Guatemala has three main clients in the region; they include the Spanish company Telefonica, Mexican Americamobil and the global company Millicom. Ericsson de Guatemala is part of the Central American and Caribbean market unit; Ericsson has in total 24 market units across the world. The market units' main responsibility is working with the clients. Thus, there is no production in Ericsson de Guatemala.

The office has approximately 35 employees where the majority comes from the Central American region, except for the General Manager, who is Swedish. Ericsson believes that a large part of their success originates in their global and local presence; this is one of Ericsson's most valuable assets, to be present in the countries where they do business.

Despite Ericsson's success in the market and in Guatemala there is no denying the fact that Guatemala is an extremely poor country where over 50 percent is living below existential minimum, where only 35 percent of the population owns a mobile phone, compared to Sweden where the percentage is around 80 to 90 percent, and where infrastructure is virtually non-existent. As a responsible corporation, this is indeed a challenge for Ericsson de Guatemala. Ericsson de Guatemala is a subsidiary and is obliged to follow Ericsson's global CSR-programmes and guidelines. A large part of Ericsson de Guatemala's CSR-work in Guatemala is expressed through their vision in Guatemala:

- Provide high quality state of the art Telecom solutions for Guatemala
- Best class employer for local citizens
- Corporate citizenship, obeying local laws and customs
- Be an active player in the economical and social development in Guatemala
- Pro-activity in emergency situations like earthquakes and hurricanes
- Facilitator for foreign investment in the telecom sector
- Long-term commitment in Guatemala (since 1938)

How Ericsson de Guatemala's CSR-programmes and activities work in practice and local employees' thoughts about it will be presented in our empirical studies and analysis.

3.3 Guatemala

Guatemala is a country in Central America full of the vibrant colours from the Mayan culture, although mostly coloured by its violent history. Since 1996 the country has been in peace; however a silent war of corruption is still ongoing beneath the surface.

The political stability could have been a lot better today if it had not been for the U.S government together with conservative Guatemalans that in 1954 overthrew the reform-government because they were becoming a threat to their interests, especially the US owned United Fruit Company. Until 1944 the dictator Úbico, who did anything to please the big banana company, formally governed the country. In 1944 he was overthrown by young militaries that brought the liberal philosophy professor Arévalo to power. Arévalo and his follower completed land reforms getting Guatemala on collision with United Fruit and subsequently the US. During 10 years the relations with US were stretched yet relatively calm, in 1954 however, the CIA overthrew the government and the new president annulled

most of the land reforms established by Arévalo and Arbenz. In 1960 the civil war started with a coup against the president at the time. The attempt was a failure, not until 36 years later a peace treaty could be signed, with a legislation concerning possibilities with amnesty for anything that happened during the war (Kumm, 1997).

The history of war and corruption amongst every powerful person in Guatemala has led to exhaust for politics and a state that is not capable to guarantee the safety for its citizens. An explosive situation is present and even though the blood-filled civil war is over, the poverty situation is aggravated. Slowly a democracy is being built (Kumm, 1997); however the country has the sixth lowest electoral participation in the world. The amount of illiterates is 70% (Strömberg, 2005), and population below poverty line is 50%, which indicates that 9 of the 12,2 million Guatemalans are unable to satisfy their basic needs. There is no middle class; it is either rich or poor (Fifth report on the situation of human rights in Guatemala, OAS, 2001).

In order to summarise, Ericsson has a well-established CSR-programme and consider it to be of great importance to contribute to long-term sustainable development in countries where they conduct business. The Code of Conduct and the Code of Business Ethics along with their values constitute the core of their CSR-programme. Ericsson has a long-term vision in Guatemala with the aspiration of contributing to sustainable development through effective CSR-work. Considering the purpose of our research it is important to understand the specific conditions Ericsson face in Guatemala, these include political instability, poverty and corruption.

The following chapter will present a theoretical discussion concerning the subject of CSR, its emergence, different views and opinions concerning CSR as well as a discussion concerning CSR in developing countries.

4. Corporate Social Responsibility

In this chapter we will present a theoretical discussion concerning the background and development of CSR. We will discuss the ethical foundation of CSR, how and why CSR emerged as well as providing the main elements of CSR. Further we will bring to attention the advantages and problems concerning this concept, if CSR should rest on the corporation's shoulders and if it should remain voluntary. We will also discuss CSR in developing countries as it is today. These are, in our opinion, important aspects to consider and understand in order for us to fulfil our purpose since it provides us with material on why and how corporations should work with CSR.

4.1 The emergence of CSR

What an individual might think is common sense is likely to be shaped by who they are and where they are (Campbell et al, 2005). Subsequently, the question about what is ethical provides many different answers in different places and for different people (Lantos, 2001). For many years the focus on ethical behaviour has been directed towards corporations. The need for business ethics have grown due to the fact that people do not trust businesses anymore and that more often negative images of corporations are common in the media. It is important for all businesses to think about ethics because of increased public awareness. Some also say that the reason that business ethics has taken on such attention in recent years is because of a desire to actually change things in practice (Campbell et al, 2005). Now companies are expected to practice social responsibility, accepting accountability for social welfare and social impact of their activities, both globally and locally. In other words, corporations are expected to take actions that benefit the wider society (Lantos, 2001). Due to increasing importance of immaterial values, companies no longer compete only with the best product; the competition also involves values and responsibilities (Löhman & Steinholtz, 2003). Consequently there are obvious commercial reasons for companies to act ethically and in accordance with established values and recognised rights (Svenskt Näringsliv, 2004).

Different voices exist to whether why companies should take responsibilities for societal and economic development in the country they conduct business. This discussion firstly emerge

because there is a belief that companies are less efficiently run if they have any other goals than maximising profits (Henderson, 2002). As early as 1962 Milton Friedman stated in his book “Capitalism and freedom”, “*A business only business is to do business*” (Friedman in Henderson, 2002). Another author argues that corporations can be profitable while at the same time minimise their negative impacts on stakeholders (Fraser, 2005). A balanced relationship between generating profit and having a responsibility for stakeholders is, according to Löhman et.al. not only necessary, but a prerequisite (Löhman & Steinholtz, 2003).

The foundation of CSR is sustainable development, namely the attempt to combine economical, social and environmental development. This is also referred to as the Triple Bottom Line, illustrated below. As mentioned in our introduction we have chosen to focus on two elements, the economical- and social aspect of CSR, which is illustrated below (Position Paper, Svenskt Näringsliv, 2004).

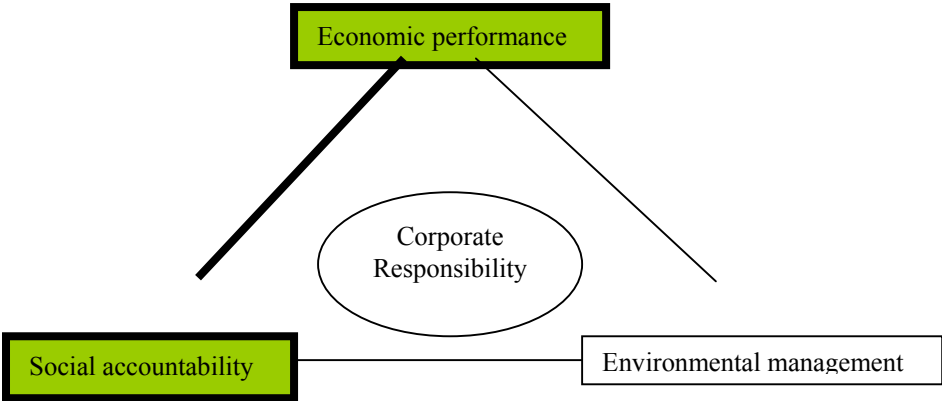


Figure 1. Somewhat modified illustration of the Triple Bottom Line (John Elkington, 2001 in Wilenius, 2004)

The individual and companies have been getting more power in relation to state and politicians, three important reasons for that is: deregulations, individualisation and value-alteration from material to immaterial values. Deregulations have moved freedom and responsibility from the political level to the individual. The fact that politicians have lessened the responsibility in favour of private industrial life has led to the power being shifted. Deregulations together with the escalating internationalisation have led to the fact that politicians’ ability and power to influence the behaviour of corporations have been reduced

(Löhman & Steinholtz, 2003). This new political approach is based on the conviction that increased exchange across borders will promote the total economic development in the world, especially in developing countries. Following this development there is an increased debate on the advantages of globalisation and corporations' role in it, i.e. their ethics and responsibility (Horn af Rantzien, 2003).

Furthermore, a large part of why corporations today have greater responsibility for society is due to the fact that MNCs have a big influence on the developing countries in which they are active. The responsibility for creating a better state for people to live in is on those who have the knowledge, the economic resources and the power to make these changes (Forsberg, 2003). MNCs established in a developing country have both positive and negative affects on the country. On the one hand corporations can contribute to the economic and social development of these countries by paying taxes, encouraging local employment and participate in social development projects, however on the other hand they might also have a negative influence on the environment and the fact that they might take advantage of cheap manpower. Many also argue that international companies working in developing countries may undermine the competitive ability for local small and medium size enterprises (further on we will use the abbreviation SME) and use the country's resources without returning anything back to the society (Brytting, 1999). This is one of the main reasons for the recent emergence of CSR (Löhman & Steinholtz, 2003). Lantos (2001) further argues that MNCs conducting business in developing countries should also concern about the treatment of employees, the environment and safety (Lantos, 2001).

4.2 CSR in Developing Countries

Corporations conducting a CSR-programme in a developing country face many challenges. In most developing countries there seem to be a gap between rural and urban incomes, mainly due to the fact that many of these countries have a pronounced urban bias in their own investments. This in turn results in achieving slower economic growth overall in these countries. There is a greater need to reach the rural poor and to increase global and national resources for rural economic growth. Focusing on rural, rather than urban economic growth can be more effective in poverty reduction in developing countries. The problem lies on how to spur economic and social development, especially in these countries (Conference Room Paper, UN, 2004)

How CSR works in practice will vary depending on company and customer and shareholder expectations, to which industry the company belongs, the size of the company and its location. MNCs probably have more interest in CSR compared to SMEs since they are working in many different markets. MNCs and SMEs face different business conditions, and issues and problems often vary between different markets as well as industry (Svenskt Näringsliv, 2004). As mentioned in our introduction, the voluntary guidelines and principles developed by the UN and OECD are mainly directed towards MNCs (Global Compact handbook, 2004). Concern has been expressed about the danger that CSR standards may undermine SMEs in developing countries. This can be a real problem for rural development in these countries, where one main concern should be how to help local businesses become more integrated within the global whole (Conference Room Paper, UN, 2004).

Corporations can act responsibly, though their attempts to do so can be different. Foreign companies may have an interest investing in local development in developing countries because by raising the general standards of living they will create new consumers for their products. Under these conditions their intentions to act responsibly are likely to be short-term, leaving vulnerable communities in developing countries at risk. A key issue, especially in these countries, is to ensure that CSR-programmes and partnerships with various stakeholders such as governments and NGOs are based on long-term meaningful supports. Development in these countries is a slow process. Concern has been expressed that partnerships will not last long enough to have a sustained result on poverty reduction. International community and the UN must due to this fact guarantee the resources and sustained political commitment that are required to have a sustained impact on the lives of people in developing countries (Conference Room Paper, UN, 2004).

4.3 Voluntary/Mandatory

Should CSR remain voluntary or become mandatory? Through mandatory international regulations companies have a legal obligation to uphold international standards. It is argued that this would ensure real social responsibility for companies operating in developing countries (Conference Room Paper, UN, 2004). On the other hand, keeping CSR voluntary gives flexibility since it allows the company to specify and adapt their CSR-programme according to their specific conditions within the industry and the country (Position Paper, Svenskt Näringsliv, 2004). When CSR is not bound by formal and cultural systems it can help groups when help is needed (Boehm, 2002).

CSR is often described as voluntary responsibility above and beyond the demands of national laws (Svenskt Näringsliv, 2004). Voluntary and mandatory approaches, though, often go hand in hand, as is the case with labour standards and Codes of Conduct, where both approaches are in place. Furthermore, it could be even more useful to understand when and how different approaches can create business and developmental benefits and how these work together. The key is to understand how to use CSR strategically and create business enthusiasm for CSR in developing countries (Conference Room Paper, UN, 2004).

Tunhammar (2003) argues that it is important to remember that corporations always have to follow national laws in the country they conduct business. He is also of the opinion that on an increasingly challenging and complex market, the values and the corporation brand are becoming essential competitive factors. Due to this, a corporation's ability to handle the demands from the outer world, beyond the formally institutionalised, is a prerequisite to survive. Consequently, corporations will voluntarily follow the demands on responsible behaviour that the market demands (Tunhammar, 2003).

4.4 Advantages and Problems with CSR

Several things can be identified concerning the benefits from working with CSR-programmes. These can be; enhancement of corporate image and trust, positive reaction from political leaders and the media, expansion of customer base, improvement of ability to recruit new employees and more opportunities to make business contacts locally and nationally (Boehm, 2002). The perception of a corporation's brand lies no longer only in its promotion material but in everything around it and its overall behaviour. Many corporations place their production where it is cheapest, which can result in stakeholders finding out about unfavourable circumstances for employees, which in turn may affect the image in an unsatisfactory way. Due to this transparency the need for corporations to define their responsibility and the role in society consequently is important. Subsequently, many advantages can be found in corporations that are active in their CSR-programme. It increases the opportunities for greater loyalty with stakeholders and reduces the risk for corporations to lose a good reputation (Löhman & Steinholtz, 2003).

However, when implementing a CSR-programme for a corporation some problems can be identified that occur between local governments, NGO's and the corporation. The

corporation's strong financial organisation compared to smaller local partners may lead to an imbalance in resources and power, which can have a negative effect, for example when the parties are negotiating with local agencies. Another issue for local governments can be the problem that large corporation's aspect on their own efficiency in their CSR-programme can lead to them not adhering local policies and practices. According to the corporations they already do the things right in relation to the guidelines from other organisations, like the UN (Conference Room Paper UN, 2004). It is obvious that corporations face challenges that force them to understand their responsibilities in the society. There is a need for change of direction towards economic performance, social accountability and environmental management (Wilenius, 2004).

The recent 50 years national governments and legislative systems have regulated companies to ensure that they do not profit from undue business operations. Developed countries are today becoming part of an integrated whole and that in turn makes the national governments limited to act and regulate the same way they once did (Löhman & Steinholtz, 2003). The legislation today favours corporation's freedom and rights to international trade, which to some observers comes in imbalance compared to the obligations for international trade (Abrahamsson & Thorsell, 2003). It seems as though a number of countries legislation system and the international recommended guidelines are somewhat not agreed upon. This gap is what the demands for regulations are considered to reconcile (Tunhammar, 2003).

Based on our theoretical discussion above, CSR is an important aspect to consider when conducting business. Globalisation has increased the social and economical pressures and it is argued that we are entering the Age of Responsibility. However, it is a diffuse concept; it varies in importance and meaning depending on country, corporation and individual. With our purpose in mind there is a need to ask of what importance CSR is to a global corporation established in a developing country. Furthermore, the perceptions on the concept and if taking responsibility for social and economical development is especially important in developing countries need to be brought to attention. Moreover, where the responsibility lies and how it is managed. In the following chapter we aim to answer these questions when applying our theoretical framework to our empirical study.

5. Analysis & Empirical Study – Corporate Social Responsibility

The following is an empirical study and analysis of Ericsson de Guatemala's general assumptions concerning their CSR-programme. Our aim is to provide answers concerning the general assumptions on CSR in Ericsson de Guatemala, the importance of it, how their responsibility is managed in a developing country and what problems this might bring. These answers will provide us with essential material in order to fulfil our purpose. All information is based on interviews with representatives from Ericsson de Guatemala and information on Ericsson's joint website

Why Ericsson developed a CSR-programme originates in the fact that there is an increased pressure on MNCs to become aware of their role in society. It seems that Ericsson has adopted what Löhman & Steinholtz state, that due to increasing importance of immaterial values, companies no longer compete only with the best product; the competition also involves values and responsibilities. The general assumption within Ericsson is that CSR plays an important role in the company's global competitiveness and profitability. Ericsson has developed multiple programmes, guidelines and principles in accordance with globally constructed guidelines in order to be a responsible corporation taking responsibility both internally and externally. Ericsson de Guatemala is obliged to follow these guidelines and principles developed by the headquarters since Ericsson as a corporation is globally obliged to do so. At first hand, Ericsson's CSR might seem exemplary. However, there seems to be different views and opinions concerning CSR and its purposes and effects in a developing country.

The notion that CSR plays an important role in their competitiveness is somewhat not agreed upon in Ericsson de Guatemala. Many argue that CSR does not derive any competitive advantages since it is not something they advertise. One of our respondents state, *"First and foremost, it is a way to demonstrate to the government, society and employees that we do care. Commercially and business-wise we would probably not lose a single customer if we stopped showing that we take responsibility"*. Even though Ericsson de Guatemala does not intentionally advertise their responsibility, publicity is something that is believed to be good

since it often projects a good and responsible image to the outside world which often inspires other companies to do the same, as one of our respondents said: *“The press has been very interested and now other companies have contacted us because they want to do this also”*. One can assume that this is due to Ericsson’s remarkable success around the world and their well-known brand, which might have had a positive affect on how others perceive them. In contrast, other respondents argue that the CSR-work is not something that affects their image and how they are perceived by the outside world since they do not explicitly tell their customers that they are responsible. This can also be assumed as a consequence of their success since many argue that the only things that the customers demand are good and reliable products. Furthermore, since Ericsson de Guatemala seems to be a role model for many companies in Guatemala there is still an ambiguity concerning the purposes of why many other smaller companies wish to follow Ericsson de Guatemala’s lead. As one of our respondents say, many smaller companies want to contribute to the society; however their main purpose is to avoid taxes, this because giving donations and helping people is a legal way in Guatemala to escape tax liability. One can assume that this may have a negative effect on the country’s economical development since it is one of the core elements of the principles and guidelines concerning CSR to pay taxes and by this, contribute to the economic development of the country. To conclude, it seems as though the general assumptions differ according the importance of CSR and its beneficial effects on the country of Guatemala.

It is important for a company to have a CSR-programme due to the fact that if you conduct business in a country, you are going to receive a great deal more if you give something back, as one of our respondents says: *“That’s how it works in life and I think that’s how it works for businesses as well”*. Furthermore, it is also agreed that Guatemala has many strong needs and it is assumed that since it is a developing country, a greater responsibility is needed. However, many also argue that the responsibility is not greater in Guatemala, it is different. According to one of our respondents, developing countries are more exposed and vulnerable which contributes to the fact that Ericsson’s work in this country is more visible compared to their work in industrialised countries. The general assumption is that Ericsson de Guatemala is a good company when it comes to taking responsibility. It is also commonly noticed that the industry they are in provides a base for sustainable development; as reflected by one of our respondents: *“with communication, development will also come”*.

Ericsson de Guatemala is involved in community projects, often related to improving the educational system. As argued by an employee: *“In the end it is both a responsible interest as well as a commercial interest. We want to have a developed country because then we are going to have more demand for our products so in the end it’s good”*. It is further argued that it does not matter if the social situation is good or bad: *“we still have a responsibility”*. The reflection is that Ericsson is receiving a lot from Guatemala in terms of business, employees etc and therefore it is necessary for the corporation to be part of the solution and development of the country. One can assume that the telecommunications industry is to a large extent part of that development.

Nevertheless, it is mentioned that the main obligation and responsibility is towards Ericsson and to generate profit and create value for their shareholders since they, first and foremost, are a commercial business. This is in accordance to what was stated in our theoretical discussion *“a business only business is to do business”*. However, Guatemala is a country that does not have a healthy economy, where education is rare and poverty is evident. This is something that is reflected in Ericsson de Guatemala. As Forsberg argues, the responsibility for creating a better state for people to live in is on those who have the knowledge, the economic resources and the power to make these changes. One can assume that Ericsson in Guatemala is aware of this since they consider it important for the social and political situation in the country to demonstrate that they are a responsible company who take responsibility for the country’s development, as mentioned before, that CSR for them is a way to demonstrate to the government that we do care. Furthermore, according to our respondents, it is somewhat believed that native Latin Americans often feel a great personal responsibility towards both the company and the country’s future development. Perhaps this is needed even more in a developing country in order to fully understand the local conditions and what responsibilities are important.

As argued by Campbell et al, in order for a company to act responsible, managers often create Codes of Conduct, and since corporations tend to be morally judged as group members rather than individuals, it has become important for the organisation and the individual to follow common values and ethical goals. Within Ericsson it is every person’s individual responsibility to follow the Ericsson Code of Conduct and comply with laws, regulations, moral and ethics. Our respondents mention that it is often believed, amongst local workforce, as status to work at Ericsson de Guatemala and locals do take their jobs very seriously. Due to

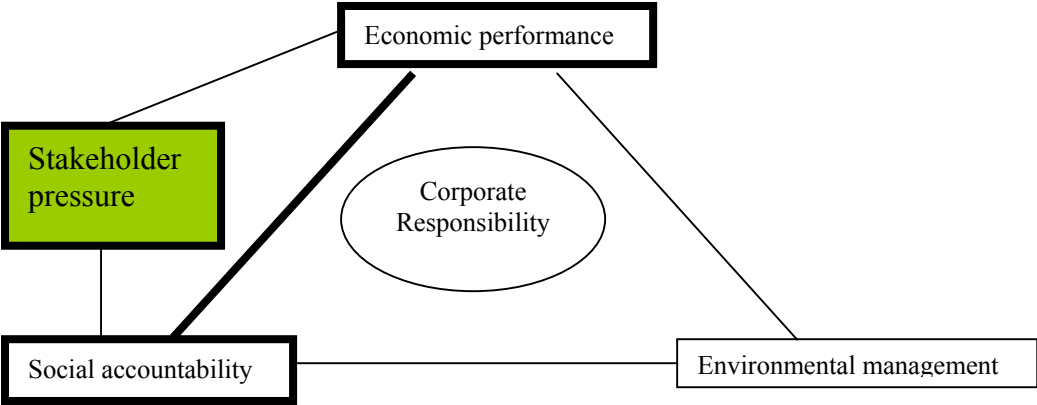
this, they think that the Code of Conduct is taken more seriously in developing countries and it is, furthermore, a way to demonstrate that Ericsson de Guatemala and their employees are responsible citizens. However, as one respondent explained, this perception of the Code of Conduct is not always shared within the corporation, and often people sign it although in the end they do not care much about it. This, according to the respondent, originates in the fact that people in these kinds of countries need supervision in order to comply with these standards, often because of insufficient education.

Furthermore, the opinion on whether responsibility and Codes of Conduct should be voluntary or mandatory the majority of our respondents seem to agree with Campbell et al. The authors argue that when responsibility is made into rules and procedures it loses its meaning of being something that you individually can choose to do. The general assumption among the respondents is that it should never be mandatory because then it is not done by heart. People involved in these responsibility programmes should truly be committed to it and therefore it needs to remain voluntary: *“the only mandatory part is that you have to be a volunteer”*. However, one of our respondents is of a different view. Responsibility programmes should be mandatory in developing countries. In a way, that means that the corporation takes good care of you, which subsequently contributes to you feeling committed to the company and feel that you are a part of it. The respondent argues that if you do not feel that you are a part of a company you do not care about the Code of Conduct or responsibility programmes.

In order to summarise, it can be said that Ericsson de Guatemala conducts a great deal of their responsibilities to the country through their core business. Telecommunication is something that pushes development forward and this can be seen as advantageous for Ericsson. Since there are no real expectations from external stakeholders within the country such as customers or government concerning responsibility, Ericsson de Guatemala has no real external pressure. Thus, Ericsson de Guatemala might be perceived as having a great deal of freedom concerning their CSR-work, which is the core of all responsibility. However, due to the fact that many native Latin Americans feel a personal responsibility one can assume that this individual responsibility is felt as an obligation. Perhaps it is a response to the unethical behaviour of law enforcement and government; perhaps it all comes down to the ethical behaviour of the individual. As stated by Campbell et al, what an individual might think is common sense is likely to be shaped by who they are and where they are.

The question that remains is whether or not the responsibility taken is enough and if it really is the company's responsibility to care about the external environment to the extent they do. And if Ericsson de Guatemala were to follow, as Tunhammar argues, the demands on responsible behaviour that the market demands, the question is how much responsibility would really be taken. It seems as though the pressure on Ericsson de Guatemala to act responsible to a large extent comes from inside the company and from headquarters in Sweden, probably originating from their regional market, not from the regional Latin American market. However, it can be said that Ericsson de Guatemala in any case conduct responsibility above and beyond national laws since the laws that exist in the country sometimes hinder or prolongs numerous responsibility initiatives.

As mentioned, CSR is an important aspect within Ericsson de Guatemala and the specific conditions they face in Guatemala affects their responsibility in numerous ways. In the following chapter we will provide a detailed presentation of how CSR functions in practice through presenting different ways of working with CSR as well as through identifying the pressure from stakeholders. The model below illustrates this, concerning corporations' economical performance and social accountability with the aim of achieving greater understanding of the conditions Ericsson de Guatemala faces. This will subsequently provide us with good quality material in order to fulfil our purpose.



6. CSR – in practice

In this part of our theoretical framework we will discuss how corporations in practice can work with their CSR-programmes. We will present corporations' most important stakeholders and discuss the pressures imposed by them. Furthermore, we will also introduce the concept of Total Responsibility Management systems, which will be used as an analytic tool when conducting the analysis of this theoretical part. Since our purpose is to investigate how the political, economical and social situation in developing countries may affect corporations' CSR, we believe that the topics presented above are of great importance in order to fulfil the purpose as stakeholders have a critical role in CSR and the conditions in the country.

When planning CSR, the programme should be considered as a long-term rather than short-term benefit for the corporation. In other words, strategic planning for CSR is appropriate. It is as well important for corporations to discover how to effectively use time for CSR-programmes (Boehm, 2002). The understanding that a corporation has a role in the society is nothing worth if it is not translated into practice (Campbell et al, 2005).

In many countries around the world a large part of the citizens can not read, do not have a job and do not have the ability to work in democratic institutions and trade unions (Forsberg, 2003). Local authorities in these countries generally suffer from financial constraints and have limited capacity for regulation and enforcement (Conference Room Paper, UN, 2004). The responsibility for creating a better state for people to live in is on those who have the knowledge, the economic resources and the power to make these changes (Forsberg, 2003). According to Boehm (2002) collaboration between the community and the corporation is preferable. The UN also works to build enthusiasm for CSR and partnership relations for rural development in developing countries. But to achieve benefits, skilled leadership and management are needed along with recognition that partnerships are complex political structures that evolve over time (Conference Room Paper, UN, 2004).

An increasing number of corporations are adopting a variety of voluntary initiatives, social investments, for example community development projects (Utting, 2004). There is no “one

size fits all” model on how to implement the work with CSR, all corporations face different business conditions and markets (Position Paper, Svenskt Näringsliv, 2004). Subsequently, flexibility is needed when corporations work with their CSR-programme (Svenskt Näringsliv, 2004).

As mentioned before, when conducting CSR-work collaboration is an important task. This is especially true for developing countries where for example poverty reduction requires effort from governments, business partners, UN agencies, NGOs and other stakeholders. There is a need to ensure the sustainability of partnership among those working with CSR-programmes. Sufficient attention on partnerships and collaborations with various stakeholders is needed in order for real and long lasting benefits for developing countries to be secured (Conference Room Paper, UN, 2004).

6.1 Stakeholders

CSR for corporations involves heeding and concerning not only their shareholders, but also the internal and external stakeholders affected by the corporation’s behaviour (Fraser, 2003). For every corporation it is important to receive a general idea of who the stakeholders are and what they expect from the company (Position Paper, Svenskt Näringsliv, 2004). As Aid (2004) argues, companies can and should integrate sustainable economic development concerns into business operations and in their interactions with stakeholders (Conference Room Paper, UN, 2004). A balanced relationship between generating profit and having a responsibility for stakeholders is not only necessary, but also a prerequisite (Löhman & Steinholtz, 2003). It is also important to build awareness and enthusiasm about CSR among government officials, local SMEs and other stakeholders (Conference Room Paper, UN, 2004).

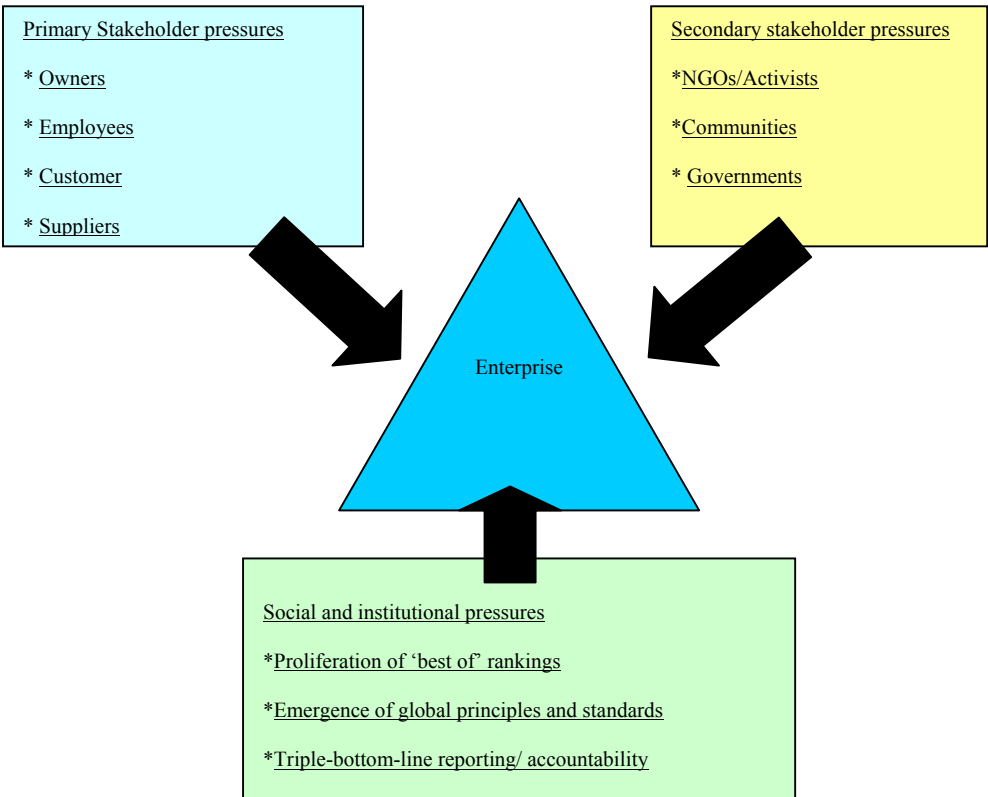
From a CSR perspective, employees are the most valuable resource for a corporation and also the most valuable stakeholders. The valuable resource is competence, and if a corporation do not treat their employees correctly and promote responsibility towards employees and society, they risk losing the competence. Customers are other important stakeholders and perceived as the main driving force for the corporations work with CSR. As mentioned before, it is today no longer enough for a company to produce a good product; it needs to come with a value added. The customers’ increased power has become a way to express engagement in society. Also financial investors put pressure on a corporations work with CSR-programmes.

Owners of the capital are starting to realise the importance of durability, and therefore a corporation who does not work in a responsible way might be in danger of losing investors (Löhman & Steinholtz, 2003). Another important stakeholder when it comes to CSR, especially in developing countries, are NGOs. Global NGOs have emerged, demanding that corporations adhere to expectations regarding labour standards, human rights standards and national sovereignty (Waddock et al, 2002).

Often CSR is explained through the eyes of the corporation and the community is often being neglected. In recent years the community, or more so the governments, have been defined as an important stakeholder for corporations (Boehm, 2002). To some extent the absence of attention on the government is a reflection of the immaturity of CSR-programmes, and also the fact that CSR has not been implemented within many government agencies as they have in corporations (Twose & Rao, 2003). Community leaders can reflect community activities and also influence community participation and community projects (Boehm, 2002). The government can play an important function in shaping a national CSR-agenda, not only by responding to external pressures but also through its knowledge concerning local needs. The challenge for governments is to identify incentives that are meaningful in the national context and to build up strength among local SMEs as well as MNCs. However, local authorities in many developing countries generally lack knowledge concerning CSR and suffer from financial constraints and have limited capacity for regulation and enforcement to encourage CSR (Conference Room Paper, UN, 2004). The responsibility for creating a better state for people to live in is on those who have the knowledge, the economic resources and the power to make these changes (Forsberg, 2003), and therefore, according to Boehm (2002), collaboration between the community and the corporation is preferable. Collaborations require investments of real resources so that the partners have a strong interest in the success of the partnership. Due to this, partnerships need to take a practical approach, i.e. innovative ways of combining profits with benefits regarding the development of the country. In this way, strong foundations for the partnership can be secured, which in turn makes it sustained and long lasting. It can also show a promising way of combining real business value together with development benefits for developing countries (Conference Room Paper, UN, 2004). To be able to collaborate and communicate effectively with various stakeholders concerning CSR, one has to identify the pressures coming from stakeholders on corporations to act responsible, and Total Responsibility Management can be a helpful tool in that process.

6.2 Total Responsibility Management - TRM

Many MNCs are responding to the pressure from stakeholders by focusing on developing, as Waddock et al calls it, *Total Responsibility Management system* approaches (further on we will use the abbreviation TRM) for managing their responsibilities towards their stakeholders and the natural environment (Waddock et al, 2002). To practice CSR as a core part of a corporation’s strategy makes CSR a route for learning and innovation (Conference Room Paper, UN, 2004). TRM can be seen as a way to implement social responsibility within the corporation and also a way to identify the pressure from stakeholders and social institutions. If this is managed correctly, Waddock et al (2002) believes that TRM can be a significant source of competitive advantage for those companies taking the lead. The TRM approach derives from studies of emerging responsibility practices, and these studies points to the importance of integrating responsibility into the company’s vision and values, strategies and practices(ibid, 2002). According to Waddock et al (2002) companies’ stakeholders can be divided into three sources of pressure. These are primary stakeholders, secondary stakeholders and general social trends and institutional expectations. The figure below provides an overview of these pressures.



Somewhat modified model of Stakeholder and Societal Pressures on the Development of Total Responsibility Management (TRM) Systems in Corporations (Waddock et al, 2002:134)

6.2.1 TRM – in Practice

The TRM approach includes three main components; institutionalising a vision of responsible practice throughout the organisation, integration of responsibility into corporate strategies and improvement and innovation through indicators that measure responsibility and learning from experiences (Waddock et al, 2002). The first component is a key element within the TRM approach, which is for companies to ensure that their responsibility is built into the corporate vision and values. To manage this many companies have developed Codes of Conduct that explicitly state their expectations for both internal units and suppliers. These codes are generally constructed with the help of global standards such as the Global Compact. Top management, which are the ones who made the commitment to CSR-programmes, needs to clearly and repeatedly communicate the programme to the rest of the company (ibid, 2002). In the institutionalisation process it is of great importance to engage stakeholders and obtain their perspectives on decisions taken by the company. As mentioned before, one key primary stakeholder is the employee. The voice of the employee is critical but seldom heard until problems develop. Many multinational companies have found that engaging in an active dialogue with employees can be a helpful way to avoid possible problems. Critical external stakeholders also need to be heard if the company's responsibilities are to be met, these include NGO's and activists. Communication with stakeholders is equally important for the company's ongoing efforts to improve and remediate problems internally. Furthermore, communication of the responsibility of a company's practices through marketing, public relations and community relations systems is important if the company is to avoid problems (Waddock et al, 2002).

The next element in developing a TRM approach is integrating the responsibility vision into strategies, practices and thereby translating vision into reality. Implementation of responsibility management today usually involves a responsibility manager of some sort or many companies choose to establish a corporate responsibility department. Their responsibilities lie in coordinating responsibility policies, the implementation of the code and communicating the policies and practices to stakeholders. This is generally outside the operating responsibilities of most managers and often rests in the hands of the corporate responsibility managers, yet it is commonly believed that the success of responsibility practices depends on integration at the operational level (Waddock et al, 2002).

As stated above, a company should incorporate their responsibilities in to their corporate strategies since if it is a part of the strategic plan and people's future are tied to it and their performance is linked to it, they will do it. If a company does this effectively it means measuring responsibility practices and also learning from what has been measured. Thus the third, and final element in the TRM approach is improvement, innovation and learning. TRM can only work at its best when companies learn from what has been done in the past and use that learning to make improvements (Waddock et al, 2002).

Many corporations see the development of the Code of Conduct as a never-ending task similar to maintaining quality. The code requires constant attention since responsibility objectives change, new suppliers are added and personnel change (Waddock et al, 2002). Many companies find that a systematic approach to CSR best serves their purposes. Written policies and structured information can therefore be important tools. However, it is the actual behaviour of a company that matters. It is possible to behave as a good corporate citizen without any Code of Conduct (Position Paper, Svenskt Näringsliv, 2004). Since what is good behaviour is perceived differently the case might be that companies' stakeholders perceive the "good work" differently which might lead to a negative view on corporations ethical work for different people. This fact presents a challenge for corporations in their work of acting responsible towards both internal and external stakeholders. It is difficult to find a balance between making profit and at the same time focus on the relationship between the state and private business (Lantos, 2001).

In order to summarise, formulated CSR-programmes and Codes of Conduct are of little value if not put in practise. For a CSR- programme to be sustainable it has to be part of the strategic planning. Different types of stakeholders put pressure on corporations. Satisfying the demands present challenges and it is mainly through collaboration and effective communication with stakeholders as well as a good balance between internal and external processes, that these challenges can be met and progress into opportunities. Especially in developing countries, established and trustful relationships with stakeholders will often conclude in effective and satisfying CSR efforts and therefore contribute to sustainable development. Furthermore, to identify stakeholder pressures and effectively implement social responsibility, organisations employ TRM. The work of TRM includes three components: institutionalising, integration and measuring responsibility within the organisation. This way, corporations are also able to learn from what has been done in the past and make improvements.

With our purpose in mind, there is a need to ask how CSR is implemented and communicated in a global corporation established in a developing country. How are the internal and external conditions balanced in order to contribute to effective CSR efforts and what pressure is imposed on the corporation from various stakeholders? Is collaboration with stakeholders common practice? The following chapter is where we apply our theoretical framework concerning CSR in practice on our empirical study with the aim of providing answers to the posed questions and subsequently fulfil our purpose.

7. Analysis & Empirical Study – CSR in Practice

The following is an empirical study and analysis of how Ericsson de Guatemala's CSR-programme is put into practice. In order to fulfil our purpose of investigating a multinational corporation subsidiary established in a developing country and their CSR work we will bring to attention how Ericsson de Guatemala implement and communicate CSR as well as identify problems and challenges. Further we will identify the pressure put on Ericsson de Guatemala from stakeholders concerning responsibility since we believe that stakeholders contribute to the conditions in the country as well as corporations CSR efforts. All information is based on interviews with representatives from Ericsson de Guatemala and information from Ericsson's joint website.

As mentioned in our theoretical discussion, there is no "one size fits all" when it comes to implementing and communicating a CSR-programme. This fact is evident in Ericsson de Guatemala. It is evident that the situation in the country requires a great deal of flexibility when working with CSR. Ericsson de Guatemala has a strong will to give something back to society mainly through community development projects and their core business. Furthermore, there are written policies within the company and the core ideology concerning CSR is investigated and integrated with the values of the corporation. However, it can be assumed that it is not thoroughly implemented by Ericsson de Guatemala in their core ideology since much work is done on the side and, stated by one of our respondents: "*not a part of our main obligations.*"

Their main community development project is currently a school that was built in collaboration with a NGO called HOPE. The purpose of this project originates in the belief that education is important in order to contribute to a country's development, especially in a country where 70,6 percent of the citizens are illiterate. This project is a long-term project, which supports what Boehm argues that projects and responsibility should be considered long-term rather than short-term. The school was an initiative taken by the previous general manager at Ericsson de Guatemala and it commenced when the company wished to donate old computers.

According to Campbell et al the CSR-programme needs to be communicated throughout the organisation in order to increase the understanding and subsequently the effect of their responsibility. Furthermore, it is mentioned that CSR-programmes need to involve employees since they are a company's most valuable resource. Ericsson de Guatemala adopts this in the manner that they feel it is important to involve employees in projects since they are an important part in implementing and also promoting the Ericsson corporate citizenship in Guatemala. As one respondent say: *"we get involved with the local people, we try to get connected"*. The school project might seem as an occasional charity work, however it is a part of the more extensive worldwide CSR-programmes that include the entire Ericsson Corporation. It is an integral part of Ericsson's way of working and in accordance with their triple bottom line.

One can assume that employees in Ericsson de Guatemala often feel a great responsibility towards the company's development since working in a global successful corporation is something to take pride in. However, they also feel a great, often personal, responsibility towards the country and perhaps this is the reason to why many would like to engage more in the CSR-programme.

Löhman and Steinholtz argue that it is a prerequisite to have a balance between generating profit and taking responsibility for stakeholders. However, some of our respondents feel that on occasion this is hard to balance. *"It is a full time job attending to my commercial responsibility and there is very little time for social responsibility"*, one of our respondents said, who is responsible for Ericsson Response in Central America. Boehm argues that companies need to effectively use time for CSR. Within Ericsson de Guatemala there is a general feeling that to set aside time for anything else than heed to customers is very complicated and even if employees do dedicate free time to CSR-work, only a few can. Our respondents all complained about wanting to engage, or engage more in the voluntary initiatives like the Ericsson Response, however, business generally comes first. This is despite the fact that Ericsson de Guatemala often encourages employees to engage in the responsibility. The Ericsson Response responsible further argues: *"Sometimes I have to sacrifice normal time, the working time in order to attend the social responsibility program"*. This is not always appreciated by clients; however, due to their established and trustful relation with their customers, it is usually not a problem: *"I am attending a lot of things but*

you are my most important part of business, so that's ok". However internally it can be a problem since many people do not understand why sacrifices have to be made in order to attend to Ericsson Response. As Lantos argue, business people should behave ethically. Though businesses may see advantages in doing things that reflect social concerns, they have no additional social responsibility. One can assume, as mentioned before, that the responsibility and the meaning of it rest upon the individual and their perceptions.

According to Waddock et al, for the responsibility vision to be implemented as part of the company's strategy, usually a responsibility manager or –department is established. At the office of Ericsson in Guatemala, the person most devoted to this work is the person responsible for Ericsson Response in the Central American region. He occasionally finds it difficult to communicate and explain to managers and employees that he sometimes have to sacrifice business hours to attend to an emergency situation. If time is used on these issues it might also be a problem due to priority issues, since, according to our respondent, in Central America, if you are not at work doing what you are supposed to, people tend to think that you are not working. Subsequently, conflicts may arise between the commercial interest and the responsibility efforts. He also mentions that he often work weekends, arguing there is no time for both within normal working hours. Further, when he comes back to the office after attending seminars on these issues, and tries to set aside time for presentations at management meetings, it is difficult to get attention. The office staff is focused on the customers, and the message he wants to communicate is often dismissed. Ericsson de Guatemala has recently constructed a group called *active dialogue* where employees can voice their ideas but again, as our respondents state: "*we have no time*". According to Waddock et al, the responsibility manager should handle the implementation, however in this case it would have been more successful if the integration happened on the operational level, since the operational manager has decisive power over the responsibility manager. As Waddock et al argues, it is often believed that the success of responsibility practices depends on integration at the operational level.

As mentioned, time limitations are obviously a problem when trying to communicate CSR internally. If the responsibility-programmes are to be implemented and of importance, the communication needs to be effective. Once a year the CSR-responsible presents an update on their CSR-work where, amongst other things, the activities concerning the school are communicated. However, many of our respondents argue that the subject should be

communicated further, that it is not sufficient. A more extensive promotion of these programmes is preferred in order to encourage people to enroll, since many employees might not even know the Ericsson Response programme exists. As Waddock et al argues, it is imperative to involve the key primary stakeholder, as their voice is critical but seldom heard. One can assume that their *active dialogue* might be a way to adopt this. However, the main and recurrent problem is time and interest.

According to Waddock et al, responsibility has to be integrated through the corporations' core values and vision and it is important that both employees and suppliers comply with these. Ericsson makes every employee sign their Codes of Conduct when commence work with them. Furthermore the subcontractors sign the code as well as temporary staff from recruitment agencies. And it is generally thought that the Code of Conduct is important. The pressure to follow these standards consequently needs to derive from management. However, Ericsson does not have a control system to ensure that these principles are followed; it is the personal responsibility of the employee. As mentioned in our theoretical discussion, it is the actual behaviour of a company that counts and that it is possible to behave as a good corporate citizen without any Code of Conduct. One can assume that this applies to Ericsson de Guatemala. As expressed by one of the managers: "*at the end you are an Ericsson representative at all times, and if you do not behave correctly you don't have the values to be in this company*". As mentioned in our first analysis, the code is of great importance to workers in developing countries. However, one respondent said that it is important to teach these values to employees, especially in developing countries where people do not grow up with them.

For an employee it is utterly important to act as a role model towards other employees and also towards society. However, as mentioned before, one respondent indicates that in Central America people need correct supervision to be able to comply with these kinds of contracts since they lack education about it. Another respondent is of another opinion, saying that everyone acts according to the code because they feel it is a way to participate in the social responsibility. Though some respondents have the opinion that perhaps the codes should be locally adapted, employees generally agreed upon the fact that it is preferable that the codes are globally constructed, since you are an Ericsson representative wherever you are. Moreover, this is perceived as making the programme more realistic.

Nevertheless, there is no doubt among the respondents concerning the purpose of their employment; the main responsibility is to generate profit for their shareholders. The majority of our respondents feel that responsibility and maximising profit is not hard to balance. This is explained by the fact that Ericsson de Guatemala focus on the business and that CSR is not part of that: *“it is just something that we do”*. However, corporate goals have to be in accordance with the responsibility programme, the triple bottom line approach to sustainability is an integral part of Ericsson’s way of work. Accordingly, if the employees have pressure from the management to achieve corporate goals one can assume that even the responsibility issue is guaranteed.

To say, as Löhman and Steinholtz argue, that the customer is the main driving force for corporations work with CSR and as Fraser argue that stakeholders tend to look for responsible companies when conducting business is not entirely true for Ericsson de Guatemala since the demand from their main customers is mainly product focused. Some respondents definitely acknowledge that CSR-work gives the company a good image and can be helpful in enhancing their reputation. However, in the words of one of our respondents, they would not lose one single customer if they did not have their CSR-programme and demonstrated responsibility. Moreover, stakeholder concern is important for Ericsson de Guatemala not only through a commercial perspective. Although every respondent declared that the ultimate responsibility is towards its shareholders, they also agreed that demonstrating their social work to customers is important. They seem to agree on the fact that having a social responsibility is a win-win situation, because if the country develops then the company will benefit from that since the demand for their products would increase. It is further mentioned that sometimes conflicts can arise between the commercial duties towards the customer and the responsibility duties. As mentioned earlier, sometimes normal time have to be sacrificed in order to respond to emergencies. On occasion this can be difficult to explain to the demanding customers however, since Ericsson de Guatemala have well established and trustful relationships with their stakeholders, they often understand. As Waddock et al mentions, it is extremely important to have good relations with your stakeholders in order to communicate with them.

Furthermore Waddock et al mentions that a company’s key primary stakeholder is the employee, and at Ericsson de Guatemala this is not ignored. The employees are overall proud working at Ericsson, and they all agree that their presence is meaningful in the corporations as

well as the society's development. The CSR-programme is definitely part of this; however one can also assume that a large part of their pride is due to the fact that they are working in a large successful corporation. Moreover, almost every respondent commenced their employment at Ericsson only a few years ago and sees the opportunities to advance within the organization and achieve fulfillment in their work, these are other important factors that go beyond the purely economical. However, the employees also feel that the company takes care of them. One can assume that Ericsson de Guatemala is being responsible towards the society also by taking good care of their employees and their families, as well as securing the employee's safety through handling dangers on and off the worksite. Subsequently one can assume that there is no evident pressure from employees on Ericsson de Guatemala to act responsible since they already do. Instead the pressure seems to emerge from within the company as managers often feel a great responsibility towards their employees.

Moreover, in accordance with their CSR-programme and the will to contribute to the social and economical development in the country, there is a desire to employ locally. However, this comes with many difficulties since, as mentioned earlier, education is rare. When recruiting, usually local workforce is preferred, however finding the competence within the country is difficult. Also, teaching new recruits about the "Ericsson way" can be a problem. To invest and facilitate education will in the end be beneficial for both the company, because local workforce is cheaper, and for the society, since increasing the level of education is important for the development. One can assume that this is indeed a dilemma for Ericsson de Guatemala since their vision is to be best class employer for local citizens.

According to Boehm, another important stakeholder is the community. CSR should always be beneficial for both the community and the corporation and to achieve mutual benefits a collaborative approach is preferable. However, as mentioned before, in Guatemala this seems to be a great difficulty. As one respondent declares: "*You can do a lot of things forgetting the government*". The faith in government is virtually non-existent and the general opinion amongst our respondents seem to be that the society is not progressing in the right direction, this can be illustrated by what one respondent said: "*the last government even managed to take the country backwards five years*". Furthermore, according to Boehm, the community leaders should respond to community activities, influence community participation and provide direction and inspiration. In the case of Ericsson de Guatemala engaging with them would not have the desired effect. Despite this, there is a will to collaborate with the

government. As mentioned by one of our respondents, last year the government initiated an act of responsibility. However, initially it was Ericsson de Guatemala's initiative and the purpose was for the government to continue a project that Ericsson de Guatemala started. It is further argued that the government does not always appreciate the help Ericsson de Guatemala provides to society, which again is referred to political issues. Therefore, one can assume that there is no evident pressure from the government on Ericsson de Guatemala to act responsible and contribute to the economical and social development of the country.

In Guatemala, where the political situation is very unstable, where the government is poor and corruption is common, it is difficult to collaborate with the government. Collaboration with NGOs seems to be preferable and easier. Ericsson often collaborates with NGOs such as HOPE or the Red Cross. This can also be illustrated through Ericsson Response, which is conducted in collaboration with the UN. When disaster strikes, Ericsson de Guatemala's main responsibility is to ensure that the telecommunication is up and running as soon as possible in order to facilitate for help organisations. It is said that implementing their CSR-programme is sometimes extremely difficult because of the political situation. Many of the respondents feel that the government does not conduct business in an ethical way and therefore cannot be trusted, and if there were to be collaboration it would be dependent on the political agenda. Furthermore, the fact that collaboration with NGOs is preferable, it is said that the government does not directly prohibit and hinder Ericsson de Guatemala's responsibility programme. Some of the respondents further argue that one cannot expect the government to help much due to the political situation and the only way to implement and act on responsibility is to do it yourself.

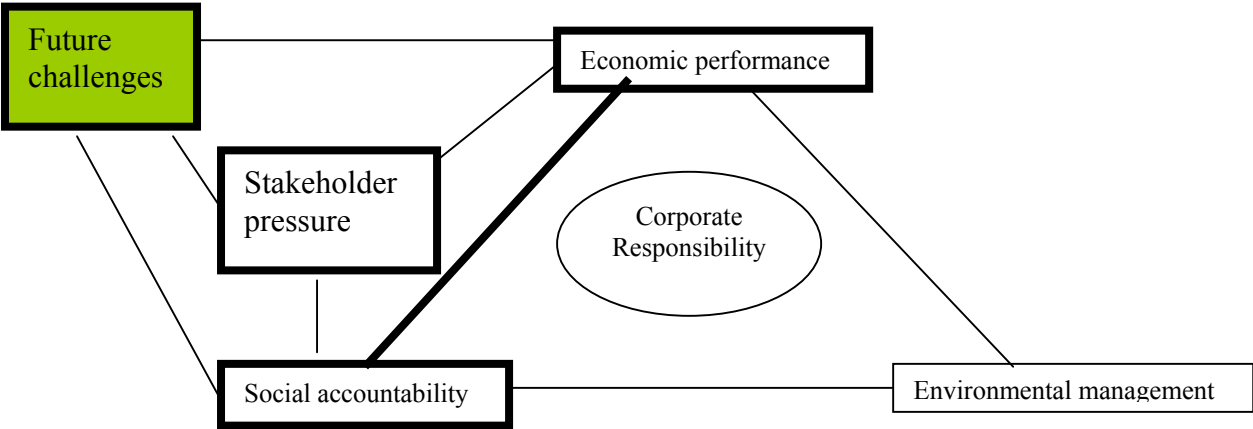
In Guatemala it is preferred working with NGOs as opposed to collaboration with the government. However, there is no real pressure coming from these organisations, usually when Ericsson de Guatemala is participating in charity work they often contact the NGOs, not the opposite, which the theory implies. One can assume that the pressure on Ericsson de Guatemala from NGOs is quite low; in fact Ericsson is probably providing the best service possible solely by being profitable. As Lantos argues, international aid and governments would not be able to provide the services they do without the success of businesses.

In order to summarise, as Waddock et al argues, businesses today experience an increased pressure to reform and improve stakeholder-related practices and because of this there is a

will to be recognised as a responsible company, which is believed to be the new business imperative. Based on facts, there is no doubt that Ericsson believes it to be of great importance to project a responsible image, however in Guatemala one can assume that there is not an increased pressure on Ericsson de Guatemala to act responsibly. It is mainly Ericsson de Guatemala who takes initiatives. If the model provided in our theoretical discussion concerning pressures from stakeholders and social institutions is applied to Guatemala, one can assume that in Ericsson de Guatemala’s case it seems, to an extent, to be reversed. The pressure is coming from inside the company and is directed toward their primary and secondary stakeholders and social institutions.

It is evident that the specific conditions in Guatemala affect, both positively and negatively, Ericsson de Guatemala’s CSR-programme and the way they practice and implement it. The question that remains is what the main future challenges are concerning Ericsson de Guatemala’s CSR-programme. Is there a need for additional collaborations in the future in order to secure the benefits deriving from CSR? Will the pressure from stakeholders increase or remain at the current level? Is the internal pressure sufficient in order to contribute to sustainable development in developing countries? Is there a need to evaluate existing standardised global guidelines?

In order to fulfil our purpose, these questions need to be answered. In the following chapter future challenges with CSR will be brought to attention and later applied to our empirical study.



8. What will happen in the Age of Responsibility?

In this part we will discuss the future challenges and developments concerning CSR. In addition we will provide the reader with a discussion of the challenges concerning CSR in developing countries. We believe that these discussions are crucial to achieve full understanding of the concept of CSR and its future challenges. These are all important aspects to consider in order fulfilling our purpose since understanding the future of CSR in developing countries is crucial for developing an effective CSR-programme today.

As mentioned before, the work with CSR has been influenced by globalisation and from increasing social and environmental pressures. It is obvious that corporations face challenges that force them to understand their responsibilities in the society. What we need is a change of direction towards economic performance, social accountability and environmental management; these constitute the core elements of the Age of Responsibility (Wilenius, 2004). According to Warhurst (2004) frameworks evolve, meaning that corporations might have to reconsider their original position; perhaps they need to realise that being a company is not what it historically was. I.e. the social responsibility is becoming an integrated part of being a company, more than the historically “doing what’s best for shareholders” (Warhurst, 2004). The main concern in this debate deals with the question whether this new role of business possibly also is a role that will undermine the whole logic of the market economy, and the profit’s importance in it (Horn af Rantzien, 2003). Since, as mentioned above, economic development is a prerequisite for social development, this is a delicate subject.

The debate is still in its infancy and many questions arise for the future development of the subject that is CSR. Important questions include topics like who has and where is the ultimate responsibility? Companies today can be of the economical size of small countries, and according to the governments in the countries they carry out business, the role is different depending on the government’s strength, abilities and will (Horn af Rantzien, 2003).

Another important concern is the fact that NGO’s, corporations and governments in the developed world are the ones setting the standards and guidelines for the CSR- agenda,

forgetting that perhaps the agenda would appear different if it was formulated in and by developing countries. According to many, these countries' ability to join the debate needs to be improved (Horn af Rantzien, 2003). Utting (2004) agrees on this, declaring that the CSR agenda tends to be "northern driven", and various environmental or business issues of concern in developing countries may not get much attention.

The need for the development of the methods and a harmonization of reporting initiatives is another topic discussed. Because of the divergence of corporation's way to report and control their CSR-programmes, the risk avails that the confidence for this kind of work will decline (Horn af Rantzien, 2003). In order to compare the performance of different companies in respect of CSR, consistent and systematic criteria need to get formulated for evaluation of corporate performance. A requirement that is undermined by the adoption of different definitions of CSR, and other confusing related terms such as Code of Conduct, business ethics, etcetera (Whitehouse, 2006).

Furthermore, the CSR-agenda often ignores the "big picture", namely the structural and policy determinants of underdevelopments and the relationship of corporations to these determinants. These include for example lobbying, political influence and tax avoidance (Utting, 2004). Utting (2004) further argues that many developing country governments, constrained by international pressures, are unable to develop the type of regulatory and incentive structures that would encourage CSR. Moreover, the perception that if changes really are to be made, starting from the bottom of the problem is preferable, instead of focusing on the symptoms. I.e., to make states and governments sort out the legislative systems and conventions (Tunhammar, 2003).

In order to summarise, social responsibility is becoming part of being a company. Within the CSR-work corporations face challenges. What is needed is a focus on the direction towards economic performance, social accountability and environmental management. Concerning this, the challenge is greater in developing countries where the access of resources may be poor. Furthermore, an improvement of CSR regarding standards adapted to developing countries is needed. What is notable is the fact that corporations today are aware of the social and environmental pressures. That may demonstrate the fact that we have entered the Age of Responsibility. However, since CSR is hard to define and contains many different aspects the future for CSR arises many questions. If the CSR-agenda often ignores the structural and

policy determinants of underdevelopments there is a need to raise questions concerning the future challenges for CSR in developing countries. Can corporations achieve sustainable development on their own since many governments in developing countries are unable to develop regulations that would encourage CSR? Is it really up to corporations to take initiatives? Does the CSR-agenda really respond to developing countries and their needs? Have developing countries entered the Age of Responsibility? In the following chapter we will apply our theoretical framework on our empirical study in order to provide answers to the questions stated above and subsequently pursue our research in order to fulfil our purpose.

9. Analysis & Empirical Study – What will happen in the Age of Responsibility?

The following is an empirical study of the future of CSR in Ericsson de Guatemala. We will bring to attention the future development of CSR as well as current and future challenges. The purposes of this analysis is to provide us with essential information concerning the future of CSR and how the political, economical and social conditions in the country may affect the future of CSR and possibly find answers to how current and future and challenges can be met. This information is, in our opinion, crucial in order to fulfil our purpose. All information is based on interviews with representatives from Ericsson de Guatemala and information from Ericsson's joint website.

As Horn af Rantzein mentions, the debate is still in its infancy and many questions arise for the future development of the subject that is CSR. For Ericsson de Guatemala the future, according to our respondents, is bright in terms of business. The Central American market has great potential and is growing everyday. There is an aspiration to be the sole supplier in Guatemala. Brytting mentions the fact that international companies working in developing countries may undermine the competitive ability for local SMEs, one can therefore assume that this could happen if Ericsson de Guatemala were to be the sole supplier, however it can also be assumed that Ericsson de Guatemala could act as a role model for local businesses and subsequently contribute to the economical as well as the social development. As one of our respondents state: *“The global politics push this kind of countries forward, global companies do these kinds of investments (...) the investment rate is very high”*.

Concerning the future of the country, our respondents are of another opinion. The majority agree that there is much work left before the country can even remotely demonstrate positive development. This can be assumed to present a challenge for Ericsson de Guatemala's CSR efforts. As Horn af Rantzien argues, the main concern in the debate about CSR is that the new role of business might undermine the whole logic of the market economy. Since economical development is a prerequisite for social development the question is where the main focus should lie, on generating profits or engaging in the CSR-agenda?

The reason to why the general assumption is that much work is still needed is due to the political situation. It is agreed that Ericsson de Guatemala will continue to be a part of the country's development, however, to quote one of our respondents “(...) *the political situation is dark. People with money don't care about people with no money*”. One can assume that this presents a challenge for Ericsson de Guatemala's CSR efforts and the opinions on whether it needs to be extended vary amongst the employees, however, it is realised that a different focus is required. It is said that the CSR-programme should be extended, however not in the sense that Ericsson de Guatemala should be responsible for each initiative. Ericsson de Guatemala's aspiration is to act as a role model for other companies established in the country and the region. This can be illustrated by the fact that the school project has received much attention from the media and other companies are currently expressing a will to follow Ericsson de Guatemala's example.

Furthermore, according to Horn af Rantzien there is another important concern regarding the fact that the developed world set the agenda for CSR. The general opinion in Ericsson de Guatemala seems to be that it is positive that CSR-programmes are formulated outside and not locally adapted. However, many respondents believe that the needs are different in Guatemala compared to developed countries. This, although not a demand for local adaptation, is something every respondent realise as a dilemma. The CSR-agenda within Ericsson is formulated by the steering committee in Sweden, far away from the circumstances the employees in Guatemala face everyday, the programme that needs to be followed may include elements that are not adapted to the people. One can assume that there might emerge a conflict considering why the standards that affect numerous cultures should evolve from the Swedish culture.

However, according to Horn af Rantzien, in order to not loose confidence for CSR-programmes there is a need for a harmonisation of the reporting initiatives, which can be assumed to be another reason why a local adaptation of programmes should not take place. At Ericsson de Guatemala this is a common opinion since a globally constructed programme contributes to making it realistic, thus, it should be managed from outside. One can assume that if the programme were to be locally adapted in the 140 countries where Ericsson has business operations, the overall internal and external confidence for their programme would decrease.

In addition, our respondents agree upon the fact that collaborating with the government is difficult. As Utting argues, developing country's governments, constrained by international pressures, are unable to develop the type of regulatory and incentive structures that would encourage CSR. The determinants of structure and policy in a developing country like Guatemala are not enough to make a corporation conduct business in an ethical and responsible way strictly by following the local legislation. Our respondents realise that in order to become a sustainable democracy and society it is important to achieve agreements with governments, even if that is not possible at the moment. Horn af Rantzien raises the question concerning who has and where is the ultimate responsibility, and argues further that the role is different depending on the governments strengths, abilities and will. In Guatemala one can assume that the current government does not express a strong will to contribute to the development of the country. This in turn might affect the CSR-agenda for Ericsson de Guatemala since, according to Boehm, collaboration with the community and its government could enhance the positive effects of CSR. How much should really rest on a company's shoulders? Despite the fact that Ericsson de Guatemala is first and foremost a commercial company, there is still a will and often an obligation to take responsibility towards the country and its people in order to contribute to sustainable development.

As declared by respondents, Guatemala is a young democracy, which contributes to further difficulties since authorities have but one interest, *"to make a lot of money in a short amount of time"*. As one of the respondents argue, what we are doing here is a good thing, however the scale could be larger, perhaps we need to go to the depth of the problems instead of attending to the causes of them. As Utting argue, the CSR-agenda often ignores the "big picture". One can assume the agenda needs to take the national legislative system under consideration in order for it to be effective. Trustful relationships and agreements with governments are not only needed in order to conduct business in countries, it is also needed in order to communicate the importance of CSR to the country and thus actually contribute to sustainable development.

In many aspects our theoretical framework seems to differ from the findings in our empirical research. In the following part of the thesis we will accentuate our most important findings.

10. Summarising Analysis & Conclusions

In this chapter we summarize our most important findings from the analysis presented in the three previous parts in order to answer our research questions. We will bring to attention our view on how CSR works in developing countries today and the difficulties and challenges that derives from that. This will, in our opinion, help us to fulfil our purpose. We will also provide the reader with a discussion where we elevate the concept on CSR in developing countries. Finally, we will provide our own reflections concerning our research.

Based on our purpose we posed the following three questions:

1. Is there a need for an extensive and different CSR-programme in developing countries? If so, what factors might contribute this?

In developing countries the legislative and social system is not formulated to minimize undue business. Due to this fact, corporations have to take responsibility themselves to conduct business in a proper way, thereby there clearly is a need for an extended CSR-programme. But more importantly, the responsibility is different in these countries. There is insufficient desire and will among those who truly should decide and initiate the direction for the society's development. Furthermore, an additional contribution to why there is a need for an extended and different CSR-programme is the fact that the globally constructed guidelines are ignoring the "big picture". We believe that when constructing the CSR-programme it is of great importance that the process starts from the bottom, by that we mean that the focus needs to be on the specific conditions in the country in order for CSR to have its desired effect. We are not suggesting that the globally constructed guidelines are irrelevant, however in order to achieve the desired effect the local situation cannot be foreseen. There are a number of problems when transferring CSR-programmes from the first to the third world, the pressure from various stakeholders differ, the social, economical an political situation in developing countries are quite different from the first world which subsequently affects CSR-programmes. However Ericsson de Guatemala is a subsidiary part of a global corporation and therefore is obligated to follow global guidelines constructed within Ericsson. This can be an advantage since having an established CSR-programme may increase the knowledge

concerning the importance of CSR. However, this global obligation can create conflicts since this may not be adapted to the specific conditions in the country and the subsidiaries relationship with local stakeholders in the third world may differ from the first world. Moreover we believe that the CSR should be more directed towards local companies and not only MNCs, which would contribute to the development of the country, which in turn would favour the local companies since they would generate more profit. In turn this would favour the competitiveness in the country, which is one of the OECDs principles for sustainable development. Furthermore, in order for the CSR-programmes to be effective SMEs must become an integral part of the process in addition to MNCs and local governments. This would, in our opinion, be to truly start from the bottom.

2. How does a subsidiary established in a developing country balance their internal processes with their external work towards society? Can conflicts arise? If so, what are they?

Why a corporation needs to balance the internal work with the external and how it should be balanced is mainly due to the pressures from different stakeholders and social institutions. However, in developing countries it seems as though there is no evident pressure from local stakeholders concerning responsible behaviour, except NGOs. Therefore difficulties concerning balancing internal work with external processes are not apparent. The only main pressure to act responsibly derives from the corporation itself. The pressure from inside originates in the pressure stakeholders worldwide put on Ericsson corporation as a whole. The stakeholders are of the same kind, customers, employees, governments, but because of different levels of development, Ericssons pressure on Ericsson de Guatemala is greater than the pressure from stakeholders close to Ericsson de Guatemala. Because of this, obviously CSR comes with many difficulties in developing countries. The main conflict seems to be how to balance the different internal pressures since communicating the CSR-agenda can be difficult. Since local employees seem to feel a greater personal responsibility towards the country's development, conflicts may arise between the collective and the individual responsibility since not enough time is given to work with CSR. Subsequently, on the individual level it can be difficult to balance generating profit with taking responsibility for the society. We believe that the collective CSR-programmes within corporations enable individuals to take responsibility since they are structured and recognised programmes. One can assume that these programmes enables and allows individuals to set aside resources for

taking responsibility and in turn facilitate balancing generating profits and taking responsibility. However, in developing countries, this can be a dilemma since there are numerous fundamental problems and needs, and attending to all of these would more than likely create priority difficulties. However, as opposed the theoretical discussion, the main problem is not internal communication but the external. There is a need for an extensive and more effective external communication within the developing countries in order to enlighten the importance of CSR and the need to encourage external participation in the society's social and economical development.

3. What are the challenges in the future concerning CSR in developing countries? How can these be met?

The political and economical situation present several challenges for corporations and their CSR efforts. In order to contribute to effective and sustainable CSR the situation also presents challenges for institutions and organisations that construct the CSR-guidelines and principles. Many years will pass before developing countries can demonstrate a healthy economical and social environment; therefore there is a need to re-evaluate existing guidelines and principles. One can assume that since the knowledge concerning CSR often lies within the MNCs they are the ones to communicate the importance of social responsibility to external stakeholders. Considering that MNCs already have established CSR-programmes, they could act as role models for local businesses. However, as mentioned, how much should really rest on the companies' shoulders? The will and desire to be involved in the country's development needs to be implemented and communicated to governments in developing countries in order to contribute to long-term sustainable development. "If there is a will, there is a way". How much pressure should really be put on MNCs by global institutions and organisations? There is a need to evaluate the fundamental problems in developing countries in order to fully understand the political and economical situation. The MNCs main focus should be to contribute to the economic development and share the responsibility concerning social development with the local government and social institutions. The future role of the government should be to decide what actions are necessary in order to contribute to social development. Based on this, the CSR-agenda should be formulated.

Fundamental changes need to be made before developing countries can enter the Age of Responsibility even if the global corporations already have.

10.1 Discussion

Companies who wish to expand in developing markets need to consider the specific conditions that characterise the market. This is where an extensive and different CSR-programme is necessary. The programme needs to support the development of the society. Only then, the CSR-programme will have a real effect on the development of the country, and only then, the company can accomplish their goal for further expansion. However, if a company has different intentions with being established in a developing country, such as cheap labour, their goal with the CSR-programme might be different since the society's development might counteract with the interests of the corporation. Therefore, we believe that it might be easier to integrate the CSR work with the corporation's strategy and values if their core business and products are of the character that they contribute to the societal development. If the vision of the CSR-programme is not in accordance with the corporation's the conviction and the faith in the CSR-programme may perhaps decline. Thus, we suggest that for a CSR-programme to be successful it is positive if the business of the corporation benefits from the society's development.

The question whether CSR-work should be voluntary or mandatory differs. There is a perception that since working with a responsibility programme might increase a corporation's image, it can and should stay voluntary. If it was to be mandatory, it is in the hands of the corporation to decide what precautions to take when conducting business; they will be the ones deciding what factors are important in developing a society. In our opinion, due to the fact that managers of a corporation are not chosen in democratic elections, corporation's engagement in a society's welfare should not be forced on them. Therefore, CSR is not something that should be put on a corporation's shoulders unless voluntary. However, because of the transparency companies are in today, in our opinion, they would not be able to conduct business and survive unless they did it in a responsible way. Although this is not of main concern in the market in the developing countries, we believe it is a critical factor on the market in industrialised countries if corporations do not take these responsibilities seriously.

Since CSR is voluntary, and it is every individual's free choice to participate in the effort, it has to be meaningful for individuals in order for them to participate. If what you wish to accomplish with the CSR-work is too far from the own reality the individual might have difficulties to see the benefits of it. Hence, even if CSR is an effect of a collective

responsibility, individual participation is crucial. Social community projects, for example charity initiatives, can be a solution to this. In order for the employees to witness that their participation in the CSR-programme has a positive and direct effect, short-term projects are often beneficial. This provides meaning and might therefore contribute to a more long-term commitment.

Perhaps CSR needs to change its focus to where it originated. CSR is still something that is not easily implemented and balanced in developing countries. Since often the political system and infrastructure in these countries are unstable this means that the CSR also will be unstable and unsustainable. One can assume that the guidelines and principles constructed by the developed countries and numerous political institutions need to realise the fact that CSR needs to start from the bottom and up. This is something also stated in many reports and articles. Therefore, it seems odd that this is not followed. Discussions concerning CSR and its development are more than often taking place far from where CSR is actually needed. Therefore round table discussions and debates concerning CSR and its future development are not sufficient.

However, it is important in these countries not to rush the development towards becoming more industrialised. It is vital to adjust the development to the needs of the country. It is therefore of great importance to consider how CSR-programmes should be implemented. As mentioned before these should be constructed together with the country in order to not ignore the “big picture” and see where changes really need to be made.

10.2 Reflections

In a perfect world the need for CSR would not exist, legislation would be adjusted accordingly to “sound business”. However, since capitalism often comes prior to ethical behaviour this is not the case. Therefore, the concept of CSR needs to be continually evaluated and developed.

If economical development is needed for the country to improve their social situation, it is beneficial for Guatemala to have global corporations present in the country, however after conducting our research we cannot help but wonder how there can be such lack of engagement from local governments and social institutions concerning the development of the

country. It seems somewhat odd that the only true engagement we noticed came from the global corporations and various NGOs.

Therefore, we believe that it would be interesting to investigate how local companies and governments in developing countries perceive their responsibility towards their country's development. Is there a genuine will to contribute or is it up to global companies to develop countries? There is an internal pressure on global companies to behave ethically; does this pressure exist in local companies? Furthermore, it would be interesting to investigate local companies' role in the development of the country and how they might be able to contribute to sustainable development. Are they going the "government way" or the "Ericsson way"? Furthermore, it would also be of great interest to compare two or more global corporations established in different developing countries and investigate if the implementation is different, and what the challenges are in different developing countries. Another interesting topic for future research is to investigate how culture might influence the perception of social responsibility.

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Appendix 1

Interview guide, management at Ericsson de Guatemala.

This interview guide is directed towards the managers in the company.

Questions:

1. For how long have you been a manager at Ericsson de Guatemala? What is/are your position/duties?
2. What was your occupation before? Background/education and experience?
3. Have you been working within the Ericsson Corporation for long?
4. What is your future plan? Professionally?
5. Background to why you are currently working in Guatemala? What lead you there?
6. When was Ericsson established in Guatemala? Background? What exactly does Ericsson do in Guatemala? Type of business
7. Advantages and disadvantages with being established and working in Guatemala? Challenges? Opportunities? Both on an individual level as well as on a corporate level
8. What differences can you see in the way you work here compared to your previous experiences?
9. Does the country surroundings, i.e. economic, social and environmental situation, affect the way Ericsson do business in Guatemala? If so, in what way?
10. Do you feel that you have a responsibility towards the country and its development?
11. On Ericsson website one can read that Ericsson work a lot with Corporate Responsibility, socially, economically and environmentally. How does this work in practice? Is this corporate responsibility globally constructed or is it adjusted and developed depending on country?
12. How does this corporate responsibility work on a daily basis? Are there guidelines to follow? Do you encourage staff to think and act responsible both during working hours and during their free time? If so, how does this work?
13. Is this Corporate responsibility programme static or does it change and evolve over time? If so, how does Ericsson practically develop new ideas and guidelines concerning Corporate responsibility?
14. How does Ericsson maintain their CSR-programme? Do you update continuously? If so, how? Both internally and externally, i.e. updates concerning both the business and the country?

15. Does having a responsibility towards both the business and the country present a challenge? If so, in what way?
16. How do you balance maximising company profits with your external work, i.e. towards the country? In what way does Ericsson contribute to Guatemala's development as a country?
17. In what way does being established in Guatemala challenge your corporate responsibility? Does your CSR-programme differ depending on country?
18. Ericsson is a global corporation, do you follow a global strategy in the way you do business or does Ericsson adapt to the country and its demands/needs/market etc?
19. How attractive is the Latin-American telecom market?
20. How would you describe your Business Ethics?
21. Is this important for the company's contacts, both internally with staff and also externally with stakeholders and customers? In what way?
22. How do you communicate these standards throughout the company?
23. How do you work with the Business Ethics on a daily basis?
24. Whose responsibility is it that these standards are being followed? How do you control it?
25. Do you see any disadvantages or difficulties working with your Business Ethics program in Guatemala comparing to other countries?
26. What are the requirements needed to become an Ericsson de Guatemala employee?
27. Do you recruit both internally and externally?

Interview guide, staff at Ericsson de Guatemala

This interview guide is directed towards the staff in the company.

Questions:

1. How long have you been working here? What is your position today, before? What was your occupation before? Background/education and experience?
2. How do you find working at Ericsson de Guatemala?
3. What differences can you see in the way you work here compared to your previous experiences?
4. How do you experience working in a foreign company in Guatemala?
5. What is your future plan? Professionally?
6. How do you experience the contact between staff? Between staff and the management? How do you communicate?
7. What is a regular working day for you?
8. Do you have contact with customers, partners and stakeholders?
9. Do you feel that you have a responsibility towards the company and its development?
10. Can you experience this responsibility towards the country and society in whole?
11. On Ericsson website one can read that Ericsson work a lot with Corporate Responsibility, both socially, economically and environmentally. How do you feel the company works with these standards?
12. How do you feel this corporate responsibility is experienced in your daily work? Are there guidelines to follow from the management? How are these guidelines communicated? Are they easy to understand and follow?
13. Do you feel you are encouraged to think and act responsible both during working hours and during your free time? If so, in what way?
14. Is it important to feel this responsibility towards the company and the society? How does it affect your daily work?
15. Do you feel you have the opportunity to voice own ideas in the company?
16. What do you find are the requirements needed to become an Ericsson employee in Guatemala?
17. How do you work with ethical questions within the company?
18. Do you get any guidelines from the management?
19. How are these ethical principles shown in your daily work?

Abbreviations

CSR	-	C orporate S ocial R esponsibility
MNC	-	M ultinational C ompany
NGO	-	N on- G overnmental O rganisation
OECD	-	O rganisation for E conomic C o-operation and D evelopment
SME	-	S mall M edium S ized E nterprises
TRM	-	T otal R esponsibility M anagement
UN	-	U nited N ations